

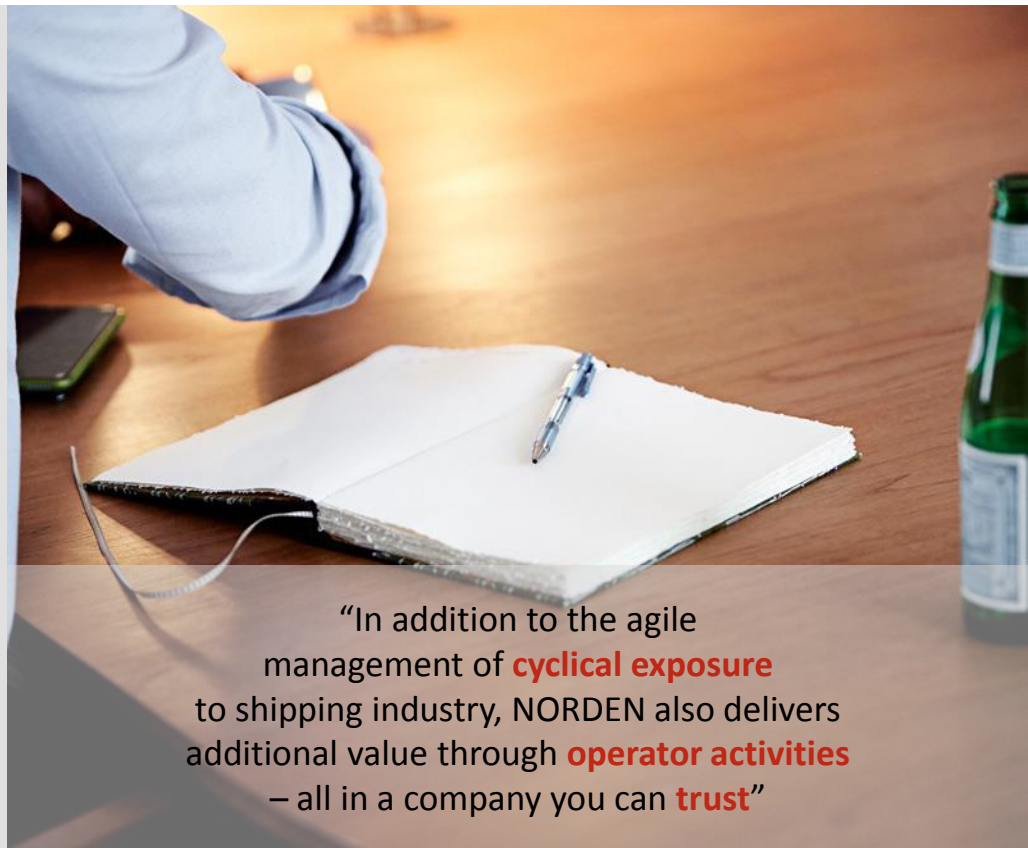
NORDEN RESULTS Q1 report

Copenhagen, Denmark
2 May 2018



AGENDA

- Business update
- Market review
 - Latest developments
 - Outlook
- Final words



“In addition to the agile management of **cyclical exposure** to shipping industry, NORDEN also delivers additional value through **operator activities** – all in a company you can **trust**”

Business update



GOOD START TO THE YEAR

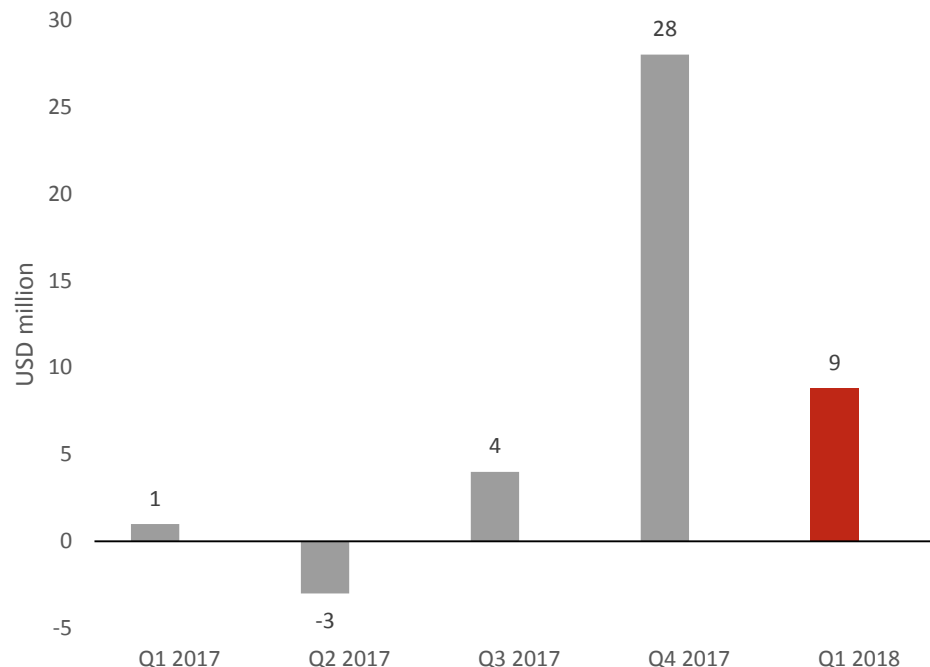
Financial highlights

- Q1 2018 Adjusted result USD 9 million
 - Dry Operator USD 3 million after investment in positioning voyages
 - Dry Owner USD 5 million in improved markets
 - Tankers USD 0 million in disappointing winter market
- Q1 2018 EBIT USD 18 million including USD 9 million from sale of vessels

Business highlights

- Dry Operator created value and is well positioned for Q2
- Dry Owner continued the optimisation of the NORDEN fleet
- Tankers once again outperform the market to generate a break-even result

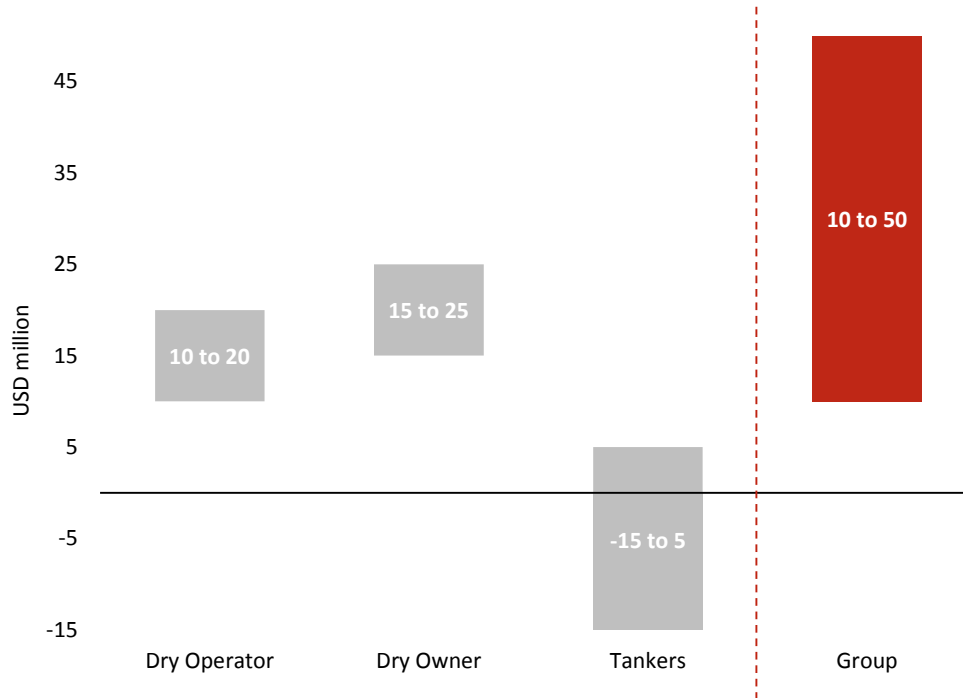
Quarterly results



Impact of provision was 10 USD million in Q1 2018 and USD 22 million in Q1 2017

FULL-YEAR EXPECTATIONS MAINTAINED

Guidance – Adjusted result



Guidance

- 2018 has started in line with expectations
- Dry Operator expected to generate USD 50 to 60 million in Contribution margin
- Dry cargo market expected to continue to improve in 2018
- Product tanker rates have started the year at considerably lower levels than last year but are expected to improve

INVESTMENT IN POSITIONING VOYAGES

- Q1 2018 Adjusted result of USD 3.1 million
- Investment in positioning of vessels expected to pay off in Q2 2018
- New office in Vancouver opened and off to a good start
- Total of 24,442 vessels days – 5% increase compared to average H2 2017
- A total CM of USD 40 million generated in 9 months – which is USD 15 million after “Overhead and Admin”

Dry Operator key figures

USD million	Q3 17	Q4 17	Q1 18	Since initiation
Contribution margin	3.0	23.7	12.9	39.6
Overhead and admin	-7.6	-9.6	-8.8	-26.0
Adjusted result	-2.1	13.9	3.1	14.9
Vessel days	23,187	23,487	24,442	71,116
CM per vessel day	129	1,009	530	557
Adj. result per vessel day	-91	592	124	210

Q1 2018

Contribution margin

12.9

USD million

Adjusted result

3.1

USD million

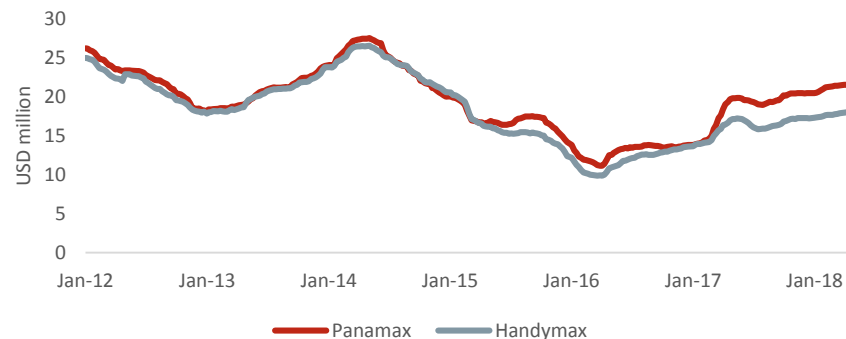
OPTIMISING THE POSITION

- Q1 2018 Adjusted result of USD 5 million
- Increased focus on optimising the position of Dry Owner
 - Delivery of 3 newbuildings of which 1 Panamax vessel was already sold and delivered directly to new owners
 - Secured 5 T/C contracts with a duration of 2-3 years, all with extension and purchase options
 - Sale of 1 Handysize vessel and 1 aging Supramax vessel
- With 67% cover for rest of 2018, still well positioned to benefit from improving markets
- Broker estimated fleet value of USD 480 million – up 1% in Q1

Dry Owner key figures

USD million	Q3 17	Q4 17	Q1 18	Since initiation
Contribution margin	12.0	17.2	7.7	36.9
Overhead and admin	-1.9	-2.4	-2.2	-6.5
Adjusted result	6.8	11.7	5.4	23.9
Vessel days	4,987	4,853	4,855	14,695

Baltic 5-year secondhand asset values

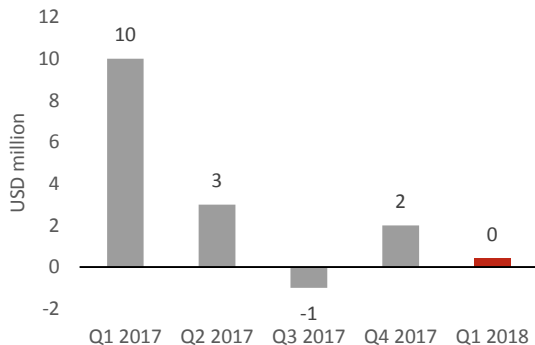


Source: Baltic Exchange

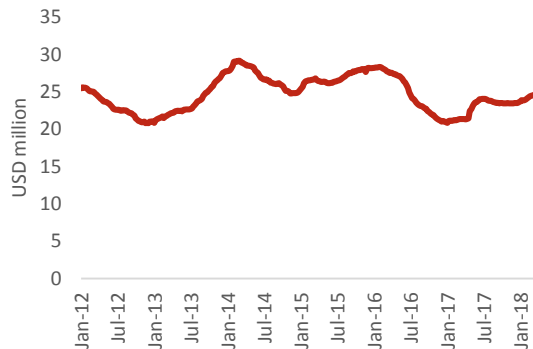
BREAK-EVEN IN UNUSUALLY WEAK WINTER MARKET

- Q1 2018 Adjusted Result of USD 0 million
- Outperformed the market by 7% - corresponds to extra earnings of USD 828 per day
- Continued gradual build-up of short-term capacity
- A total of 1,965 days added in forward capacity in Q1 – and 2 MRs purchased in Q2
- Well positioned to benefit from improvements in rates expected toward end of 2018 with limited cover
- Broker estimated fleet value of USD 412 million – down 2% in Q1

Quarterly adjusted result

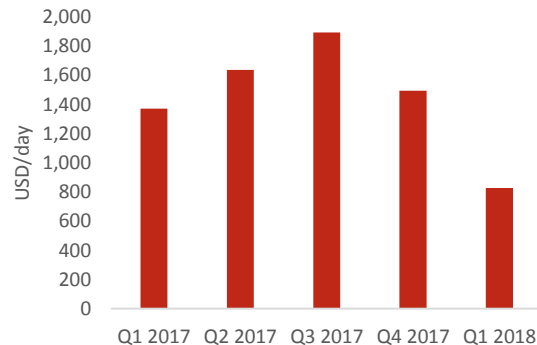


MR 5-year secondhand asset values

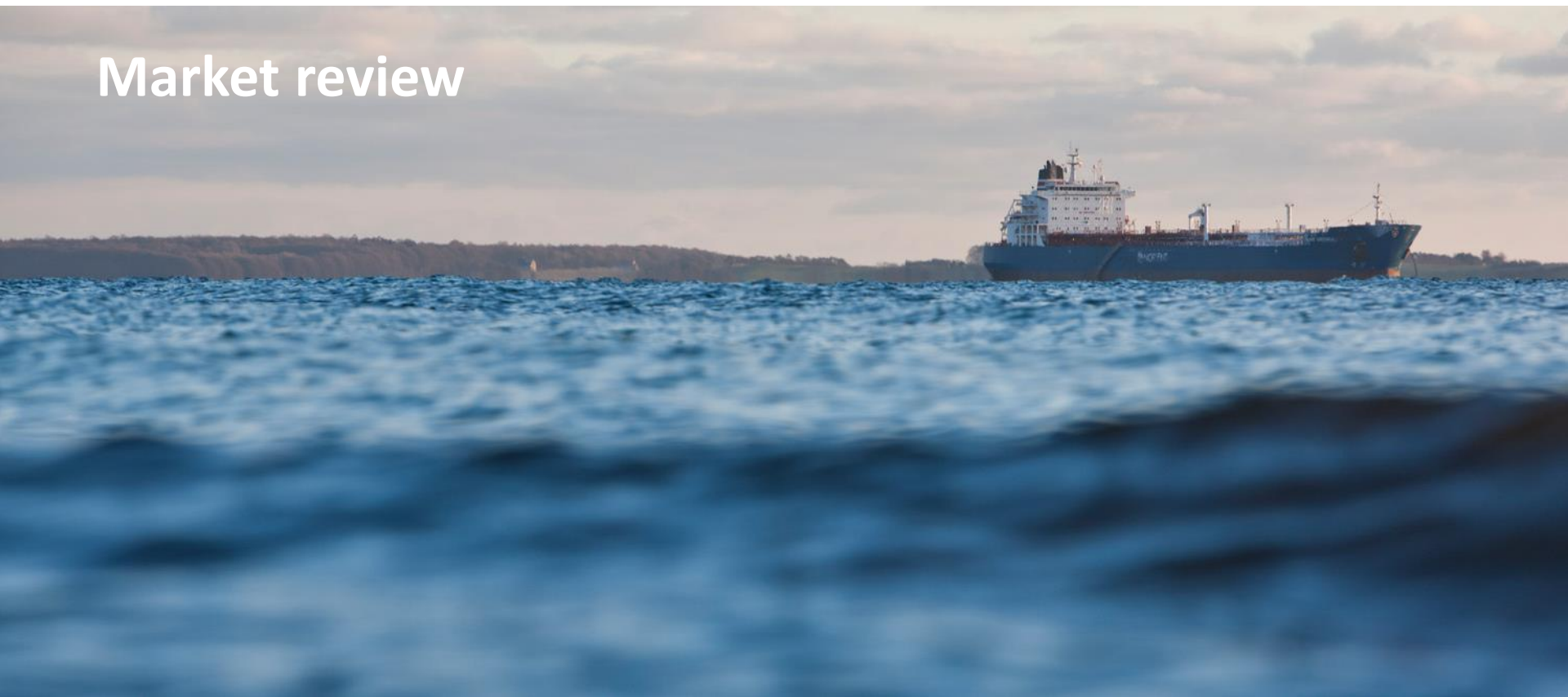


Source: Baltic Exchange

NORDEN TCE over benchmark



Market review

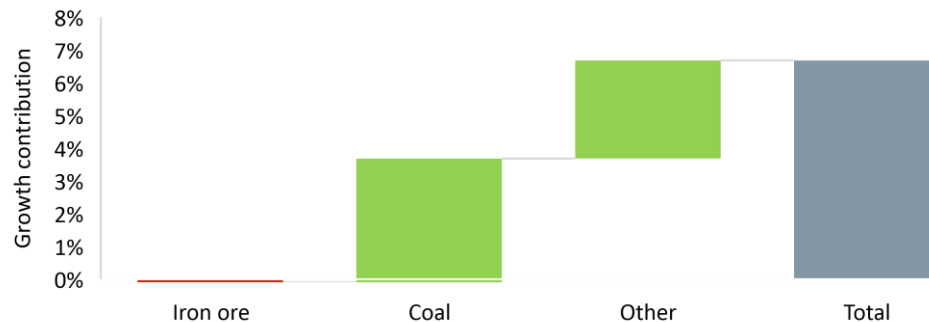


COAL AND MINOR BULK DRIVING DEMAND GROWTH

Key developments

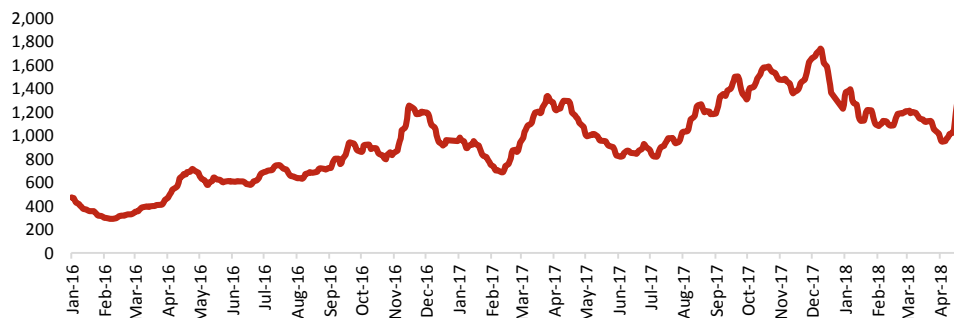
- Improvement in rates
 - Panamax up 31% vs Q1 2017
 - Supramax up 28% vs Q1 2017
- Stronger global economic activity and with lower fleet growth
- Coal trade and minor bulk were the key drivers of demand growth, which favours NORDEN's segments
- Cape under pressure from low Chinese iron ore imports

China import growth vs. Q1 2017



Source: GTT and NORDEN

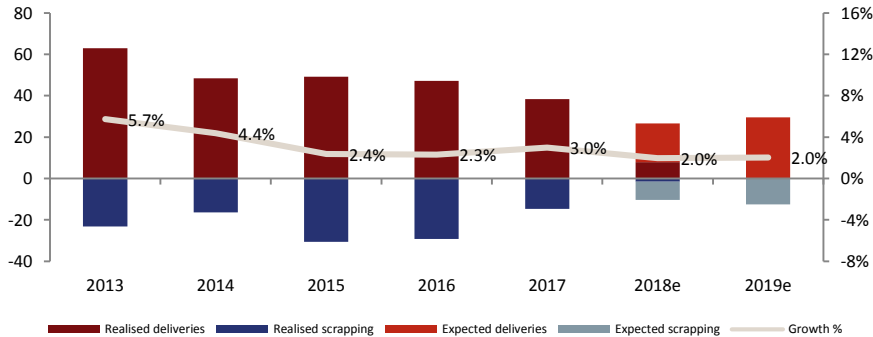
Baltic Dry Index



LOW FLEET GROWTH ENABLES MARKET IMPROVEMENTS

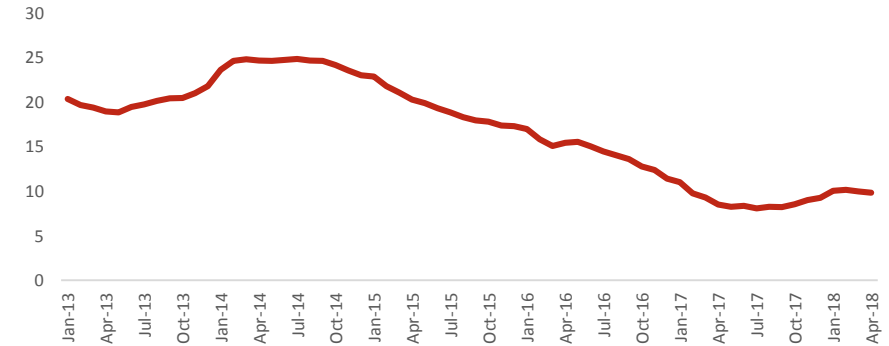
- Solid global growth, but increased uncertainty due to increased risk of a trade tensions
- Expected lower demand support from Chinese activity and potentially increased coal production
- Order books at manageable levels with limited deliveries of vessels in 2019 and 2020

Supply



Source: Clarkson and NORDEN

Orderbook (% of fleet)

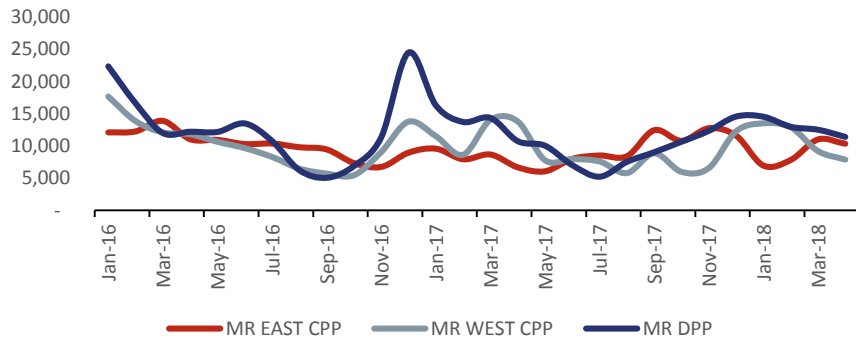


Source: Clarkson

MARKET IN Q1-18 STILL CHALLENGING

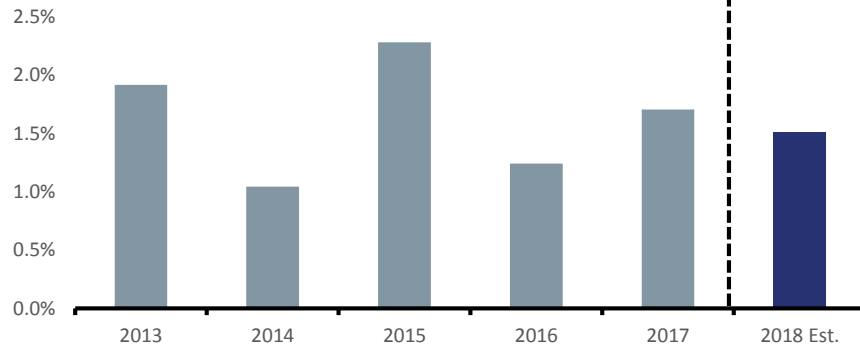
- Freight rates at 5-year low
- Healthy oil demand growth in Q1-18 of YoY 1.5% (IEA) - but inventories used instead of imports
- High refinery maintenance resulting in less exports
- Supply overhang pressuring rates
- Tanker scrapping increasing - product 0.4% and crude 1.2% YTD of current fleet

ACM MR Product tanker earnings (USD/day)



Source: ACM Braemar

Oil Demand Growth

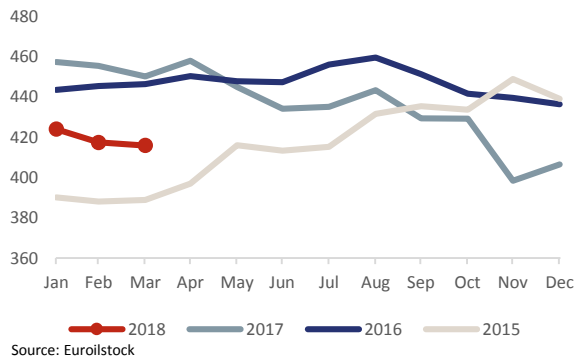


Source: IEA

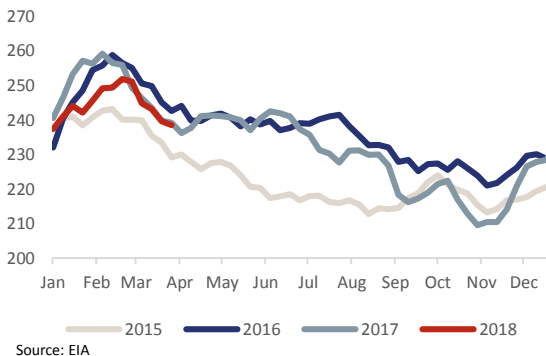
MARKET TO GRADUALLY IMPROVE THROUGH 2018

- Very poor start to the year in Q1 – but market expected to improve from here
- Positive macro environment adding to demand upside
- Oil inventories normalising
- Higher refining utilisation expected to increase movement of oil products
- Fleet growth slowing and scrapping to continue

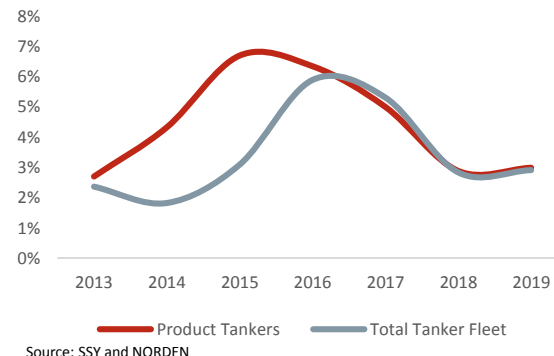
European Distillate stocks (mBBL)



US Total Gasoline Stocks



Tanker fleet growth (YoY%)



Final words



CAPTURING VALUE POTENTIAL OF DRY OPERATOR

- Dry Operator off to a good start since initiation in 2017 and well positioned for Q2
- Significant growth opportunity for Dry Operator, 2018 focus on building a track record and enabling growth
- Dry Owner well positioned for improving market
- Strong focus in Tankers on creating additional value through short-term optimisation
- Positive market outlook in both Dry Cargo and Tankers



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 the remainder of 2018 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

FOR THE LONG-TERM SHIPPING INVESTOR

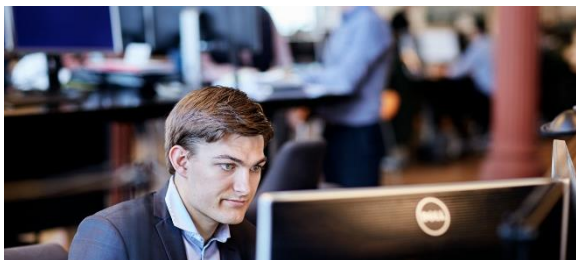
- Full scale operational setup – direct customer contact
- Agile portfolio management
- Midsize vessel types – where operator skills are most valuable
- Strong track record of maintaining financial strength through the cycles
- Healthy balance sheet, transparency and clear corporate governance
- Stock listed in 1871



NORDEN'S 3 BUSINESS UNITS

Dry Operator

Global transport solutions to dry cargo customers



Generate a margin by:

- Logistical and operatorial optimisation, matching cargoes and vessels
- Taking short-term market positions

Dry Owner

Cyclical market exposure to dry cargo market

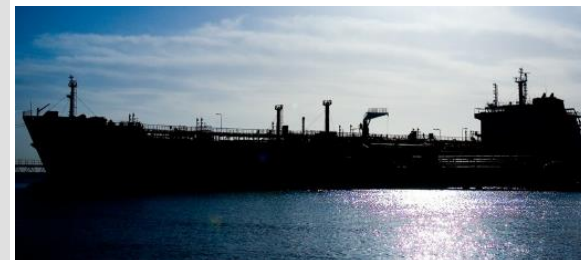


Generate superior long-term returns by:

- Timing and negotiating transactions of owned and long-term charter contracts

Product Tankers

Transport services and cyclical market exposure in product tanker market



Generate superior long-term returns by:

- Maximising earnings through positioning and voyage optimisation
- Timing and transactions of own vessels and long-term charter contracts

DRY OPERATOR: LOGISTICAL OPTIMISATION AND POSITIONS

Value levers



Regional exposure

Taking a view on regional rate developments



Overall market exposure

Taking a view on the short-term market direction



Clip deals

Securing margin on a single voyage performed on a third party vessel with a minimum of market risk



Employment arbitrage

Choosing between cargoes, T/C-out and FFAs to fix income



Vessel selection

Evaluating earnings capacity of available T/C-in tonnage



Options

Securing and realising value of option periods on T/C vessels using FFAs, cargoes and COAs or T/C options



Vessel operation

Speed setting, cargo handling and port operations



Minimising ballast

Matching COA and market cargoes with own and market vessels

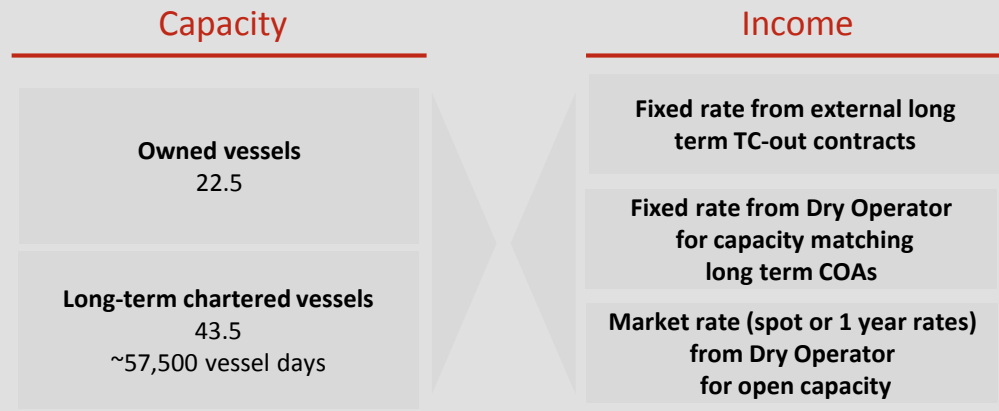
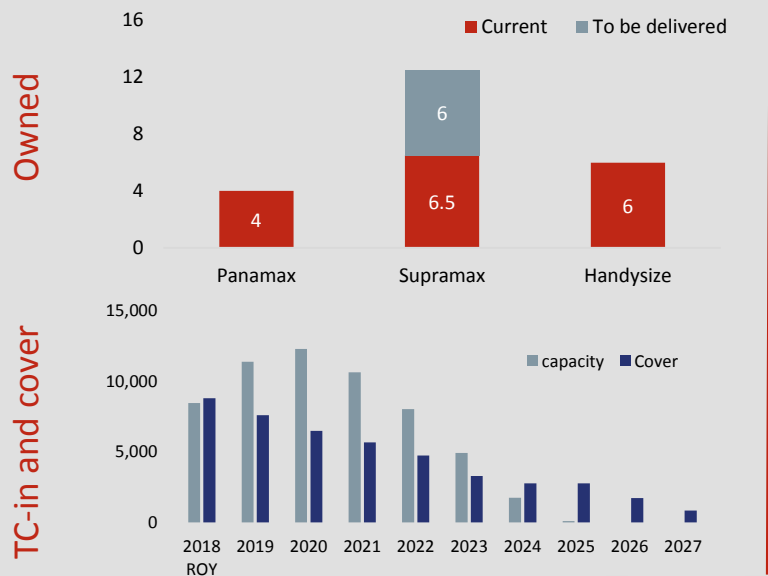
Success levers



DRY OWNER: CYCLICAL EXPOSURE TO DRY CARGO

Generate superior long-term returns by:

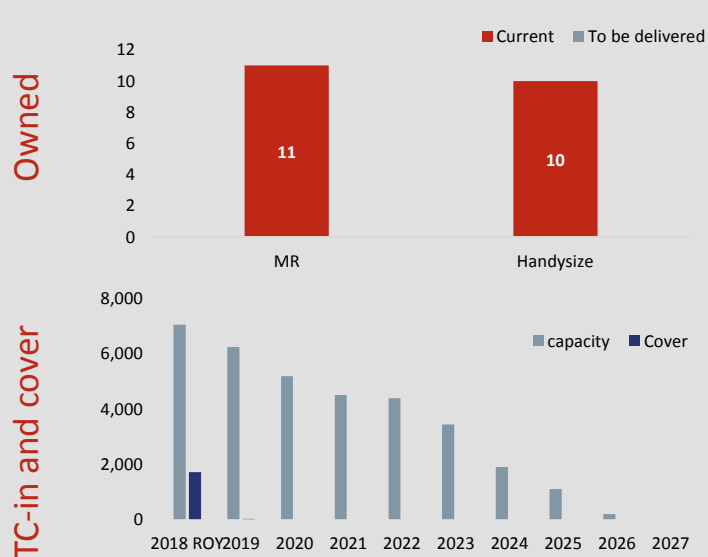
- Timing and negotiating transactions of owned and long-term charter contracts
- Utilising access to off-market deals through long-term relationships with shipyards and shipowners
- Enabling portfolio of long-term contracts



TANKERS: CYCLICAL EXPOSURE AND OPERATOR VALUE

Generate superior long-term returns by:

- Maximising earnings through positioning and voyage optimisation
- Timing and transactions of own vessels and long-term charter contracts
- Short-term T/C-in activity
- All short-term chartering-out conducted via Norient Product Pool (NPP) of which NORDEN owns 50%



CONNECTION BETWEEN OPERATOR AND OWNER

Q4 2017 (USD Million)	Dry Owner	Dry Operator	Eliminations	Dry Cargo
Revenue – services rendered external	9	481	0	490
Revenue – services rendered internal	39	0	39	0
Revenue	48	481	39	490
Voyage costs	0	-209	0	-209
T/C equivalent revenue	48	272	39	281
Other operating income	0	1	0	1
Charter hire for vessels	-34	-259	39	-254
Other vessel operating costs	-7	0	0	-7
Staff costs, onshore employees	-2	-9	0	-11
EBITDA	6	4	0	10

- Dry Owner charters out most of its capacity to Dry Operator
- Parts of this at fixed rates and parts are at market rates

OVERALL RESULTS

USDm	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
EBITDA – Dry Cargo	-6.3	-2.6			
EBITDA – Dry Operator			-4.6	14.1	4.1
EBITDA – Dry Owner			10.1	14.8	5.5
EBITDA - Tankers	16.6	10.0	6.5	9.4	7.5
EBITDA - Group	10.3	7.3	12.0	38.5	17.1
Depreciation	-10.6	-10.2	-10.6	-10.7	-10.5
EBIT Group	0.1	-2.8	-2.2	28.2	18.4
Result for the period	0.7	-3.3	0.1	27.1	18.0
Adjusted result for the period*	0.9	-3.3	3.7	27.1	8.8
Cash flow from operations	-9.4	-9.7	-16.0	41.4	-25.3
Net cash flow	18.5	-5.3	-22.2	0.1	-22.3
Cash and securities	264	249	191	219	199

*Adjusted Result = "Net Profit" excluding "Profit and loss from vessel sales etc." and "Fair value adjustment of certain hedging instruments"

FINANCIAL STRENGTH

Capital structure

- Cash in low-risk deposit accounts and securities

- Outstanding yard payments (incl. joint ventures (50%))
 - 2018: USD 71 million
 - 2019: USD 38 million
 - 2020: USD 16 million
 - Total: USD 125 million

- Payments to NORDEN for assets held for sale:
 - USD 12 million

Net committed cash (ultimo)

USDm	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Adjusted net interest bearing assets*	-69	-59	-69	-9	12
T/C obligations **	-1,314	-1,226	-1,267	-1,229	-1,202
Payments for newbuilding less proceeds from vessel sales**	-109	-149	-169	-224	-175
Revenue from coverage**	708	676	629	623	652
Net commitments	-784	-758	-877	-840	-714

*Adjusted for prepayments on vessel sales and currency swaps **Present values

VALUATION OF NORDEN

Valuation of assets

Dry Operator (last 9M)

Contribution margin	USD 40 million	≈ 557 USD / vessel day
Adjusted result	USD 15 million	≈ 210 USD / vessel day
Vessel days	71,116	

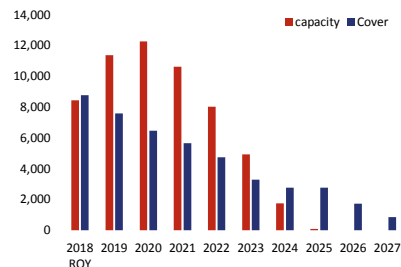
Fleet value of own vessels (ex. CP)

USD 875 million

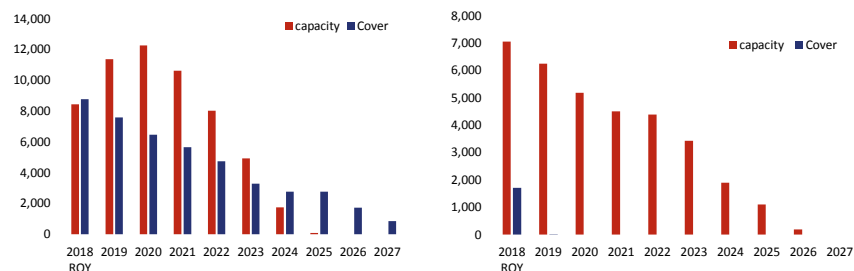
Dry Cargo	USD 464 million
Tankers	USD 412 million

T/C cover / Dry portfolio

Dry Cargo



Tankers



For TC portfolio MtM calculation please see NORDEN webpage (www.ds-norden.com/valuation/)

Value of purchase and extension options (USD million)

43

Financial input for valuation

Net debt (USD million)	-37
Securities	5
Cash and equivalents	203
Current bank debt	-85
Non-current bank debt	-160

NB installments (USD million)

-125

Other working capital (USD million)

131

Property and equipment	50
Investments in JV	12
Inventories	67
Freight receivables	120
Other receivables	35
Trade payables	-60
Other payables	-58
Deferred Income	-35

Number of shares (ex. treasury shares)

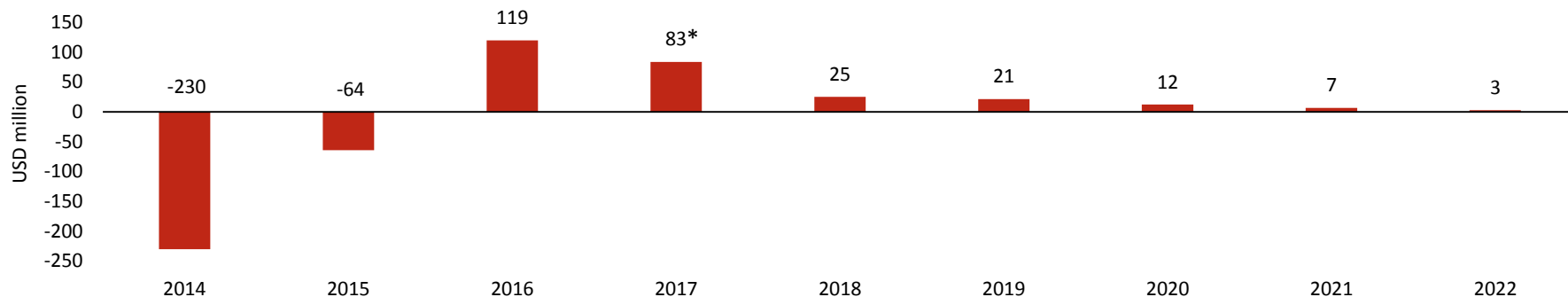
40,467,615

DRY OWNER TCE

Vessel type	Days	TCE (USD / day)
Post-Panamax	272	8,852
Panamax	1,823	12,104
Supramax	1,865	10,517
Handysize	895	10,101

PROVISIONS

Effect of provisions

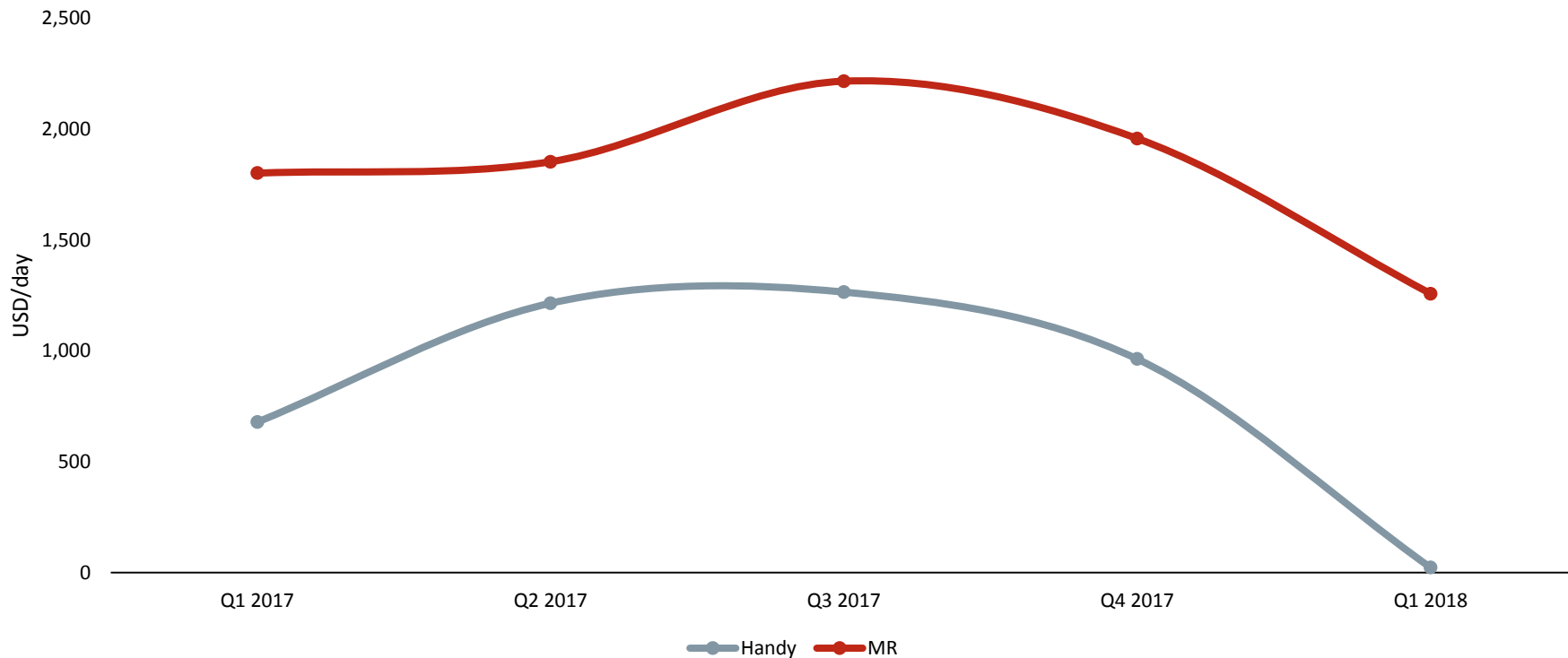


Comments

- Remaining provisions at the end of 2018 of USD 15 million
- Reduced impact from provisions from 2018

CONTINUOUSLY OUTPERFORMING THE MARKETS

Tankers – 4 quarter rolling NORDEN TCE over benchmark



DRY OWNER POSITIONING

At 31 March 2018												
	2018			ROY			2018			ROY		
	Q2	Q3	Q4	2018	2019	2020	Q2	Q3	Q4	2018	2019	2020
Own vessels	Ship days											
Panamax	352	366	363	1,081	1,376	1,444						
Supramax	623	684	734	2,041	3,699	4,390						
Handysize	528	517	456	1,501	1,810	1,815						
Total	1,503	1,566	1,553	4,622	6,885	7,648						
Chartered vessels							Cash costs for T/C capacity (USD per day)					
Post-Panamax	64	-	-	64	-	-	14,229	-	-	14,229	-	-
Panamax	1,462	1,517	1,517	4,496	5,996	5,673	12,586	12,557	12,543	12,562	13,510	13,669
Supramax	981	1,004	919	2,904	4,160	5,949	11,524	11,407	10,845	11,269	11,555	11,345
Handysize	264	315	400	978	1,199	639	12,185	11,830	11,360	11,734	11,329	11,585
Total	2,770	2,836	2,836	8,442	11,354	12,261	12,210	12,069	11,826	12,034	12,564	12,433
							Cash costs for total capacity (USD per day)*					
Total capacity	4,274	4,402	4,389	13,064	18,239	19,919	9,709	9,602	9,454	9,587	9,959	9,639
Coverage							Revenue from coverage (USD per day)					
Post-Panamax	-	-	-	-	-	-	-	-	-	-	-	-
Panamax	1,546	1,619	1,560	4,725	3,810	2,655	12,915	12,936	12,996	12,949	14,028	14,765
Supramax	969	1,005	902	2,876	2,197	2,234	11,549	11,559	11,685	11,595	12,261	12,576
Handysize	378	393	393	1,164	1,568	1,570	11,831	11,820	11,820	11,824	11,809	11,813
Total	2,892	3,018	2,856	8,765	7,575	6,459	12,316	12,332	12,420	12,355	13,056	13,290
Coverage in %												
Post-Panamax	-	-	-	-	-	-						
Panamax	85%	86%	83%	85%	52%	37%						
Supramax	60%	60%	55%	58%	28%	22%						
Handysize	48%	47%	46%	47%	52%	64%						
Total	68%	69%	65%	67%	42%	32%						
Accounting effect of provision (USD million)	5	5	5	15	21	12						

* Including cash running costs of owned vessels. Costs are excluding O/A.

DRY OWNER FLEET AND VALUES

NORDEN's Dry Owner fleet

Vessel type	Post-Panamax	Panamax	Supramax	Handysize	Total
Vessels in operation					
Owned vessels	0.0	4.0	6.5	6.0	16.5
Chartered vessels	2.0	12.5	13.0	4.0	31.5
Total active fleet	2.0	16.5	19.5	10.0	48.0
Vessels to be delivered					
Owned vessels	0.0	0.0	6.0	0.0	6.0
Chartered vessels	0.0	2.0	8.0	2.0	12.0
Total vessels to be delivered	0.0	2.0	14.0	2.0	18.0
Total gross fleet	2.0	18.5	33.5	12.0	66.0

NORDEN's Dry Owner fleet values (USD million)

NORDEN's Dry Owner fleet values at 31 March 2018 (USD million)

Vessel type	Post-Panamax	Panamax	Supramax	Handysize	Total
Average age of owned vessels		11.6	4.8	6.3	7.0
Market value of owned vessels and newbuildings*	0	60	323	80	464
Broker estimated value of certain charter parties attached to owned vessels	0	9	0	8	17
Carrying amount/cost	0	60	302	89	452
Value added	0	8	21	-1	28
Value of purchase and extension options on chartered tonnage	0	11	12	0	23

* Charter free and including joint ventures and assets held for sale, if any.

TANKER POSITIONING

Capacity and coverage at 31 March 2018												
	2018			ROY			2018			ROY		
	Q2	Q3	Q4	2018	2019	2020	Q2	Q3	Q4	2018	2019	2020
Owned vessels	Ship days											
MR	1,059	1,025	1,008	3,091	3,923	3,955						
Handysize	880	902	916	2,697	3,591	3,593						
Total	1,939	1,926	1,923	5,788	7,514	7,548						
Chartered vessels							Cash costs for T/C capacity (USD per day)					
LR1	176	184	184	544	730	397	18,655	18,655	18,655	18,655	18,655	18,655
MR	2,135	1,907	1,605	5,647	4,420	4,234	13,779	14,002	14,188	14,847	14,847	14,868
Handysize	313	276	276	865	1,095	552	11,093	12,729	12,729	12,729	12,729	12,729
Total	2,623	2,367	2,065	7,056	6,245	5,182	13,786	14,215	14,391	14,107	14,921	14,930
							Cash costs for total capacity (USD per day)*					
Total capacity	4,562	4,293	3,988	12,844	13,759	12,730	10,628	10,660	10,438	10,580	10,206	9,799
Coverage							Revenue from coverage (USD per day)					
LR1	-	-	-	-	-	-	-	-	-	-	-	-
MR	947	365	138	1,450	5	-	12,574	14,093	14,117	13,103	12,888	-
Handysize	201	55	-	256	-	-	10,827	14,982	-	11,719	-	-
Total	1,148	420	138	1,706	5	-	12,268	14,209	14,117	12,896	12,888	-
Coverage in %												
LR1	-	-	-	-	-	-						
MR	30%	12%	5%	17%	0%	-						
Handysize	17%	5%	-	7%	-	-						
Total	25%	10%	3%	13%	0%	-						

* Including cash running costs of owned vessels. Costs are excluding O/A.

TANKER FLEET AND VALUES

NORDEN's Tanker fleet

Vessel type	LR1	MR	Handysize	Total
Vessels in operation				
Owned vessels	0.0	11.0	10.0	21.0
Chartered vessels	2.0	27.0	6.0	35.0
Total active fleet	2.0	38.0	16.0	56.0
Vessels to be delivered				
Owned vessels	0.0	0.0	0.0	0.0
Chartered vessels	0.0	11.0	0.0	11.0
Total vessels to be delivered	0.0	11.0	0.0	11.0
Total gross fleet	2.0	49.0	16.0	67.0

NORDEN's Tanker fleet values (USD million)

NORDEN's Tanker fleet values at 31 March 2018 (USD million)

Vessel type	LR1	MR	Handysize	Total
Average age of owned vessels		0	5	9
Market value of owned vessels and newbuildings*	0	263	148	412
Broker estimated value of certain charter parties attached to owned vessels	0	0	0	1
Carrying amount/cost	0	299	204	503
Value added	0	-36	-55	-91
Value of purchase and extension options on chartered tonnage	0	2	18	20

* Charter free and including joint ventures and assets held for sale, if any.

NEWBUILDING PRICES

Panamax (Dry)

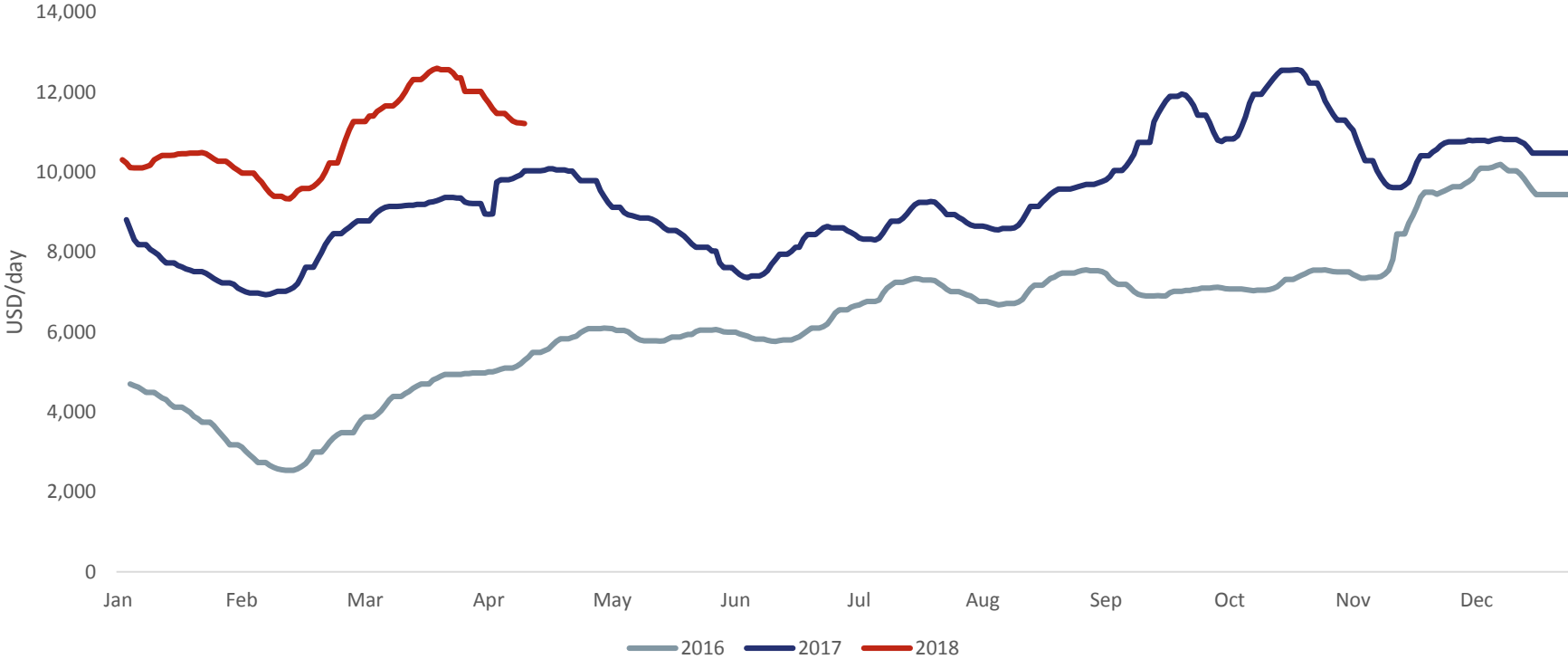


MR (Tank)



PANAMAX

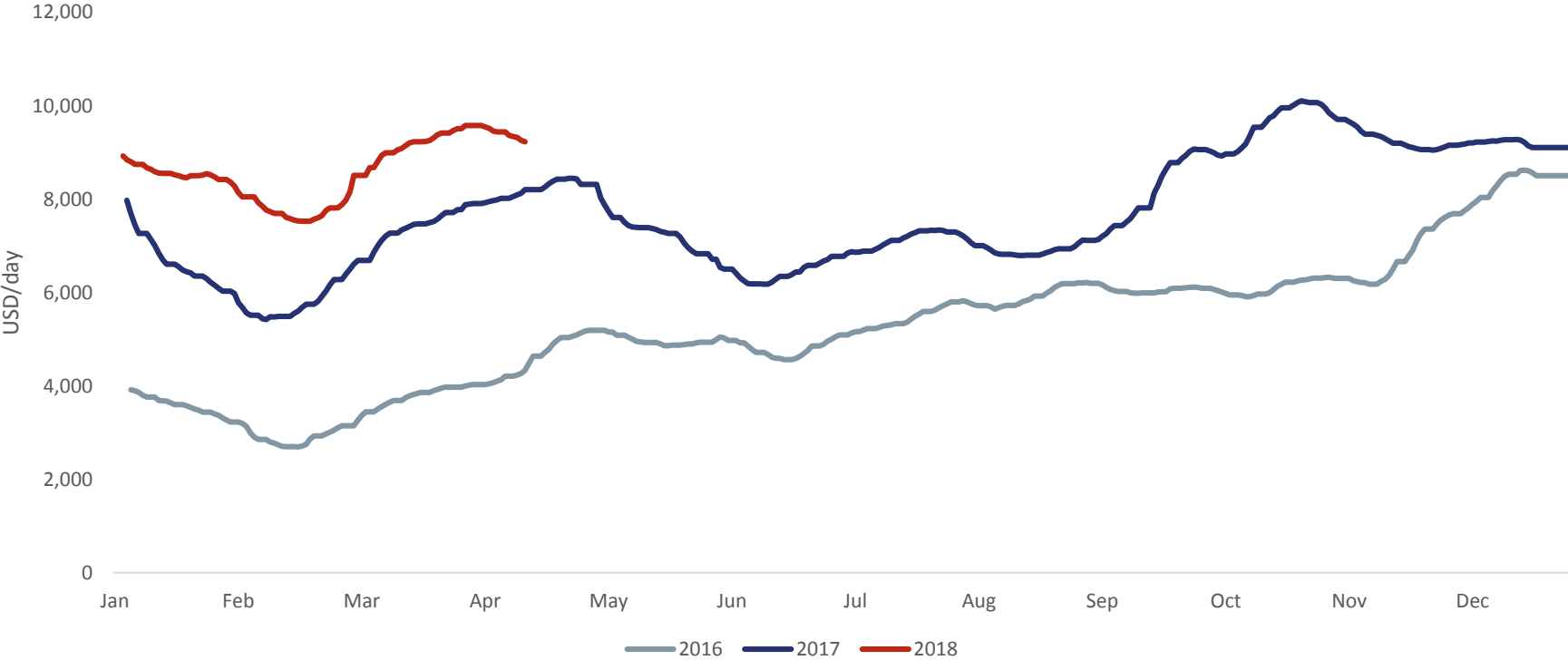
Spot rate



* Source: Clarksons

SUPRAMAX

Spot rate



* Source: Clarksons

WHAT IS TIME CHARTER EQUIVALENT (TCE)?

NORDEN (as owner) has contracted with a customer to move 50,000 mt of cargo at a rate of \$20 per Metric Ton.



$$\text{TCE} = \$400,000 \text{ (Net income)} / 40 \text{ Days} = \$10,000/\text{Day}$$

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

- 16,086 registered shareholders owning 87.4%
- Approx. 31% international ownership

