ANNOUNCEMENT NO. 185 – 2 November 2023

INTERIM REPORT
THIRD QUARTER 2023



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

NORDEN

HIGHLIGHTS – THIRD QUARTER 2023

RESULTS

- Strong financial performance with a profit of USD 99 million for the third quarter.
  - Free cash flow before acquisition of businesses and other financial assets of USD 109 million.
  - Return on equity (annualised) 27%.
  - Earnings per share of DKK 19.
- Positive contributions from both business units.
  - Freight Services & Trading: USD 30 million.
  - Assets & Logistics: USD 69 million.
- On track to deliver on the full-year guidance with a profit of USD 357 million for the first nine months of 2023.
  - Free cash flow before acquisition of businesses and other financial assets of USD 305 million.
  - Return on equity (annualised) 35%.
  - Earnings per share of DKK 71.

BUSINESS HIGHLIGHTS

- Freight Services & Trading generated a profit of USD 738 per vessel day with majority of the earnings related to the tanker activities, while earnings in dry cargo remained positive.
- The integration of the acquired Projects & Parcelling activities was off to a positive start, with an EDITDA for the quarter of USD 7 million and commercial and cost synergies realised during the quarter.
- In Assets & Logistics the high covered earnings across segments contributed to a strong profit, despite weaker market conditions compared to last year in both dry cargo and tankers.
- Net asset value (NAV) of Assets & Logistics was DKK 360 per share following stable asset values and after cash distribution of USD 67 million to shareholders in the form of dividends and share buy-backs.
- During the quarter NORDEN have taken new decarbonisation initiatives through signing the first emission reduction freight contract with Teck Resources Ltd and announcing a minority investment in MASH Makes, a Danish-Indian biofuel scale-up.

GUIDANCE

- For the rest of the year and moving into 2024, NORDEN has secured high dry cargo and tanker coverage at profitable rates, focusing on lowering the exposure to the dry cargo market. Furthermore, NORDEN expects a decrease in margin per day in Freight Services & Trading moving into Q4 and 2024.
- The range for NORDEN's expected profit for the full-year 2023 is narrowed to USD 380-420 million (previously USD 360-420 million).
- The Board has decided to pay out an interim dividend of DKK 10 per share for Q3 to be distributed to shareholders on 7 November. The interim dividend will count as part of the dividend policy of paying out minimum 50% of the full-year profit.
- In addition, NORDEN will initiate a new share buy-back programme of up to USD 30 million, which will run until February 2024.

"NORDEN in Q3 generated a profit of USD 99 million in line with our expectations driven by our focus on de-risking the portfolio through high coverage. The start of the integration of Projects & Parcelling has been successful with commercial and cost synergies realised and the team bringing new expertise to the organisation. In uncertain market conditions we benefit from the asset-light business model contributing to 27% ROE and high cash distribution to our shareholders with an interim dividend of DKK 10 per share and a share buy-back programme of USD 30 million."

CEO Jan Rindbo

KEY FIGURES AND RATIOS FOR NORDEN

Amounts in USD million	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Income statement					
Revenue	899.3	1,495.5	2,851.2	4,003.5	5,312.4
Contribution margin	201.8	409.6	648.9	1,029.4	1,365.9
EBITDA	176.8	347.8	559.5	872.9	1,159.1
Profit/loss from sale of vessels etc.	7.3	19.5	76.0	47.7	79.4
Depreciation, amortisation and impairment losses	-77.6	-114.1	-258.6	-341.9	-449.7
EBIT	106.2	254.2	376.2	580.7	791.6
Financial items, net	-5.4	-9.4	-12.6	-36.6	-39.7
Profit for the period	98.6	243.1	357.0	538.9	743.5
Statement of financial position					
Total assets	2,458.7	2,834.3	2,458.7	2,834.3	2,755.4
Equity	1,281.6	1,323.3	1,281.6	1,323.3	1,330.7
Liabilities	1,177.1	1,511.0	1,177.1	1,511.0	1,424.7
Invested capital	1,247.6	1,611.1	1,247.6	1,611.1	1,303.2
Net interest-bearing debt	34.0	-287.8	34.0	-287.8	27.5
Cash and securities	694.6	683.2	694.6	683.2	842.3
Statement of cash flows					
Cash flow from operating activities	199.0	399.4	546.4	901.4	1,342.9
Cash flow from investing activities	-35.3	-84.7	0.3	-38.4	57.9
- hereof investments in property, plant and equipment	-57.5	-5.6	-253.9	-66.6	-205.5
Cash flow from financing activities	-165.7	-331.8	-675.2	-766.3	-1,151.7
Environmental and social figures					
EEOI (gCO_2/tonnes-mile) [1]	9.0	9.0	9.1	9.2	9.9
LTIR (days per million working hours) [2]	3.6	1.6	1.5	0.8	0.8
Fatalities incl. subcontractors [3]	-	-	-	2	2

	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Share-related key figures and financial ratios					
Number of shares of DKK 1 each (incl. treasury shares)	34,000,000	37,000,000	34,000,000	37,000,000	37,000,000
Number of shares of DKK 1 each (excl. treasury shares)	32,225,328	34,561,588	32,225,328	34,561,588	33,751,988
Number of treasury shares	1,774,672	2,438,412	1,774,672	2,438,412	3,248,012
Earnings per share (EPS), DKK [4]	19	51	71	107	150
Diluted earnings per share (diluted EPS), DKK [4]	19	51	71	106	149
Book value per share (excluding treasury shares) (DKK) [4]	280	292	280	292	275
Share price at end of period, DKK	393.0	321.4	393.0	321.4	418.3
Other key figures and financial ratios [5]					
EBITDA ratio	19.7%	23.3%	19.6%	21.8%	21.8%
ROIC [6]	33.3%	62.7%	39.3%	47.8%	54.0%
ROE [6]	27.1%	63.8%	34.9%	57.6%	64.0%
Equity ratio	52.1%	46.7%	52.1%	46.7%	48.3%
Total number of vessel days for the Group	44,747	43,210	127,818	129,565	171,932
USD/DKK rate at end of the period	703.9	762.9	703.9	762.9	697.2
Average USD/DKK rate	684.9	739.0	687.7	701.0	708.3

For full definitions, please refer to the "Definitions of key figures and financial ratios" and "ESG accounting policies" sections within the 2022 Annual Report.

1) The Energy Efficiency Operational Indicator (EEOI) is a measurement of energy efficiency and is defined as the amount of CO_2 emitted per tonne of cargo transported 1 nautical mile.

2) Lost-Time Incident Rate (LTIR) is calculated based on the number of work-related accidents, which causes a seafarer to be unable to work for more than 24 hours per 1 million working hours due to work-related injury.

3) Fatalities incl. subcontractors include the number of fatalities reported on owned vessels by NORDEN's vessel technical manager. Aligned to the SASB Marine Transportation standard (TR-MT-540a.1.).

4) Converted at the USD/DKK rate at end of period.

5) 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. The figures are adjusted for the Company´s holding of treasury shares.

6) Figures are annualised.

COMMENTS ON THE DEVELOPMENT OF THE THIRD QUARTER 2023

Results
The profit for the third quarter of 2023 amounted to USD 99 million (USD 243 million) of which profit from vessel sales was USD 7 million (USD 20 million). In addition, gains from subleases related to long-term charters contributed positively to the result with USD 31 million.

For the first nine months of 2023, the profit amounted to USD 357 million (USD 539 million) of which profit from vessel sales represented USD 76 million (USD 48 million).

EBITDA for the third quarter was USD 177 million in line with the previous quarter, but significantly lower compared to the exceptional earnings level in the third quarter of 2022 (USD 348 million).

Cash flows and liquidity
Free cash flow before acquisition of businesses and other financial assets during the third quarter of 2023 was USD 109 million (USD 321 million), with a cash flow from operating activities of USD 199 million (USD 399 million). High cash conversion and low investments contributed to the high free cash flow generation during the quarter.

For the first nine months of 2023, the free cash flow before acquisition of businesses and other financial assets amounted to USD 305 million (USD 667 million).

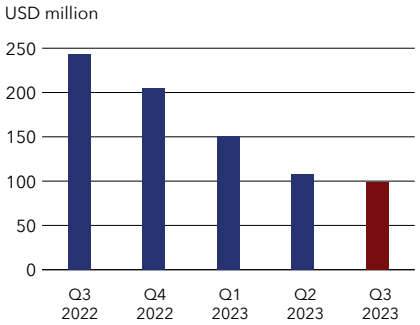
During the third quarter of 2023, cash and cash equivalents slightly increased with USD 16 million from USD 679 million to USD 695 million despite cash distribution to shareholders in the form of dividends and share buy-backs totaling USD 67 million, offset by positive free cash flow generation from operating activities and vessel sales.

As of 30 September 2023, NORDEN had undrawn committed credit facilities of USD 200 million of which USD 120 million were directly accessible.

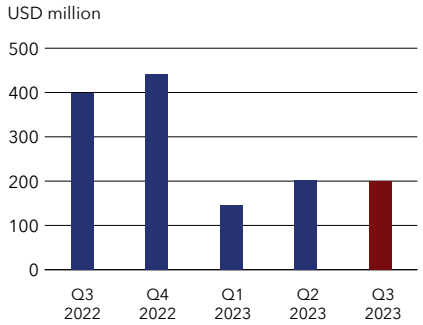
Return on invested capital and equity
The continued strong earnings combined with reduced invested capital resulted in an annualised return on invested capital of 33% (63%) for the quarter and 39% (48%) for the first nine months of the year.

The annualised return on equity was 27% (64%) for the third quarter and 35% (58%) for the first nine months of the year.

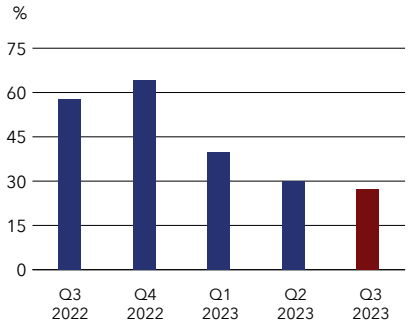
Profit for the period



Cash flow from operations

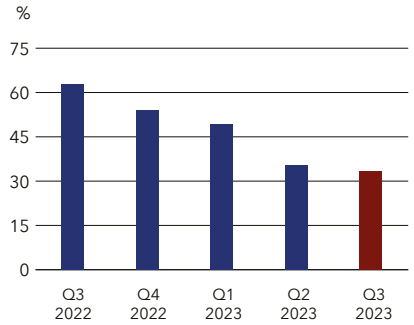


Return on equity



Note: Quarterly figures are annualised

Return on invested capital



Note: Quarterly figures are annualised

MARKET DEVELOPMENTS

DRY CARGO MARKET

Market development and spot rates
The market environment for dry cargo was as expected difficult throughout most of the quarter, driven by normal seasonality and lower global demand growth. By the end of the quarter spot rates rallied, particularly in Capesize, without impacting the forward rates.

Total demand turned weaker with tonne-miles slightly up 2.5% year-on-year mostly driven by high Chinese activity, while demand from the rest of the world was negative.

With global congestion back to pre-covid levels the effective capacity grew resulting in a reduction in overall fleet utilisation. Average Supramax spot rates was 7% lower compared to Q2 at USD 10,028 per day.

Period rates and asset prices
1-year T/C rates for Supramax vessels experienced a sharp decline at end Q2 followed by an increase of 8% at end Q3 to USD 12,800 per day. Asset prices have maintained strength with a marginal decline of 2% for 5-year-old Supramax vessels to USD 27.3 million.

Market outlook
For the rest of the year and into 2024 the market outlook is expected to be challenging, driven by the global slowdown in economic growth, including China. The recent uptick in spot rates are projected to normalise due to seasonality.

The fundamentals for dry cargo are intact supported by expected stable demand growth and historically low orderbooks.

PRODUCT TANKER MARKET

Market development and spot rates
A continued strong market, although market inefficiencies have continued to gradually alleviate, as more efficient trading patterns have emerged amid sanctions regime leading to less short-term scramble for diesel compared to 2022.

Product tanker market was still positively impacted by longer distances, high refinery margins and low product inventories, particularly in Europe.

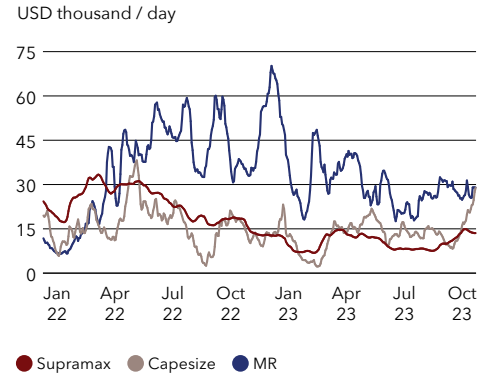
The Russian ban on exports of diesel and gasoline in September, combined with the initial oil price movements was short-lived and had limited impact on the market.

Average spot market rates decreased by 44% year-over-year and 9% quarter-on-quarter to USD 26,372 per day.

Period rates and asset prices
The 1-year T/C rate for MR Eco vessels decreased by 5% from USD 28,900 to USD 27,563 per day. Asset prices for 5-year MR vessels remained high with a marginal decrease of 4% to USD 41 million at the end of Q3.

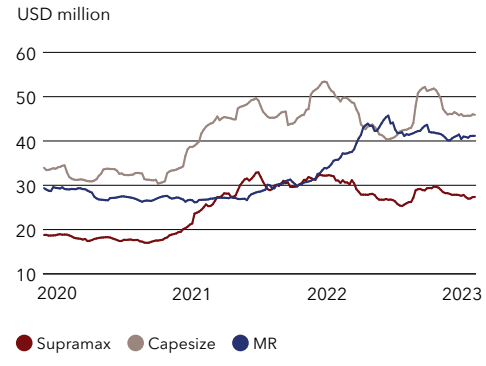
Market outlook
Product tanker market conditions are expected to remain strong for the rest of the year as the key drivers for the third quarter is expected to be intact. Low growth in supply will contribute to a firm market situation. Rate volatility and risks to the strong base case remain high due to geopolitical uncertainty and less inefficiency.

Spot rates



Source: Baltic Exchange

Asset values
5-year old vessels



Source: VesselsValue

FREIGHT SERVICES & TRADING

RESULTS

Profit of USD 30 million for the quarter was significantly lower compared to the exceptional performance in Q3 2022 (USD 190 million).

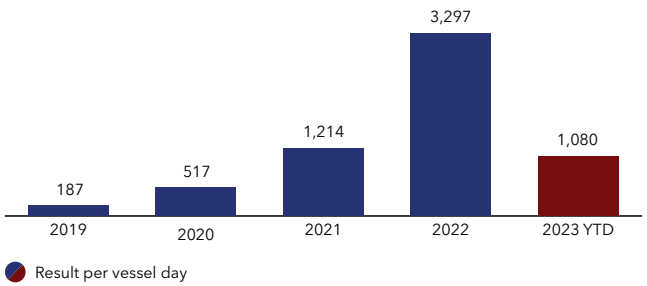
The business unit experienced a challenging quarter where rates were lower and charter cost higher compared to the previous quarter. However, the business unit managed to navigate the challenges and remain profitable.

Result per vessel day of USD 738 decreased from USD 840 per day in Q2 2023, and below average result per vessel day since 2019 excl. 2022 of USD 757.

Activity levels were 4% lower in the first nine months of 2023 compared to the same period last year, as NORDEN prioritises profitability ahead of growth in cargo volumes.

Result per vessel day

USD / day



Note: 2023 figures based on year-to-date profit and number of vessel days

BUSINESS HIGHLIGHTS

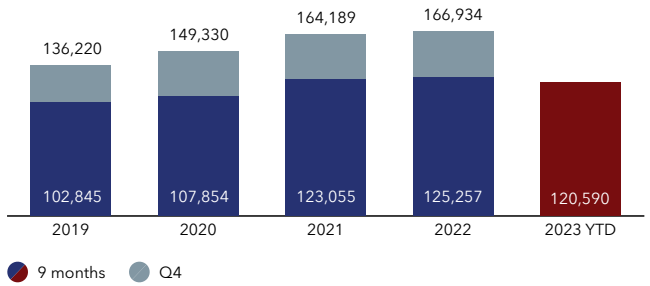
Dry cargo rates behaved very normal compared to pre-covid seasonality with markets declining towards August and rising thereafter. NORDEN entered the quarter with a short position (more cargoes than tonnage) in anticipation of weaker market conditions. Tonnage was repositioned towards South America for the upcoming grain season.

In tankers, the business unit secured continued profitability from time charter-out contracts and regional arbitrage between basins, even though the charter-in cost of tonnage increased and negatively impacted the result.

The integration of the acquired Projects & Parcelling activities was off to a successful start with both commercial and cost synergies realised during the quarter. Both revenue and profit were above the success criteria for the acquisition with an EBITDA for the quarter of USD 7 million.

Activity levels

No. of vessel days



Freight Services & Trading key figures

Amount in USD million	Q3 2023	Q3 2022	Last 4 Quarters
Contribution margin	93.2	322.7	594.2
O/A costs	-20.6	-57.5	-114.1
Profit/loss for period	29.8	190.3	262.0
Vessel days	40,353	41,525	162,266
Result per vessel day (USD/day)	738	4,583	1,615

Historical performance

	Annual avg. since 2019 [1]
Result per vessel day (USD)	1,332
Result per vessel day (USD) excl. 2022	757

[1] Figures based on historical track record with comparative figures dating back to 2019 where former operator business units where established.

Average no. of operated vessels

Dry cargo:

327

Product tanker:

112

ASSETS & LOGISTICS

RESULTS

Assets & Logistics generated a profit of USD 69 million (USD 53 million) with positive contribution from sales gains of USD 7 million and subleases of USD 14 million.

The improvement in profit was generated by the high attractive cover earnings across both dry cargo and tankers, mitigating the weaker market conditions.

Net asset value (NAV) of the business unit portfolio (including NORDEN's net cash position) was USD 1,652 million or DKK 360 per share following stable asset values and a higher net cash position, despite cash distribution to shareholders in the form of dividends and share buy-backs.

Market value of both owned and leased vessels was USD 1,261 million at the end of Q3. The market value of owned vessels exceeded book values by USD 143 million.

Net asset value of Assets & Logistics [1]

Amount in USD million	Dry cargo	Tankers	Total
Market value of owned vessels [2]	512	412	924
Estimated market value of leased vessels & cover portfolio [3]	127	210	337
Total Assets & Logistics portfolio value	**639**	**622**	**1,261**
Net cash position			527
Instalments			-218
Other net assets (book values) excluding intangibles			82
Total business unit NAV			**1,652**
Business unit NAV per share, DKK			**360**
Market value of owned vessels vs. carrying amounts	25	118	143

BUSINESS HIGHLIGHTS

The business continues to have a fully covered dry cargo portfolio for the rest of the year and very high cover for 2024, as underlying market conditions are expected to be challenging due to lower demand growth and normalisation in the congestion of the global fleet capacity.

Added deferred exposure for 2025 and onwards as the fundamentals for dry cargo are still positive, driven by a historically low orderbook and expected higher demolition due to an aging fleet and new environmental regulations.

During the quarter Assets & Logistics have taken advantage of the high margins in tankers by lowering exposure through long-term contracts.

High earnings visibility already secured for 2024 across the operated fleet of 110 dry cargo and tanker vessels, with cover of 93% in dry cargo and 52% cover in tankers at attractive margins. In addition to the high cover, Assets & Logistics have a high degree of optionality in dry cargo and tankers with 64,771 extension days and 79 purchase options.

[1] Including NORDEN's net cash position.

[2] Including vessels contracted for future delivery. Vessels are included from the date of their purchase or newbuilding agreement until the delivery date according to the respective sales contract. The market value of each included vessel is based on either broker valuations or sales value, if such a value exists.

[3] Including estimated market value of optionality.

[4] Minimum lease period in excess of 2 years.

Owned vessels in portfolio values and portfolio overview are excl. owned vessels from financial leasing transactions. NAV per share based on USD/DKK rate and share count as of balance sheet at end of quarter, excluding treasury shares held by NORDEN.

Assets & Logistics key figures

Amount in USD million	Q3 2023	Q3 2022	Last 4 Quarters
Contribution margin	108.6	86.9	392.7
O/A costs	-4.4	-4.3	-24.2
Profit/Loss from sale of vessels	7.3	19.5	107.8
Profit/loss for the period	68.8	52.8	299.6

Assets & Logistics fleet overview

	Dry cargo	Tankers	Total
Active fleet			
Owned vessels	8	11	19
Leased vessels [4]	44	23	67
Total active	52	34	86
Contracted future changes			
Owned vessels (net entries & exits)	6	-	6
Leased vessels [4] (entries only)	12	6	18
Total future changes	18	6	24
Total vessels	70	40	110

Logistics assets	Floating transfer station	Tug-boats	Barges
Total	1	9	3

OUTLOOK FOR 2023

Guidance
Based on the year-to-date profit of USD 357 million and high coverage for the rest of the year, NORDEN narrows its guidance range to a full-year profit of USD 380-420 million (previously USD 360-420 million), including gains on sale of vessels.

Freight Services & Trading
Expectations are that earnings and margins per day in Q4 2023 will decrease further compared to Q3 2023. Based on the current market outlook the margins for the first half year of 2024 are expected to be significantly lower than the average historical level for the last five years (excluding full-year 2022) of USD 757 per day.

Assets & Logistics
Expectations are that earnings will continue at a high level in Q4 2023 and stay elevated for the full-year 2024, driven by the high coverage across dry cargo and tankers.

Dividend policy to pay out minimum 50% of the profit for the year, including profit/loss from sale of vessels.

Seasonality and uncertainty
Given the geopolitical and macroeconomic uncertainties in general, the freight market uncertainty and volatility is expected to remain high for the rest of the year. With our asset-light business model and strong operating platform, NORDEN is well-positioned to manage the uncertainty and adjust exposure accordingly.

Events after the reporting date
No significant events have occurred between the reporting date and the publication of the annual report, which have not already been included and adequately disclosed in the quarterly report, and which materially affect the assessment of the Company's and Group's results of operations or financial position.

"NORDEN narrows guidance for full-year profit to USD 380-420 million"

Further information
Stig Frederiksen
Head of Investor Relations
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Forward-looking statements
This interim report contains certain forward-looking statements reflecting Management's present judgement of future events and financial results. Statements relating to 2023 and the years ahead are inherently subject to uncertainty, and NORDEN's realised results may therefore differ from projections. Factors that may cause NORDEN's realised results to differ from the projections in this report include, but are not limited to: Changes to macroeconomic and political conditions – particularly in the Group's principal markets; changes to NORDEN's rate assumptions and budgeted operating expenses; volatility in freight rates and tonnage prices; regulatory changes; counterparty risks; any disruptions to 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 30 September 2023 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 2022.

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 30 September 2023 as well as the result of Dampskibsselskabet NORDEN A/S' consolidated activities and cash flows for the period 1 January to 30 September.

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, relative to the disclosures in the Annual Report for 2022.

Hellerup, 2 November 2023

Executive Management

Jan Rindbo
Chief Executive Officer

Martin Badsted
Chief Financial Officer

Board of Directors

Klaus Nyborg
Chair

Johanne Riegels Østergård
Vice Chair

Karsten Knudsen

Robert Hvide Macleod

Ian Mcintosh

Vibeke Bak Solok

William Boatwright
(employee-elected)

Christina Lerchedahl Christensen
(employee-elected)

Henrik Røjel
(employee-elected)

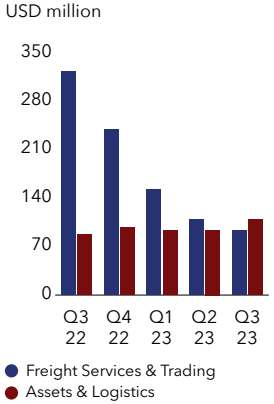
CONSOLIDATED INCOME STATEMENT

Amounts in USD million	Note	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Revenue	3	**899.3**	**1,495.5**	**2,851.2**	**4,003.5**	**5,312.4**
Other operating income		3.6	7.3	12.3	25.5	27.7
Vessel operation costs	4	-701.1	-1,093.2	-2,214.6	-2,999.6	-3,974.2
Contribution margin		**201.8**	**409.6**	**648.9**	**1,029.4**	**1,365.9**
Overhead and administration costs	4	-25.0	-61.8	-89.4	-156.5	-206.8
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)		**176.8**	**347.8**	**559.5**	**872.9**	**1,159.1**
Profit/loss from sale of vessels etc.		7.3	19.5	76.0	47.7	79.4
Depreciation, amortisation and impairment losses, net	5	-77.6	-114.1	-258.6	-341.9	-449.7
Profit/loss from investments in joint ventures	6	-0.3	1.0	-0.7	2.0	2.8
Profit from operations (EBIT)		**106.2**	**254.2**	**376.2**	**580.7**	**791.6**
Financial income	7	6.5	3.6	28.2	4.9	12.3
Financial expenses	7	-11.9	-13.0	-40.8	-41.5	-52.0
Profit/loss before tax		**100.8**	**244.8**	**363.6**	**544.1**	**751.9**
Tax		-2.2	-1.7	-6.6	-5.2	-8.4
Profit/loss for the period		**98.6**	**243.1**	**357.0**	**538.9**	**743.5**
Attributable to:						
Owners of Dampskibsselskabet NORDEN A/S		**98.6**	**243.1**	**357.0**	**538.9**	**743.5**
Earnings per share (EPS)						
Earnings per share (USD)		2.8	6.9	10.3	15.2	21.2
Earnings per share, diluted (USD)		2.8	6.9	10.3	15.1	21.1

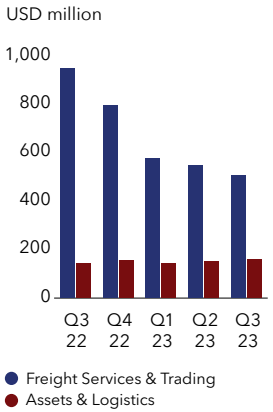
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in USD million	Note	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Profit for the period		**98.6**	**243.1**	**357.0**	**538.9**	**743.5**
Items which will be reclassified to the income statement:						
Fair value adjustment for the period, cash flow hedges	8	-0.4	13.1	-49.4	112.1	94.3
Other comprehensive income, total		**-0.4**	**13.1**	**-49.4**	**112.1**	**94.3**
Total comprehensive income for the period, after tax		**98.2**	**256.2**	**307.6**	**651.0**	**837.8**
Attributable to:						
Owners of Dampskibsselskabet NORDEN A/S		**98.2**	**256.2**	**307.6**	**651.0**	**837.8**

Contribution margin



T/C-equivalent revenue



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

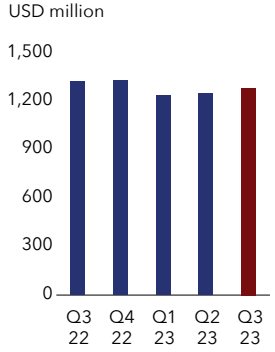
Assets

Amounts in USD million	Note	30/9 2023	30/9 2022	31/12 2022
Goodwill		35.3	-	-
Other intangible assets		17.6	-	-
Total intangible assets		**52.9**	**-**	**-**
Vessels	9	602.1	590.0	525.6
Right-of-use assets	10	322.7	536.4	454.0
Property and equipment		49.9	50.3	50.4
Prepayments on vessels and newbuildings	11	45.1	28.8	32.1
Total tangible assets		**1,019.8**	**1,205.5**	**1,062.1**
Investments in joint ventures		-	-	-
Receivables from subleasing		26.7	10.0	14.0
Total financial assets		**26.7**	**10.0**	**14.0**
Total non-current assets		**1,099.4**	**1,215.5**	**1,076.1**
Inventories		97.0	164.1	134.2
Receivables from subleasing		96.1	59.8	77.9
Freight receivables		264.0	390.0	328.9
Receivables from joint ventures		0.1	3.1	1.5
Other receivables		41.4	35.7	45.5
Prepayments		129.3	151.0	139.0
Other financial assets	12	12.7	-	-
Cash and cash equivalents		694.6	683.2	842.3
		1,335.2	**1,486.9**	**1,569.3**
Vessels held for sale		24.1	131.9	110.0
Total current assets		**1,359.3**	**1,618.8**	**1,679.3**
TOTAL ASSETS		**2,458.7**	**2,834.3**	**2,755.4**

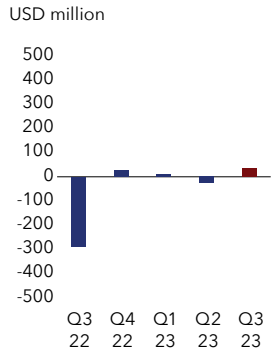
Equity and liabilities

Amounts in USD million	Note	30/9 2023	30/9 2022	31/12 2022
Share capital		5.4	5.9	5.9
Reserve for hedges		13.7	80.9	63.1
Retained earnings		1,262.5	1,236.5	1,261.7
Total equity		**1,281.6**	**1,323.3**	**1,330.7**
Loans		179.8	266.9	200.6
Lease liabilities	10	182.3	272.3	243.3
Bonds		-	73.6	73.7
Total non-current liabilities		**362.1**	**612.8**	**517.6**
Loans		21.6	33.7	21.0
Bonds		74.1	-	-
Lease liabilities	10	215.5	324.5	276.2
Trade payables		247.5	272.8	279.5
Debt to joint ventures		-	0.1	-
Tax payables		4.8	3.7	0.3
Other payables		145.3	138.8	224.5
Deferred income		102.2	108.2	84.6
		811.0	**881.8**	**886.1**
Liabilities relating to vessels held for sale		4.0	16.4	21.0
Total current liabilities		**815.0**	**898.2**	**907.1**
Total liabilities		**1,177.1**	**1,511.0**	**1,424.7**
TOTAL EQUITY AND LIABILITIES		**2,458.7**	**2,834.3**	**2,755.4**

Equity



Net interest-bearing debt



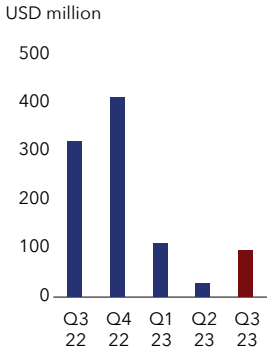
CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in USD million	Note	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Profit for the period		98.6	243.1	357.0	538.9	743.5
Reversal of items from the income statement		47.2	94.3	142.0	304.9	371.1
Change in working capital		16.2	47.0	-45.2	23.2	183.5
Instalments on sublease receivables		37.2	15.2	94.7	35.9	52.9
Income tax, paid		-0.2	-0.2	-2.1	-1.5	-8.1
Cash flows from operating activities		**199.0**	**399.4**	**546.4**	**901.4**	**1,342.9**
Acquisition of businesses		-0.6	-	-57.4	-	-
Purchase of other financial assets	12	-12.7	-	-12.7	-	-
Investments in vessels, vessels held for sale and other tangible assets	9	-57.5	-5.6	-253.9	-66.6	-205.5
Prepayments on newbuildings	11	-0.5	-14.6	-49.9	-119.3	-122.6
Investment in joints ventures		0.3	-1.0	0.7	8.0	7.2
Proceeds from sale of vessels and newbuildings		54.3	73.8	350.6	321.5	574.0
Change in financial receivables		1.6	-	8.0	-	-12.6
Change in money market investments with rate agreements of more than three months, etc.		-20.2	-137.3	14.9	-182.0	-182.6
Cash flows from investing activities		**-35.3**	**-84.7**	**0.3**	**-38.4**	**57.9**
Free cash flow before acquisition of businesses and other financial assets		**108.9**	**320.7**	**304.7**	**667.1**	**1,078.8**
Acquisition of businesses		-0.6	-	-57.4	-	-
Purchase of other financial assets	12	-12.7	-	-12.7	-	-
Free cash flow		**95.6**	**320.7**	**234.6**	**667.1**	**1,078.8**
Dividend paid to shareholders		-47.9	-140.6	-263.0	-237.3	-376.2
Acquisition of treasury shares		-19.5	-41.3	-95.2	-88.8	-129.8
Proceeds from share options		-	0.2	-	4.1	4.2
Proceeds from loans		0.1	-	0.4	22.7	60.6
Repayment of bonds		0.5	-	0.4	-25.5	-25.5
Repayment of loans		-10.6	-18.8	-20.6	-64.4	-180.4
Instalments on lease liabilities	10	-83.2	-122.1	-283.9	-345.3	-466.4
Financial payments, received	7	8.3	3.3	26.6	4.4	12.3
Financial payments, paid	7	-13.4	-12.5	-39.9	-37.0	-50.5
Cash flow from financing activities		**-165.7**	**-331.8**	**-675.2**	**-766.3**	**-1,151.7**
Net cash flow		**-2.0**	**-17.1**	**-128.5**	**96.7**	**249.1**

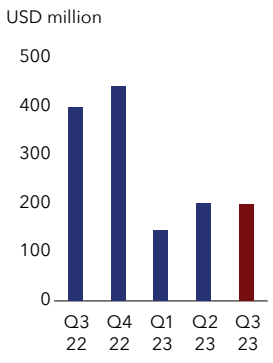
Amounts in USD million	Note	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Liquidity at beginning of the period		510.2	500.4	638.3	389.3	389.3
Exchange rate adjustments		-2.7	-3.5	-4.3	-6.2	-0.1
Change in liquidity for the period		-2.0	-17.1	-128.5	96.7	249.1
Liquidity at end period		**505.5**	**479.8**	**505.5**	**479.8**	**638.3**
Money market investments with rate agreements of more than three months, etc.		189.1	203.4	189.1	203.4	204.0
Cash and cash equivalents at end period according to the statement of financial position		**694.6**	**683.2**	**694.6**	**683.2**	**842.3**

Amounts in USD million	Note	30/9 2023	30/9 2022	31/12 2022
Which can be explained as follows				
Demand deposits and cash balance		381.4	379.1	267.1
Money market investment		282.9	233.7	503.5
Other cash and cash equivalents		30.3	70.4	71.7
		694.6	**683.2**	**842.3**

Free cash flow



Cash flow from operations

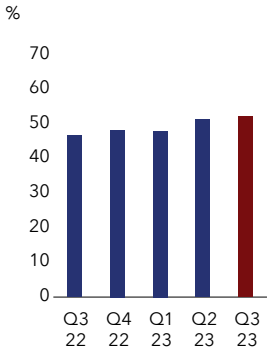


CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

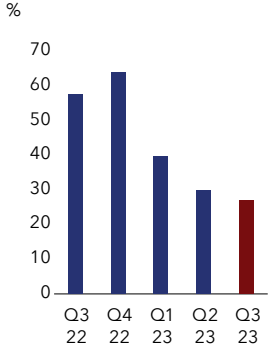
	Shareholders of NORDEN			
Amounts in USD million	Share capital	Reserve for hedges	Retained earnings	Total equity
Equity at 1 January 2023	**5.9**	**63.1**	**1,261.7**	**1,330.7**
Total comprehensive income for the period	-	-49.4	357.0	307.6
Capital reduction	-0.5	-	0.5	-
Acquisition of treasury shares	-	-	-95.2	-95.2
Exercise of share options	-	-	-	-
Dividends paid	-	-	-284.8	-284.8
Dividends related to treasury shares	-	-	21.8	21.8
Share-based payment	-	-	1.5	1.5
Changes in equity	**-0.5**	**-49.4**	**0.8**	**-49.1**
Equity at 30 September 2023	**5.4**	**13.7**	**1,262.5**	**1,281.6**

	Shareholders of NORDEN			
Amounts in USD million	Share capital	Reserve for hedges	Retained earnings	Total equity
Equity at 1 January 2022	**6.2**	**-31.2**	**1,018.3**	**993.3**
Total comprehensive income for the period	-	112.1	538.9	651.0
Capital reduction	-0.3	-	0.3	-
Acquisition of treasury shares	-	-	-88.8	-88.8
Exercise of share options	-	-	4.1	4.1
Dividends paid	-	-	-253.5	-253.5
Dividends related to treasury shares	-	-	16.2	16.2
Share-based payment	-	-	1.0	1.0
Changes in equity	**-0.3**	**112.1**	**218.2**	**330.0**
Equity at 30 September 2022	**5.9**	**80.9**	**1,236.5**	**1,323.3**

Equity ratio



Return on equity



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 9 months ended 30 September 2023 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 2022.

The accounting policies, judgements and estimates are consistent with those applied in the consolidated annual report for 2022, 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 2023. 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 IFRS standards
NORDEN has implemented amendments and interpretations to existing standards effective as of 1 January 2023. None of these interpretations or amendments have had any significant effect on the accounting policies applied by NORDEN.

For a complete description of accounting policies, see the notes to the consolidated financial statements for 2022, pages 85-88 in the consolidated annual report for 2022 and new accounting policies in notes 2 and 12 of this report.

Standards not yet in force
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 87 for a further description in the consolidated annual report for 2022.

2. Business combinations and other financial investments

ACCOUNTING POLICIES

The Group has adopted the following new accounting policies effective as of 1 January 2023.

The acquisition method of accounting is used to account for all business combinations. The purchase price for a business comprises the fair value of the assets transferred less the liabilities incurred from the former owners including warrant holders of the acquired business and the fair value of any asset or liability resulting from any contingent consideration arrangement.

Expenses related to the acquisition are recognised in the income statement within the period in which they are incurred.

Identifiable assets, liabilities and contingent liabilities (net assets) relating to the entity acquired are recognised at the fair value at the date of acquisition calculated in accordance with the accounting policies.

If the initial accounting for a business combination is incomplete by the end of the reporting period, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

Significant accounting estimate in determining the fair value of intangible assets and judgement of whether a transaction is an asset acquisition or a business combination.

Management makes judgements related to intangible assets when assessing whether a transaction is a business combination or an asset acquisition. The assessment of whether a transaction is a business combination or an asset acqui-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

sition involves the optional concentration test, which is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If met, the transaction is accounted for as an asset acquisition. If not met, an assessment is made if the acquired company comprises a business, and should be accounted for as a business combination.

The application of the acquisition method involves the use of significant estimates, as the identifiable net assets of the acquiree are recognised at their fair value for which observable market prices are typically not available. This is particularly relevant for intangible assets, which require use of valuation techniques typically based on estimates of present value of future uncertain cash flows.

Goodwill
Goodwill is initially recognised in the balance sheet as the difference between the fair value of net assets acquired and the consideration transferred.

Subsequently, goodwill is measured at this value less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to each of NORDEN's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination.

The carrying amount of goodwill is tested at least annually for impairment, together with the other non-current assets of the operating segment of which goodwill has been allocated. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Impairment losses on goodwill are recognised in the income statement. Impairment losses on goodwill are not reversed.

Other intangible assets
Customer relationships, contracts and similar intangible assets with a limited useful life acquired from third parties, either separately or as part of the business combination, are capitalised and amortised over 5 years.

Acquisition of Thorco Projects
On 26 June 2023, NORDEN acquired the shipping business of Thorco Projects, incorporated in Denmark. Thorco Projects offers transport solutions across multiple cargo segments such as break bulk, steels and wind energy.

The considerations paid equals USD 56.9 million, on a debt and cash-free basis and has been paid in cash from readily available sources. Final settlement of certain working capital-related items may alter the purchase price slightly.

The objective of the acquisition is to further grow its customer offering, as Thorco Projects operates within specialist general cargo segments such as break bulk, steel and wind energy-related cargoes, where multiple cargo parcels from different customers typically are combined into single shipments on Multipurpose and Handysize vessels. The acquisition is in alignment with NORDEN's strategy for 2023-2025 to explore market opportunities for large deals.

The goodwill of USD 35.3 million arising from the acquisition can be attributed to the synergies expected to be derived from the combination and the value of the workforce of Thorco Projects. Goodwill has been provisionally allocated to the Dry Cargo cash-generating unit at 26 June 2023.

Acquisition-related costs amounting to USD 0.6 million have been recognised as an expense in the consolidated income statement as part of administration costs.

The following table summarises the recognised amounts of identifiable assets acquired and liabilities assumed.

Amounts in USD million	Thorco Projects
Customer contracts and relationships	21.9
Prepaid hire, asset	2.0
Prepaid hire, liability	-0.8
Other liabilities	-1.5
Total identifiable net assets	**21.6**
Goodwill	**35.3**
Total	**56.9**

The fair value of the acquired identifiable net assets of USD 21.6 million (including customer relationships) is provisional pending final valuation for those assets.

The revenue included in the consolidated income statement from 26 June 2023 to 30 June 2023 contributed by the acquired business is USD 2.4 million. Over the same period it also contributed a profit after tax of USD 0.3 million.

Had the transaction closed on 1 January 2023, the acquired business would have contributed with revenues of USD 111.8 million and a profit after tax of USD 9.2 million, reflecting the contract backlog built by Thorco Projects during the stronger market in 2022.

The revenue, costs, and profits from the new business are allocated to the Freight Services & Trading segment.

Valuation technique
Income-based method: Estimate of future economic benefits derived from the customer by identifying, separating and qualifying cash flows attributable to the customers and capitalising these cash flows.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3. Segment information

Amounts in USD million	Q3 2023 Freight Services & Trading	Q3 2023 Assets & Logistics	Q3 2023 Eliminations	Q3 2023 Total	Q3 2022 Freight Services & Trading	Q3 2022 Assets & Logistics	Q3 2022 Eliminations	Q3 2022 Total
Revenue – services rendered, external	818.7	78.7	-	897.4	1,439.3	55.6	-	1,494.9
Revenue – services rendered, internal	-	85.0	-85.0	-	-	93.8	-93.8	-
Revenue – sublease financial income	0.8	1.1	-	1.9	0.2	0.4	-	0.6
Voyage costs*	-312.4	-6.3	1.9	-316.8	-490.5	-8.3	3.2	-495.6
T/C equivalent revenue	**507.1**	**158.5**	**-83.1**	**582.5**	**949.0**	**141.5**	**-90.6**	**999.9**
Other operating income	3.7	-0.1	-	3.6	8.0	-0.7	-	7.3
Charter hire and OPEX element*	-417.6	-35.2	83.1	-369.7	-634.3	-37.4	90.6	-581.1
Operating costs*	-	-14.6	-	-14.6	-	-16.5	-	-16.5
Contribution margin	**93.2**	**108.6**	**-**	**201.8**	**322.7**	**86.9**	**-**	**409.6**
Overhead and administration costs	-20.6	-4.4	-	-25.0	-57.5	-4.3	-	-61.8
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**72.6**	**104.2**	**-**	**176.8**	**265.2**	**82.6**	**-**	**347.8**
Profit/loss from sale of vessels, etc.	-	7.3	-	7.3	-	19.5	-	19.5
Depreciation, amortisation and impairment losses	-35.4	-42.2	-	-77.6	-70.7	-43.4	-	-114.1
Profit/loss from investments in joint ventures	-	-0.3	-	-0.3	-	1.0	-	1.0
Profit from operations (EBIT)	**37.2**	**69.0**	**-**	**106.2**	**194.5**	**59.7**	**-**	**254.2**
Financial income	-0.8	7.3	-	6.5	2.5	1.1	-	3.6
Financial expenses	-4.6	-7.3	-	-11.9	-5.2	-7.8	-	-13.0
Profit/loss before tax	**31.8**	**69.0**	**-**	**100.8**	**191.8**	**53.0**	**-**	**244.8**
Tax	-2.0	-0.2	-	-2.2	-1.5	-0.2	-	-1.7
Profit/loss for the period	**29.8**	**68.8**	**-**	**98.6**	**190.3**	**52.8**	**-**	**243.1**

* Included in the item "Vessel operating costs" in the income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3. Segment information – continued

	Q1-Q3 2023				Q1-Q3 2022			
Amounts in USD million	Freight Services & Trading	Assets & Logistics	Eliminations	Total	Freight Services & Trading	Assets & Logistics	Eliminations	Total
Revenue – services rendered, external	2,628.9	217.8	-	2,846.7	3,848.1	153.9	-	4,002.0
Revenue – services rendered, internal	-	254.5	-254.5	-	-	277.0	-277.0	-
Revenue – sublease financial income	1.5	3.0	-	4.5	0.5	1.0	-	1.5
Voyage costs*	-998.7	-21.0	3.8	-1,015.9	-1,278.8	-25.0	10.9	-1,292.9
T/C equivalent revenue	**1,631.7**	**454.3**	**-250.7**	**1,835.3**	**2,569.8**	**406.9**	**-266.1**	**2,710.6**
Other operating income	12.1	0.2	-	12.3	26.3	-0.8	-	25.5
Charter hire and OPEX element*	-1,289.8	-117.0	250.7	-1,156.1	-1,808.7	-110.1	266.1	-1,652.7
Operating costs*	-	-42.6	-	-42.6	-	-54.0	-	-54.0
Contribution margin	**354.0**	**294.9**	**-**	**648.9**	**787.4**	**242.0**	**-**	**1,029.4**
Overhead and administration costs	-73.2	-16.2	-	-89.4	-143.5	-13.0	-	-156.5
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**280.8**	**278.7**	**-**	**559.5**	**643.9**	**229.0**	**-**	**872.9**
Profit/loss from sale of vessels, etc.	-	76.0	-	76.0	-	47.7	-	47.7
Depreciation, amortisation and impairment losses	-132.7	-125.9	-	-258.6	-205.3	-136.6	-	-341.9
Profit/loss from investments in joint ventures	-	-0.7	-	-0.7	-	2.0	-	2.0
Profit from operations (EBIT)	**148.1**	**228.1**	**-**	**376.2**	**438.6**	**142.1**	**-**	**580.7**
Financial income	4.2	24.0	-	28.2	3.3	1.6	-	4.9
Financial expenses	-15.5	-25.3	-	-40.8	-18.1	-23.4	-	-41.5
Profit/loss before tax	**136.8**	**226.8**	**-**	**363.6**	**423.8**	**120.3**	**-**	**544.1**
Tax	-6.2	-0.4	-	-6.6	-4.8	-0.4	-	-5.2
Profit/loss for the period	**130.6**	**226.4**	**-**	**357.0**	**419.0**	**119.9**	**-**	**538.9**

* Included in the item "Vessel operating costs" in the income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. Expenses by nature

Amounts in USD million	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Vessel operating costs	701.1	1,093.2	2,214.6	2,999.6	3,974.2
Overhead and administration costs	25.0	61.8	89.4	156.5	206.8
Total	**726.1**	**1,155.0**	**2,304.0**	**3,156.1**	**4,181.0**
These costs can be split by nature:					
Voyage costs excluding bunker oil	140.6	172.4	419.7	531.0	703.4
Bunker oil	176.2	323.2	596.2	761.9	1,046.1
Service component of right-of-use assets	62.8	72.6	195.7	209.9	285.7
Expenses related to short-term leases	306.9	508.5	960.4	1,442.8	1,866.0
Operating costs owned vessels	14.6	8.7	42.6	32.7	73.0
Other external costs	6.0	6.6	18.7	19.0	27.1
Staff costs and remuneration	19.0	63.0	70.7	158.8	179.7
Total	**726.1**	**1,155.0**	**2,304.0**	**3,156.1**	**4,181.0**

5. Depreciation, amortisation and impairment losses, net

Amounts in USD million	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Vessels	10.1	4.3	25.0	24.7	28.7
Right-of-use assets	63.1	109.5	228.5	316.4	420.0
Property and equipment	0.4	0.3	1.1	0.8	1.0
Other intangible assets	4.0	-	4.0	-	-
Total	**77.6**	**114.1**	**258.6**	**341.9**	**449.7**

6. Share of profit/loss of joint ventures

Amounts in USD million	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Profit/loss from shares in joint ventures	-0.3	1.0	-0.7	2.0	2.8
Total	**-0.3**	**1.0**	**-0.7**	**2.0**	**2.8**

7. Financial income and expenses

Amounts in USD million	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Interest income	8.3	3.3	26.6	4.4	12.3
Fair value adjustment, derivatives	1.6	0.3	1.6	0.5	-
Exchange rate adjustments	-3.4	-	-	-	-
Total financial income	**6.5**	**3.6**	**28.2**	**4.9**	**12.3**
Interest expenses	5.4	4.9	16.0	12.6	18.2
Fair value adjustment, derivatives	-2.0	-	0.4	-	0.3
Exchange rate adjustments	0.5	7.6	0.5	24.4	1.2
Interest expense on lease liabilities	8.0	0.5	23.9	4.5	32.3
Total financial expence	**11.9**	**13.0**	**40.8**	**41.5**	**52.0**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

8. Fair value adjustment – hedging Instruments

Amounts in USD million	30/9 2023	30/9 2022	31/12 2022
Fair value of cash flow hedges			
Fair value adjustment at the beginning period	63.1	-31.2	-31.2
Fair value adjustment for the period, net	-49.4	112.1	94.3
End	**13.7**	**80.9**	**63.1**
The fair value of cash flow hedges for the period can be specified as follows:			
Bunker hedging	19.7	-11.5	-10.8
FFA hedging	-7.2	88.6	71.9
Foreign currency risk hedging	1.2	3.8	2.0
End	**13.7**	**80.9**	**63.1**

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

Amounts in USD million	30/9 2023	30/9 2022	31/12 2022
As of 30 September 2023, outstanding hedging contains:			
Bunker hedging			
Fair value at 1 January	-10.8	7.4	7.4
Fair value adjustments	24.9	27.0	26.2
Realised contracts, transferred to revenue	22.3	61.4	54.7
Realised contracts, transferred to operating costs	-16.7	-107.3	-99.1
End	**19.7**	**-11.5**	**-10.8**
FFA hedging			
Fair value at 1 January	71.9	-39.0	-39.0
Fair value adjustments	0.1	86.6	101.7
Realised contracts, transferred to revenue	-133.2	112.9	67.1
Realised contracts, transferred to operating costs	54.0	-71.9	-57.9
End	**-7.2**	**88.6**	**71.9**
Foreign currency risk hedging			
Fair value at 1 January	2.0	0.4	0.4
Fair value adjustments	-0.8	3.4	1.6
End	**1.2**	**3.8**	**2.0**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

9. Vessels

Amounts in USD million	30/9 2023	30/9 2022	31/12 2022
Cost at 1 January	663.2	951.3	951.3
Additions	147.7	61.4	99.2
Disposals	-2.5	-	-
Transferred from prepayments on vessels and newbuildings	36.9	56.8	56.8
Transferred to tangible assets held for sale	-102.4	-313.7	-444.1
Cost	**742.9**	**755.8**	**663.2**
Depreciation and impairment losses at 1 January	-137.6	-248.3	-248.3
Depreciation	-23.8	-29.6	-37.2
Impairment loss from sale of vessels	-1.2	-17.5	-17.4
Reversal of impairment losses	-	4.9	4.9
Disposals related to derecognised assets	2.5	-	-
Transferred to tangible assets held for sale	19.3	124.7	160.4
Depreciation and Impairment losses	**-140.8**	**-165.8**	**-137.6**
Carrying amount	**602.1**	**590.0**	**525.6**

10. Leases – lessee

Amounts in USD million	30/9 2023	30/9 2022	31/12 2022
Right-of-use assets			
Cost at 1 January	1,147.6	958.3	958.3
Additions	55.7	216.3	244.7
Remeasurements	46.8	80.1	78.1
Disposals	-292.8	-59.7	-133.5
Cost	**957.3**	**1,195.0**	**1,147.6**
Depreciation at 1 January	-693.6	-401.8	-401.8
Depreciation	-228.5	-316.4	-420.0
Disposals	287.5	59.6	128.2
Depreciation	**-634.6**	**-658.6**	**-693.6**
Carrying amount	**322.7**	**536.4**	**454.0**
Lease Liabilities			
Lease liabilities at 1 January	519.5	607.7	607.7
Additions	108.4	250.1	300.4
Remeasurements	59.4	84.3	83.2
Instalments made	-283.9	-345.3	-466.4
Disposals	-5.6	-	-5.4
Lease liabilities at end of period	**397.8**	**596.8**	**519.5**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

11. Prepayments on vessels and newbuildings

Amounts in USD million	30/9 2023	30/9 2022	31/12 2022
Cost at 1 January	32.1	11.3	11.3
Additions	49.9	119.3	122.6
Transferred to vessels	-36.9	-56.8	-56.8
Transferred to tangible assets held for sale	-	-44.9	-45.0
Transferred to other items	-	-0.1	-
Cost	**45.1**	**28.8**	**32.1**
Impairment	**-**	**-**	**-**
Carrying amount	**45.1**	**28.8**	**32.1**

12. Other financial assets

The Group has invested in an equity share of a non-listed company. The investment is expected to be held medium to long-term for strategic purposes. The investment will be accounted for at fair value through other comprehensive income.

ACCOUNTING POLICIES

On initial recognition, investments in unlisted shares are measured at fair value. Subsequently, they are measured at fair value through profit or loss (FVTPL) unless classified as fair value through other comprehensive income (FVTOCI) according to an individual decision for each equity investment. The election is made on a investment-by-investment basis.

Gains and losses on equity instruments classified as FVTOCI are never recycled to profit or loss. Dividends are recognised in the income statement unless the dividend clearly represent a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

13. 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 2022.

14. Contingent assets and liabilities

Since the end of 2022, no significant changes have occurred to contigent assets and liabilities other than those referred to in this interim report.

15. Overview of deliveries of owned vessels and CAPEX

Deliveries of owned vessels

Number of vessels	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Total
Handysize	1	-	-	-	-	-	-	-	-	-	-	1
MR	-	-	-	-	-	-	-	-	-	-	-	-
Panamax	-	-	-	-	-	-	-	-	-	-	-	-
Supramax	-	1	-	-	-	-	-	-	6	-	-	7
Capesize	-	-	-	-	-	-	-	-	-	-	-	-
Logistics assets	-	-	-	-	-	-	-	-	-	-	-	-

CAPEX

Amounts in USD million	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Total
Newbuilding payments and secondhand purchases	20	-	-	-	-	-	20	20	125	-	-	185
Other CAPEX*	-	-	-	-	6	1	1	1	-	4	-	13

Future payments to NORDEN from sold vessels: USD 70.2 million.

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

16. Events after the reporting date

See page 8 in the Management Review.