

NORDEN's Annual General Meeting on 9 March 2023 – Chair's report

Welcome

Welcome to this year's annual general meeting of NORDEN. I am pleased to welcome both the shareholders present here in the audience and all the shareholders who follow online, as we again this year use a so-called 'hybrid' format, whereby you participate either physically or electronically. And it is nice to see so many people have decided to come.

Today's programme is slightly different than normally, and will be divided into two parts. The first part will be the holding of the annual general meeting, followed by a very short break, and then the Company's Management will give a brief presentation of NORDEN's business areas and strategy. Finally, we will offer food and drinks, and shareholders present here will have the opportunity to meet and ask questions to the representatives from NORDEN.

NORDEN is today represented by its Executive Management, i.e. CEO Jan Rindbo and CFO Martin Badsted. Representing NORDEN's Board of Directors is Vice Chair Johanne Riegels Østergaard and board members Karsten Knudsen, Robert Hvide Macleod, Christina Lerchedal Christensen, Henrik Røjel and Stine Maria Gøttrup, in addition to myself as Chair of the Board.

As Chair of the meeting, the Board of Directors has elected Henning Aasmul-Olsen, who has also chaired the past many annual general meetings. I now hand over to Henning.

Development for the year

2022 was a highly eventful year with two extremely volatile markets for dry cargo and product tankers, which both turned 180 degrees during the year. This happened in conjunction with a global value chain that was exposed to a recalibration of supply and demand in the wake of the war in Ukraine. Not many physical markets are as fluctuating and volatile as the two markets we at NORDEN operate in. And we saw many examples of this throughout 2022.

On the other hand, it is precisely this fluctuating nature that NORDEN has increasingly positioned its business towards in recent years. When market dynamics change – not just from year to year – but from week to week, it is crucial to have a flexible business that is able to adapt and take advantage of these market fluctuations. This is exactly what NORDEN was able to do in 2022, and which made it possible to generate record-high annual results in the history of the Company of as much as USD 744 million, equivalent to DKK 5.2 billion - and a return on equity of 64%.

Proposed dividend

Owing to the record-high results for 2022, the Board of Directors proposes to distribute DKK 30 per share, which will be added to the DKK 60 per share already distributed during 2022 after the second and third quarters, respectively. With the proposal, total NORDEN dividends for 2022 will amount to DKK 90 per share. This corresponds to 57% of the profit for the year and constitutes approx. USD 424 million, or almost DKK 3 billion, in total dividends for the year.

Group results

If we take a closer look at the results obtained during the year, NORDEN achieved, as mentioned, a profit for the year of USD 744 million. This is an increase of 263% since 2021, which was also a good year for NORDEN. The results correspond to earnings per share of approx. DKK 150 per share.

With the large increase in profit, cash flows from operating activities also rose significantly. This item landed at as much as USD 1.3 billion. Especially worth highlighting is NORDEN's increased level of cash and cash equivalents as well as securities. At the end of 2022, the Company had USD 842 million in cash and cash equivalents as well as securities, or nearly DKK 6 billion, which is twice as much as the previous year. The high liquidity amount also means that the Company actually has a higher cash position than interest-

NORDEN's Annual General Meeting on 9 March 2023 – Chair's report

bearing debt and lease obligations, which in aggregate totalled USD 815 million. Therefore, the financial statements will show that this year's "Net interest-bearing debt" is actually positive as cash and cash equivalents exceed debt by USD 28 million.

The strong results for the year also had a positive impact on our equity and thus equity ratio. With equity rising to USD 1.3 billion, corresponding to DKK 9.4 billion, the equity ratio increased to 48% compared to 41% at the end of 2021. Return on investment improved noticeably to 54% compared to 17% the year before. There was also a noticeable increase in return on equity, which increased to 64% compared to 22% the year before.

With the figures shown, I can say with certainty that the financial position of NORDEN is very strong and that it enables the Company to return capital to shareholders in the form of dividends and share buy-backs.

Results achieved by the two business units

Moving on to the healthy development of the Company's two business units, I will start by outlining the market conditions that emerged during 2022. We saw a dry cargo market that continued its strong path in early 2022, only to gradually decline significantly from the middle of the second quarter. This decrease was driven by diminishing bottlenecks in ports following the COVID-19 pandemic, a less favourable effect from the container market as, during this period, our small vessels carried cargoes, which had previously been containerised, and generally lower Chinese activity. Conversely, the product tanker market was weak to begin with, as it had been through 2021, but with the very low oil stocks resulting from previous years' COVID-19 pandemic, the terrible war in Ukraine and associated sanctions targeting Russia caused a hike in activity across global regions. Spot rates for the product tankers primarily operated by NORDEN increased from USD 6,000 per day in January to more than USD 60,000 per day at certain times throughout the year. A remarkable shift in the product tanker market.

Thus, the two markets were nearly turned upside down during the year. And as mentioned in my introductory remarks, it is precisely the ability to adapt and act on these market fluctuations that is of benefit to NORDEN. Both business units were quick to act in an efficient manner to this situation in 2022. It is therefore worth noting that the extraordinary results were not only brought about by the market conditions, but rather because the Company is able to adapt and take advantage of the opportunities that continuously arise in the market. The Company's adaptable business model and strategy will be explained in detail by the Company's management at the presentation later today.

Assets & Logistics achieved a profit of USD 193 million in 2022, equivalent to DKK 1.3 billion, which is significantly higher than the previous year's results of USD 5 million. For this business unit, it is worth noting the increase in the total portfolio value of owned and leased vessels coupled with the Company's cash and cash equivalents, debts and other assets. The net asset value amounted to more than USD 2 billion at the end of 2022, which is more than DKK 14 billion. This corresponds to a value of DKK 422 per share for this business unit alone. It is an increase of DKK 160 per share compared to the end of last year. This augmentation is the result of a large shift in exposure from dry cargo to product tankers during the second quarter. High exposure to a soaring tanker market favoured the portfolio value of both owned and leased tanker vessels, which jointly more than doubled in value.

At the same time, the business unit protected its dry cargo portfolio from declining vessel values by selling dry cargo vessels at nearly the top of the freight rate curve in 2022. In addition, the long-term contract cover of dry cargo vessels was extended, meaning that, in the third quarter already, we had fully covered dry cargo capacity for the whole of 2023 and well into 2024 at attractive rates.

As a result, at the end of 2022, the unit only owned seven dry cargo vessels, three of which had already been sold, subject to agreement on future delivery. We do also have access to additional tonnage, as we in

NORDEN's Annual General Meeting on 9 March 2023 – Chair's report

dry cargo have 50 purchase options at our disposal and almost 40,000 extension option days, if we choose to declare these.

The strong tanker market in 2022 will have a positive impact on Assets & Logistics in 2023 as, over the past year, the unit has covered the portfolio of tankers at much higher rates than previously.

Our other business unit, **Freight Services & Trading** generated a profit of USD 550 million, which is almost triple the profit from the previous year. The profit is based on a level of activity that was stable in relation to 2021, but where the business unit managed to increase the daily margin from USD 1,200 per vessel day last year to USD 3,300 per vessel day in 2022.

The business unit operates about 460 chartered vessels on contracts with terms ranging from a few weeks and up to 2 years, and the unit continuously covers these with cargo contracts, including forward freight agreements, i.e. securities of different durations. This more dynamic and asset-light business unit is thus able to continuously adapt to market developments across the dry cargo and tanker markets and in the different geographies in which we operate, and we are able to act on the attractive opportunities that arise.

This ability allowed the unit to create great value in both market segments, having secured cheap tonnage in respect of product tankers ahead of the high tanker rates while, while at the same time having secured extensive dry cargo contracts at high rates ahead of the dry cargo market's gradual decline in the second half of 2022. The latter enabled the business unit to take advantage of the lower dry cargo rates to charter vessels at cheaper rates, thereby securing a high margin in a declining market.

In addition to the active adjustment of market exposure in both markets, the business unit also created significant value by optimising day-to-day operations. This includes, for instance, efficiency improvements of voyages from loading to unloading, speed setting and fuel consumption, as well as vessels being brought into geographical areas in which the unit could capitalise on large regional differences in freight rates.

Based on the strong results achieved across NORDEN's business areas and organisation, the Board of Directors would like to thank all NORDEN's employees for their tremendous efforts during 2022.

ESG

A sustainable approach has been an integral part of NORDEN's business focus for many years, and in this area, we set ambitious goals for environmental, social and governance ('ESG') issues related to NORDEN's business. We have a long-term environmental goal of reducing total emissions from our shipping activity to net zero by the year 2050. To achieve this across our portfolio of nearly 500 chartered, leased and owned vessels, we have launched new initiatives to help our customers reduce CO2 emissions in their value chains. In the short term, we will make use of data and analysis to improve our energy efficiency and reduce emissions from the operation of vessels by selecting ships with lower consumption, cleaning hulls and propellers and using high-quality paint to improve the operational performance and reduce the fuel consumption of our vessels. Since our operations are part of an ever-changing global value chain, our exposure to the market will similarly affect the types of vessels we choose for our fleet and the speed they sail by. In 2022, the high level of activity and the adjustments to market demand implied that the average energy efficiency of our voyages was slightly lower than the year before. Therefore, we will continue to focus on areas where, in collaboration with our customers, we can reduce emissions of the operated vessels. In the short term, our aim is to decrease our emissions per tonne-mile by 2% annually, which is in line with the International Maritime Organisation's 2050 target.

In 2022, we launched automated reporting of emissions to our customers to provide them with complete transparency of the voyages they agree to undertake with NORDEN. In addition, we will offer an increasingly wide range of solutions, where customers can, to a greater extent, choose how they want to

NORDEN's Annual General Meeting on 9 March 2023 – Chair's report

reduce CO2 emissions on voyages. Furthermore, our newly established logistics activities constitute an important step in terms of collaborating and developing more efficient solutions with our customers. Partnerships with our customers are, in fact, a crucial element in our gradual reduction of CO2 emissions over time. We are, for example, part of a long-term collaboration with the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping as a strategic partner, where we invest resources in identifying, testing and developing the fuel of the future on a industry level, which can form the basis for ship propulsion with lower emissions.

In our 2022 annual report, we have made an effort to make our goals and progress even more transparent across the three focus areas related to E, S and G – while, at the same time, making this information more comparable to other Danish and international companies by using widely accepted reporting standards.

The area 'Social' is focused on work-related conditions, health, safety and the culture of NORDEN. Since our industry is, to a high degree, based on human relations, judgement and values, this area is crucial for NORDEN. In our organisation, we have focused on strengthening our working environment, employee engagement and the ability to give good feedback; offering better maternity and paternity schemes and retaining employees over time. In addition, we have aimed at providing an even stronger focus on diversity among employees, both in connection with recruitment, development and retention. We are gradually increasing the proportion of female managers and employees in our organisation, which is nearing our aim of 40%, despite the fact that the shipping industry has traditionally attracted more men. Safety is also an extremely important focal point, which extends from NORDEN's organisation to the third parties with whom we cooperate on the technical operation of our operated vessels. The average amount of work-related injuries per 1 million working hours was in line with 2021. However, a very serious accident occurred on board one of our vessels, where two external technicians, representing a company appointed by a NORDEN subcontractor, tragically died in connection with their inspection of the vessel's tanks. Subsequently, we worked closely with the third-party supplier to clarify the circumstances. A combination of events led to the accident, including failure to comply with safety procedures that were also deemed unclear, human errors as well as the use of defective equipment were demonstrated in connection with the inspection of the empty tank, where toxic gas may be produced. We have also subsequently worked closely with the technical partner and implemented even stronger measures to prevent similar accidents from happening again. We would like to convey our heartfelt condolences to the relatives.

The focus area 'Governance' aims to ensure that NORDEN works in accordance with the organisational standards and conditions characterising good business practice and conduct, regardless of where in the world we are. This includes a strong focus on curbing corruption, saying no to facilitation payment in relation to third parties, and ensuring that NORDEN attains certifications and maintains high standards in the maritime sector. As a new element, we have introduced increased focus on screening of NORDEN's multitude of business partners and suppliers across the organisation. Being part of a global value chain places even greater demands on companies today in terms of having an overview of any risks among suppliers and subcontractors. Naturally, we agree completely and support this in every way possible.

Value creation for shareholders

When taking a closer look at the value, we have created for the shareholders during the year, we see that the share price has shown a growing trend, increasing from DKK 166 to DKK 418 in 2022. When including the dividends of DKK 18 distributed following last year's annual general meeting and the two quarterly dividend distributions totalling DKK 60 per share, this corresponds to a total shareholder return of almost 200% measured in USD.

In addition, keep in mind the capital that was returned to shareholders through the four share buy-back programmes in 2022, worth a total of USD 130 million. Furthermore, NORDEN has initiated a new share buy-back programme of USD 50 million following the presentation of the financial statements. The total

NORDEN's Annual General Meeting on 9 March 2023 – Chair's report

value of dividends distributed and share buy-back programmes since the beginning of 2020 shows that NORDEN has paid more than USD 750 million, or in excess of DKK 5 billion, during this period. This corresponds to more than a fourth of NORDEN's current market value.

When considering our generation of results in a wider perspective, the NORDEN share has, since 2015, performed better than comparable shipping companies in the dry cargo and product tanker market. This is partly due to the robust business model, we have developed, and partly because NORDEN, as mentioned, has returned significant amounts of capital to our shareholders in recent years. The NORDEN share has also performed better than the average transport businesses when considering the MSCI World Transportation index which, in addition to the maritime sector, includes aviation, shipping agents and other land-based transport companies.

Outlook

As far as 2023 is concerned, NORDEN is thus well positioned to navigate the highly volatile conditions characterising the dry cargo and tanker markets. In 2023, the Company therefore expects to achieve strong results between USD 330-430 million, corresponding to approximately DKK 2.3-3 billion, and to continue creating value to our shareholders.

We are able to do so despite an extremely complex geopolitical world situation, which everyone is experiencing on several fronts. A few weeks ago, we passed the one-year anniversary of the terrible war in Ukraine, which has shocked the entire world. While the prospects of a peaceful solution to this conflict remain unclear, we as a shipping company have chosen to adopt key measures. Already in February of last year, immediately after the war broke out, NORDEN made a decision no longer to engage in Russian business or call at Russian ports, and to phase out all existing contracts as soon as contractually possible.

Thus, NORDEN chose to self-sanction early in the process and make a decision on how we would navigate this unfortunate and protracted conflict. Our thoughts are with all those affected by the conflict.

As a result of the war and sanctions, we anticipate continued disruption of the global supply chain, including geopolitical uncertainty, which NORDEN's adaptable and business-oriented business model is well-prepared to face. The Company's Management will provide details on this in its presentation.

In conclusion, I would like to thank all the shareholders for your participation in this Annual General Meeting; both those who are here physically and those participating online. We thank you for your continued support for NORDEN.

Thank you very much.