


PRESENTATION OF **FIRST QUARTER 2022 RESULTS**

Copenhagen, Denmark, 5 May 2022

Trust powered by intelligence **NORDEN** 

AGENDA FOR TODAY

01. First quarter 2022 highlights

02. Business unit performance

- Assets & Logistics
- Freight Services & Trading

03. Market development & outlook

04. Guidance for 2022 and sum-up



An aerial view of a city skyline at dusk. The sky is a mix of blue and orange. In the foreground, a complex highway interchange with multiple overpasses and ramps is visible, with cars and streetlights. Several skyscrapers are prominent, including one with a large 'AWR' logo on its side and another with a distinctive square top and a vertical spire. The city lights are beginning to glow, creating a vibrant urban scene.

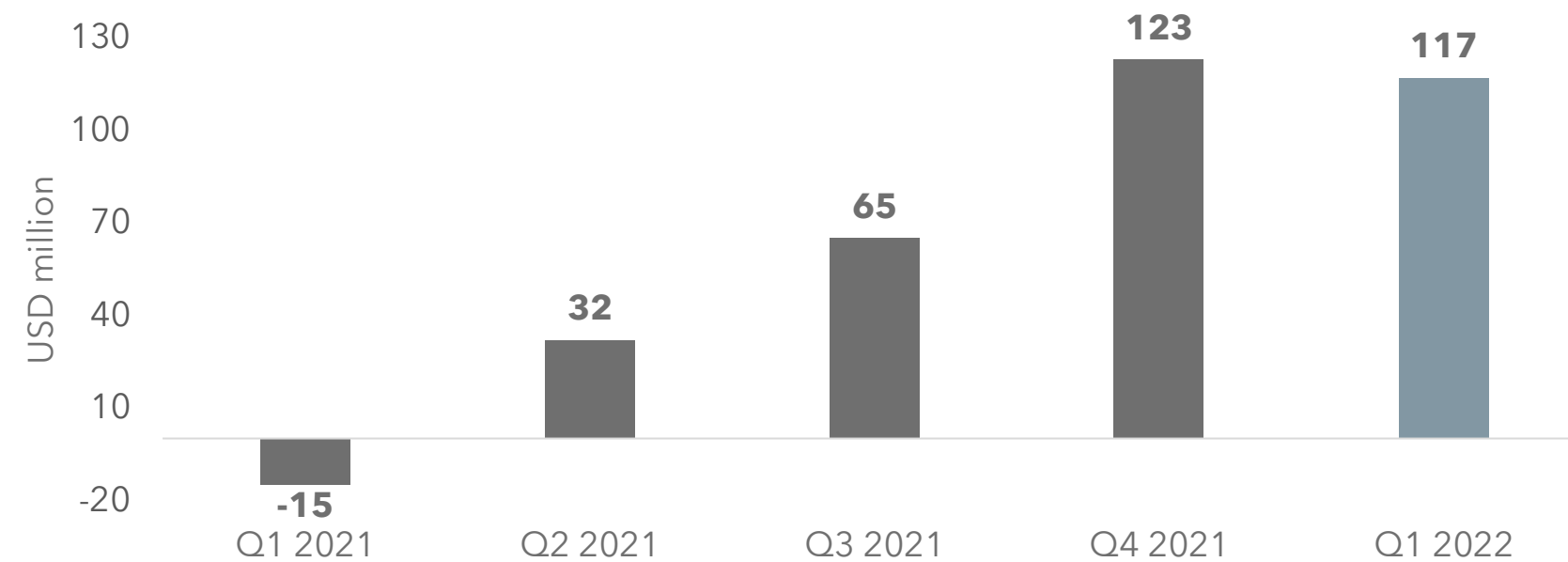
01. FIRST QUARTER 2022 HIGHLIGHTS

PRESENTATION OF FIRST QUARTER 2022

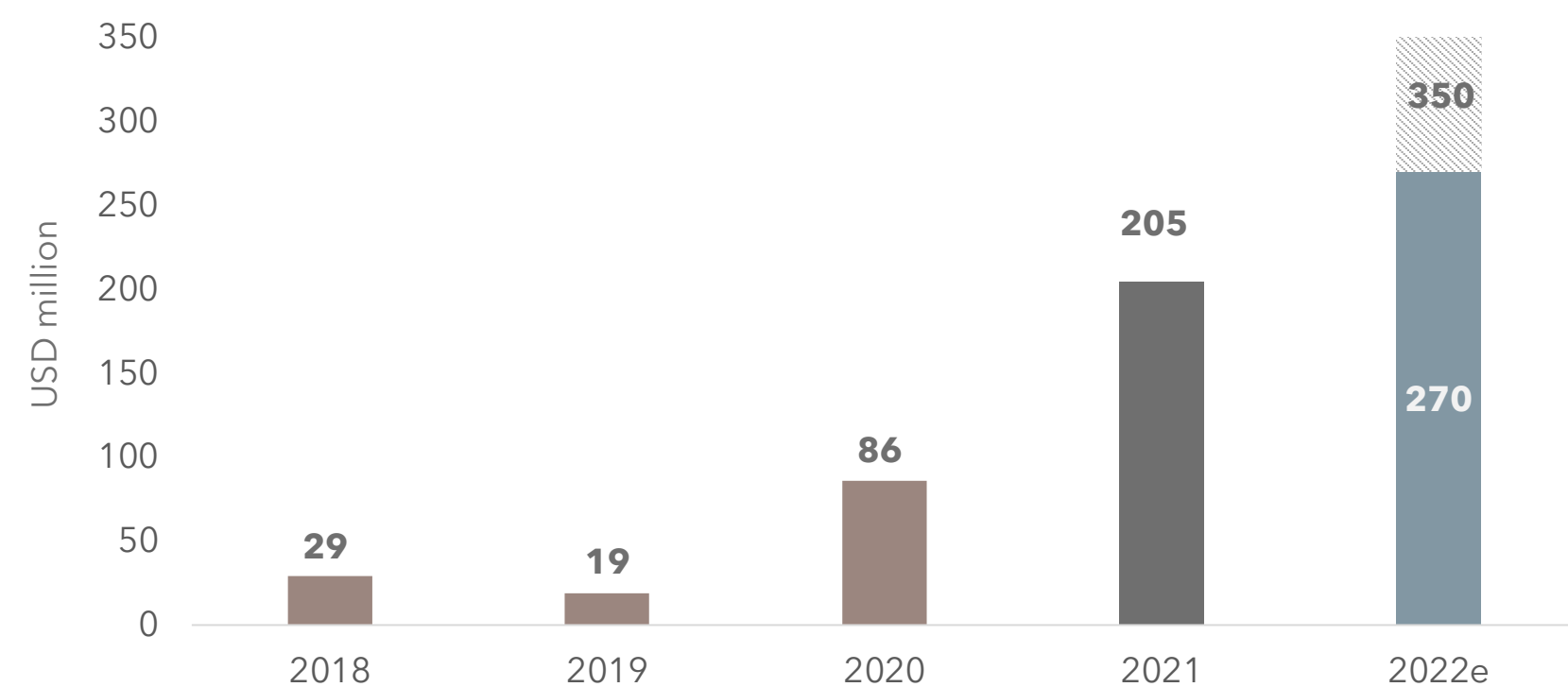
01. FIRST QUARTER 2022 HIGHLIGHTS

BUSINESS UPDATE

GROUP PROFIT/LOSS LAST FIVE QUARTERS



GROUP PROFIT BY YEAR



GROUP HIGHLIGHTS

PROFIT FOR Q1 2022: USD 117 MILLION

- Great result and start to the year, above seasonal normal
- Strong performance in both business units
- Continued to capture value in volatile dry cargo market
- Guidance: Profit for the year between USD 270-350 million (incl. sales gains of USD 28 million from already sold vessels)

BUSINESS UNIT HIGHLIGHTS



ASSETS & LOGISTICS (Q1 2022: Profit of USD 41 million)

- Realised gains on strong dry cargo market through asset trading and cover
- Market value of portfolio at USD 1,238 million



FREIGHT SERVICES & TRADING (Q1 2022: Profit of USD 76 million)

- Secured strong margins amid high market volatility in dry cargo - Increased exposure on right vessel types & regional arbitrage
- Shifting exposure towards a quickly recovering product tanker market with favourable vessel positioning towards regional rate spikes

02.

BUSINESS UNIT PERFORMANCE

02. ASSET & LOGISTICS

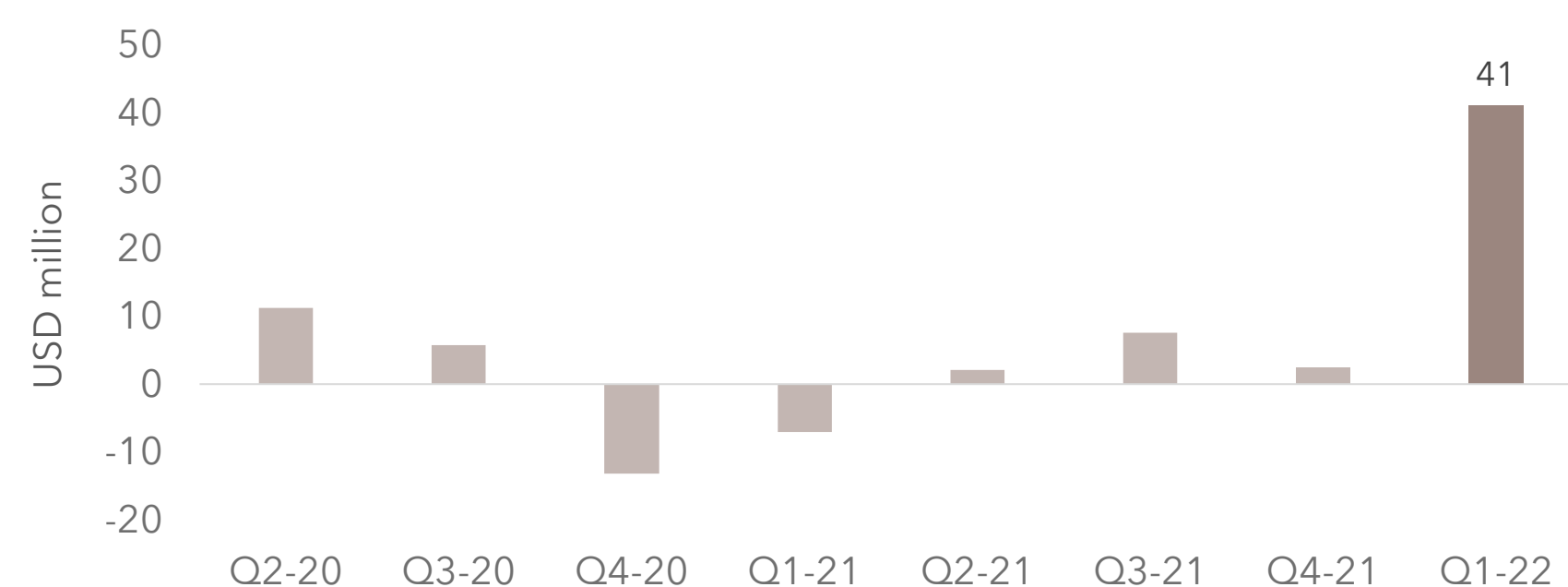
PROFITABLE DRY CARGO COVER & STRONG VESSEL SALES GAINS



PROFIT FOR Q1 2022: USD 41 MILLION

- Realised gains on strong dry cargo market through:
 - Profitable dry cargo cover in 2022 at high rates
 - Increasing dry cargo forward cover for 2023
 - 6 dry cargo vessels sold at 10-year high price levels
 - Declared extension options on dry cargo lease portfolio
- Adjusting portfolio exposure slightly towards tankers
- Significant upside value on extension and purchase options
- Market value of owned vessels exceeded book values by USD 110 million

PROFIT/LOSS FOR THE PAST 8 QUARTERS



KEY FIGURES Q1 2022



PORTFOLIO VALUES

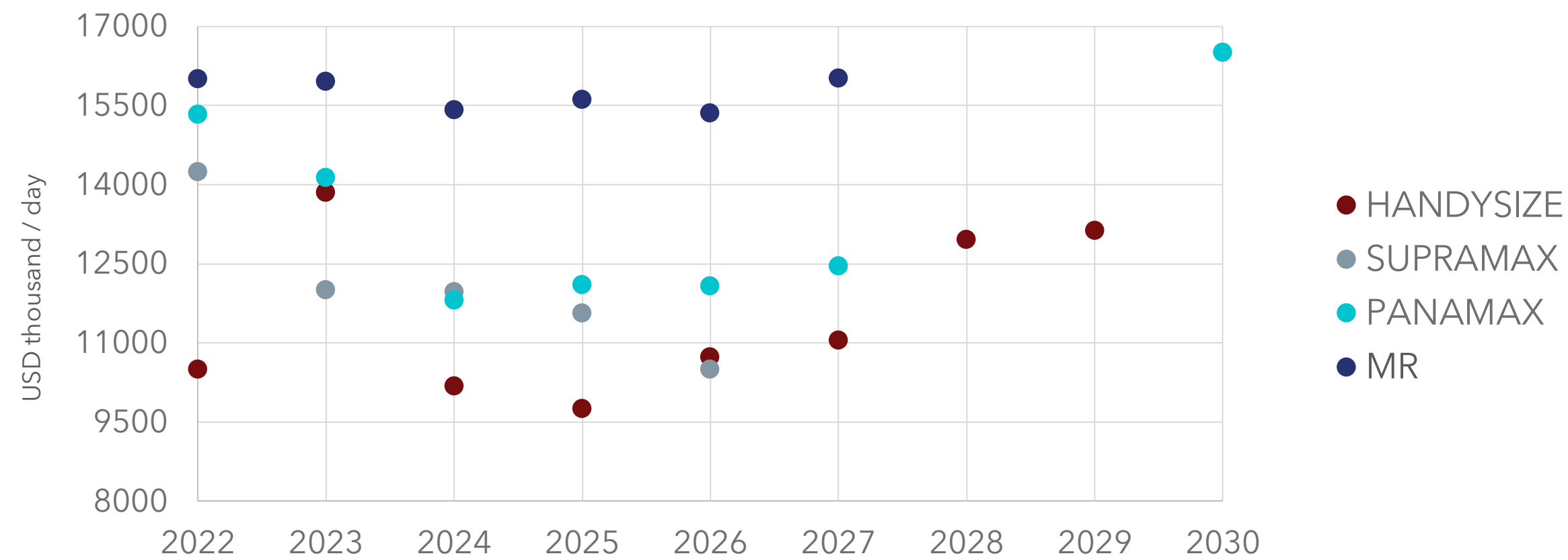
USD million	Dry Cargo	Tankers	Total
Market value of owned vessels and newbuildings (charter free)	442	446	888
Estimated market value of T/C and cover portfolio (incl. estimated value of optionality)	295	55	350
Total Asset Management portfolio value	737	501	1,238
Market value of owned vessels vs. carrying amounts	119	-9	110

02. ASSET & LOGISTICS

EXTENSIVE OPTIONALITY IN PORTFOLIO

- ~65,000 extension option days in total, corresponding to ~178 full-year extension options
- Extension options: 80 options in total (58 options on dry cargo vessels and 22 on tanker vessels)
- Purchase options: 77 options in total (55 in dry cargo, 22 in tankers)

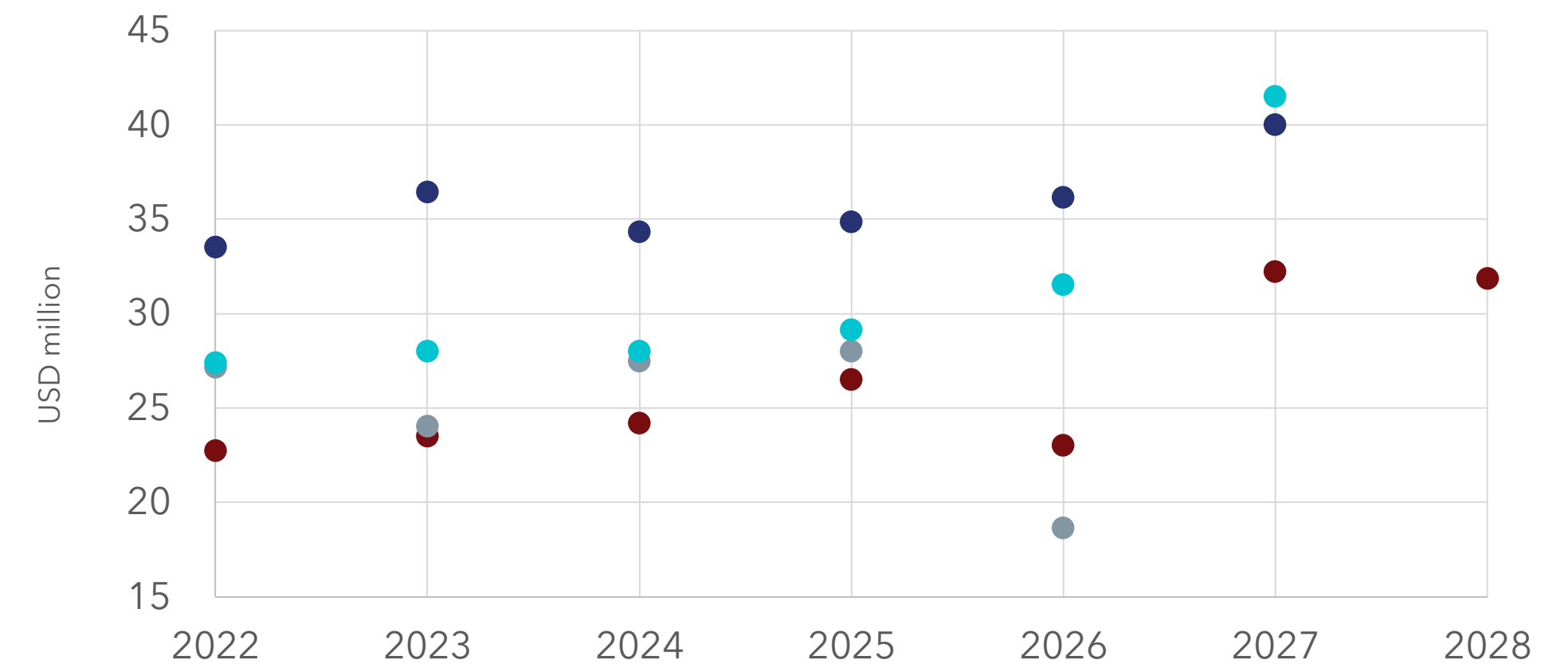
Extension Options
(Average rate per vessel type per year)



No. of options per year

2022	2023	2024	2025	2026	2027	2028	2029	2030
15	19	13	10	10	9	1	2	1

Purchase Options
(Average price per vessel type per year)



No. of options per year

2022	2023	2024	2025	2026	2027	2028
26	14	14	11	7	3	2

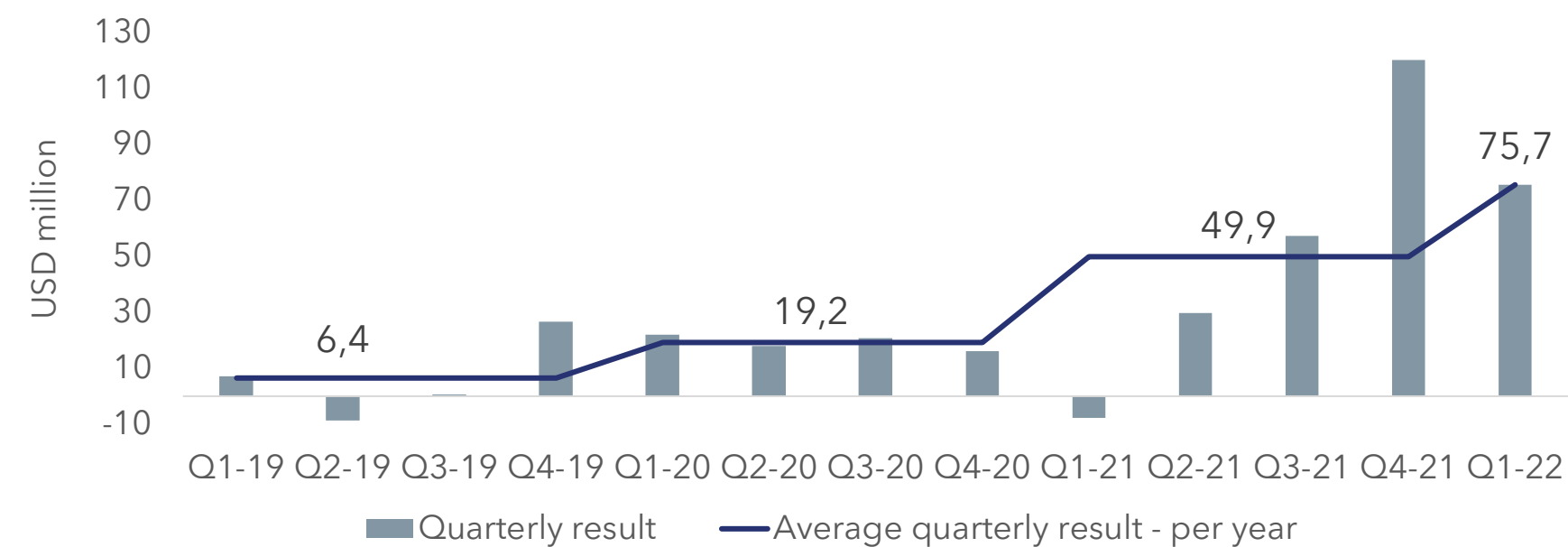
Average age at declaration

2022	2023	2024	2025	2026	2027	2028
5.6	3.5	3.4	4.0	5.0	3.7	4.0

02. FREIGHT SERVICES & TRADING

SUBSTANTIAL PROFIT FROM UTILISING VOLATILITY

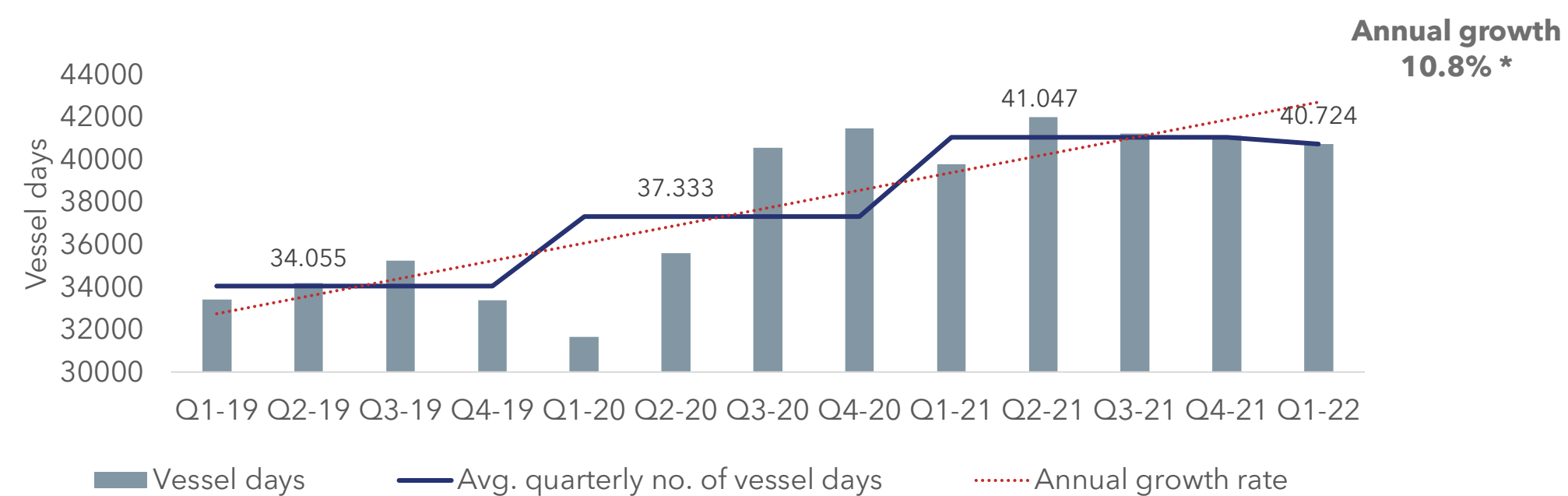
QUARTERLY RESULTS



PROFIT FOR Q1 2022: USD 76 MILLION

- Secured strong margins amid high market volatility through:
 - Increased exposure on right vessel types
 - Regional arbitrage with good fleet distribution across basins
- Margin per vessel day amounted to USD 1,856 per day
- 10.8% annual growth in activity levels since 2019
- Shifting exposure towards a stronger product tanker market
 - creating increased forward values

QUARTERLY ACTIVITY LEVELS



KEY FIGURES Q1 2022



* Based on 12-month rolling average compared to same period 2 years prior.

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 31/3/2022

	USDm
Market value of own vessels	888
Market value of T/C & Cover portfolio	350
Cash & equivalents	365
Interest bearing debt	-342
N/B instalments	-74
Other net assets (book values)	299
Total NAV	1,485
NAV per share, DKK	277

NAV per share based on USD/DKK rate and share count as of latest balance sheet date, excluding treasury shares held by NORDEN.

FREIGHT SERVICES & TRADING

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

Earnings-based valuation

Net result last 12 months	USDm 283
Annualised since 2019	USDm 116
Average margin per vessel day*	USD 769
Average annual activity level growth**	10.8%
Number of vessel days FY2021	164,189

* Averages since 2019

** Based on 12-month rolling average compared to same period 2 years prior

03. MARKET DEVELOPMENT AND OUTLOOK

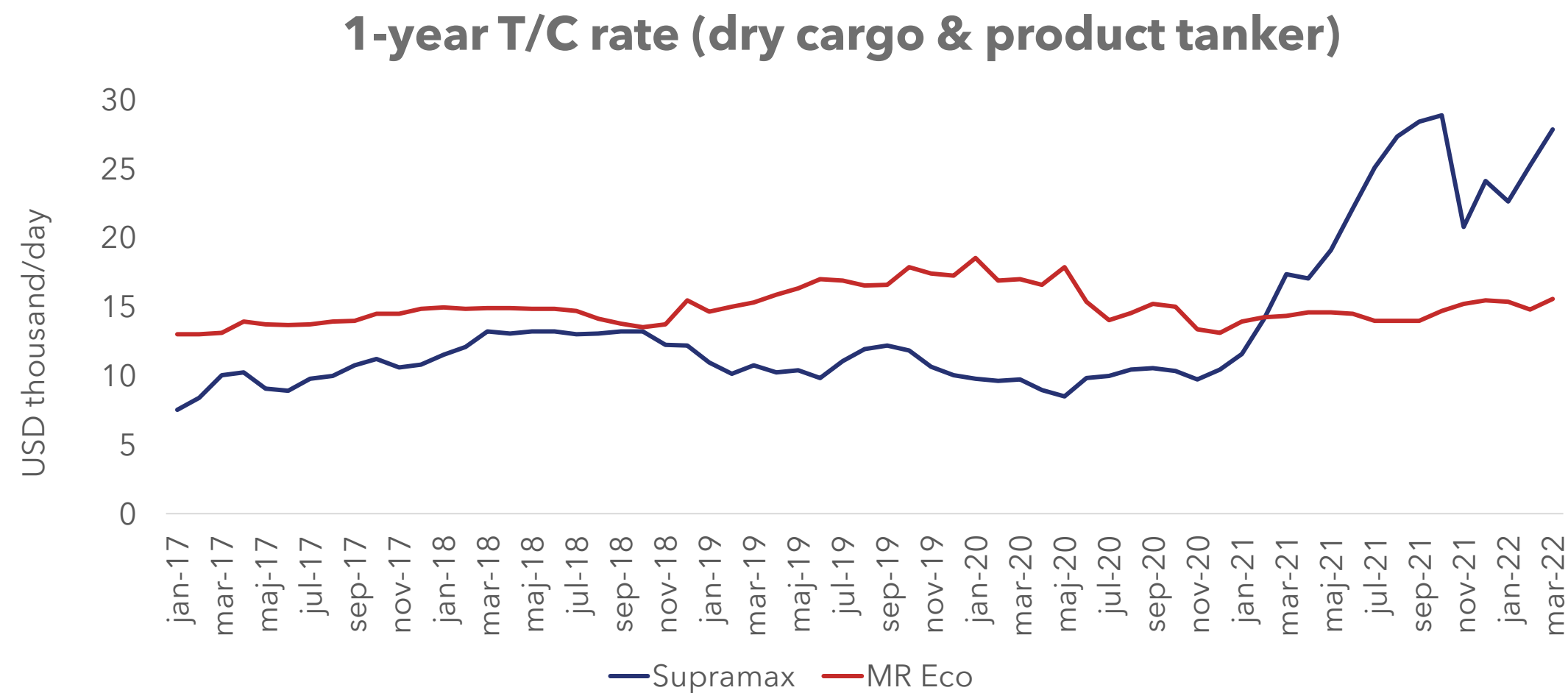


03. MARKETS

DRY AND TANKER MARKET IN Q1 2022

Continuation of the strong market witnessed in 2021

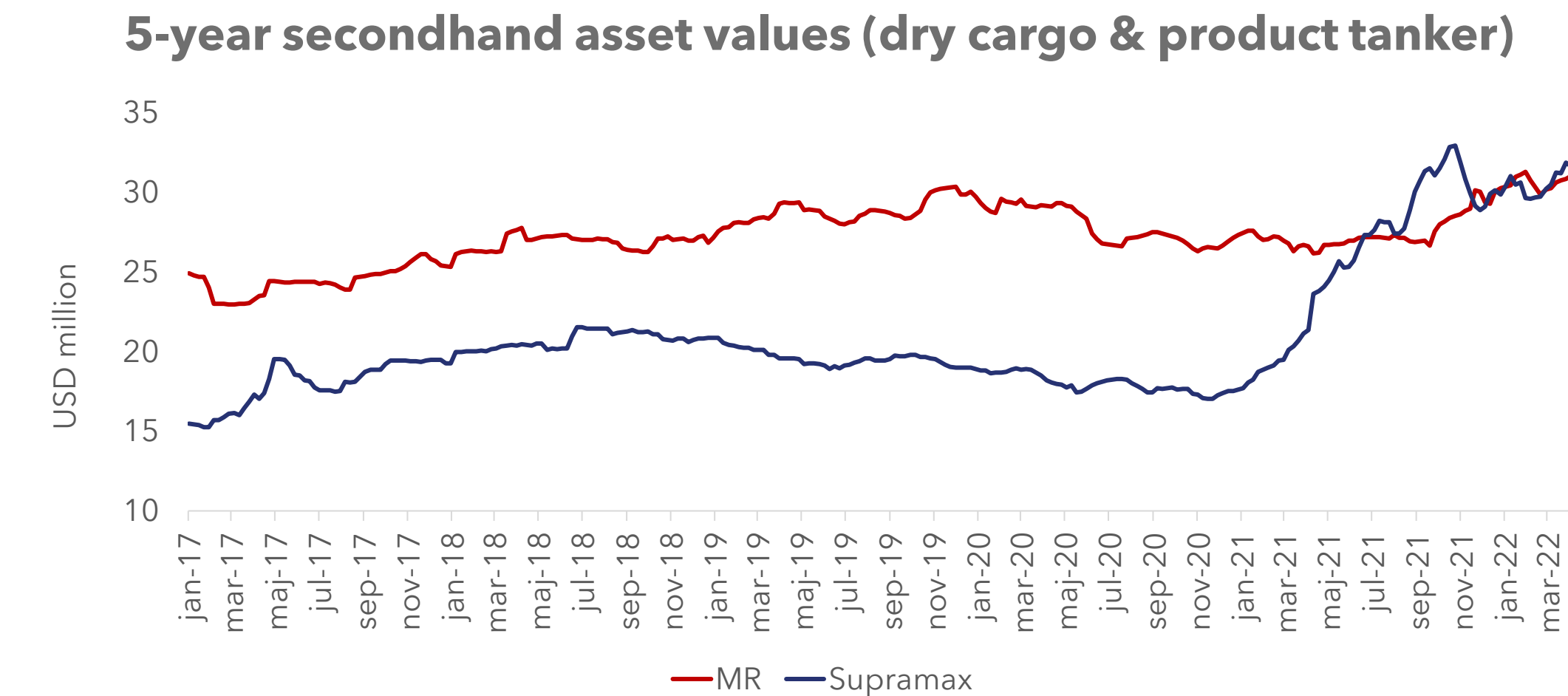
- Strong spot rates, indicating firm market above normal Q1 season
- Market inefficiencies and high congestion levels supporting rates
- Longer voyages after sanctions against Russia, yet commodity volumes not easily replaced
- 1-year T/C Supramax increased by 16% to USD 27,875/day
- Price of a 5-year old Supramax increased by 6% to USDm 31.7



Source: Clarksons

Tanker market improving strongly after weak Q1

- 1-year T/C MR eco rate remained around USD 15,600/day
- Price of a 5-year old MR increased by 2% to USDm 31
- At beginning of Q2, sanctions on Russia impacted trading patterns considerably
- Gasoil in high demand, driving up exports and longer distances



Source: VesselsValue

03. MARKETS

MARKET OUTLOOK IN DRY CARGO

Market in 2022 to remain above historical levels

- Market rates and prices expected slightly lower, but above historical average
- Long-term impact of Ukraine/Russia war expected to be marginally negative
- Effect of lost commodity volumes outweighs effect of longer distances
- Easing of congestion levels and lower global growth to loosen up market
- Chinese economy stimulus is key upside

Low supply growth limiting downside risk

- Low newbuilding contracting of 4% (rolling average)
- High steel prices supporting high asset prices
- Compounded by inflation in general
- Expected global fleet growth of 2-2.5% for both 2022-23

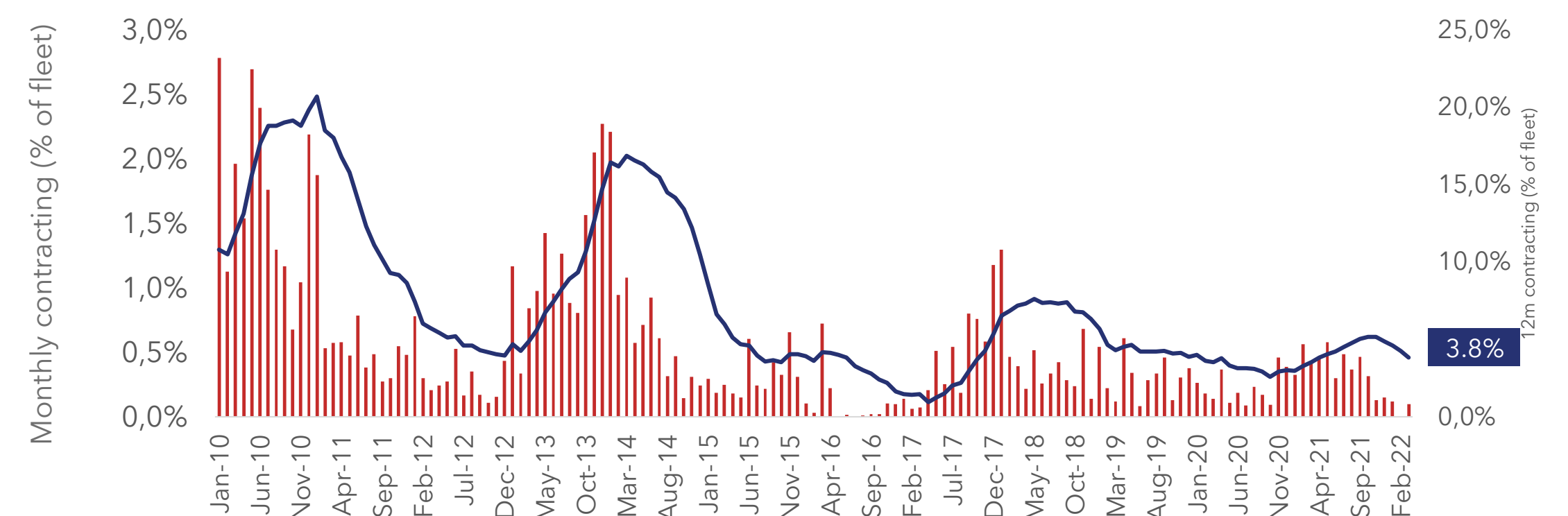
Global volumes transported (30-day moving average)



Source: TRACS

—2020 —2021 —2022

Dry Cargo Y/Y Fleet Growth - Monthly contracting



Source: Clarksons

■ Monthly Contracting — 12m rolling contracting (rhs)

03. MARKETS

MARKET OUTLOOK IN TANKER

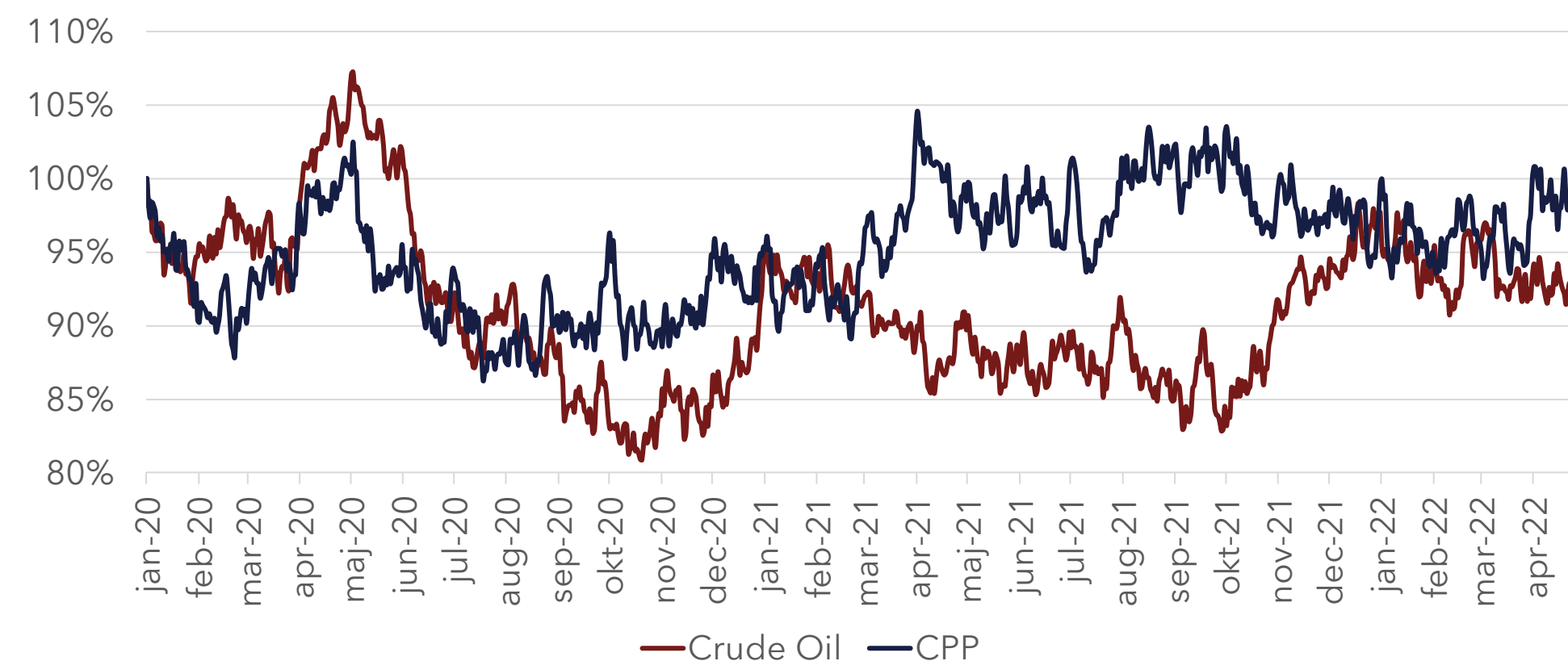
Significantly improved spot market expected to continue

- After Q1, significant regional spikes in MR spot rates (USD +50,000 per day in US-Gulf, USD +30,000 per day in Asia Pacific)
- Tight oil market with low inventories - small disruptions have big impact
- Strong demand for product tankers driven by dislocations and price arbitrage
- Rate volatility expected to remain high

Low fleet growth supports market

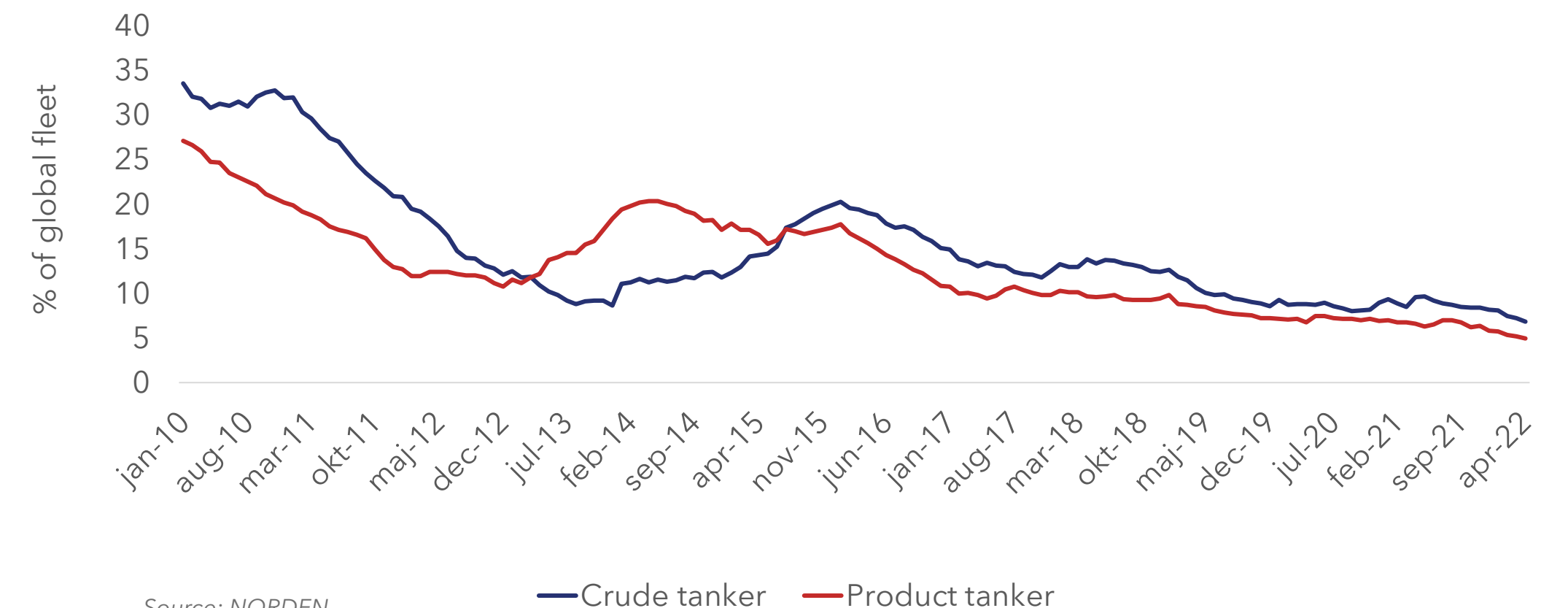
- Supply growth remains low, supported by increased vessel scrapping
- Compounded by increased steel prices and inflation in general
- Expected global fleet growth of 2% in 2022-23

Clean products and crude oil in transit



Source: Vortexa

Orderbooks in % of fleet



Source: NORDEN

— Crude tanker — Product tanker

04. 2022 GUIDANCE AND SUM-UP

04. 2022 GUIDANCE

NORDEN guidance for FY 2022 profit for the year: USD 270 to 350 million
(incl. sales gains of USD 28 million from already sold vessels)

- Dry cargo: Based on good positioning and active trading in a continued strong and volatile dry cargo market
- Product tanker: Substantial increases in product tanker market rates and strong regional positioning
- Distribution of earnings per quarter expected to be more front loaded than normal

Assets & Logistics

- Expects much better earnings in 2022
- High coverage at attractive rates on the dry cargo fleet entered into during 2021
- Vessel sales gains expected based on strong dry cargo asset prices levels

Freight Services & Trading

- Expects a net result above combined operator result in 2021
- Margin per vessel day expected higher than 3-year average and in line with 2021 margin
- Continued 5-10% growth in activity levels
- Well positioned in strong and volatile dry cargo market
- Well positioned in significantly improved tanker market

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

04. FINAL WORDS

GREAT START TO THE YEAR

- Great first quarter result of USD 117 million
- Strong performance in both business units
- Realising gains on strong dry cargo market
- Shifting exposure to a stronger product tanker market with favourable vessel positioning
- Guidance raised late April: Profit for the year of USD 270-350 million
- Well equipped to manage market volatility and uncertainty



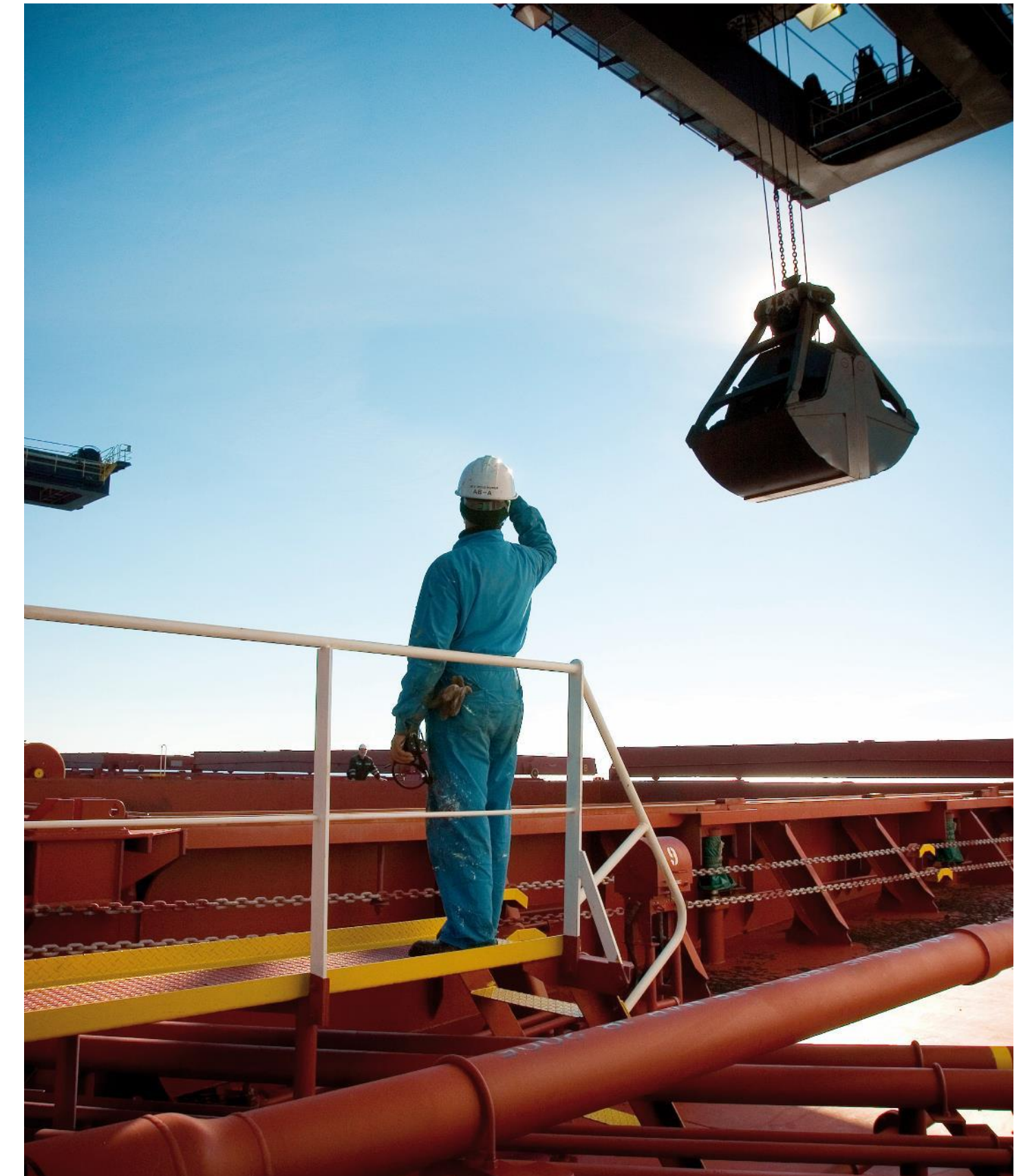
04. FINAL WORDS – DISCLAIMER

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

Dampskibsselskabet NORDEN A/S

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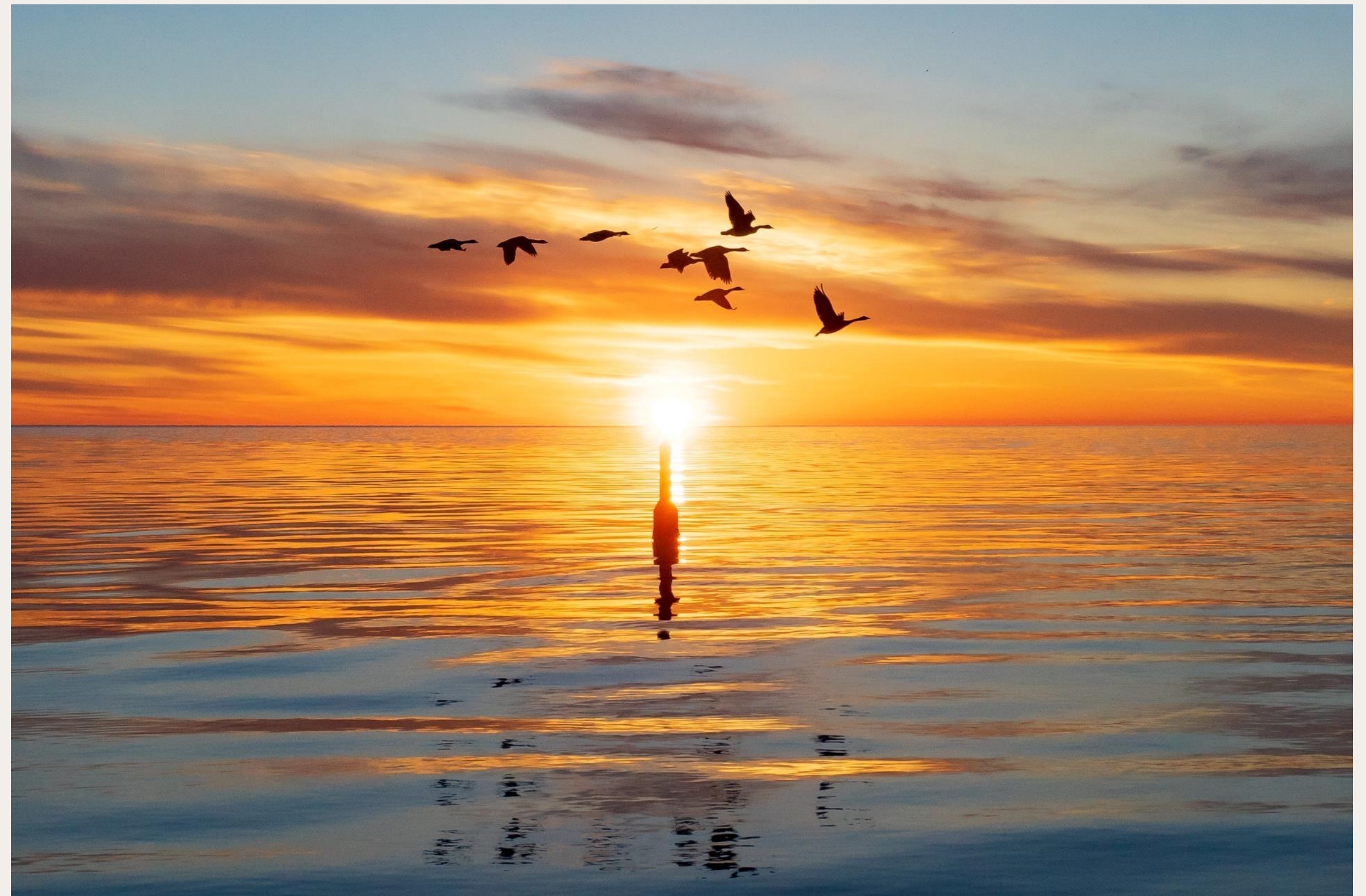
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APPENDIX - ABOUT NORDEN



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
92% chartered / 8% 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



NORDEN

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

Our ambition is to help our customers decarbonise their supply chains. To do this we will bring them accurate transparency on the carbon footprint of every freight transport, and we will work with our partners to co-create competitive greener shipping solutions



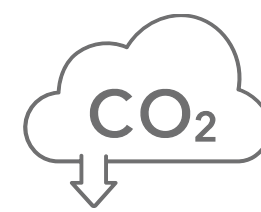
Carbon emissions transparency

NORDEN provides a carbon emissions estimate prior to every journey, and a post-voyage emissions report. Transparency over emissions allows our customers to make decisions on freight transport based not just on price and date but on environmental impact too



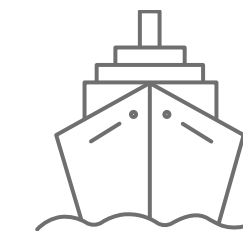
Greener shipping solutions

NORDEN is developing a number of greener shipping solutions for our customers. These range from using advanced analytics for increased vessel efficiency, to carbon-neutral biofuel sailings



Reduction in CO2

In the short-term, NORDEN is committed to reducing carbon from our operations below the Sea Cargo Charter reduction trajectory



Zero-emission vessels from 2030

NORDEN commits to only ordering new vessels with the latest zero-emission technology from 2030 at the latest, in order to meet our decarbonisation goal



Net-zero emissions by 2050

Achieving net-zero by 2050 requires a shift to new zero-carbon fuels and technologies in shipping. We are working with Maersk McKinney Møller Center for Zero Carbon Shipping, on developing these solutions

