


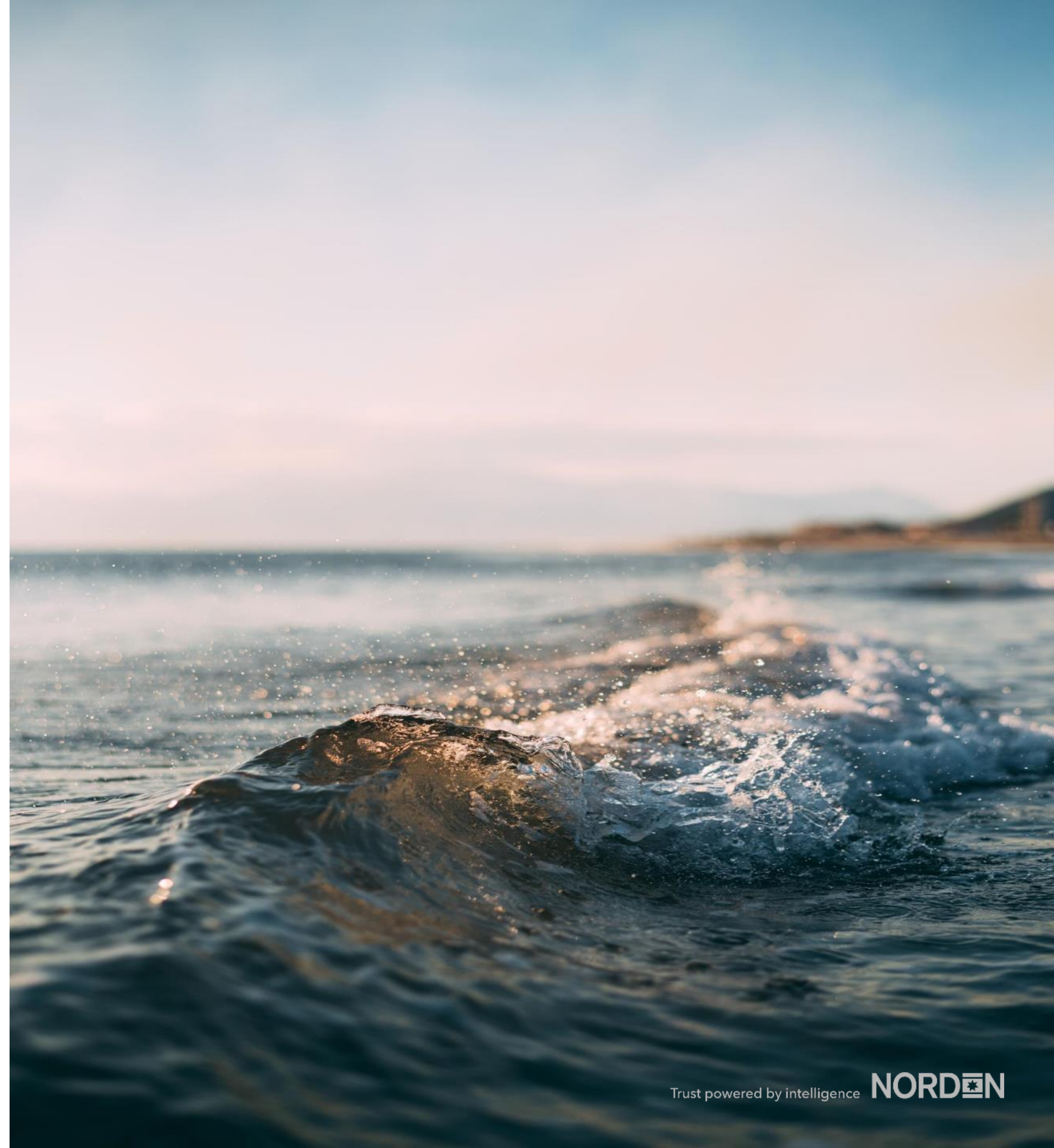
PRESENTATION OF **THIRD QUARTER 2022 RESULTS**

Copenhagen, Denmark, 3 November 2022

Trust powered by intelligence **NORDEN** 

AGENDA FOR TODAY

01. Third quarter 2022 highlights
02. Business unit performance
 - Assets & Logistics
 - Freight Services & Trading
03. Market development & outlook
04. Guidance for 2022 and sum-up



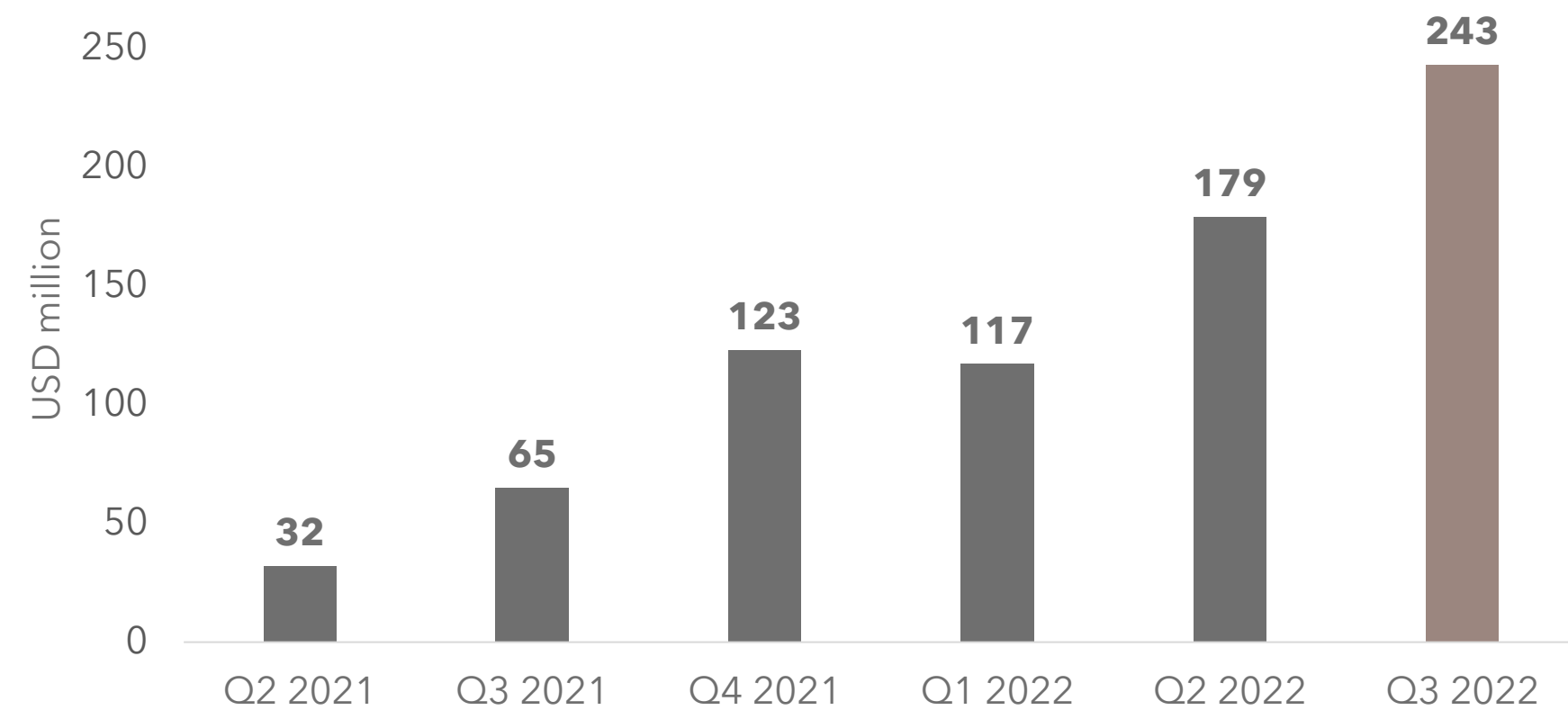


01. THIRD QUARTER 2022 HIGHLIGHTS

01. THIRD QUARTER 2022 HIGHLIGHTS

BUSINESS UPDATE

GROUP PROFIT LAST FIVE QUARTERS



GROUP PROFIT BY YEAR



PROFIT FOR Q3 2022: USD 243 MILLION

- **Assets & Logistics** (Q3 2022: Profit of USD 53 million)
- **Freight Services & Trading** (Q3 2022: Profit of USD 190 million)

BUSINESS HIGHLIGHTS

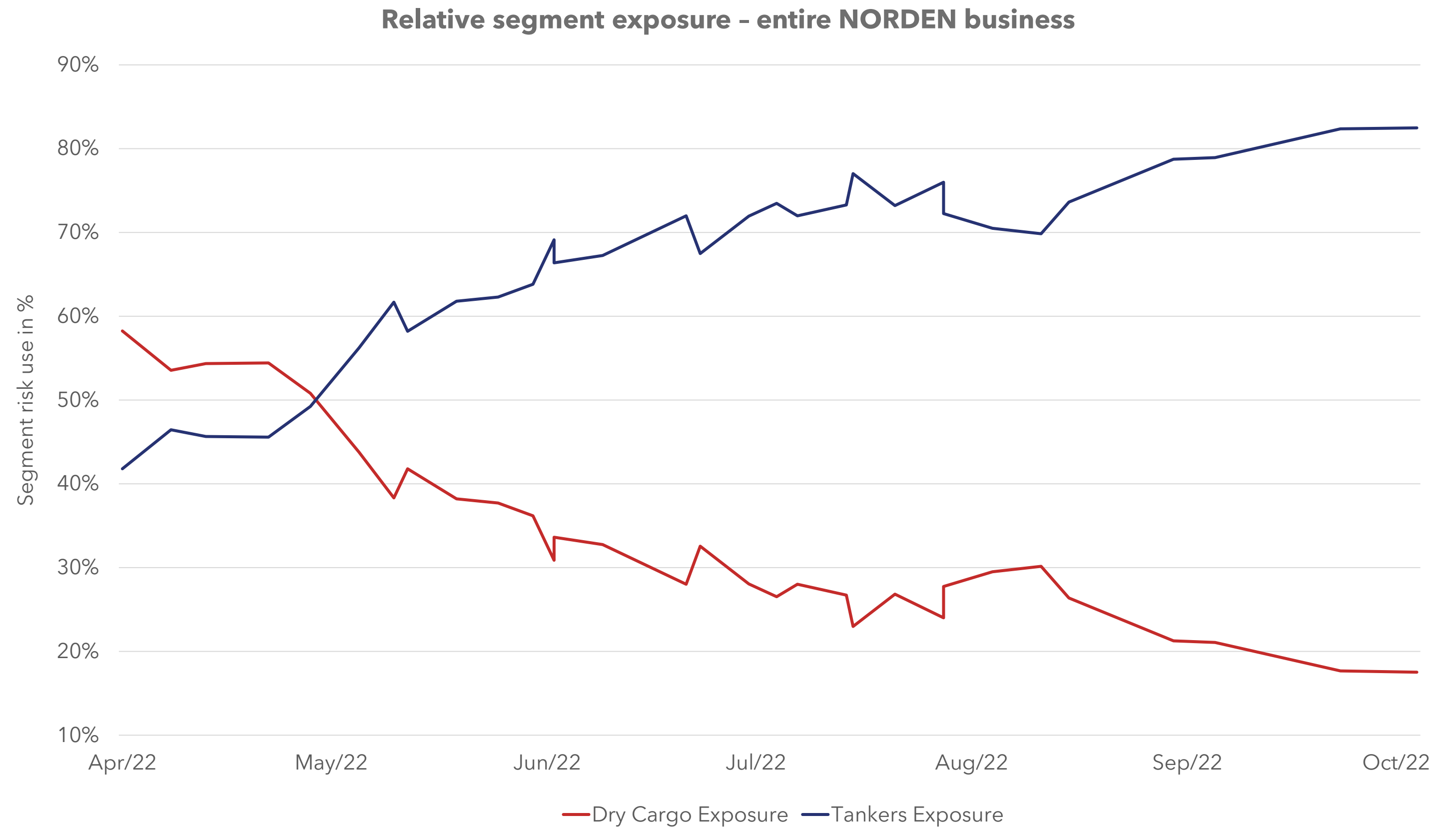
- Significant trading profits in Freight Services & Trading across both markets
- Considerable increase in BU NAV of DKK 69, reaching DKK 446 per share
- Capturing substantial dry cargo value in weakening market
 - Short position (more cargoes than tonnage)
 - Strong dry cargo cover earnings, and fully covered for 2022-2023
- Cashing in on high exposure towards surging tanker market
 - Maintained high tanker exposure and generating value for 2023
 - Gradually easing exposure
- Expecting profit for the year between USD 650-730 million
- New interim dividend of DKK 30 per share / New share buyback of USDm 50

01. THIRD QUARTER 2022 HIGHLIGHTS

MAINTAINED HIGH TANKER EXPOSURE

Summary of group exposure (both business units)

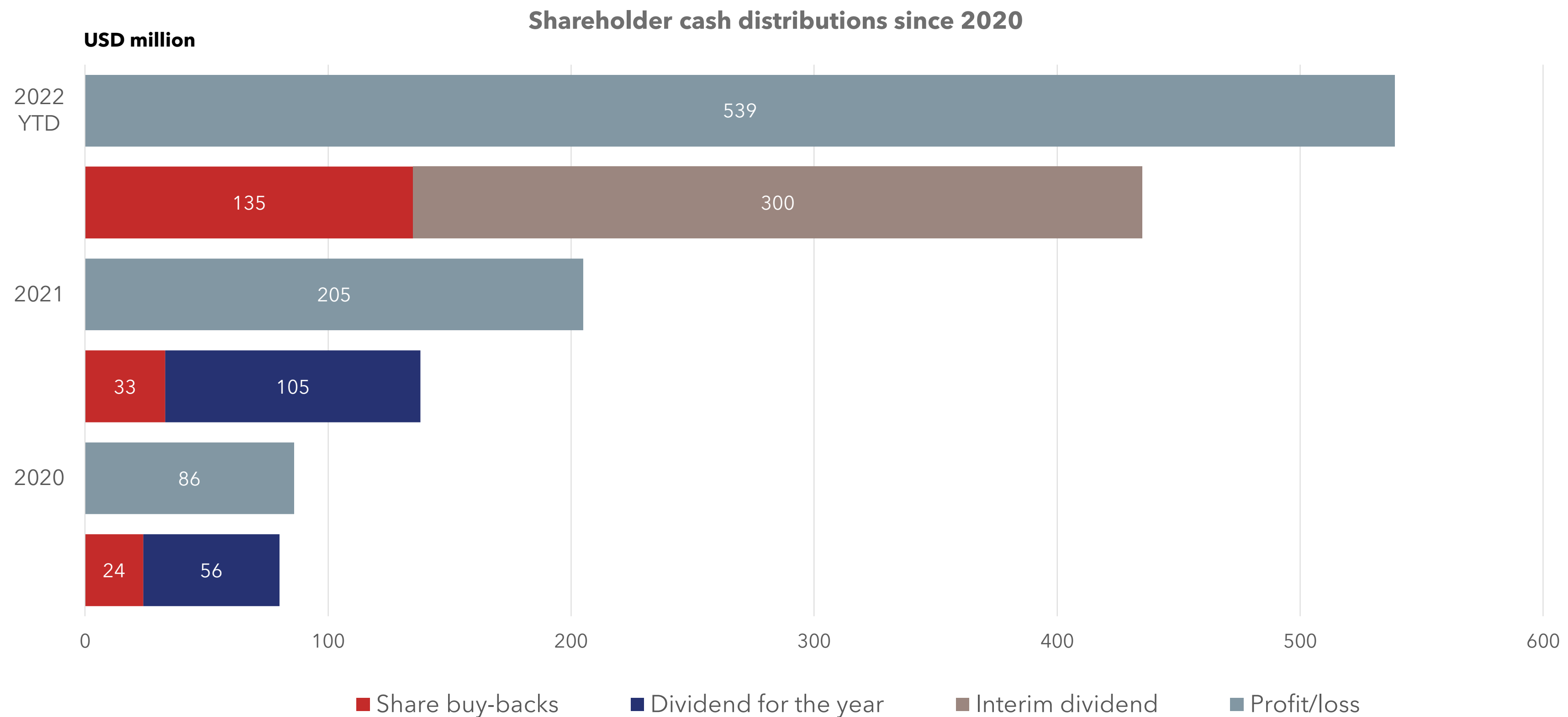
- Maintained high tanker exposure towards strong market
- Neutralised dry cargo exposure for 2023 across both business units ahead of weaker market rates
- Dynamic ability to adapt entire group activity (upwards of 500 vessels) to ongoing market developments



01. THIRD QUARTER 2022 HIGHLIGHTS

PAYING OUT MOST OF EARNINGS (2020-2022)

- Over USD 650 million returned since 2020
(when including recently announced dividend and share buyback programme on 3 Nov)
- Net share count reduced by 9% since 2020

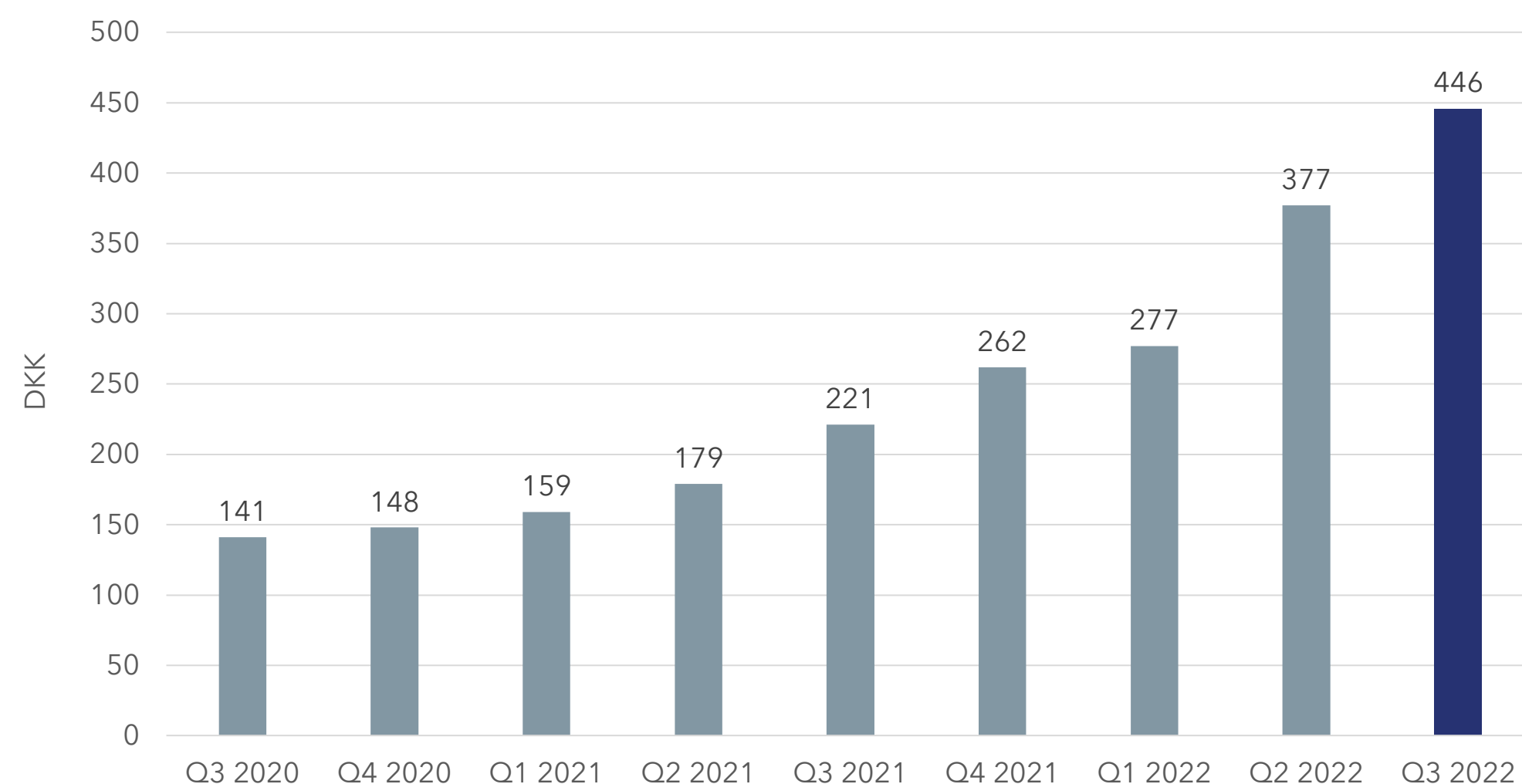




02. BUSINESS UNIT PERFORMANCE

02. ASSET & LOGISTICS TANKER PORTFOLIO DRIVING UP NET ASSET VALUE

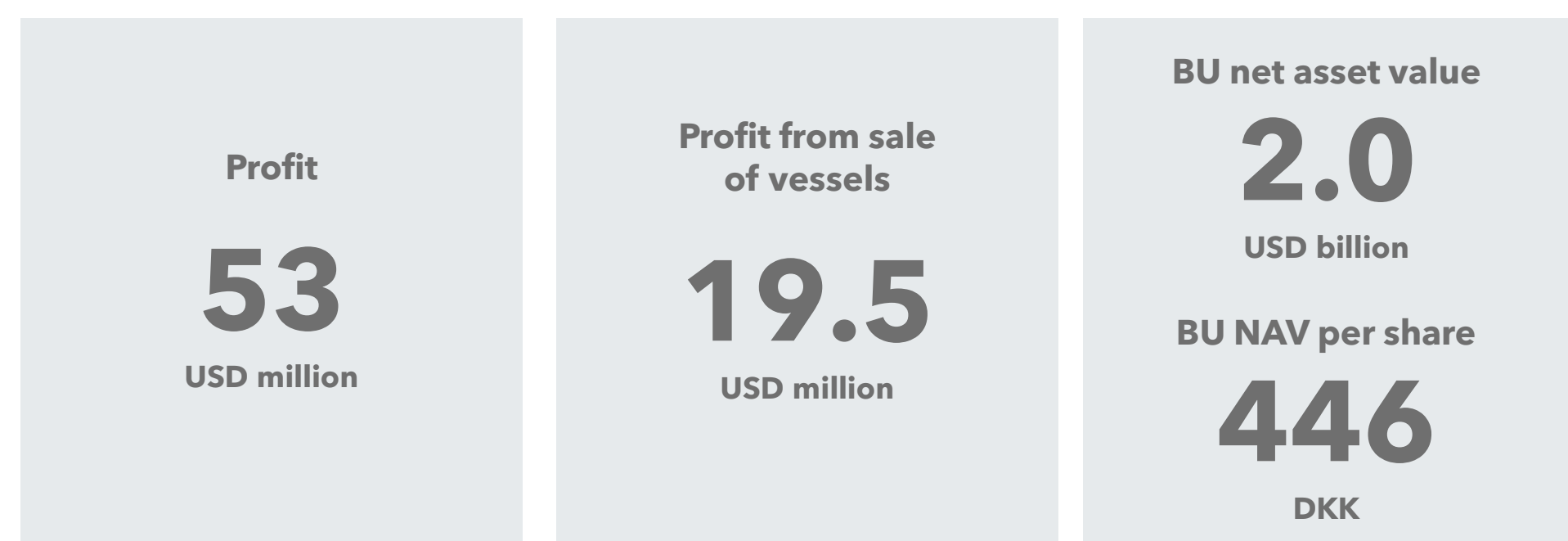
NAV per share (end Q3)



PROFIT FOR Q3 2022: USD 53 MILLION

- Large NAV increase driven by rising tanker asset prices and period rates
- Strong dry cargo earnings and downside protection
 - Profitable dry cargo cover and fully covered for 2022-2023
 - Declaring vessel purchase options with high spread ahead of weaker market
- Maintained high tanker exposure, and generating value for 2023
 - *Leasing out and selling tanker vessels at elevated rates and price levels*
 - *Increasing cover for 2023 at higher levels*
- Future vessel sales gains for 2023 of approximately USD 19 million

KEY FIGURES Q3 2022



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

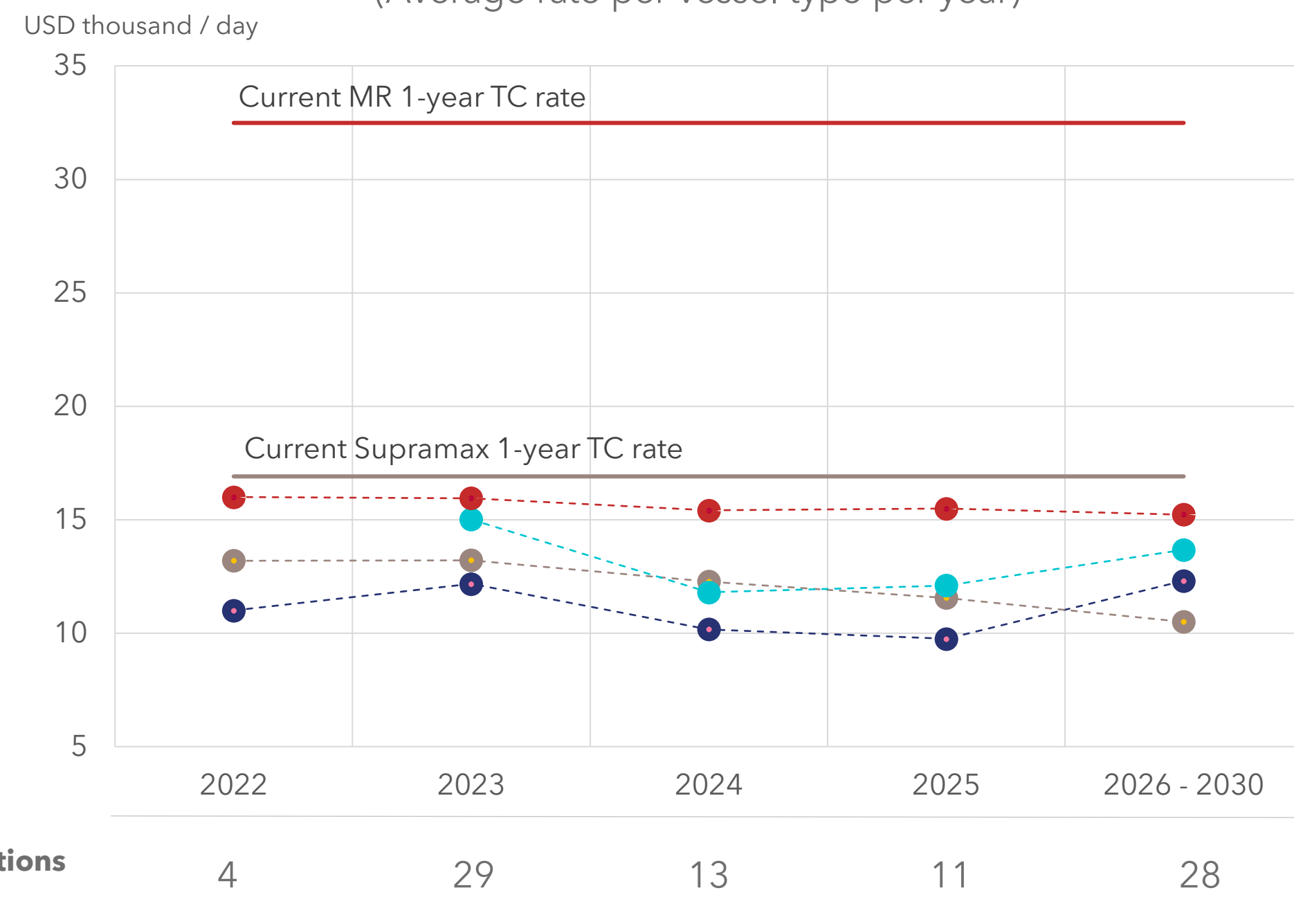
USD million	Dry Cargo	Tankers	Total
Market value of owned vessels	327	594	921
Estimated market value of T/C and cover portfolio (incl. estimated value of optionality)	305	195	500
Total Asset & Logistics portfolio value	632	789	1,421
Net cash position			377
Newbuilding instalments			-50
Other net assets (book values)			271
Total business unit NAV			2,019
Business unit NAV per share, DKK			446
Market value of owned vessels vs. carrying amounts	57	145	202

02. ASSET & LOGISTICS

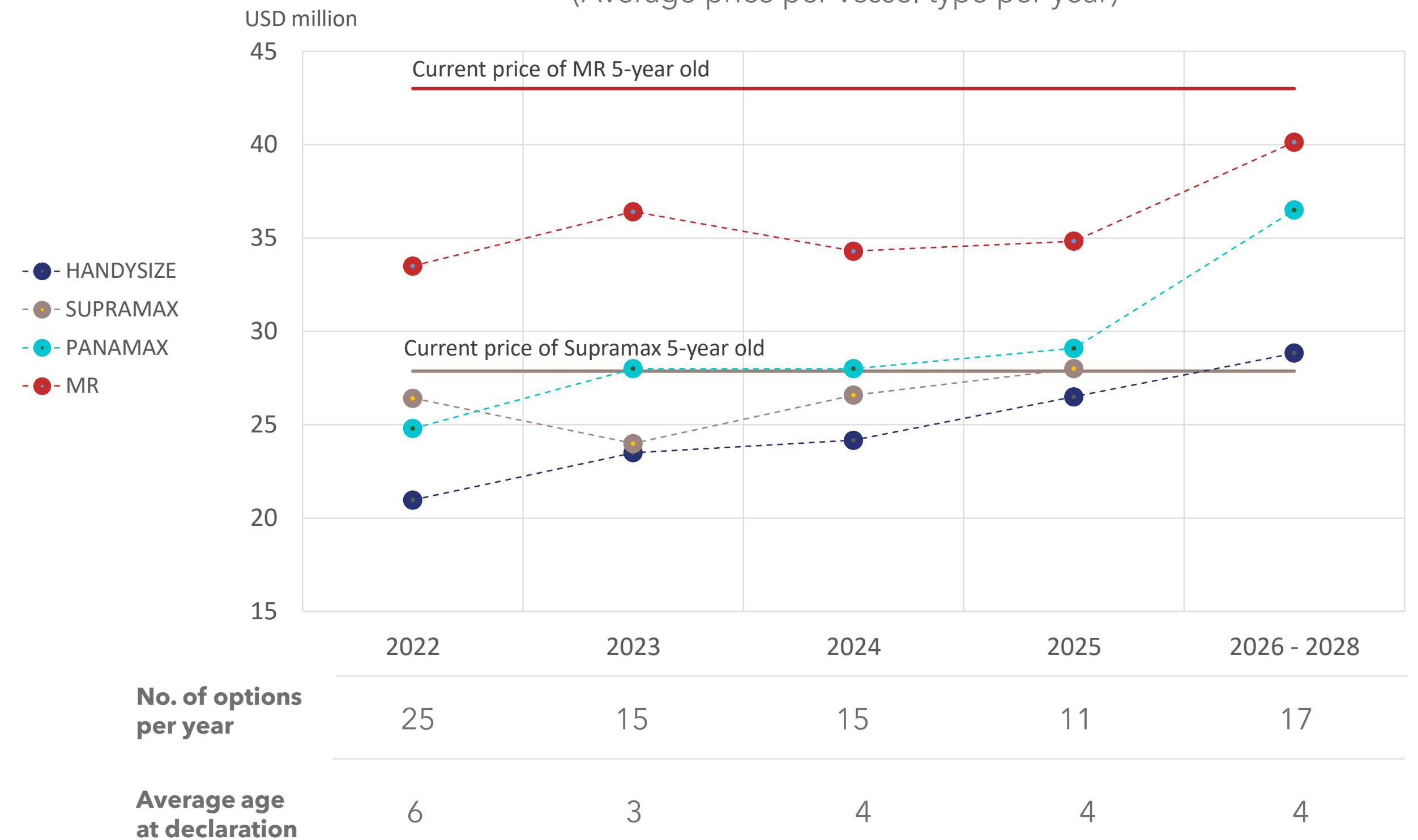
EXTENSIVE OPTIONALITY IN PORTFOLIO

- ~66,000 extension option days in total, corresponding to ~181 full-year extension options
- Extension options: 85 options in total (58 options on dry cargo vessels and 27 on tanker vessels)
- Purchase options: 83 options in total (56 in dry cargo, 27 in tankers)

EXTENSION OPTIONS
(Average rate per vessel type per year)



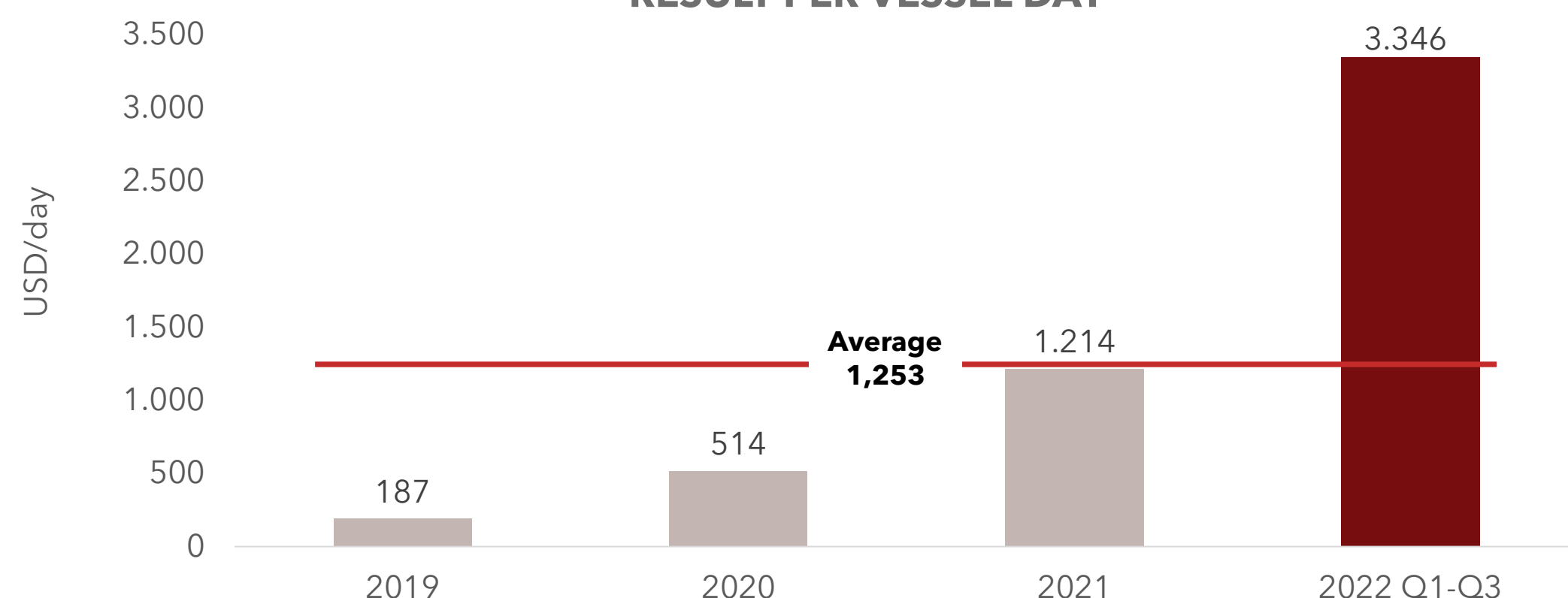
PURCHASE OPTIONS
(Average price per vessel type per year)



02. FREIGHT SERVICES & TRADING

RECORD MARGINS IN STRONG TRADING ENVIRONMENT

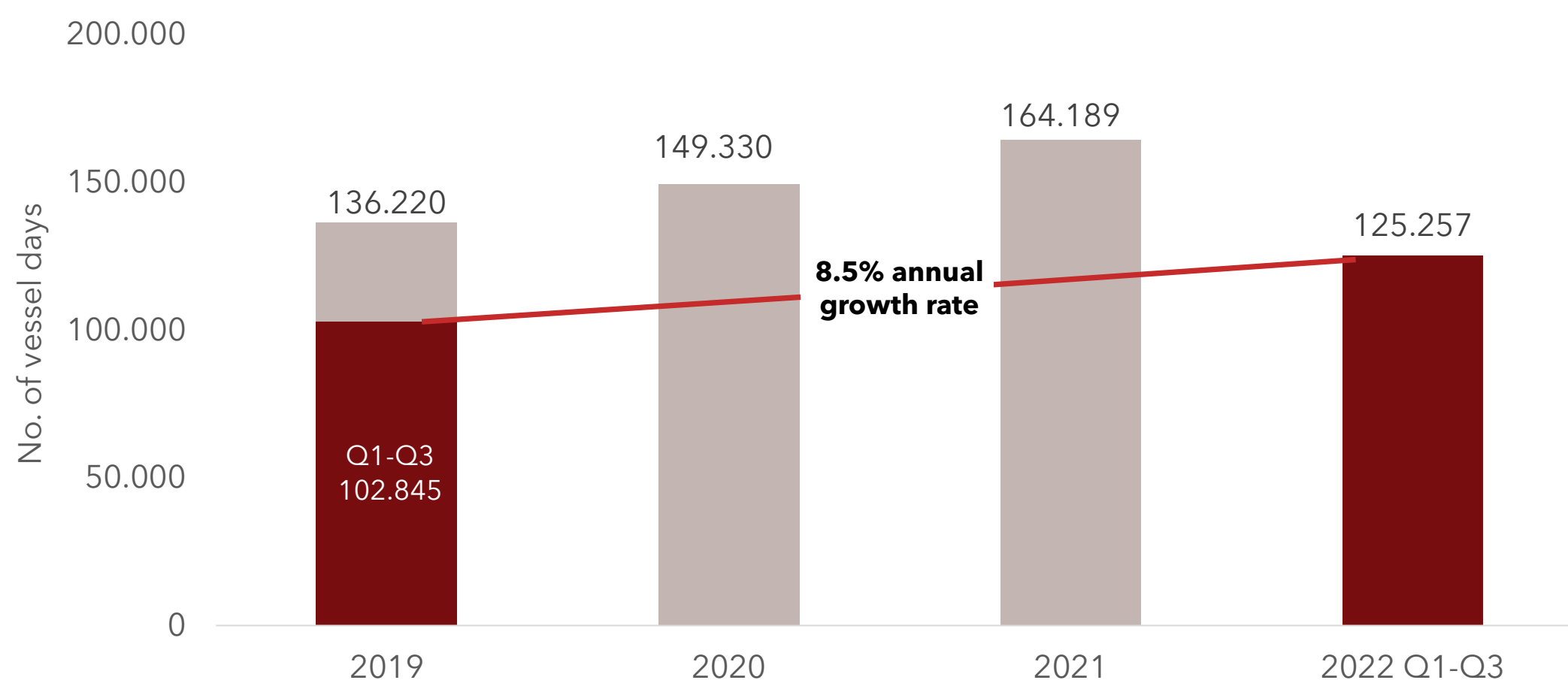
RESULT PER VESSEL DAY



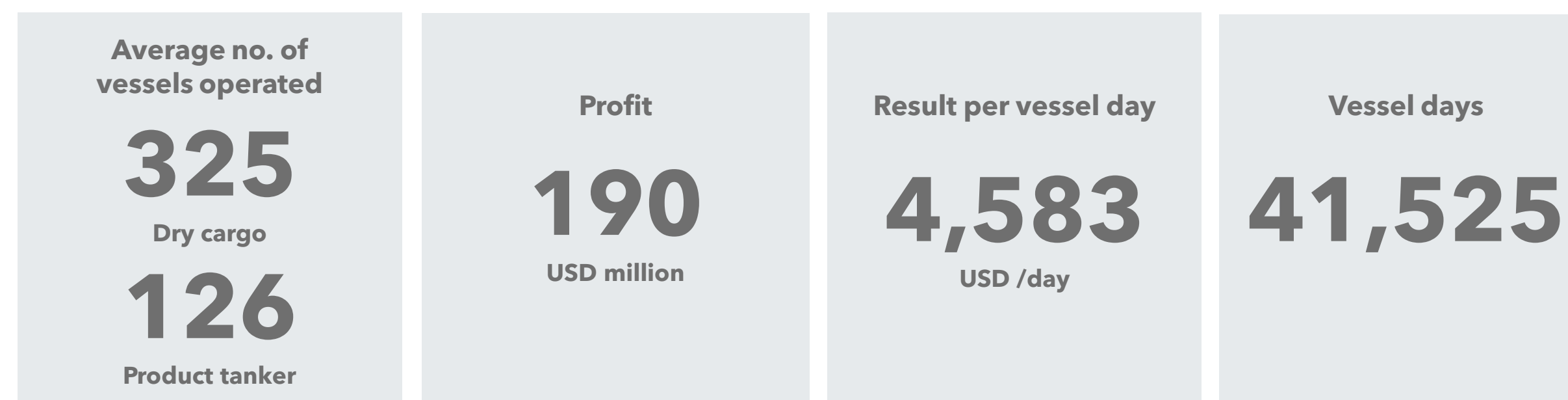
PROFIT FOR Q3 2022: USD 190 MILLION

- Delivering strong performance in weakening dry cargo market
 - Using short position to benefit from decreasing freight rates
 - Maintaining short position for 2022, while neutralising exposure for 2023
- Strong margins from maintained long tanker position in extraordinary market
 - Boosting earnings by actively trading volatility across world regions
 - Enhanced operational margins (cost and fuel efficiencies, voyages scheduling)
 - Gradually starting to ease tanker exposure
- Relaunch of NORDEN Tanker Pool with attractive pool fee income at low risk

ACTIVITY LEVELS



KEY FIGURES Q3 2022



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 30/9/2022

	USDm
Market value of own vessels	921
Market value of T/C & Cover portfolio	500
Cash & equivalents	683
Interest bearing debt	-306
N/B instalments	-50
Other net assets (book values)	271
Total business unit NAV	2,019
Business unit NAV per share, DKK*	446

FREIGHT SERVICES & TRADING

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

Earnings-based valuation

	FY 2021	Average since 2019
Result per vessel day (USD)	1,214	1,253
Annual vessel days	164,189	153,332
Annual activity level growth	10%	8.5%
	Average 2019-2021	Average since 2019
Profit for the year (USDm)	101	192
Value per share with multiple of 5x (DKK)*	111	212
Value per share with multiple of 10x (DKK)*	223	424

* 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.



03. MARKET DEVELOPMENT AND OUTLOOK

03. MARKETS

DRY AND TANKER MARKET IN Q3 2022

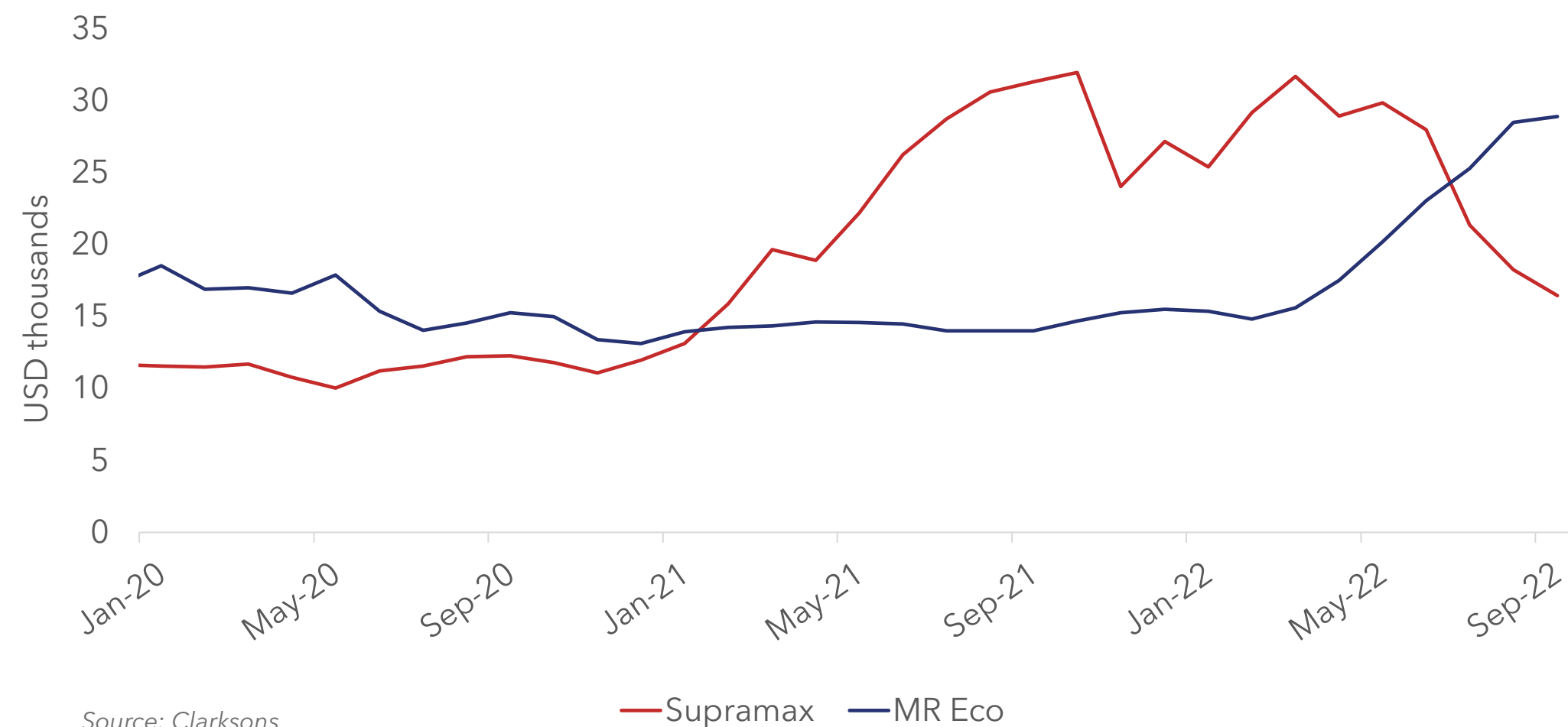
Further dry cargo market declines

- Lower congestion with reduced COVID-19 pressure on supply chains
- Commodity volumes grew less than supply of vessels
- Strong coal volumes and longer distances following war in Ukraine
- 1-year T/C Supramax decreased by 43% to USD 14,500 per day
- Price of a 5-year old Supramax declined by 12% to USD 28 million

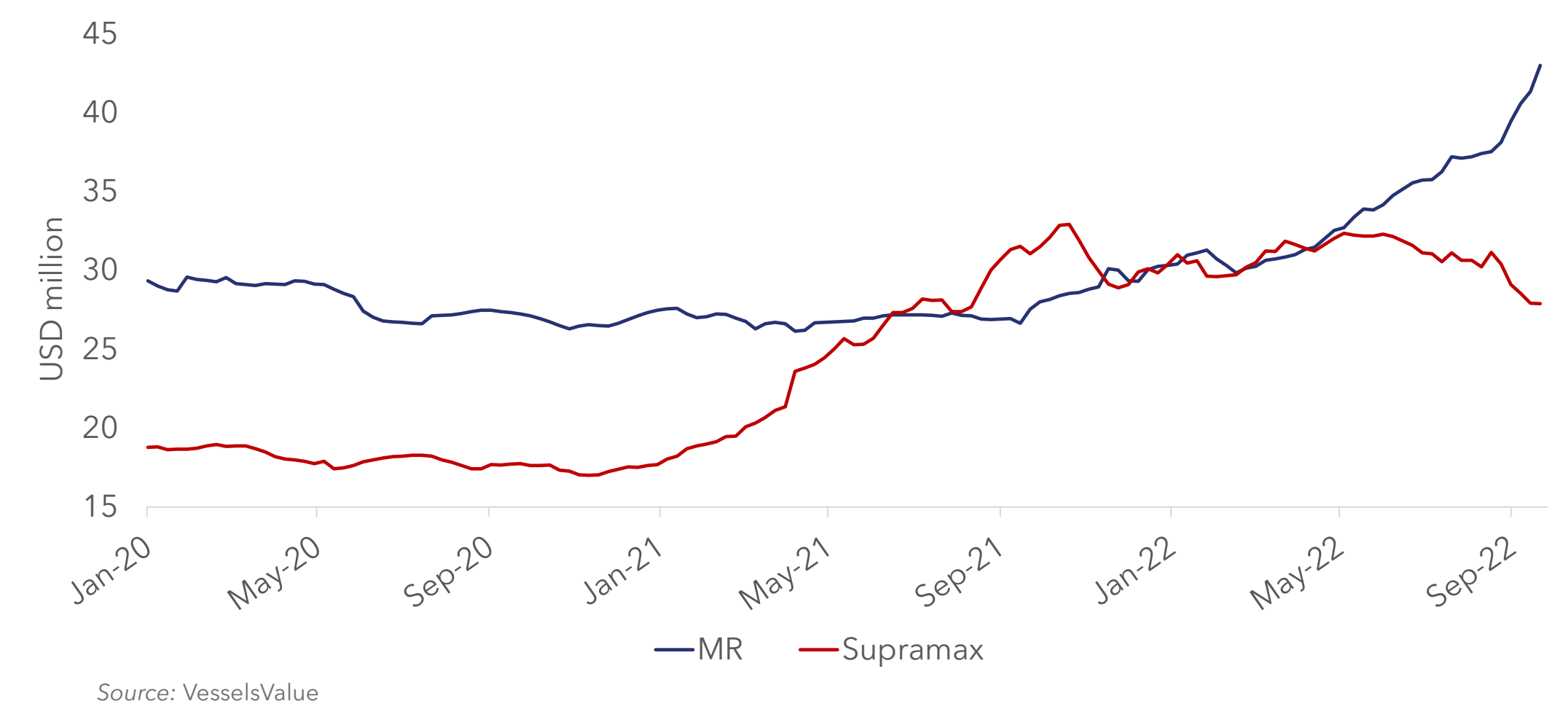
Significant and volatile product tanker market

- Regional volatility and longer voyage distances leading to soaring rates
- Strong refining margins support vessel demand
- Stock levels remain low
- 1-year T/C MR eco rate increased by 25% to USD 28,900 per day
- Price of a 5-year old MR increased further by 21% to USD 43 million

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



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



03. MARKETS

MARKET OUTLOOK IN DRY CARGO

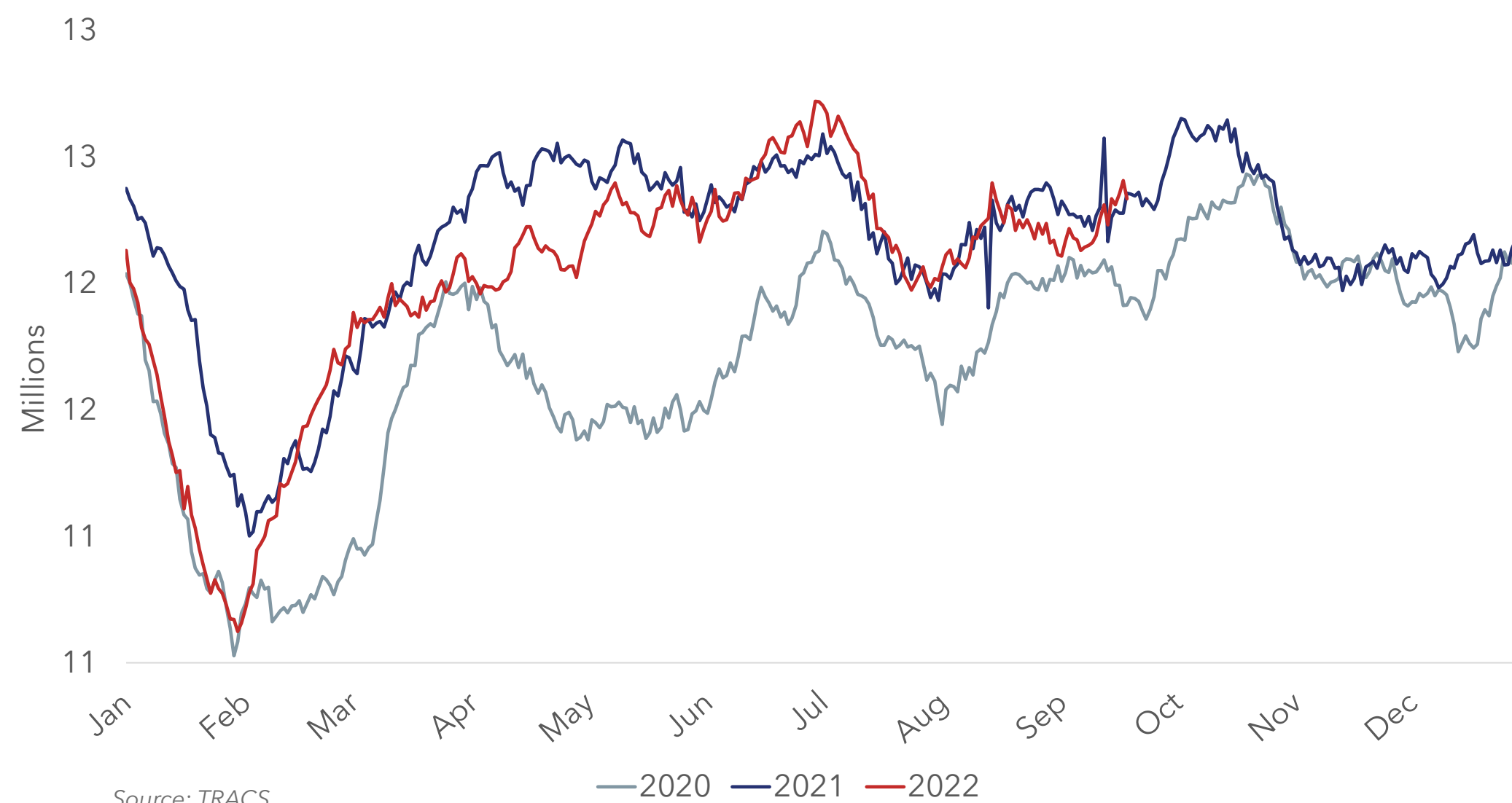
Further downside for dry cargo markets

- Slowdown in world economy expected
- Less support from congestion and container spillover
- Lower growth in global commodity volumes transported
- Chinese trade expected to improve, but not offset other factors

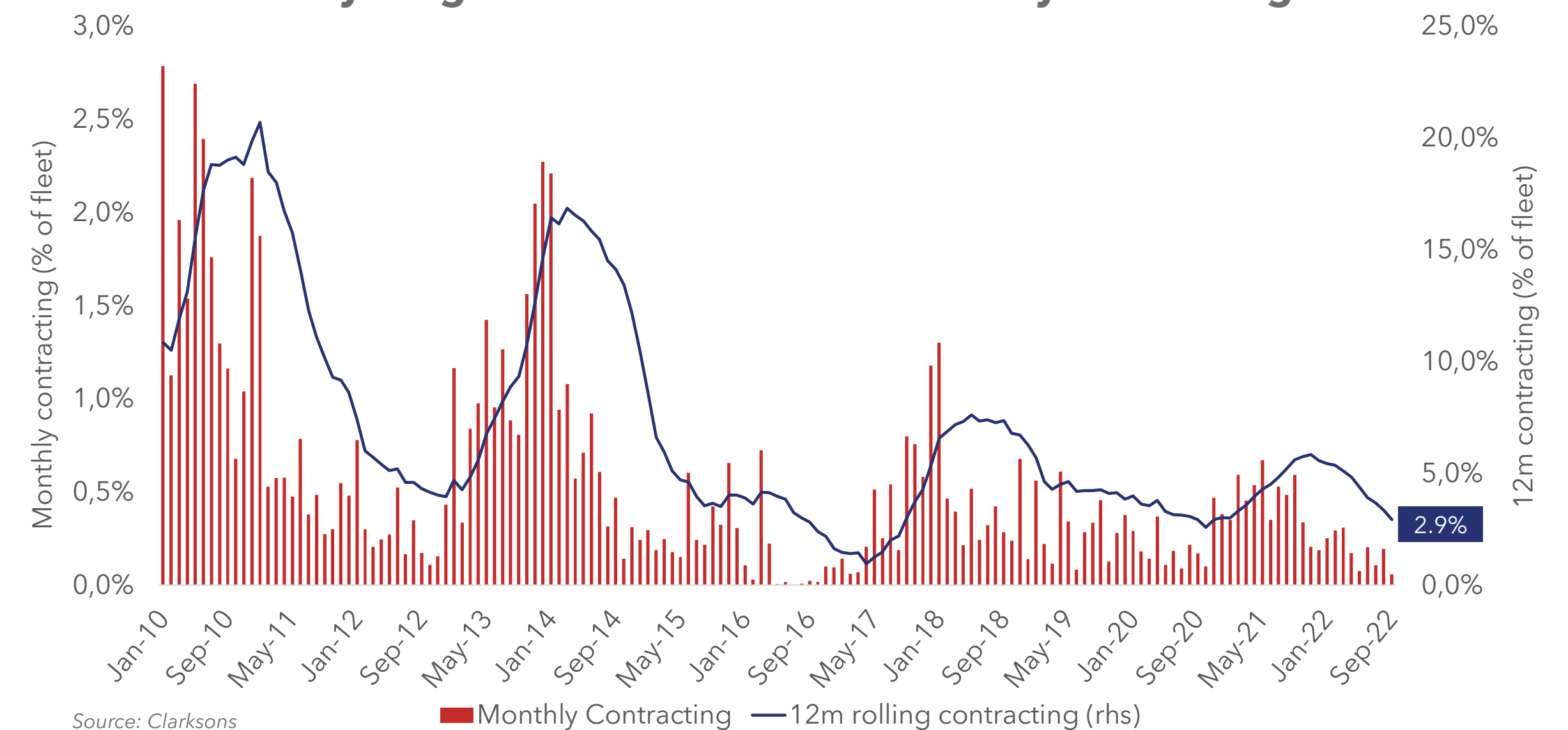
Vessel supply growth remains low

- Low orderbook will mitigate downturn
- Expected global fleet growth of 2-2.5% for 2022-23

Global volumes transported (30-day moving average)



Dry Cargo Y/Y Fleet Growth & Monthly contracting



03. MARKETS

MARKET OUTLOOK IN TANKER

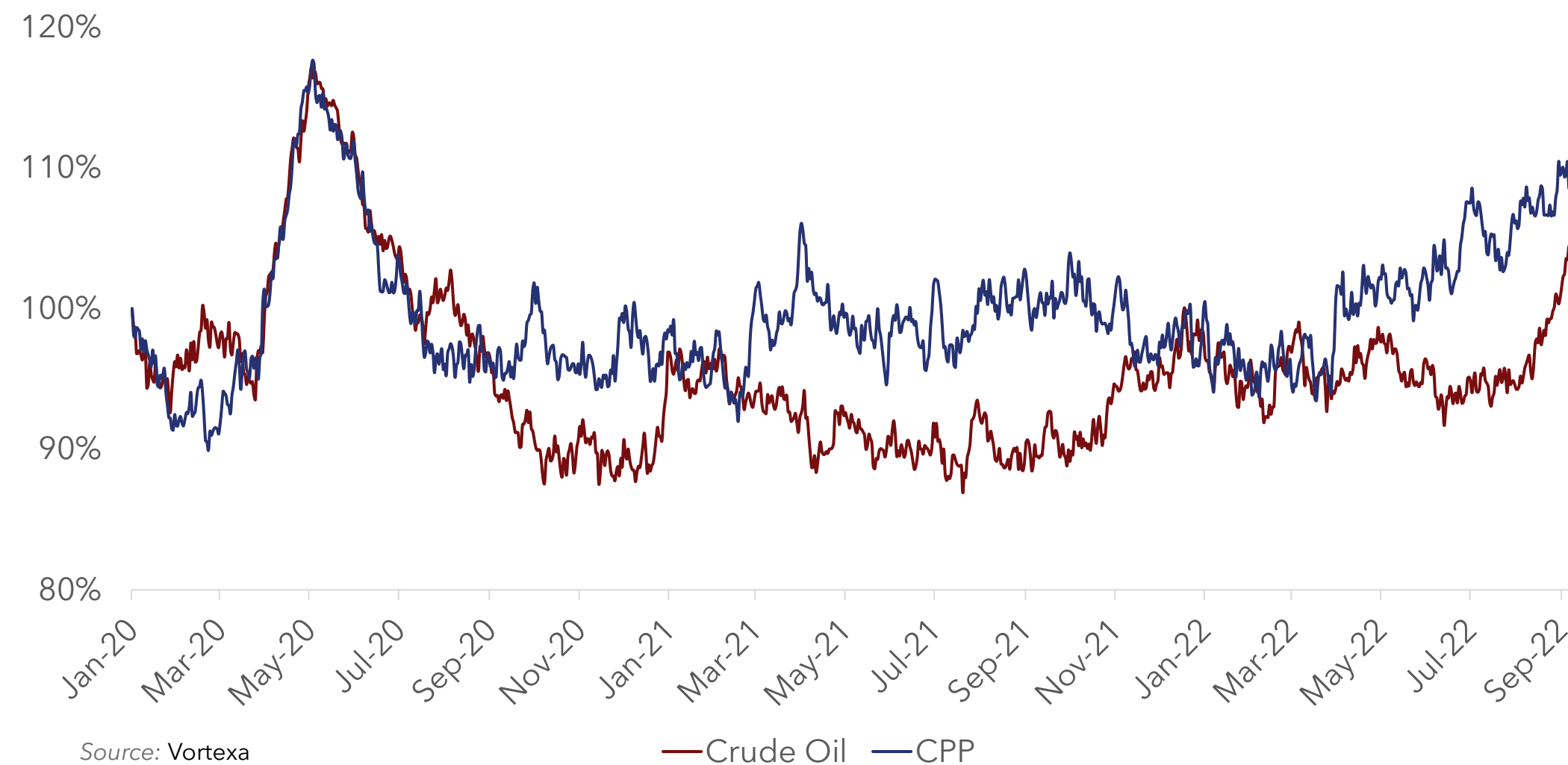
Strong base case

- Market expected to remain strong in 2022 moving into 2023
- Driven by longer distances and ongoing regional volatility
- Full effect of sanctions on Russia to materialise during winter period
- High risks due to political uncertainty and weaker economic outlook

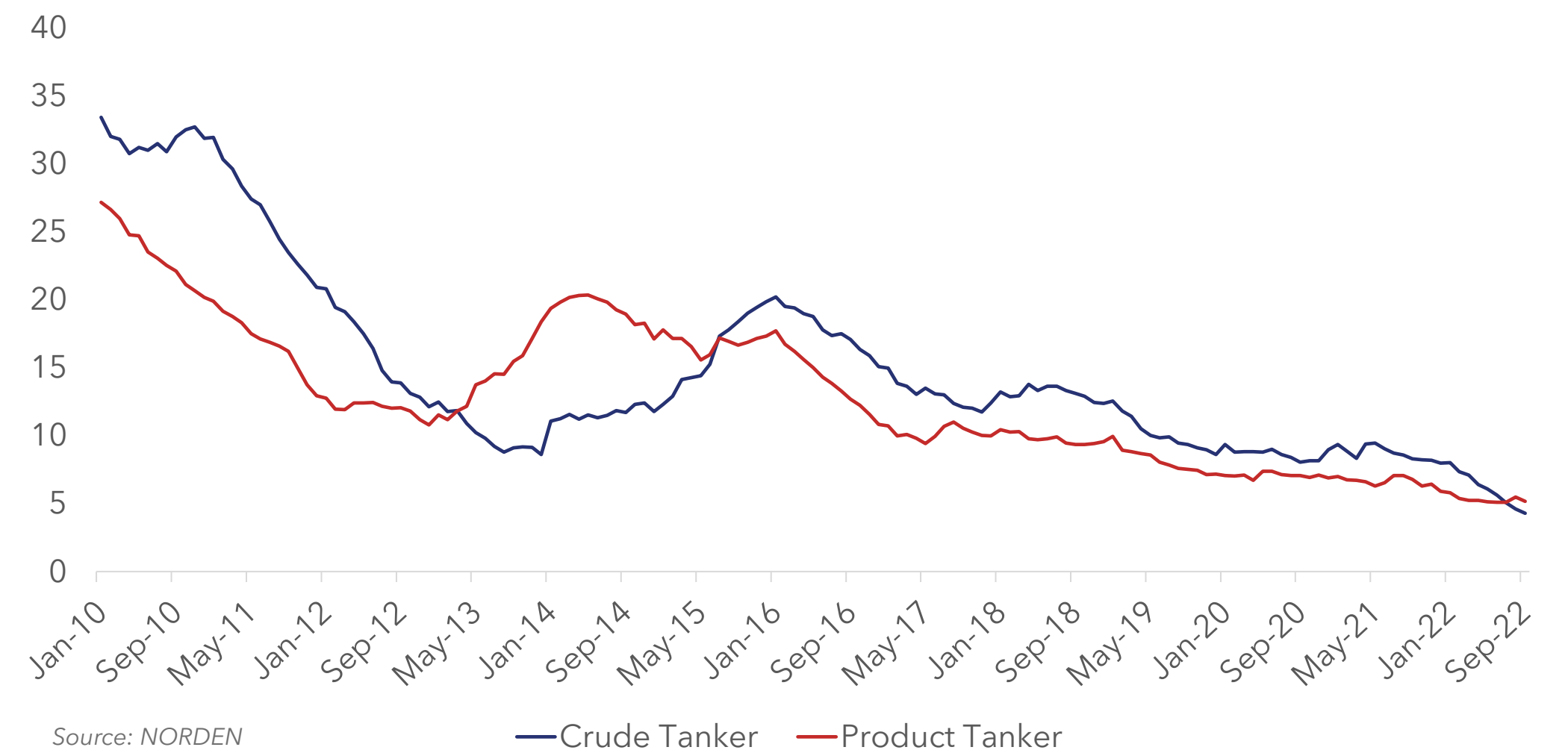
Low fleet growth supporting asset prices and period rates

- Historically low orderbook of 5%
- Limited yard capacity on MR tankers
- Expected global fleet growth of 2% in 2022-23

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



Orderbooks in % of fleet





04.
2022 GUIDANCE AND SUM-UP

04. GUIDANCE

2022 GUIDANCE

NORDEN guidance for FY 2022 profit for the year: USD 650-730 million

- Product tanker: High exposure towards substantially increased product tanker rates
- Dry cargo: Very strong short-term positioning towards a weakening dry cargo market, high long-term dry cargo cover at profitable rates
- Active asset trading in both segments

Assets & Logistics

- Expects much better earnings in 2022 compared to 2021
- High coverage at profitable rates on dry cargo vessels
- Vessel sales gains from strong dry cargo asset trades

Freight Services & Trading

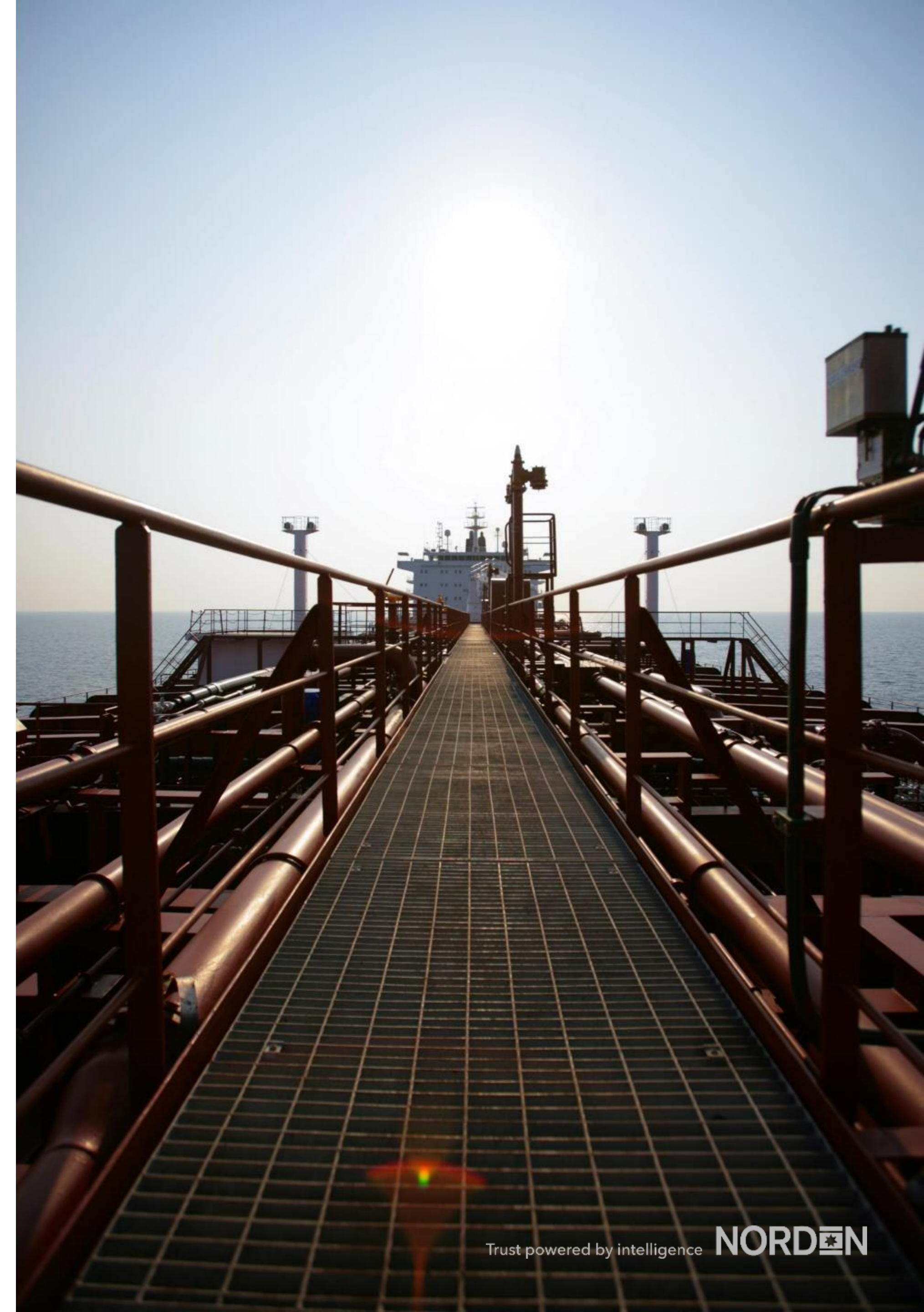
- Expects a net result significantly above 2021 result
- Margin per vessel day to more than double the record 2021 level
- Well positioned to capitalise on falling dry cargo rates
- High margins from soaring and volatile tanker market

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

04. FINAL WORDS

OUTSTANDING THIRD QUARTER

- Profit of USD 243 million – Significant quarter in both business units
- Strong trading profits in Freight Services & Trading across both markets
- Increasing BU NAV by DKK 69 per share – now at DKK 446
- Substantial dry cargo earnings through short position, strong cover rates and asset sales in advance of weakening market
- Cashing in on high tanker exposure, gradually starting to ease exposure
- New interim dividend of DKK 30 per share / New share buyback of USDm 50
- Expecting profit for the year between USD 650-730 million



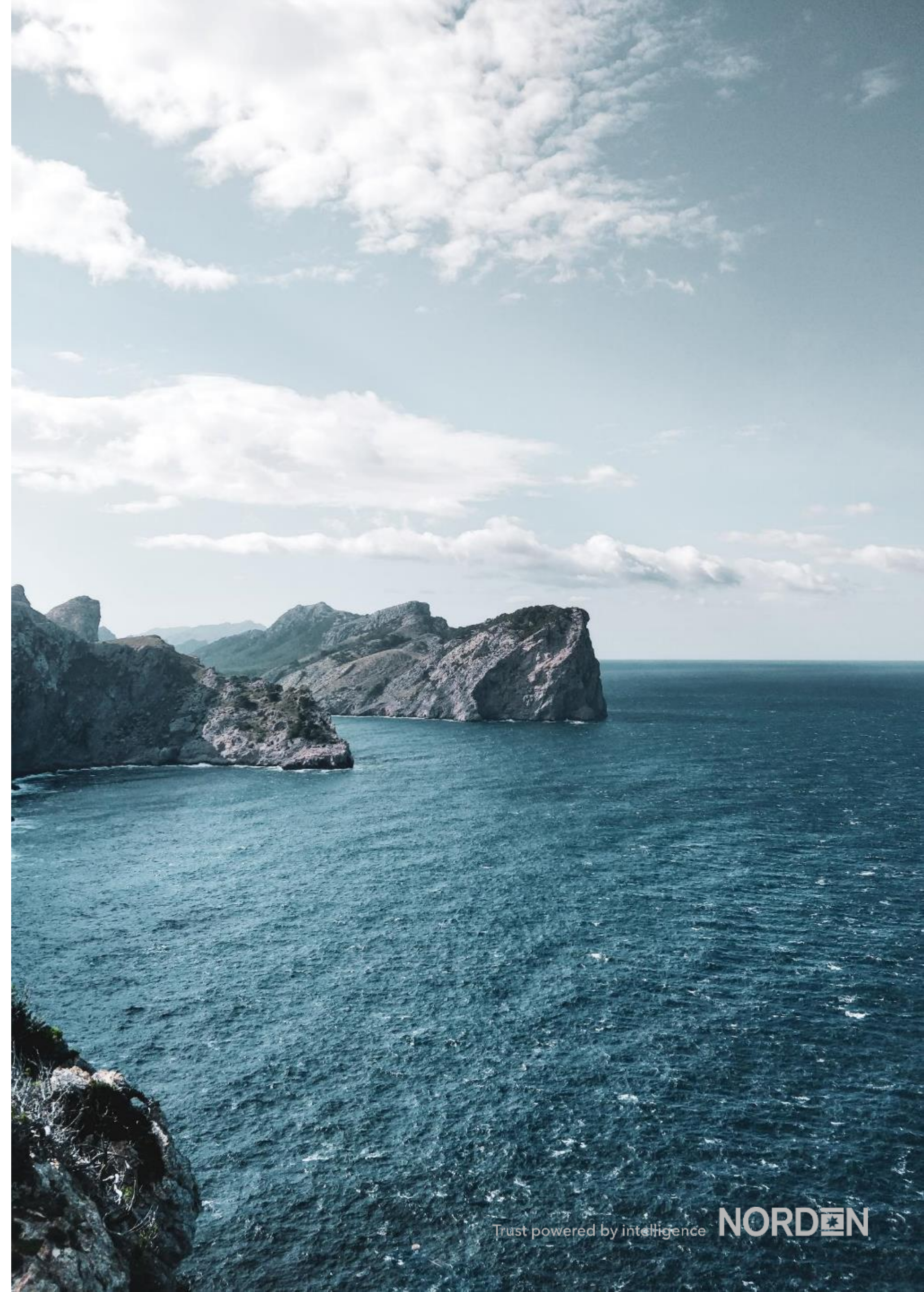
04. FINAL WORDS – DISCLAIMER

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 2022 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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Connect with us



APPENDIX - ABOUT NORDEN



ENABLING SMARTER GLOBAL TRADE



150 YEARS OF HONOURING OUR COMMITMENTS

People & Data

376

Employees

6.4

Billion datapoints daily

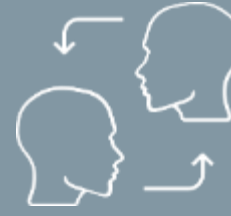
Our values



Reliability



Flexibility



Empathy



Ambition

Industry leader

~450

Operated vessels
94% chartered / 6% owned

0

Net zero carbon emissions
by 2050

Market trends: Increased focus on asset-light freight services and logistics

Major trends affecting shipping



NORDEN strategy



ENABLING SMARTER GLOBAL TRADE

Organisational structure: A customer, trading and data-driven NORDEN



ASSETS & LOGISTICS

Asset Management



Dry cargo vessels



Product tanker vessels

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

Logistics & Climate solutions



Port logistics



Decarbonisation

- Developing projects with selected customers
- 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 relationships & Global presence

Governance & Risk management

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

Five external factors have driven NORDEN's climate strategy

Climate crisis

- The world faces an urgent carbon problem
- 3% of carbon emissions are from shipping

Customer demand

- Customers need help to decarbonise their supply chains



Investor demand

- Investors seek out sustainable companies as being more successful

New regulations

- An ambition to stay ahead of environmental regulations

Employee demand

- Focus on attracting and retaining talents, who are driven by NORDEN's purpose

Via 5 climate commitments, our ambition is to help our customers decarbonise their supply chains

Our ENVIRONMENTAL targets:



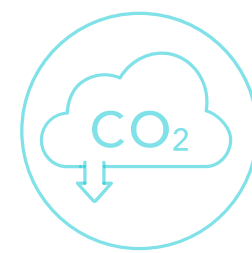
2021

Provide our customers with accurate transparency on emissions



2022

Greener competitive shipping solutions to our customers



2022-2050

Annual reduction in CO2 emissions from our operation in line with Sea Cargo Charter



2025-2030

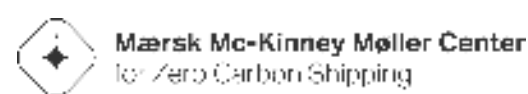
Only order vessels with zero-emission technology latest from 2030



Before 2050

Net-zero emissions from our operation by 2050

Partnerships and certificates



United Nations Global Compact



ecovadis



Our support to the UN SDGs



We strive to continuously ensure a diverse and inclusive culture

Our SOCIAL targets:



2022

Female share of employees: At least 40% in 2022*



2022 - 2025

Female shares of managers: At least 36% in 2022 and least 40% in 2025**



2025

Female share of shareholder-elected members of Board of Directors: At least 40% in 2025***



Ongoing

Zero fatalities****



Ongoing

Lost Time Injury Frequency below 0.8*****

Notes:

*In 2021 was the female share of employees 39%

**In 2021 was the female share of managers 36%

***In 2021 was the female share of shareholder-elected members of Board of Directors 33%

****In 2021 the number of fatalities at sea related to work safety was 0

*****In 2021 Lost Time Injury Frequency rate was 0.8 per million working hours

Partnerships and certificates:

ecovadis



TARGET GENDER EQUALITY



Our support to the UN SDGs



We take firm measures to prevent any form of corruption

Our GOVERNANCE targets:



Ongoing

Zero tolerance towards bribery and refusal of facilitation payments



Ongoing

All eligible employees to take and pass NORDEN's anti-corruption training as well as our sanctions and trading restrictions training

Partnerships and certificates



Our support to the UN SDGs

