

SUMMARY OF Q4 AND FULL-YEAR 2021 RESULTS

Conference call and audiocast

A telephone conference as well as an audiocast will be held on 3 March 2022, 10:30 a.m. (CET), where CEO Jan Rindbo and CFO Martin Badsted will comment on the annual results. 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. It is requested that all conference call participants have joined the call by latest 10:25 a.m. (CET):

Danish participants: (+45) 35 44 55 77 and international participants: UK: (+44) 333 300 0804 or USA: (+1) 631 913 1422. Confirmation code: 71683870#

The audiocast will be available on NORDEN's website subsequently.
Audiocast link: <https://edge.media-server.com/mmc/p/59krq5uc>

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RESULTS AND HIGHLIGHTS 2021 AND OUTLOOK 2022

Results

- Profit for the year: USD 205 million (2020: USD 86 million).
- Return on equity increased to 22% (10%).
- Profit/loss for the year per business unit:
- Asset Management: USD 5 million (USD 9 million).
- Dry Operator: USD 230 million (USD 59 million).
- Tanker Operator: USD -30 million (USD 18 million).
- Adjusted Result* for 2021: USD 198 million (2020: USD 106 million).

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

Business highlights

- Asset Management: Market value of owned and leased vessels at USD 1.3 billion at year-end. Active asset trading with 45 trades during the year.
- Positioned for significantly improved earnings in 2022, with profitable forward cover, combined with upside value on vessel options.
- Dry Operator: Extraordinary result and record high activity levels. Thriving on strong and volatile markets.
- Tanker Operator: Operating in historically weak markets, positioned for market improvements in second half of 2022.

Markets

- Dry cargo: Dry cargo market rates soared to extremely high levels, driven by supply chain bottlenecks.
- Dry cargo rates: Average spot rates increased by 227% for Supramax vessels. The price of a 5-year old Supramax increased by 69%.
- Tankers: Very weak markets, with limited demand of crude oil creating oversupply of vessels, compounded by continued drawdowns on inventories.
- Tanker rates: Average spot rates decreased by almost 60% for MR tanker vessels. The price of a 5-year old MR tanker vessel increased by 11%.

Guidance

- NORDEN expects profit for the year to improve further to a range of USD 210-280 million (incl. currently known vessel sales gains of USD 37 million).
- Going forward, NORDEN will include gains and losses from vessel sales in profit guidance and apply profit for the year.
- Given the escalating conflict in Ukraine, COVID-19 disruptions and macroeconomic uncertainties, market uncertainty and volatility is expected to remain elevated.
- NORDEN remains committed to returning cash to its shareholders through the Company's dividend policy, paying out minimum 50% of the profit for the year.

"NORDEN achieved the best result in 11 years with a profit of USD 205 million dollars based on active trading, record high activity levels and good execution in a strong dry cargo market. NORDEN continues to deliver profitable growth, and we are pleased to share this great result with NORDEN's shareholders with a proposed dividend of DKK 18 per share. For 2022 we expect an even better result in the range of USD 210-280 million".

CEO Jan Rindbo

KEY FIGURES AND FINANCIAL RATIOS FULL-YEAR 2021

Amounts in USD million	2021	2020	2019	2018	2017
Income statement					
Revenue	3,551.8	2,597.8	2,583.9	2,451.4	1,808.6
Contribution margin	649.6	435.6	295.0	132.3	116.8
EBITDA	532.2	342.5	217.5	72.5	68.1
Profit/(loss) from sale of vessels etc.	7.7	-18.2	-3.6	8.8	0.9
Depreciation, amortisation and impairment losses	-295.5	-201.9	-156.9	-44.3	-42.2
EBIT	245.5	119.4	56.8	39.4	23.3
Financial items, net	-34.8	-26.7	-32.7	-6.9	-0.9
Profit for the year	204.5	86.0	19.2	28.8	24.6
Adjusted Result for the year ¹⁾	197.7	105.7	22.8	20.0	28.4
Statement of financial position					
Total assets	2,453.5	1,824.8	1,742.4	1,464.4	1,326.5
Equity	993.3	902.5	859.0	826.8	834.4
Liabilities	1,460.2	922.3	883.4	637.6	492.1
Invested capital	1,631.0	1,246.3	1,283.5	970.2	836.7
Net interest-bearing debt	-637.7	-343.8	-424.5	-143.4	-2.3
Cash and securities	410.7	331.6	209.3	188.6	219.4
Cash flows					
From operating activities	433.9	396.0	280.5	-15.8	6.3
From investing activities	2.6	-45.1	-90.9	-78.4	-0.2
- hereof investments in property, plant and equipment	-92.1	-27.1	-102.7	-202.7	-75.4
From financing activities	-261.9	-228.2	-211.2	95.4	3.0
Environmental and social figures					
EEOI ²⁾	8.6	8.8	8.7	8.6	8.8
LTIF (million working hours) ³⁾	0.8	0.6	1.5	0.3	1.6

	2021	2020	2019	2018	2017
Share-related key figures and financial ratios					
No. of shares of DKK 1 each (including treasury shares)	39,200,000	40,700,000	42,200,000	42,200,000	42,200,000
No. of shares of DKK 1 each (excluding treasury shares)	36,763,061	37,805,533	39,311,533	39,923,933	40,467,615
Number of treasury shares	2,436,939	2,894,467	2,888,467	2,276,067	1,732,385
Earnings per share (EPS), DKK	34	14	3	4	4
Diluted earnings per share (diluted EPS), DKK	34	14	3	4	4
Dividend per share, DKK	18.0	9.0	2.5	2.0	0.0
Book value per share, DKK	170	145	146	135	128
Share price at year-end, per share DKK 1	166.4	109.6	106.7	92.4	116.5
Other key figures and financial ratios					
EBITDA ratio	15.0%	13.2%	8.4%	3.0%	3.8%
ROIC	17.1%	9.4%	5.0%	4.4%	2.9%
ROE	21.6%	9.8%	2.3%	3.5%	3.0%
Payout ratio (excluding treasury shares) ⁴⁾	49.1%	65.3%	76.6%	41.7%	0.0%
Equity ratio	40.5%	49.5%	49.3%	56.5%	62.9%
Price/book value	1.0	0.8	0.7	0.7	0.9
Total no. of vessel days	170,270	153,195	138,327	122,852	93,738
USD rate at year-end	656.12	605.76	667.59	651.94	620.77
Average USD rate	629.18	653.43	667.03	631.74	659.53

Key figures for 2017-2018 are not restated to reflect IFRS 16.

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

¹⁾ Adjusted Result for the year is computed as "Profit/loss for the period" adjusted for "Profit/(loss) from 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.

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⁾ The payout ratio was computed based on proposed dividends for the year, including extraordinary dividends paid during the year.

RESULTS AND HIGHLIGHTS

FOURTH QUARTER 2021

Results

Profit for the period: USD 123 million
(Q4 2020: USD 3 million).

Profit/loss for the period per business unit:

- Asset Management: USD 3 million (USD -13 million).
- Dry Operator: USD 128 million (USD 27 million).
- Tanker Operator: USD -8 million (USD -11 million).

Adjusted Result* for Q4 2021: USD 120 million
(Q4 2020: USD 21 million).

Business highlights

- Asset Management: Active asset trading, capturing value of increased dry cargo asset prices by selling 4 dry cargo vessels. Optimising tanker portfolio with modern, fuel-efficient vessels by replacing 2 older tanker vessels and adding 2 secondhand MR tankers.
- Dry Operator: Outstanding result, capitalising on tonnage taken in during first half of 2021 at lower rates, combined with good execution across regions and vessel types.
- Tanker Operator: Focused on optimising portfolio for 2022 through added T/C capacity and extension options.

Markets

- Dry cargo: During Q4, the combination of a severe slowdown in China's property sector and reduced Chinese coal imports, due to higher own production, created a brief but steep drop in both asset prices and time charter rates, which rebounded at year-end.
- Tankers: The tanker market bottomed out during the previous quarter, and forward rates started to increase at the very end of Q4, which was reflected in improved asset prices and period rates at the end of the year.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

USD million	Q4 2021					Q4 2020				
	Asset Management	Dry Operator	Tanker Operator	Eliminations	Total	Asset Management	Dry Operator	Tanker Operator	Eliminations	Total
Segment information										
Revenue - services rendered, external	15.9	1,034.5	101.9	-	1,152.3	20.1	601.6	89.5	-	711.2
Revenue - services rendered, internal	85.8	-	-	-85.8	-	83.5	-	-	-83.5	-
Revenue - sublease financial income	0.3	0.2	-	-	0.5	0.3	-	-	-	0.3
Voyage costs	-2.7	-322.6	-50.1	5.6	-369.8	-1.4	-247.7	-28.4	1.8	-275.7
T/C equivalent revenue	99.3	712.1	51.8	-80.2	783.0	102.5	353.9	61.1	-81.7	435.8
Other operating income	0.3	-1.7	3.5	-0.2	1.9	-1.6	-0.6	-2.8	-	-5.0
Charter hire and OPEX element	-30.0	-495.4	-52.7	80.4	-497.7	-26.5	-301.4	-56.5	81.7	-302.7
Operating costs owned vessels	-20.0	-0.2	-	-	-20.2	-20.3	-	-	-	-20.3
Contribution margin	49.6	214.8	2.6	-	267.0	49.2	51.9	1.8	-	107.8
Overhead and administration costs	-3.4	-37.9	-5.2	-	-46.5	-4.9	-17.5	-5.0	-	-27.4
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	46.2	176.9	-2.6	-	220.5	49.2	34.4	-3.2	-	80.4
Profit/loss from sale of vessels, etc.	3.5	-	-	-	3.5	-18.2	-	-	-	-18.2
Depreciation, amortisation and impairment losses	-42.7	-45.6	-4.2	-	-92.5	-37.9	-6.4	-7.5	-	-51.8
Share of profit/loss of joint ventures	3.2	-	-	-	3.2	0.3	-	-	-	0.3
Profit/loss from operations (EBIT)	10.2	131.3	-6.8	-	134.7	-6.6	28.0	-10.7	-	10.7
Financial income	-0.3	-	-0.1	-	-0.4	-0.2	0.6	-	-	0.4
Financial expenses	-7.4	-2.7	-0.2	-	-10.3	-6.2	-0.6	-0.2	-	-7.0
Profit/loss before tax	2.5	128.6	-7.1	-	124.0	-13.0	28.0	-10.9	-	4.1
Tax	-	-0.9	-0.5	-	-1.4	-0.2	-0.7	-0.4	-	-1.3
Profit/loss for the period	2.5	127.7	-7.6	-	122.6	-13.2	27.3	-11.3	-	2.8
Adjusted for:										
Profit/loss from sale of vessels, etc.	-3.5	-	-	-	-3.5	18.2	-	-	-	18.2
Profit/loss from sale of vessels, etc in joint venture	0.9	-	-	-	0.9	-	-	-	-	-
Adjusted Results for the period*	-0.1	127.7	-7.6	-	120.0	5.0	27.3	-11.3	-	21.0

*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.

CONSOLIDATED STATEMENT OF CASH FLOWS

USD million	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Profit/loss for the period	122.6	2.8	204.5	86.0
Reversal of items from the income statement	93.6	82.7	308.6	259.7
Change in working capital	124.1	-20.0	-96.4	37.3
Instalments on sublease receivables	11.0	4.5	24.8	17.4
Income tax, paid	-6.7	-3.7	-7.6	-4.4
Cash flows from operating activities	344.6	66.3	433.9	396.0
Investments in vessels and vessels held for sale and other tangible assets	-90.5	-23.6	-92.1	-27.1
Additions in prepayments on newbuildings	-77.00	-18.9	-155.8	-71.9
Investments in joint ventures	-2.4	-	-2.4	0.0
Proceeds from sale of vessels and newbuildings	78.2	52.0	159.8	52.0
Change in cash and cash equivalents with rate agreements of more than 3 months, etc.	-5.8	13.0	93.1	1.9
Cash flows from investing activities	-97.6	22.5	2.6	-45.1
Dividend paid to shareholders	-	0.1	-53.0	-14.6
Acquisition of treasury shares	-21.9	-13.0	-33.1	-24.0
Proceeds from share options	0.3	-	6.6	-
Proceeds from issue of bonds	-	-	98.7	-
Proceeds from loans	40.9	-	417.1	132.0
Repayment of loans	-50.7	-5.4	-395.1	-117.1
Instalments on lease liabilities	-88.8	-45.1	-268.4	-175.3
Interest, received	-	0.2	0.3	1.0
interest, paid	-10.3	-7.0	-35.0	-30.2
Cash flows from financing activities	-130.5	-70.2	-261.9	-228.2
Cash flow from operating, investing and financing activities	116.5	18.6	174.6	122.7

USD million	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Liquidity at beginning of the period	273.9	198.0	217.1	92.9
Exchange rate adjustments	-1.1	0.5	-2.4	1.5
Change in liquidity for the period	116.5	18.6	174.6	122.7
Liquidity at end period	389.3	217.1	389.3	217.1
Cash and cash equivalents with rate agreements of more than 3 months, etc.	21.4	114.5	21.4	114.5
Cash and cash equivalents at end period acc. to the statement of financial position	410.7	331.6	410.7	331.6

USD million	31/12 2021	31/12 2020
<i>Which can be explained as follows</i>		
Demand deposits and cash balance	200.1	120.5
Money market investment	154.1	188.8
Other cash and cash equivalents	56.5	22.3
	410.7	331.6