

PRESENTATION OF **FULL YEAR RESULTS 2022**

Copenhagen, Denmark, 10 February 2023

Trust powered by intelligence **NORDEN**

AGENDA FOR TODAY

01. Full-year 2022 highlights
02. Business unit performance
 - Assets & Logistics
 - Freight Services & Trading
03. Market development & outlook
04. Guidance for 2023 and sum-up



01. FULL-YEAR 2022 HIGHLIGHTS

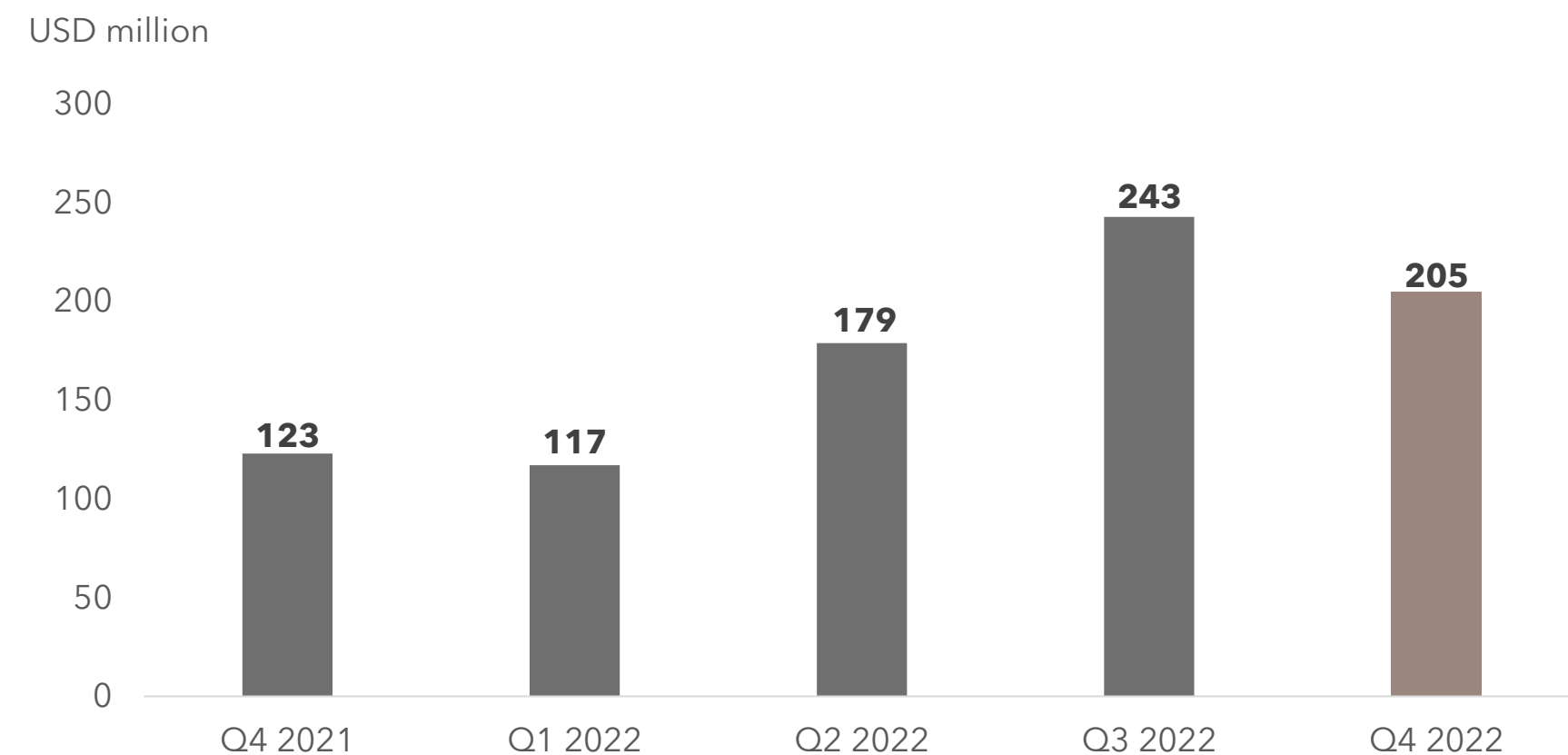


We sailed 24 million nautical miles in 2022.
That is equal to sailing three times
around the globe every day

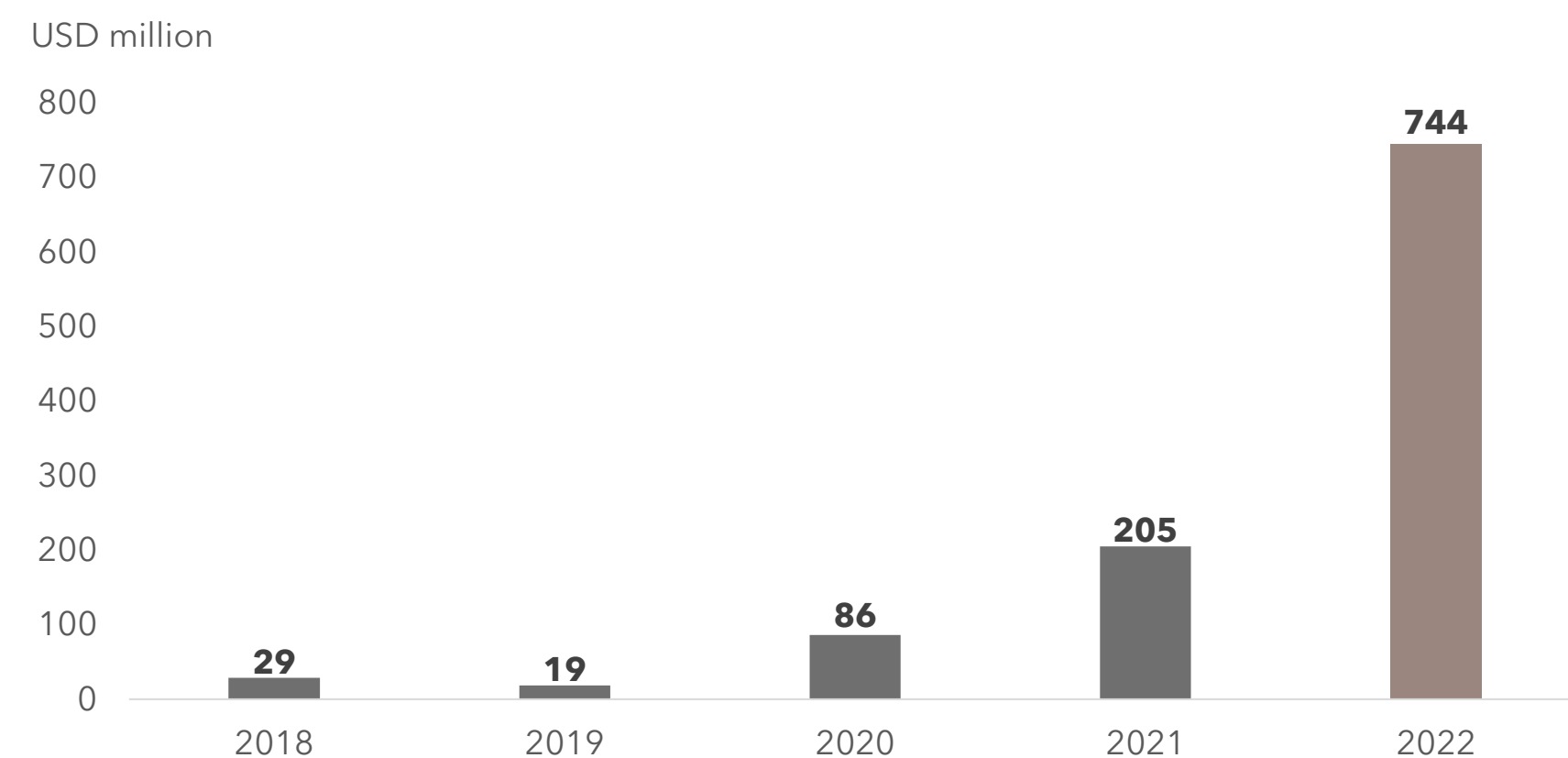
01. FULL-YEAR 2022 HIGHLIGHTS

BUSINESS UPDATE

GROUP PROFIT LAST FIVE QUARTERS



GROUP PROFIT BY YEAR



PROFIT FOR FY 2022: USD 744 million

- **Assets & Logistics:** USD 193 million
- **Freight Services & Trading:** USD 550 million

BUSINESS HIGHLIGHTS

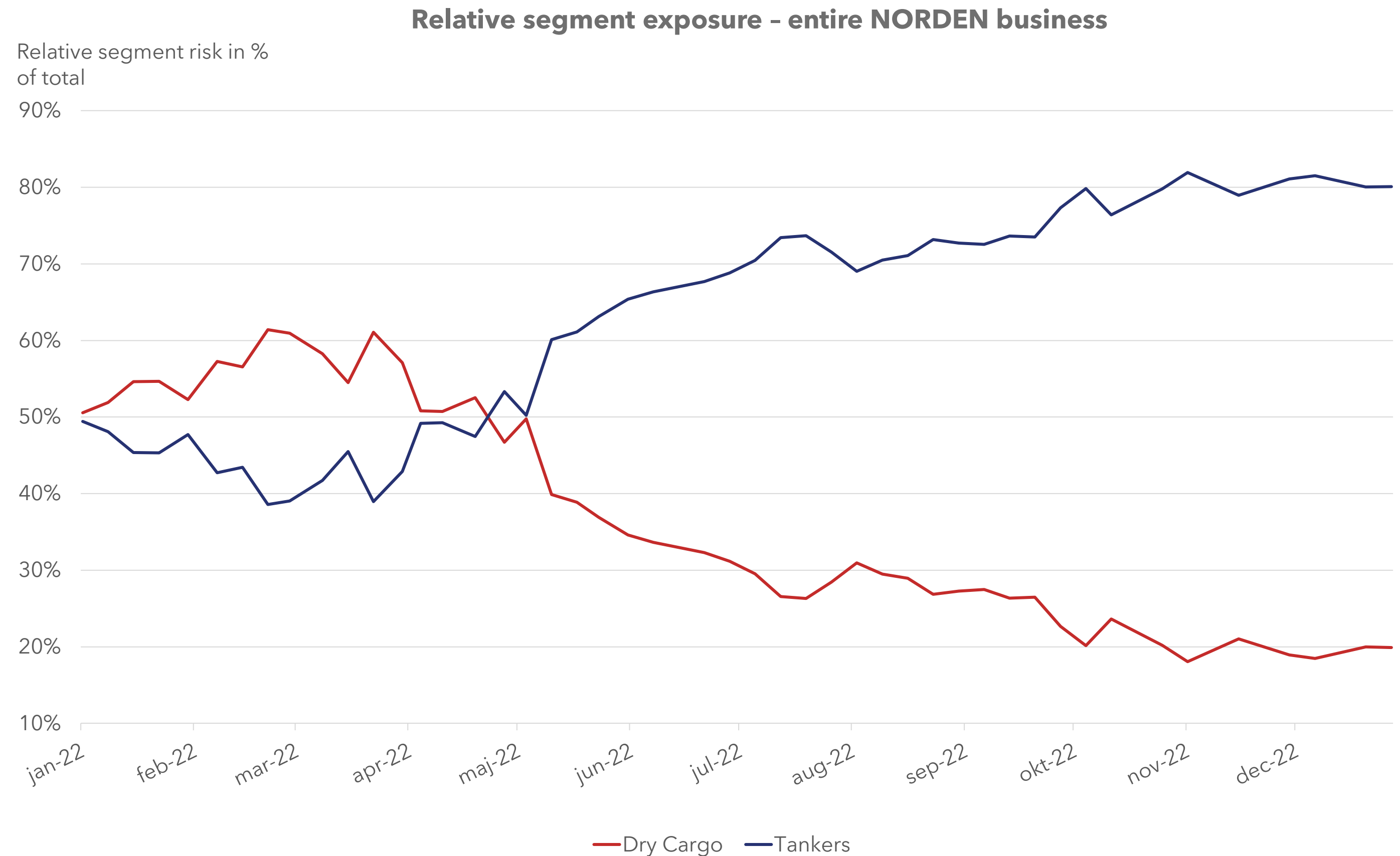
- Best results in NORDEN's history - demonstrating value of business model
- Large shift in exposure benefitting portfolio value, trading results and future earnings
 - Increase in BU NAV, reaching USD +2 billion, equal to DKK 422 per share
- Well positioned to capture dry cargo value in weakening market
 - Selling dry cargo vessels at peak assets prices, and fully covered for 2023
 - Short position during H2, benefitting from falling freight rates
- Benefitting from increased exposure towards surging tanker market
 - Ensuring capacity ahead of time with added optionality
 - High tanker exposure benefitting earnings, generating value moving into 2023
- Final dividend of DKK 30 per share; new share buy-back of USD 50 million
- Expecting high profit for 2023 between USD 330-430 million

01. FULL-YEAR 2022 HIGHLIGHTS

LARGE SHIFT IN EXPOSURE IN TWO VOLATILE MARKETS

Summary of group exposure (both business units)

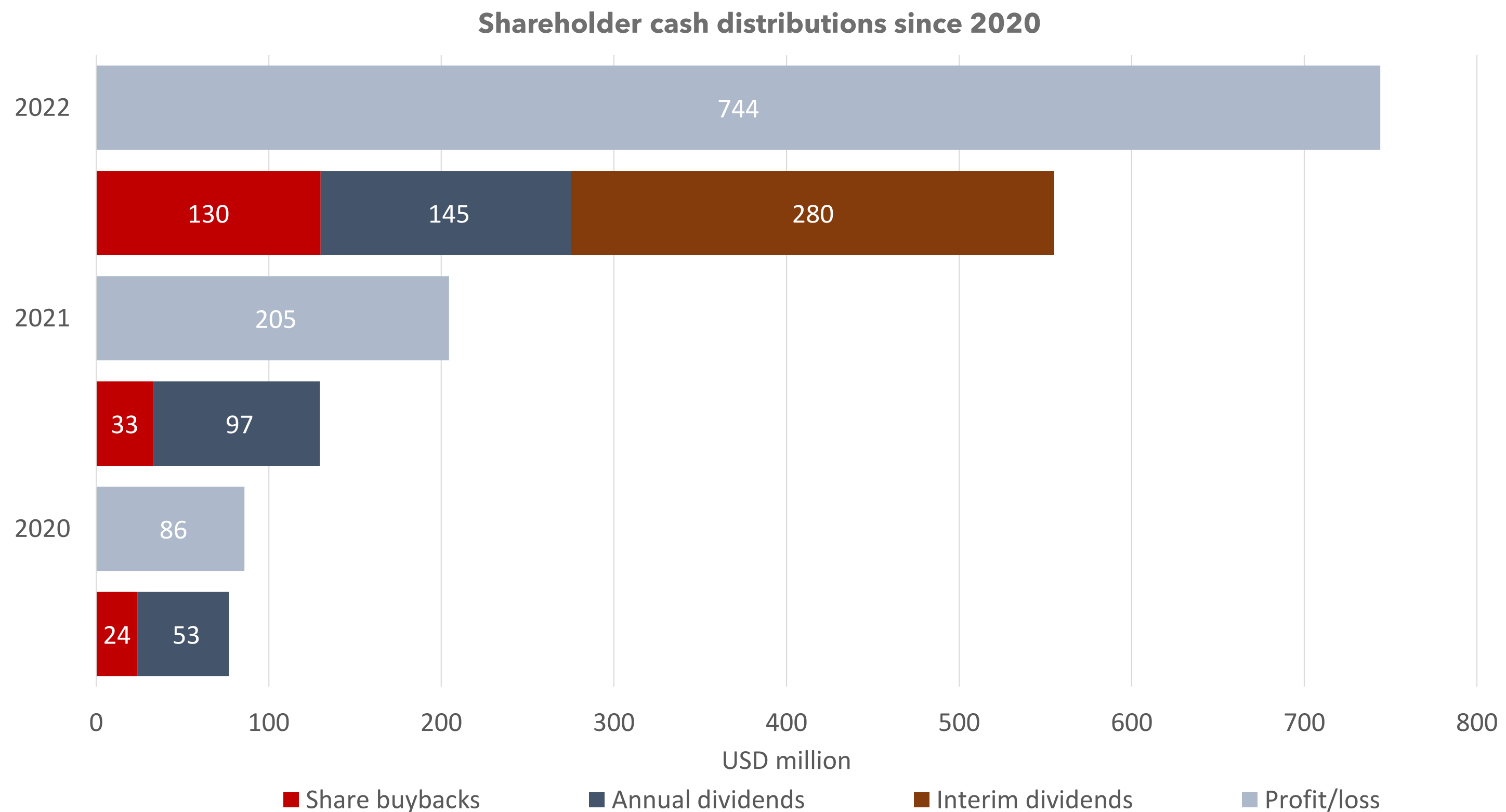
- Large shift from dry cargo to product tankers in Q2 2022
- Benefitting from high tanker exposure towards exceptional market
- Well positioned to capture dry cargo value in weakening market
- Unique ability to adapt entire group activity (upwards of 500 vessels) to ongoing market developments



01. FULL-YEAR 2022 HIGHLIGHTS

SHAREHOLDER CASH DISTRIBUTION

- Returned more than USD 750 million to shareholders since 2020
- Combined dividends of DKK 90 per share based on FY2022 results = Pay-out ratio of 57%
- Share buy-back programmes of USD 130 million in 2023
- Net share count reduced by 9% since 2020

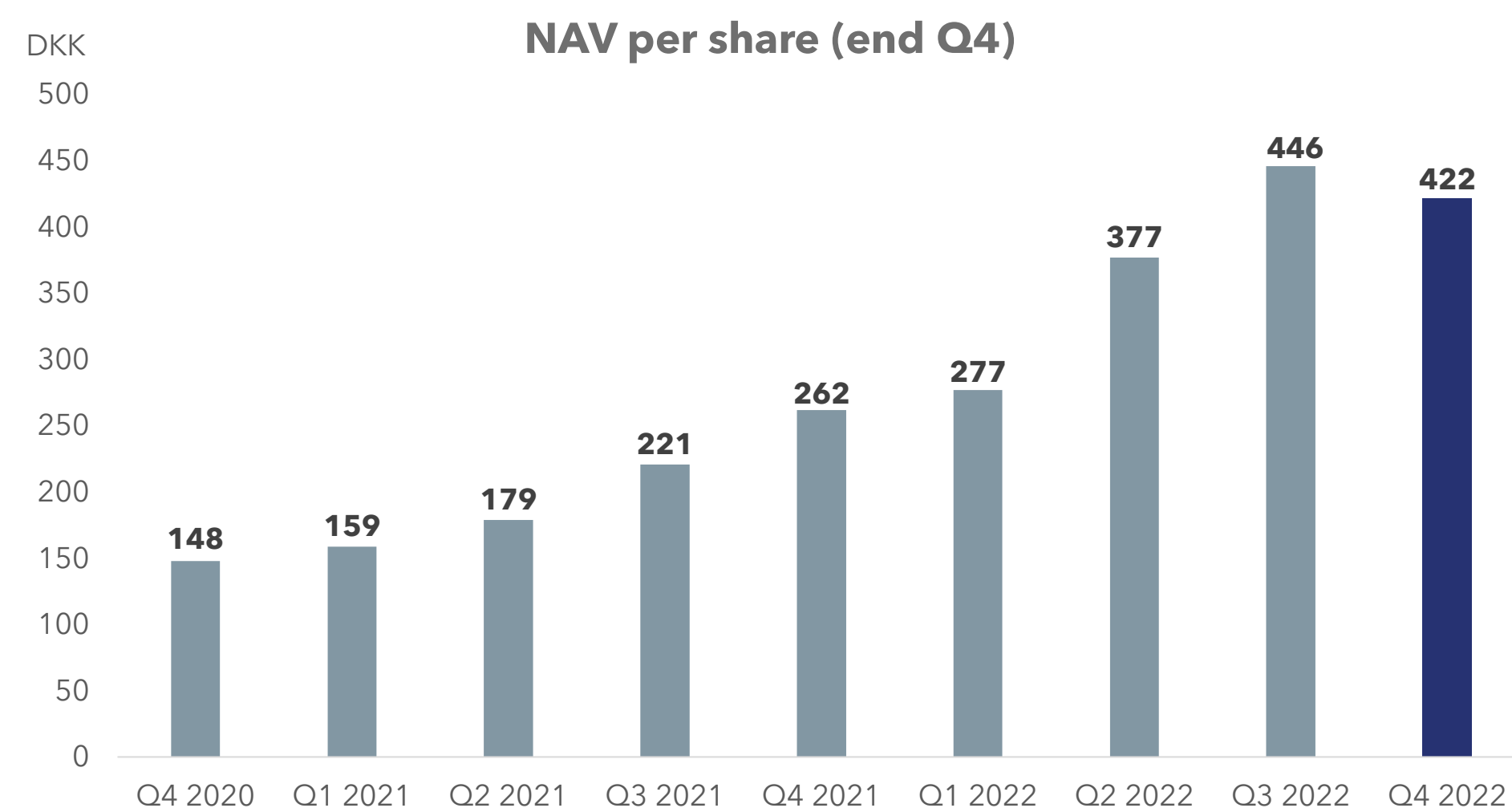


02. BUSINESS UNIT PERFORMANCE

In 2022, we carried enough grains to feed almost half a billion people for a year. That is equivalent to the entire South American population

02. ASSETS & LOGISTICS

EXPOSURE SHIFT BENEFITTING PORTFOLIO VALUE



FULL-YEAR PROFIT 2022: USD 193 MILLION

- Significant increase in BU NAV, reaching USD +2 billion, equal to 422 per share
- Captured high dry cargo values by reducing position ahead of market decline
- Benefitted from shifting exposure to tankers on soaring market
- Significant dry cargo and tanker cover earnings for 2023 locked in

KEY FIGURES FY 2022



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

USD million	Dry Cargo	Tankers	Total
Market value of owned vessels	255	527	782
Estimated market value of T/C and cover portfolio (incl. estimated value of optionality)	229	291	520
Total Asset & Logistics portfolio value	484	818	1,302
Net cash position			653
Newbuilding instalments			-27
Other net assets (book values)			115
Total business unit NAV			2,043
Business unit NAV per share, DKK			422
Market value of owned vessels vs. carrying amounts	35	164	199

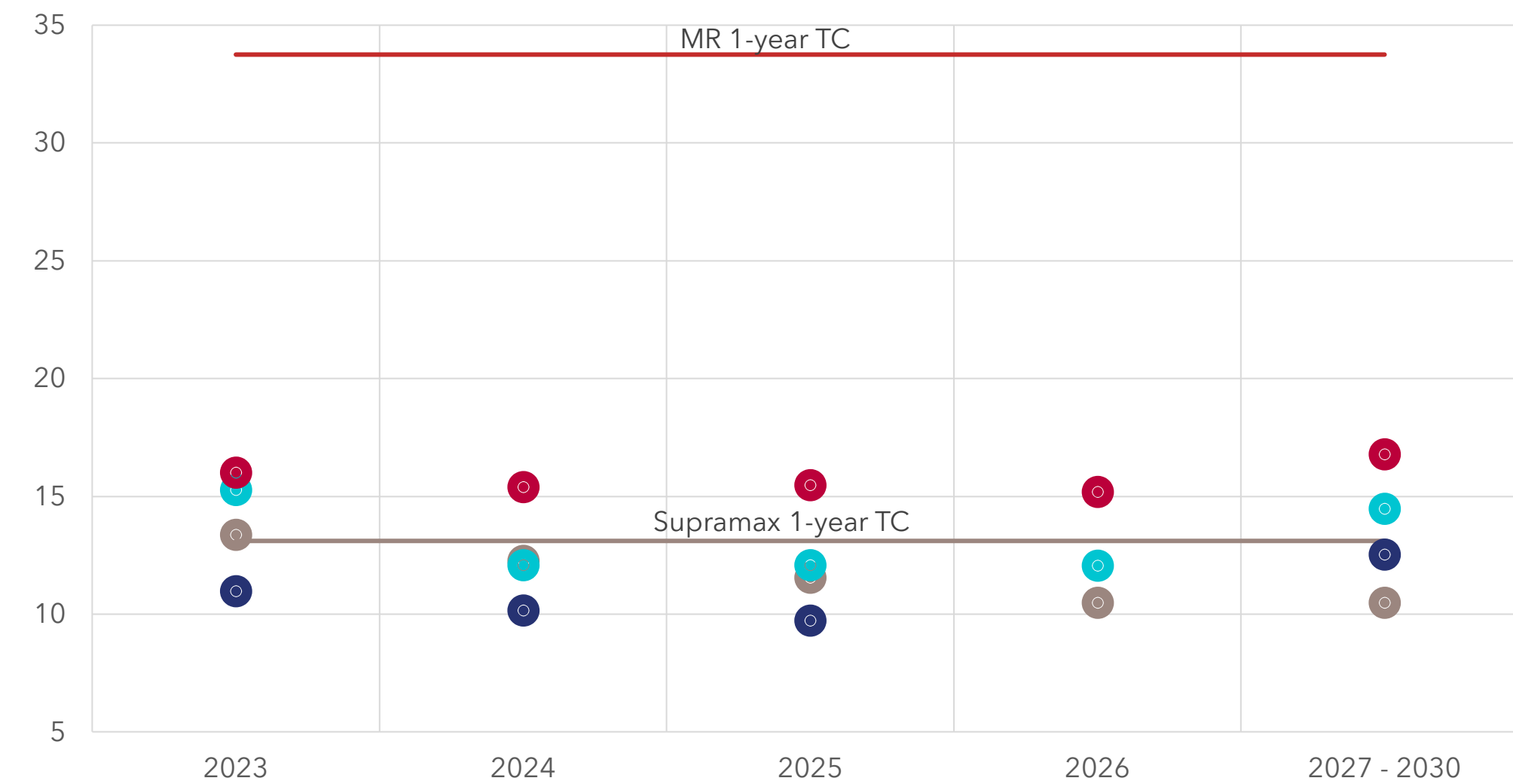
02. ASSET & LOGISTICS

EXTENSIVE OPTIONALITY IN PORTFOLIO

- ~60,000 extension option days in total, corresponding to ~164 full-year extension options
- Extension options: 78 options in total (51 options on dry cargo vessels and 27 on tanker vessels)
- Purchase options: 77 options in total (50 in dry cargo, 27 in tankers)

EXTENSION OPTIONS
(Average rate per vessel type per year)

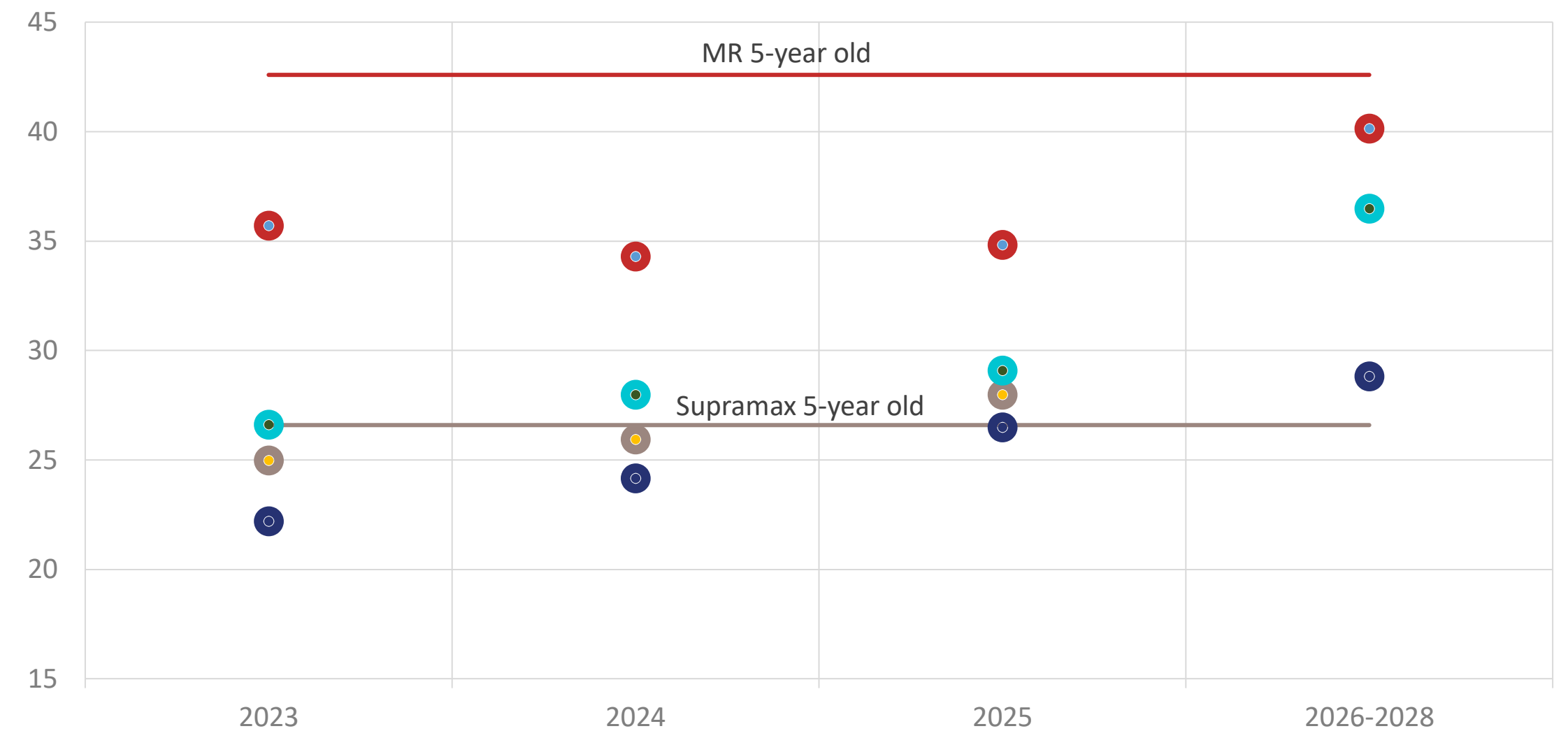
USD thousand / day



No. of options per year	2023	2024	2025	2026	2027 - 2030
	27	12	11	8	20

PURCHASE OPTIONS
(Average price per vessel type per year)

USD million



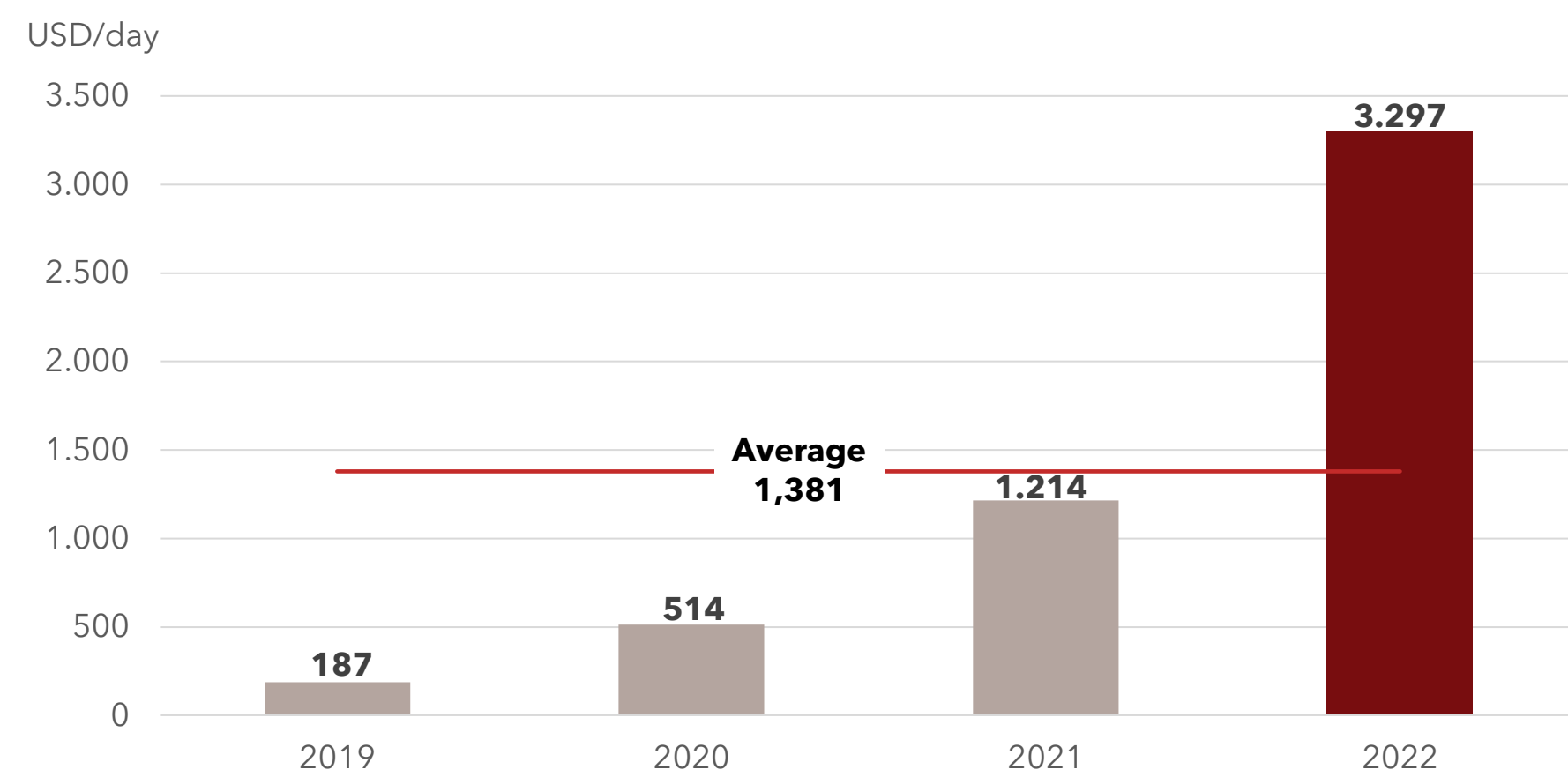
No. of options per year	2023	2024	2025	2026-2028
	34	16	11	10

Average age at declaration	2023	2024	2025	2026-2028
	6	4	4	3

02. FREIGHT SERVICES & TRADING

RECORD MARGINS IN TWO VOLATILE MARKETS

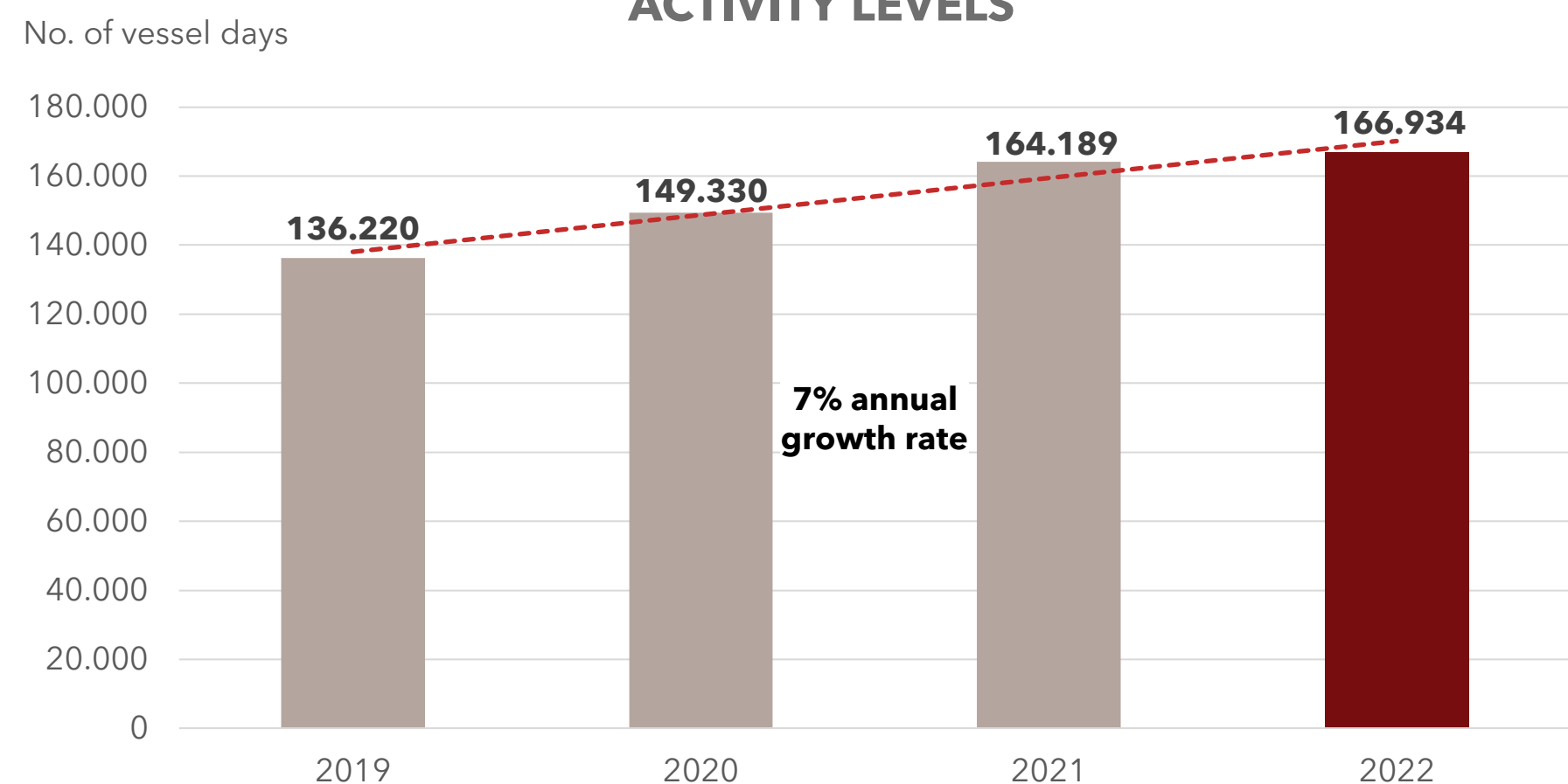
RESULT PER VESSEL DAY



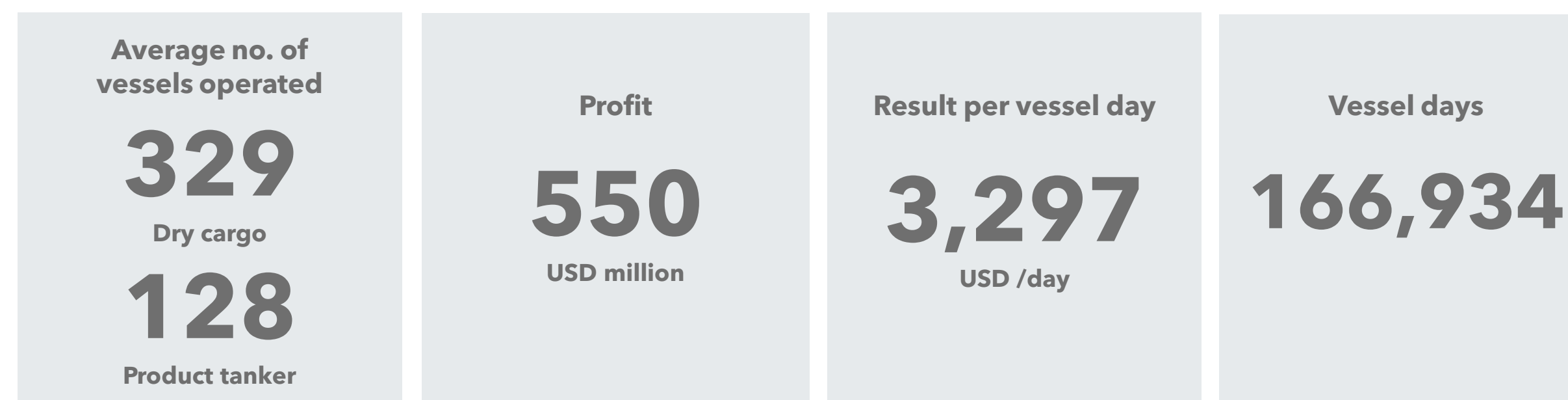
FULL-YEAR PROFIT 2022: USD 550 MILLION

- Daily margins more than doubled, capturing substantial value in both markets.
- Significant dry cargo earnings in both firm and weak market conditions.
- Shifting exposure to product tankers, benefitting from soaring and volatile rates.
- Enhanced operational margins driven by optimisation of daily operations
- Relaunch of NORDEN Tanker Pool to provide members with added services

ACTIVITY LEVELS



KEY FIGURES FY 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 31/12/2022

	USDm
Market value of own vessels	782
Market value of T/C & Cover portfolio	520
Net cash position	653
N/B instalments	-27
Other net assets (book values)	115
Total business unit NAV	2,043
Business unit NAV per share, DKK*	422

FREIGHT SERVICES & TRADING

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

Earnings-based valuation

	FY 2022	Average since 2019
Result per vessel day (USD)	3,297	1,381
Annual vessel days	166,934	154,168
Annual activity level growth	2%	7%
	Average 2019-2021	Average since 2019
Profit for the year (USDm)	101	213
Value per share with multiple of 5x (DKK)*	104	220
Value per share with multiple of 10x (DKK)*	209	440

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

03.

MARKET DEVELOPMENT AND OUTLOOK

Cleaning a ship hull saves on average 2,400 tonnes of CO2
in a normal operating year.
Every year, we clean more than 300 vessels

03. MARKETS

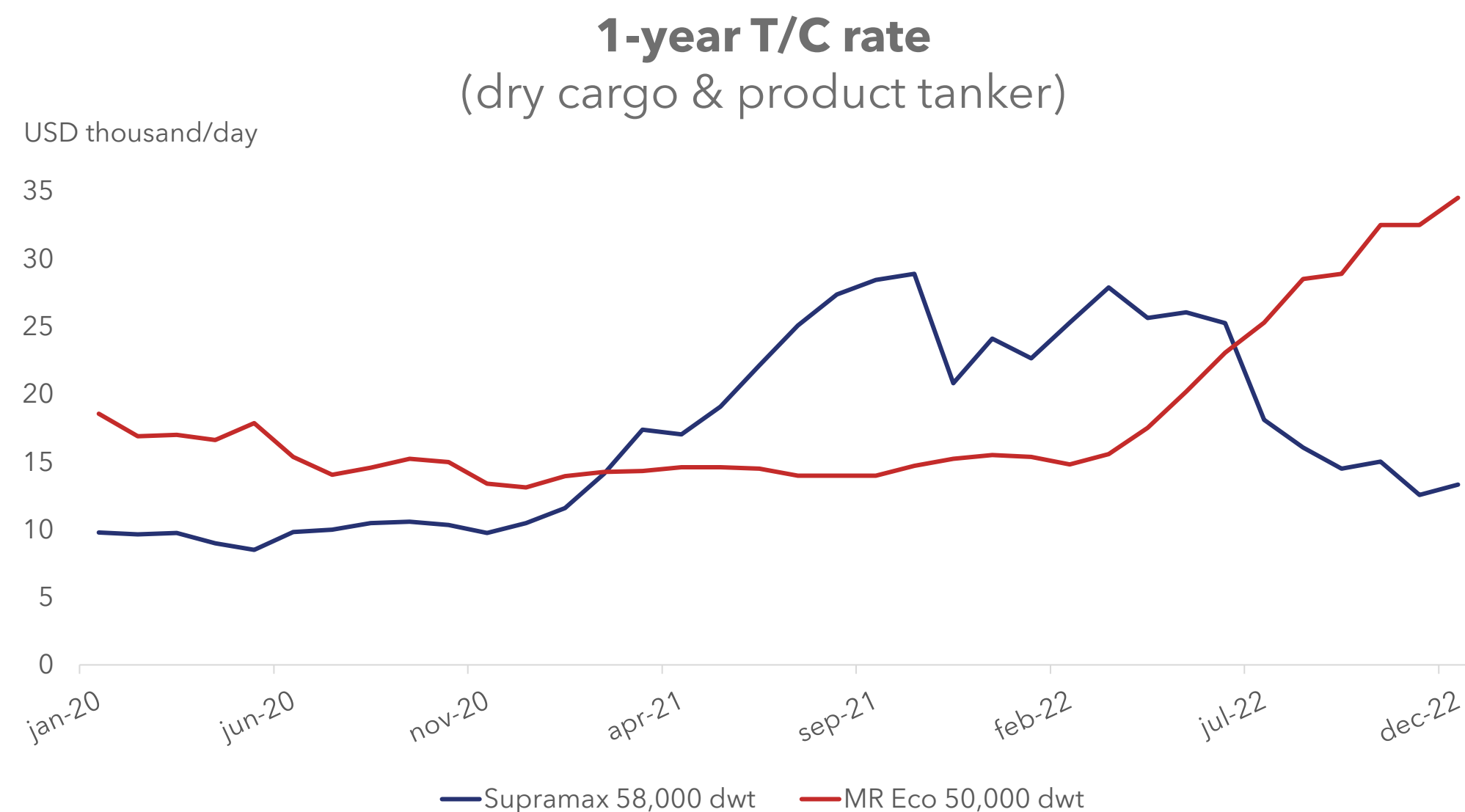
DRY AND TANKER MARKET IN Q4

Further weakening of dry cargo market

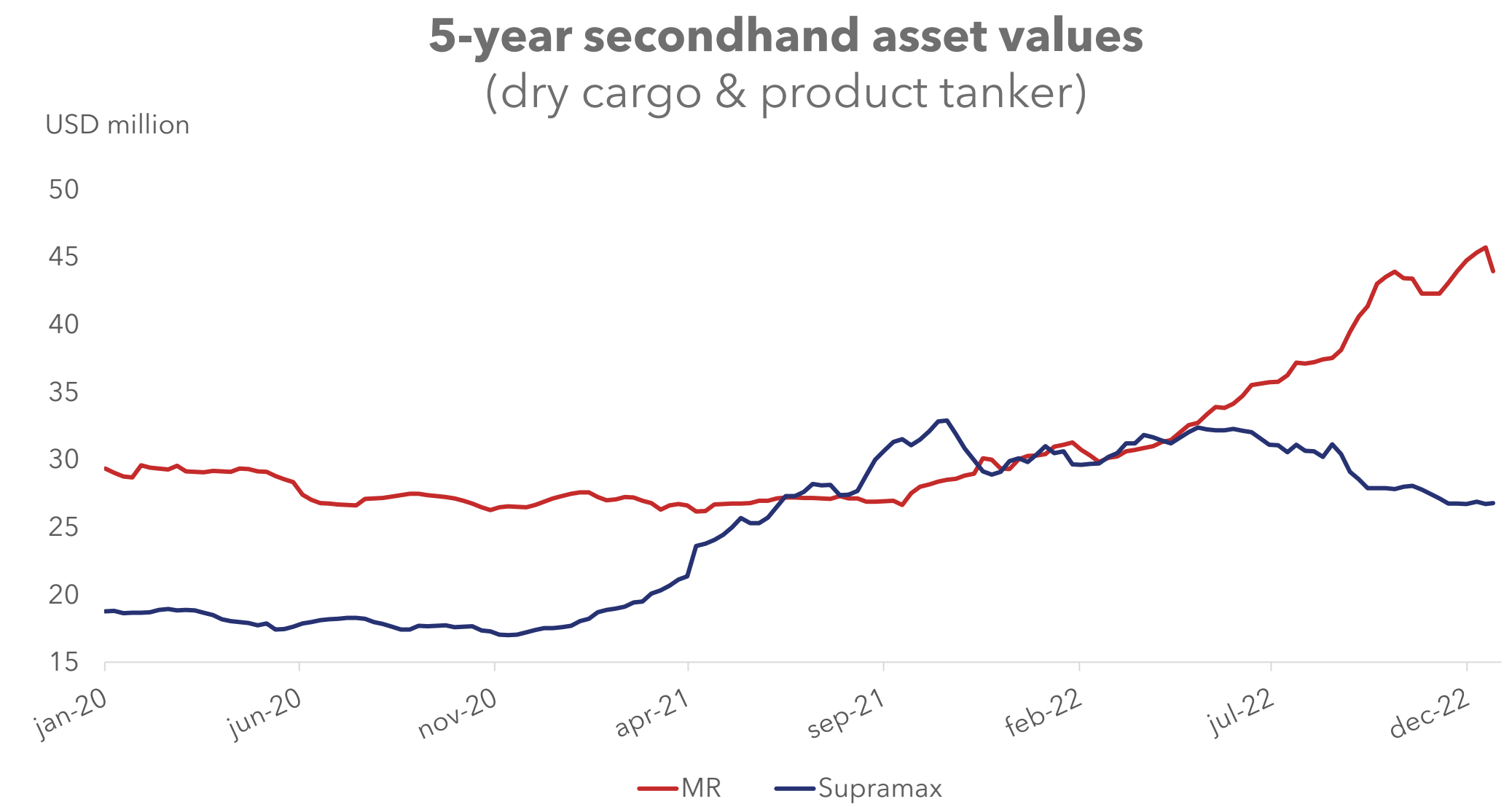
- Continuation of market decline - lower congestion and container spillover
- Considerably less commodity volumes transported in rest of world
- Coal volumes remained high
- 1-year T/C Supramax decreased by 8% to USD 13,300 per day
- Price of a 5-year old Supramax declined by 4% to USD 27 million

Soaring and volatile product tanker rates

- Refineries working at full capacity, supporting increased vessel demand
- Very high exports out of China and Russia
- 1-year T/C MR eco rate increased 19% to USD 34,500 per day
- Price of a 5-year old MR increased was stable at USD 44 million



Source: Clarksons



Source: VesselsValue

03. MARKETS

MARKET OUTLOOK IN DRY CARGO

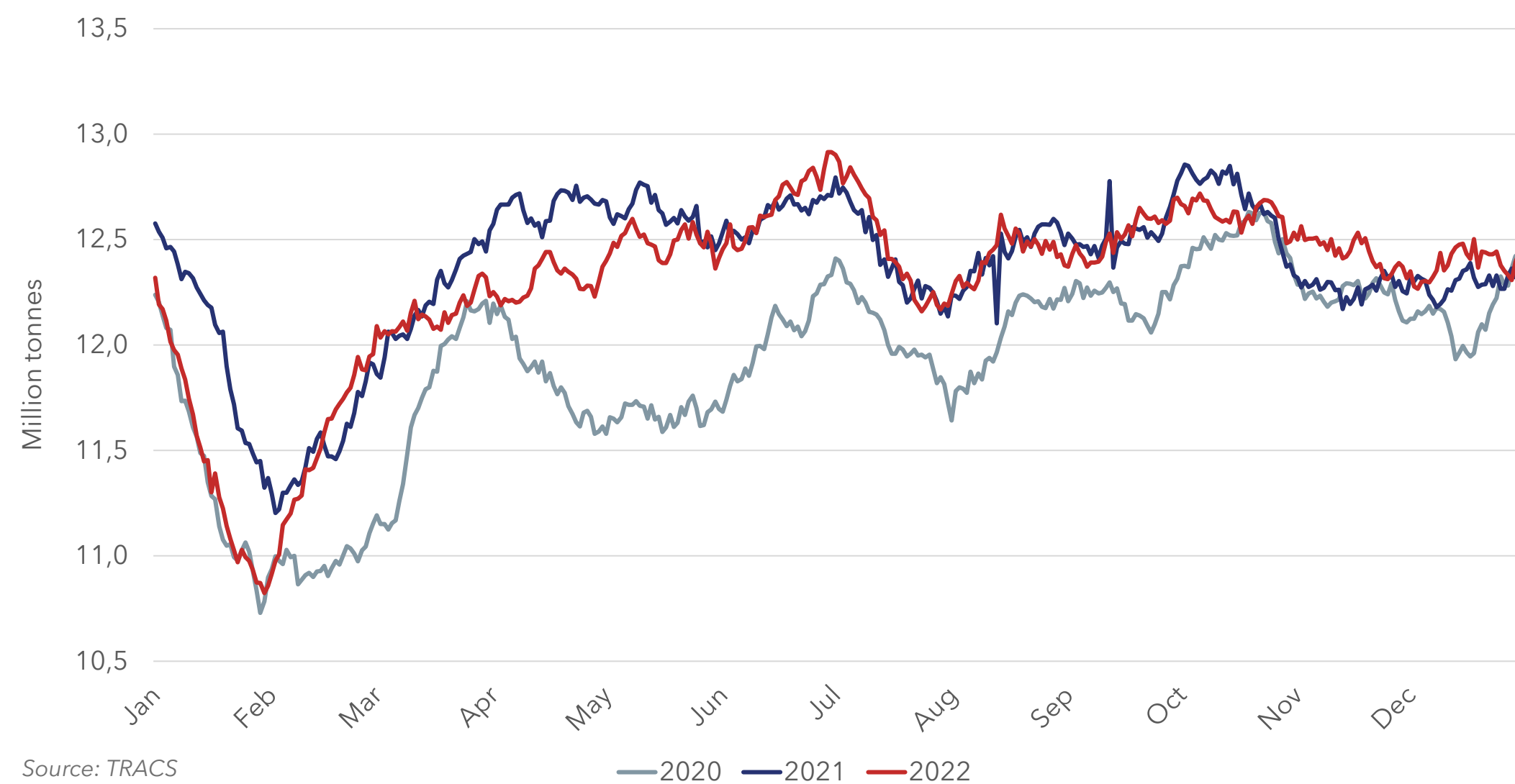
2023 expected to be weaker than 2022

- Main weakness during H1 2023, H2 probably stronger
- Macro economic slowdown limiting growth in commodity volumes
- No longer support from congestion and container spillover
- Coal demand offering less additional support - distance remains high
- Chinese reopening may lead to growth in H2, but property sector will take time to recover

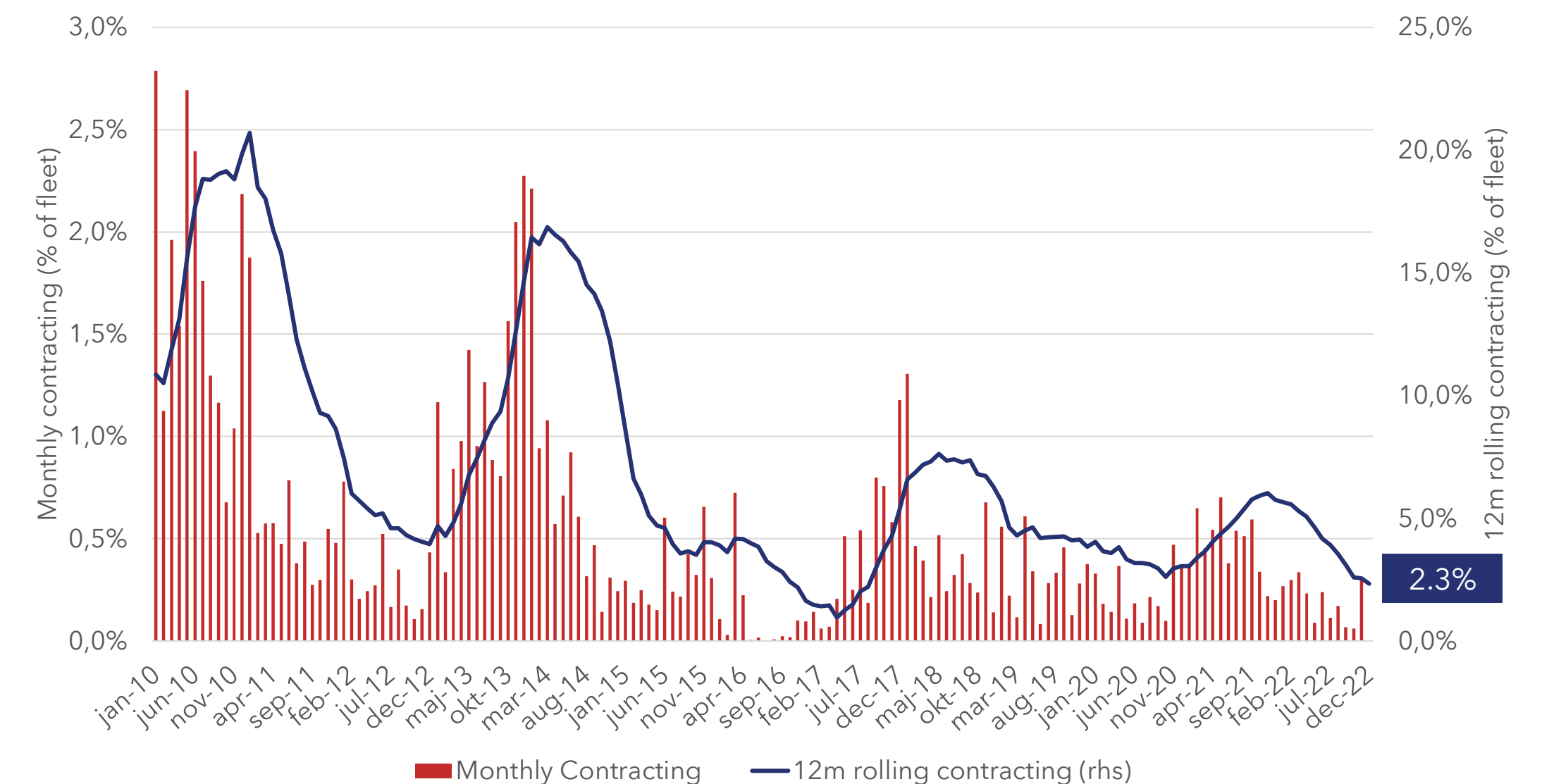
Vessel supply growth remains low

- Low orderbook a limit on any prolonged and deep downturn
- Expected global fleet growth of 2-2.5% for 2023-24

Global volumes transported (30-day moving average)



Dry Cargo Y/Y Fleet Growth & Monthly contracting



03. MARKETS

MARKET OUTLOOK IN TANKER

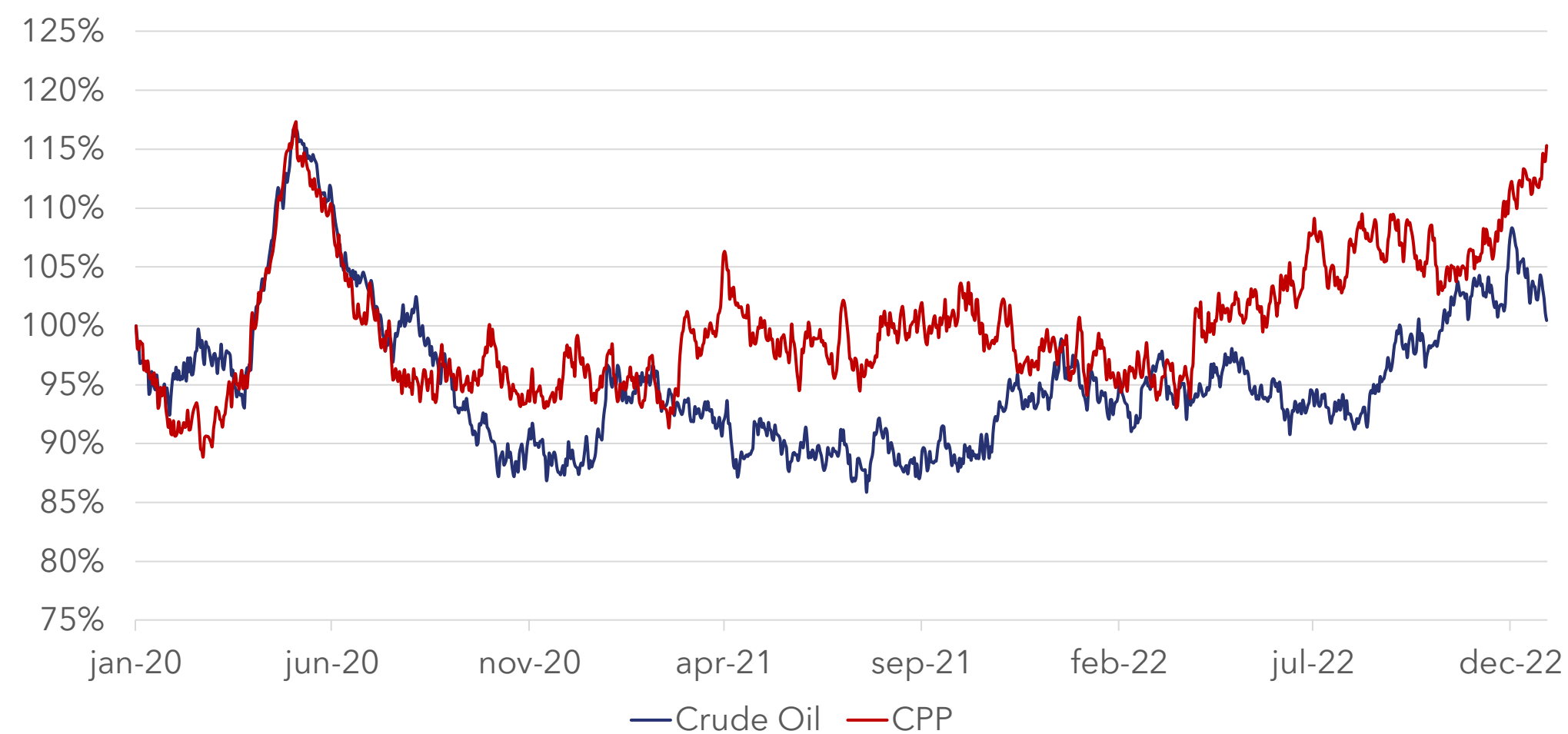
Strong base case

- Market expected to remain strong and volatile in 2023
- Sanctions leading to longer trading routes and more ballasting
- Oil demand remains relatively strong
- Support from China reopening and increased levels of air travelling
- High risks due to political uncertainty and weaker economic outlook

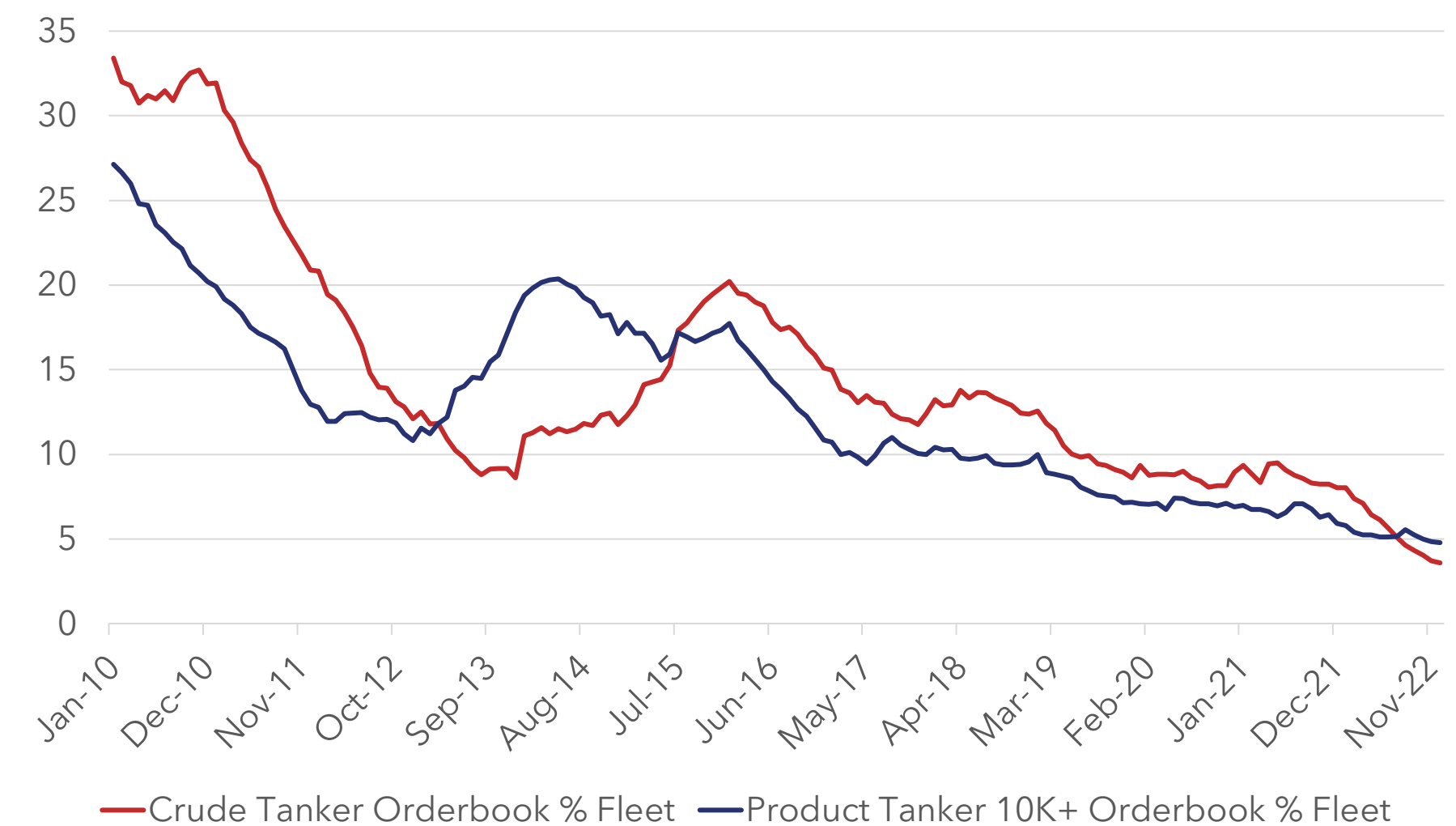
Low fleet growth supporting asset prices and period rates

- Historically low orderbook below 5%
- Limited yard capacity on MR tankers
- Expected global fleet growth of 2% in 2023-24

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



Orderbooks in % of fleet



Source: Vortexa

Source: NORDEN



04. 2022 GUIDANCE AND SUM-UP

We carried enough jet fuel in 2022 to keep a Boeing 747 flying for 30 years - non-stop

04. GUIDANCE

2023 GUIDANCE

Full-year guidance for 2023 profit: USD 330-430 million

ASSETS & LOGISTICS

- Expects slightly improved earnings in 2023 compared to 2022
- High coverage of tanker fleet at considerably improved rates
- Fully covered dry cargo fleet at profitable rates
- Vessel sales gains expected to contribute positively to the year

FREIGHT SERVICES & TRADING

- Significantly lower result expected for 2023 compared to 2022
- Margin per vessel day lower than the 4-year average expected
- 2023 activity levels expected to be in line with 2022 levels
- Well positioned to capitalise on highly volatile tanker market
- Positive contribution from dry cargo activities despite weaker market

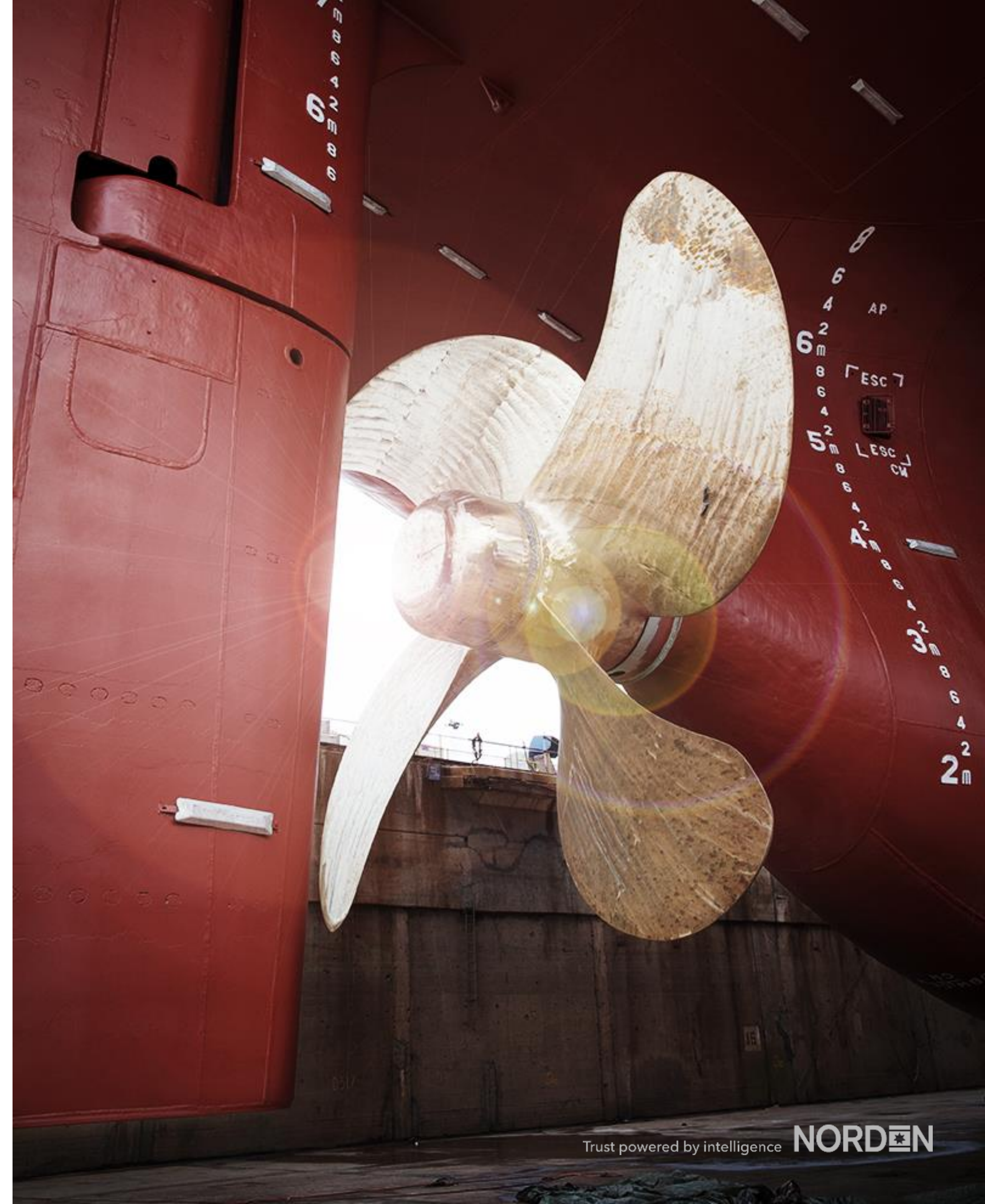
Open tanker days: 9,209 open MR tanker vessel days at start February 2023

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

04. FINAL WORDS

BEST RESULT IN NORDEN'S HISTORY

- Profit of USD 744 million and ROE of 64%
- Strong earnings in both a declining dry cargo market and a surging tanker market
- Large shift in exposure benefitting portfolio value, trading results and future earnings
- BU NAV reaching USD 2 billion, equal to DKK 422 per share
- Final dividend of DKK 30 per share (combined DKK 90 for FY 2022)
- New share buy-back of USD 50 million
- Expecting another high profit for the year: USD 330-430 million



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 2023 and subsequent years are subject to uncertainty, and NORDEN's actual results may therefore differ from the projections.

Factors that may cause such variance include, but are not limited to, changes in macro-economic and political conditions, particularly in the Company's principal markets; changes to the Company's rate assumptions and operating costs; volatility in rates and tonnage prices; regulatory changes; any disruptions to traffic and operations as a result of external events, etc.



THANK YOU FOR YOUR ATTENTION

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Connect with us



Each year, we transport 7 million tonnes of cement, used in the production of bridges, building and roads. The constant demand makes cement the second most-consumers commodity on the world, after water

APPENDIX - ABOUT NORDEN



WE ENABLE SMARTER GLOBAL TRADE



We are more than

425

employees

Tonnes of cargo carried

140 m

the last 12 months

Data points processed daily

9.4 bn

to support decisions

More than

450

vessels operated

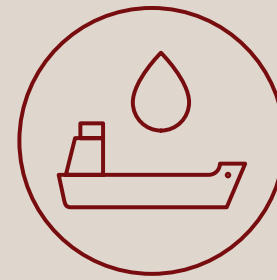
BUSINESS UNITS

ASSETS & LOGISTICS

Asset Management

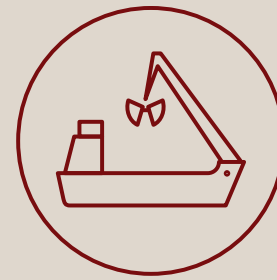


Dry cargo vessels



Product tanker vessels

Logistics & Climate solutions



Port logistics & decarbonisation

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

- Integrated port logistics and freight services
- Optimising customer supply chains

FREIGHT SERVICES AND TRADING

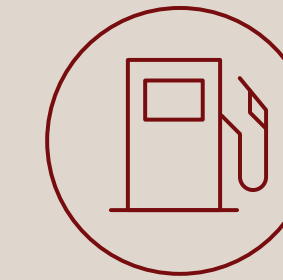
Asset-Light Freight Services



Construction



Foods & oils



Energy



Industrial

- 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

FOUNDATION

People & Culture

Data & Advanced analytics

NORDEN Brand

Customer relevance

Governance & Risk management

NORDEN STRATEGY 2023-2025



THE CUSTOMER

- Structured approach to large customers
- Securing the next projects in Logistics & Climate Solutions
- Expanding the NORDEN Tanker Pool



HIGH-PERFORMING ORGANISATION

- Next-level leadership and development of our people
- Improve feedback culture
- Data and analytics integrated in all decision-making processes

FOCUS AREAS



TRADING UP

- Sophisticate our trading discipline and strategies
- Explore market opportunities for large deals
- Enter Capesize vessel segment in both business units



ESG

- Introduction of low-emission freight products
- Reduction in emissions per tonne-mile
- Increased focus on diversity, equity & inclusion

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

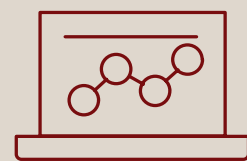
Macrotrends affecting shipping



Geopolitical complexity



Market volatility



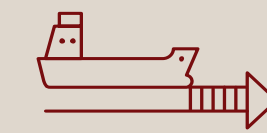
Digitalisation



Decarbonisation



NORDEN strategy



Delivering smarter global trade for our customers and partners



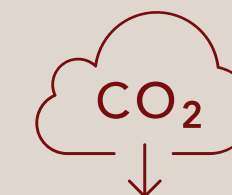
High-performing organisation in a value-based culture



Tradable positions and focus on optionality



Data, analytics and risk management integrated into all decisions



Decarbonise our customers' supply chains