

NORDEN ANNUAL REPORT 2020 AND OUTLOOK 2021

Attached please find the full report as a PDF file as well as the full company announcement including Q4 2020 figures.

Annual Report 2020 and Outlook 2021

Today, the Board of Directors approved the annual report for 2020. The full report in English is attached as PDF file and contains the following highlights:

Results

Adjusted result ("profit/loss for the period" adjusted for "profit from sale of vessels etc.") for the year 2020: USD 106 million (2019: USD 23 million).

Asset Management: USD 29 million (USD -3 million)

Dry Operator: USD 59 million (USD 8 million)

Tanker Operator: USD 18 million (USD 18 million)

Asset Management: NORDEN has during 2020 adjusted the exposure from Tankers to Dry Cargo.

Dry Operator: Outstanding result with record-high activity levels, underlining the unit's ability to adapt its position and make use of volatile markets.

Tanker Operator: Positive results in first half of 2020, while worst effects of second half 2020 were mitigated through active management of position.

Guidance

Following a very strong performance in 2020, NORDEN expects lower earnings in 2021 with an expected Adjusted Result for 2021 in the range of USD 20 to 60 million.

NORDEN remains committed to returning cash to its shareholders through the Company's dividend policy, paying out minimum 50% of the annual Adjusted Result.

"NORDEN delivered an outstanding performance in challenging and volatile markets, achieving an Adjusted Result of USD 106 million in 2020 – the best group result in 10 years. The result reflects the recent transformation of our business model and strategy to an asset-light platform based on trading opportunities, using data as an asset and strengthening our customer focus. The Board of Directors recommends a dividend payment of DKK 9 per share in line with our dividend policy of returning minimum 50% of the annual Adjusted Result to our shareholders."

CEO Jan Rindbo

Conference call and audiocast

A telephone conference as well as an audiocast will be held today at 10:30 a.m. (CET), where CEO Jan Rindbo and CFO Martin Badsted will comment on the annual report. Participants can join the audiocast to view and listen to the live presentation, while conference call participants have the ability to ask questions at the end of the call. The accompanying presentation will be available on NORDEN's website prior to the conference call and audiocast. It is requested that all conference call participants have joined the call by latest 10:25 a.m. (CET): Danish participants: (+45) 3272 0417 and international participants: UK: +44 (0) 2071 928338 or USA: +1 646 741 3167. Confirmation code: 5992705. The audiocast will be available on NORDEN's website subsequently. Audiocast link: <https://edge.media-server.com/mmc/p/r8s4vixq>

For further information:

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Key figures and financial ratios

	2020	2019	2018	2017	2016
Amounts in USD million					
Income statement					
Revenue	2,597.8	2,583.9	2,451.4	1,808.6	1,251.2
Contribution margin	435.6	295.0	132.3	116.8	76.1
EBITDA	342.5	217.5	72.5	68.1	30.6
Profit and loss from sale of vessels, etc.	-18.2	-3.6	8.8	0.9	-45.5
Depreciation, amortisation and impairment losses	-201.9	-156.9	-44.3	-42.2	-49.6
EBIT	119.4	56.8	39.4	23.3	-64.5
Financial items, net	-26.7	-32.7	-6.9	-0.9	-12.2
Profit/loss for the year	86.0	19.2	28.8	24.6	-45.6
Adjusted results for the year ¹	105.7	22.8	20.0	28.4	-34.6
Statement of financial position					
Total assets	1,824.8	1,742.4	1,464.4	1,326.5	1,301.0
Equity	902.5	859.0	826.8	834.4	801.4
Liabilities	922.3	883.4	637.6	492.1	499.6
Invested capital	1,246.3	1,283.5	970.2	836.7	753.8
Net interest-bearing debts/assets	-343.8	-424.5	-143.4	-2.3	-47.6
Cash and securities	331.6	209.3	188.6	219.4	263.9

Cash flows					
From operating activities	396.0	280.5	-15.8	6.3	-79.7
From investing activities	-45.1	-90.9	-78.4	-0.2	102.1
- hereof investments in property, plant and equipment	-27.1	-102.7	-202.7	-75.4	-36.8
From financing activities	-228.2	-211.2	95.4	3.0	-85.3
Environmental and social figures					
EEOI (gCO ₂ /tonnes-mile) ²	8.8	8.7	8.6	8.8	9.0
LTIF (million working hours) ³	0.6	1.5	0.3	1.6	0.9
Share-related key figures:					
No. of shares of DKK 1 each (including treasury shares)	40,700,000	42,200,000	42,200,000	42,200,000	42,200,000
No. of shares of DKK 1 each (excluding treasury shares)	37,805,533	39,311,533	39,923,933	40,467,615	40,467,615
No. of treasury shares	2,894,467	2,888,467	2,276,067	1,732,385	1,732,385
Earnings per share (EPS), DKK	14	3	4	4	-8
Diluted earnings per share (diluted EPS), DKK	14	3	4	4	-8
Dividend per share, DKK	9.0	2.5	2.0	0.0	0.0
Book value per share, DKK	145	146	135	128	140
Share price at year-end, per share DKK 1	109.6	106.7	92.4	116.5	110.5

Other key figures and financial ratios:					
EBITDA ratio	13.2%	8.4%	3.0%	3.8%	2.4%
ROIC	9.4%	5.0%	4.4%	2.9%	-8.4%
ROE	9.8%	2.3%	3.5%	3.0%	-5.5%
Payout ratio (excluding treasury shares) ⁴	65.3%	76.6%	41.7%	0.0%	0.0%
Equity ratio	49.5%	49.3%	56.5%	62.9%	61.6%
Price/book value	0.8	0.7	0.7	0.9	0.8
Total no. of ship days	153,195	138,327	122,852	93,738	79,060
USD rate at year-end	605.76	667.59	651.94	620.77	705.28
Average USD rate	653.43	667.03	631.74	659.53	673.27

Key figures for 2016-2018 are not restated to reflect IFRS 16.

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

1) "Adjusted result for the year" is computed as "Profit/loss for the period" adjusted for "Profit and loss from sale of vessels, etc.", including adjustment from sale of vessels in joint ventures.

2) The Energy Efficiency Operational Indicator (EEOI) is a measurement of efficiency and is defined as the amount of CO2 emitted per tonne of cargo transported 1 mile.

3) Lost Time Injury Frequency (LTIF) is the frequency a seafarer is unable to work for more than 24 hours per 1 million working hours due to work-related injury.

4) The payout ratio was computed based on proposed dividends for the year, including extraordinary dividends paid during the year.