

ANNOUNCEMENT NO. 64 - 6 MAY 2021

INTERIM REPORT

FIRST QUARTER 2021

NORDEN  Trust powered by intelligence

DAMPSKIBSELSKABET NORDEN A/S 52, STRANDVEJEN, DK-2900 HELLERUP, DENMARK CVR NUMBER 67758919



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Conference call and audiocast

A telephone conference as well as an audiocast will be held today at 10:30 a.m. (CET), where CEO Jan Rindbo and CFO Martin Badsted will comment on the interim report.

Participants can join the audiocast to view and listen to the live presentation, while conference call participants have the ability to ask questions at the end of the call.

The accompanying presentation will be available on NORDEN's website prior to the conference call and audiocast.

It is requested that all conference call participants have joined the call by latest 10:25 a.m. (CET):

Webcast link:

<https://edge.media-server.com/mmc/p/gc4wusz>

Dial in details for conference call:

Danish participants: (+45) 3272 0417

International participants:

UK: +44 (0) 2071 928338

USA: +1 646 741 3167

Confirmation code: 8295474

The audiocast will be recorded and made available on NORDEN's website subsequently.

Further information

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KEY POINTS

FIRST QUARTER 2021

Results

Adjusted Result* for Q1 2021:
USD -6 million (Q1 2020: USD 29 million).

- Asset Management: USD 2 million (USD 7 million).
- Dry Operator: USD 0 million (USD 4 million).
- Tanker Operator: USD -8 million (USD 18 million).

* "Profit/loss for the period" adjusted for "Profit/loss from sale of vessels, etc".

Markets

- Dry cargo: Soaring market rates driven by strong Chinese demand, record-high US export as well as market inefficiencies, such as port congestion, weather and trade disputes.
- Tankers: Tanker market remained low due to low oil demand and increased competition from crude tankers. Positively, there are early signs of gradual recovery in period rates, mainly benefiting modern eco tankers.

Business highlights

- Asset Management: Increased exposure to dry cargo market through second-hand asset acquisitions, lease transactions and period extensions, adding additional value to the portfolio.

Market value of owned and leased vessels increased by USD 106 million, as the portfolio was well-positioned to benefit from stronger dry cargo market expectations.
- Dry Operator: Swift change of position from short to long tonnage (more tonnage than cargoes) in Q1, which will benefit earnings significantly from Q2 onwards.
- Tanker Operator: Continued mitigating the effects of a challenged market and preparing for increased activity later in the year by optimising the vessel portfolio.

Guidance

NORDEN raises its expectations for the full-year Adjusted Result to USD 75-125 million (USD 50-100 million) based on an expected strong performance in Dry Operator in Q2 and second half of 2021.

"NORDEN raises its guidance for the year to USD 75-125 million, expecting significantly higher earnings from Q2 onwards. The Q1 result should be seen in light of the substantial increase in the market value of NORDEN's fleet as well as the strong position created in Dry Operator in a soaring dry cargo market. This will benefit earnings significantly during the rest of 2021".

CEO Jan Rindbo



KEY FIGURES AND RATIOS FOR NORDEN

USD million	Q1 2021	Q1 2020	FY 2020
Income statement			
Revenue	603.9	614.6	2,597.8
Contribution margin	75.3	110.8	435.6
EBITDA	58.3	89.2	342.5
Profit/loss from sale of vessels etc.	-9.2	0.0	-18.2
Profit/loss from sale of vessels in JV	0.0	-1.5	-1.5
Depreciation, amortisation and impairment losses	-57.0	-47.8	-201.9
EBIT	-7.6	37.0	119.4
Financial items, net	-6.6	-7.2	-26.7
Profit/loss for the period	-14.9	27.7	86.0
Adjusted Result for the period ¹⁾	-5.7	29.2	105.7
Statement of financial position			
Total assets	1,903.2	1,893.3	1,824.8
Equity	786.6	908.8	902.5
Liabilities	1,116.6	984.5	922.3
Invested capital	1,362.4	1,398.3	1,246.3
Net interest-bearing debts/assets	-575.8	-489.5	-343.8
Cash and securities	261.8	238.6	331.6
Cash flows			
From operating activities	-51.7	35.0	396.0
From investing activities	52.2	-61.8	-45.1
- hereof investments in property, equipment and vessels	-1.5	0.5	-27.1
From financing activities	-21.8	-6.0	-228.2
Environmental and social figures			
EEOI (gCO ₂ /tonnes-mile) ²⁾	9.1	8.9	8.8
LTIF (million working hours) ³⁾	1.3	1.8	0.6

USD million	Q1 2021	Q1 2020	FY 2020
Share related key figures			
Number of shares of DKK 1 each (including treasury shares)	40,700,000	42,200,000	40,700,000
Number of shares of DKK 1 each (excluding treasury shares)	37,419,993	38,990,633	37,805,533
Number of treasury shares	3,280,007	3,209,367	2,894,467
Earnings per share (EPS), DKK	-2	5	14
Diluted earnings per share (diluted EPS), DKK	-2	5	14
Book value per share, DKK	133	159	145
Share price at end of period, DKK	147	77.5	109.6
Other key figures and financial ratios			
EBITDA ratio	9.7%	14.5%	13.2%
ROIC ⁴⁾	-2.3%	11.0%	9.4%
ROE ⁴⁾	-7.2%	12.5%	9.8%
Equity ratio	41.3%	48.0%	49.5%
Total no. of ship days for the Group	40,453	33,555	153,195
USD/DKK rate at end of the period	634.31	681.58	605.76
Average USD/DKK rate	617.35	677.73	653.43

The ratios were computed in accordance with "Recommendations and Financial Ratios" issued by the Danish Association of Financial Analysts. However, "Profit and loss from the sale of vessels, etc." is not included in EBITDA. Please see definitions in the section "Definitions of key figures and financial ratios" in the Annual Report for 2020. The figures are adjusted for the Company's holding of treasury shares.

- ¹⁾ Adjusted Result for the period is computed as "Profit/loss for the period" adjusted for "Profit/loss from the sale of vessels, etc." including adjustment for sale of vessels in Joint Ventures.
- ²⁾ The Energy Efficiency Operational Indicator (EEOI) is a measurement of efficiency and is defined as the amount of CO₂ emitted per tonne of cargo transported 1 mile. The calculation of EEOI has changed from FY 2020 to Q1 2021 as it now also includes vessels and voyages on T/C-out to third parties. Previously, only own voyages were included.
- ³⁾ Lost Time Injury Frequency (LTIF) is the frequency a seafarer is unable to work for more than 24 hours per 1 million working hours due to work-related injury.
- ⁴⁾ Figures are annualised.



COMMENTS ON THE DEVELOPMENT OF THE FIRST QUARTER 2021

Results

The Adjusted Result for the first quarter of 2021 amounted to USD -6 million (USD 29 million) as the quarter has been heavily focused on building substantial value for the remainder for the year. The portfolio value of NORDEN's owned and leased fleet increased significantly during Q1 due to a strong dry cargo market. Much of the Q1 activity is expected to create significantly improved earnings from Q2 onwards.

The net result for Q1 2021 including the effect of vessel sales was USD -15 million (USD 28 million). The negative Q1 result was mainly driven by a weak tanker market, which eroded Tanker Operator earnings.

Depreciations increased in Q1 2021, mainly due to recognition of more right-of-use assets in Asset Management and Dry Operator compared to last year. EBIT amounted to USD -8 million in the first quarter of 2021 (USD 37 million). Net financial items amounted to a net cost of USD 7 million (USD 7 million).

Cash flows

Cash flow from operating activities for Q1 2021 was negative USD 52 million (USD 35 million), negatively impacted by a decrease in EBITDA and development in net working capital of USD 115 million mainly due to higher rates and activity levels.

Liquidity

At the end of the first quarter, NORDEN had available liquidity of USD 295 million, which consists of USD 262 million in cash supplemented by USD 33 million in undrawn credit facilities. The decrease in available liquidity is mainly due to negative cash flow from operations and payout of dividends. As of 31 March 2021, NORDEN had CAPEX commitments of USD 207 million mainly related to outstanding newbuilding and secondhand vessel payments.

Equity

Equity amounted to USD 787 million at the end of Q1, compared to USD 903 million at the end of 2020. The development is mainly due to the loss for the period, dividends paid and fair value adjustments on cash flow hedges.

Impairment assessment

NORDEN has carried out a routine assessment of indicators of impairment. Management has concluded that no impairment test had to be performed for the cash generating units Dry Cargo and Tankers. It is Management's assessment that at the end of the first quarter of 2021, there is no need for impairment of vessels, right-of-use assets and newbuildings or reversal of previous impairment.

Energy efficiency operational indicator (EEOI)

EEOI measures carbon emissions relative to transport volumes and is used to track carbon efficiency (see page 4 for definition and development).

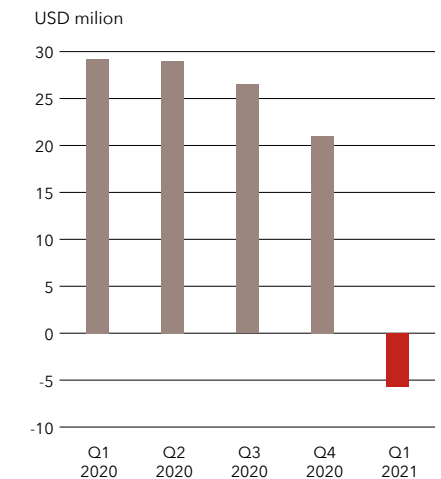
While NORDEN performs better than industry average, EEOI has, however, increased slightly to 9.1 compared to 8.8 at the end of 2020. The increase is mainly due to increased vessel speed and more idle time as well as less fuel efficient vessels added to the fleet.

Lost time injury frequency (LTIF)

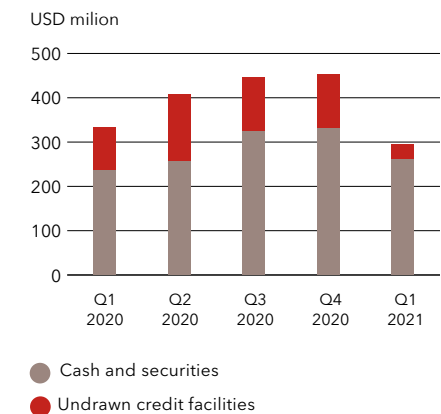
LTIF is an indication of the level of safety on board (see page 4 for definition and development). During Q1 2021, LTIF increased to 1.3 due to 2 injuries on NORDEN owned vessels.

NORDEN is working closely together with technical management partner Synergy Marine Group to ensure safety onboard our vessels and makes continuous efforts towards safe working practices during all aspects of the operations.

Adjusted Result for the period



Available liquidity





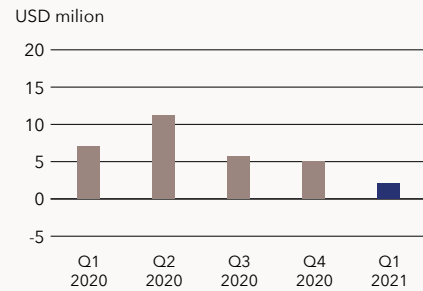
SELECTED SEGMENT FIGURES

FIRST QUARTER 2021

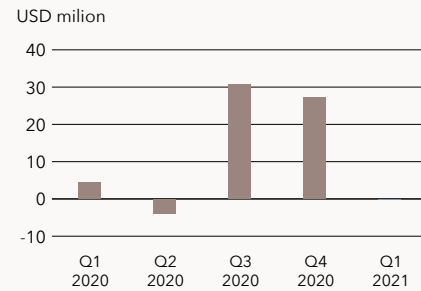
USD million	Asset Management	Dry Operator	Tanker Operator	Total
Contribution margin	48.9	24.4	2.0	75.3
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	46.5	13.6	-1.8	58.3
Profit/loss from operations (EBIT)	-1.6	1.3	-7.3	-7.6
Profit/loss for the period	-7.1	-0.2	-7.6	-14.9
Profit/loss from the sale of vessels	-9.2	0.0	0.0	-9.2
Adjusted Results for the period	2.1	-0.2	-7.6	-5.7

Adjusted Result for the last 5 quarters

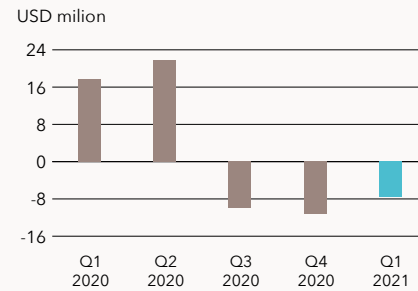
Asset Management



Dry Operator



Tanker Operator



For further information on the segments see note 2.

Adjusted Result for the period

USD -6
million

Cash flow from operating activities

USD -52
million

Change in value of Asset Management portfolio

USD 106
million



ASSET MANAGEMENT

SIGNIFICANT INCREASE IN FLEET VALUES

- Adjusted Result Q1: USD 2 million
- Extraordinary increases in dry asset values
- Tanker period and asset rates stabilised

Results and activity

Asset Management delivered an Adjusted Result of USD 2 million (USD 7 million). EBIT amounted to USD -2 million.

The market value of the Asset Management portfolio including both owned and leased vessels increased by USD 106 million since the beginning of the year. The main driver was the strong dry cargo market, which led to increases in the value of both owned and leased vessels. This is

in line with NORDEN's market view, and the decision to increase exposure to the dry cargo market during 2020 has proven well-timed.

As dry cargo asset prices and period rates gained momentum during the early parts of 2021, NORDEN continued to increase exposure in Dry Cargo while reducing in Tankers. NORDEN chose to realise parts of the asset appreciations in Dry Cargo by selling a vessel owned for only a short period of time. In addition, the business unit has started to exercise a number of its 1-year extension options on dry period vessels, benefitting from the considerable amount of optionality within the portfolio.

In Tankers, the business unit benefitted from a high degree of coverage in a weak market.

At the end of Q1, Asset Management's fleet increased to a total of 116 vessels, of which 43 were owned. The current portfolio of leased vessels comes with significant optionality through 72 purchase options and a total of 66,406 optional days, providing significant upside potential. Within this amount, NORDEN has 20 extension options on dry cargo vessels and 4 on tanker vessels by the end of 2022.

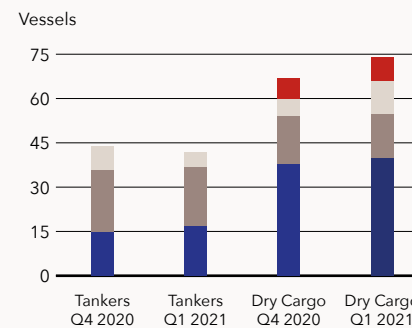
Dry cargo asset and period market

During the quarter, dry cargo rates soared in all NORDEN vessel types on the back of strong growth in minor bulk products and a continued improvement in the world

Asset Management values

USD million	Dry Cargo	Tankers	Total Q1 21	Total YE 2020
Market value of owned vessels and newbuildings (charter free)	554	337	891	834
Estimated market value of T/C and cover portfolio (incl. optionality)	75	58	133	84
Total Asset Management portfolio value	629	395	1,024	918
Market value of owned vessels vs. carrying amounts	37	-90	-53	-110

Asset Management fleet



- Active fleet - Leased vessels
- Active fleet - Owned vessels
- For delivery - Leased vessels
- For delivery - Owned vessels

Asset Management key figures

USD million	2021 Q1	2020 Q1	Last 4 Quarters
Contribution margin	48.9	57.6	220.9
O/A costs	-2.4	-5.1	-18.5
EBIT	-1.6	12.0	22.1
Adjusted Result	2.1	7.1	24.0

Asset Management fleet

	Dry Cargo	Tankers	Total
Active fleet			
Owned vessels ¹⁾	15	20	35
Leased vessels ¹⁾²⁾	40	17	57
Total active	55	37	92
For delivery			
Owned vessels ¹⁾	8	0	8
Leased vessels ¹⁾²⁾	11	5	16
Total for delivery	19	5	24
Purchase options	51	21	72
Period option days	50,937	15,469	66,406

¹⁾ Incl. J/Vs and sold vessels for future delivery

²⁾ Minimum lease period in excess of 2 years

Asset Management fleet

116



ASSET MANAGEMENT

SIGNIFICANT INCREASE IN FLEET VALUES

economy. With general expectations of a prolonged upwards shipping cycle in dry cargo, the 1-year T/C rate for a Supramax vessel increased from USD 10,500 per day to USD 15,375 per day, equal to a 46% increase. Meanwhile, the price for a 5-year-old Supramax increased by 25%.

Looking ahead, the dry cargo market is expected to remain strong. On the demand side, the continued global economic recovery and major stimulus packages are expected to benefit demand, while the order book looks especially favourable in the coming years. Key risks to the outlook are the continued and persistent flare-ups in COVID-19 outbreaks and a greater than

expected slowdown in Chinese industrial activity.

Tanker asset and period market

Product tanker rates remain weak due to a combination of low oil demand, high stock levels and a greater number of coated LR vessels trading clean cargoes. During the quarter, period rates and asset values started to increase once again as vaccine roll-outs and the expectations of a material rebound in oil demand gained traction. The improvements, however, mainly benefited modern eco tankers relatively more than older tonnage. Consequently, the 1-year T/C rate for eco tonnage increased by USD 1,500 to USD 14,625 per day

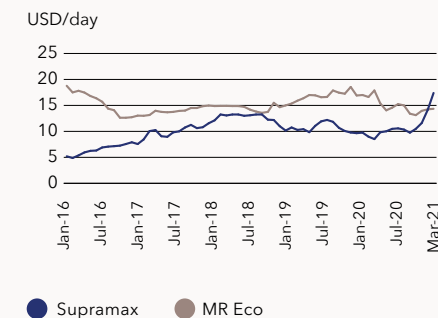
through the quarter compared to non-eco tonnage which increased by USD 750 to USD 12,375 per day.

NORDEN expects the gradual rebound in both supply and demand for oil to accelerate during the second half of the year. However, the slow pace of vaccination throughout most of the world and continued local COVID-19 outbreaks are expected to continue to limit the upside in period rates for the remainder of the year. The order books for tanker vessels remain low, and new ordering activity will be further limited by container vessels taking up yard slots.

Asset Management TCE, USD per day

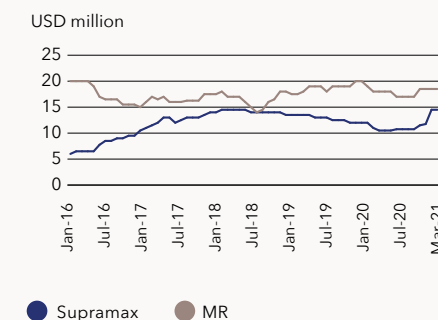
	Q1 2021		Q1 2020	
	Days	TCE	Days	TCE
Tankers				
Handysize	548	12,569	910	13,464
MR	2,631	15,241	2,556	15,960
LR1	90	19,399	178	18,609
Tanker total	3,269	14,907	3,644	15,466
Dry Cargo				
Handysize	454	13,037	516	10,298
Supramax	2,765	10,662	2,155	10,895
Panamax	1,649	11,093	1,650	13,599
Dry Cargo total	4,868	11,030	4,322	11,856

1-year T/C rate (USD/day)



Source: Clarksons

Asset values 10-year old (USD million)



Source: Clarksons



DRY OPERATOR

BUILDING VALUE FOR REST OF 2021

- Adjusted Result Q1: USD 0 million
- Adjusted Result last 4 quarters: USD 54 million
- Swift readjustment of position creating upside for rest of 2021

Results and activity

Dry Operator generated an Adjusted Result of USD 0 million (USD 4 million) in Q1. However, the business unit managed to build up substantial market values for the rest of 2021.

Dry Operator entered 2021 with a short position (more cargoes than tonnage), in anticipation of a weak Q1, based on a market returning to normal seasonality following the upward pressure on market rates in the second half of 2020.

When dry cargo rates continued to soar in Q1, Dry Operator was quick to readjust its position, building a significant long position (more tonnage than cargoes) with substantial value, which will benefit earnings from Q2 onwards. The quick portfolio adjustments to the changing market during Q1 is an example of how the agile business unit is able to benefit from volatility and utilise this to create value.

Across the different vessel types, Dry Operator has performed best in the Handy-size market during Q1 as minor bulk commodities have witnessed increased activity levels.

Seasonal disruptions and market inefficiencies created ongoing opportunities for Dry Operator to create value through regional positioning of the fleet.

The business unit continues to grow, and in Q1, Dry Operator operated an average fleet of 322 vessels, corresponding to 28,966 vessel days and an increase of 31% against Q1 2020. Further, Dry Operator continues to expand its range of customer services across regions and vessel types.

Market development and outlook

General market expectations, including NORDEN, were a return to normal seasonality following the COVID-19 disruptions during 2020, expecting lower activity in line with the Chinese New Year and overall market slowdown in Q1.

However, the market developed differently than expected and was driven by strong Chinese demand and overall market inefficiencies such as port congestion, trade disputes and unusually cold weather in China.

This created a “short-squeeze” in the market, whereby dry bulk operators were forced to quickly take on more tonnage, driving market rates considerably up in a short span of time.

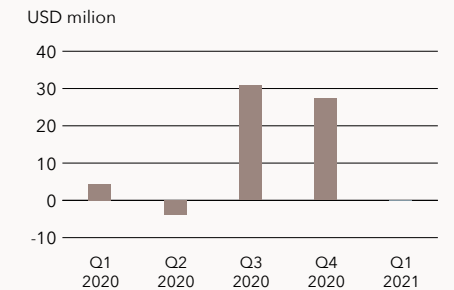
Market demand was driven by demand for especially coal, steel and agricultural products. US exports reached record-high levels in Q1, driven by high levels of agricultural products. Likewise, coal volumes were higher due to the colder than usual Chinese weather. Surprisingly, certain commodities that would traditionally be freighted by container vessels have spilled over to the dry bulk market, lending further demand for dry bulk vessels.

At the end of Q1, entering into Q2, dry bulk rates started to stabilise somewhat. Looking forward, key indicators to track will include at which level China can continue its import activity, as well as how much and how quickly the rest of the world will rebound in line with COVID-19 vaccinations and ongoing economic recovery.

Dry Operator key figures

USD million	2021 Q1	2020 Q1	Last 4 Quarters
Contribution margin	24.4	21.6	140.4
O/A costs	-10.8	-10.3	-53.2
EBIT	1.3	6.7	58.1
Adjusted Result	-0.2	4.4	53.9
Vessel days	28,966	22,133	111,495
Adj. result per vessel day (USD/day)	-7	199	483

Dry Operator Adjusted Result by quarter



Average number of vessels operated in the first quarter

322



TANKER OPERATOR

PREPARING FOR H2 IMPROVEMENTS

- Adjusted Result Q1: USD -8 million
- Adjusted Result last 4 quarters: USD -7 million
- Optimising vessel portfolio for increased activity in second half of 2021

Results and activity

The tanker market continued to be challenged in Q1 in line with lowered global demand. This is reflected in the Adjusted Result of USD -8 million (USD 18 million) in the first quarter of 2021.

Q1 is usually the strongest period of the year, yet clean petroleum product (CPP) rates remained extremely low due to weak oil demand and more vessels moving into the CPP market. Adding to this, bunker prices have gone up, which further impacted earnings.

Tanker Operator entered Q1 with high coverage on its managed fleet, reducing exposure to the challenged spot market - yet the business unit was not immune to the unprecedented low freight levels.

Tanker Operator continued to mitigate the worst effects of the market during Q1, while preparing itself for increased activity later in the year, creating an op-

portional vessel portfolio for the second half of 2021 and beyond. The business unit has done this by utilising Forward Freight Agreements and by taking on longer term T/C contracts, thereby adding length to its position, including extension options to benefit from expected improvements later in the year and in 2022.

During the quarter, the Tanker Operator fleet averaged 120 vessels, corresponding to 10,833 vessel days, including vessels in commercial management as part of the Norient Product Pool. Tanker Operator generated external management fee income totalling USD 3 million during Q1, booked as Other Operating Income.

Market development and outlook

In addition to the global impact of COVID-19, the market has been impacted by several other challenges eroding any earnings potential. A main factor is that transport of crude oil products has stagnated, moving more vessels into the CPP market, creating a larger amount of ton-

nage providers competing for the limited amount of clean product tanker cargoes, ultimately lowering any earnings potential. Once crude production and cargo volumes increase, this should create more attractive crude rates, taking tonnage and competition out of the CPP market.

In the USA, unusually cold weather in oil producing regions resulted in large shutdowns of major oil refineries for extended periods. On the positive side, large amounts of gasoline and diesel is imported to the USA, which shows signs of rebounding in light of COVID-19.

Overall demand continues to follow the gradual reopening of the world economy, as well as the crude oil uptake reducing the additional tonnage currently in CPP.

Overall, the lowest market rates are expected to be experienced during Q1 and Q2, with gradual improvements expected in the second half of the year, which Tanker Operator is positioned for.

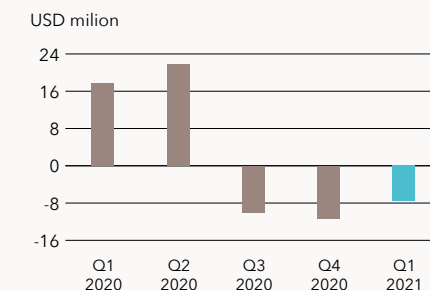
Tanker Operator TCE, USD per day

	Q1 2021		Q1-2020	
	Days	TCE	Days	TCE
Handysize	1,098	10,201	1,248	18,937
MR	2,896	11,939	3,588	19,697
Total	3,994	11,461	4,836	19,501

Tanker Operator key figures

USD million	2021 Q1	2020 Q1	Last 4 Quarters
Contribution margin	2.0	31.6	38.8
O/A costs	-3.8	-6.2	-16.8
EBIT	-7.3	18.3	-5.4
Adjusted Result	-7.6	17.7	-7.1
Vessel days	10,833	9,543	45,958
Adj. result per vessel day (USD/day)	-702	1,855	-154

Tanker Operator Adjusted Result by quarter



Average number of vessels operated in the first quarter

120



OUTLOOK FOR 2021

Guidance

NORDEN raises its expectations for the 2021 full-year Adjusted Result to USD 75-125 million (USD 50-100 million) based on a strong performance in the Dry Operator business unit which is expected to bring significantly increased earnings in Q2 and second half of 2021.

NORDEN remains committed to returning cash to its shareholders through the Company's dividend policy, paying out minimum 50% of the annual Adjusted Result.

Asset Management

The Asset Management business unit expects lower earnings in 2021 compared to last year due to lower coverage rates on the tanker fleet. The long-term focus of the business unit means it is less dependent on spot rates. However, the value of the portfolio of owned and leased vessels is expected to be significantly higher compared to the end of 2020, in line with the improvements witnessed in asset values and forward period rates in dry cargo.

Dry Operator

Dry Operator expects an annual Adjusted Result which is significantly better than the record result for 2020. Dry Operator expects to capitalise on high activity growth in a very strong dry cargo market and deliver better than expected earnings in the second quarter and second half of 2021.

Tanker Operator

Tanker Operator expects an Adjusted Result which is much weaker than that of 2020. While the business unit has taken on a lot of coverage, the historically weak tanker spot market in the beginning of 2021 is expected to lead to weak results, which will only partially be recouped later in the year when the market is expected to recover.

Risk and uncertainties

The above expectations are subject to uncertainty related to the development in the COVID-19 pandemic and its impact on global trade.

All business units are furthermore sensitive to counterparty risks as well as operational risks.

Events after the reporting date

No significant events have occurred between the reporting date and the publication of this first quarter report that have not already been included and adequately disclosed in the first quarter report and that materially affect the assessment of the Company's and Group's results of operations or financial position.

“NORDEN raises its guidance for the 2021 Adjusted Result to USD 75-125 million”

Forward-looking statements

This report includes forward-looking statements reflecting management's current perception of future trends and financial performance. The statements for the rest of 2021 and the years to come naturally carry some uncertainty, and NORDEN's actual results may therefore differ from expectations. Factors that may cause the results achieved to differ from the expectations are, among other things, but not exclusively, changes in the macroeconomic and political conditions - especially in the Group's key markets - changes in NORDEN's assumptions of rate development and operating costs, volatility in rates and vessel prices, changes in legislation, possible interruptions in traffic and operations as a result of external events, etc.



STATEMENT BY THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The Board of Directors and the Executive Management have today reviewed and approved the Interim Report for the period 1 January to 31 March 2021 of Dampskibsselskabet NORDEN A/S.

The interim consolidated financial statements of Dampskibsselskabet NORDEN A/S have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The interim consolidated financial statements have not been subject to audit or review by the Independent Auditors of Dampskibsselskabet NORDEN A/S.

We consider the accounting policies applied to be appropriate and the accounting estimates made to be adequate. Furthermore, we find the overall presentation of the Interim Report to present a true and fair view.

Besides what has been disclosed in the Interim Report, no other significant changes in the Group's risks and uncertainties have occurred relative to what was disclosed in the consolidated annual report for 2020.

In our opinion, the interim consolidated financial statements give a true and fair view of Dampskibsselskabet NORDEN A/S' consolidated assets, equity and liabilities and the financial position at 31 March 2021 as well as the result of Dampskibsselskabet

NORDEN A/S' consolidated activities and cash flows for the period 1 January to 31 March 2021.

Furthermore, in our opinion the Management Review gives a fair representation of the Group's activities and financial position as well as a description of the material risks and uncertainties which the Group is facing.

Hellerup, 6 May 2021

Executive Management

Jan Rindbo
Chief Executive Officer

Martin Badsted
Chief Financial Officer

Board of Directors

Klaus Nyborg
Chairman

Johanne Riegels Østergård
Vice Chairman

Karsten Knudsen

Thomas Intrator

Stephen John Kunzer

Helle Østergaard Kristiansen

Benedicte Hedengran Wegener
(employee-elected)

Christina Lerchedahl Christensen
(employee-elected)

Henrik Røjel
(employee-elected)



CONSOLIDATED INCOME STATEMENT

USD million	Note	Q1 2021	Q1 2020	FY 2020
Revenue	2	603.9	614.6	2,597.8
Other operating income		1.5	6.3	8.7
Vessel operation costs	3	-530.1	-510.1	-2,170.9
Contribution margin		75.3	110.8	435.6
Overhead and administration costs		-17.0	-21.6	-93.1
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)		58.3	89.2	342.5
Profit/loss from sale of vessels etc.		-9.2	0.0	-18.2
Depreciation, amortisation and impairment losses	4	-57.0	-47.8	-201.9
Share of profit/loss of joint ventures	5	0.3	-4.4	-3.0
Profit/loss from operations (EBIT)		-7.6	37.0	119.4
Financial income	6	0.3	0.9	3.5
Financial expenses	6	-6.9	-8.1	-30.2
Profit/loss before tax		-14.2	29.8	92.7
Tax		-0.7	-2.1	-6.7
Profit/loss for the period		-14.9	27.7	86.0
Attributable to:				
Shareholders of NORDEN		-14.9	27.7	86.0
Earnings per share (EPS), USD		-0.40	0.71	2.22
Diluted earnings per share, USD		-0.40	0.71	2.22

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD million	Note	Q1 2021	Q1 2020	FY 2020
Profit/loss for the period		-14.9	27.7	86.0
Other comprehensive income to be reclassified to the income statement:				
Fair value adjustment for the period, cash flow hedges	7	-39.9	26.8	-4.8
Exchange differences on translation of foreign subsidiary		0.0	-0.2	0.0
Tax on fair value adjustment of securities		0.0	0.0	0.0
Other comprehensive income, total after tax		-39.9	26.2	-4.8
Total comprehensive income for the period, after tax		-54.8	54.3	81.2
Attributable to:				
Shareholders of NORDEN		-54.8	54.3	81.2



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD million	Note	31/3 2021	31/3 2020	31/12 2020
Assets				
Vessels	8	730.9	791.0	767.4
Right-of-use assets	9	368.1	323.1	298.7
Property and equipment		48.5	48.8	48.6
Prepayments on vessels and newbuildings	10	27.3	16.3	15.5
Total Tangible assets		1,174.8	1,179.2	1,130.2
Investments in joint ventures		11.7	10.5	11.5
Receivables from subleasing		10.3	13.4	13.0
Total Financial assets		22.0	23.9	24.5
Total Non-current assets		1,196.8	1,203.1	1,154.7
Inventories		101.6	101.5	65.8
Receivables from subleasing		12.3	13.7	13.7
Freight receivables		190.0	170.3	144.5
Receivables from joint ventures		9.9	9.6	9.5
Other receivables		15.1	81.8	17.7
Prepayments		98.3	74.7	70.2
Cash and cash equivalents		261.8	238.6	331.6
		689.0	690.2	653.0
Vessels held for sale		17.4	0.0	17.1
Total Current assets		706.4	690.2	670.1
Total Assets		1,903.2	1,893.3	1,824.8

USD million	Note	31/3 2021	31/3 2020	31/12 2020
Equity and liabilities				
Share capital		6.5	6.7	6.5
Reserve for hedges		-35.8	35.5	4.1
Retained earnings		815.9	866.6	891.9
Total Equity		786.6	908.8	902.5
Loans		307.1	254.1	282.4
Lease liabilities	9	238.9	225.2	213.3
Total Non-current liabilities		546.0	479.3	495.7
Loans		107.6	97.0	37.6
Lease liabilities	9	184.0	151.8	142.1
Trade payables		157.5	137.2	131.2
Tax payables		1.5	0.9	1.4
Other payables		51.1	52.1	56.8
Deferred income		68.9	66.2	57.5
		570.6	505.2	426.6
Liabilities relating to vessels held for sale		0.0	0.0	0.0
Total Current liabilities		570.6	505.2	426.6
Total Liabilities		1,116.6	984.5	922.3
Total Equity and liabilities		1,903.2	1,893.3	1,824.8



CONSOLIDATED STATEMENT OF CASH FLOWS

USD million	Note	Q1 2021	Q1 2020	FY 2020
Profit/loss for the period		-14.9	27.7	86.0
Reversal of items from the income statement		73.5	57.6	259.7
Change in working capital		-114.9	-53.1	37.3
Instalments on sublease receivables		5.2	4.0	17.4
Income tax, paid		-0.6	-1.2	-4.4
Cash flows from operating activities		-51.7	35.0	396.0
Investments in vessels and vessels held for sale and other tangible assets	8	-1.5	0.5	-27.1
Additions in prepayments on newbuildings	10	-11.8	0.0	-71.9
Investments in joint ventures		0.0	0.0	0.0
Proceeds from sale of vessels and newbuildings		17.1	-0.2	52.0
Change in cash and cash equivalents with rate agreements of more than 3 months, etc.		48.4	-62.1	1.9
Cash flows from investing activities		52.2	-61.8	-45.1
Dividend paid to shareholders		-53.0	0.0	-14.6
Acquisition of treasury shares		-8.4	-4.8	-24.0
Proceeds from loans		109.6	62.0	132.0
Repayment of loans		-14.9	-14.2	-117.1
Instalments on lease liabilities	9	-48.4	-41.3	-175.3
Interest, received		0.2	0.4	1.0
interest, paid		-6.9	-8.1	-30.2
Cash flows from financing activities		-21.8	-6.0	-228.2
Cash flow from operating, investing and financing activities		-21.3	-32.8	122.7

USD million	Note	Q1 2021	Q1 2020	FY 2020
Liquidity at beginning of the period		217.1	92.9	92.9
Exchange rate adjustments		-0.1	0.0	1.5
Change in liquidity for the period		-21.3	-32.8	122.7
Liquidity at end period		195.7	60.1	217.1
Cash and cash equivalents with rate agreements of more than 3 months, etc.		66.1	178.5	114.5
Cash and cash equivalents at end period acc. to the statement of financial position		261.8	238.6	331.6

USD million	Note	31/3 2021	31/3 2020	31/12 2020
<i>Which can be explained as follows</i>				
Demand deposits and cash balance		135.9	84.6	120.5
Money market investment		97.1	139.3	188.8
Other cash and cash equivalents		28.8	14.7	22.3
		261.8	238.6	331.6



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

USD million	Shareholders of NORDEN			
	Share capital	Reserve for hedges	Retained earnings	Total equity
Equity at 1 January 2021	6.5	4.1	891.9	902.5
Total comprehensive income for the period	0.0	-39.9	-14.9	-54.8
Acquisition of treasury shares	0.0	0.0	-8.4	-8.4
Share-based payment	0.0	0.0	0.3	0.3
Dividends paid	0.0	0.0	-57.8	-57.8
Dividends related to treasury shares	0.0	0.0	4.8	4.8
Changes in equity	0.0	39.9	-76.0	-115.9
Equity at 31 March 2021	6.5	-35.8	815.9	786.6
Equity at 1 January 2020	6.7	8.9	843.4	859.0
Total comprehensive income for the period	0.0	26.6	27.7	54.3
Acquisition of treasury shares	0.0	0.0	-4.8	-4.8
Share-based payment	0.0	0.0	0.3	0.3
Changes in equity	0.0	26.6	23.3	49.8
Equity at 31 March 2020	6.7	35.5	866.6	908.8



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and changes to NORDEN's accounting policies

1.1 Basis of preparation

The interim consolidated financial statements for the 3 months ended 31 March 2021 have been prepared in accordance with IAS 34 Interim financial reporting as adopted by the EU and additional Danish disclosure requirements for the interim financial reporting of listed companies.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020.

The accounting policies, judgements and estimates are consistent with those applied in the consolidated annual report for 2020, apart from changes described below.

1.2 Changes in accounting policies and disclosures

The Group has adopted standards and interpretations effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendments that have been issued but are not yet effective.

Adoption of new or amended IFRSs

NORDEN has implemented the following amendments and interpretations to existing standards:

- Amendments to IFRS 3: Definition of a Business
- Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8: Defining of Material
- Conceptual Framework for Financial Reporting issued on 29 March 2018
- Amendments to IFRS 16: Covid-19 Related Rent Concessions

None of these interpretations or amendments have had any effect on the accounting policies applied by NORDEN.

For a complete description of accounting policies, see the notes to the consolidated financial statements for 2020, pages 75-113 in the consolidated annual report for 2020.

Standards not yet in force at the end of March 2021

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New and amended financial reporting standards are either irrelevant or insignificant to NORDEN

Significant accounting estimates and judgements

The accounting estimates and judgements, which Management deems to be significant to the preparation of the consolidated financial statements, are impairment test and non-lease component for leases under IFRS 16 Leases. Reference is made to note 1.4 "Significant accounting estimates and judgements" on page 76 for a further description in the consolidated annual report for 2020.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

USD million	Q1 2021					Q1 2020				
	Asset Management	Dry Operator	Tanker Operator	Eliminations	Total	Asset Management	Dry Operator	Tanker Operator	Eliminations	Total
2. Segment information										
Revenue - services rendered, external	19.4	508.7	75.7	0.0	603.6	35.6	435.8	142.8	0.0	614.2
Revenue - services rendered, internal	78.5	0.0	0.0	-78.5	0.0	70.7	0.0	0.0	-70.7	0.0
Revenue - sublease financial income	0.3	0.0	0.0	0.0	0.3	0.4	0.0	0.0	0.0	0.4
Voyage costs	-4.0	-213.9	-28.0	3.4	-242.5	-5.4	-224.6	-53.8	0.9	-282.9
T/C equivalent revenue	94.2	294.8	47.5	-75.1	361.4	101.3	211.2	89.0	-69.8	331.7
Other operating income	-0.3	-1.1	3.2	-0.3	1.5	0.7	0.1	5.5	0.0	6.3
Charter hire and OPEX element	-27.3	-269.3	-48.7	75.4	-269.9	-26.6	-189.7	-62.9	69.8	-209.4
Operating costs owned vessels	-17.7	0.0	0.0	0.0	-17.7	-17.8	0.0	0.0	0.0	-17.8
Contribution margin	48.9	24.4	2.0	0.0	75.3	57.6	21.6	31.6	0.0	110.8
Overhead and administration costs	-2.4	-10.8	-3.8	0.0	-17.0	-5.1	-10.3	-6.2	0.0	-21.6
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	46.5	13.6	-1.8	0.0	58.3	52.5	11.3	25.4	0.0	89.2
Profit/loss from sale of vessels, etc.	-9.2	0.0	0.0	0.0	-9.2	0.0	0.0	0.0	0.0	0.0
Depreciation, amortisation and impairment losses	-39.2	-12.3	-5.5	0.0	-57.0	-36.1	-4.6	-7.1	0.0	-47.8
Share of profit/loss of joint ventures	0.3	0.0	0.0	0.0	0.3	-4.4	0.0	0.0	0.0	-4.4
Profit/loss from operations (EBIT)	-1.6	1.3	-7.3	0.0	-7.6	12.0	6.7	18.3	0.0	37.0
Financial income	0.5	-0.1	-0.1	0.0	0.3	0.7	0.2	0.0	0.0	0.9
Financial expenses	-5.9	-0.8	-0.2	0.0	-6.9	-6.7	-1.0	-0.4	0.0	-8.1
Profit/loss before tax	-7.0	0.4	-7.6	0.0	-14.2	6.0	5.9	17.9	0.0	29.8
Tax	-0.1	-0.6	0.0	0.0	-0.7	-0.4	-1.5	-0.2	0.0	-2.1
Profit/loss for the period	-7.1	-0.2	-7.6	0.0	-14.9	5.6	4.4	17.7	0.0	27.7
Adjusted for:										
Profit/loss from sale of vessels, etc.	9.2	0.0	0.0	0.0	9.2	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	1.5	0.0	0.0	0.0	1.5
Adjusted Results for the period*	2.1	-0.2	-7.6	0.0	-5.7	7.1	4.4	17.7	0.0	29.2

*Adjusted result for the period was computed as "profit/loss for the period" adjusted for "Profit and loss from sale of vessels, etc." including vessels in joint ventures.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

USD million	Q1 2021	Q1 2020	FY 2020
3. Expenses by nature			
Vessel operating costs	530.1	510.1	2,170.9
Overhead and administration costs	17.0	21.6	93.1
Total	547.1	531.7	2,264.0
These costs can be split by nature:			
Voyage costs excluding bunker oil	118.6	122.4	532.2
Bunker oil	123.9	160.5	557.9
Expenses related to the service component of right-of-use assets	43.0	38.7	165.9
Expenses related to short-term leases	226.9	170.7	839.4
Operating costs owned vessels excluding seafarers	8.6	8.2	37.7
Other external costs	4.0	6.4	20.0
Staff costs inclusive seafarers	22.1	24.8	110.9
Total	547.1	531.7	2,264.0
4. Depreciation			
Vessels	11.4	11.9	47.7
Right-of-use assets	45.5	35.7	153.3
Property and equipment	0.1	0.2	0.9
Total	57.0	47.8	201.9
5. Share of profit/loss of joint ventures			
Profit/loss from shares in joint ventures	0.3	-0.6	0.8
Share of loss from sale of vessels	0.0	-1.5	-1.5
Share of impairment of tangible assets	0.0	-2.3	-2.3
Total	0.3	-4.4	-3.0

USD million	Q1 2021	Q1 2020	FY 2020
6. Financial income and expenses			
Interest income	0.2	0.3	1.0
Fair value adjustment, cross currency swaps	0.0	0.1	0.5
Exchange rate adjustments	0.1	0.5	2.0
Total financial income	0.3	0.9	3.5
Interest costs			
Interest expense on lease liabilities	4.7	4.9	19.8
Total financial expenses	6.9	8.1	30.2
Fair value adjustment - hedging Instruments			
Fair value of cash flow hedge			
Fair value adjustment at the beginning period	4.1	8.9	8.9
Fair value adjustment for the period, net	-39.9	26.8	-4.8
End	-35.8	35.7	4.1
Fair value adjustment for the period, cash flow hedges can be specified as follows:			
Bunker hedging	15.6	16.0	10.3
- of which has been transferred to the income statement due to inefficiency	-1.8	0.0	-1.1
FFA hedging	-49.4	15.6	-5.2
Foreign currency risk hedging	-0.2	4.1	0.1
End	-35.8	35.7	4.1

The fair value measurement hierarchy of hedging is measured based upon significant observable inputs (level 2).



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

USD million	31/3 2021	31/3 2020	31/12 2020
7. Fair value adjustment - hedging Instruments - continued			
As of 31 March 2021, outstanding hedging contains:			
Bunker hedging			
Beginning, 1 January	9.2	-2.6	-2.6
Fair value adjustments	20.4	12.9	-20.5
Realised contracts, transferred to revenue	16.3	-	-19.3
Realised contracts, transferred to vessel operating costs	-32.1	5.7	51.6
End	13.8	16.0	-9.2
FFA hedging			
Beginning, 1 January	-5.2	10.7	10.7
Fair value adjustments	-68.8	18.7	19.2
Realised contracts, transferred to revenue	60.4	-13.8	14.0
Realised contracts, transferred to charter hire	-35.8	-	-49.1
End	-49.4	15.6	5.2
Foreign currency risk hedging			
Beginning, 1 January	0.1	0.8	0.8
Fair value adjustments	-0.3	3.3	-0.7
End	-0.2	4.1	0.1

USD million	31/3 2021	31/3 2020	31/12 2020
8. Vessels			
Cost at 1 January	1,079.7	1,123.8	1,123.8
Additions	1.5	0.0	26.6
Disposals	-1.3	-0.5	-3.2
Transferred during the year	0.0	0.0	72.4
Transferred to tangible assets held for sale	-58.9	0.0	139.9
Cost	1,021.0	1,123.3	1,079.7
Depreciation at 1 January	-249.8	-244.7	-244.7
Depreciation	-11.4	-11.9	-47.7
Depreciations related to derecognised assets	1.3	0.0	3.2
Transferred to tangible assets held for sale	30.1	0.0	39.4
Depreciation	-229.8	-256.6	-249.8
Impairment at 1 January	-62.5	-75.7	-75.7
Transferred during the year to tangible assets held for sale	2.2	0.0	13.2
Impairment	-60.3	-75.7	-62.5
Carrying amount	730.9	791.0	767.4



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

USD million	31/3 2021	31/3 2020	31/12 2020
9. Leases - lessee			
Right-of-use assets			
Cost at 1 January	527.3	382.5	382.5
Additions	81.2	77.9	155.1
Remeasurements	34.5	9.9	28.2
Disposals related to redelivered vessels	-15.2	-2.2	-38.5
Cost	627.8	468.1	527.3
Depreciation at 1 January	-228.6	-111.5	-111.5
Depreciation	-45.5	-35.7	-153.3
Depreciations related to redelivered vessels	14.4	2.2	36.2
Depreciation	-259.7	-145.0	-228.6
Carrying amount	368.1	323.1	298.7
Lease Liabilities			
Lease liabilities at 1 January	355.4	330.5	330.5
Additions	81.8	77.9	169.5
Remeasurements	34.9	9.9	32.9
Instalments made	-48.4	-41.3	-175.3
Disposals related to cancelled leases	-0.8	0.0	-2.2
Lease liabilities at end of period	422.9	377.0	355.4

USD million	31/3 2021	31/3 2020	31/12 2020
10. Prepayments on vessels and newbuildings			
Cost at 1 January	15.5	16.1	16.1
Additions	11.8	0.2	71.9
Transferred to vessels	0.0	0.0	-72.4
Transferred to other items	0.0	0.0	-0.1
Cost	27.3	16.3	15.5
Impairment	0.0	0.0	0.0
Carrying amount	27.3	16.3	15.5

11. Related party disclosure

No significant changes have occurred to related parties or types and scale of transactions with these parties other than what is disclosed in the consolidated annual report for 2020.

12. Contingent assets and liabilities

Since the end of 2020, no significant changes have occurred to contingent assets and liabilities other than those referred to in this interim report.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

13. Overview of deliveries of owned vessels and CAPEX

Overview of deliveries of owned vessels

Name	Vessel type	Delivery quarter
Karlovasi	Panamax	Q2 2021
UWS 2	Panamax	Q4 2021
UWS 3	Panamax	Q4 2021
Hull NE351	Supramax	Q1 2022
Hull NE352	Supramax	Q1 2022
Hull NE353	Supramax	Q1 2022
Hull NE354	Supramax	Q1 2022
Hull NE355	Supramax	Q2 2022
Hull NE356	Supramax	Q2 2022

CAPEX

USD million	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Total
Newbuilding payments and secondhand purchases	23	9	54	65	32	0	194
Other CAPEX*	2	1	4	0	2	4	13

Future payments to NORDEN from sold vessels: USD 87.8 million.

* Capex includes ordinary dockings, acquisition and installation of scrubbers and ballast water treatment systems

14. Events after the reporting date

See page 11 in the Management Review.