

ANNOUNCEMENT NO. 229 – 3 November 2022

INTERIM REPORT
THIRD QUARTER 2022

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

NORDEN

KEY POINTS
THIRD QUARTER 2022

Results

- USD 243 million profit for the third quarter of 2022.
- Profit for the quarter split across:
  - Assets & Logistics: USD 53 million.
  - Freight Services & Trading: USD 190 million.
- USD 539 million profit for Q1-Q3 (earnings per share of DKK 107).
- Return on equity:
  - 64% in the third quarter of 2022.
  - 58% in the first nine months of 2022.

Business highlights

- Freight Services & Trading captured significant value in both dry and tankers during the quarter, generating a profit of USD 190 million.
- Net asset value (NAV) of Assets & Logistics (including NORDEN's cash position) increased DKK 69 per share to DKK 446 during Q3. Increase driven primarily by higher tanker values.
- Dry cargo earnings generated from a short position (more cargoes than tonnage), profitable cover contracts and asset sales.
- Tanker earnings generated through high exposure as tanker rates surged. Earnings further boosted through arbitrage trading across regions.
- Gradually starting to cover high tanker exposure and have neutralised our dry cargo position for 2023 across both business units.

Guidance

- NORDEN expects profit for the year in the range of USD 650-730 million, in line with announced guidance in early October.
- The Board has decided to pay out an interim dividend of DKK 30 per share to be distributed to shareholders on 9 November.
- In addition, NORDEN will initiate a share buyback programme of USD 50 million, which will run until February 2023.

"NORDEN's third quarter net profit of USD 243 million and 64% return on equity is a testimony to our unique trading model. During the quarter, NORDEN generated high dry cargo earnings in a weakening market. In addition, our large exposure to tankers enabled NORDEN to capitalise on surging tanker rates. As we head towards 2023, we expect to continue to benefit from our large exposure to tankers while profiting from a fully covered dry cargo portfolio. This positions NORDEN to continue to deliver strong returns to our shareholders".

CEO Jan Rindbo

KEY FIGURES
AND RATIOS FOR NORDEN

Amount in USD million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	FY 2021
Income statement					
Revenue	1,495.5	940.4	4,003.5	2,399.0	3,551.8
Contribution margin	409.6	178.0	1,029.4	382.6	649.6
EBITDA	347.8	148.0	872.9	311.7	532.2
Profit/loss from sale of vessels etc.	19.5	13.4	47.7	4.2	7.7
Profit/loss from sale of vessels in JV	-	-	-	-	-0.9
Depreciation, amortisation and impairment losses	-114.1	-81.0	-341.9	-203.0	-295.5
EBIT	254.2	78.3	580.7	110.8	245.5
Financial items, net	-9.4	-11.1	-36.6	-24.1	-34.8
Profit for the period	243.1	65.0	538.9	81.9	204.5
Statement of financial position					
Total assets	2,834.3	2,203.1	2,834.3	2,203.1	2,453.5
Equity	1,323.3	806.1	1,323.3	806.1	993.3
Liabilities	1,511.0	1,397.0	1,511.0	1,397.0	1,460.2
Invested capital	1,611.1	1,550.3	1,611.1	1,550.3	1,631.0
Net interest-bearing debt	-287.8	-744.2	-287.8	-744.2	-637.7
Cash and securities	683.2	289.5	683.2	289.5	410.7
Cash flows					
From operating activities	399.4	154.4	901.4	89.3	433.9
From investing activities	-84.7	61.6	-38.4	100.2	2.6
- hereof investments in property, plant and equipment	-5.6	-0.5	-66.6	-1.6	-92.1
From financing activities	-331.8	-198.9	-766.3	-131.4	-261.9
Environmental and social figures					
EEOI (gCO_2/tonnes-mile) [1]	9.0	9.8	9.2	9.8	8.6
LTIF (days per million working hours) [2]	1.6	1.4	0.8	0.7	0.8

	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	FY 2021
Share-related key figures and financial ratios					
No. of shares of DKK 1 each (including treasury shares)	37,000,000	39,200,000	37,000,000	39,200,000	39,200,000
No. of shares of DKK 1 each (excluding treasury shares)	34,561,588	37,675,061	34,561,588	37,675,061	36,763,061
Number of treasury shares	2,438,412	1,524,939	2,438,412	1,524,939	2,436,939
Earnings per share (EPS), DKK [3]	51	11	107	14	34
Diluted earnings per share (diluted EPS), DKK [3]	51	11	106	13	34
Book value per share (excluding treasury shares) (DKK) [3]	292	137	292	137	170
Share price at end of period, DKK	321.4	163.6	321.4	163.6	166
Other key figures and financial ratios [4]					
EBITDA ratio	23.3%	15.7%	21.8%	13.0%	15.0%
ROIC [5]	62.7%	22.4%	47.8%	10.6%	17.1%
ROE [5]	63.8%	27.3%	57.6%	12.6%	21.6%
Equity ratio	46.7%	36.6%	46.7%	36.6%	40.5%
Total no. of vessel days for the Group	43,210	44,133	129,565	126,568	170,270
USD/DKK rate at end of the period	762.9	642.2	762.9	642.2	656.1
Average USD/DKK rate	739.0	630.9	701.0	621.9	629.2

[1] The Energy Efficiency Operational Indicator (EEOI) is a measurement of efficiency and is defined as the amount of CO_2 emitted per tonne of cargo transported 1 mile. The calculation of EEOI has changed as of FY2021 onwards, and now also includes vessels and voyages on T/C-out to third parties. Previously, only own voyages were included. Quarterly figures for 2021 have therefore not been restated.

[2] Lost Time Injury Frequency (LTIF) is the frequency a seafarer is unable to work for more than 24 hours per 1 million working hours. NORDEN has worked closely together with technical management partner Synergy Marine Group to ensure safety onboard our vessels and makes continuous efforts towards safe working practices during all aspects of the operations.

[3] Converted at the USD/DKK rate at end of period.

[4] The ratios were computed in accordance with "Recommendations and Financial Ratios" issued by the Danish Association of Financial Analysts. However, "Profit and loss from the sale of vessels, etc." is not included in EBITDA. Please see definitions in the section "Definitions of key figures and financial ratios" in the Annual Report for 2021. The figures are adjusted for the Company´s holding of treasury shares.

[5] Figures are annualised.

COMMENTS ON THE DEVELOPMENT OF THE THIRD QUARTER 2022

Results

The profit for the third quarter of 2022 amounted to USD 243 million (USD 65 million) of which profit from vessel sales amounted to USD 20 million (USD 13 million).

For the first nine months of 2022, profit amounted to USD 539 million (USD 82 million) of which profit from vessel sales amounted to USD 48 million (USD 4 million).

Both depreciations and financial expenses increased significantly compared to 2021, which is mainly due to IFRS 16 lease accounting as more timecharter vessels are being recognised as right-of-use assets and lease liabilities respectively.

Cash flows & liquidity

Cash flow from operating activities during the third quarter of 2022 was USD 399 million (USD 154 million) driven by the strong profitability and a positive change in working capital, which was mainly due to settlement of positive fair value adjustments on cash flow hedges. For the first nine months of 2022, cash flow from operating activities was USD 901 million (USD 89 million).

As of 30 September 2022, NORDEN had available liquidity of USD 833 million, which consisted of USD 683 million in cash and cash equivalents supplemented by USD 150 million in undrawn credit facilities.

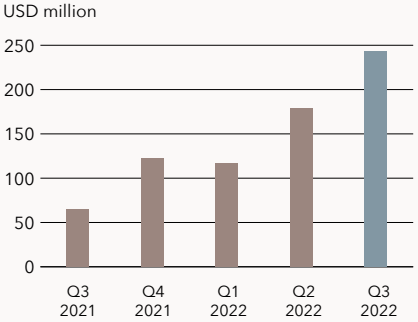
Equity and capital allocation

Equity amounted to USD 1,323 million as of 30 September 2022 compared to USD 993 million at the end of 2021. The development is mainly due to the result for the period and positive fair value adjustments of cash flow hedges offset by dividends paid and acquisition of treasury shares.

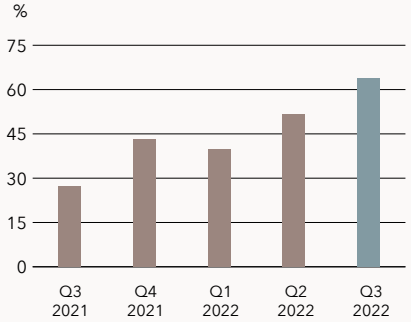
The strong profit for the period increased the annualised return on equity to 64% for Q3 2022 (27%). For the first nine months of 2022 the annualised return on equity was 58% (13%).

The Board of Directors has decided to pay out an interim dividend of DKK 30 per share. The interim dividend will be paid on 9 November 2022 and will count as part of the dividend policy of paying out minimum 50% of the net full-year result. The ex-dividend date for the interim dividend will be 7 November 2022. In addition, NORDEN will initiate a share buyback programme of USD 50 million, which will run until February 2023.

Profit for the period

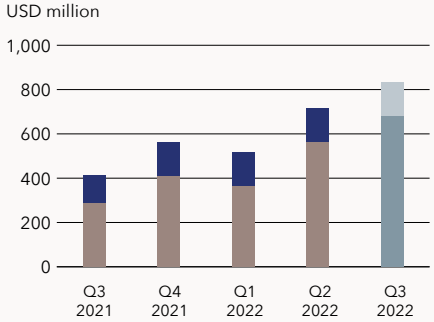


Return on Equity

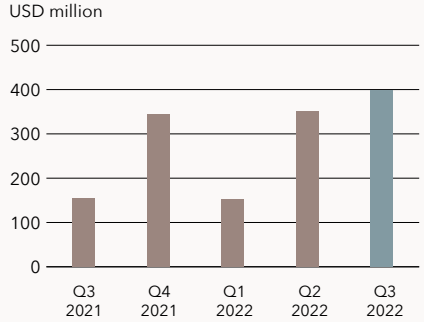


Note: Quarterly figures are annualised

Available liquidity



Cash flow from operations



MARKET DEVELOPMENTS

Dry cargo market

- **Market development and spot rates**
  The decline in the dry cargo market was exacerbated during the quarter, as expected. Despite strong coal volumes, global commodity volumes transported grew less than the global supply of vessels. Congestion levels lessened, with reduced supply chain pressure in line with less Covid-19 related restrictions in general. Inefficiencies following the war in Ukraine lead to longer distances, to some extent making up for lower congestion. Average Supramax spot rates declined by 32% from USD 28,900 to USD 19,700.

- **Period rates and asset prices**
  The 1-year T/C rates for Supramax vessels decreased by 43% from USD 25,250 to USD 14,500 per day as forward projections continue to drop. Asset prices for 5-year old Supramax vessels declined by 12% to USD 28 million.

- **Market outlook**
  A slowdown in the world economy is expected in line with widespread market uncertainty. The dry cargo market is therefore expected to face further headwinds, compounded by less container market spillover effect and lower growth in global commodity volumes transported. Chinese trade levels expected to improve, but will not offset overall market developments.

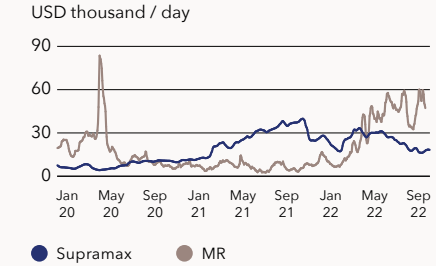
Product tanker market

- **Market development and spot rates**
  The product tanker market continues to exhibit extreme volatility across regions in the ongoing wake of the war in Ukraine and sanctions on Russian trade. Longer voyage distances and market inefficiencies result in soaring daily rates, with average MR spot rates further increasing by 15% to USD 47,500 in Q3. Refineries operating at high capacity, and demand for refined oil is used for direct consumption rather than restocking.

- **Period rates and asset prices**
  The 1-year T/C rate for MR Eco vessels increased by 25% to USD 28,900 per day at the end of Q3. Asset prices for 5-year MR vessels increased by 21% to USD 43 million at end Q3.

- **Market outlook**
  The base case for product tankers is that market conditions remain strong for the rest of 2022 moving into 2023. This is supported by longer distances and ongoing regional volatility. The full effect of already issued sanctions on Russia is expected to add to this once enforced at the end of 2022 and early 2023, further supporting high and volatile rates. However, risks to the strong base case outlook remain high due to both political uncertainty and a weakening economic outlook.

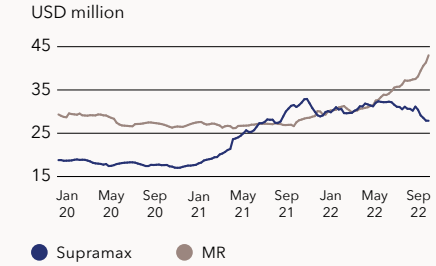
Spot rates



Source: Baltic Exchange

Asset values

5-year old vessels



Source: VesselsValue

ASSETS & LOGISTICS
TANKER PORTFOLIO DRIVING UP NET ASSET VALUE

Results

- Assets & Logistics generated a profit of USD 53 million for the quarter (USD 8 million) with sales gains of USD 20 million.
- Considerable increase in the net asset value (NAV) of the business unit portfolio (including NORDEN's net cash position) to USD 2,019 million or DKK 446 per share. This in addition to issuing a dividend of DKK 30 per share. The increase amounts to USD 151 million or DKK 69 per share, driven primarily by higher tanker values, where the leased vessel and cover portfolio (including options) alone has doubled in value.
- Market value of both owned and leased vessels at USD 1,421 million at the end of Q3. The market value of owned vessels exceeded book values by USD 202 million.

Business highlights

- Strong dry cargo earnings and downside protection.
  - Profitable dry cargo cover, and fully covered for 2022-2023.
  - Selling vessels ahead of weakning market.
  - Declaring vessel purchase options with high spread.
- Maintained high tanker exposure, generating value for 2023.
  - Leasing out and selling tanker vessels at elevated rates and price levels.
  - Increasing coverage for 2023 at higher rates.
- Future vessel sales gains for 2023 of approx. USD 19 million.

Net asset value of Assets & Logistics[1)]

Amount in USD million	Dry Cargo	Tankers	Total
Market value of owned vessels	327	594	921
Estimated market value of leased vessels & cover portfolio[2)]	305	195	500
Total Assets & Logistics portfolio value	**632**	**789**	**1,421**
Net cash position			377
Newbuilding instalments			-50
Other net assets (book values)			271
Total business unit NAV			**2,019**
Business unit NAV per share, DKK			**446**
Market value of owned vessels vs. carrying amounts	57	145	202

[1)] including NORDEN's net cash position [2)] including estimated market value of optionality

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 Q3, excluding treasury shares held by NORDEN.

Assets & Logistics key figures

Amount in USD million	2022 Q3	2021 Q3	Last 4 Quarters
Contribution margin	86.9	51.3	291.6
O/A costs	-4.3	-2.4	-16.4
EBIT	59.7	16.1	152.3
Profit/Loss from sale of vessels	19.5	13.4	50.3
Profit/loss for the period	52.8	7.6	122.4

Portfolio overview

	Dry Cargo	Tankers	Total
Active fleet			
Owned vessels[1)]	10	16	26
Leased vessels[1) 2)]	55	19	74
Total active	65	35	100
For delivery			
Owned vessels[1)]	0	2	2
Leased vessels[1) 2)]	5	7	12
Total for delivery	5	9	14
Total	70	44	114
Purchase options	56	27	83
Extension option days	45,169	20,847	66,016

[1)] Incl. sold vessels for future delivery

[2)] Minimum lease period in excess of 2 years

FREIGHT SERVICES & TRADING
SUBSTANTIAL EARNINGS IN TWO VOLATILE MARKETS

Results

- Profit of USD 190 million in Q3 2022 (USD 57 million), best ever quarterly result.
- Result per vessel day at USD 4,583 in Q3, increasing average margin per vessel day since 2019 to USD 1,253.
- Stable year-on-year activity compared to Q3 2021.

Business highlights

- Capturing exceptional value in weakening dry cargo market.
  - Generating high margins from short position (more cargoes than tonnage), benefitting from decreasing freight rates.
  - Currently maintaining short position in 2022 and neutral exposure for 2023.
- Strong margins from maintained long position (more tonnage than cargoes) in extraordinary product tanker market.
  - Actively trading across world regions through arbitrage to capture value amid large regional rate volatility.
  - Tanker pool earnings markedly above market average.
  - Gradually starting to ease tanker exposure.
- Enhanced operational margins from cost efficiencies, optimal voyage scheduling and improved fuel efficiency.
- Strengthening global office network by opening Tokyo office to enhance and grow business with Japanese cargo owners.
- Relaunch of NORDEN Tanker Pool, offering clients added member services and attractive pool earnings.

Freight Services & Trading key figures

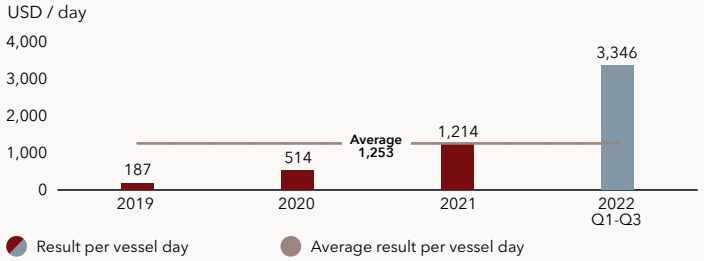
Amount in USD million	2022 Q3	2021 Q3	Last 4 Quarters
Contribution margin	322.7	126.7	1,004.8
O/A costs	-57.5	-27.6	-186.6
Profit/loss for period	190.3	57.4	539.1
Vessel days	41,525	41,244	166,390
Result per vessel day (USD/day)	4,583	1,392	3,240

Historical performance

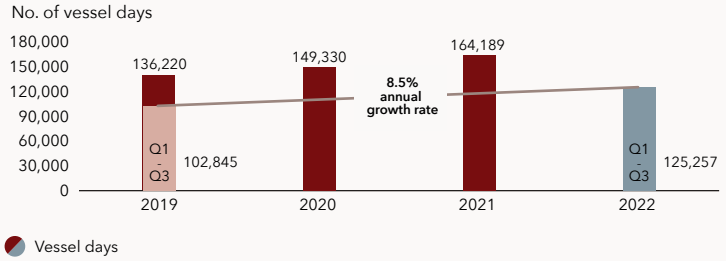
	Avg. since 2019	FY 2021
Result per vessel day (USD)	1,253	1,214
Vessel days	153,332	164,189
Annual activity growth	8.5%	10%

* Based on 12-month rolling average compared to same period 2 years prior.

Result per vessel day



Activity levels



2022 figures based on year-to-date profit and number of vessel days.

Average no. of operated vessels

Dry cargo vessels:

325

Product tanker vessels:

126

OUTLOOK FOR 2022

Guidance
In line with the guidance announcement in October, NORDEN expects profit for the year in the range of USD 650-730 million. This is based on high exposure towards substantially increased product tanker market rates, very strong short-term positioning towards a weakening dry cargo market, high long-term dry cargo cover at profitable rates and active asset trading.

Assets & Logistics
The Assets & Logistics business unit expects much better earnings in 2022 compared to 2021, based on high coverage on the dry cargo portfolio at profitable rates. In addition, a number of dry cargo vessel sales gains will contribute positively to the result.

Freight Services & Trading
The Freight Services & Trading business unit expects a net result significantly above the combined result for the two operators in 2021. The expectation is based on a margin per vessel day more than double the record level from 2021 (see table on page 7). The business unit remains well positioned in its short-term exposure to capitalise on a weakening dry cargo market, while generating high margins from a significantly improved and volatile tanker market.

Seasonality and uncertainty
Given the war in Ukraine, full effect of sanctions on Russia, remaining COVID-19 disruption and macroeconomic uncertainties in general, the freight market uncertainty and volatility is expected to remain high. With an agile business model and strong operating platform, NORDEN is well-equipped to manage this uncertainty and adjust exposure accordingly.

Events after the reporting date
No significant events have occurred between the reporting date and the publication of this 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 expects profit for the year in the range of USD 650-730 million"

Further information
Thomas France
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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 2022 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 2022 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 2021.

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 2022 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 2021.

Hellerup, 3 November 2022

Executive Management

Jan Rindbo
Chief Executive Officer

Martin Badsted
Chief Financial Officer

Board of Directors

Klaus Nyborg
Chairman

Johanne Riegels Østergård
Vice Chairman

Karsten Knudsen

Stephen John Kunzer

Helle Østergaard Kristiansen

Robert Hvide Macleod

Henrik Røjel
(employee-elected)

Christina Lerchedahl Christensen
(employee-elected)

Stine Gøttrup
(employee-elected)

CONSOLIDATED INCOME STATEMENT

Amount in USD million	Note	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	FY 2021
Revenue	2	**1,495.5**	**940.4**	**4,003.5**	**2,399.0**	**3,551.8**
Other operating income		7.3	0.8	25.5	4.8	6.7
Vessel operation costs	3	-1,093.2	-763.2	-2,999.6	-2,021.2	-2,908.9
Contribution margin		**409.6**	**178.0**	**1,029.4**	**382.6**	**649.6**
Overhead and administration costs	3	-61.8	-30.0	-156.5	-70.9	-117.4
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)		**347.8**	**148.0**	**872.9**	**311.7**	**532.2**
Profit/loss from sale of vessels etc.		19.5	13.4	47.7	4.2	7.7
Depreciation, amortisation and impairment losses	4	-114.1	-81.0	-341.9	-203.0	-295.5
Share of profit/loss of joint ventures	5	1.0	-2.1	2.0	-2.1	1.1
Profit/loss from operations (EBIT)		**254.2**	**78.3**	**580.7**	**110.8**	**245.5**
Financial income	6	3.6	-1.2	4.9	0.7	0.3
Financial expenses	6	-13.0	-9.9	-41.5	-24.8	-35.1
Profit/loss before tax		**244.8**	**67.2**	**544.1**	**86.7**	**210.7**
Tax		-1.7	-2.2	-5.2	-4.8	-6.2
Profit/loss for the period		**243.1**	**65.0**	**538.9**	**81.9**	**204.5**
Attributable to:						
Shareholders of NORDEN		**243.1**	**65.0**	**538.9**	**81.9**	**204.5**
Earnings per share (EPS)						
Earnings per share (USD)		6.9	1.7	15.2	2.2	5.5
Earnings per share, diluted (USD)		6.9	1.7	15.1	2.2	5.4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amount in USD million	Note	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	FY 2021
Profit/loss for the period		**243.1**	**65.0**	**538.9**	**81.9**	**204.5**
Other comprehensive income to be reclassified to the income statement:						
Fair value adjustment for the period, cash flow hedges	7	13.1	50.0	112.1	-121.4	-35.3
Other comprehensive income, total after tax		**13.1**	**50.0**	**112.1**	**-121.3**	**-35.3**
Total comprehensive income for the period, after tax		**256.2**	**115.0**	**651.0**	**-39.4**	**169.2**
Attributable to:						
Shareholders of NORDEN		**256.2**	**115.0**	**651.0**	**-39.4**	**169.2**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amount in USD million	Note	30/9 2022	30/9 2021	31/12 2021
Assets				
Vessels	8	590.0	676.1	703.0
Right-of-use assets	9	536.4	530.0	556.5
Property and equipment		50.3	48.8	49.7
Prepayments on vessels and newbuildings	10	28.8	46.4	11.3
Total Tangible assets		**1,205.5**	**1,301.3**	**1,320.5**
Investments in joint ventures		-	10.8	10.0
Receivables from subleasing		10.0	11.9	9.1
Total Financial assets		**10.0**	**22.7**	**19.1**
Total Non-current assets		**1,215.5**	**1,324.0**	**1,339.6**
Inventories		164.1	101.7	117.1
Receivables from subleasing		59.8	21.7	23.7
Freight receivables		390.0	264.3	255.7
Receivables from joint ventures		3.1	8.1	1.0
Other receivables		35.7	17.8	18.9
Prepayments		151.0	129.2	136.0
Cash and cash equivalents		683.2	289.5	410.7
		1,486.9	**832.3**	**963.1**
Vessels held for sale		131.9	46.8	150.8
Total Current assets		**1,618.8**	**879.1**	**1,113.9**
Total Assets		**2,834.3**	**2,203.1**	**2,453.5**

Amount in USD million	Note	30/9 2022	30/9 2021	31/12 2021
Equity and liabilities				
Share capital		5.9	6.2	6.2
Reserve for hedges		80.9	-117.2	-31.2
Retained earnings		1,236.5	917.1	1,018.3
Total Equity		**1,323.3**	**806.1**	**993.3**
Loans		266.9	265.5	302.1
Lease liabilities	9	272.3	299.6	269.9
Bonds		73.6	98.6	98.7
Total Non-current liabilities		**612.8**	**663.7**	**670.7**
Loans		33.7	86.3	39.9
Lease liabilities	9	324.5	283.7	337.8
Trade payables		272.8	205.3	226.1
Debt to joint ventures		0.1	-	13.9
Tax payables		3.7	5.3	-
Other payables		138.8	69.0	73.0
Deferred income		108.2	83.7	89.4
		881.8	**733.3**	**780.1**
Liabilities relating to vessels held for sale		16.4	-	9.4
Total Current liabilities		**898.2**	**733.3**	**789.5**
Total Liabilities		**1,511.0**	**1,397.0**	**1,460.2**
Total Equity and liabilities		**2,834.3**	**2,203.1**	**2,453.5**

CONSOLIDATED STATEMENT OF CASH FLOWS

Amount in USD million	Note	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	FY 2021
Profit/loss for the period		243.1	65.0	538.9	81.9	204.5
Reversal of items from the income statement		94.3	68.7	304.9	215.0	308.6
Change in working capital		47.0	15.9	23.2	-220.5	-96.4
Instalments on sublease receivables		15.2	4.9	35.9	13.8	24.8
Income tax, paid		-0.2	-0.1	-1.5	-0.9	-7.6
Cash flows from operating activities		**399.4**	**154.4**	**901.4**	**89.3**	**433.9**
Investments in vessels and vessels held for sale and other tangible assets	8	-5.6	-0.5	-66.6	-1.6	-92.1
Additions in prepayments on newbuildings	10	-14.6	-9.2	-119.3	-78.8	-155.8
Investment in Joints Ventures		-1.0	-	8.0	-	-2.4
Proceeds from sale of vessels and newbuildings		73.8	47.2	321.5	81.7	159.8
Change in cash and cash equivalents with rate agreements of more than 3 months, etc.		-137.3	24.1	-182.0	98.9	93.1
Cash flows from investing activities		**-84.7**	**61.6**	**-38.4**	**100.2**	**2.6**
Dividend paid to shareholders		-140.6	-	-237.3	-53.0	-53.0
Acquisition of treasury shares		-41.3	0.1	-88.8	-11.2	-33.1
Proceeds from share options		0.2	0.1	4.1	6.3	6.6
Proceeds from issue of bonds		-	-	-	-	98.7
Proceeds from loans		-	-	22.7	474.9	417.1
Repayment of bonds		-	-	-25.5	-	-
Repayment of loans		-18.8	-116.6	-64.4	-344.4	-395.1
Instalments on lease liabilities	9	-122.1	-72.6	-345.3	-179.6	-268.4
Interest, received		3.3	-	4.4	0.3	0.3
Interest, paid		-12.5	-9.9	-37.0	-24.7	-35.0
Cash flows from financing activities		**-331.8**	**-198.9**	**-766.3**	**-131.4**	**-261.9**
Cash flow from operating, investing and financing activities		**-17.1**	**17.1**	**96.7**	**58.1**	**174.6**

Amount in USD million	Note	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	FY 2021
Liquidity at beginning of the period		500.4	257.6	389.3	217.1	217.1
Exchange rate adjustments		-3.5	-0.8	-6.2	-1.3	-2.4
Change in liquidity for the period		-17.1	17.1	96.7	58.1	174.6
Liquidity at end period		**479.8**	**273.9**	**479.8**	**273.9**	**389.3**
Cash and cash equivalents with rate agreements of more than 3 months, etc.		203.4	15.6	203.4	15.6	21.4
Cash and cash equivalents at end period acc. to the statement of financial position		**683.2**	**289.5**	**683.2**	**289.5**	**410.7**

Amount in USD million	Note	30/9 2022	30/9 2021	31/12 2021
Which can be explained as follows				
Demand deposits and cash balance		379.1	164.6	200.1
Money market investment		233.7	61.9	154.1
Other cash and cash equivalents		70.4	63.0	56.5
		683.2	**289.5**	**410.7**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shareholders of NORDEN			
Amount 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
Share-based payment	-	-	1.0	1.0
Dividends paid	-	-	-253.5	-253.5
Dividends related to treasury shares	-	-	16.2	16.2
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**

	Shareholders of NORDEN			
Amount in USD million	Share capital	Reserve for hedges	Retained earnings	Total equity
Equity at 1 January 2021	**6.5**	**4.1**	**891.9**	**902.5**
Total comprehensive income for the period	-	-121.3	81.9	-39.4
Capital reduction	-0.3	-	0.3	-
Acquisition of treasury shares	-	-	-11.2	-11.2
Exercise of share options	-	-	6.3	6.3
Share-based payment	-	-	0.9	0.9
Dividends paid	-	-	-57.8	-57.8
Dividends related to treasury shares	-	-	4.8	4.8
Changes in equity	**-0.3**	**-121.3**	**25.2**	**-96.4**
Equity at 30 September 2021	**6.2**	**-117.2**	**917.1**	**806.1**

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 2022 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 2021.

The accounting policies, judgements and estimates are consistent with those applied in the consolidated annual report for 2021, 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 2022. The Group has not early adopted any other standard, interpretation or amendments that have been issued but are not yet effective.

Adoption of new or amended IFRSs
NORDEN has implemented amendments and interpretations to existing standards effective as of 1 January 2022. 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 2021, pages 76-114 in the consolidated annual report for 2021.

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 79 for a further description in the consolidated annual report for 2021.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2. Segment information

Amount in USD million	Q3 2022 Assets & Logistics	Q3 2022 Freight Services & Trading	Q3 2022 Eliminations	Q3 2022 Total	Q3 2021 Assets & Logistics	Q3 2021 Freight Services & Trading	Q3 2021 Eliminations	Q3 2021 Total
Revenue – services rendered, external	55.6	1,439.3	-	1,494.9	18.2	921.9	-	940.1
Revenue – services rendered, internal	93.8	-	-93.8	-	86.7	-	-86.7	-
Revenue – sublease financial income	0.4	0.2	-	0.6	0.3	-	-	0.3
Voyage costs	-8.3	-490.5	3.2	-495.6	-7.0	-325.6	-	-332.6
T/C equivalent revenue	**141.5**	**949.0**	**-90.6**	**999.9**	**98.2**	**596.3**	**-86.7**	**607.8**
Other operating income	-0.7	8.0	-	7.3	0.3	0.5	-	0.8
Charter hire and OPEX element	-37.4	-634.3	90.6	-581.1	-29.9	-470.1	86.7	-413.3
Operating costs owned vessels	-16.5	-	-	-16.5	-17.3	-	-	-17.3
Contribution margin	**86.9**	**322.7**	**-**	**409.6**	**51.3**	**126.7**	**-**	**178.0**
Overhead and administration costs	-4.3	-57.5	-	-61.8	-2.4	-27.6	-	-30.0
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**82.6**	**265.2**	**-**	**347.8**	**48.9**	**99.1**	**-**	**148.0**
Profit/loss from sale of vessels, etc.	19.5	-	-	19.5	13.4	-	-	13.4
Depreciation, amortisation and impairment losses	-43.4	-70.7	-	-114.1	-44.1	-36.9	-	-81.0
Share of profit/loss of joint ventures	1.0	-	-	1.0	-2.1	-	-	-2.1
Profit/loss from operations (EBIT)	**59.7**	**194.5**	**-**	**254.2**	**16.1**	**62.2**	**-**	**78.3**
Financial income	1.1	2.5	-	3.6	-0.4	-0.8	-	-1.2
Financial expenses	-7.8	-5.2	-	-13.0	-7.9	-2.0	-	-9.9
Profit/loss before tax	**53.0**	**191.8**	**-**	**244.8**	**7.8**	**59.4**	**-**	**67.2**
Tax	-0.2	-1.5	-	-1.7	-0.2	-2.0	-	-2.2
Profit/loss for the period	**52.8**	**190.3**	**-**	**243.1**	**7.6**	**57.4**	**-**	**65.0**
Adjusted for:								
Profit/loss from sale of vessels, etc.	-19.5	-	-	-19.5	-13.4	-	-	-13.4
Adjusted Results for the period*	**33.3**	**190.3**	**-**	**223.6**	**-5.8**	**57.4**	**-**	**51.6**

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2. Segment information – continued

Amount in USD million	Q1-Q3 2022 Assets & Logistics	Freight Services & Trading	Eliminations	Total	Q1-Q3 2021 Assets & Logistics	Freight Services & Trading	Eliminations	Total
Revenue – services rendered, external	153.9	3,848.1	-	4,002.0	52.1	2,346.0	-	2,398.1
Revenue – services rendered, internal	277.0	-	-277.0	-	254.0	-	-254.0	-
Revenue – sublease financial income	1.0	0.5	-	1.5	0.9	-	-	0.9
Voyage costs	-25.0	-1,278.8	10.9	-1,292.9	-15.1	-897.9	-	-913.0
T/C equivalent revenue	**406.9**	**2,569.8**	**-266.1**	**2,710.6**	**291.9**	**1,448.1**	**-254.0**	**1,486.0**
Other operating income	-0.8	26.3	-	25.5	-	5.4	-0.6	4.8
Charter hire and OPEX element	-110.1	-1,808.7	266.1	-1,652.7	-84.3	-1,225.4	254.6	-1,055.1
Operating costs owned vessels	-54.0	-	-	-54.0	-53.1	-	-	-53.1
Contribution margin	**242.0**	**787.4**	**-**	**1,029.4**	**154.5**	**228.1**	**-**	**382.6**
Overhead and administration costs	-13.0	-143.5	-	-156.5	-8.0	-62.9	-	-70.9
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**229.0**	**643.9**	**-**	**872.9**	**146.5**	**165.2**	**-**	**311.7**
Profit/loss from sale of vessels, etc.	47.7	-	-	47.7	4.2	-	-	4.2
Depreciation, amortisation and impairment losses	-136.6	-205.3	-	-341.9	-125.6	-77.4	-	-203.0
Share of profit/loss of joint ventures	2.0	-	-	2.0	-2.1	-	-	-2.1
Profit/loss from operations (EBIT)	**142.1**	**438.6**	**-**	**580.7**	**23.0**	**87.8**	**-**	**110.8**
Financial income	1.6	3.3	-	4.9	0.2	0.5	-	0.7
Financial expenses	-23.4	-18.1	-	-41.5	-20.1	-4.7	-	-24.8
Profit/loss before tax	**120.3**	**423.8**	**-**	**544.1**	**3.1**	**83.6**	**-**	**86.7**
Tax	-0.4	-4.8	-	-5.2	-0.5	-4.3	-	-4.8
Profit/loss for the period	**119.9**	**419.0**	**-**	**538.9**	**2.6**	**79.3**	**-**	**81.9**
Adjusted for:								
Profit/loss from sale of vessels, etc.	-47.7	-	-	-47.7	-4.2	-	-	-4.2
Adjusted Results for the period*	**72.2**	**419.0**	**-**	**491.2**	**-1.6**	**79.3**	**-**	**77.7**

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3. Expenses by nature

Amount in USD million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	FY 2021
Vessel operating costs	1,093.2	763.2	2,999.6	2,021.2	2,908.9
Overhead and administration costs	61.8	30.0	156.5	70.9	117.4
Total	**1,155.0**	**793.2**	**3,156.1**	**2,092.1**	**3,026.3**
These costs can be split by nature:					
Voyage costs excluding bunker oil	172.4	151.0	531.0	426.6	609.6
Bunker oil	323.2	176.4	761.9	472.2	659.0
Expenses related to the service component of right-of-use assets	72.6	55.0	209.9	146.6	205.9
Expenses related to short-term leases	508.5	363.5	1,442.8	922.7	1,361.1
Operating costs owned vessels*	8.7	9.4	32.7	30.2	73.3
Other external costs	6.6	4.7	19.0	14.2	20.4
Staff costs	63.0	33.2	158.8	79.6	97.0
Total	**1,155.0**	**793.2**	**3,156.1**	**2,092.1**	**3,026.3**

* Technical management services (inclusive of cost related to seafarers) is included in operating costs owned vessels.

4. Depreciation, amortisation and impairment losses

Amount in USD million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	FY 2021
Vessels	4.3	10.5	24.7	32.7	42.6
Right-of-use assets	109.5	70.3	316.4	169.7	252.1
Property and equipment	0.3	0.2	0.8	0.6	0.8
Total	**114.1**	**81.0**	**341.9**	**203.0**	**295.5**

5. Share of profit/loss of joint ventures

Amount in USD million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	FY 2021
Profit/loss from shares in joint ventures	1.0	-2.1	2.0	-1.8	2.3
Share of Profit/loss from sale of vessels	-	-	-	-	-0.9
Share of impairment of tangible assets	-	-	-	-0.3	-0.3
Total	**1.0**	**-2.1**	**2.0**	**-2.1**	**1.1**

6. Financial income and expenses

Amount in USD million	Q1 2022	Q1 2021	Q1-Q3 2022	Q1-Q3 2021	FY 2021
Interest income	3.3	-	4.4	0.3	0.3
Fair value adjustment, cross currency swaps	0.3	-	0.5	-	-
Exchange rate adjustments	-	-1.2	-	0.4	.
Total financial income	**3.6**	**-1.2**	**4.9**	**0.7**	**0.3**
Interest costs	4.9	3.3	12.6	7.8	11.1
Fair value adjustment, cross currency swaps	-	-	-	0.1	0.1
Interest expense on lease liabilities	7.6	6.6	24.4	16.9	23.9
Exchange rate adjustments	0.5	-	4.5	-	-
Total financial expence	**13.0**	**9.9**	**41.5**	**24.8**	**35.1**

7. Fair value adjustment – hedging Instruments

Amount in USD million	30/9 2022	30/9 2021	31/12 2021
Fair value of cash flow hedge			
Fair value adjustment at the beginning period	-31.2	4.1	4.1
Fair value adjustment for the period, net	112.1	-121.4	-35.3
End	**80.9**	**-117.3**	**-31.2**
Fair value adjustment for the period, cash flow hedges can be specified as follows:			
Bunker hedging	-11.5	17.3	5.5
- of which has been transferred to the income statement due to inefficiency	-	-0.4	1.9
FFA hedging	88.6	-134.7	-39.0
Foreign currency risk hedging	3.8	-0.5	0.4
End	**80.9**	**-117.3**	**-31.2**

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7. Fair value adjustment – hedging Instruments – continued

Amount in USD million	30/9 2022	30/9 2021	31/12 2021
As of 30 September 2022, outstanding hedging contains:			
Bunker hedging			
Fair value at 1 January	7.4	9.2	9.2
Adjustments	27.0	40.3	42.3
Realised contracts, transferred to revenue	61.4	24.8	29.4
Realised contracts, transferred to operating costs	-107.3	-57.4	-73.5
Fair value at end of period	**-11.5**	**16.9**	**7.4**
FFA hedging			
Fair value at 1 January	-39.0	-5.2	-5.2
Adjustments	86.6	-316.6	-288.1
Realised contracts, transferred to revenue	112.9	392.6	546.5
Realised contracts, transferred to operating costs	-71.9	-205.5	-292.2
Fair value at end of period	**88.6**	**-134.7**	**-39.0**
Foreign currency risk hedging			
Fair value at 1 January	0.4	0.1	0.1
Adjustments	3.4	0.4	0.3
Fair value at end of period	**3.8**	**0.5**	**0.4**

8. Vessels

Amount in USD million	30/9 2022	30/9 2021	31/12 2021
Cost at 1 January	951.3	1,079.7	1,079.7
Additions	61.4	0.8	104.1
Disposals	-	-1.3	-1.3
Transferred from prepayments on vessels and newbuildings	56.8	47.8	76.6
Transferred to tangible assets held for sale	-313.7	-171.0	-307.8
Cost	**755.8**	**956.0**	**951.3**
Depreciation and impairment losses at 1 January	-248.3	-312.3	-312.3
Depreciation	-29.6	-32.7	-42.6
Impairment losses	-17.5	-	-14.4
Reversal of impairment losses	4.9	-	-
Disposals related to derecognised assets	-	1.3	1.3
Transferred to tangible assets held for sale	124.7	63.8	119.7
Depreciation and Impairment losses	**-165.8**	**-279.9**	**-248.3**
Carrying amount	**590.0**	**676.1**	**703.0**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

9. Leases – lessee

Amount in USD million	30/9 2022	30/9 2021	31/12 2021
Right-of-use assets			
Cost at 1 January	958.3	527.3	527.3
Additions	216.3	327.0	443.1
Remeasurements	80.1	74.8	67.5
Disposals related to redelivered vessels	-59.7	-79.6	-79.6
Cost	**1,195.0**	**849.5**	**958.3**
Depreciation at 1 January	-401.8	-228.6	-228.7
Depreciation	-316.4	-169.7	-252.1
Depreciations related to redelivered vessels	59.6	78.8	79.0
Depreciation	**-658.6**	**-319.5**	**-401.8**
Carrying amount	**536.4**	**530.0**	**556.5**
Lease Liabilities			
Lease liabilities at 1 January	607.7	355.4	355.4
Additions	250.1	334.0	454.7
Remeasurements	84.3	74.4	66.9
Instalments made	-345.3	-179.6	-268.4
Disposals related to cancelled leases	-	-0.9	-0.9
Lease liabilities at end of period	**596.8**	**583.3**	**607.7**

10. Prepayments on vessels and newbuildings

Amount in USD million	30/9 2022	30/9 2021	31/12 2021
Cost at 1 January	11.3	15.5	15.5
Additions	119.3	78.8	155.8
Transferred to vessels	-56.8	-47.8	-76.6
Transferred to tangible assets held for sale	-44.9	-	-83.4
Transferred to other items	-0.1	-0.1	-
Cost	**28.8**	**46.4**	**11.3**
Impairment	**-**	-	**-**
Carrying amount	**28.8**	**46.4**	**11.3**

11. Related party disclosure

No significant changes have occurred to related parties or types and scale of transactions with these parties other than what is disclosed in the consolidated annual report for 2021.

12. Contingent assets and liabilities

Since the end of 2021, no significant changes have occurred to contigent assets and liabilities other than those referred to in this interim report.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

13. Overview of deliveries of owned vessels and CAPEX

Deliveries of owned vessels

Number of vessels	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Total
MR	2	-	-	-	-	-	-	2
Panamax	1	-	-	-	-	-	-	1
Supramax	1	-	-	-	-	-	-	1
Logistics assets	-	-	-	1	-	-	-	1

CAPEX

Amount in USD million	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Total
Newbuilding payments and secondhand purchases	24	24	3	-	-	-	-	51
Other CAPEX*	-	-	5	-	4	4	7	20

Future payments to NORDEN from sold vessels: USD 203.4 million.

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

14. Events after the reporting date

See page 8 in the Management Review.