

A large red submarine is shown underwater, viewed from a low angle. The submarine's hull is a deep red color and features a circular porthole with a metal grate on the left side. On the right side of the hull, there is a vertical depth gauge with markings in meters. The water is clear and blue, with sunlight filtering down from the surface. The text "PRESENTATION OF SECOND QUARTER 2022 RESULTS" is overlaid in white on the left side of the image.

PRESENTATION OF
SECOND QUARTER 2022 RESULTS

Copenhagen, Denmark, 18 August 2022

Trust powered by intelligence **NORDEN**

AGENDA FOR TODAY

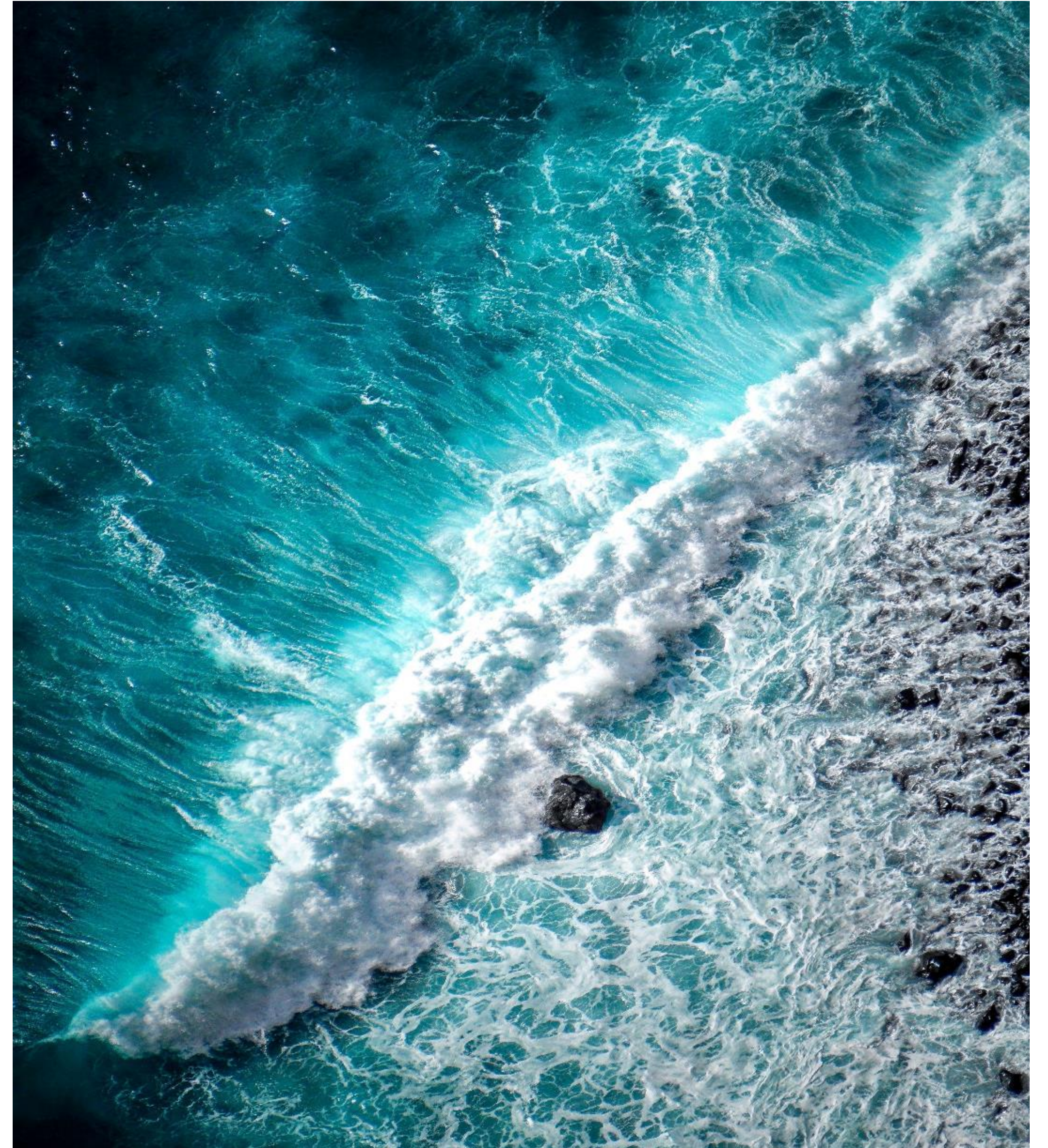
01. Second quarter 2022 highlights

02. Business unit performance

- Assets & Logistics
- Freight Services & Trading

03. Market development & outlook

04. Guidance for 2022 and sum-up



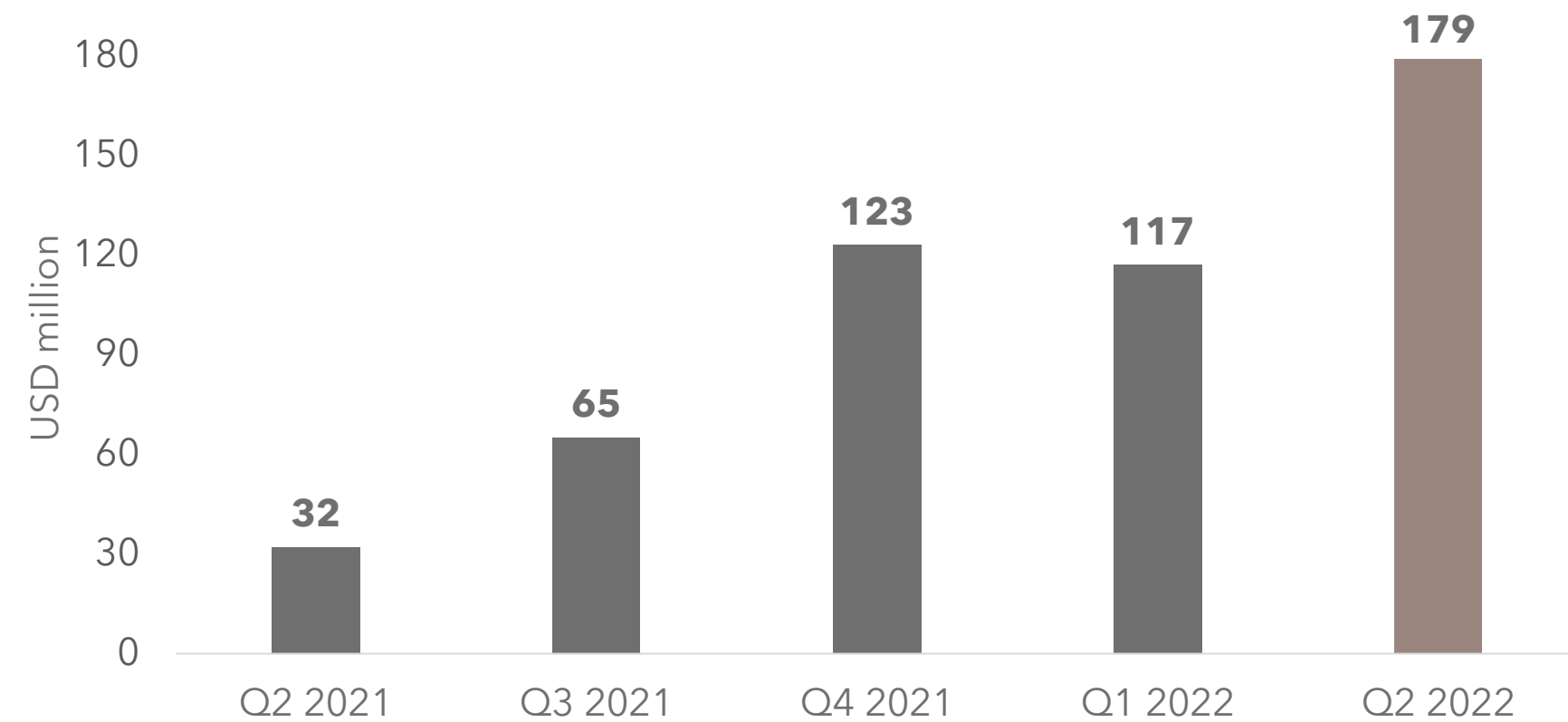


01. SECOND QUARTER 2022 HIGHLIGHTS

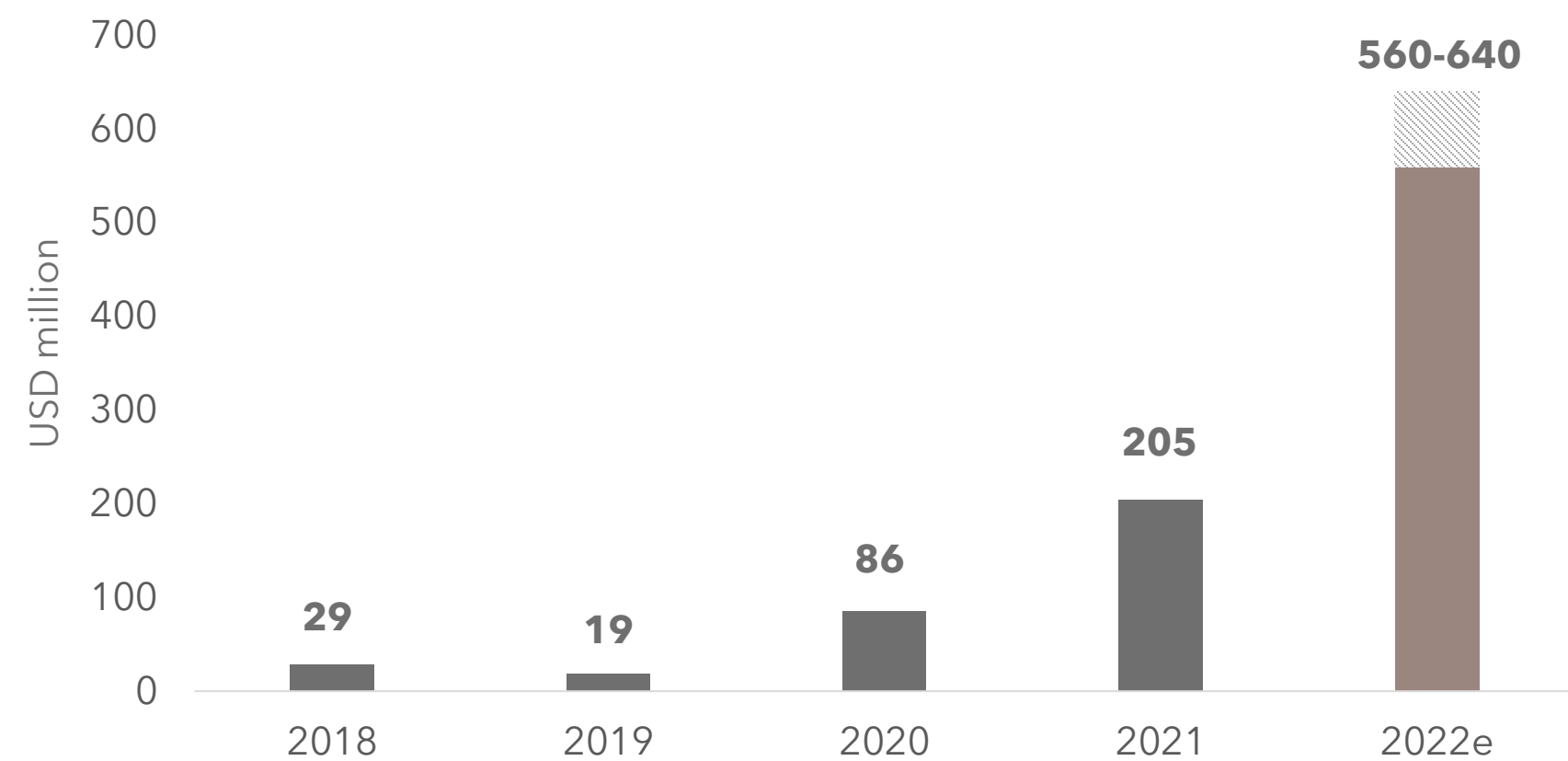
01. SECOND QUARTER 2022 HIGHLIGHTS

BUSINESS UPDATE

GROUP PROFIT LAST FIVE QUARTERS



GROUP PROFIT BY YEAR



GROUP HIGHLIGHTS

PROFIT FOR Q2 2022: USD 179 MILLION

- Fantastic result for Q2
- Significant shift in market exposure from dry cargo to product tankers
- Profit for the year between USD 560-640 million
- Interim dividend of DKK 30 per share / New share buyback of USDm 40

BUSINESS UNIT HIGHLIGHTS



ASSETS & LOGISTICS (Q2 2022: Profit of USD 26 million)

- Exceptional product tanker rates increasing BU NAV to DKK 377 / share
- Strong dry cargo earnings, fully covered in dry cargo for 2022 and 2023
- 3 dry cargo vessel sales at 10-year high prices (benefitting H2)



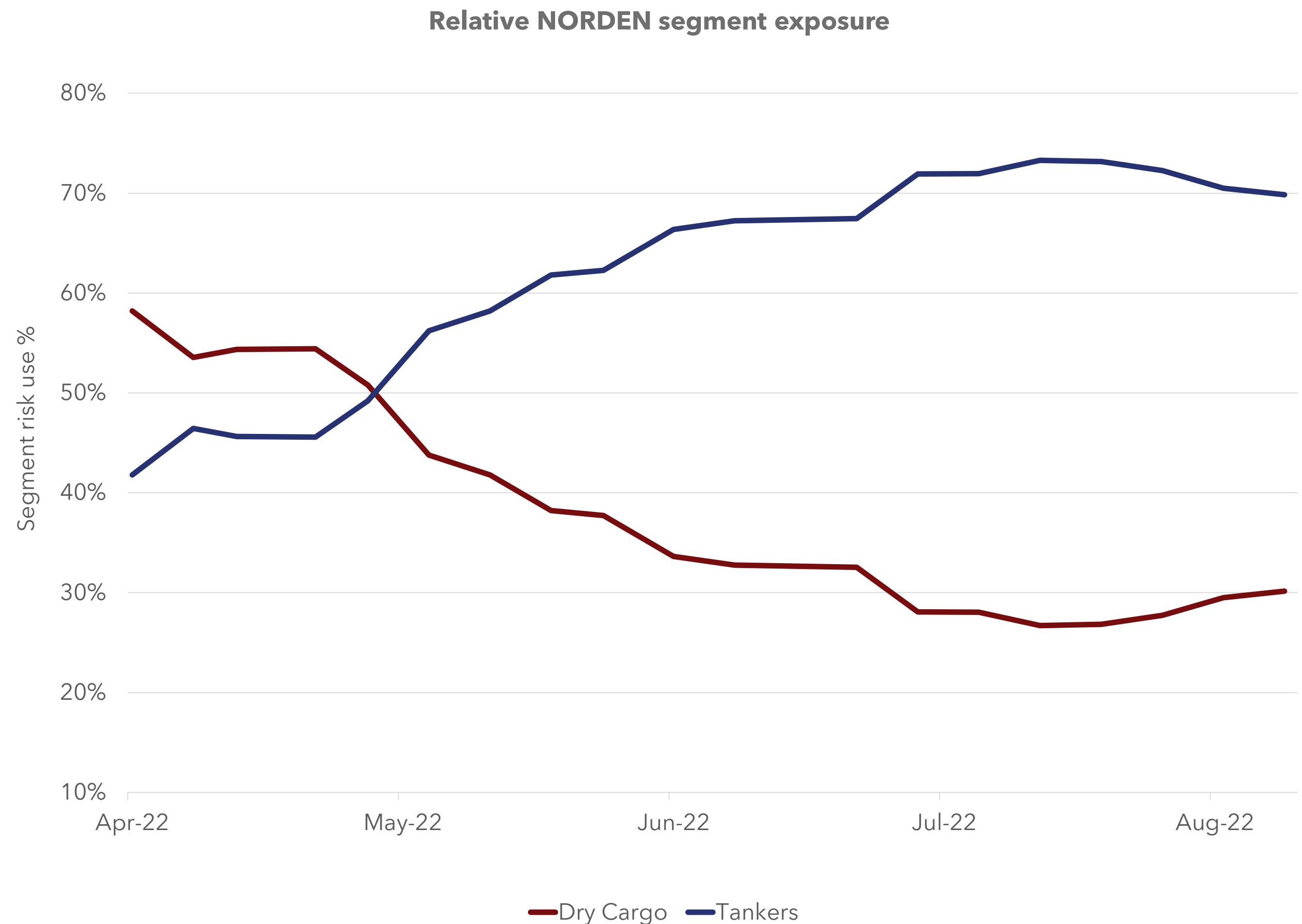
FREIGHT SERVICES & TRADING (Q2 2022: Profit of USD 153 million)

- Record margins driven by exceptionally high and volatile MR rates
- Adjusted dry cargo exposure to benefit from falling dry cargo rates
- Substantial market value built up

01. SECOND QUARTER 2022 HIGHLIGHTS

SIGNIFICANT SHIFT IN MARKET EXPOSURE

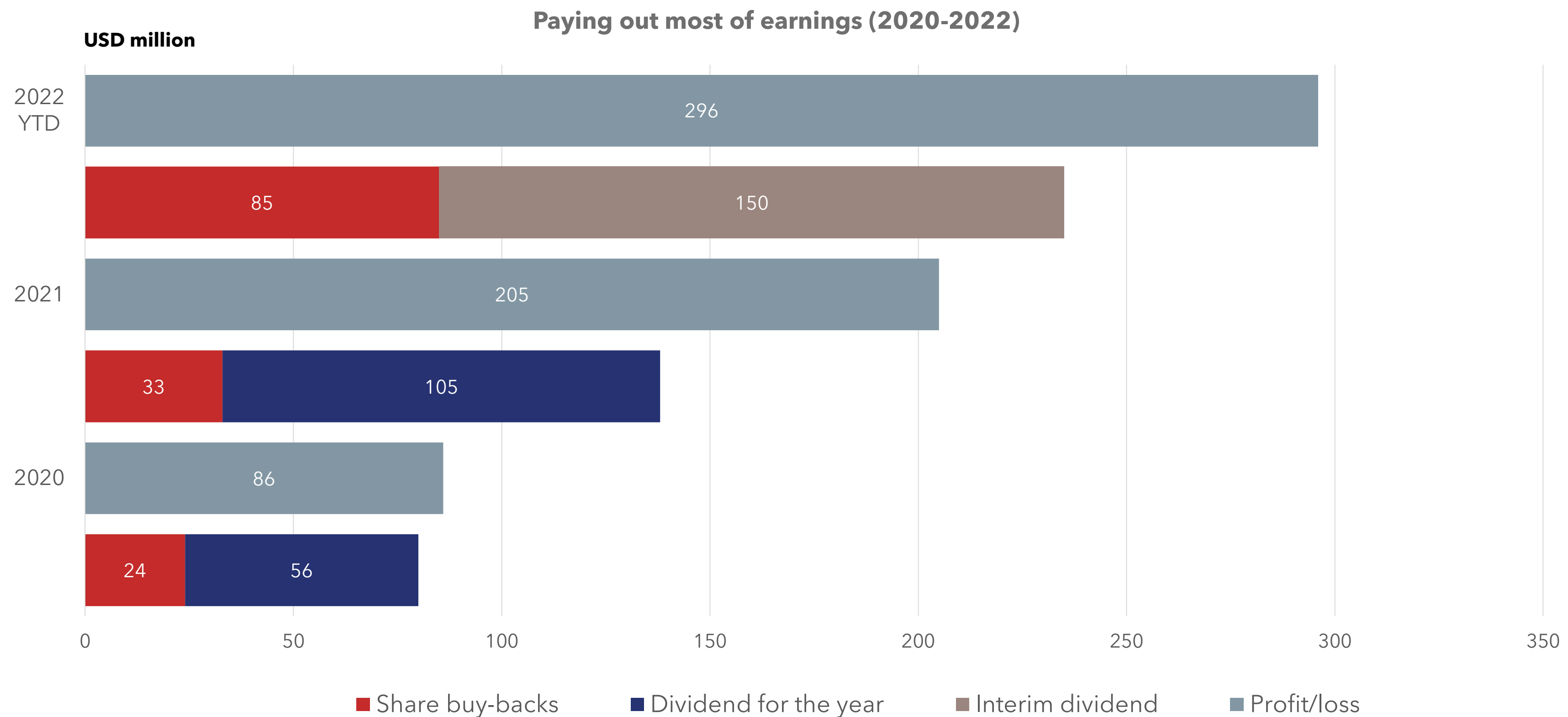
- From mostly dry cargo exposure to mostly product tanker exposure
- Proactive shift since 2nd half of 2021 ahead of 1) surge in product tanker rates, and 2) weakening of dry cargo market
- Dynamic ability to adapt to market developments



01. SECOND QUARTER 2022 HIGHLIGHTS

SHAREHOLDER CASH DISTRIBUTIONS SINCE 2020

- Over USD 450 million returned since 2020
(when including recently announced share buyback programme on 18 Aug)
- Net share count reduced by 9% since 2020



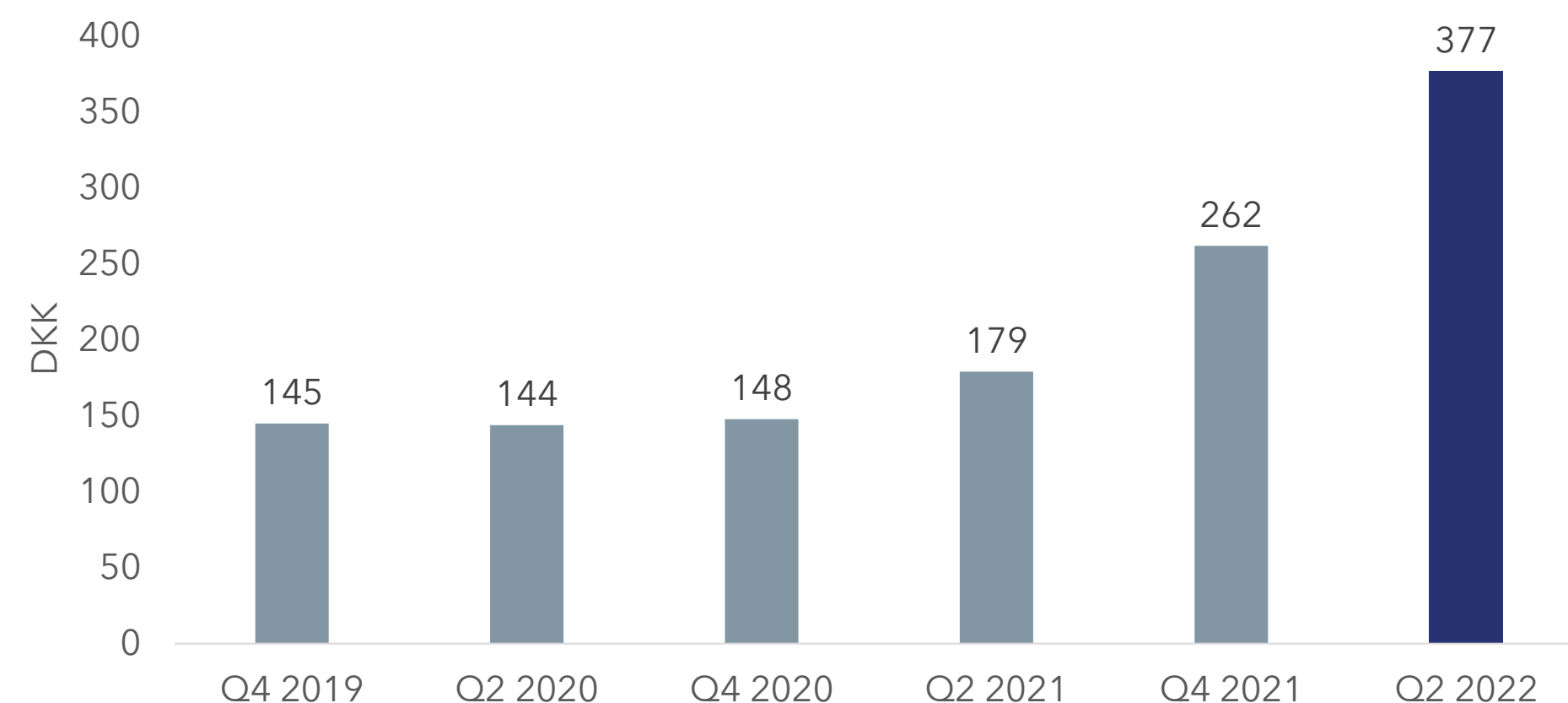


02. BUSINESS UNIT PERFORMANCE

02. ASSET & LOGISTICS

SIGNIFICANT INCREASE IN VALUE OF PORTFOLIO

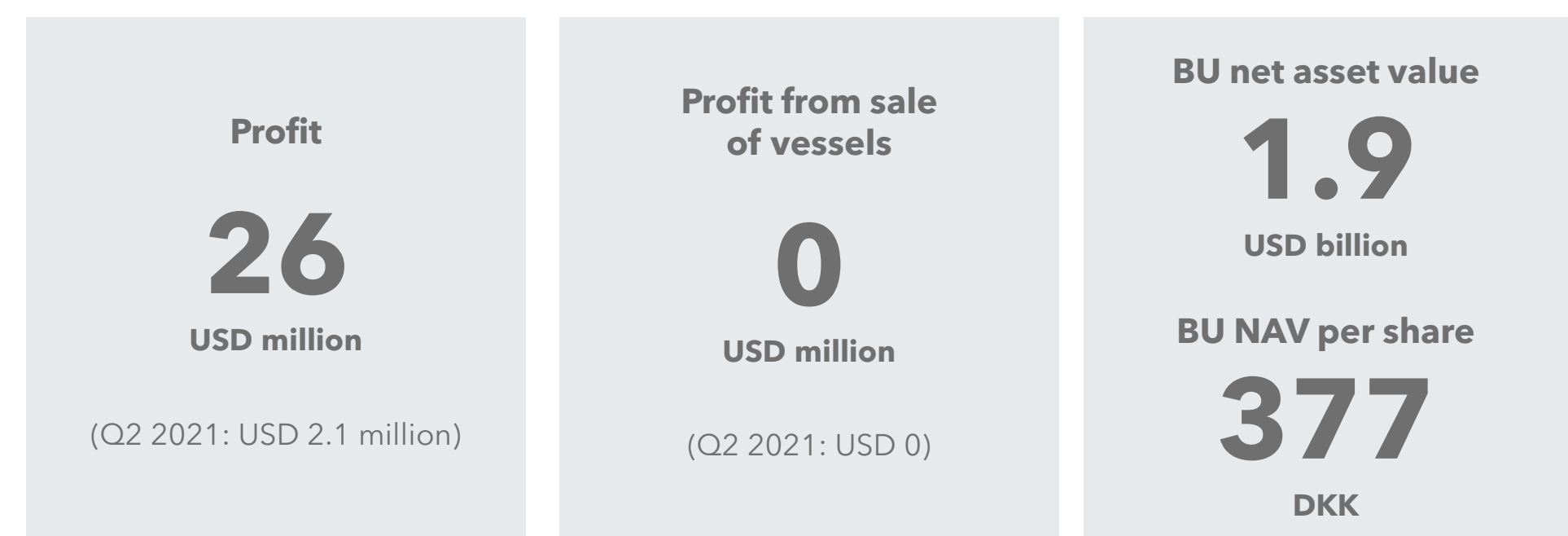
NAV per share (end Q2)



PROFIT FOR Q2 2022: USD 26 MILLION

- Exceptional product tanker rates increasing business unit NAV to DKK 377
- Strong dry cargo earnings, fully covered in dry cargo for 2022 and 2023
- 3 dry cargo vessel sales (benefitting H2), 7 extension options declared
- Optimising tanker portfolio: Leasing in 1 MR tanker, while leasing out 3 MR tankers at profitable rates on 3-year TCO
- Significant upside value on product tanker extension and purchase options

KEY FIGURES Q2 2022



Net asset value of Assets & Logistics (incl. NORDEN's net cash position)

| USD million | Dry Cargo | Tankers | Total |
|--|------------|------------|--------------|
| Market value of owned vessels | 426 | 504 | 955 |
| Estimated market value of T/C and cover portfolio (incl. estimated value of optionality) | 336 | 99 | 435 |
| Total Asset & Logistics portfolio value | 787 | 603 | 1,390 |
| Net cash position | | | 243 |
| Newbuilding instalments | | | -71 |
| Other net assets (book values) | | | 306 |
| Total business unit NAV | | | 1,868 |
| Business unit NAV per share, DKK | | | 377 |
| Market value of owned vessels vs. carrying amounts | 127 | 55 | 182 |

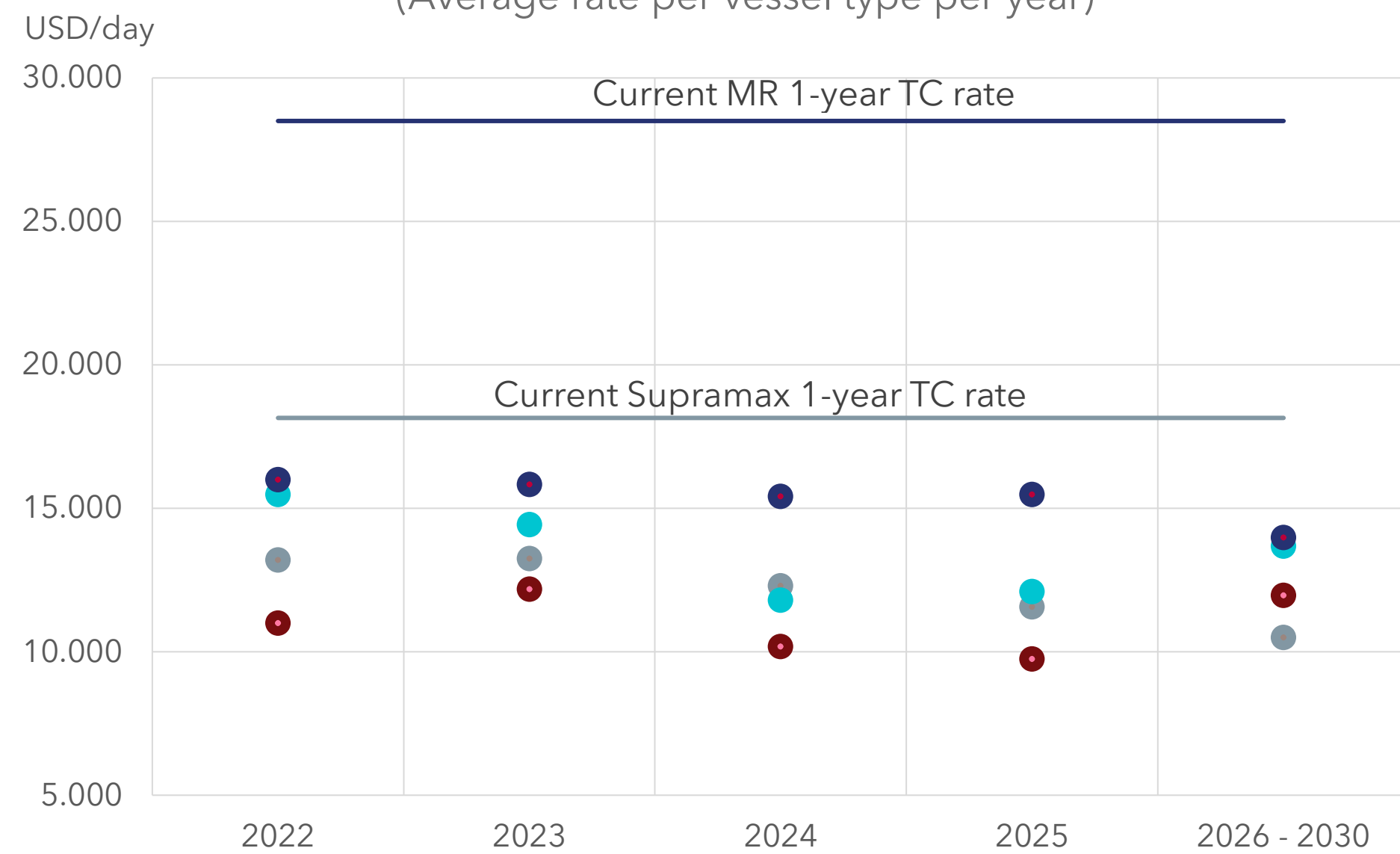
02. ASSET & LOGISTICS

EXTENSIVE OPTIONALITY IN PORTFOLIO

- ~62,000 extension option days in total, corresponding to ~170 full-year extension options
- Extension options: 81 options in total (58 options on dry cargo vessels and 23 on tanker vessels)
- Purchase options: 78 options in total (55 in dry cargo, 23 in tankers)

EXTENSION OPTIONS

(Average rate per vessel type per year)

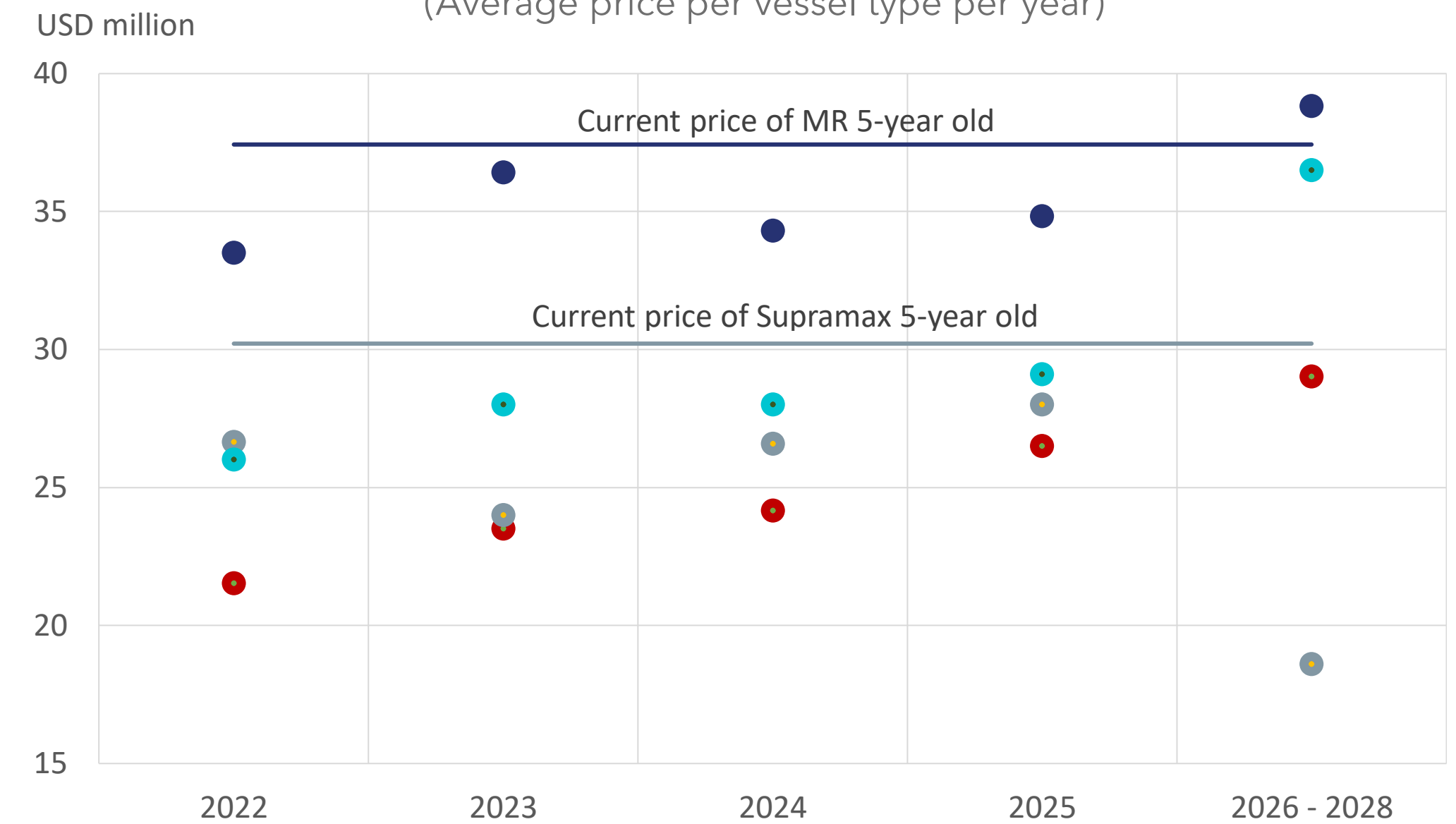


No. of options per year

| | | | | |
|------|------|------|------|-------------|
| 2022 | 2023 | 2024 | 2025 | 2026 - 2030 |
| 9 | 24 | 14 | 11 | 23 |

PURCHASE OPTIONS

(Average price per vessel type per year)



No. of options per year

| | | | | |
|------|------|------|------|-------------|
| 2022 | 2023 | 2024 | 2025 | 2026 - 2028 |
| 25 | 14 | 15 | 11 | 13 |

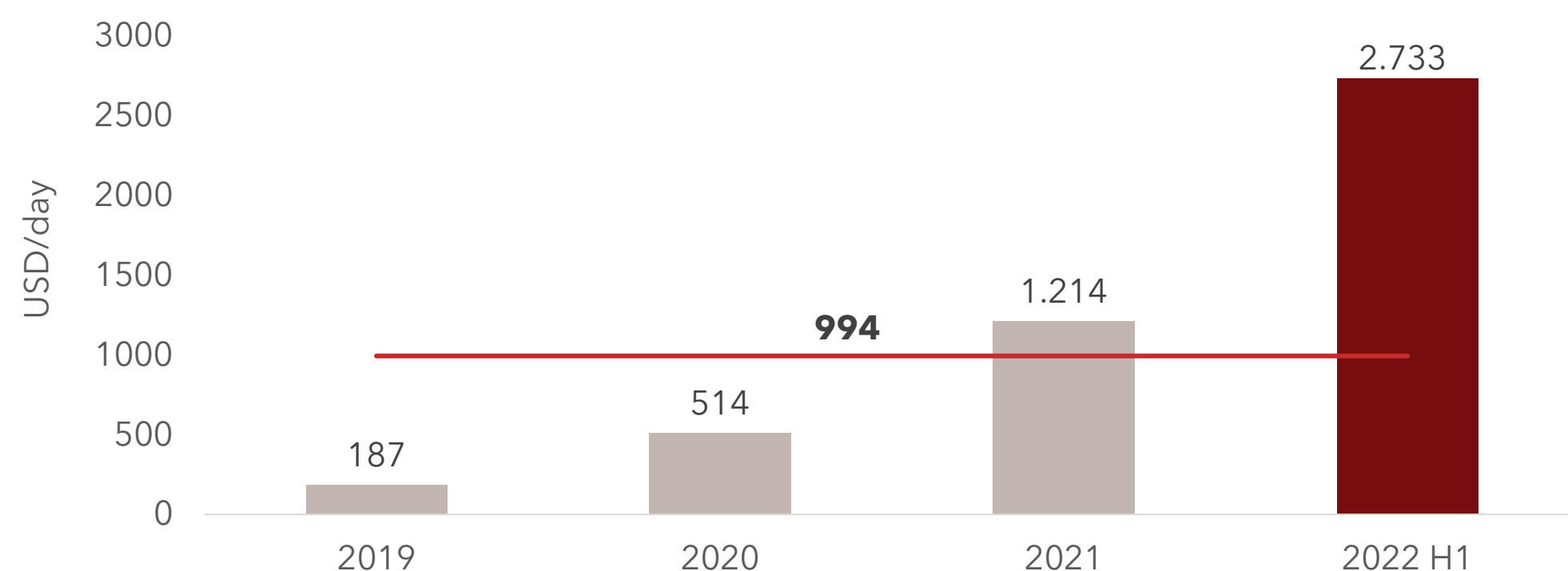
Average age at declaration

| | | | | |
|------|------|------|------|-------------|
| 2022 | 2023 | 2024 | 2025 | 2026 - 2028 |
| 6 | 3 | 4 | 4 | 5 |

02. FREIGHT SERVICES & TRADING

RECORD MARGINS IN STRONG TRADING ENVIRONMENT

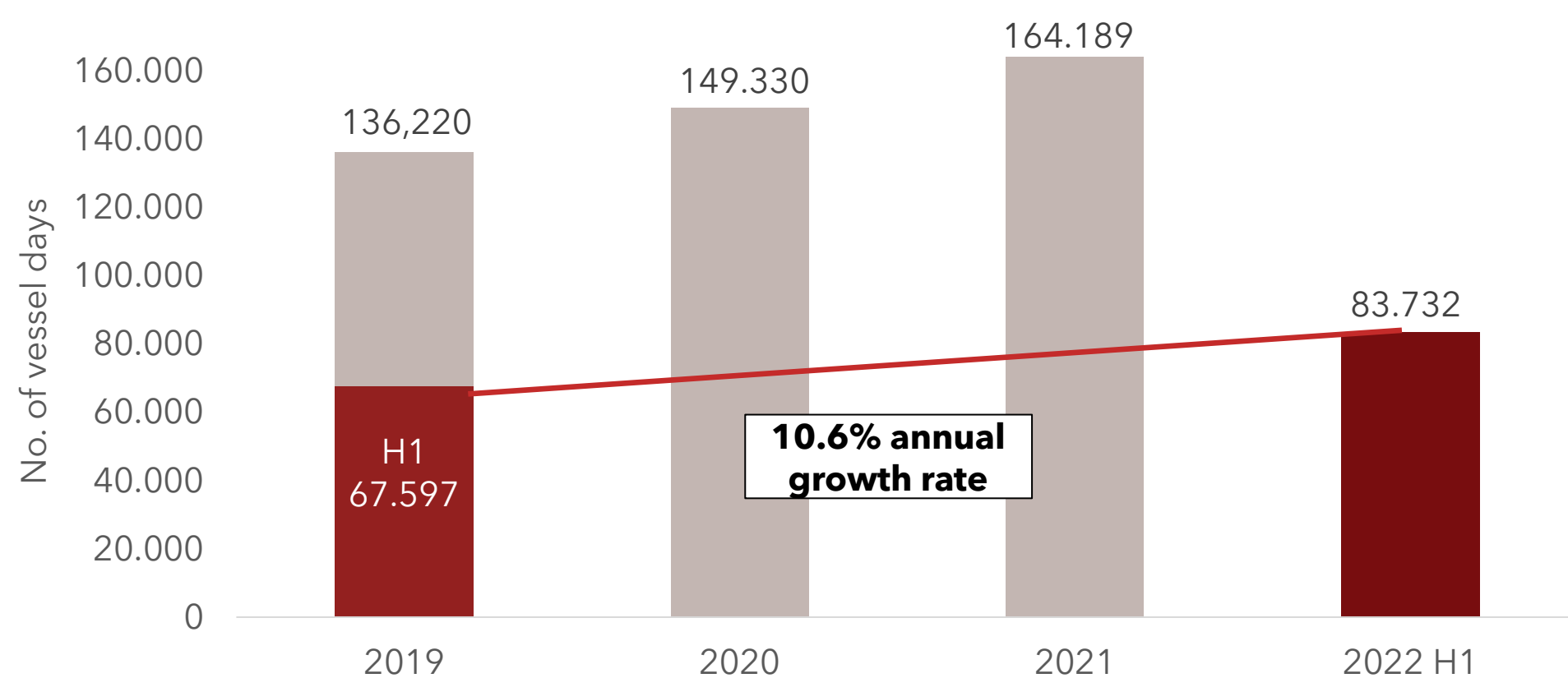
RESULT PER VESSEL DAY



PROFIT FOR Q2 2022: USD 153 MILLION

- Significant shift in exposure from dry cargo to product tankers.
- Record margins, utilising high exposure to exceptionally high MR rates
 - Capturing on regional rate volatility across basins
 - Declared several extension options on MR tankers
- Well positioned to utilise weakening dry cargo market, with more cargoes than tonnage, benefitting from falling freight rates
- Substantial market value built up - to benefit earnings in H2 2022 and 2023

ACTIVITY LEVELS



KEY FIGURES Q2 2022



02. BUSINESS UNITS VALUATION

ASSETS & LOGISTICS

Asset trading and active portfolio management of owned and leased vessels. Investments in port logistics aimed at optimising supply chains

NAV-based valuation

Per 31/6/2022

| | USDm |
|--|--------------|
| Market value of own vessels | 955 |
| Market value of T/C & Cover portfolio | 435 |
| Cash & equivalents | 567 |
| Interest bearing debt | -324 |
| N/B instalments | -71 |
| Other net assets (book values) | 306 |
| Total business unit NAV | 1,868 |
| Business unit NAV per share, DKK* | 377 |

FREIGHT SERVICES & TRADING

Global freight services and trading in the dry cargo and product tanker markets

Earnings-based valuation

| | FY 2021 | Average since 2019 |
|---|-------------------|--------------------|
| Result per vessel day (USD) | 1,214 | 994 |
| Annual vessel days | 164,189 | 152,420 |
| Annual activity level growth | 10% | 10.6% |
| | Average 2019-2021 | Average since 2019 |
| Profit for the year (USDm) | 101 | 152 |
| Value per share with multiple of 5x (DKK)* | 102 | 153 |
| Value per share with multiple of 10x (DKK)* | 204 | 307 |

* NAV per share based on USD/DKK rate and share count as of latest balance sheet date, excluding treasury shares held by NORDEN.

The background features a complex financial visualization. On the right, a candlestick chart shows price fluctuations with blue and orange bars. A red dashed trend line and a blue solid trend line are overlaid on the chart. A white arrow points down from a peak, and another points up from a trough. The number '187.12' is displayed in orange. On the left, a grid of blue dots is arranged in a pattern that resembles a stylized 'N' or a similar symbol, with a warm orange glow emanating from behind it.

03. MARKET DEVELOPMENT AND OUTLOOK

03. MARKETS

DRY AND TANKER MARKET IN Q2 2022

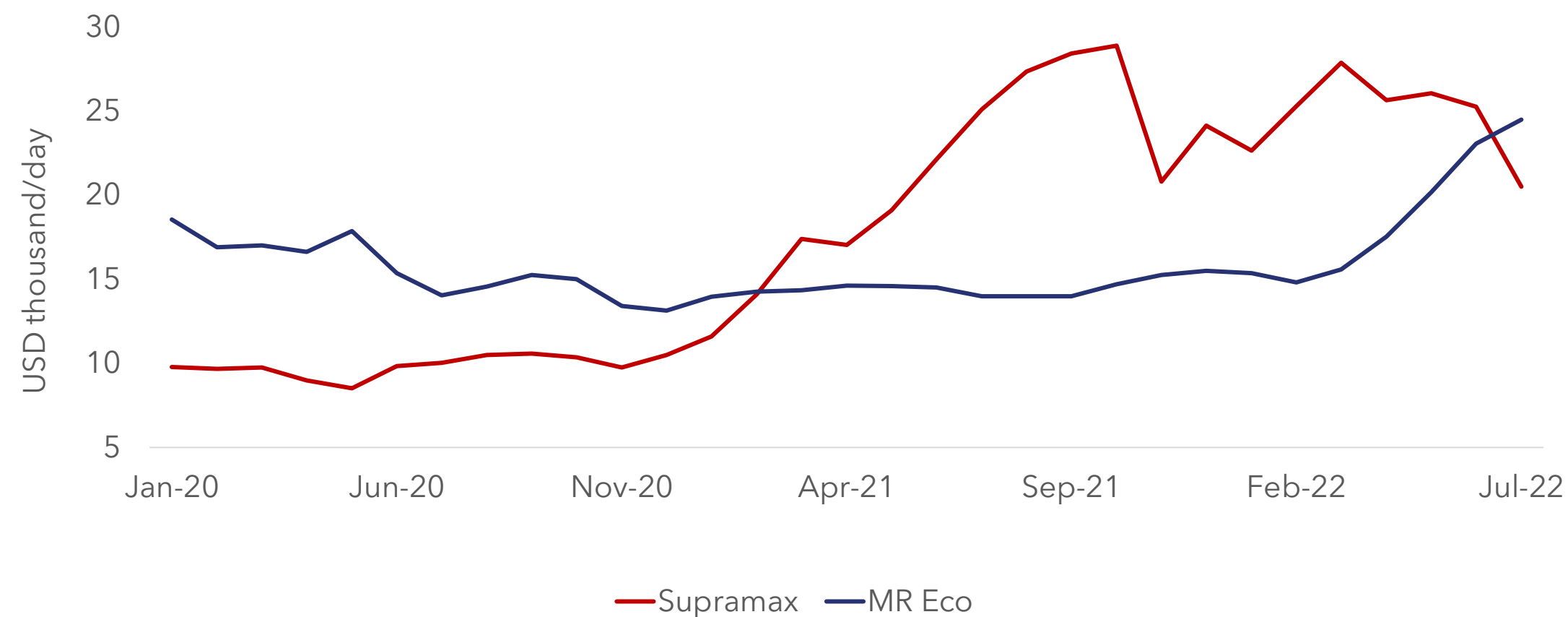
Weakening dry cargo market

- Rates gradually declined in line with lowered demand amid inflation and recession fears, with lowered congestion levels in China
- Coal trade rose to elevated levels following high European and Indian demand
- 1-year T/C Supramax decreased by 9% to USD 27,875/day
- Price of a 5-year old Supramax remained stable at USDm 31.6

Exceptional surge in product tanker market

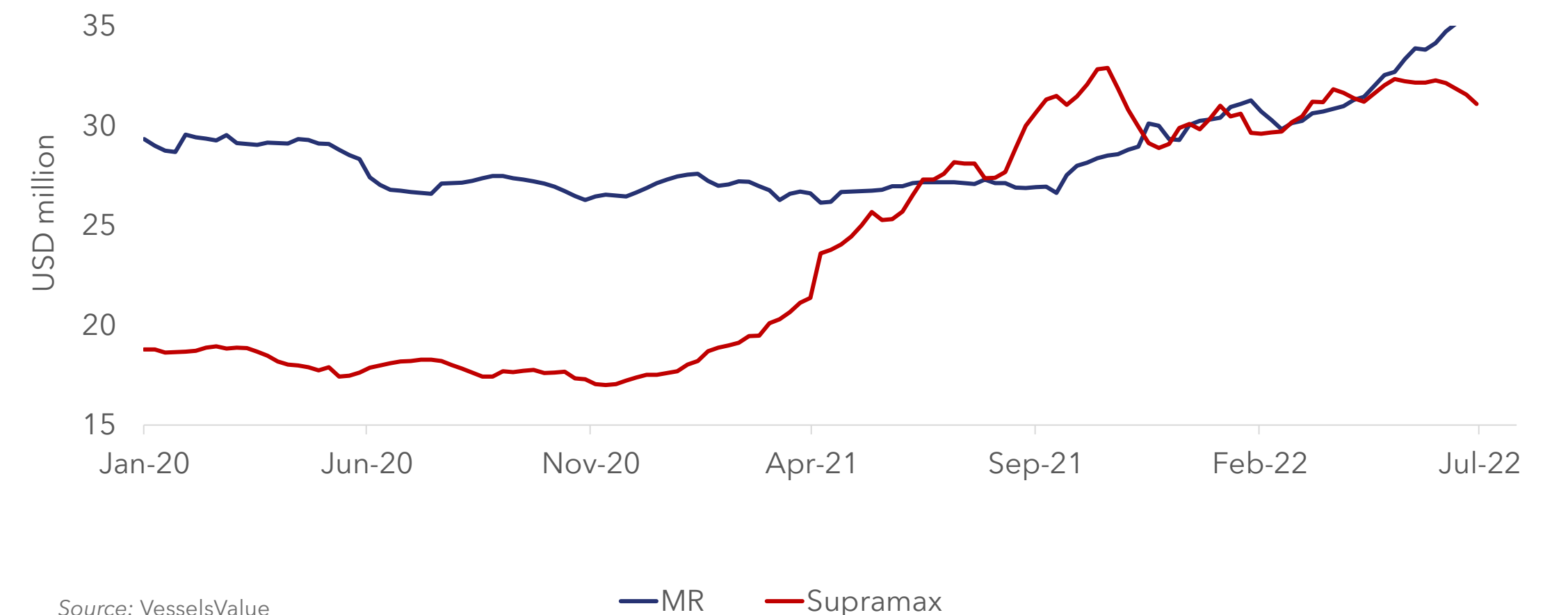
- Low inventory levels created tight tanker market, further exacerbated by sanctions on Russia leading to volatility and longer distances
- Rates increased across product tanker vessel types
 - MR spot rates more than tripled from USD 12,600 to 41,500 per day
- 1-year T/C MR eco rate increased by 48% to USD 23,000 per day
- Price of a 5-year old MR increased by 15% to USDm 36

1-year T/C rate (dry cargo & product tanker)



Source: Clarksons

5-year secondhand asset values (dry cargo & product tanker)



Source: VesselsValue

03. MARKETS

MARKET OUTLOOK IN DRY CARGO

High uncertainty in dry cargo outlook

- Fundamentals indicate weakening
- Expected lower demand due to commodity supply constraints, lower congestion and lower economic growth
- Chinese economic stimulus not expected to offset negative global trends
- Seasonality could lift spot rates as we approach Q4

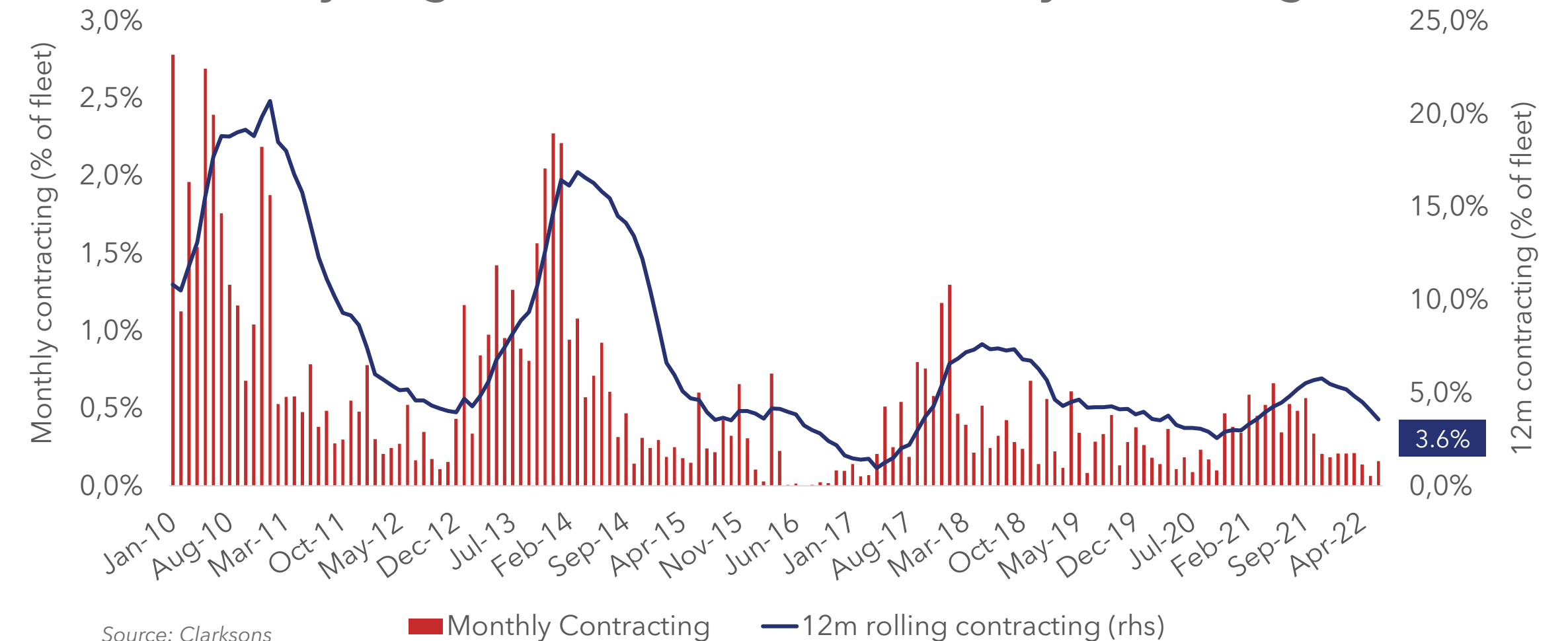
Low supply growth to temper downturn

- Low orderbook on newbuildings provide cushioning towards rate declines
- Lower rest-of-world congestion could increase vessel supply, exacerbating downturn
- Expected global fleet growth of 2-2.5% for both 2022-23

Global volumes transported (30-day moving average)



Dry Cargo Y/Y Fleet Growth & Monthly contracting



03. MARKETS

MARKET OUTLOOK IN TANKER

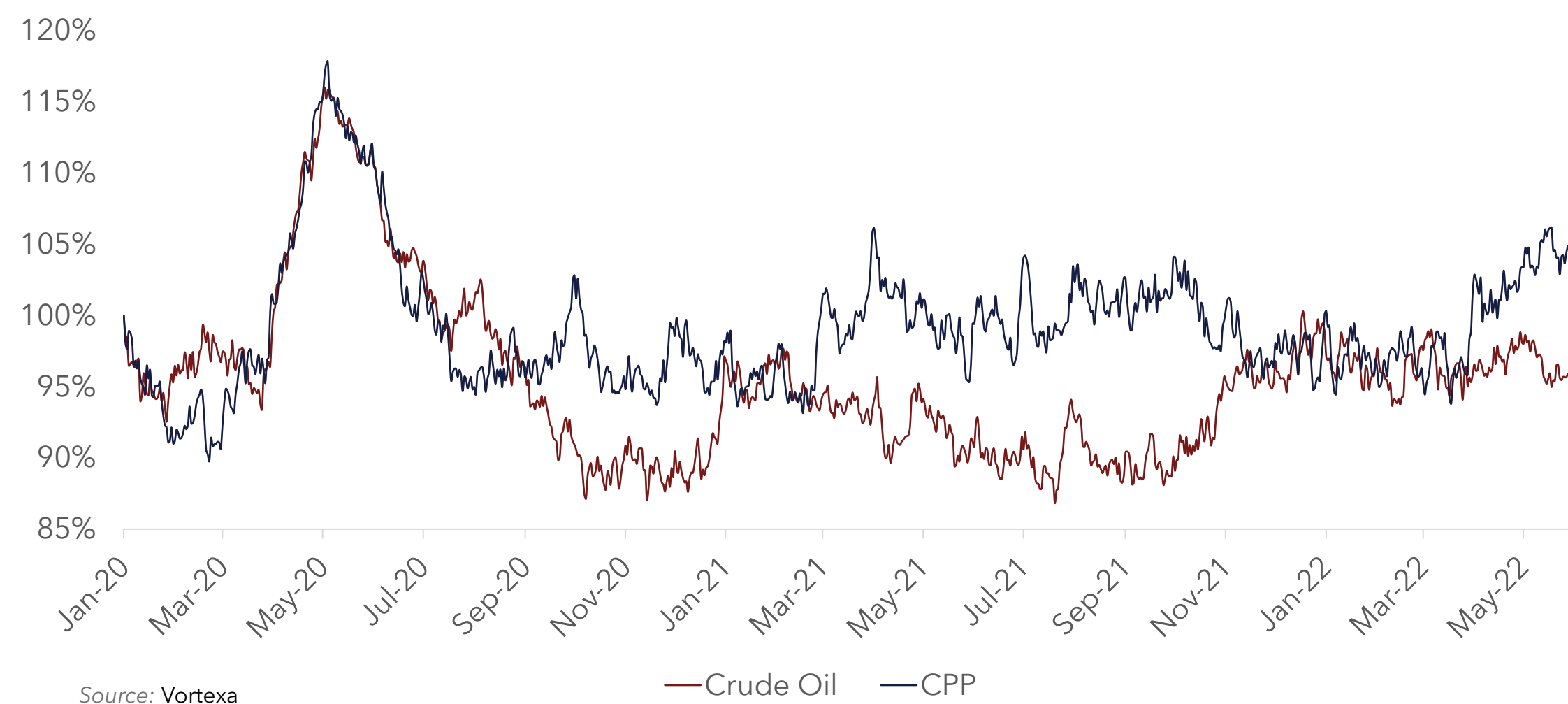
High spot rates expected to continue for rest of 2022

- Lower oil demand from higher prices and lower growth, offset by longer distances and switching of gas-to-oil and coal-to-oil
- Refinery output levels are projected to stay strong
- Full effect of current sanctions at end 2022 may further support high rates

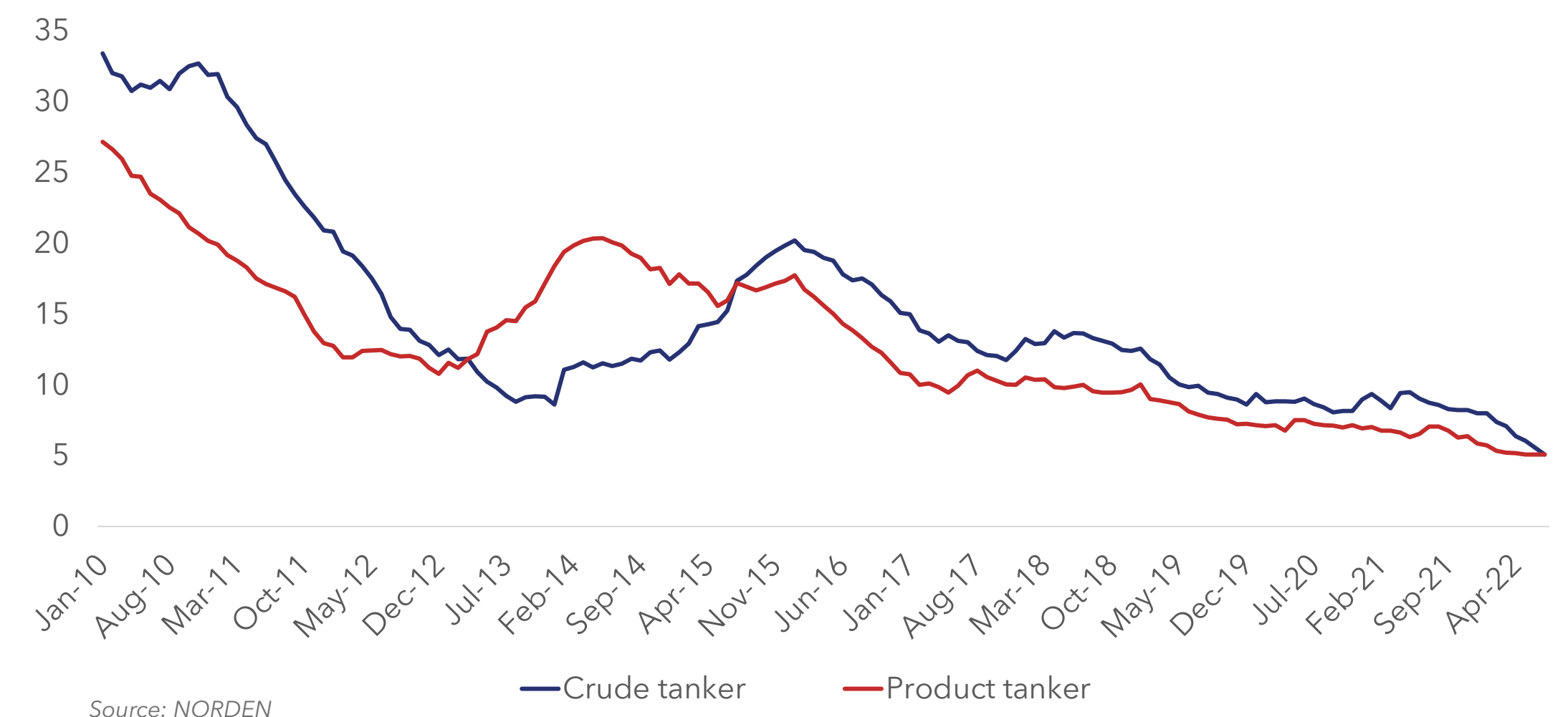
Low fleet growth supports market

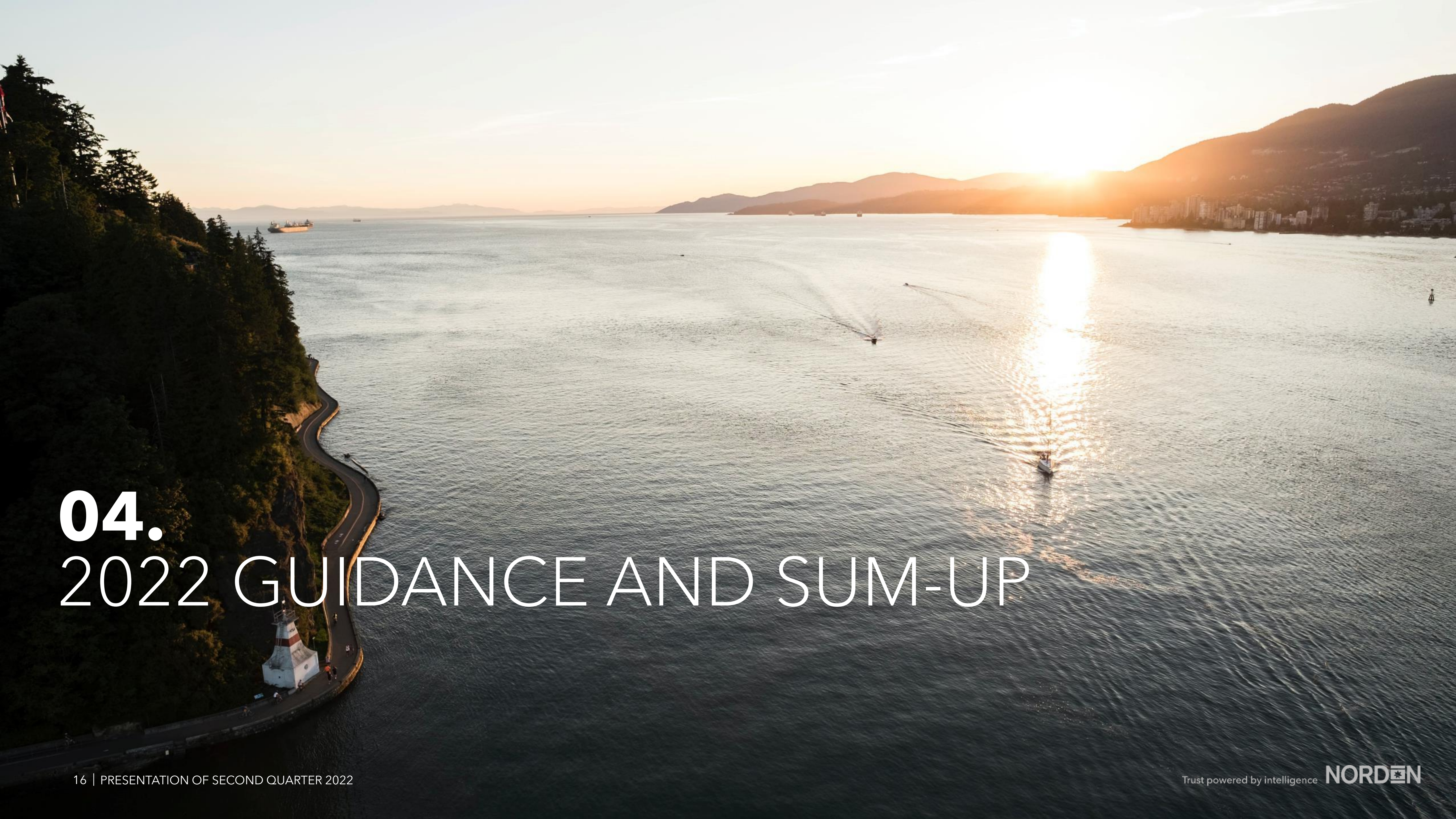
- Historically low orderbook of 5%
- Limited yard capacity on MR tankers
- Expected global fleet growth of 2% in 2022-23

Clean products and crude oil in transit
(amount of barrels in transit compared to January 2020 in %)



Orderbooks in % of fleet





04. 2022 GUIDANCE AND SUM-UP

04. 2022 GUIDANCE

NORDEN guidance for FY 2022 profit for the year: USD 560 to 640 million

- Product tanker: High exposure towards substantially increased product tanker rates
- Dry cargo: Good short-term positioning towards a weakening dry cargo market, high long-term dry cargo cover at profitable rates
- Active asset trading in both segments

Assets & Logistics

- Expects much better earnings in 2022 compared to 2021
- High coverage at attractive rates on the dry cargo fleet
- Vessel sales gains expected based on strong dry cargo asset prices levels
- Ensured downside protection in weakening dry cargo market

Freight Services & Trading

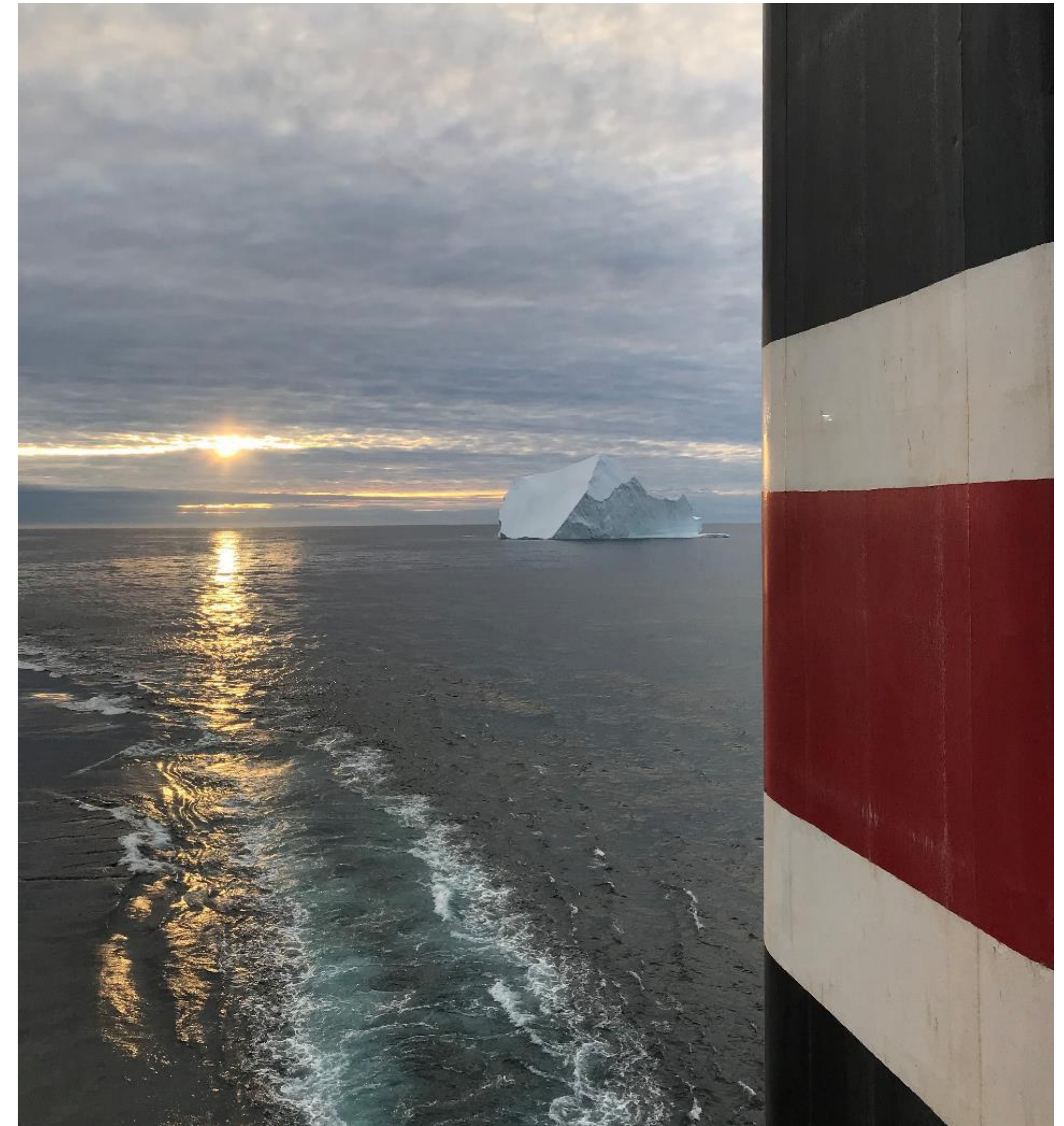
- Expects a net result significantly above 2021 result
- Margin per vessel day expected above record level from 2021
- Well positioned to capitalize on exceptional tanker market
- Adjusted exposure to benefit from weakening dry cargo market

Dividend policy: to pay out minimum 50% of the profit for the year

04. FINAL WORDS

FANTASTIC SECOND QUARTER

- Profit of USD 179 million - fantastic group result
- Significant shift in market exposure from dry cargo to product tankers
- Capitalising on extraordinary margins in product tanker market
- Well positioned to capitalise on falling dry cargo rates, while ensuring downside protection and full coverage for 2022-23 in Assets & Logistics
- Considerable increase in Assets & Logistics NAV - now at DKK 377
- Profit for the year between USD 560-640 million
- Interim dividend of DKK 30 per share / New share buyback of USDm 40



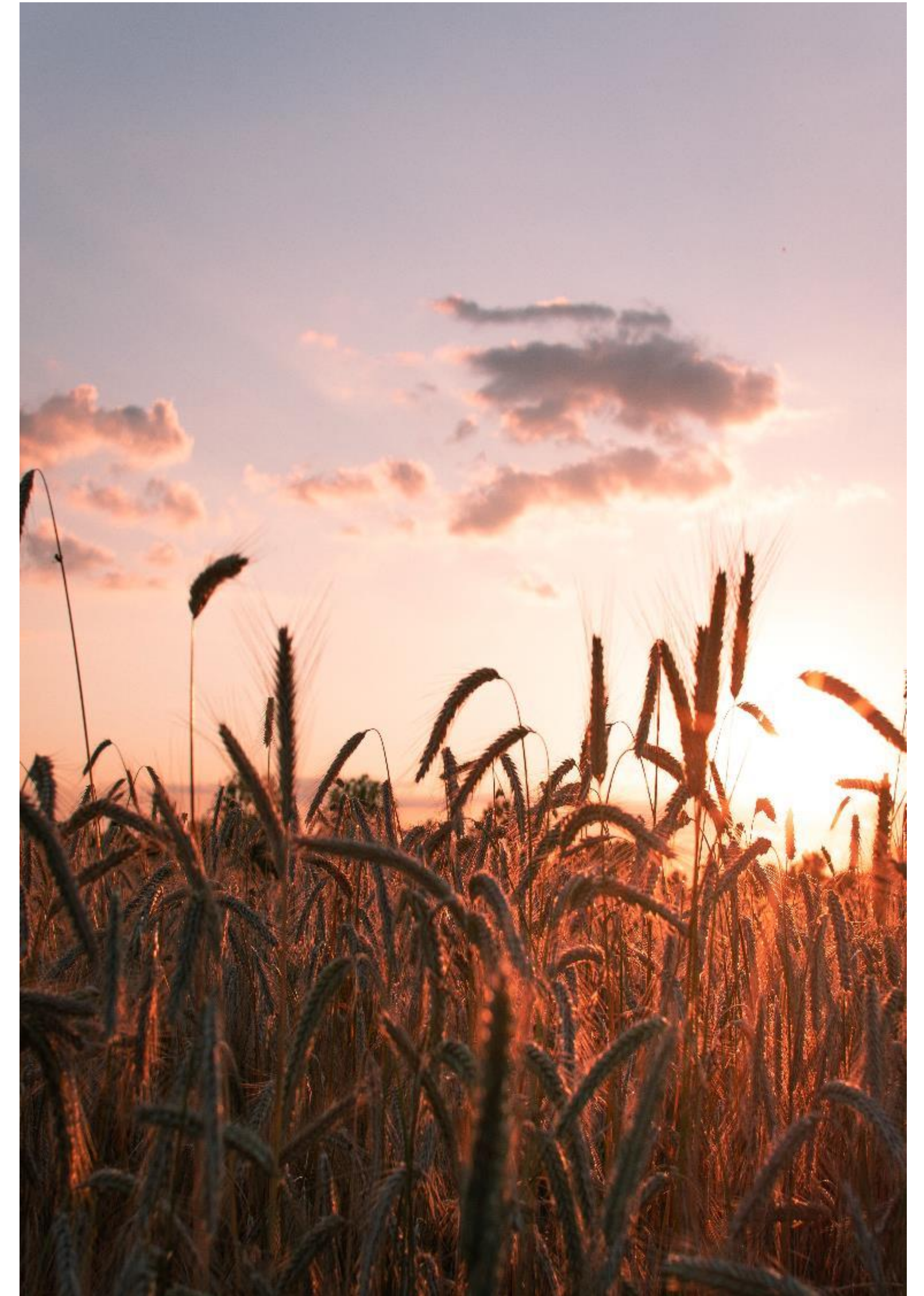
04. FINAL WORDS – DISCLAIMER

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 2022 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

Dampskibsselskabet NORDEN A/S

52, Strandvejen

DK-2900 Hellerup

Denmark

Phone: +45 3315 0451

 www.ds-norden.com

Connect with us



APPENDIX - ABOUT NORDEN



ENABLING SMARTER GLOBAL TRADE



150 YEARS OF HONOURING OUR COMMITMENTS

People & Data

376

Employees

6.4

Billion datapoints daily

Our values



Reliability



Flexibility



Empathy



Ambition

Industry leader

~450

Operated vessels
92% chartered / 8% owned

0

Net zero carbon emissions
by 2050

Market trends: Increased focus on asset-light freight services and logistics

Major trends affecting shipping



NORDEN strategy



ENABLING SMARTER GLOBAL TRADE

Organisational structure: A customer, trading and data-driven NORDEN



ASSETS & LOGISTICS

Asset Management



Dry cargo vessels

- Asset trading of owned vessels
- Leased vessels with significant optionality upside
- High contract cover with visible and recurring earnings



Product tanker vessels

Logistics & Climate solutions



Port logistics

- Developing projects with selected customers
- Integrated port logistics and freight services
- Optimising customer supply chains



Decarbonisation



FREIGHT SERVICES AND TRADING

Asset-Light Freight Services



Construction

- Scalable platform highly responsive to customer needs and market changes
- Recurring earnings with protection against market downside and exceptional upside potential in strong markets
- Multiple trading and arbitrage strategies based on timing, geographies and vessel types



Foods & oils



Energy



Industrial

FOUNDATION

People & Culture

Data & Advanced analytics

NORDEN Brand

Customer relationships & Global presence

Governance & Risk management

NORDEN at a glance

1871:



Mads C. Holm founds NORDEN; first vessel delivered in 1872

1923:



NORDEN's first motor vessel, NORDBO is delivered

1973:



The first of 5 dry cargo vessels is delivered from Japan, and NORDEN enters what today is the core business of the Company.

2008:



NORDEN moves into its new domicile Bryghuset.

2013:



NORDEN finalises its first sustainability strategy with focus on e.g. reducing CO2 emissions

2021:



NORDEN celebrates 150 years of sailing the seven seas.

1892:

Dampskibsselskabet NORDEN acquires a new domicile only a few hundred metres from the Royal place, at No. 49 Amaliegade



1946:



NORDEN's last steamship, NORDLYS is sold

1979:

The last liner-type vessel, NORDFARER, is sold



2005:

NORDEN establishes Norient Product Pool with pool-partner Interiorient Navigation Company Ltd., Cyprus.



2019:



NORDEN celebrates its first test voyage with a large ocean-going vessel powered solely on CO2 neutral biofuel.

2022:



NORDEN launches its new climate strategy and commits to five climate initiatives to help its customers decarbonise their supply chains

Five external factors have driven NORDEN's climate strategy

Climate crisis

- The world faces an urgent carbon problem
- 3% of carbon emissions are from shipping

Customer demand

- Customers need help to decarbonise their supply chains



Investor demand

- Investors seek out sustainable companies as being more successful

New regulations

- An ambition to stay ahead of environmental regulations

Employee demand

- Focus on attracting and retaining talents, who are driven by NORDEN's purpose

