



NORDIC SHIPHOLDING

Interim Report Q3 2022

1 December 2022

CVR-no. 76 35 17 16

Summary

Voluntary solvent liquidation of the Company

As stated in the Company Announcement 12/2022 on 1 December 2022, with the commitment and continual support from the majority shareholder of Nordic Shipholding A/S, Nordic Maritime S.à r.l., the Board of Directors have decided to call for an extraordinary general meeting with the intention to initiate a voluntary solvent liquidation of the Company. No distribution of funds to the shareholders is anticipated upon completion of the liquidation.

To enable the liquidation to be solvent, the majority shareholder has agreed to waive the necessary part of its loan to the Group. It is expected that the aggregate cash balance of Nordic Shipholding A/S and its subsidiaries is sufficient to cover the estimated liquidation expenses and settlement of all creditors other than the main shareholder loan. Any excess funds will be used to repay the shareholder loan, whereafter it has been agreed with the majority shareholder to waive the remaining debt at that point in time. It is expected that the liquidation will be finalised by the end of 2023.

As a result of the solvent liquidation, a profit after tax of approximately USD 1.0 million is expected for 2022, including estimated liquidation costs but before income from the expected waiver of shareholder loan.

Financials

Please refer to Interim Report H1 2022 announced on 24 August 2022 for the discussion on the prior activities of the Company. In Q3 2022, the financial result was effected by administration costs and minor adjustments related to the prior activities of the Group.

Consolidated financial highlights

<i>Amounts in USD thousand</i>	YTD 30 Sep 2022	YTD 30 Sep 2021	FY 2021
Time charter equivalent revenue (TCE revenue)	2,918	7,476	10,380
EBITDA	77	(505)	42
Operating result (EBIT)	149	(7,016)	(3,899)
Net finance expenses	2,835	(1,095)	(1,864)
Result after tax	2,984	(8,111)	(5,763)
Equity ratio (%)	N.M.	-41.4%	-32.5%
Earnings per share, US cents	0.73	(2.00)	(1.42)
Market price per share DKK, period end	0.10	0.19	0.09
Market price per share USD, period end	0.01	0.03	0.01
Exchange rate USD/DKK, period end	7.59	6.42	6.54
Number of shares, period end	406,158,403	406,158,403	406,158,403
Average number of shares	406,158,403	406,158,403	406,158,403

N.M. Not Meaningful

Company data

Company

Nordic Shipholding A/S (the "Company")
C/O Gorrissen Federspiel, Axel Towers, Axeltorv 2,
DK-1609 Copenhagen, Denmark
CVR- no. 76 35 17 16

Website: www.nordicshipholding.com

Registered office: Copenhagen

Contact persons regarding this interim report: Esben Søfren Poulsson, Chairman
Philip Clausius, CEO

Executive Management

Philip Clausius, CEO

Board of Directors

Esben Søfren Poulsson, Chairman
Jon Robert Lewis, Deputy Chairman
Kanak Kapur
Philip Clausius

Auditors

PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab

Forward-looking statements

This report contains forward-looking statements reflecting Nordic Shipholding A/S's current beliefs of future events. Forward-looking statements are inherently subject to uncertainty, and Nordic Shipholding A/S's actual results may differ significantly from expectations. Factors which could cause actual results to deviate from the expectations include, but not limited to, changes in macroeconomic, regulatory and political conditions.

Management's review

Voluntary solvent liquidation of the Company

As stated in the Company Announcement 12/2022 on 1 December 2022, with the commitment and continual support from the majority shareholder of Nordic Shipholding A/S, Nordic Maritime S.à r.l., the Board of Directors have decided to call for an extraordinary general meeting with the intention to initiate a voluntary solvent liquidation of the Company. No distribution of funds to the shareholders is anticipated upon completion of the liquidation.

To enable the liquidation to be solvent, the majority shareholder has agreed to waive the necessary part of its loan to the Group. It is expected that the aggregate cash balance of Nordic Shipholding A/S and its subsidiaries is sufficient to cover the estimated liquidation expenses and settlement of all creditors other than the main shareholder loan. Any excess funds will be used to repay the shareholder loan, whereafter it has been agreed with the majority shareholder to waive the remaining debt at that point in time. It is expected that the liquidation will be finalised by the end of 2023.

Financial results for the period 1 January – 30 September 2022

Please refer to Interim Report H1 2022 announced on 24 August 2022 for the discussion on the prior activities of the Company. In Q3 2022, the financial result was effected by administration costs and minor adjustments related to the prior activities of the Group.

Financial position as at 30 September 2022

The comparison figures for 31 December 2021 are stated in parenthesis.

Total assets amounted to USD 5.0 million (USD 44.0 million).

Receivables balance was USD 0.8 million as at 30 September 2022 (USD 4.5 million). The decrease was primarily due to the partial refund of pool working capital following the sale of vessels in 2022.

Cash and cash equivalents stood at USD 4.2 million (USD 2.5 million), an increase of USD 1.7 million from 31 December 2021.

Between 31 December 2021 and 30 September 2022, equity improved from negative USD 14.3 million to negative USD 11.3 million as a result of the profit recognised during the period.

Current liabilities at USD 16.3 million (USD 58.3 million) comprised the loans from the majority shareholder of USD 15.9 million (USD 12.8 million) and other current liabilities of USD 0.4 million (USD 3.1 million).

Cash flow for the period 1 January – 30 September 2022

The comparison figures for the same period in 2021 are stated in parenthesis.

During the financial period under review, cash flow from operations was a net cash inflow of USD 2.7 million (net cash outflow of USD 0.7 million) due partially to the refund of working capital by the respective pool managers. The net proceeds from the sale of Nordic Anne, Nordic Agnetha and Nordic Amy were applied towards the repayment of bank loans in 9M 2022. Overall, cash and cash equivalents improved to USD 4.2 million as at 30 September 2022 from USD 2.5 million as at 31 December 2021.

Outlook for 2022

As a result of the solvent liquidation, a profit after tax of approximately USD 1.0 million is expected for 2022, including estimated liquidation costs but before income from the expected waiver of shareholder loan. Please also refer to Note 0 'Basis of preparation'.

Management statement

We have today considered and approved the interim financial statements of Nordic Shipholding A/S for the period 1 January 2022 – 30 September 2022.

The interim report, which has not been audited or reviewed, has been presented in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the accounting policies applied are appropriate and the interim report gives a true and fair view of the Group's financial position at 30 September 2022 and of its financial performance and cash flows for the period 1 January 2022 – 30 September 2022. In our opinion, the management's review gives a true and fair review of the development in and results of the Group's operations and financial position as a whole and a specification of the significant risks and uncertainties facing the Group. Besides what has been disclosed in the interim report for the period 1 January 2022 – 30 September 2022, in particular Note 0, no other changes in the Group's most significant risks and uncertainties have occurred.

Copenhagen, 1 December 2022

Executive Management

Philip Clausius, CEO

Board of Directors

Esben Søfren Poulsson
Chairman

Jon Robert Lewis
Deputy Chairman

Kanak Kapur

Philip Clausius

Consolidated statement of comprehensive income (condensed)

<i>Amounts in USD thousand</i>	Q3 2022	Q3 2021	YTD 30 Sep 2022	YTD 30 Sep 2021	FY 2021
Total revenue	(119)	3,165	5,862	14,821	21,519
Voyage related expenses	(18)	(2,248)	(2,944)	(7,345)	(11,139)
TCE revenue	(137)	917	2,918	7,476	10,380
Other income	-	-	104	292	292
Expenses related to the operation of vessels	20	(1,880)	(1,758)	(7,036)	(8,978)
Staff costs	(53)	(73)	(164)	(242)	(303)
Other external costs	(305)	(304)	(1,023)	(995)	(1,349)
EBITDA	(475)	(1,340)	77	(505)	42
Depreciation	-	-	-	(1,601)	(1,601)
Impairment loss on vessels	-	-	-	(4,496)	(4,496)
Write-down and reversals on assets held-for-sale	45	(61)	72	(414)	2,156
Operating result (EBIT)	(430)	(1,401)	149	(7,016)	(3,899)
Financial income	20	-	3,954	1,379	1,380
Financial expenses	(224)	(754)	(1,119)	(2,474)	(3,244)
Result before tax	(634)	(2,155)	2,984	(8,111)	(5,763)
Tax on result	-	-	-	-	-
Result after tax	(634)	(2,155)	2,984	(8,111)	(5,763)
Other comprehensive income	-	-	-	-	-
Comprehensive income	(634)	(2,155)	2,984	(8,111)	(5,763)
Distribution of result					
Parent Company	(634)	(2,155)	2,984	(8,111)	(5,763)
Non-controlling interest	-	-	-	-	-
	(634)	(2,155)	2,984	(8,111)	(5,763)
Distribution of comprehensive income					
Parent Company	(634)	(2,155)	2,984	(8,111)	(5,763)
Non-controlling interest	-	-	-	-	-
	(634)	(2,155)	2,984	(8,111)	(5,763)
Number of shares, end of period	406,158,403	406,158,403	406,158,403	406,158,403	406,158,403
Earnings per share, US cents	(0.16)	(0.53)	0.73	(2.00)	(1.42)
Diluted earnings per share, US cents	(0.16)	(0.53)	0.73	(2.00)	(1.42)

Statement of financial position (condensed)

<i>Amounts in USD thousand</i>	30 Sep 2022	30 Sep 2021	31 Dec 2021
Current assets			
Bunkers and lubricant stocks	-	1,412	1,624
Receivables	800	3,917	4,513
Cash & cash equivalents	4,163	2,115	2,540
Asset held-for-sale	-	32,760	35,334
Total current assets	4,963	40,204	44,011
Total assets	4,963	40,204	44,011
Equity and liabilities			
Equity			
Equity, Parent Company	(11,328)	(16,660)	(14,312)
Equity, non-controlling interest	-	-	-
Total equity	(11,328)	(16,660)	(14,312)
Liabilities			
Current liabilities			
Finance loans, etc.	-	42,194	42,466
Loans from majority shareholder	15,866	12,483	12,795
Other current liabilities	425	2,187	3,062
Total current liabilities	16,291	56,864	58,323
Total liabilities	16,291	56,864	58,323
Equity and liabilities	4,963	40,204	44,011

Statement of changes in equity (condensed)

<i>Amounts in USD thousand</i>	Share capital	Retained earnings	Equity Parent company	Non-controlling interest	Total equity
Equity as at 1 January 2022	7,437	(21,749)	(14,312)	-	(14,312)
Result for the period	-	2,984	2,984	-	2,984
Other comprehensive income for the period	-	-	-	-	-
Equity as at 30 September 2022	7,437	(18,765)	(11,328)	-	(11,328)

<i>Amounts in USD thousand</i>	Share capital	Retained earnings	Equity Parent company	Non-controlling interest	Total equity
Equity as at 1 January 2021	7,437	(15,986)	(8,549)	-	(8,549)
Result for the period	-	(8,111)	(8,111)	-	(8,111)
Other comprehensive income for the period	-	-	-	-	-
Equity as at 30 September 2021	7,437	(24,097)	(16,660)	-	(16,660)

Statement of cash flow (condensed)

<i>Amounts in USD thousand</i>	YTD 30 Sep 2022	YTD 30 Sep 2021	Year 2021
Operating result (EBIT)	149	(7,016)	(3,899)
Adjustments for:			
Depreciation, write-down and reversal of previously recognised write-down on assets held-for-sale	(72)	6,511	3,941
Non-cash financial expenses	-	-	(37)
Operating profit before working capital changes	77	(505)	5
Changes in working capital	2,796	373	91
Net financial expenses paid	(172)	(657)	(807)
Cash flows from operating activities	2,701	(789)	(711)
Net proceeds from sale of assets held-for-sale	35,334	13,887	14,234
Net cash from investing activities	35,334	13,887	14,234
Repayment of finance loans	(38,724)	(16,371)	(16,371)
Loans from majority shareholder - utilisation of banker's guarantee	2,312	-	-
Net cash from financing activities	(36,412)	(16,371)	(16,371)
Cash flows for the period	1,623	(3,273)	(2,848)
Cash and cash equivalents at beginning of period	2,540	5,388	5,388
Cash and cash equivalents at end of period	4,163	2,115	2,540

Notes

0. Basis of preparation

As stated in the Company Announcement 12/2022 on 1 December 2022, with the commitment and continual support from the majority shareholder of Nordic Shipholding A/S, Nordic Maritime S.à r.l., the Board of Directors have decided to call for an extraordinary general meeting with the intention to initiate a voluntary solvent liquidation of the Company. No distribution of funds to the shareholders is anticipated upon completion of the liquidation.

To enable the liquidation to be solvent, the majority shareholder has agreed to waive the necessary part of its loan to the Group. It is expected that the aggregate cash balance of Nordic Shipholding A/S and its subsidiaries is sufficient to cover the estimated liquidation expenses and settlement of all creditors other than the main shareholder loan. Any excess funds will be used to repay the shareholder loan, whereafter it has been agreed with the majority shareholder to waive the remaining debt at that point in time. It is expected that the liquidation will be finalised by the end of 2023.

As a result of the solvent liquidation, a profit after tax of approximately USD 1.0 million is expected for 2022, including estimated liquidation costs but before income from the expected waiver of shareholder loan.

1. Accounting policies

The interim report has been presented as a condensed set of financial statements in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The accounting policies have been consistently applied. For a further description of the accounting policies, see the 2021 Annual Report for Nordic Shipholding A/S.

New IAS/IFRSs

The new financial reporting standards or interpretations, effective from 1 January 2022, have no impact on Nordic Shipholding A/S's results or equity in the interim report and disclosure in the notes.

2. Finance loans

As at 30 September 2022, the Group had outstanding finance loans of USD NIL (31 December 2021: USD 42.5 million). The reduction in finance loans from 31 December 2021 was due to repayments on term loan and write-off of certain loan interest, which was partly offset by the capitalisation of 2.5% point of the total loan interest margin.

3. Loans from majority shareholder

As at 30 September 2022, the Group had outstanding loans from the majority shareholder of USD 15.9 million (31 December 2021: USD 12.8 million). The increase in the loans from the majority shareholder from 31 December 2021 is due to (i) accrued interest on the outstanding loans and banker's guarantee of USD 3.85 million provided as additional

security to the Lenders, and (ii) utilisation of USD 2.3 million under the banker's guarantee for repayment of bank loan. The unutilised portion of the banker's guarantee expired in mid-April 2022 and the shareholder's loans are due to mature in mid-April 2023. Refer to Note 0 regarding the future settlement etc. of the loans.