

NORDEN RESULTS

First quarter of 2017



Copenhagen, Denmark
3 May 2017



AGENDA

- ▶ Group highlights
- ▶ Financials
- ▶ Dry Cargo
- ▶ Tankers
- ▶ 2017 expectations
- ▶ Q & A

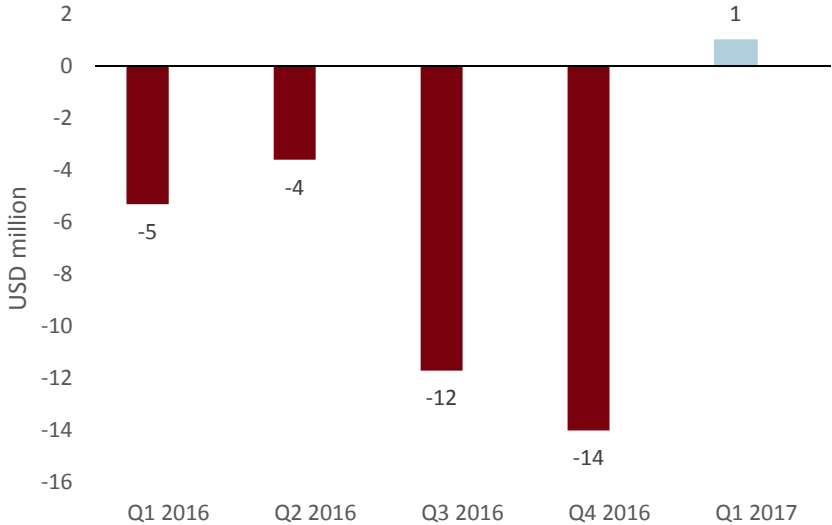


Q1 HIGHLIGHTS

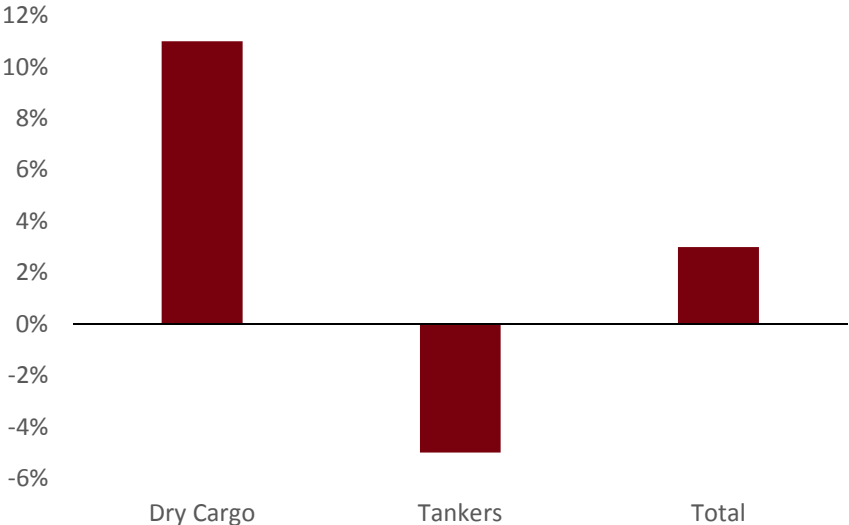


- ▶ Adjusted result for Q1 USD 1 mill.
 - ▶ Strong performance by Tanker business in challenging markets
 - ▶ Surprisingly strong dry cargo market, but due to 100% coverage NORDEN did not fully benefit
- ▶ Increase in asset values
- ▶ Increasing forward rates benefitting more than 62,000 open days in Dry Cargo (2017-21)
- ▶ Increased short and long-term exposure in Tankers
- ▶ Guidance maintained USD -20 to 40 million

Adjusted result



Asset values Dry Cargo and Tankers change in Q1 2017

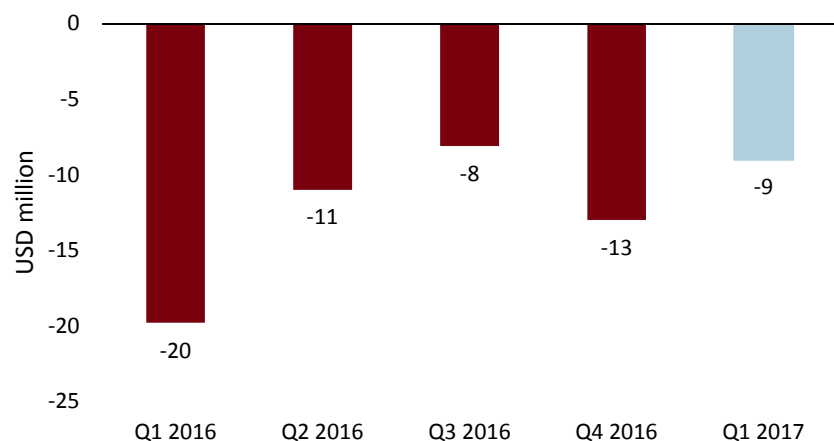


STRONG TANKER RESULT

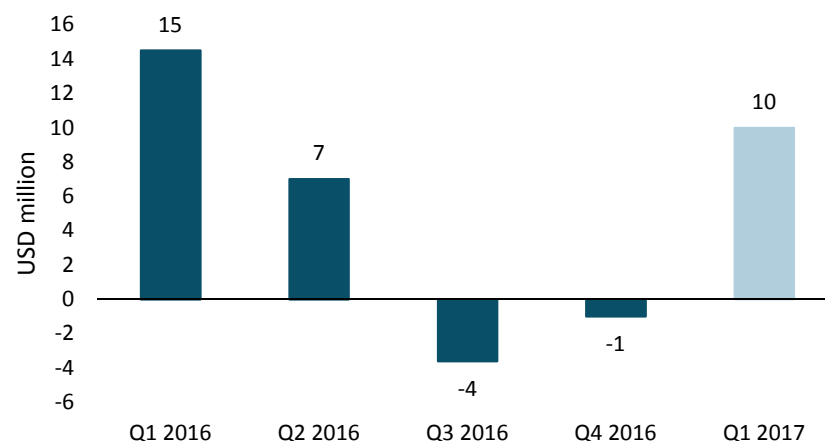
– FULL EFFECT OF DRY MARKET IMPROVEMENT NOT SEEN IN Q1



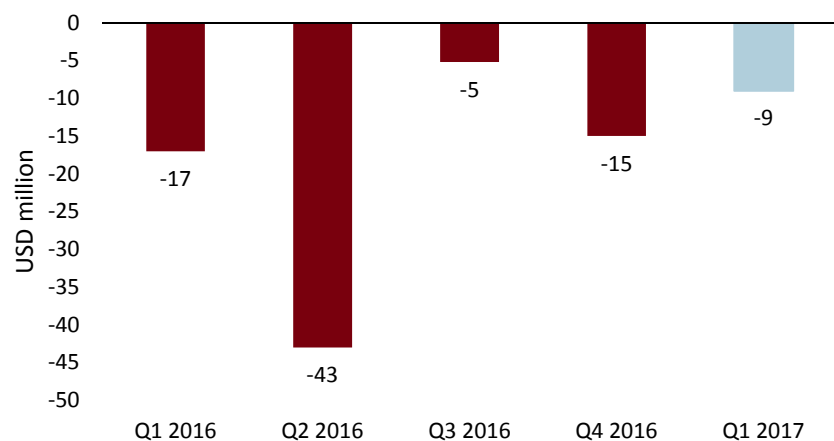
Adjusted result – Dry Cargo



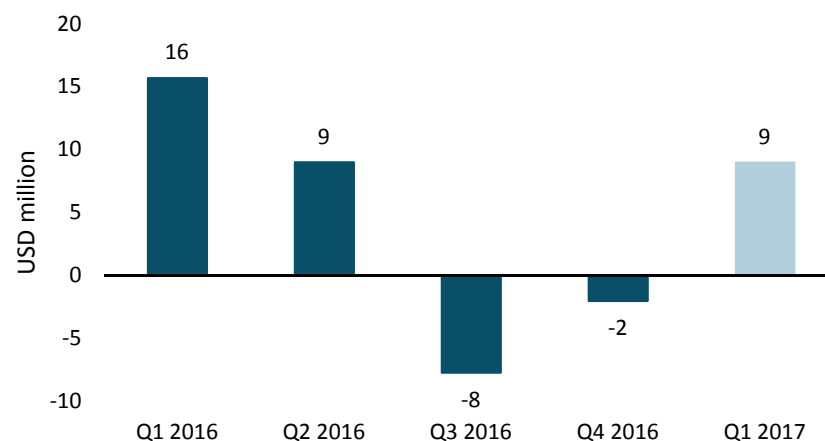
Adjusted result – Tankers



EBIT – Dry Cargo



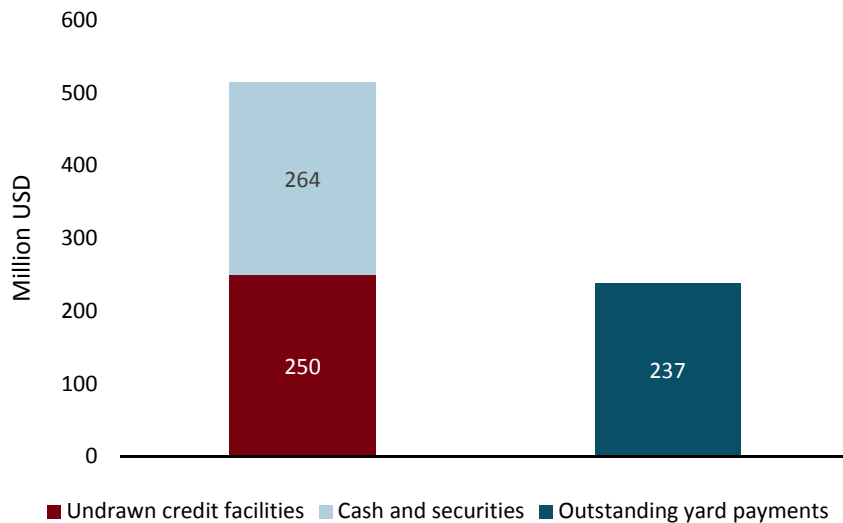
EBIT - Tankers



BALANCED CAPITAL STRUCTURE

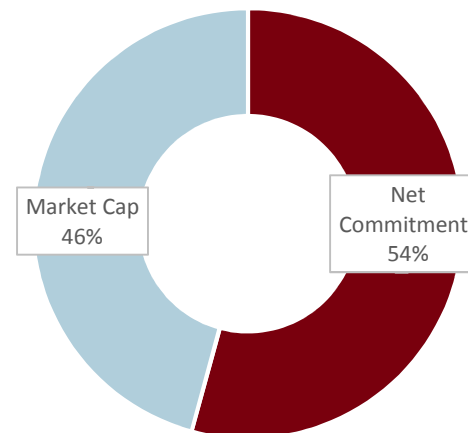
- ▶ Equity share of 46%, which is considered an appropriate capital structure
- ▶ Net commitments increased by USD 94 million due to increase in T/C obligations
- ▶ Combined undrawn credit facilities, cash and securities at USD 514 million
 - ▶ USD 237 in outstanding yard payments
 - ▶ Payments to NORDEN from assets held for sale at USD 54 million

Cover for yard payments



*Future payments to NORDEN from assets held for sale: USD 54 million not included in above

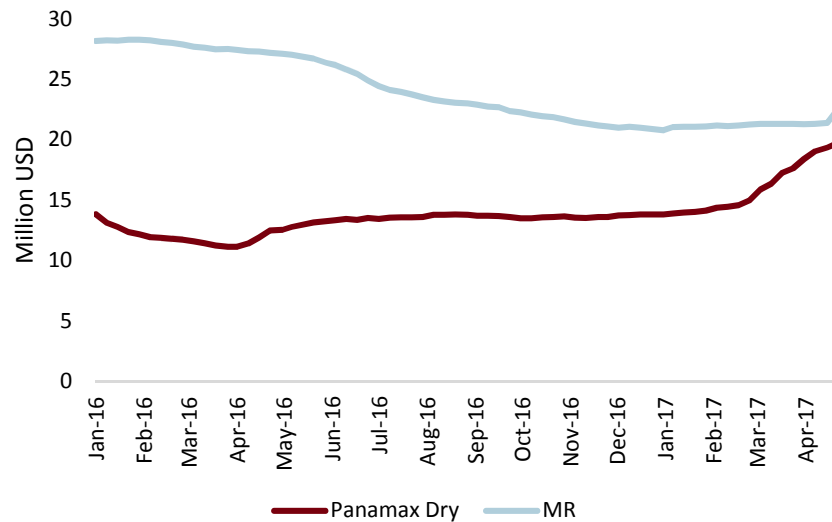
Capital structure incl. items outside balance sheet



ASSET VALUES INCREASE

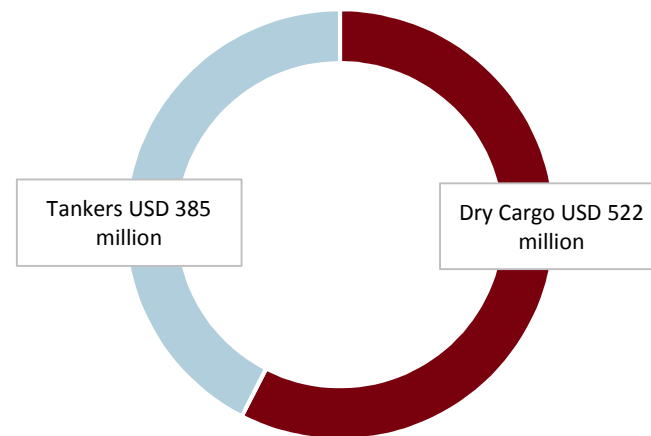
- ▶ Upward pressure on asset values for Dry Cargo
- ▶ Tankers asset values were flat during Q1, but increased end of quarter
- ▶ Value of owned fleet is 58/42 split between Dry Cargo and Tankers
- ▶ More than 62,000 open vessel days in Dry Cargo (2017-2021)

5-year secondhand prices



Source: Baltic Exchange

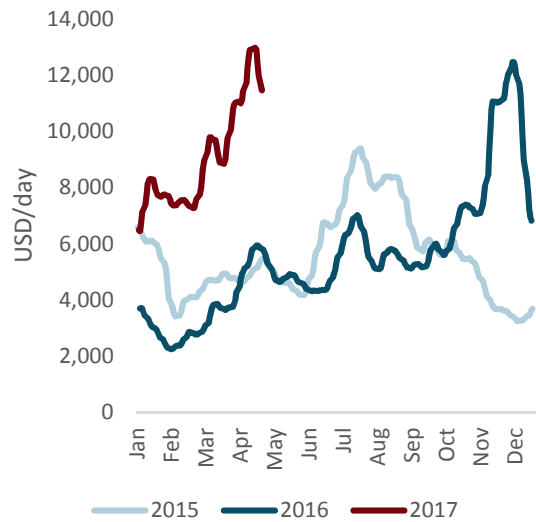
Broker assessed asset values end Q1 2017



SURPRISINGLY STRONG MARKET IN Q1

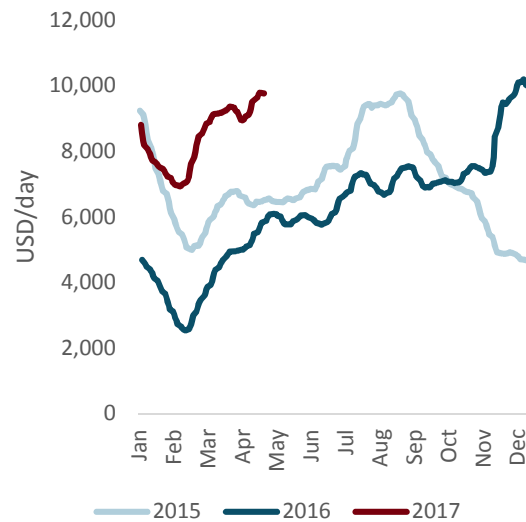
- ▶ Supramax: average market rates 115% higher than Q1 2016
- ▶ Panamax: average market rates 170% higher than Q1 2016
- ▶ Strong Chinese activity contributed to demand growth
 - ▶ Iron ore imports increased by 12%
 - ▶ Chinese coal imports increased by 33%
- ▶ Limited growth in Rest-of-World trade

Panamax – spot rate



Source: Clarksons

Supramax – spot rate



Source: Clarksons

BDI since January 2015



Source: Clarksons

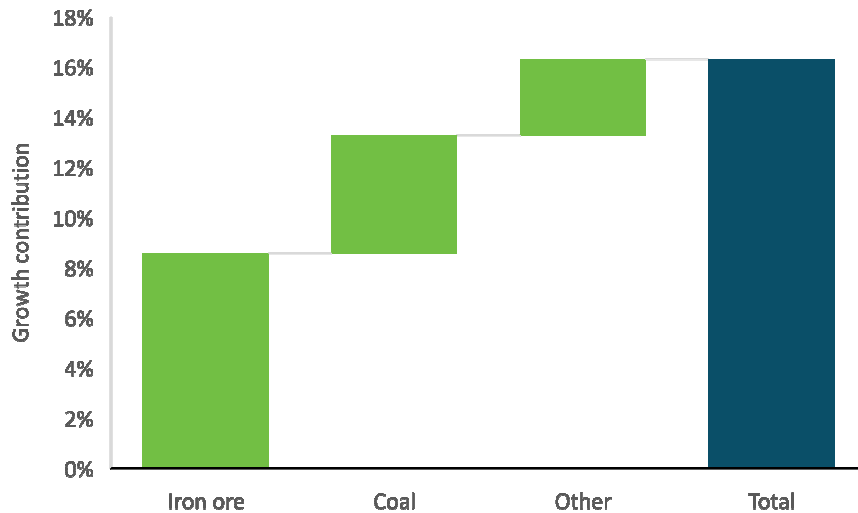
LOW SUPPLY GROWTH SUPPORTING LONG TERM OUTLOOK

- ▶ 2017 demand outlook still highly dependent on political influence
 - ▶ Chinese governmental stimulus continues to support economic activity
 - ▶ However, the Chinese governmental influence could reverse coal import trend

- ▶ Limited ordering activity
 - ▶ New orders placed are not expected to be delivered before 2019

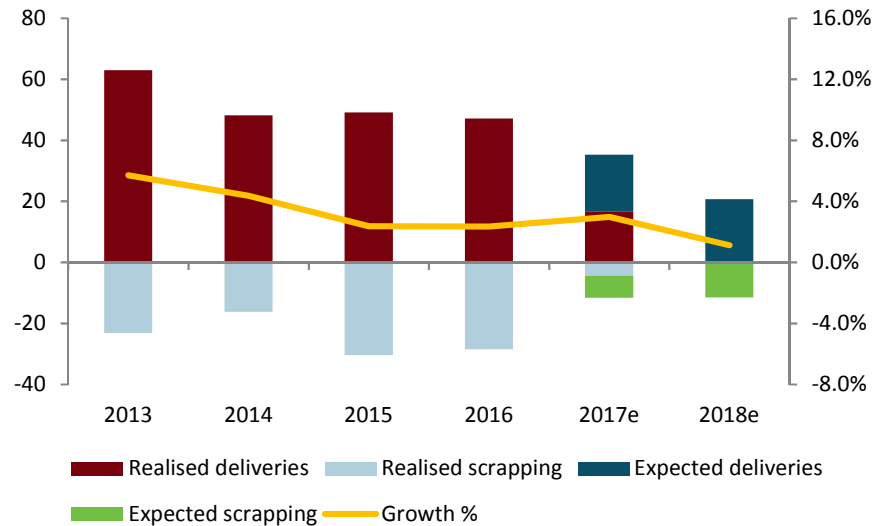
- ▶ Fleet growth expected to be ~3% in 2017, and only 1% in 2018

Change in China imports Q1 2017 vs. Q1 2016



*Other is among others bauxite, nickel, grain etc
Source: GTT

Dry Cargo supply (million dwt.)



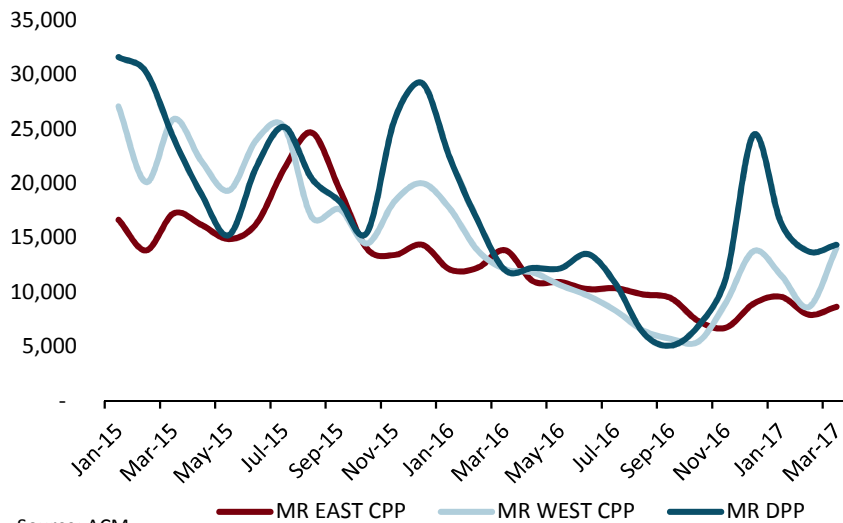
Source: Clarksons and NORDEN

CONTINUED CHALLENGING MARKET CONDITIONS

- ▶ Significant local spikes in otherwise poor market
 - ▶ Adverse weather conditions creating delays and congestions
 - ▶ Strong gasoline pull from Latin America and West Africa

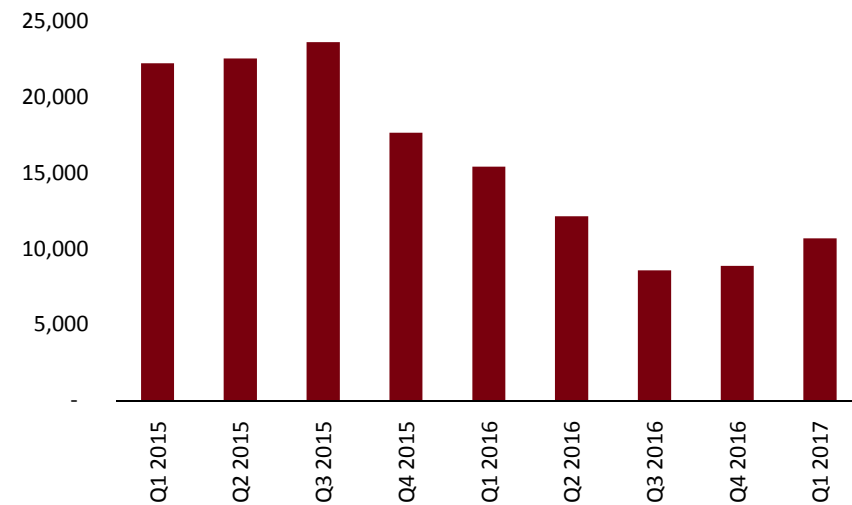
- ▶ The global tanker fleet continued to expand with steady deliveries and only few scrappings

Spot market MR (CPP) earnings (USD/day)



Source: ACM

Avg. spot Clean Product Earnings (USD/day)

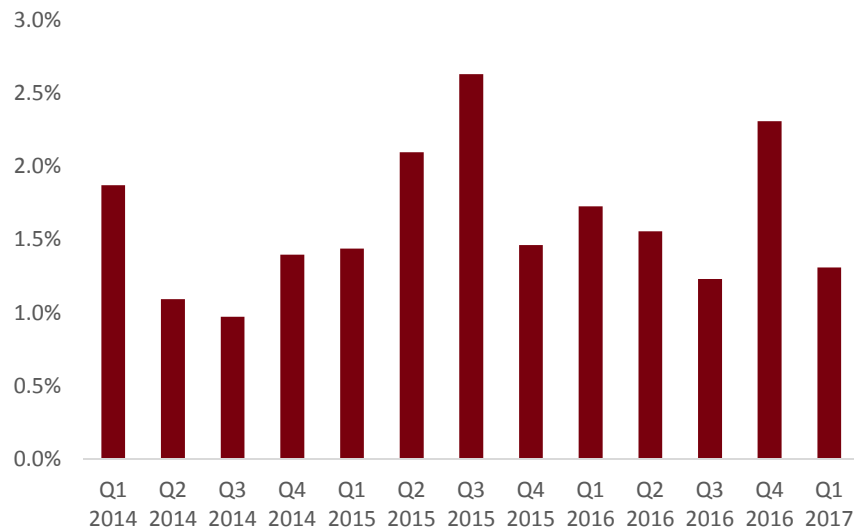


Source: Clarksons Platou

FOUNDATION FOR IMPROVEMENTS IN 2018

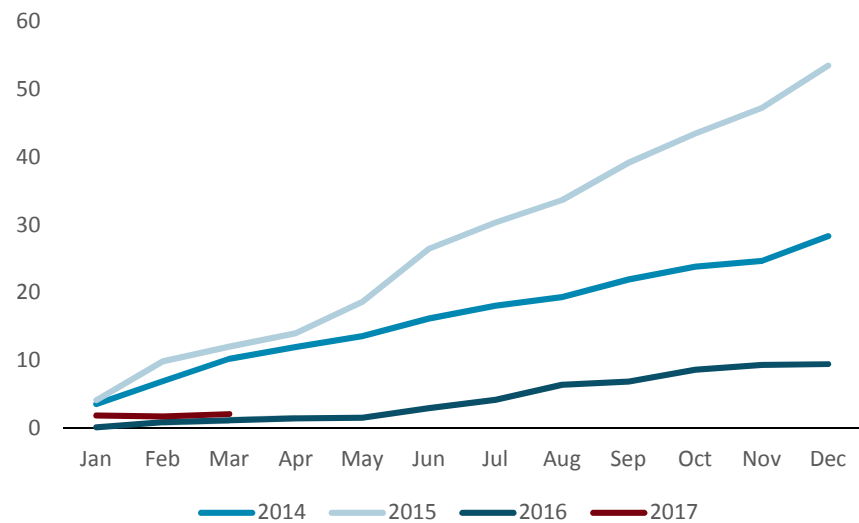
- ▶ Oil demand at similar levels as last year, but boost in economic optimism could lead to higher oil consumption
- ▶ Declining but still high level of inventories
- ▶ Excessive supply growth in 2017, but limited orderbook creating foundation for improvements in 2018

Growth in global oil demand (yr/yr)



Source: IEA

Accumulated tanker contracting (m. dwt)



Source: Clarksons

NORDEN MAINTAINS EXPECTATIONS FOR 2017



Outlook

USDm	Dry Cargo	Tankers	Total
Adjusted results for the year	-15 to 45	-15 to 15	-20 to 40



Comments

- ▶ Adjusted net result USD -20 to 40 million
 - ▶ Corresponds to EBIT of USD -5 to 55 million

- ▶ Weak Q1 Dry cargo results despite strong spot market
 - ▶ Places Dry cargo estimate in the lower guidance range

- ▶ Better than expected Q1 result in Tank
 - ▶ Places Tanker estimate in the higher guidance range

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 2017 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.



FORWARD LOOKING STATEMENTS

Thank you for your attention

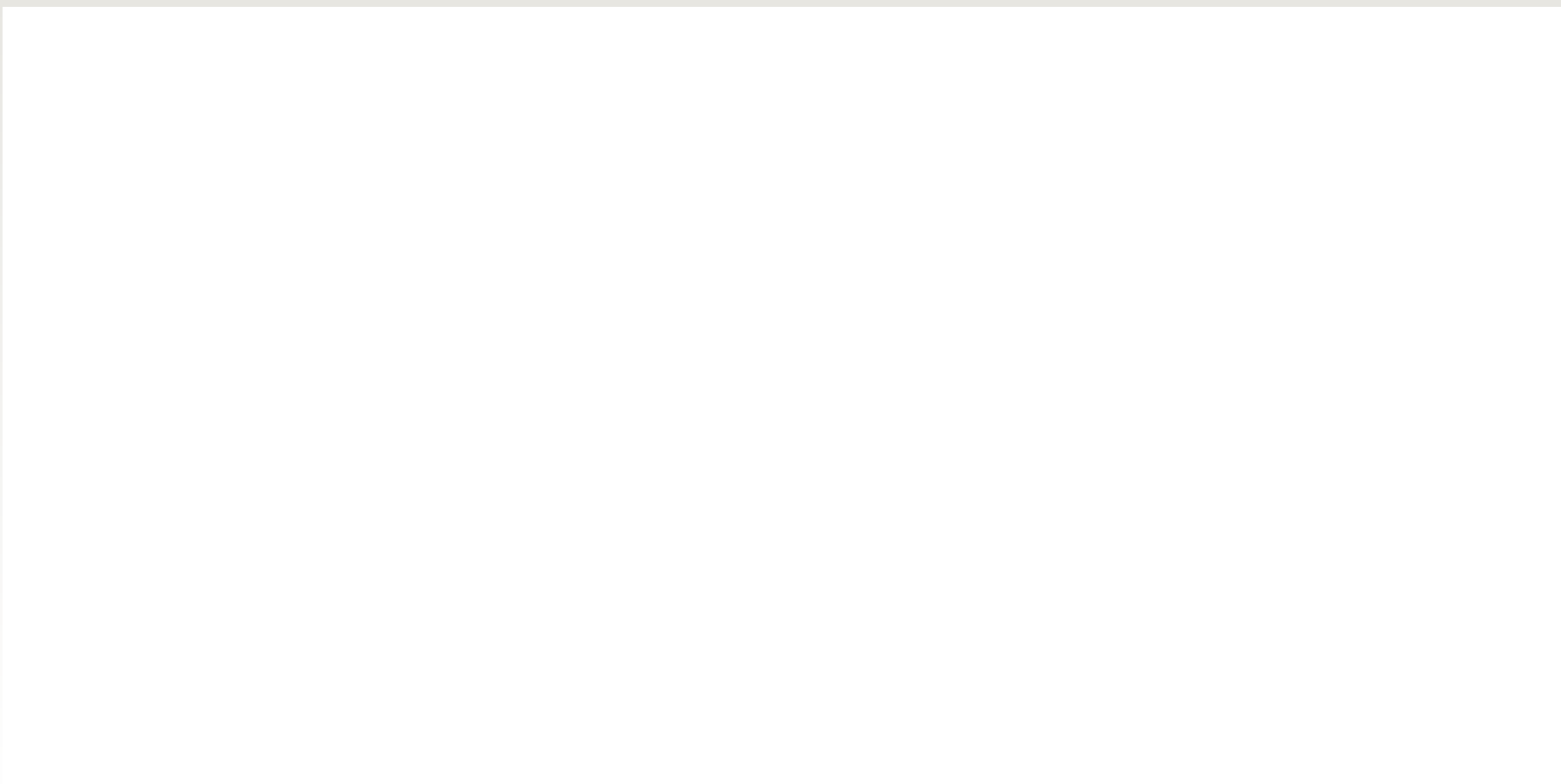


 <http://www.linkedin.com/company/ds-norden/>
 http://twitter.com/DS_NORDEN
 <http://www.facebook.com/shippingtrainee.com>
 <http://www.facebook.com/dampskibsselskabetnorden>

Dampskibsselskabet NORDEN A/S
52, Strandvejen
DK-2900 Hellerup
Denmark
Phone: +45 3315 0451

www.ds-norden.com





BACK UP SLIDES

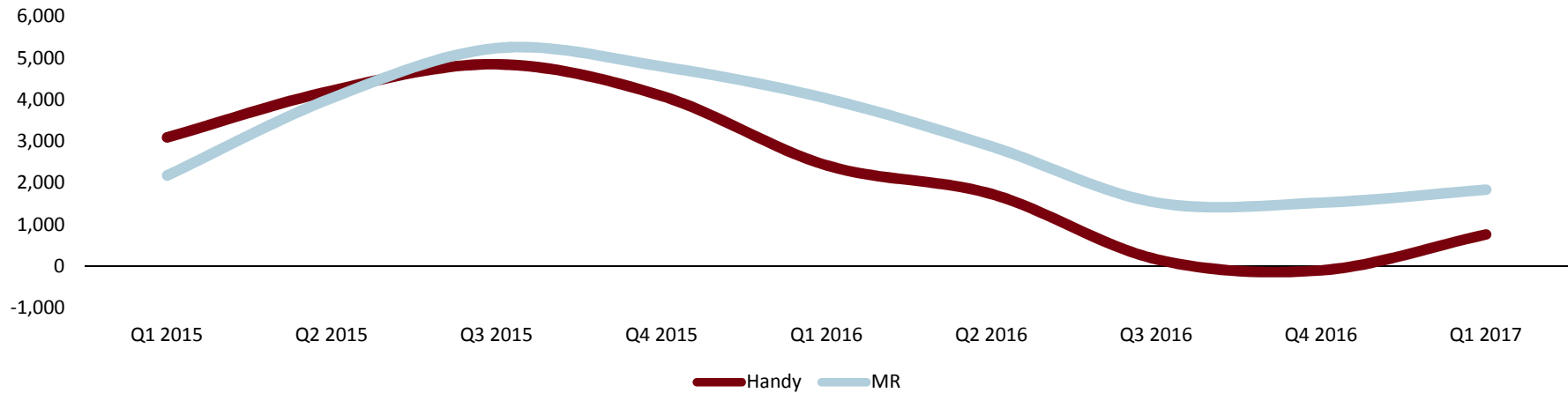


2017 52/53

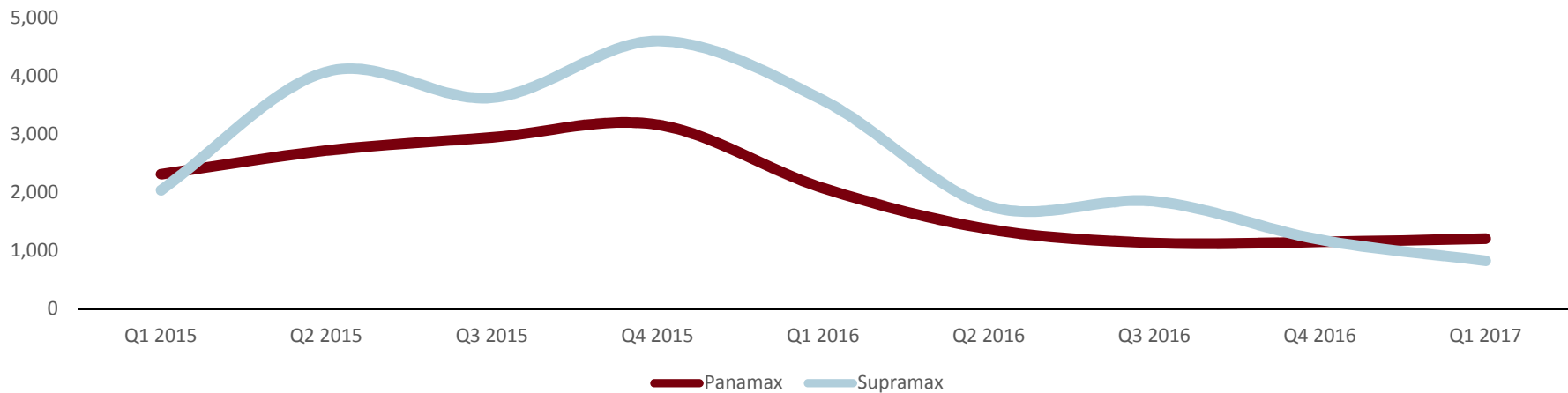
CONTINUOUSLY OUTPERFORMING THE MARKETS



Tankers - 4 quarter rolling NORDEN TCE over benchmark



Dry Cargo - 4 quarter rolling NORDEN TCE over benchmark



WHAT MAKES **NORDEN** DIFFERENT?



- ▶ 2 Segments - focus on vessel types where we can make a difference
 - ▶ Dry Cargo
 - ▶ Tankers
- ▶ Full scale operational setup - Direct customer contact
- ▶ Portfolio of time charter-in contracts and earnings coverage
- ▶ Long track record of overperformance in Dry Cargo and Tankers
- ▶ Healthy balance sheet
- ▶ Transparency and clear Corporate Governance

A LEADING GLOBAL TRAMP OPERATOR



76 DRY CARGO VESSELS (CORE FLEET)

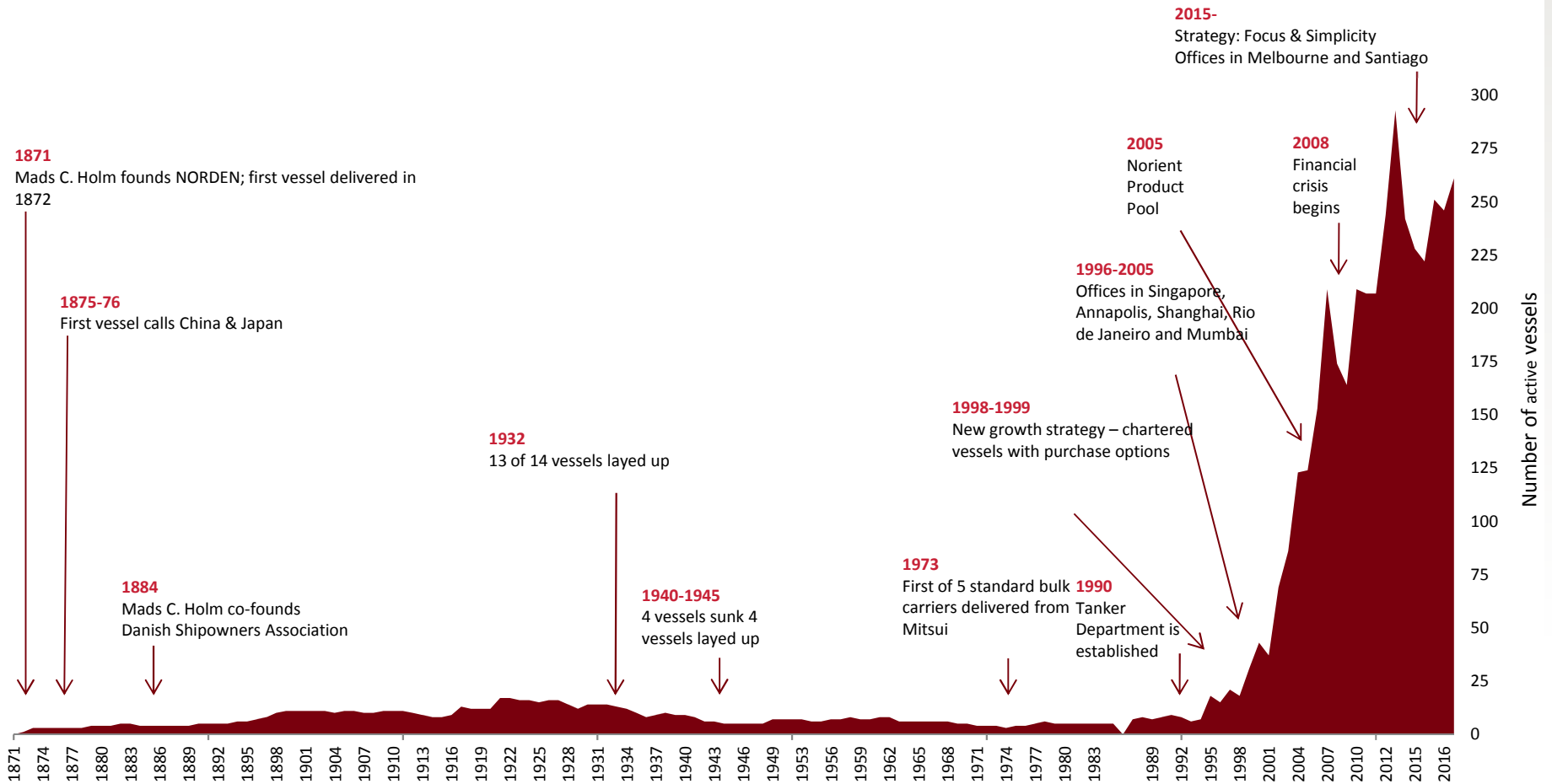


- ▶ Modern fleet
- ▶ Global network of offices and port captains
- ▶ Pools in Dry cargo (Handysize & Post-Panamax) and Tankers (MR & Handysize)



36 TANKER VESSELS

DEVELOPMENT HIGHLIGHTS



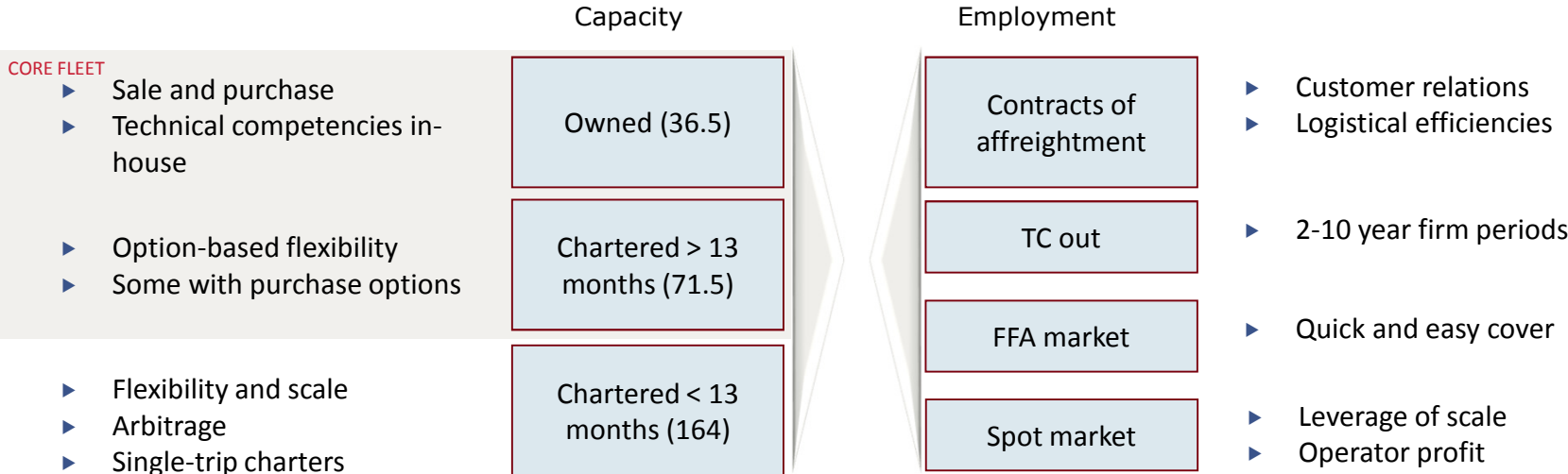
ASSET LIGHT BUSINESS MODEL...



- ▶ Active fleet can quickly be adjusted to demand and market conditions
- ▶ Fleet employment based on portfolio view

Flexible fleet

Coverage and customer focus



* Active fleet per 31 Marts 2017



...ENABLING VALUE CREATION BASED ON THE CYCLE AND THROUGHOUT THE CYCLE



Exploiting the cycle

Taking a view on the fundamental market and adjusting our exposure

Levers:

Owned vessels

Long-term T/C in

Long-term coverage

Financial gearing

Creating value throughout the cycle

Creating value above industry level irrespective of market conditions

Levers:

Commercial operations:

- Optimisation around cargo contracts (Dry Cargo)
- Short-term T/C in/out
- Optimisation of trade composition and positioning
- Exploitation of seasonality and volatility
- Vessel selection

Voyage execution incl. fuel optimisation

Cost efficiency

Why we succeed

- ▶ Fast and consistent decision making
- ▶ Relationships with tonnage providers
- ▶ Long-term player
- ▶ Financial strength
- ▶ Execution skills

- ▶ Skilled and experienced staff
- ▶ Close customer relationships
- ▶ Economies of scale
- ▶ Optimised systems and processes
- ▶ Strong brand

OVERALL RESULTS

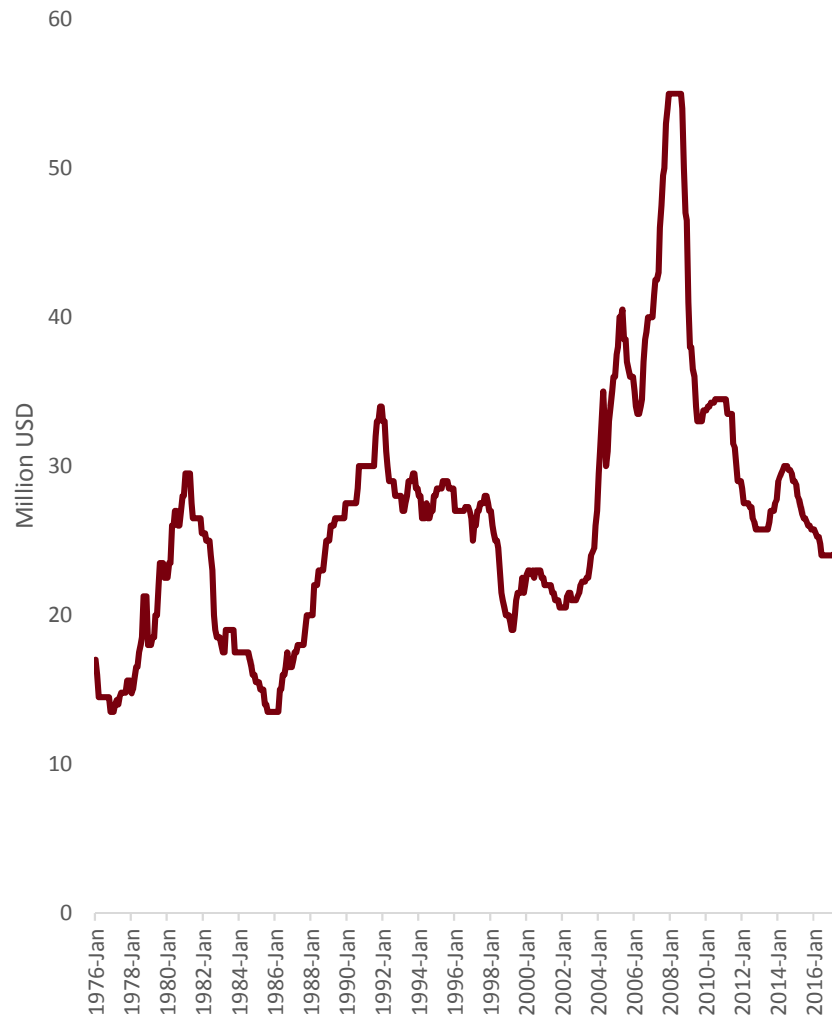


USD million	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
EBITDA - Dry Cargo	-12.5	-4.5	-1.9	-4.0	-6.3
EBITDA - Tankers	23.9	16.7	6.0	8.0	16.6
EBITDA - Group	11.4	12.2	4.1	2.9	10.3
Depreciation	-13.3	-13.8	-11.6	-10.8	-10.6
EBIT Group	-1.3	-34	-12.9	-16.3	0.1
Result for the period	4.6	-24	-14.1	-12.1	0.7
Adjusted result for the period	-5.3	-3.5	-11.7	-14.0	0.9
Cash flow from operations	6.6	-16	-29	-41.3	-9.4
Net cash flow	9.2	-42.9	-23.4	-5.8	18.5
Cash and securities	375.5	345.5	294.2	263.9	264.0

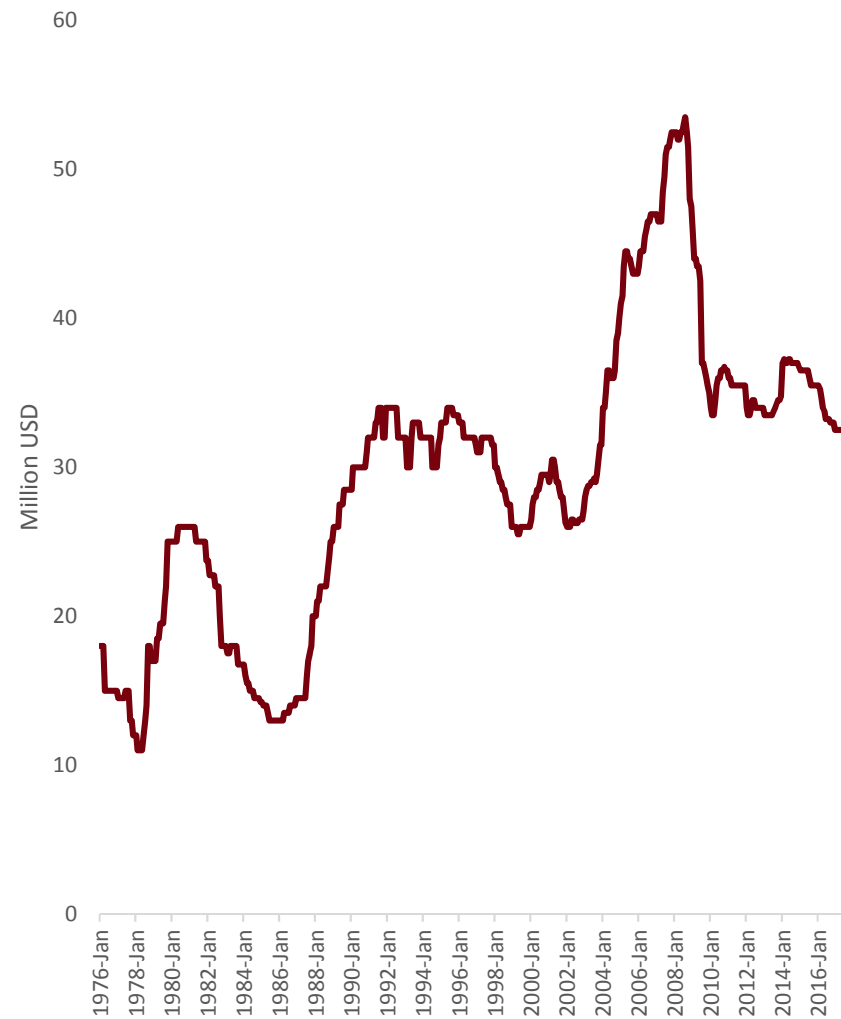
NEWBUILDING PRICES



Panamax (Dry)



MR (Tank)



Source: Clarksons

CLASSIC TCE DRY CARGO



		Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Capesize	Fleet days	167	91	92	92	90
	TCE	-694	3,106	6,774	12,231	10,411
Post-Panamax	Fleet days	778	747	658	397	567
	TCE	4,881	4,709	7,731	8,465	8,492
Panamax	Fleet days	5,873	7,433	7,405	7,806	8,755
	TCE	5,325	6,353	6,918	7,824	7,612
Supramax	Fleet days	5,548	6,238	6,083	6,368	7,448
	TCE	6,416	7,154	7,940	8,775	8,876
Handysize	Fleet days	2,173	2,265	1,982	2,017	2,059
	TCE	6,234	4,394	6,401	6,614	6,460
Total	Fleet days	14,539	16,773	16,220	16,680	18,918
	TCE	5,784	6,296	7,270	8,080	8,024

Capital structure

- ▶ Cash in low-risk deposit accounts and securities
- ▶ Outstanding yard payments (incl. joint ventures (50%))
 - ▶ 2017: USD 61 million
 - ▶ 2018: USD 117 million
 - ▶ 2019: USD 45 million
 - ▶ 2020: USD 16 million
 - ▶ **Total: USD 237 million**
- ▶ Payments to NORDEN for assets held for sale: USD 54 million

Net committed cash (ultimo)

USDm	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Adjusted net interest bearing assets*	12	12	6	-24	18
T/C obligations**	-1,202	-1,143	-1,201	-1,287	-1,371
Payments for newbuilding less proceeds from vessel sales**	-175	-163	-170	-146	-212
Revenue from coverage**	652	672	612	549	592
Net commitments	-714	-620	-752	-908	-974

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

Fleet values at 31 Marts 2017

USD '000

	Number	Average dwt.	Carrying amount/cost	Broker estimated value of owned vessels*	Broker estimated value of charter party	Added value
Dry Cargo						
Panamax	5.0	62,000	90	79	17	6
Supramax	14.5	56,000	312	311	0	-1
Handysize	8.0	37,000	110	100	15	4
Total Dry Cargo	27.5		512	490	32	9
Tankers						
MR	9.0	50,000	276	226	1	-49
Handysize	10.0	39,000	216	157	1	-58
Total Tankers	19.0		492	383	2	-107
Total	46.5		1,004	873	34	-98

DRY CARGO FLEET OVERVIEW



NORDEN's Dry Cargo fleet and values at 31 March 2017

Vessel type	Capesize	Post-Panamax	Panamax	Supramax	Handysize	Total
Vessels in operation						
Owned vessels	0.0	0.0	4.0	5.5	8.0	17.5
Chartered vessels with a duration of more than 13 months	1.0	4.0	20.5	24.0	9.0	58.5
Total active core fleet	1.0	4.0	24.5	29.5	17.0	76.0
Vessels to be delivered						
Owned vessels	0.0	0.0	1.0	9.0	0.0	10.0
Chartered vessels with a duration of more than 13 months	0.0	0.0	0.0	7.0	0.0	7.0
Total delivery to core fleet	0.0	0.0	1.0	16.0	0.0	17.0
Dry Cargo fleet values (USD million)						
Market value of owned vessels and newbuildings*	0	0	96	311	114	522
Theoretical value of purchase and extension options	3	2	19	9	3	35

* Active vessels and newbuildings including joint ventures, assets held for sale and charterparties, if any.

PRODUCT TANKER FLEET OVERVIEW



NORDEN's Tanker fleet and values at 31 March 2017

Vessel type	LR1	MR	Handysize	Total
Vessels in operation				
Owned vessels	0	9	10	19
Chartered vessels with a duration of more than 13 months	0	13	0	13
Total active core fleet	0	22	10	32
Chartered vessels with a duration of less than 13 months	0	3	1	4
Total active fleet	0	25	11	36
Vessels to be delivered				
Owned vessels	0	0	0	0
Chartered vessels with a duration of more than 13 months	2	6	0	8
Total delivery to core fleet	2	6	0	8
Tanker fleet values (USD million)				
Market value of owned vessels and newbuildings*	0	227	158	385
Theoretical value of purchase and extension options	1	4	0	5

* Active vessels and newbuildings including joint ventures, assets held for sale and charter parties, if any.

DRY CARGO CAPACITY



Capacity and coverage, Dry Cargo, at 31 March 2017										
	Q2 2017	Q3 2017	Q4 2017	2018	2019	Q2 2017	Q3 2017	Q4 2017	2018	2019
Own Vessels	Ship days									
Panamax	361	364	366	1,446	1,373					
Supramax	498	493	503	2,743	4,002					
Handysize	594	615	643	2,534	2,534					
Total	1,453	1,471	1,512	6,722	7,909					
Chartered vessels (core fleet)						Costs for T/C core capacity (USD per day)				
Capesize	91	31	-	-	-	12,445	12,445	-	-	-
Post-Panamax	364	368	368	1,460	1,460	6,693	6,682	6,672	8,715	10,383
Panamax	2,083	1,882	1,639	5,639	5,214	8,530	8,919	9,172	10,326	11,835
Supramax	1,885	1,654	1,288	4,197	4,410	7,807	7,639	7,505	9,073	10,548
Handysize	844	679	486	1,464	651	8,393	7,696	6,089	9,546	10,143
Total	5,266	4,614	3,781	12,759	11,734	8,190	8,126	7,965	9,640	11,077
Chartered Vessels (non-core fleet)						Costs for T/C non-core capacity (USD per day)				
Post-Panamax	12	-	-	-	-	12,604	-	-	-	-
Panamax	3,462	700	285	40	-	9,712	7,722	7,838	6,793	-
Supramax	2,528	603	507	174	-	9,980	8,612	8,611	7,062	-
Handysize	3	-	-	-	-	7,734	-	-	-	-
Total	6,006	1,303	792	214	-	9,830	8,134	8,333	7,012	-
Total capacity						Costs for total capacity (USD per day)				
Total capacity	12,725	7,389	6,085	19,695	19,643	8,648	7,574	7,327	8,099	8,758

DRY CARGO COVERAGE



Capacity and coverage, Dry Cargo, at 31 March 2017

	Q2 2017	Q3 2017	Q4 2017	2018	2019	Q2 2017	Q3 2017	Q4 2017	2018	2019
Coverage						Revenue from coverage (USD per day)				
Capesize	-	-	-	-	-	-	-	-	-	-
Post-Panamax	194	79	67	78	-	11,028	9,296	9,366	8,529	-
Panamax	5,490	3,392	1,534	3,331	2,810	8,795	10,117	11,531	14,053	14,870
Supramax	4,206	1,856	1,540	2,728	1,989	9,469	8,558	7,988	10,397	11,769
Handysize	1,243	640	666	1,220	945	8,985	9,945	9,610	12,997	14,456
Total	11,133	5,966	3,808	7,357	5,744	9,110	9,603	9,723	12,463	13,728
Coverage in %										
Capesize	-	-	-	-	-					
Post-Panamax	52%	21%	18%	5%	-					
Panamax	93%	115%	67%	47%	43%					
Supramax	86%	67%	67%	38%	24%					
Handysize	86%	49%	59%	31%	30%					
Total	87%	81%	63%	37%	29%					

*Costs include the effect of the provisions for onerous contracts made in 2014 and 2015 and cash running costs for owned vessels. A statement excluding the provision can be found on NORDEN's website. Costs are excluding O/A. For segments which are operated in a pool, the TCE is after management fee. With respect to the Dry Cargo pools, NORDEN receives the management fee as "Other operating income".

Capacity and coverage, Tanker, at 31 March 2017

	Q2 2017	Q3 2017	Q4 2017	2018	2019	Q2 2017	Q3 2017	Q4 2017	2018	2019
Own Vessels	Ship days									
LR1	-	-	-	-	-					
MR	804	814	823	3,204	3,247					
Handysize	892	898	917	3,591	3,588					
Total	1,696	1,712	1,740	6,795	6,835					
Chartered vessels						Costs for T/C core capacity (USD per day)				
LR1	47	165	184	730	730	18,655	18,655	18,655	18,655	18,655
MR	1,374	1,256	1,090	2,997	2,906	13,989	13,825	13,701	15,620	15,911
Handysize	91	92	74	-	-	11,088	11,088	11,088	-	-
Total	1,512	1,513	1,347	3,727	3,636	13,959	14,185	14,235	16,215	16,462
Total capacity	3,208	3,225	3,087	10,522	10,471	Costs for total capacity (USD per day)				
						10,013	10,130	9,843	9,740	9,795
Coverage						Revenue from coverage (USD per day)				
LR1	-	-	-	-	-	-	-	-	-	-
MR	774	388	293	682	5	16,533	17,333	17,438	15,210	12,844
Handysize	226	141	95	219	-	14,676	15,240	15,654	15,660	-
Total	1,000	529	388	901	5	16,113	16,774	17,001	15,319	12,844
Coverage in %										
LR1	-	-	-	-	-					
MR	36%	19%	15%	11%	-					
Handysize	23%	14%	10%	6%	-					
Total	31%	16%	13%	9%	-					

* Including cash running costs of owned vessels.

Costs are excluding O/A. For segments which are operated in a pool, the TCE is after management fee. With respect to the Dry Cargo pools, NORDEN receives the management fee as "Other operating income".

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

- ▶ 15,895 registered shareholders owning 88.3%
- ▶ Approx. 30.5% international ownership

