

# PRESENTATION OF Q2 2020 RESULTS

Copenhagen, Denmark, 19 August 2020

NORD BELUGA  
KAMSARMAX

DEADWEIGHT

81841 mt

LENGTH

224.52 Meters

BEAM

32.26 Meters

DRAFT / MAX DRAFT

14.1 / 14.49 Meters

CURRENT LOCATION

22.284978, 114.119400



SPEED  
10.5 kn

HOLD  
75%



Trust powered by intelligence

**NORDEN**

# AGENDA FOR TODAY

01. Highlights Q2

02. Market outlook

- Dry cargo
- Tanker

03. Final words

04. Q&A



# 01. HIGHLIGHTS Q2 2020



# 01. HIGHLIGHTS Q2 AND H1 2020

## BUSINESS UPDATE

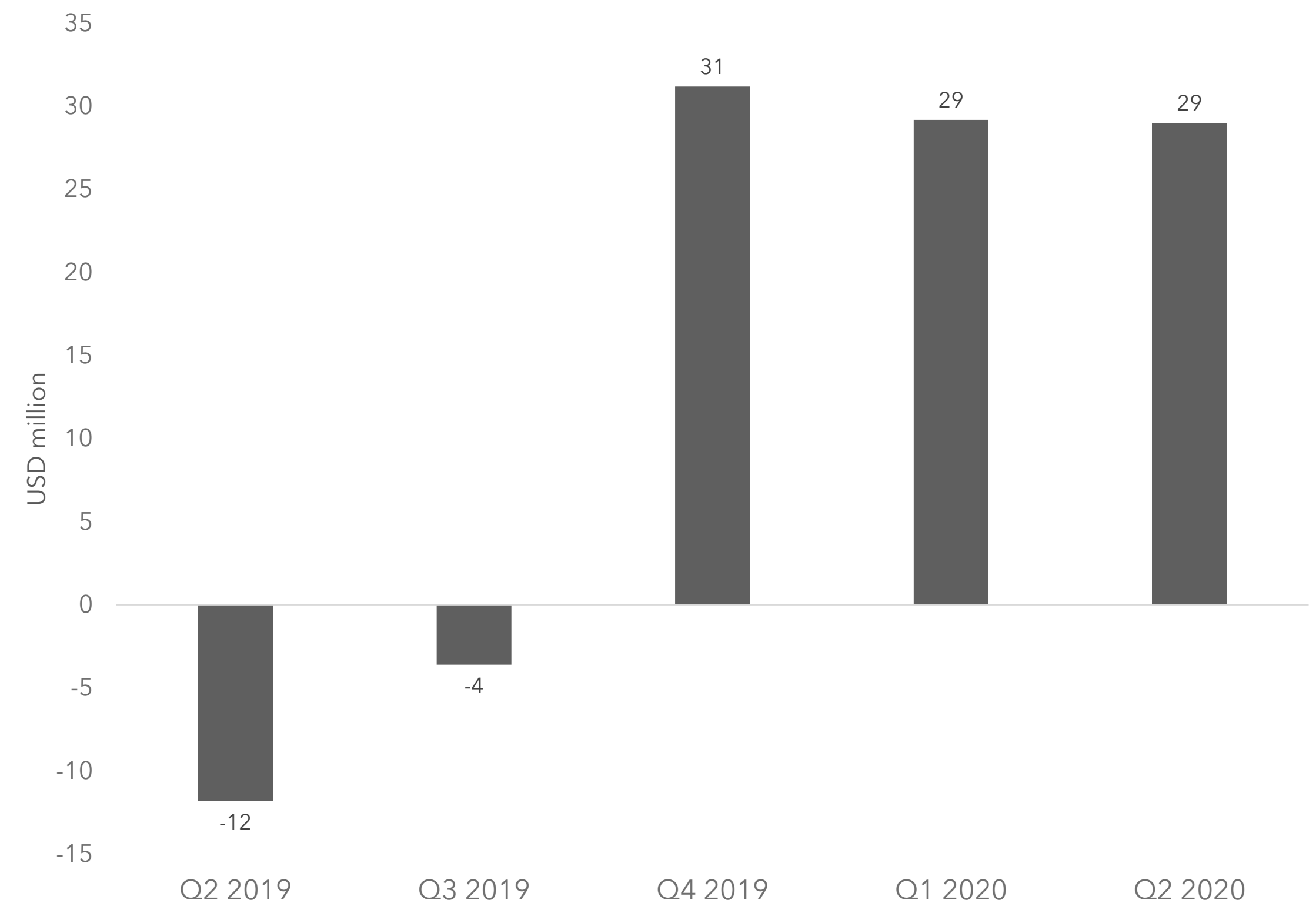
### Great Q2 result

- Adjusted Result Q2 2020 USD 29 million (Q2 2019: USD -12 million)
- Raising guidance to USD 40-80 million
  - Primarily due to improved expectations in Dry Operator

### Business highlights Q2

- Asset Management: USD 11 million
- Capital allocation:
  - Tactical investments in cheap dry cargo assets shifting relative exposure more towards Dry Cargo - in line with asset trading strategy
  - Committed to returning capital to shareholders through min. 50% dividends and additional share buyback programme
- Joint venture with Synergy Marine Group on technical management
- Dry Operator: USD -4 million - Reasonable result in weak market, building value for H2
- Tanker Operator: USD 22 million - Strong performance, capturing full value in Q2, and reducing forward market exposure
- Tanker Operator enters strategic partnership with Diamond S, making Norient Product Pool among largest global operators

### Quarterly Adjusted Results



# 01. HIGHLIGHTS Q2 2020

## SUBSTANTIAL VALUE BEYOND ASSET VALUES



### Asset Management

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

#### NAV-based valuation

|                                             | USDm       |
|---------------------------------------------|------------|
| Market value of own vessels                 | 837        |
| Cash & equivalents                          | 257        |
| Interest bearing debt                       | -308       |
| N/B instalments                             | -127       |
| Other net assets (book values)              | 186        |
| <b>Total NAV (excl. TC/Cover portfolio)</b> | <b>846</b> |
| <b>NAV per share, DKK</b>                   | <b>144</b> |

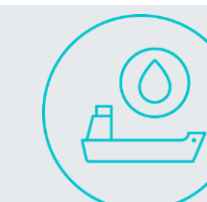


### Dry Operator

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

#### Earnings based valuation

|                                        | USDm |
|----------------------------------------|------|
| Adjusted net result last 12 months     | 18   |
| Annualised since beginning in mid 2017 | 17   |



### Tanker Operator

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

#### Earnings based valuation

|                                    | USDm |
|------------------------------------|------|
| Adjusted net result last 12 months | 49   |
| Annualised since 2019              | 38   |

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

#### 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).

Figures include market value of vessels and interest bearing debt in J/Vs, but excludes the value of leased vessels, cover contracts and purchase options. NAV per share based on USD/DKK rate and share count as of latest balance sheet date

# 02. BUSINESS UNIT PERFORMANCE AND MARKET OUTLOOK

# 02. ASSET MANAGEMENT RESULTS AND KEY DEVELOPMENT

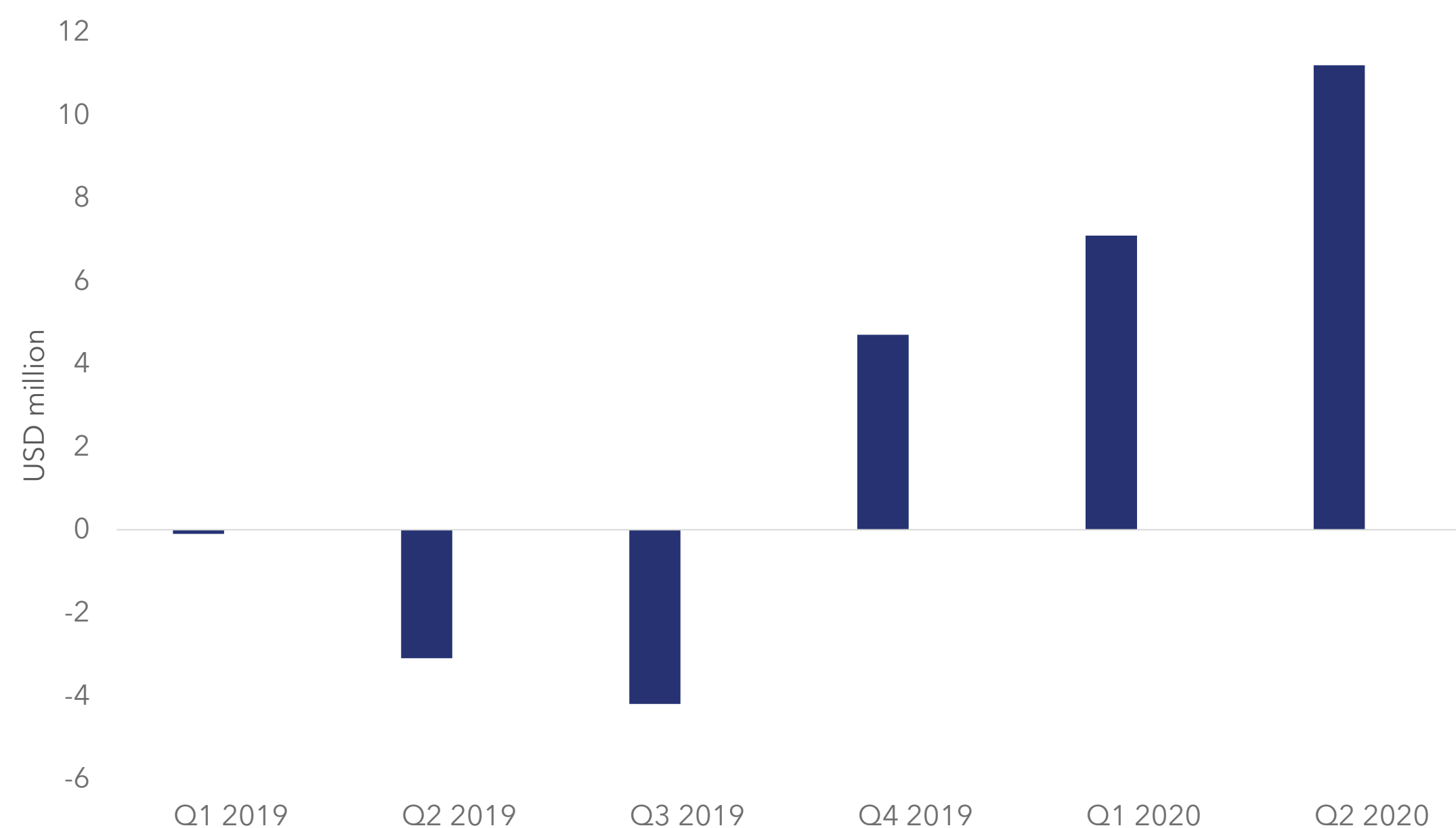
## Adjusted result in Q2 USD 11 million

- Adjusted Result for the last 4 quarters USD 19 million
- EBIT in Q2 USD 17 million
- Capitalising on low dry cargo asset values: Bought 4 Supramax N/Bs during Q2; added 2 more & 1 second-hand in Q3

## Asset Management key figures

| USD million         | 2020 Q2 | 2019 Q2 | Last 4 Quarters |
|---------------------|---------|---------|-----------------|
| Contribution margin | 59.6    | 43.7    | 208.0           |
| O/A costs           | -5.0    | -4.7    | -21.7           |
| EBIT                | 17.2    | 8.4     | 48.2            |
| Adjusted Result     | 11.2    | -3.1    | 18.8            |

## Asset Management Adjusted Result by quarter



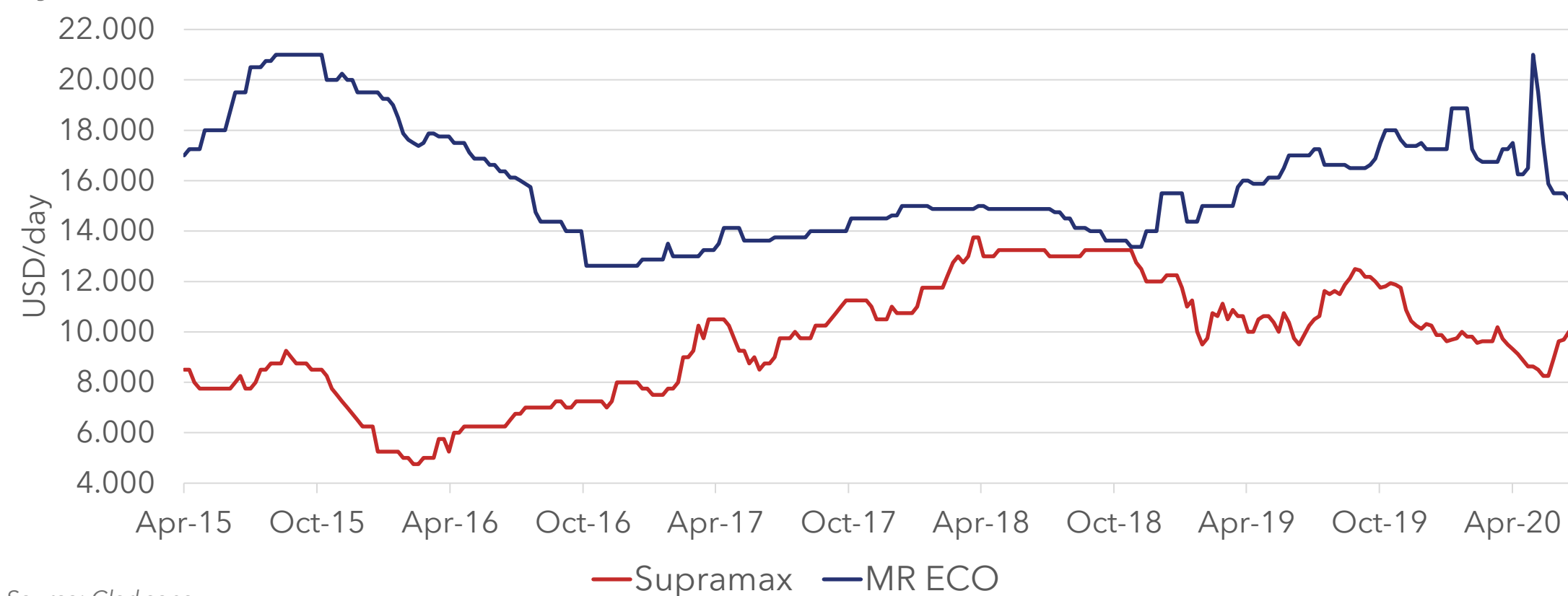
# 02. ASSET MANAGEMENT

## DRY AND TANKER MARKET IN Q2 2020

### Dry cargo market bottoming out

- NORDEN benefitting from high coverage in Dry Cargo during Q2
- The price of a 5-year-old Supramax fell by 5%
- 1-year T/C market increased by USD 500 to USD 9,850 per day
- After a period with very weak rates, clear improvements towards end of the quarter

1-year T/C rate

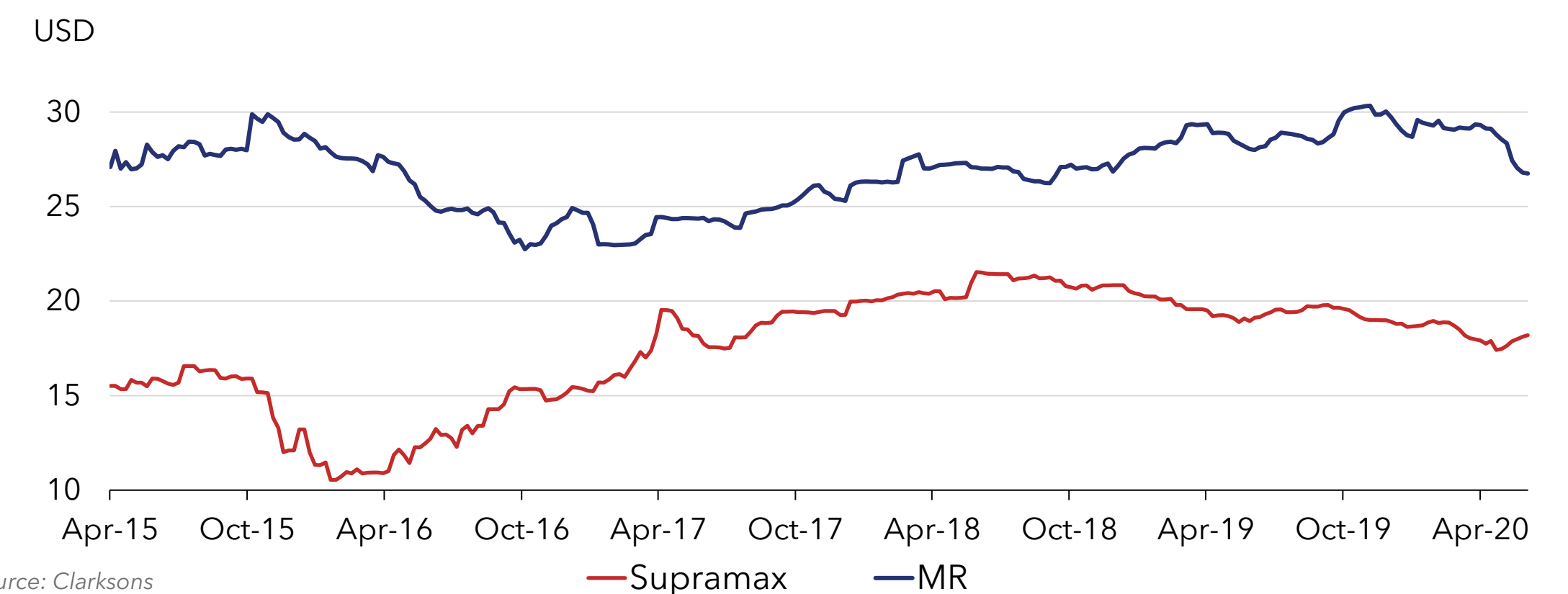


Source: Clarksons

### Tanker market declining after spike

- Short-lived, strong spike in tanker rates due to significant storage demand
- Rates plummeting since May
- The price of a 5-year-old MR fell 11%
- 1-year T/C market dropped by 2,000 to USD 14,250 per day

5-year secondhand asset values



Source: Clarksons



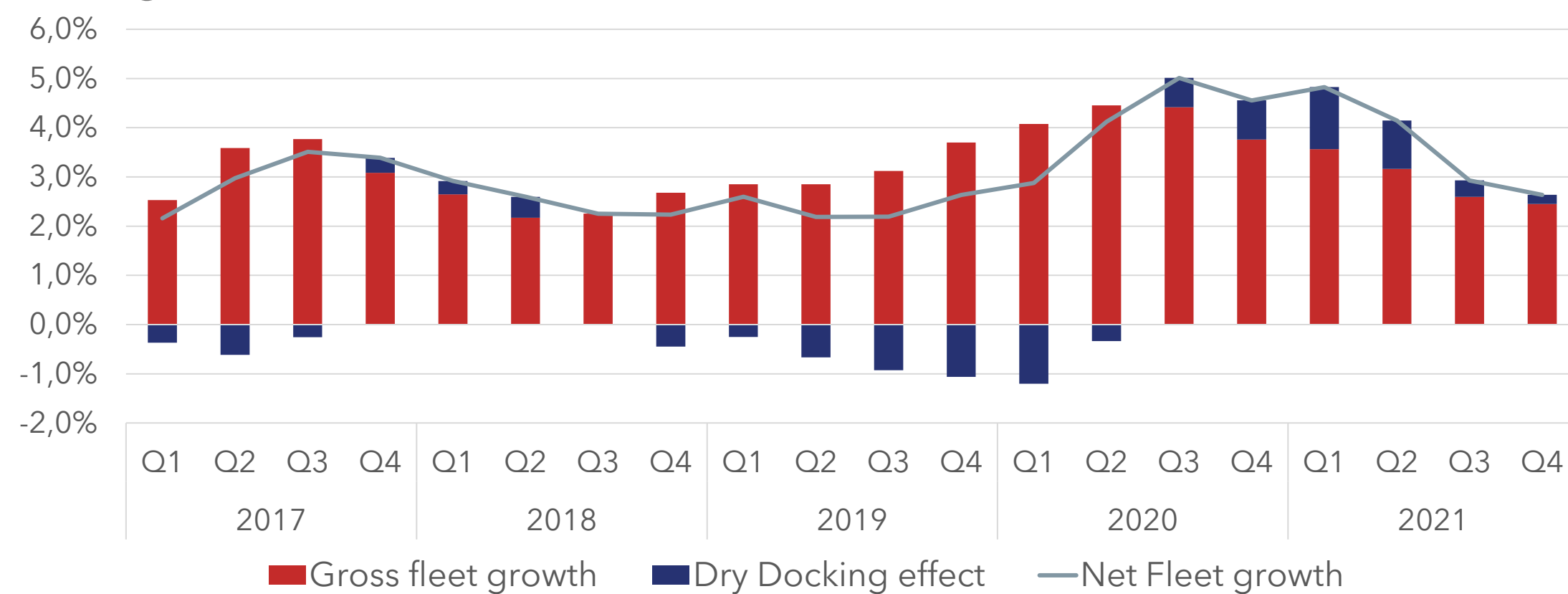
# 02. ASSET MANAGEMENT

## MARKET OUTLOOK, DRY CARGO

### Supply growth slowing down from here

- Orderbooks are coming down
- The market absorbed a large part of dry dock vessels returning
- Worst of the supply growth should be over

Fleet growth



### Dry cargo demand rebounding

- Chinese infrastructure investments to support commodity demand: RoW to follow in late 2021
- Much depends on Vale to deliver iron ore volumes - potentially significant growth in 2021
- 2021 and beyond looks increasingly attractive - will see effects of government spending and infrastructure projects

Y/Y demand growth in tonne-miles



Source: NORDEN

Source: NORDEN

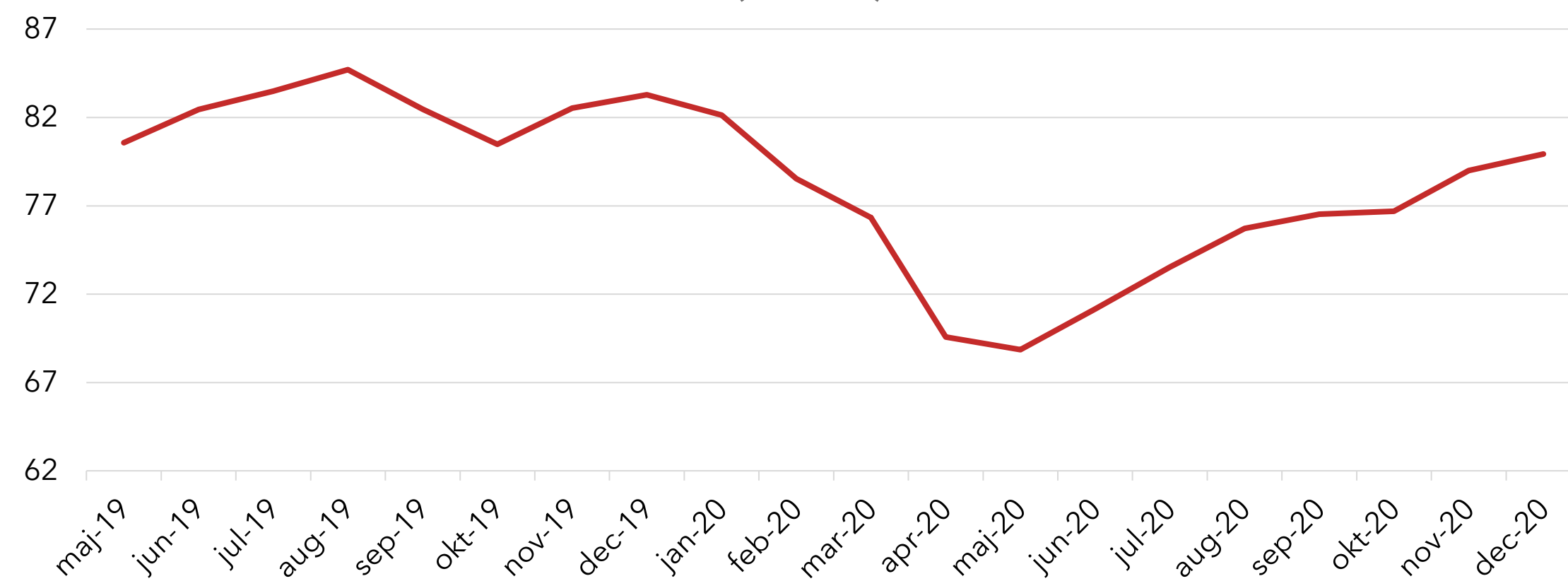
# 02. ASSET MANAGEMENT

## MARKET OUTLOOK, TANKER

### Weak demand outlook

- High stocks and weak oil demand reducing transportation demand
- Oil supply to adjust upwards driven by higher oil prices and reversal of OPEX+ cuts
- Oil demand to have normalised in 2022

Crude & Condensates Demand (mb/d)

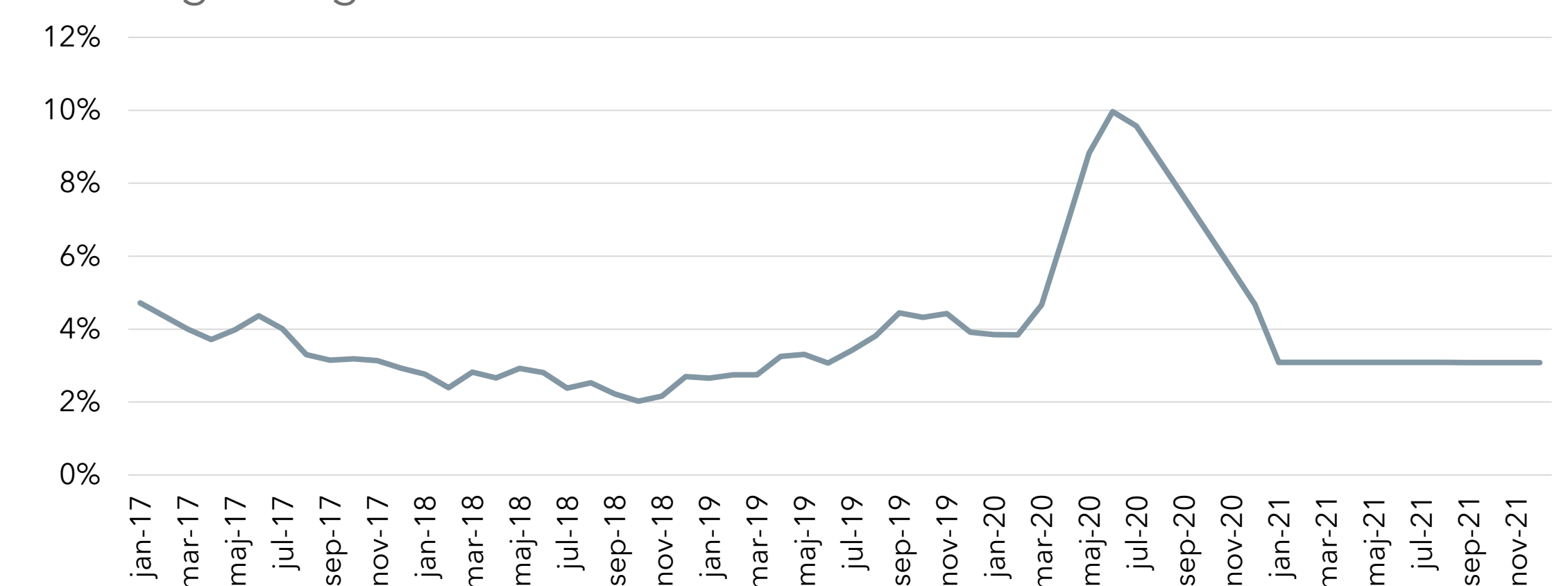


Source: Energy Aspects

### Attractive supply outlook

- Order books remain historically low
- Fleet age profile should allow for healthy scrapping activities going forward
- Less than 1% fleet growth - asset price risk is skewed to the upside as we near 2022

Floating storage in % of fleet



Source: NORDEN

## 02. DRY OPERATOR BUILDING VALUE FOR H2

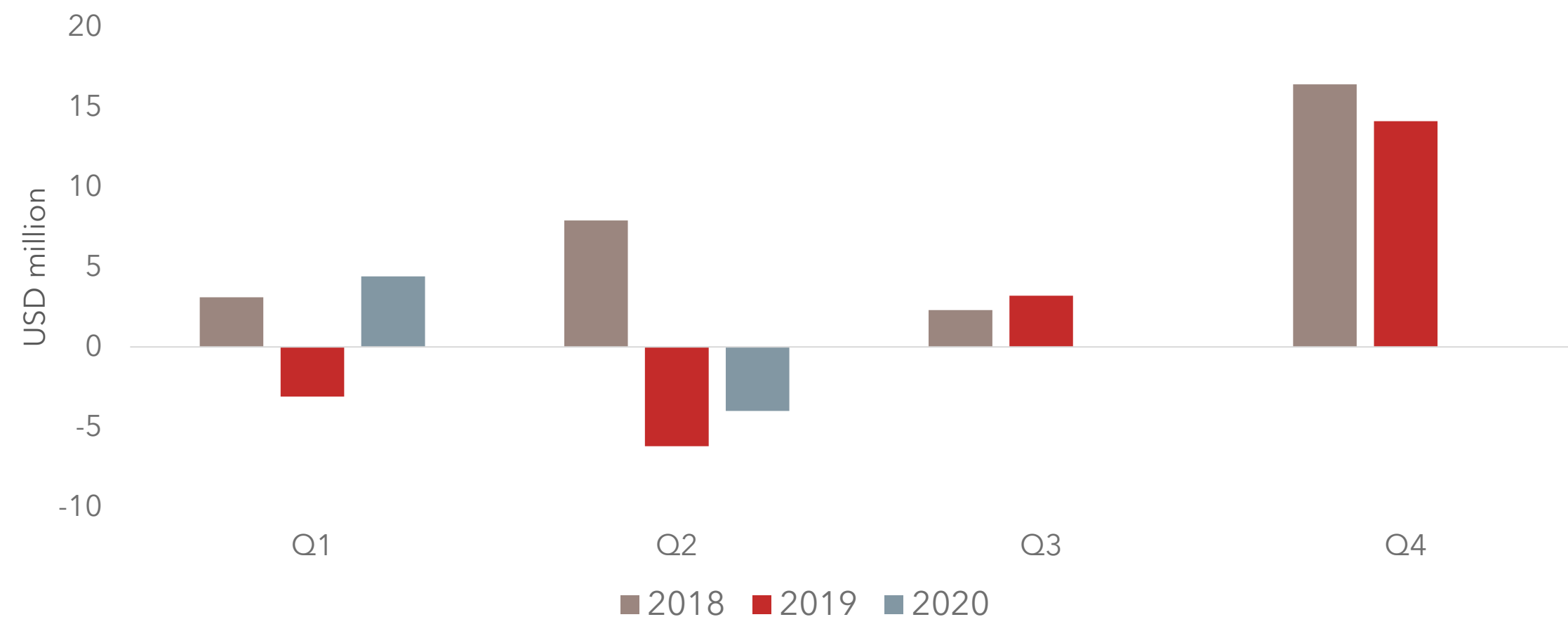
### Adjusted result of USD -4 million in Q2

- Last four quarters of USD 18 million and margin of USD 183 pd
- Entered Q2 with high cargo coverage - protected earnings
- Actively invested in position for H2 by taking short period vessels and backhaul cargos
- Activity level growing - Average fleet size of 273 vessels in Q2

### Signs of slow improvements

- Spot rates hit record low in end-April
- Both forward rates and spot rates started to improve

Dry Operator Adjusted Result by quarter



Dry Operator key figures

| USD million                          | 2020 Q2 | 2019 Q2 | Last 4 Quarters |
|--------------------------------------|---------|---------|-----------------|
| Contribution margin                  | 10.2    | 7.5     | 80.3            |
| O/A costs                            | -8.9    | -8.8    | -38.9           |
| EBIT                                 | -3.0    | -4.8    | 23.2            |
| Adjusted Result                      | -4.0    | -6.2    | 17.8            |
| Vessel days                          | 24,806  | 25,709  | 97,139          |
| Adj. Result per vessel day (USD/day) | -161    | -241    | 183             |

# 02. TANKER OPERATOR ATTRACTIVE COVER REDUCING FORWARD EXPOSURE

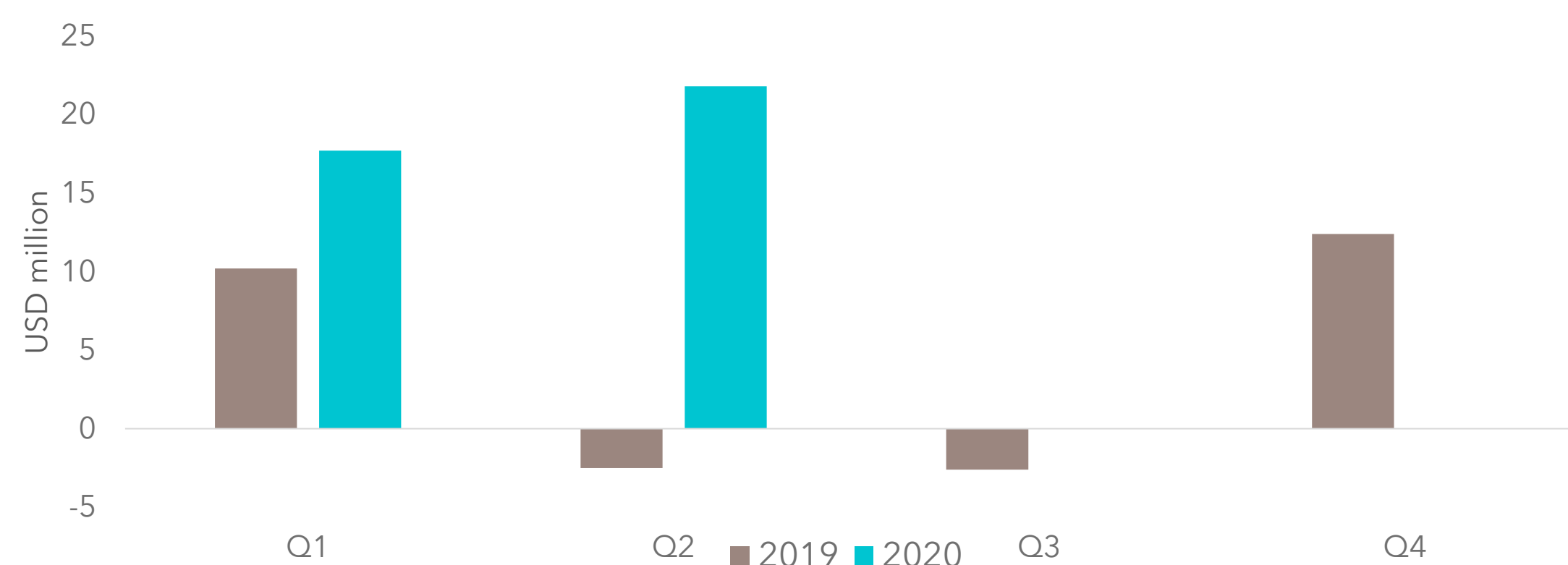
## Adjusted result of USD 22 million in Q2

- Last four quarters of USD 49 million
- Perfectly positioned for rate spike - Fleet size actively increased in anticipation of a strong market
- New partnership with Diamond S - makes Norient Product Pool one of the largest operators in the world
- Average fleet size of 119 vessels incl. pool vessels

## Rates plummeting after spike

- Historical strong spot rates in May - normalised in just a couple of trading days
- H2 still expected to be challenging

Tanker Operator Adjusted Result by quarter



Tanker Operator key figures

| USD million                          | 2020 Q2 | 2019 Q2 | Last 4 Quarters |
|--------------------------------------|---------|---------|-----------------|
| Contribution margin                  | 36.5    | 1.8     | 98.9            |
| O/A costs                            | -6.6    | -4.2    | -21.7           |
| EBIT                                 | 22.3    | -2.5    | 52.0            |
| Adjusted Result                      | 21.8    | -2.5    | 49.3            |
| Vessel days                          | 10,796  | 8,476   | 39,603          |
| Adj. Result per vessel day (USD/day) | 2,019   | -295    | 1,245           |

# 03.

## 2020 GUIDANCE AND FINAL WORDS

# 03. 2020 GUIDANCE

NORDEN raises its guidance to an Adjusted Result for 2020 of USD 40 to 80 million.



## Asset management

- Still expects significant improvement in profits compared to 2019
- Lower than previously estimated due to lower scrubber earnings
- 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 4 quarters and an activity level similar to or slightly above 2019
- Distribution of earnings per quarter is expected to continue to be subject to significant volatility



## Tanker operator

- Adjusted result higher than in 2019
- After a strong first half-year tanker spot rates have decreased significantly
- Spot rates are very volatile, which leads to significant uncertainty in the earnings estimate for the business unit

## 03. FINAL WORDS

# SO MUCH MORE THAN JUST OWNED VESSELS...

- Great Q2 result in challenging environment
- Raising guidance to USD 40-80 million:
  - *Expecting improved Dry Operator performance in H2*
- Capital allocation:
  - *Tactical investments in cheap dry cargo asset opportunities*
  - *Committed to asset light strategy and returning capital to shareholders (share buy-back programme of up to USD 10 million)*
- True value of NORDEN more than market value of owned vessels



## 03. 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 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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# 04. APPENDIX

# 04. APPENDIX 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 group 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 12 offices across 6 continents, NORDEN operates at the heart of global trade, transporting dry cargo and product tanker commodities across the globe.

Copenhagen (Denmark), Limassol (Cyprus), Singapore, Annapolis (USA), Shanghai (China), Rio de Janeiro (Brazil), Mumbai (India), Melbourne (Australia), Santiago (Chile), Vancouver (Canada), Abidjan (Ivory Coast) and Dubai



# 04. APPENDIX

## H1 INCOME STATEMENT

| USD million                                                                               | Q2 2020      | Q2 2019      | H1 2020        | H1 2019        | FY 2019        |
|-------------------------------------------------------------------------------------------|--------------|--------------|----------------|----------------|----------------|
| <b>Revenue</b>                                                                            | <b>615.7</b> | <b>624.6</b> | <b>1,230.3</b> | <b>1,278.1</b> | <b>2,583.9</b> |
| Other operating income                                                                    | 3.4          | 3.9          | 9.7            | 7.9            | 16.3           |
| Vessel operating costs                                                                    | -512.8       | -575.5       | -1,022.9       | -1,161.1       | -2,305.2       |
| <b>Contribution margin</b>                                                                | <b>106.3</b> | <b>53.0</b>  | <b>217.1</b>   | <b>124.9</b>   | <b>295.0</b>   |
| Overhead and administration costs                                                         | -20.5        | -17.7        | -42.1          | -37.2          | -77.5          |
| <b>Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)</b> | <b>85.8</b>  | <b>35.3</b>  | <b>175.0</b>   | <b>87.7</b>    | <b>217.5</b>   |
| Profit/loss from the sale of vessels, etc.                                                | 0.0          | 3.4          | 0.0            | -8.9           | -3.6           |
| Depreciation, amortisation and impairment losses                                          | -50.0        | -37.7        | -97.8          | -72.5          | -156.9         |
| Share of profit/loss of joint ventures                                                    | 0.7          | 0.1          | -3.7           | 0.7            | -0.2           |
| <b>Profit/loss from operations (EBIT)</b>                                                 | <b>36.5</b>  | <b>1.1</b>   | <b>73.5</b>    | <b>7.0</b>     | <b>56.8</b>    |

| USD million                          | Q2 2020     | Q2 2019      | H1 2020     | H1 2019      | FY 2019     |
|--------------------------------------|-------------|--------------|-------------|--------------|-------------|
| Financial income                     | 1.6         | 1.6          | 2.5         | 3.3          | 5.1         |
| Financial expenses                   | -7.7        | -9.4         | -15.8       | -20.1        | -37.8       |
| <b>Profit/loss before tax</b>        | <b>30.4</b> | <b>-6.7</b>  | <b>60.2</b> | <b>-9.8</b>  | <b>24.1</b> |
| Tax                                  | -1.4        | -1.7         | -3.5        | -3.9         | -4.9        |
| <b>Profit/loss for the period</b>    | <b>29.0</b> | <b>-8.4</b>  | <b>56.7</b> | <b>-13.7</b> | <b>19.2</b> |
| Attributable to:                     |             |              |             |              |             |
| <b>Shareholders of NORDEN</b>        | <b>29.0</b> | <b>-8.4</b>  | <b>56.7</b> | <b>-13.7</b> | <b>19.2</b> |
| <b>Earnings per share (EPS), USD</b> | <b>0.74</b> | <b>-0.21</b> | <b>1.45</b> | <b>-0.35</b> | <b>0.48</b> |
| Diluted earnings per share, USD      | 0.75        | -0.21        | 1.46        | -0.35        | 0.48        |

# 04. APPENDIX

## Q2 2020 FINANCIAL STATEMENT - SEGMENTS



Asset Management



Dry Operator



Tanker Operator

Eliminations

Total

USD million

### 2. Segment information

|                                                                                           |              |              |             |              |              |
|-------------------------------------------------------------------------------------------|--------------|--------------|-------------|--------------|--------------|
| Revenue – services rendered, external                                                     | 29.6         | 437.7        | 147.9       | 0.0          | 615.2        |
| Revenue – services rendered, internal                                                     | 68.4         | 0.0          | 0.0         | -68.4        | 0.0          |
| Revenue – sublease financial income                                                       | 0.5          | 0.0          | 0.0         | 0.0          | 0.5          |
| Voyage costs                                                                              | 5.5          | -234.3       | -49.3       | 0.5          | -277.6       |
| <b>T/C equivalent revenue</b>                                                             | <b>104.0</b> | <b>203.4</b> | <b>98.6</b> | <b>-67.9</b> | <b>338.1</b> |
| Other operating income                                                                    | -0.1         | -1.2         | 4.7         | 0.0          | 3.4          |
| Charter hire and OPEX element                                                             | -26.3        | -192.0       | -66.8       | 67.9         | -217.2       |
| Operating costs owned vessels                                                             | -18.0        | 0.0          | 0.0         | 0.0          | -18.0        |
| <b>Contribution margin</b>                                                                | <b>59.6</b>  | <b>10.2</b>  | <b>36.5</b> | <b>0.0</b>   | <b>106.3</b> |
| Overhead and administration costs                                                         | -5.0         | -8.9         | -6.6        | 0.0          | -20.5        |
| <b>Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)</b> | <b>54.6</b>  | <b>1.3</b>   | <b>29.9</b> | <b>0.0</b>   | <b>85.8</b>  |
| Profit/loss from sale of vessels, etc.                                                    | 0.0          | 0.0          | 0.0         | 0.0          | 0.0          |
| Depreciation, amortisation and impairment losses                                          | -38.1        | -4.3         | -7.6        | 0.0          | -50.0        |
| Share of profit/loss of joint ventures                                                    | 0.7          | 0.0          | 0.0         | 0.0          | 0.7          |
| <b>Profit/loss from operations (EBIT)</b>                                                 | <b>17.2</b>  | <b>-3.0</b>  | <b>22.3</b> | <b>0.0</b>   | <b>36.5</b>  |
| Financial income                                                                          | 1.0          | 0.6          | 0.0         | 0.0          | 1.6          |
| Financial expenses                                                                        | -6.7         | -0.6         | -0.4        | 0.0          | -7.7         |
| <b>Profit/loss before tax</b>                                                             | <b>11.5</b>  | <b>-3.0</b>  | <b>21.9</b> | <b>0.0</b>   | <b>30.4</b>  |
| Tax                                                                                       | -0.3         | -1.0         | -0.1        | 0.0          | -1.4         |
| <b>Profit/loss for the period</b>                                                         | <b>11.2</b>  | <b>-4.0</b>  | <b>21.8</b> | <b>0.0</b>   | <b>29.0</b>  |
| Adjusted for:                                                                             |              |              |             |              |              |
| Profit/loss from sale of vessels, etc.                                                    | 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          |
| <b>Adjusted Result for the period*</b>                                                    | <b>11.2</b>  | <b>-4.0</b>  | <b>21.8</b> | <b>0.0</b>   | <b>29.0</b>  |

\* 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.

# 04. APPENDIX CASH FLOW

| USD million                                                                          | Note | Q2 2020      | Q2 2019     | H1 2020      | H1 2019      | FY 2019      |
|--------------------------------------------------------------------------------------|------|--------------|-------------|--------------|--------------|--------------|
| Profit/loss for the period                                                           |      | 29.0         | -8.4        | 56.7         | -13.7        | 19.2         |
| Reversal of items from the income statement                                          |      | 63.2         | 58.1        | 120.8        | 92.9         | 206.7        |
| Change in working capital                                                            |      | 34.8         | -18.3       | -18.3        | 24.3         | 50.5         |
| Instalments on sublease receivables                                                  |      | 4.6          | 2.0         | 8.6          | 3.7          | 11.7         |
| Income tax, paid                                                                     |      | 2.9          | -2.7        | 1.7          | -2.8         | -7.6         |
| <b>Cash flows from operating activities</b>                                          |      | <b>134.5</b> | <b>30.7</b> | <b>169.5</b> | <b>104.4</b> | <b>280.5</b> |
| Investments in vessels and vessels held for sale and other tangible assets           | 8    | -4.3         | -8.9        | -3.8         | -9.9         | -102.7       |
| Additions in prepayments on newbuildings                                             | 10   | -3.1         | -1.4        | -3.1         | -37.9        | -43.2        |
| Investments in joint ventures                                                        |      | 0.0          | -1.0        | 0.0          | -1.0         | -1.0         |
| Proceeds from sale of vessels and newbuildings                                       |      | 0.2          | 61.3        | 0.0          | 61.3         | 98.3         |
| Investment in subsidiaries including acquired cash                                   |      | 0.0          | -0.2        | 0.0          | 0.0          | 0.0          |
| Sale of securities                                                                   |      | 0.0          | 4.9         | 0.0          | 4.9          | 4.9          |
| Change in cash and cash equivalents with rate agreements of more than 3 months, etc. |      | 63.4         | -20.0       | 1.3          | -18.8        | -47.2        |
| <b>Cash flows from investing activities</b>                                          |      | <b>56.2</b>  | <b>34.7</b> | <b>-5.6</b>  | <b>-1.4</b>  | <b>-90.9</b> |

| USD million                                                                                | Note | Q2 2020       | Q2 2019      | H1 2020       | H1 2019       | FY 2019       |
|--------------------------------------------------------------------------------------------|------|---------------|--------------|---------------|---------------|---------------|
| Dividend paid to shareholders                                                              |      | -14.7         | -12.0        | -14.7         | -12.0         | 12.0          |
| Acquisition of treasury shares                                                             |      | 0.0           | 0.0          | -4.8          | -4.2          | -9.4          |
| Proceeds from loans                                                                        |      | 0.0           | 156.8        | 62.0          | 206.8         | 219.1         |
| Repayment of loans                                                                         |      | -43.4         | -187.1       | -57.6         | 237.7         | -245.9        |
| Instalments on lease liabilities                                                           | 9    | -43.2         | -29.6        | -84.5         | -52.9         | -124.8        |
| Interest, received                                                                         |      | 0.3           | 0.0          | 0.7           | 1.5           | 1.5           |
| Interest, paid                                                                             |      | -7.7          | -9.3         | -15.8         | -20.1         | -39.7         |
| <b>Cash flows from financing activities</b>                                                |      | <b>-108.7</b> | <b>-81.2</b> | <b>-114.7</b> | <b>-118.6</b> | <b>-211.2</b> |
| <b>Cash flows from operating, investing and financing activities</b>                       |      | <b>82.0</b>   | <b>-15.8</b> | <b>49.2</b>   | <b>-15.6</b>  | <b>-21.6</b>  |
| Liquidity at beginning of the period                                                       |      | 60.1          | 114.7        | 92.9          | 115.2         | 115.2         |
| Exchange rate adjustments                                                                  |      | 0.1           | 0.7          | 0.1           | 0.0           | -0.7          |
| Change in liquidity for the period                                                         |      | 82.0          | -15.8        | 49.2          | -15.6         | -21.6         |
| <b>Liquidity at end period</b>                                                             |      | <b>142.2</b>  | <b>99.6</b>  | <b>142.2</b>  | <b>99.6</b>   | <b>92.9</b>   |
| Cash and cash equivalents with rate agreements of more than 3 months, etc.                 |      | 115.1         | 88.0         | 115.1         | 88.0          | 116.4         |
| <b>Cash and cash equivalents at end period acc. to the statement of financial position</b> |      | <b>257.3</b>  | <b>187.6</b> | <b>257.3</b>  | <b>187.6</b>  | <b>209.3</b>  |

## 04. APPENDIX ASSET MANAGEMENT FLEET

### Asset Management fleet

|                           | Dry Cargo | Tanker    | Total     |
|---------------------------|-----------|-----------|-----------|
| <b>Active fleet</b>       |           |           |           |
| Owned vessels*            | 12        | 24        | 36        |
| Leased vessels*           | 39        | 17        | 56        |
| <b>Total active</b>       | <b>51</b> | <b>41</b> | <b>92</b> |
| <b>For delivery</b>       |           |           |           |
| Owned vessels*            | 6         | 0         | 6         |
| Leased vessels*           | 3         | 10        | 13        |
| <b>Total for delivery</b> | <b>9</b>  | <b>10</b> | <b>19</b> |
| Purchase options          | 39        | 24        | 63        |
| Period option days        | 38,372    | 15,837    | 54,209    |

\* incl. JVs

Date: June 30, 2020

# 04. APPENDIX 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

## Shorter shipping cycles

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

## A changing China story

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

## Digitalisation

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



# 04. APPENDIX 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

# 04. APPENDIX 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








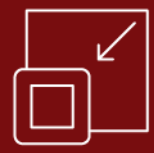


## KEY PERFORMANCE MEASURE: RETURN ON ALLOCATED RISK CAPITAL

- 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

# 04. APPENDIX BUSINESS UNIT VALUE DRIVERS

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

# 04. APPENDIX 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

