

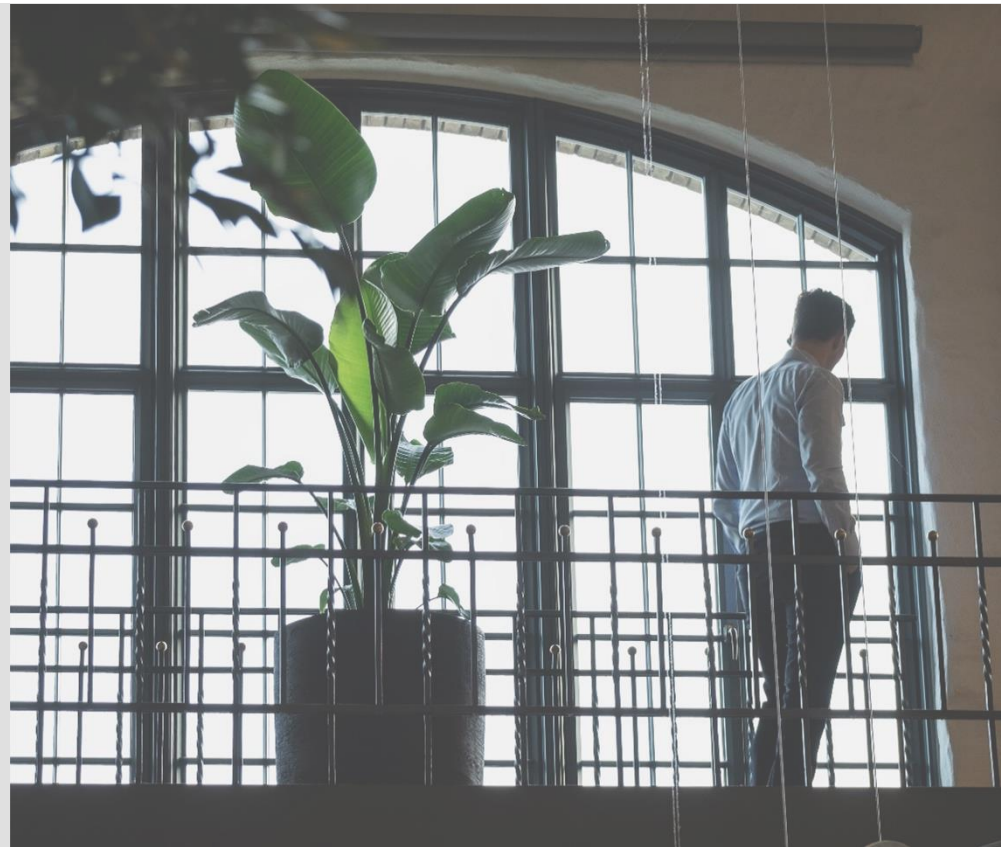
D/S NORDEN

Q1 2020 Results

Copenhagen, Denmark
5 May 2020

AGENDA

- **Highlights Q1 2020**
- **Business unit performance & market outlook**
- **2020 guidance**
- **Final words**

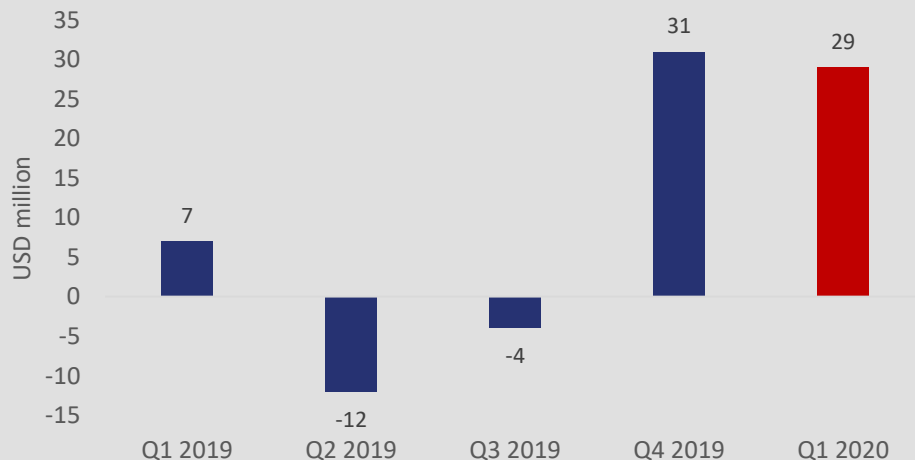


01.

Highlights Q1 2020

BUSINESS UPDATE

Quarterly Adjusted Results



Strong start to the year

Adjusted Result Q1 2020 USD 29 million (Q1 2019: USD 7 million)

- Asset Management USD 7 million
- Dry Operator USD 4 million
- Tanker Operator USD 18 million

EBIT Q1 2020 USD 37 million (USD 6 million)

Business highlights Q1

- Asset Management is benefitting from having shifted exposure from dry cargo to tankers during the last two years
- Dry Operator delivered a strong result in a weak market
- Tanker Operator was well positioned in a strong market
- NORDEN raises guidance for 2020 to USD 30-80 million
- As a result of the lockdown, the AGM is postponed until further notice. It is still NORDEN's intention to pay the dividend related to the financial year 2019

SUBSTANTIAL VALUE BEYOND ASSET VALUES



ASSET MANAGEMENT NAV-BASED VALUATION

Dry Cargo and Tanker	USDm
Market value of own vessels	792
Cash & equivalents	239
Interest bearing debt	-351
N/B installments	-38
Other net assets (book values)	230
Total NAV (excl. TC/Cover portfolio)	872
NAV per share, DKK	152



DRY OPERATOR EARNINGS BASED VALUATION

	USDm
Adjusted net result last 12 months	16
Annualised since beginning in mid 2017	20



TANKER OPERATOR EARNINGS BASED VALUATION

	USDm
Adjusted net result last 12 months	25
Annualised since 2019	28

Historical performance

While the Tanker Operator is a newly established business unit, NORDEN's Tanker business has had a long track record of earning a positive TC margin (measured as realised TCE earnings less the average level of the 1 year TC market).

The average realised TC margin

- Since 2006: USD 1.300 pd
- Last 10 years: USD 1.377 pd
- Last 5 years: USD 1.589 pd

The valuation is excluding the value of the TC capacity, cover contracts and period and purchase options

*Excluding operational lease liabilities (IFRS16), Includes NORDEN's share of debt in Joint Ventures ** DKK/USD exchange rate of 6.87 and 39.3m shares

02.

Business unit performance and market outlook

ASSET MANAGEMENT – RESULTS AND KEY DEVELOPMENT

- **Adjusted Result in Q1 USD 7 million**
 - Adjusted Result for the last 4 quarters USD 5 million
 - EBIT in Q1 USD 12 million
- **Actively reduced exposure in dry cargo**
 - Sold 1 Supramax
 - Leased out 2 scrubber-fitted Panamax 3 years (delivery Q2 2020)
 - Leased 1 MR tanker and 1 Handysize bulker for 5 years (delivery 2021) - significant optionality attached

Asset Management key figures

USD million	2020 Q1	2019 Q1	Last 4 Quarters
Contribution margin	57.6	46.2	192.1
O/A costs	-5.1	-5.5	-21.4
EBIT	12.0	-2.8	39.4
Adjusted Result	7.1	-0.1	4.5

Asset Management fleet

	Dry Cargo	Tanker	Total
Active fleet			
Owned vessels*	12	24	36
Leased vessels*	36	17	53
Total active	48	41	89
For delivery			
Owned vessels*	2	0	2
Leased vessels*	7	10	17
Total for delivery	9	10	19
Purchase options	39	24	63
Period option days	37,994	18,150	56,144

*incl. J/Vs

CUSTODIANS OF SMARTER GLOBAL TRADE

ASSET MANAGEMENT – DRY AND TANK MARKET IN Q1

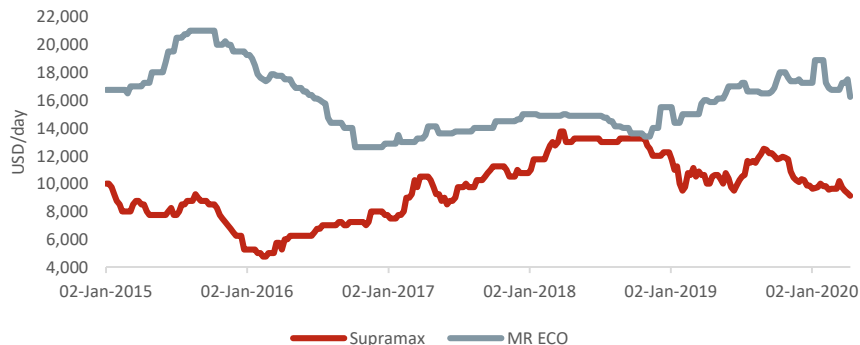
• Dry asset and time charter markets declined

- Weak demand due to COVID-19 lockdowns
- 5-year-old Supramax fell by 9%
- 1-year T/C market dropped by USD 500 to USD 9,500 per day

• Tanker rates and asset prices remained firm

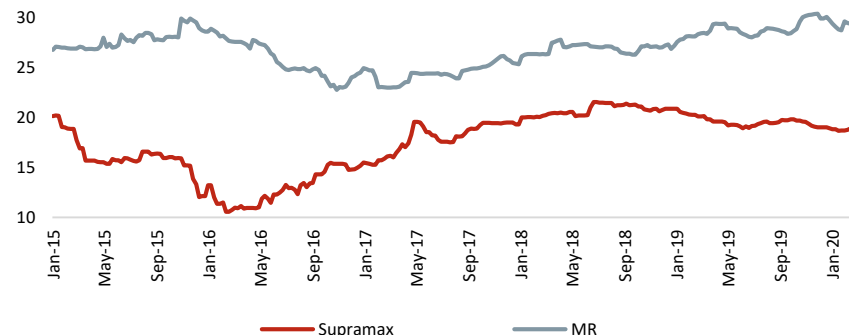
- Result of significant restocking and storage demand
- The price of a 5-year-old MR was unchanged
- 1-year T/C market remained at USD 16,000 per day

1 year T/C rate



Source: Clarksons

5-year secondhand asset values

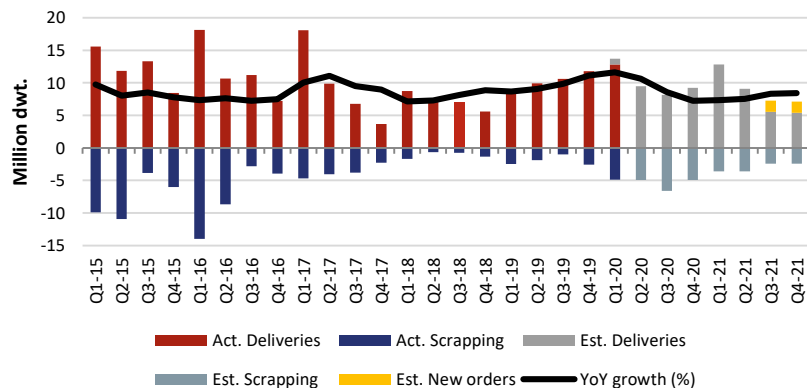


Source: Clarksons

ASSET MANAGEMENT – DRY CARGO OUTLOOK

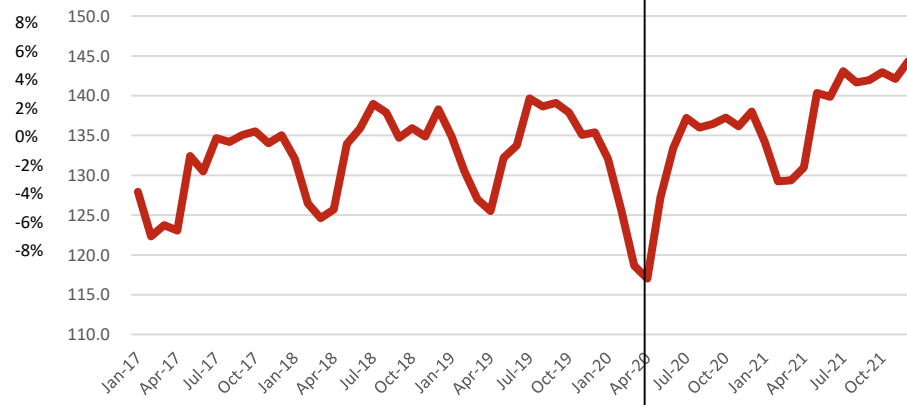
- **Recovery depends on COVID-19 and the economy**
 - Higher scrapping to reduce fleet growth
 - End of scrubber dry dockings to add effective supply
 - Might not be any meaningful recovery before 2021
 - Key drivers are consumption of commodities and new infrastructure spending by government
- **Demand is driven by China**
 - Iron ore imports to China is strong due to stocking
 - Steel production outside China has collapsed
 - Weak coal demand

Dry bulk fleet forecast (million dwt)



Source: Clarkson and NORDEN
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Y/Y demand growth in tonne-miles



Source: NORDEN

CUSTODIANS OF SMARTER GLOBAL TRADE

ASSET MANAGEMENT – TANKER OUTLOOK

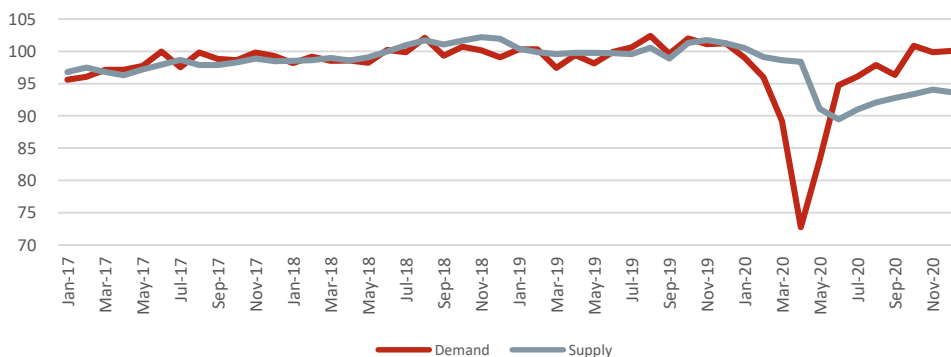
• Strong Q2 market expected

- Historically high product tanker rates under high volatility
- Crude supply overhang forcing floating storage
- OPEC+ supply cuts not enough to fully offset demand decline
- Asset prices and period rates held up by excessive floating storage

• Challenging H2 market

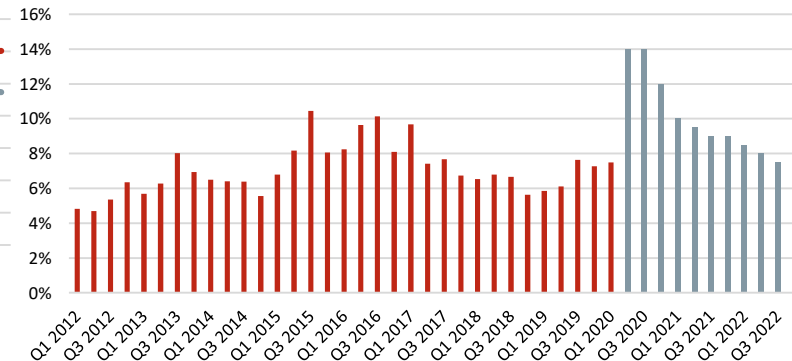
- Very weak underlying demand due to COVID-19
- Vessels tied up in floating storage reduces effective supply
- Crude supply declines and demand growth reduces storage demand
- Destocking cycle to reduce transportation demand and release vessels for effective supply
- Seeking to reduce exposure through asset sales and long term coverage

Oil demand and supply development (mb/d)



Source: Energy Aspects

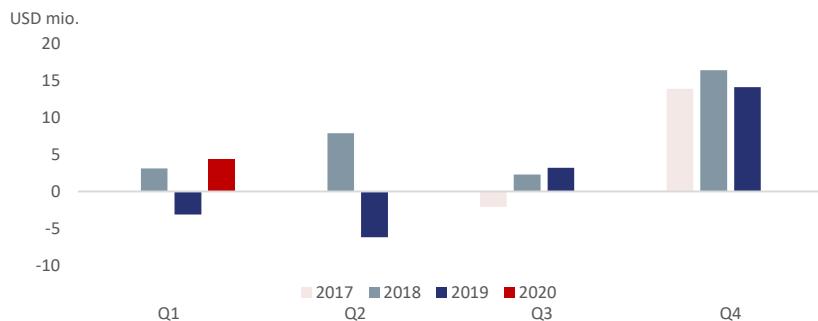
Floating storage in % of fleet (Uncoated tankers)



DRY OPERATOR - TESTAMENT TO A RESILIENT BUSINESS MODEL

- **Adjusted Result of USD 4 million in Q1**
 - Margin of USD 199 per vessel day
 - Good arbitrage from short-term activity in a declining market
 - Last four quarters of USD 16 million
- **Activity level growing slower than anticipated**
 - Average fleet 243 vessels - Deliberately reduced ahead of IMO 2020 transition
 - COVID-19 impacting trading opportunities
- **Very weak dry cargo market**
 - Supramax and Panamax spot rates 16-18% lower than Q1 2019
 - Average Supramax rates of USD 10,000 per day in the Atlantic market – pacific only about half of that
 - Normal Q2 seasonal upturn not yet happening

Dry Operator Adjusted Result by quarter



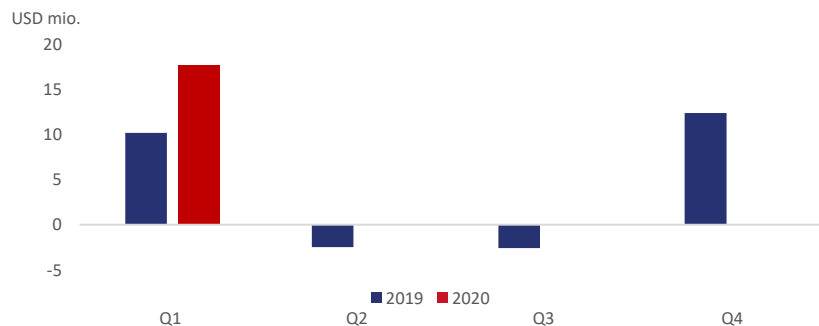
Dry Operator key figures

USD million	2020 Q1	2019 Q1	Last 4 Quarters
Contribution margin	21.6	10.9	77.6
O/A costs	-10.3	-10.0	-38.9
EBIT	6.7	-1.5	21.3
Adjusted Result	4.4	-3.1	15.5
Vessel days	22,133	25,088	98,013
Adj. Result per vessel day (USD/day)	199	-124	158

TANKER OPERATOR - GOOD START AS A BUSINESS UNIT

- **Adjusted Result of USD 18 million in Q1**
 - Margin of USD 1,855 per vessel day
 - Combination of strong spot rates and active positioning
 - Last four quarters of USD 25 million
- **Fleet size actively increased in anticipation of a strong market**
 - Average fleet size of 105 vessels incl. pool vessels - increased in expectation of higher rates
 - Significant position of time-chartered tonnage and optionality
- **Strong tanker market in Q1**
 - Saudi Arabia lowered crude prices and increased crude supply significantly
 - Market driven by high demand for floating storage and elevated discharge waiting times
 - Global available fleet has been reduced
 - Capturing value through spot and short term coverage

Tanker Operator Adjusted Result by quarter



Tanker Operator key figures

USD million	2020 Q1	2019 Q1	Last 4 Quarters
Contribution margin	31.6	14.8	64.2
O/A costs	-6.2	-4.0	-19.3
EBIT	18.3	10.2	27.2
Adjusted Result	17.7	10.2	25.0
Vessel days	9,543	8,324	36,442
Adj. Result per vessel day (USD/day)	1,855	1,225	686

03.

Guidance & Final words



2020 GUIDANCE



ASSET MANAGEMENT

- Still expects significant improvement in profits compared to 2019
- Lower than previously estimated due to lower scrubber earnings and dry cargo forward rates
- Expectations exclude any potential impairment of vessels or right of use assets



DRY OPERATOR

- Adjusted Result above that for 2019
- Based on a net margin per vessel day in line with the average over the last 10 quarters and an activity level similar to or slightly below 2019
- Distribution of earnings per quarter is expected to continue to be subject to significant volatility.



TANKER OPERATOR

- Adjusted result higher than in 2019
- Based on a strong spot market through Q2 and an activity level similar to 2019
- Spot rates are very volatile which leads to significant uncertainty in the earnings estimate for the business unit

NORDEN raises its guidance to an Adjusted Result for 2020 of USD 30 to 80 million.

SO MUCH MORE THAN JUST OWNED VESSELS...



- True value of NORDEN is more than the market value of owned vessels
- Q1 shows the strength of the business model
- All 3 business units proved profitable in a challenging dry cargo market and volatile tanker market
- Expecting a difficult dry cargo market and a strong tanker market in Q2
- Guidance for 2020 raised to USD 30-80 million

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 2020 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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Back-up slides

NORDEN – enabling smarter global trade

Since 1871, NORDEN has built a reputation for providing reliable and efficient transport solutions to customers across the world. The Copenhagen-listed company offers shareholders earnings from industry-leading operator and owner activities generated by a highly skilled organisation in addition to cyclical exposure to the dry cargo and product tanker markets.

~400

Vessels

~127

million tonnes cargo transported

>600

Customers

1,110

Employees

32

Employee nationalities

~9,600

port calls



With 11 offices across 6 continents, NORDEN operates at the heart of global trade, transporting dry cargo and product tanker commodities across the globe.

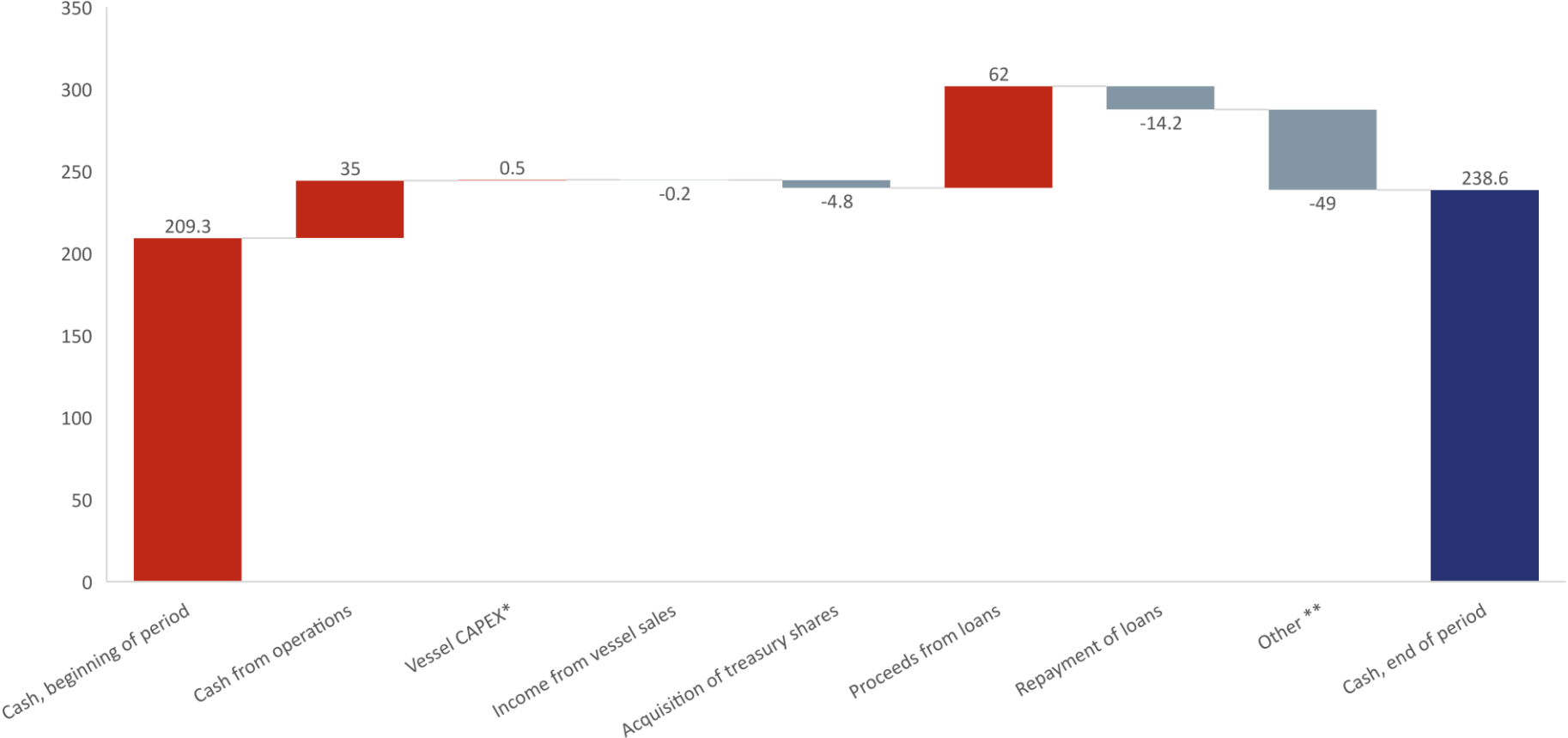
Q1 INCOME STATEMENT

Note	USD million	2020 Q1	2019 Q1	2019 Q1-Q4
2	Revenue	614.6	653.5	2,583.4
	Other operating income	6.3	4.0	16.3
3	Vessel operating costs	-510.1	-585.6	-2,305.2
	Contribution margin	110.8	71.9	295.0
3	Overhead and administration costs	-21.6	-19.5	-77.5
	Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	89.2	52.4	217.5
	Profit/loss from the sale of vessels, etc.	0.0	-12.3	-3.6
4	Depreciation, amortisation and impairment losses	-47.8	-34.8	-156.9
	Share of profit/loss of joint ventures	-4.4	0.6	-0.2
	Profit/loss from operations (EBIT)	37.0	5.9	56.8
	Financial income	0.9	1.7	5.1
5	Financial expenses	-8.1	-10.7	-37.8
	Profit/loss before tax	29.8	-3.1	24.1
	Tax	-2.1	-2.2	-4.9
	PROFIT/LOSS FOR THE PERIOD	27.7	-5.3	19.2
	Attributable to:			
	Shareholders of NORDEN	27.7	-5.3	19.2
	Earnings per share (EPS), USD	0.71	-0.13	0.48
	Diluted earnings per share, USD	0.71	-0.13	0.48
	Adjusted Result for the period	29.2	7.0	22.8

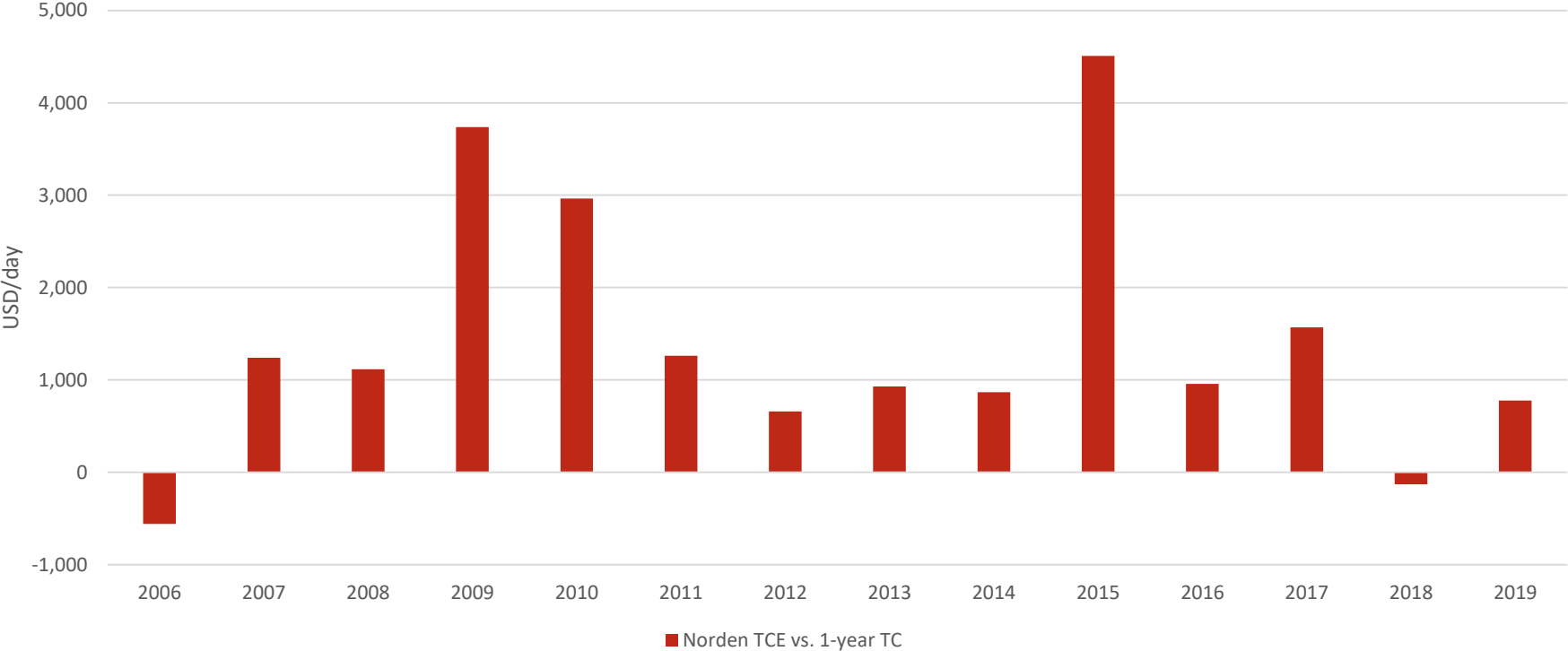
USD million	Asset Management	Dry Operator	Tanker Operator	Total
Contribution margin	57.6	21.6	31.6	110.8
Profit before depreciation, amortisation and impairment losses etc. (EBITDA)	52.5	11.3	25.4	89.2
Profit/loss from operations (EBIT)	12.0	6.7	18.3	37.0
Profit/loss for the period	5.6	4.4	17.7	27.7
Profit/loss from the sale of vessels	-1.5	0.0	0.0	-1.5
Adjusted Result for the period	7.1	4.4	17.7	29.2

* 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 Q1



OUTPERFORMED THE MARKET 12 OUT OF 14 YEARS



MAJOR SHIPPING TRENDS

Decarbonisation

- Climate change is a driver
- Decreased global use of oil and coal
- Reluctance to order newbuildings with current carbon-based technology

A changing China story

- Chinese economy develop towards being less commodity intensive
- Iron ore imports face headwinds

Shorter shipping cycles

- Increased uncertainty and complexity
- Opportunities for trading and earning margins in a volatile market

Digitalisation

- The industry is still highly analogue
- Opportunities to use growing data volume for decision making and process optimisation



NORDEN'S TRANSFORMATION



NORDEN has transitioned to a new business unit structure, which brings more agility and focus. This transition will facilitate:

Higher risk adjusted returns

- Short term trading-oriented operator activities
- Active exposure management

Better performance

- Transparency by establishment of individual bottom-lines
- Less dependent on long-term cyclical market developments

Beyond NAV

- Clear value assigned to each activity by reporting value in each unit
- Increasing dividend payments to shareholders

New business unit structure



ASSET MANAGEMENT



DRY OPERATOR



TANKER OPERATOR

BUSINESS UNIT STRUCTURE



ASSET MANAGEMENT

Active management of cyclical market exposure within dry cargo and product tanker segments.



DRY OPERATOR

Providing efficient global transport solutions to customers and active management of short-term market exposure in the dry cargo market.



TANKER OPERATOR

Providing efficient global transport solutions to and active management of short-term market exposure in the product tanker market.











Key performance measure: Return on allocated risk capital

- Time and negotiate transactions of owned and leased vessels
- Attractive optionality through long-term leases
- Safe and cost-efficient technical management

- Maximise operational base margin between spot earnings and time charter vessel costs
- Maximise positioning margin by taking short-term directional and regional positions

- Maximise operational base margin between spot earnings and time-charter vessel costs
- Maximise positioning margin by taking short-term directional and regional positions
- Commercial management of third-party tanker vessels

BUSINESS UNIT VALUE DRIVERS

	 Market exposure Taking a view on market direction and manage exposure	 Regional exposure Taking a view on regional rate developments	 Options Securing and re-aliasing value of optionality (period and purchase options)	 Employment arbitrage Choosing between cargoes, T/C-out and FFAs to fix income	 Clip deals Securing margin on a single voyage performed on a third party vessel with a minimum of market risk	 Vessel selection Evaluating earnings capacity of owned and chartered tonnage	 Vessel operation Speed setting, cargo handling and port operations	 Minimising ballast Optimise the matching of COA and market cargoes with available vessels	 Technical management Safe, reliable and costefficient technical management of the owned fleet	 Pool Management Generating fees as commercial manager of Norient Product Pool
ASSET MANAGEMENT	★		★			★			★	
DRY OPERATOR	★	★	★	★	★	★	★	★		
TANKER OPERATOR	★	★	★	★		★	★	★		★

Positioning margin

Base margin

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

- International ownership share counted 634 registered shareholders, in aggregate owning 28.1% of the share capital.

