

**Chairman's report NORDEN's Annual General Meeting 24 March 2022**

It is my pleasure to welcome you to NORDEN's annual general meeting, which for the first time since 2019 will be held with physical participation from the shareholders. We appreciate this. The world has changed a lot in the last three years, probably more than most of us would have anticipated in April 2019. But I am pleased that so many shareholders have turned up for today's general meeting. In addition, we also welcome all shareholders who may follow online.

The general meeting takes place at a time when the eyes of the world are on the ongoing war in Ukraine, which greatly affects the markets in which NORDEN operates. It is therefore also a theme that we will touch upon in this report.

NORDEN is represented by the company's Executive Board in the form of CEO, Jan Rindbo, and CFO, Martin Badsted. NORDEN's Board of Directors, in addition to myself, is represented by Vice Chairman Johanne Riegels Østergaard and board members Karsten Knudsen, Helle Østergaard Kristensen, Stephen John Kunzer, Christina Lerchedal Christensen, Henrik Røjel, and Benedicte Hedengran Wegener.

Last but not least, Henning Aasmul-Olsen, whom the Board has elected as meeting conductor of this general meeting.

The year 2021 was a highly eventful year. In addition to the celebration of NORDEN's 150th anniversary, which was a theme at last year's general meeting, the year provided an opportunity to once again test and prove NORDEN's ability to adapt. It is characteristic of NORDEN's business model that not only can we navigate, but we are also able to capitalize on unpredictable and volatile market movements. Including long periods of time where employees had to work from home, and where the seafarers worked under extremely difficult conditions. We owe them a big thank you.

This adaptability is at the heart of the modern NORDEN. We can take stock of the development and change, which is part of both the dry cargo and tanker market and can adjust our business based on the opportunities and risks we identify in both the short and the long term. During the year, we managed to take advantage of the large fluctuations in the dry cargo market by continuously positioning ourselves as well as by profiting from increases in value in the company's portfolio of owned, leased and chartered-in vessels.

The ongoing adaptation of activity, combined with a strong customer focus and the ability to identify opportunities in our markets, led to the best annual result in 11 years. The company has thus been profitable over the last five years, in both good and bad markets. At the same time, the company has managed to increase its activity in the form of vessel days by an average of 16% per year over the last five years. This must be seen in the light of the company's asset-light business model in which NORDEN only owns a small share of vessels in its active portfolio and thus can grow profitably without having to make major long-term investments. This is also reflected in our increased return on equity, which increased from 10% in 2020 to 22% in 2021.

Based on the strong result in 2021, the Board of Directors proposes a dividend of DKK 18 per share. This corresponds to USD 100 million, or approximately DKK 670 million, and, in accordance with our dividend policy, represents approx. 54% of the adjusted annual result. Furthermore, NORDEN has launched a new share buy-back program of up to USD 30 million.

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If we take a closer look at the year's results, NORDEN achieved a profit of USD 205 million in 2021, which is equivalent to approx. DKK 1.3 billion. This is an increase of 138% compared to the previous year. If we adjust for the purchase and sale of vessels, NORDEN achieved an adjusted annual result of USD 198 million. Going forward, NORDEN will not use the adjusted annual result in its financial statements or outlook for the year. The reason for this is that the company has gradually built up a significant vessel trading activity that creates a significant result, which is considered relevant to include as an integral part of NORDEN's results. In 2021, profit from the sale of vessels amounted to approx. USD 8 million.

NORDEN had a high level of cash flows from operations of USD 434 million, which is an increase of almost 10% in 2021. Total cash and securities amounted to USD 411 million, compared with a bank debt of USD 342 million, excluding lease liabilities. In addition, NORDEN had interest-bearing bond debt of USD 99 million, as well as lease liabilities of USD 608 million. NORDEN's total interest-bearing debt is thus USD 1,048 million. At the end of the year, NORDEN also had unutilised credit facilities of USD 150 million.

The high level of cash flows and liquidity gives NORDEN the ability to pay off its debt more quickly, and with a limited need to invest in vessels, cf. NORDEN's asset-light business model, NORDEN thus has a strong financial position. This allows the company to return capital to shareholders in the form of annual dividends and occasional share buy-backs.

NORDEN's total assets increased to USD 2.5 billion due to higher lease liabilities and increased working capital related to the increased level of activity and high dry cargo rates.

NORDEN's equity ratio remained strong, despite the impact of the increased assets, and ended at 41% at year-end.

The return on invested capital - or ROIC in the financial statements - increased from 9.4% in 2020 to 17.1% in 2021.

I will now hand over to the company's CEO Jan Rindbo, who will review the results per business unit.

Thank you very much for that, Klaus, and I will begin with Asset Management, which achieved a profit of USD 5 million. However, the business created significant value, which cannot be read directly from the result. The portfolio of owned and leased vessels increased in market value to USD 1.3 billion. During 2020 and 2021, the business unit has actively invested in tonnage at attractive prices, and as hedging contracts have been gradually renewed over the past year, it will support earnings significantly in 2022. In addition to this comes the considerable value that lies in the portfolio's many vessel options, which provides extensive upside value in rising markets. At the end of 2021, Asset Management had extension options corresponding to over 65,000 days, with which the current vessel contracts can be extended. In addition, the unit had 71 purchase options on its leased vessels and overall has significant access to more tonnage on favourable terms, should it prove attractive to make use of it.

Dry Operator achieved an exceptional result of USD 230 million and actively positioned itself to take advantage of the volatile and increased dry cargo rates. By increasing vessel capacity in early 2021, Dry Operator was able to profit from larger increases in spot rates during the second half of the year. Measured per vessel day, the result equates to a profit margin of over USD 1,900 per day.

It is also important to keep in mind that the extraordinary result is not exclusively market driven. It is largely created based on rapid and decisive adjustment of the portfolio combined with a strong operational execution across the regions and vessel types with which the business unit operates.

Tanker Operator realised a loss of USD 30 million and operated in an extremely difficult market with historically low freight rates. The business unit continued to reduce its exposure and focused on bringing in chartered-in vessels with 1-year extension options that have significant value in rising markets. Tanker Operator has thus focused on creating an optimal vessel portfolio for 2022, and we have recently seen improvements in the rate levels, which unfortunately is mainly due to the situation in Ukraine and the sanctions on Russia.

At the end of 2021, NORDEN decided to consolidate its three business units into two units: Assets & Logistics and Freight Services & Trading. From Q1 onwards, NORDEN will report on these two business units in its financial statements.

Assets & Logistics focuses on NORDEN's investments and comprises the Asset Management unit and the newly established Logistics & Climate Solutions team. Asset Management manages the long-term portfolio of owned and leased vessels. The unit operates with significant trading activity in the form of buying and selling vessels on an ongoing basis, while leased vessels are typically entered into on three- or five-year contracts, with associated purchase and extension options, for which NORDEN has a right - but not an obligation - to call.

The newly established Logistics & Climate Solutions team will provide our customers with an integrated service, combining port logistics with sea freight as a new business area and a growth opportunity for NORDEN. In February this year, we announced a significant contract in Gabon, where over the next 10 years NORDEN will help a major international mining company reload ore products. This activity enables the customer to ship via much larger and more efficient vessel types and thus achieve significant savings in transport costs and CO2 emissions.

Our other business unit, Freight Services & Trading, is our asset-light business, which groups NORDEN's short-term freight activities, previously located in Dry Operator and Tanker Operator. By consolidating our freight service teams across our two primary markets, we can further streamline and strengthen our scalable platform and ensure rapid adaptation to customer needs and market development.

With global activities, the unit operates with several trading strategies across vessel types and geographical regions. This gives Freight Services & Trading several unique features that enable the business unit to capitalise on favourable market conditions, while reducing its exposure in weak markets.

If we look at the valuation of these two units, we can take a value-based approach for Assets & Logistics and an earnings-based approach for Freight Services & Trading.

By the end of 2021, the estimated market value of the total portfolio of owned and leased vessels in Assets & Logistics had grown to USD 1.3 billion. When adjusting for cash, debt, and other balance sheet items, this can be calculated as a Net Asset Value of DKK 262 per share.

To this should be added the long-term value creation generated by Freight Services & Trading, which is a margin-based business, making a profit on the difference between the revenue from cargo contracts and the cost of tonnage and other costs, including overhead costs. The business unit earned USD 199 million during 2021, and the average annual earnings over the past three years have been USD 101 million. Translated into daily earnings, this equates to a margin per vessel day of USD 638 - and this is over a period of time where the business unit has grown around 10% per year.

We expect that this consolidated business structure will strengthen NORDEN's performance and enable us to continue our profitable growth for the benefit of our shareholders.

I will now hand over to Klaus, who will focus on NORDEN's strategic foundation.

The great results for the year have been created based on NORDEN's continued strong strategic foundation, on which the company a few years ago chose to restructure its business to be more adaptable and scalable. This can be seen on the slide which shows some of the most significant global trends on the left. NORDEN is at the heart of global world trade, and market volatility is considered a constant and even a prerequisite for the way NORDEN creates value today. Digitisation of NORDEN with the extensive use of data makes it possible to make the right decisions at the right time. This combination of strong business acumen and the use of data has given NORDEN a strong and significantly different position from many of its competitors. Now, we also see how the global world order cannot be taken for granted, and that there is a great deal of complexity in which NORDEN as a global company must be prepared to navigate. Furthermore, the reduction of CO2 emissions is an important theme in the coming years, required by both governments, customers, partners, employees, and shareholders.

With NORDEN's strategy and business model, we have strived to create an adaptable foundation where the balance between risk-taking and profit is in the company's and shareholders' favour over time. This is an essential ability, especially in the current world situation, where the ongoing war between Ukraine and Russia has led to major disruptions in the global commodity market. Grain exports from Russia and Ukraine must now be replaced by shipments from other parts of the world. And Russian oil exports may find their way to other destinations such as India and China, while Europe will have to import even more from other regions. The markets await the continued development of the war and the effect of sanctions, and there is no certain outcome. But regardless of the development, we expect to see radical changes in the global trading patterns, which will greatly affect the shipping industry.

With our business model, we feel that the company is equipped to identify and adapt to the ongoing changes and opportunities that arise in the wake of this. And at the same time, we will continue to develop new and better customer solutions and thus live up to NORDEN 's overall purpose of "Enabling Smarter Global Trade".

If we take a closer look at sustainability as a theme, it is increasingly an integral part of NORDEN's strategy. In this context, sustainability is a collective term for economic, organisational, and environmental sustainability.

Financially, this means creating a long-term strong balance between risk-taking to create earnings and growth and long-term risk management, as well as a sound financial structure in every way. You can take a risk, but you cannot risk your company!

Organisationally, this means that we as a global company must ensure a strong and healthy balance for our employees, as they are the company's most important asset - and no longer vessels. Therefore, NORDEN focuses on creating initiatives that support employees' well-being, ability, and motivation to create value for NORDEN in the long term.

Of course, sustainability also means environmental sustainability, and in this context, NORDEN launched five climate commitments last autumn, which will set the framework for NORDEN's future efforts within climate and environment. Our overall goal is to be climate neutral by 2050, and every year until then we strive to improve our energy efficiency on vessel operations. In the short term, this is largely about optimising the operation of vessels, including the choice of vessels, speed while sailing, painting and cleaning, etc. However, this effort can only be done in collaboration with our customers, who must have

good alternative shipping solutions to choose from, in order for them to choose more sustainable offers. Therefore, NORDEN has developed a transparent statement of the estimated energy utilisation for each freight solution prior to a customer's commitment, as well as a full summary of the emissions after completion of the voyage. It is also our ambition in 2022 to offer our customers greener freight solutions. A good example of this is our newly established activity in Gabon, as already mentioned, where we over the next 10 years will help the customer reduce their CO<sub>2</sub> emissions considerably. Sustainability will thus to an even greater extent be an integral part of NORDEN's business and customer solutions in the future.

If we look at the value creation created for our shareholders, NORDEN has generally managed to create profitable growth over the last five years and has increased its activity significantly, in markets that only grow 2-3% per year.

NORDEN's share price increased from DKK 109.6 to DKK 166.4, and with the paid dividend in 2021 of DKK 9 per share, the total shareholder return corresponds to 48% measured in USD, or 60% measured in kroner.

Looking at the long-term value creation in NORDEN, since 2015, the NORDEN share has outperformed our competitors within dry cargo and product tankers. We do this partly based on the robust business model that we have developed, and partly because NORDEN has returned a large share of capital to the shareholders in recent years in the form of both dividends and share buy-back. We have also included a comparison with the more general transport sector, which we believe NORDEN can be compared with in broad terms. Here, NORDEN is slightly below the historical averages for the transport industry according to the MSCI World Transportation index, which in addition to the maritime sector includes companies within aviation, freight forwarding and other land-based transport.

Overall, NORDEN has a continued strong foundation for returning capital to its shareholders. With NORDEN's dividend policy, the company pays annual dividends of at least 50% of the annual adjusted result. For 2021, the Board of Directors proposes a dividend of DKK 18 per share. Including the initiated share buy-back, NORDEN will return around USD 130 million to its shareholders.

Since 2018, NORDEN has returned around USD 290 million in dividends and share buy-backs, including the proposed dividend and the initiated share buy-back. This corresponds to NORDEN having paid out almost DKK 2 billion since 2018, which again corresponds to around 30% of the company's market value at the end of 2021.

Looking ahead, NORDEN is well positioned to navigate global market volatility, and coupled with profitable hedging contracts, NORDEN expects an even stronger result of between USD 210 to 280 million in 2022. This includes known sales gains on vessels of approx. USD 37 million. Going forward, NORDEN will thus announce expectations based on the profit for the year, and no longer the adjusted annual result, and thus sales profits will be included. This will also be reflected in NORDEN's dividend policy, where the aim going forward is to pay out a minimum of 50% of the profit for the year, and no longer the adjusted annual result.

With the developments in Ukraine, which we have already touched upon, we expect to see further disruptions in the global supply chain as well as geopolitical uncertainty, which will lead to more challenging operating conditions. Our trade-oriented strategy allows the company to navigate this uncertainty and to adapt to both customer and market changes. As a consequence of the war in Ukraine, NORDEN announced early on which measures the company has chosen to implement. NORDEN will not take on any new Russian business. We continue to fulfil our existing contracts within the applicable legal framework and phase out contracts to the extent possible.

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NORDEN has thus chosen to go further than the imposed sanctions on Russia and has chosen to self-sanction. It is, however, an extremely complex environment to operate in as a global company, and NORDEN has a dedicated risk management and sanctions team that continuously monitors developments in the region, which helps the business navigate in this unusual and tragic context. Our thoughts go out to those affected by the conflict.

The Board of Directors represented today stands for re-election, with the exception of a single member, Tom Intrator, who has been part of the Board of Directors since 2017. I would like to take this opportunity to thank Tom for his significant contribution and commitment to NORDEN's development over the recent years.

Overall, the Board of Directors' assessment is that the composition of the Board of Directors constitutes a strong group that complements each other and NORDEN with views from other industries and insights into relevant disciplines, as well as market understanding and strategic ambitions that can support NORDEN's further progress.

Thus, I hope that the general meeting will follow the recommendation for re-election of the five board members who stand for re-election, as well as the recommendation for the election of Robert Hvide Macleod as a new board member. The total remuneration to the Board of Directors is proposed unchanged at approx. USD 800,000 for 2022.

*I would like to briefly introduce Robert to the shareholders in the form of a short video recording.*

In conclusion, I would like to thank the shareholders for their support of this year's general meeting, and as mentioned, we are incredibly happy to be able to return to a physical general meeting. This year's general meeting is also held in a so-called hybrid format, which means that as a shareholder you can also participate online and can both watch and vote from home. We thank you for your continued support for NORDEN.

Thank you for listening.