

ANNOUNCEMENT NO. 72 - 18 AUGUST 2021

INTERIM REPORT SECOND QUARTER AND FIRST HALF-YEAR 2021



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Conference call and audiocast

A telephone conference as well as an audiocast will be held today at 10:30 a.m. (CET), where CEO Jan Rindbo and CFO Martin Badsted will comment on the interim report.

Participants can join the audiocast to view and listen to the live presentation, while conference call participants have the ability to ask questions at the end of the call.

The accompanying presentation will be available on NORDEN's website prior to the conference call and audiocast.

It is requested that all conference call participants have joined the call by latest 10:25 a.m. (CET):

Webcast link:

<https://edge.media-server.com/mmc/p/5szd8ksn>

Dial in details for conference call:

Danish participants: (+45) 3272 0417

International participants:

UK: +44 (0) 2071 928338

USA: +1 646 741 3167

Confirmation code: 1898575

The audiocast will be recorded and made available on NORDEN's website subsequently.

Further information

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KEY POINTS

SECOND QUARTER 2021

Results

Adjusted Result* for Q2 2021:
USD 32 million (Q2 2020: USD 29 million).

- Asset Management: USD 2 million (USD 11 million).
- Dry Operator: USD 34 million (USD -4 million).
- Tanker Operator: USD -4 million (USD 22 million).

Adjusted Result for H1 2021:
USD 26 million (H1 2020: USD 58 million)

* "Profit/loss for the period" adjusted for "Profit/loss from sale of vessels, etc".

Markets

- Dry cargo: Extremely strong market rates driven by supply disruptions and high demand. Spot rates increased by 60% for Supramax and 71% for Panamax in Q2, benefitting the vessel types which NORDEN operates.
- Tankers: Continued subdued oil demand related to COVID-19. Rates further negatively impacted by unwinding of inventories and ongoing crude carrier competition.

Business highlights

- Asset Management: Market value of owned and leased vessels increased significantly by USD 258 million, benefitting from strong dry cargo market expectations. Actively converting market value to profit through vessel sales that will benefit H2 with USD 29 million in sales gains. Entering into attractive time charter covers that will benefit 2022 results. Extension options becoming increasingly valuable.
- Dry Operator: Capturing value in the strong market during Q2, and expecting even stronger performance in H2. In addition, benefitting from extensive arbitrage opportunities across vessel types and geographies.
- Tanker Operator: Preparing for future rate improvements by adding length and optionality to portfolio, while mitigating short-term exposure.

Guidance

Based on expectations of a strong H2, combined with recent increases in forward freight rates in Dry Cargo, NORDEN increases its guidance for the full-year Adjusted Result for 2021 to be in the range of USD 140 to 220 million (previously USD 140-200 million).

This is the third time NORDEN has raised its guidance since the Q1 report.

"Our Q2 result is the best quarterly result in 6 years, and NORDEN is on track to deliver the best annual result in 11 years, despite all-time low tanker rates. We continued to see substantial increases in the market value of our owned and leased portfolio, while our long position enabled us to capitalise on the very strong dry cargo market. We expect significantly higher earnings in H2, and combined with recent increases in forward freight rates in dry cargo, we increase our guidance for the full-year adjusted result to USD 140-220 million".

CEO Jan Rindbo



KEY FIGURES AND RATIOS FOR NORDEN

USD million	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Income statement					
Revenue	854.7	615.7	1,458.6	1,230.3	2,597.8
Contribution margin	129.3	106.3	204.6	217.1	435.6
EBITDA	105.4	85.8	163.7	175.0	342.5
Profit/loss from sale of vessels etc.	0.0	0.0	-9.2	0.0	-18.2
Profit/loss from sale of vessels in JV	0.0	0.0	0.0	-1.5	-1.5
Depreciation, amortisation and impairment losses	-65.0	-50.0	-122.0	-97.8	-201.9
EBIT	40.1	36.5	32.5	73.5	119.4
Financial items, net	-6.4	-6.1	-13.0	-13.3	-26.7
Profit/loss for the period	31.8	29.0	16.9	56.7	86.0
Adjusted Result for the period ¹⁾	31.8	29.0	26.1	58.2	105.7
Statement of financial position					
Total assets	2,060.7	1,830.6	2,060.7	1,830.6	1,824.8
Equity	690.6	917.3	690.6	917.3	902.5
Liabilities	1,370.1	913.3	1,370.1	913.3	922.3
Invested capital	1,424.7	1,348.6	1,424.7	1,348.6	1,246.3
Net interest-bearing debt	-734.1	-431.3	-734.1	-431.3	-343.8
Cash and securities	297.3	257.3	297.3	257.3	331.6
Cash flows					
From operating activities	-13.4	134.1	-65.1	169.1	396.0
From investing activities	-13.6	56.0	38.6	-5.8	-45.1
- hereof investments in property, equipment and vessels	0.4	-4.5	-1.1	-4.0	-27.1
From financing activities	89.3	-108.9	67.5	-114.9	-228.2
Environmental and social figures					
EEOI (gCO ₂ /tonnes-mile) ⁵⁾	9.5	9.6	9.5	9.1	8.8
LTIF (million working hours) ⁶⁾	0.0	0.0	0.6	0.9	0.6

USD million	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Share related key figures					
Number of shares of DKK 1 each (including treasury shares)	39,200,000	42,200,000	39,200,000	42,200,000	40,700,000
Number of shares of DKK 1 each (excluding treasury shares)	37,660,561	38,990,633	37,660,561	38,990,633	37,805,533
Number of treasury shares	1,539,439	3,209,367	1,539,439	3,209,367	2,894,467
Earnings per share (EPS) (DKK)	5	5	3	10	14
Diluted earnings per share (diluted EPS) (DKK)	5	5	3	10	14
Book value per share (excluding treasury shares) (DKK) ²⁾	115	157	115	157	145
Share price at end of period (DKK)	200	89	200	89	110
Other key figures and financial ratios ³⁾					
EBITDA ratio	12.3%	13.9%	11.2%	14.2%	13.2%
ROIC ⁴⁾	12.0%	11.1%	4.9%	11.2%	9.4%
ROE ⁴⁾	15.1%	12.5%	4.2%	12.4%	9.8%
Equity ratio	33.5%	50.1%	33.5%	50.1%	49.5%
Total no. of ship days for the Group	41,982	36,613	82,435	70,168	153,195
USD/DKK rate at end of the period	625.73	665.53	625.73	665.53	605.76
Average USD/DKK rate	616.72	677.30	617.05	677.53	653.43

¹⁾ Adjusted Result for the period is computed as "Profit/loss for the period" adjusted for "Profit/loss from the sale of vessels, etc." including adjustment for sale of vessels in Joint Ventures.

²⁾ Converted at the USD/DKK rate at end of period.

³⁾ 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 2020. The figures are adjusted for the Company's holding of treasury shares.

⁴⁾ Figures are annualised.

⁵⁾ 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 from FY 2020 as it now also includes vessels and voyages on T/C-out to third parties. Previously, only own voyages were included.

⁶⁾ 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.



COMMENTS ON THE DEVELOPMENT OF THE SECOND QUARTER AND FIRST HALF-YEAR 2021

Results

The Adjusted Result for the second quarter and first half-year of 2021 amounted to USD 32 million and USD 26 million, respectively. The profit for the second quarter of 2021 amounted to USD 32 million (USD 29 million). For the first half-year of 2021, the profit for the period was USD 17 million (USD 57 million).

Depreciations increased both for the second quarter and for the first half-year of 2021, mainly due to recognition of more right-of-use assets in Asset Management and Dry Operator compared to last year.

EBIT amounted to USD 40 million in the second quarter of 2021 (USD 37 million). For the first half-year of 2021, EBIT amounted to USD 33 million (USD 74 million). Net financial items amounted to a net cost of USD 6 million (USD 6 million) in the second quarter and USD 13 million (USD 13 million) in the first half-year.

Equity

Equity amounted to USD 691 million at the end of Q2, compared to USD 903 million at the end of 2020. The development is due to dividends paid and a temporary effect of fair value adjustments on cash flow hedges in line with rising dry cargo market rates. Equity is expected to increase significantly during H2 2021

as the effect of these cash flow hedges is reversed and earnings from hedged Dry Cargo positions are realised.

Cash flows & liquidity

Cash flow from operating activities for the second quarter was negative USD 13 million (USD 134 million), which was negatively impacted by development in net working capital of USD 121 million mainly due to fair value adjustments on cash flow hedges. Strong positive cash flows are expected for the rest of the year as the profits from the hedged physical contracts materialise.

At the end of the second quarter, NORDEN had available liquidity of USD 322 million, which consists of USD 297 million in cash and cash equivalents supplemented by USD 25 million in undrawn credit facilities.

In June, NORDEN received USD 100 million from a successful placement of senior unsecured bonds, which will mature on 28 June 2024. The bonds will pay a coupon rate of 3 months LIBOR + 4.75% per annum, with quarterly interest payments.

Impairment assessment

NORDEN has carried out a routine assessment of indicators of impairment. Management has concluded that no im-

pairment test had to be performed for the cash generating units Dry Cargo and Tankers. It is Management's assessment that at the end of the second quarter of 2021, there is no need for impairment of vessels, right-of-use assets and newbuildings or reversal of previous impairment.

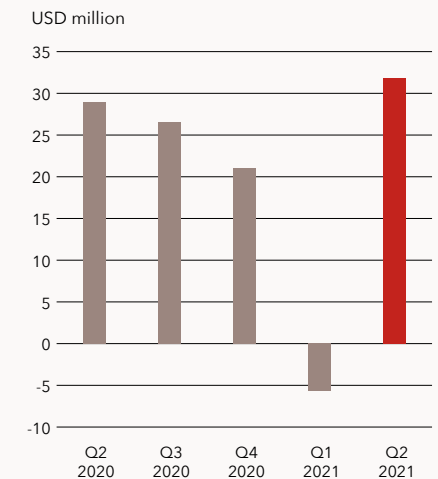
Energy efficiency operational indicator (EEOI)

NORDEN's overall carbon emissions relative to transport volumes has been stable compared to the same period last year. In Q2 2021, during a period with record high dry cargo activity, NORDEN's EEOI amounted to 9.5 (see page 4 for definition and development in EEOI).

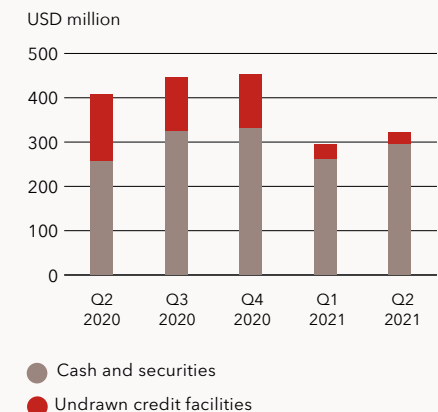
Lost time injury frequency (LTIF)

During Q2 2021, there were 0 injuries on NORDEN owned vessels, and this has decreased the year-to-date average for lost time related to injuries on board vessels from 1.3 to 0.6 (see page 4 for definition and development in LTIF).

Adjusted Result for the period



Available liquidity





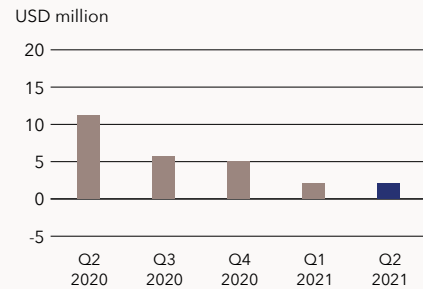
SELECTED SEGMENT FIGURES

SECOND QUARTER 2021

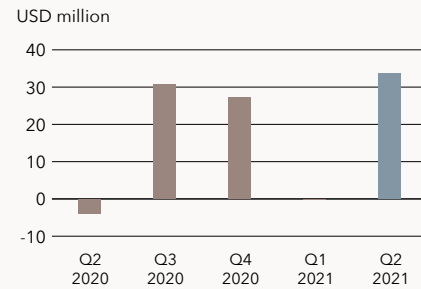
USD million	Asset Management	Dry Operator	Tanker Operator	Total
Contribution margin	54.3	70.1	4.9	129.3
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	51.1	54.8	-0.5	105.4
Profit/loss from operations (EBIT)	8.5	35.7	-4.1	40.1
Profit/loss for the period	2.1	33.7	-4.0	31.8
Profit/loss from the sale of vessels	0.0	0.0	0.0	0.0
Adjusted Result for the period	2.1	33.7	-4.0	31.8

Adjusted Result for the last 5 quarters

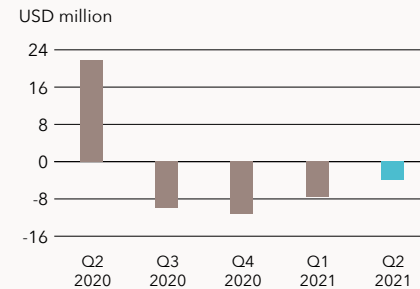
Asset Management



Dry Operator



Tanker Operator



For further information on the segments see note 2.

Adjusted Result for the period

USD 32 million

Cash flow from operating activities

USD -13 million

Change in value of Asset Management portfolio

USD 258 million



ASSET MANAGEMENT

DRY CARGO PORTFOLIO VALUE CONTINUES TO INCREASE

- Adjusted Result Q2: USD 2 million
- Significant portfolio value increase
- Dry cargo optionality increasingly becoming valuable

Results and activity

Asset Management delivered an Adjusted Result of USD 2 million (Q2 2020: USD 11 million). EBIT amounted to USD 9 million. The market value of the Asset Management portfolio of both owned and leased vessels increased significantly by USD 258 million compared to the end of Q1. Asset Management has been very well posi-

tioned to benefit from the strong dry cargo market as it has actively been adding exposure towards Dry Cargo and reducing in Tankers during the past 12 months. The continued strong trends witnessed in the dry cargo market during especially the second half of Q2 has significantly increased dry cargo forward rates and asset values, driving the majority of the fleet value appreciation. While tanker period rates continue to be challenged, the tanker asset prices have proven to be remarkably stable over several quarters and have even showed signs of increases.

While NORDEN believes the strong dry cargo rates will continue for some time ahead, the business unit has started to convert market value to profit through dry

cargo vessel sales, which will positively impact H2 with USD 29 million in sales gains. In addition, the business unit entered into attractive time charter cover, which will benefit results from 2022 onwards. There has been limited changes to the Tanker portfolio, which continues to benefit from a high degree of coverage in the ongoing weak product tanker market.

With increased period rates, several of the 1-year extension options on dry cargo period vessels are becoming valuable, underpinning the long-term potential of the considerable amount of optionality within the portfolio.

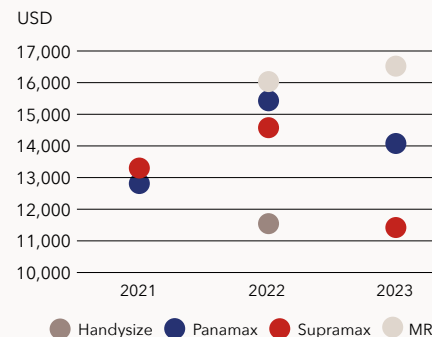
At the end of Q2, Asset Management's fleet increased to a total of 116 vessels, of

Asset Management values

USD million	Dry Cargo Q2 2021	Tankers Q2 2021	Group Q2 21	Group Q1 2021
Market value of owned vessels and newbuildings (charter free)	710	333	1,043	891
Estimated market value of T/C and cover portfolio (incl. estimated value of optionality)	184	55	239	133
Total Asset Management portfolio value	894	388	1,282	1,024
Market value of owned vessels vs. carrying amounts	127	-71	56	-53

Extension options next 2 years

Average values per vessel type



Asset Management key figures

USD million	2021 Q2	2020 Q2	Last 4 Quarters
Contribution margin	54.3	59.6	215.6
O/A costs	-3.2	-5.0	-16.7
EBIT	8.5	17.2	13.4
Adjusted Result	2.1	11.2	14.9

Asset Management fleet

	Dry Cargo	Tankers	Total
Active fleet			
Owned vessels ¹⁾	17	18	36
Leased vessels ¹⁾²⁾	43	18	61
Total active	60	36	96
For delivery			
Owned vessels ¹⁾	8	0	8
Leased vessels ¹⁾²⁾	9	3	12
Total for delivery	17	3	20
Purchase options	49	20	69
Extension option days	51,460	14,253	65,713

¹⁾ Incl. J/Vs and sold vessels for future delivery

²⁾ Minimum lease period in excess of 2 years

Asset Management fleet

116



ASSET MANAGEMENT

DRY CARGO PORTFOLIO VALUE CONTINUES TO INCREASE

which 44 were owned. The current portfolio of leased vessels comes with significant optionality through 69 purchase options and a total of 65,713 optional days, providing significant upside potential. Within this amount, NORDEN has 23 extension options on dry cargo vessels and 2 on tanker vessels by mid-2023.

Dry cargo asset and period market

Dry cargo rates continued their upward trend during Q2 across all NORDEN vessel types, following continued underlying strong import demand from China, combined with gradual improvements in the rest of the world markets. As future sentiment of the dry cargo market continue along a positive trajectory, the 1-year T/C

rate for a Supramax vessel increased from USD 21,000 per day to USD 28,625 per day during Q2, equal to a 36% increase. The price for a 5-year old Supramax increased by 27%.

The long-term outlook for the dry cargo market remains well supported by a historically low orderbook of new dry cargo vessels, as container vessel newbuilding orders take up the shipyard pipeline in the next few years.

Tanker asset and period market

The drought in global demand of clean petroleum products (CPP) continues to place a strain on the product tanker market. Drawdowns on existing oil stocks

further weakened market demand, combined with strong negative influence from crude carriers. However, tanker period rates started to show positive developments, while tanker asset prices remained remarkably stable and even slightly increased in some vessel types.

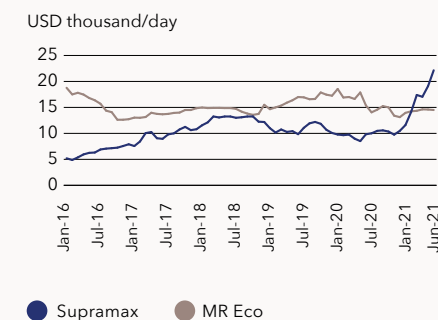
Consequently, the 1-year T/C rate for eco tonnage increased by USD 1,500 to USD 14,625 per day through the quarter compared to non-eco tonnage, which increased by USD 750 to USD 12,375 per day. Meanwhile, the price for a 5-year old MR increased by 2%.

Historically low orderbooks of tanker vessels and rising yard costs provide good support to tanker asset prices despite weak spot markets.

Asset Management TCE, USD per day

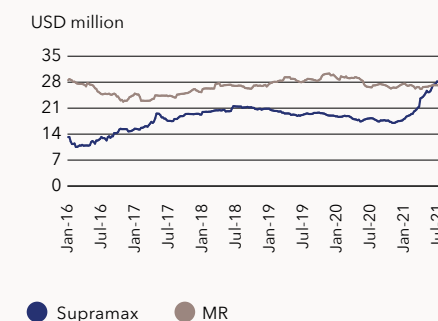
	Q2 2021		H1 2021	
	Days	TCE	Days	TCE
Tankers				
Handysize	469	11,882	1,017	12,252
MR	2,773	14,720	5,404	14,973
LR1	33	19,137	123	19,329
Tanker total	3,275	14,357	6,544	14,632
Dry Cargo				
Handysize	509	13,588	963	13,328
Supramax	2,912	10,522	5,677	10,591
Panamax	1,830	11,809	3,479	11,470
Dry Cargo total	5,250	11,268	10,119	11,153

1-year T/C rate



Source: Clarksons

Asset values - 5-year old vessels



Source: VesselValue



DRY OPERATOR

CAPITALISING ON LONG POSITION IN STRONG MARKET

- Adjusted Result Q2: USD 34 million
- Adjusted Result last 4 quarters: USD 92 million
- Result driven by long position, record-high activity and soaring market rates

Results and activity

Dry Operator generated an Adjusted Result of USD 34 million in Q2 2021 (USD -4 million), and is starting to capitalise on the extensive long position (more vessels than cargoes) built up in Q1 and during Q2. As market rates continued to increase during the quarter, Dry Operator extended its all-time long position, which will further benefit earnings in H2. Dry Operator has thereby been able to provide plenty of tonnage to its cargo customers throughout the period, where tonnage was in short supply.

During Q2, the ongoing market volatility presented good opportunities for arbitrage and optimising operations across geographies and vessel types, which Dry Operator utilised based on its broad network, local presence across regions and applying multiple trading strategies across its sub-markets.

Given the current degree of market volatility, the ability to extract value from the daily operation of vessels provides an additional margin layer to the business. Dry Operator strengthened its market share during the period, and the average number of operated vessels increased to a record-high 343 vessels in Q2. This corresponds to 31,217 vessel days and an increase of 26% against Q2 2020.

Market development and outlook

Dry cargo rates increased considerably during Q2, with spot rates increasing by 60% for Supramax (reaching USD 32,300 per day) and 71% for Panamax (reaching USD 38,100 per day). The market continues to be driven by Chinese import, but there is increasingly momentum building up from the rest of the world and across the Atlantic basin. In China, imports of iron ore and exports of steel have increased during the quarter, and in general, Asia-driven market activity continues to be strong. In the Atlantic basin, the whole region has strengthened, and this is partly due to seasonal developments picking up demand, as well as gradual market recovery in line with reopening and fiscal stimulation of markets following COVID-19 lockdowns. However, the difference in the Pacific and Atlantic basins remained unusually high in favour of the Pacific.

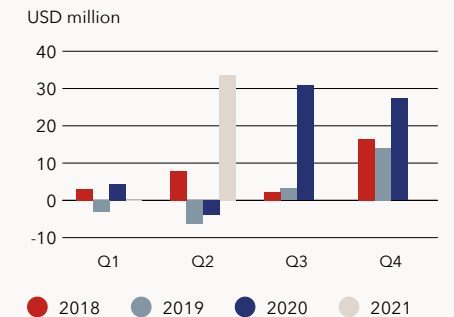
On top of the increased market activity stemming from pent up demand in the rest of the world, market inefficiencies such as logistics bottlenecks and port congestions have further added to the dry cargo rate surge. With ongoing strong market demand and charterers focusing mainly on covering their short-term needs, the market experienced a shortage in vessel supply, creating a heavy degree of backwardation, increasing spot rates in the short-term relative to lower future prices.

While the surge in market rates is unlikely to last, the dry cargo market is expected to remain at strong levels for the rest of 2021. China is not expected to continue the high import levels at current commodity price levels over the coming years, however, the economic recovery and market demand stemming from the rest of the world is expected to compensate for this to some extent.

Dry Operator key figures

USD million	2021 Q2	2020 Q2	Last 4 Quarters
Contribution margin	70.1	10.2	200.3
O/A costs	-15.3	-8.9	-59.6
EBIT	35.7	-3.0	96.8
Adjusted Result	33.7	-4.0	91.6
Vessel days	31,217	24,806	117,906
Adj. result per vessel day (USD/day)	1,080	-161	777

Dry Operator Adjusted Result by quarter



Average number of vessels operated in the second quarter

343



TANKER OPERATOR

ADDING OPTIONALITY FOR LONG-TERM IMPROVEMENTS

- Adjusted Result Q2: USD -4 million
- Adjusted Result last 4 quarters: USD -33 million
- Mitigating short-term exposure while adding length and optionality

Results and activity

Tanker Operator realised an Adjusted Result of USD -4 million (USD 22 million) in a market that is only slowly recovering from the demand shortage stemming from the ongoing impact of the COVID-19 pandemic.

Nonetheless, NORDEN believes in the opportunities ahead when looking into 2022 and beyond, as we continue to add length to our position by taking in time charter vessels at low market rates with optionality included. The market value of the optionality on the added tonnage does indicate good potential when looking into 2022 and 2023, in line with expected market recovery.

On top of this, the business unit has managed to optimise the daily operation of vessels and voyages, as well as benefitting from higher demurrage compensation, generating higher earnings. In addition,

Tanker Operator continues to add vessels to the pool management of third party vessels. Following the merger of Diamond S Shipping and International Seaways, 10 additional vessels were added to the pool.

During the quarter, the Tanker Operator fleet averaged 119 vessels, corresponding to 10,795 vessel days, including vessels in commercial management as part of the pool. Tanker Operator generated external management fee income totalling USD 3 million during Q2, booked as Other Operating Income.

Market development and outlook

Markets continue to be sluggish across the Atlantic and Pacific basins, based on the continued limited demand related to COVID-19 impacted markets. The transport of clean petroleum products (CPP) has been further negatively impacted, as oil stocks were high. Noticeably, China has utilised its reserves in the form of bonded storage on land or in floating storage, reducing the need for imports to this region.

As the drawdown of these oil stocks slows down, the short-term competition from crude carriers entering the CPP market should start to lift, and provide further support for product tanker rates.

A gradual, yet slow, improvement is still expected during the second half of 2021, as overall supply and demand of oil recoverers across the world, yet any larger upside is not expected until 2022 when oil production is expected to rebound. The margins needed to start profiting on current T/C hire levels are within reach, once the large commodity groups, such as jet fuel, increase in volumes again.

However, the potential of regional COVID-19 lockdowns continues to pose a threat to the overall recovery and demand for oil-based products.

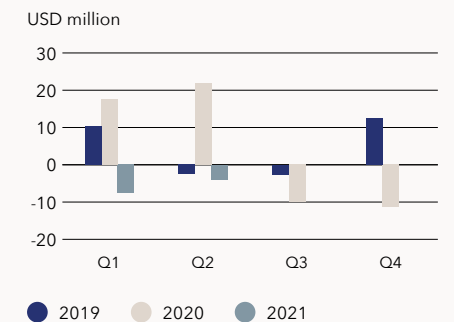
Tanker Operator TCE, USD per day

	Q2 2021		H1 2021	
	Days	TCE	Days	TCE
Handysize	861	9,737	1,959	9,997
MR	3,193	12,862	6,088	12,423
Total	4,054	12,198	8,047	11,832

Tanker Operator key figures

USD million	2021 Q2	2020 Q2	Last 4 Quarters
Contribution margin	4.9	36.5	7.2
O/A costs	-5.4	-6.6	-15.6
EBIT	-4.1	22.3	-31.8
Adjusted Result	-4.0	21.8	-32.9
Vessel days	10,795	10,796	45,957
Adj. result per vessel day (USD/day)	-371	2,019	-716

Tanker Operator Adjusted Result by quarter



Average number of vessels operated in the second quarter

119



OUTLOOK FOR 2021

Guidance

Based on expectations of a strong H2, combined with recent increases in forward freight rates in Dry Cargo, NORDEN increases its guidance for the full-year Adjusted Result for 2021 to be in the range of USD 140 to 220 million (previously USD 140-200 million). NORDEN's broad guidance range reflects that expectations are based on still unrealised future earnings in highly volatile markets.

Furthermore, NORDEN remains committed to returning cash to its shareholders through the Company's dividend policy, paying out minimum 50% of the annual Adjusted Result.

Asset Management

The Asset Management business unit expects lower earnings in 2021 compared to last year due to lower coverage rates on the tanker fleet. The long-term focus and high coverage of the business unit mean that the strong Dry Cargo market will only benefit earnings from 2022 onwards, as current contracts are gradually renewed with higher paying cover contracts. Furthermore, increasing period rates and asset values will increase the value of NORDEN's portfolio of owned and leased vessels, which is expected to be significantly higher compared to the end of 2020.

Dry Operator

Dry Operator expects an annual Adjusted Result which is significantly better than the record result for 2020. Dry Operator expects to capitalise on high activity in a strong dry cargo market, and deliver very strong earnings in the second half of 2021.

Tanker Operator

Tanker Operator expects an Adjusted Result which is much weaker than that of 2020. While the business unit has taken on a lot of coverage, the historically weak tanker spot market is expected to lead to a loss for the year.

Risk and uncertainties

The above expectations are subject to uncertainty related to the development in the COVID-19 pandemic and its impact on global trade.

All business units are furthermore sensitive to counterparty risks as well as operational risks.

Events after the reporting date

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

“NORDEN increases its guidance for the 2021 full-year Adjusted Result to USD 140-220 million”

Forward-looking statements

This report includes forward-looking statements reflecting management's current perception of future trends and financial performance. The statements for the rest of 2021 and the years to come naturally carry some uncertainty, and NORDEN's actual results may therefore differ from expectations. Factors that may cause the results achieved to differ from the expectations are, among other things, but not exclusively, changes in the macroeconomic and political conditions - especially in the Group's key markets - changes in NORDEN's assumptions of rate development and operating costs, volatility in rates and vessel prices, changes in legislation, possible interruptions in 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 30 June 2021 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 2020.

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 30 June 2021 as well as the result of Dampskibsselskabet NORDEN A/S' consolidated

activities and cash flows for the period 1 January to 30 June.

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.

Hellerup, 18 August 2021

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

Thomas Intrator

Stephen John Kunzer

Helle Østergaard Kristiansen

Benedicte Hedengran Wegener
(employee-elected)

Christina Lerchedahl Christensen
(employee-elected)

Henrik Røjel
(employee-elected)



CONSOLIDATED INCOME STATEMENT

USD million	Note	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Revenue	2	854.7	615.7	1,458.6	1,230.3	2,597.8
Other operating income		2.5	3.4	4.0	9.7	8.7
Vessel operation costs	3	-727.9	-512.8	-1,258.0	-1,022.9	-2,170.9
Contribution margin		129.3	106.3	204.6	217.1	435.6
Overhead and administration costs	3	-23.9	-20.5	-40.9	-42.1	-93.1
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)		105.4	85.8	163.7	175.0	342.5
Profit/loss from sale of vessels etc.		0.0	0.0	-9.2	0.0	-18.2
Depreciation, amortisation and impairment losses	4	-65.0	-50.0	-122.0	-97.8	-201.9
Share of profit/loss of joint ventures	5	-0.3	0.7	0.0	-3.7	-3.0
Profit/loss from operations (EBIT)		40.1	36.5	32.5	73.5	119.4
Financial income	6	1.6	1.6	1.9	2.5	3.5
Financial expenses	6	-8.0	-7.7	-14.9	-15.8	-30.2
Profit/loss before tax		33.7	30.4	19.5	60.2	92.7
Tax		-1.9	-1.4	-2.6	-3.5	-6.7
Profit/loss for the period		31.8	29.0	16.9	56.7	86.0
Attributable to:						
Shareholders of NORDEN		31.8	29.0	16.9	56.7	86.0
Earnings per share (EPS), USD		0.85	0.74	0.45	1.45	2.22
Diluted earnings per share, USD		0.84	0.74	0.45	1.45	2.22

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD million	Note	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Profit/loss for the period		31.8	29.0	16.9	56.7	86.0
Other comprehensive income to be reclassified to the income statement:						
Fair value adjustment for the period, cash flow hedges*	7	-131.4	-6.1	-171.4	20.7	-4.8
Fair value adjustment for the period, securities		0.0	0.0	0.0	0.0	0.0
Exchange differences on translation of foreign subsidiary		0.0	0.1	0.1	-0.1	0.0
Other comprehensive income, total after tax		-131.4	-6.0	-171.3	20.6	-4.8
Total comprehensive income for the period, after tax		-99.6	23.0	-154.4	77.3	81.2
Attributable to:						
Shareholders of NORDEN		-99.6	23.0	-154.4	77.3	81.2

* NORDEN actively manages its freight exposure to optimise its risk adjusted returns using charter contracts, cargo contracts and freight derivatives. During H1 2021, NORDEN has made extensive use of hedge instruments in order to grow the number of vessels chartered in to a record level while keeping total risks well managed. With the strong rise in Dry Cargo market rates during the quarter, these positions become highly profitable. However, a temporary negative effect of USD 171 million arises on equity as the effect of the hedge instruments are included in comprehensive earnings for H1 2021, while the offsetting positive effect from the physical vessel voyages will only enter accounts in H2 2021.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD million	Note	30/6 2021	30/6 2020	31/12 2020
Assets				
Vessels	8	733.2	783.5	767.4
Right-of-use assets	9	416.0	316.1	298.7
Property and equipment		48.6	48.7	48.6
Prepayments on vessels and newbuildings	10	37.3	19.2	15.5
Total Tangible assets		1,235.1	1,167.5	1,130.2
Investments in joint ventures		10.7	10.8	11.5
Receivables from subleasing		7.4	18.6	13.0
Total Financial assets		18.1	29.4	24.5
Total Non-current assets		1,253.2	1,196.9	1,154.7
Inventories		103.5	63.6	65.8
Receivables from subleasing		11.5	14.3	13.7
Freight receivables		234.5	166.2	144.5
Receivables from joint ventures		13.4	6.5	9.5
Other receivables		11.9	48.1	17.7
Prepayments		101.5	77.7	70.2
Cash and cash equivalents		297.3	257.3	331.6
		773.6	633.7	653.0
Vessels held for sale		33.9	0.0	17.1
Total Current assets		807.5	633.7	670.1
Total Assets		2,060.7	1,830.6	1,824.8

USD million	Note	30/6 2021	30/6 2020	31/12 2020
Equity and liabilities				
Share capital		6.2	6.7	6.5
Reserves		-167.2	29.5	4.1
Retained earnings		851.6	881.1	891.9
Total Equity		690.6	917.3	902.5
Loans		371.3	272.8	282.4
Lease liabilities	9	256.9	231.7	213.3
Bonds		98.6	0.0	0.0
Total Non-current liabilities		726.8	504.5	495.7
Loans		97.1	35.0	37.6
Lease liabilities	9	207.5	149.1	142.1
Trade payables		198.3	119.3	131.2
Tax payables		3.2	5.2	1.4
Other payables		46.7	46.4	56.8
Deferred income		90.5	53.8	57.5
		643.3	408.8	426.6
Liabilities relating to vessels held for sale		0.0	0.0	0.0
Total Current liabilities		643.3	408.8	426.6
Total Liabilities		1,370.1	913.3	922.3
Total Equity and liabilities		2,060.7	1,830.6	1,824.8



CONSOLIDATED STATEMENT OF CASH FLOWS

USD million	Note	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Profit/loss for the period		31.8	29.0	16.9	56.7	86.0
Reversal of items from the income statement		72.8	58.2	146.3	115.8	259.7
Change in working capital		-121.5	41.5	-236.4	-11.6	37.3
Instalments on sublease receivables		3.7	4.6	8.9	8.6	17.4
Income tax, paid		-0.2	0.8	-0.8	-0.4	-4.4
Cash flows from operating activities		-13.4	134.1	-65.1	169.1	396.0
Investments in vessels and vessels held for sale and other tangible assets	8	0.4	-4.5	-1.1	-4.0	-27.1
Additions in prepayments on newbuildings	10	-57.8	-3.1	-69.6	-3.1	-71.9
Proceeds from sale of vessels and newbuildings		17.4	0.2	34.5	0.0	52.0
Change in cash and cash equivalents with rate agreements of more than 3 months, etc.		26.4	63.4	74.8	1.3	1.9
Cash flows from investing activities		-13.6	56.0	38.6	-5.8	-45.1
Dividend paid to shareholders		0.0	-14.7	-53.0	-14.7	-14.6
Acquisition of treasury shares		-2.9	0.0	-11.3	-4.8	-24.0
Proceeds from share options		6.2	0.0	6.2	0.0	0.0
Proceeds from loans		365.3	0.0	474.9	62.0	132.0
Repayment of loans		-212.9	-43.3	-227.8	-57.5	-117.1
Instalments on lease liabilities	9	-58.6	-43.2	-107.0	-84.5	-175.3
Interest, received		0.1	0.0	0.3	0.4	1.0
Interest, paid		-7.9	-7.7	-14.8	-15.8	-30.2
Cash flows from financing activities		89.3	-108.9	67.5	-114.9	-228.2
Cash flow from operating, investing and financing activities		62.3	81.2	41.0	48.4	122.7

USD million	Note	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Liquidity at beginning of the period		195.7	60.1	217.1	92.9	92.9
Exchange rate adjustments		-0.4	0.9	-0.5	0.9	1.5
Change in liquidity for the period		62.3	81.2	41.0	48.4	122.7
Liquidity at end period		257.6	142.2	257.6	142.2	217.1
Cash and cash equivalents with rate agreements of more than 3 months, etc.		39.7	115.1	39.7	115.1	114.5
Cash and cash equivalents at end period acc. to the statement of financial position		297.3	257.3	297.3	257.3	331.6

USD million	Note	30/6 2021	30/6 2020	31/12 2020	
<i>Which can be explained as follows</i>					
Demand deposits and cash balance			182.5	64.5	120.5
Money market investment			69.6	170.6	188.8
Other cash and cash equivalents			45.2	22.2	22.3
			297.3	257.3	331.6



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

USD million	Shareholders of NORDEN			
	Share capital	Reserves	Retained earnings	Total equity
Equity at 1 January 2021	6.5	4.1	891.9	902.5
Total comprehensive income for the period	0.0	-171.3	16.9	-154.4
Capital reduction	-0.3	0.0	0.3	0.0
Acquisition of treasury shares	0.0	0.0	-11.3	-11.3
Exercise of share options	0.0	0.0	6.2	6.2
Share-based payment	0.0	0.0	0.6	0.6
Dividends paid	0.0	0.0	-57.8	-57.8
Dividends related to treasury shares	0.0	0.0	4.8	4.8
Changes in equity	-0.3	-171.3	-40.3	-211.9
Equity at 30 June 2021	6.2	-167.2	851.6	690.6
Equity at 1 January 2020	6.7	8.9	843.4	859.0
Total comprehensive income for the period	0.0	20.6	56.7	77.3
Acquisition of treasury shares	0.0	0.0	-4.8	-4.8
Share-based payment	0.0	0.0	0.5	0.5
Dividends paid	0.0	0.0	-15.9	-15.9
Dividends related to treasury shares	0.0	0.0	1.2	1.2
Changes in equity	0.0	20.6	37.7	58.3
Equity at 30 June 2020	6.7	29.5	881.1	917.3



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 6 months ended 30 June 2021 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 2020.

The accounting policies, judgements and estimates are consistent with those applied in the consolidated annual report for 2020, 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 2021. 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 2021. Refer to note 1.2 in the interim report for Q1 2021 for a full list of amendments and interpretations implemented as of 1 January 2021.

None of these interpretations or amendments have had any effect on the accounting policies applied by NORDEN.

For a complete description of accounting policies, see the notes to the consolidated financial statements for 2020, pages 75-113 in the consolidated annual report for 2020.

Standards not yet in force at the end of June 2021

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 76 for a further description in the consolidated annual report for 2020.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

USD million	Q2 2021					Q2 2020				
	Asset Management	Dry Operator	Tanker Operator	Eliminations	Total	Asset Management	Dry Operator	Tanker Operator	Eliminations	Total
2. Segment information										
Revenue - services rendered, external	14.5	761.3	78.6	0.0	854.4	29.6	437.7	147.9	0.0	615.2
Revenue - services rendered, internal	88.8	0.0	0.0	-88.8	0.0	68.4	0.0	0.0	-68.4	0.0
Revenue - sublease financial income	0.3	0.0	0.0	0.0	0.3	0.5	0.0	0.0	0.0	0.5
Voyage costs	-4.1	-301.9	-28.5	5.6	-328.9	5.5	-234.3	-49.3	0.5	-277.6
T/C equivalent revenue	99.5	459.4	50.1	-83.2	525.8	104.0	203.4	98.6	-67.9	338.1
Other operating income	0.0	-0.1	2.9	-0.3	2.5	-0.1	-1.2	4.7	0.0	3.4
Charter hire and OPEX element	-27.1	-389.2	-48.1	83.5	-380.9	-26.3	-192.0	-66.8	67.9	-217.2
Operating costs owned vessels	-18.1	0.0	0.0	0.0	-18.1	-18.0	0.0	0.0	0.0	-18.0
Contribution margin	54.3	70.1	4.9	0.0	129.3	59.6	10.2	36.5	0.0	106.3
Overhead and administration costs	-3.2	-15.3	-5.4	0.0	-23.9	-5.0	-8.9	-6.6	0.0	-20.5
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	51.1	54.8	-0.5	0.0	105.4	54.6	1.3	29.9	0.0	85.8
Profit/loss from sale of vessels, etc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation, amortisation and impairment losses	-42.3	-19.1	-3.6	0.0	-65.0	-38.1	-4.3	-7.6	0.0	-50.0
Share of profit/loss of joint ventures	-0.3	0.0	0.0	0.0	-0.3	0.7	0.0	0.0	0.0	0.7
Profit/loss from operations (EBIT)	8.5	35.7	-4.1	0.0	40.1	17.2	-3.0	22.3	0.0	36.5
Financial income	0.1	1.1	0.4	0.0	1.6	1.0	0.6	0.0	0.0	1.6
Financial expenses	-6.3	-1.5	-0.2	0.0	-8.0	-6.7	-0.6	-0.4	0.0	-7.7
Profit/loss before tax	2.3	35.3	-3.9	0.0	33.7	11.5	-3.0	21.9	0.0	30.4
Tax	-0.2	-1.6	-0.1	0.0	-1.9	-0.3	-1.0	-0.1	0.0	-1.4
Profit/loss for the period	2.1	33.7	-4.0	0.0	31.8	11.2	-4.0	21.8	0.0	29.0
Adjusted for:										
Profit/loss from sale of vessels, etc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss from sale of vessels, etc in joint venture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Results for the period*	2.1	33.7	-4.0	0.0	31.8	11.2	-4.0	21.8	0.0	29.0

* 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

USD million	H1 2021					H1 2020				
	Asset Management	Dry Operator	Tanker Operator	Eliminations	Total	Asset Management	Dry Operator	Tanker Operator	Eliminations	Total
2. Segment information - continued										
Revenue - services rendered, external	33.9	1,270.0	154.1	0.0	1,458.0	65.2	873.5	290.7	0.0	1,229.4
Revenue - services rendered, internal	167.3	0.0	0.0	-167.3	0.0	139.1	0.0	0.0	-139.1	0.0
Revenue - sublease financial income	0.6	0.0	0.0	0.0	0.6	0.9	0.0	0.0	0.0	0.9
Voyage costs	-8.1	-515.8	-56.5	9.0	-571.4	0.1	-458.9	-103.1	1.4	-560.5
T/C equivalent revenue	193.7	754.2	97.6	-158.3	887.2	205.3	414.6	187.6	-137.7	669.8
Other operating income	-0.3	-1.2	6.1	-0.6	4.0	0.6	-1.1	10.2	0.0	9.7
Charter hire and OPEX element	-54.4	-658.5	-96.8	158.9	-650.8	-52.9	-381.7	-129.7	137.7	-426.6
Operating costs owned vessels	-35.8	0.0	0.0	0.0	-35.8	-35.8	0.0	0.0	0.0	-35.8
Contribution margin	103.2	94.5	6.9	0.0	204.6	117.2	31.8	68.1	0.0	217.1
Overhead and administration costs	-5.6	-26.1	-9.2	0.0	-40.9	-10.1	-19.2	-12.8	0.0	-42.1
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	97.6	68.4	-2.3	0.0	163.7	107.1	12.6	55.3	0.0	175.0
Profit/loss from sale of vessels, etc.	-9.2	0.0	0.0	0.0	-9.2	0.0	0.0	0.0	0.0	0.0
Depreciation, amortisation and impairment losses	-81.5	-31.4	-9.1	0.0	-122.0	-74.2	-8.9	-14.7	0.0	-97.8
Share of profit/loss of joint ventures	0.0	0.0	0.0	0.0	0.0	-3.7	0.0	0.0	0.0	-3.7
Profit/loss from operations (EBIT)	6.9	37.0	-11.4	0.0	32.5	29.2	3.7	40.6	0.0	73.5
Financial income	0.6	1.0	0.3	0.0	1.9	1.7	0.8	0.0	0.0	2.5
Financial expenses	-12.2	-2.3	-0.4	0.0	-14.9	-13.4	-1.6	-0.8	0.0	-15.8
Profit/loss before tax	-4.7	35.7	-11.5	0.0	19.5	17.5	2.9	39.8	0.0	60.2
Tax	-0.3	-2.2	-0.1	0.0	-2.6	-0.7	-2.5	-0.3	0.0	-3.5
Profit/loss for the period	-5.0	33.5	-11.6	0.0	16.9	16.8	0.4	39.5	0.0	56.7
Adjusted for:										
Profit/loss from sale of vessels, etc.	9.2	0.0	0.0	0.0	9.2	0.0	0.0	0.0	0.0	0.0
Profit/loss from sale of vessels, etc in joint venture	0.0	0.0	0.0	0.0	0.0	1.5	0.0	0.0	0.0	1.5
Adjusted Results for the period*	4.2	33.5	-11.6	0.0	26.1	18.3	0.4	39.5	0.0	58.2

* 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

USD million	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
3. Expenses by nature					
Vessel operating costs	727.9	512.8	1,258.0	1,022.9	2,170.9
Overhead and administration costs	23.9	20.5	40.9	42.1	93.1
Total	751.8	533.3	1,298.9	1,065.0	2,264.0
These costs can be split by nature:					
Voyage costs excluding bunker oil	157.0	136.3	275.6	258.7	532.2
Bunker oil	171.9	141.3	295.8	301.8	557.9
Expenses related to the service component of right-of-use assets	48.6	41.3	91.6	80.0	165.9
Expenses related to short-term leases	332.3	175.9	559.2	346.6	839.4
Operating costs owned vessels excluding seafarers	12.0	8.8	20.8	17.0	37.7
Other external costs	5.5	4.4	9.3	10.8	20.0
Staff costs inclusive seafarers	24.5	25.3	46.6	50.1	110.9
Total	751.8	533.3	1,298.9	1,065.0	2,264.0
4. Depreciation					
Vessels	10.8	11.8	22.2	23.7	47.7
Right-of-use assets	53.9	37.9	99.4	73.6	153.3
Property and equipment	0.3	0.3	0.4	0.5	0.9
Total	65.0	50.0	122.0	97.8	201.9
5. Share of profit/loss of joint ventures					
Profit/loss from shares in joint ventures	0.0	0.7	0.3	0.1	0.8
Share of loss from sale of vessels	0.0	0.0	0.0	-1.5	-1.5
Share of impairment of tangible assets	-0.3	0.0	-0.3	-2.3	-2.3
Total	-0.3	0.7	0.0	-3.7	-3.0

USD million	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
6. Financial income and expenses					
Interest income	0.1	0.1	0.3	0.4	1.0
Fair value adjustment, cross currency swaps	0.0	0.2	0.0	0.3	0.5
Exchange rate adjustments	1.5	1.3	1.6	1.8	2.0
Total financial income	1.6	1.6	1.9	2.5	3.5
7. Fair value adjustment - hedging Instruments					
Fair value of cash flow hedge					
Fair value adjustment at the beginning period			4.1	8.9	8.9
Fair value adjustment at the end, net			-171.4	20.7	-4.8
End			-167.3	29.6	4.1
Fair value adjustment for the period, cash flow hedge can be specified as follows:					
Bunker hedging			22.7	17.4	10.3
- of which has been transferred to the income statement due to inefficiency			-1.8	0.0	-1.1
FFA hedging			-187.7	8.3	-5.2
Foreign currency risk hedging			-0.5	3.9	0.1
End			-167.3	29.6	4.1

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



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

USD million	30/6 2021	30/6 2020	31/12 2020
7. Fair value adjustment - hedging Instruments - continued			
As of 30 June 2020, outstanding hedging contains:			
Bunker hedging			
Beginning, 1 January	9.2	-2.6	-2.6
Fair value adjustments	37.2	-5.5	-20.5
Realised contracts, transferred to revenue	21.9	0.0	-19.3
Realised contracts, transferred to vessel operating costs	-47.4	25.5	51.6
End	20.9	17.4	9.2
FFA hedging			
Beginning, 1 January	-5.2	10.7	10.7
Fair value adjustments	-264.8	22.4	19.2
Realised contracts, transferred to revenue	-94.3	-24.8	14.0
Realised contracts, transferred to charter hire	176.6	0.0	-49.1
End	-187.7	8.3	-5.2
Foreign currency risk hedging			
Beginning, 1 January	0.1	0.8	0.8
Fair value adjustments	-0.6	3.1	-0.7
End	-0.5	3.9	0.1

USD million	30/6 2021	30/6 2020	31/12 2020
8. Vessels			
Cost at 1 January	1,079.7	1,123.8	1,123.8
Additions	0.7	3.8	26.6
Disposals	-1.3	-0.9	-3.2
Transferred from prepayments on vessels and newbuildings	47.8	0.0	72.4
Transferred to tangible assets held for sale	-93.1	0.0	-139.9
Cost	1,033.8	1,126.7	1,079.7
Depreciation at 1 January	-249.8	-244.7	-244.7
Depreciation	-22.2	-23.7	-47.7
Depreciations related to derecognised assets	1.3	0.9	3.2
Transferred to tangible assets held for sale	30.5	0.0	39.4
Depreciation	-240.2	-267.5	-249.8
Impairment at 1 January	-62.5	-75.7	-75.7
Transferred to tangible assets held for sale	2.1	0.0	13.2
Impairment	-60.4	-75.7	-62.5
Carrying amount	733.2	783.5	767.4



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

USD million	30/6 2021	30/6 2020	31/12 2020
9. Leases - lessee			
Right-of-use assets			
Cost at 1 January	527.3	382.5	382.5
Additions	175.1	109.3	155.1
Remeasurements	42.4	11.7	28.2
Disposals related to redelivered vessels	-35.3	-7.8	-38.5
Cost	709.5	495.7	527.3
Depreciation at 1 January	-228.6	-111.5	-111.5
Depreciation	-99.4	-73.6	-153.3
Depreciations related to redelivered vessels	34.5	5.5	36.2
Depreciation	-293.5	-179.6	-228.6
Carrying amount	416.0	316.1	298.7
Lease Liabilities			
Lease liabilities at 1 January	355.4	330.5	330.5
Additions	175.7	120.7	169.5
Remeasurements	41.1	16.3	32.9
Instalments made	-107.0	-84.5	-175.3
Disposals related to cancelled leases	-0.8	-2.2	-2.2
Lease liabilities at end of period	464.4	380.8	355.4

USD million	30/6 2021	30/6 2020	31/12 2020
10. Prepayments on vessels and newbuildings			
Cost at 1 January	15.5	16.1	16.1
Additions	69.6	3.1	71.9
Transferred to vessels	-47.8	0.0	-72.4
Transferred to other items	0.0	0.0	-0.1
Cost	37.3	19.2	15.5
Impairment	0.0	0.0	0.0
Carrying amount	37.3	19.2	15.5

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 2020.

12. Contingent assets and liabilities

Since the end of 2020, 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

Overview of deliveries of owned vessels

Name	Vessel type	Delivery quarter
Nord Luna	Panamax	Q4 2021
Nord Lyra	Panamax	Q4 2021
Nord Anthem	Supramax	Q1 2022
Nord Allegro	Supramax	Q1 2022
Nord Andantino	Supramax	Q1 2022
Nord Alto	Supramax	Q1 2022
Nord Arpeggio	Supramax	Q2 2022
Nord Adagio	Supramax	Q2 2022

CAPEX

USD million	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Total
Newbuilding payments and secondhand purchases	9	54	65	32	0	0	0	160
Other CAPEX*	3	4	0	2	2	2	0	13

Future payments to NORDEN from sold vessels: USD 149.4 million.

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

14. Events after the reporting date

See page 11 in the Management Review.