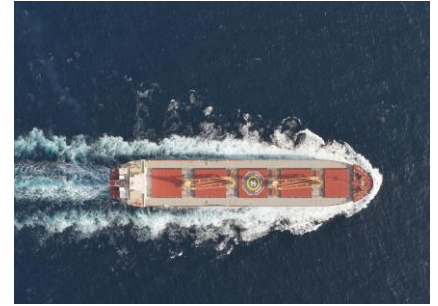


ANNUAL REPORT

Annual report 2017 and outlook 2018



- ★ **Results**
Adjusted result for the year* 2017: USD 28 million (2016: USD -35 million)
 - Dry Cargo: USD 14 million (USD -52 million)
 - Tankers: USD 14 million (USD 17 million)
 Group EBIT 2017: USD 23 million (USD -65 million)

- ★ **Mid-year: NORDEN Dry Cargo split into 2 distinct business units; Dry Operator and Dry Owner.**

- ★ **New business units off to a good start in improving markets:**
 - Dry Operator adjusted result for second half 2017: USD 12 million (Q4 2017: USD 14 million)
 - Dry Owner adjusted result for second half 2017: USD 19 million (Q4 2017: USD 12 million)

- ★ **NORDEN Tankers:**
 - Utilising low rates to significantly increase chartered capacity during the year with what is equivalent to 71.5 vessel years – predominantly with forward delivery.
 - Adjusted result for the fourth quarter: USD 2 million.

- ★ **Guidance**
 - Expected adjusted results for 2018 for the group: USD 10 to 50 million based on a continued gradual improvement in the dry cargo market and a tanker market that after a weak start to the year is expected to improve slightly.

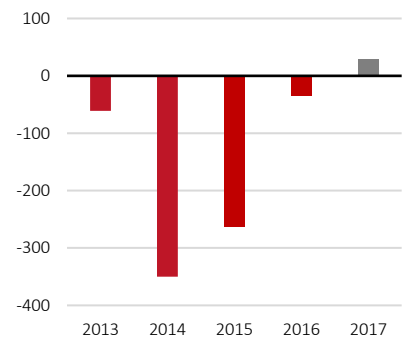
CEO Jan Rindbo in comment:

“Based on a strong performance in the fourth quarter, NORDEN delivered the first positive result in 5 years. With a new, agile business unit in the form of Dry Operator, a substantial cyclical exposure in both Dry Owner and Tankers and a skilled organisation with a winning mentality, NORDEN is well-positioned to 2018. On that basis, we expect an adjusted result for the year of USD 10 to 50 million.”

A telephone conference will be held today at 3:30 p.m. (CET), where CEO Jan Rindbo and CFO Martin Badsted will comment on the report. It is requested that all participants have joined the meeting by latest 3:25 p.m. (CET) – international participants please dial in on +44 (0) 330 336 9105 or +1 323 794 2551, Danish participants please dial in on +45 3515 8049. The telephone conference will be shown live at www.ds-norden.com, where the accompanying presentation will also be available.

For further information: Jan Rindbo, CEO, tel.: +45 3315 0451.

Adjusted result for the year



**“Profit/loss for the year” adjusted for “Profit and loss from sale of vessels, etc.”*

Key figures and financial ratios

	2017	2016	2015	2014	2013
Income statement, USD million					
Revenue	1,808.6	1,251.2	1,653.4	2,038.1	2,145.9
Costs	-1,740.5	-1,220.6	-1,632.9	-2,299.6	-2,121.6
Earnings before depreciation, etc. (EBITDA) (excl. provisions)	68.1	30.6	165.5	-31.3	24.3
Provision (excl. joint ventures)	0.0	0.0	-145.0	-230.2	0.0
Earnings before depreciation, etc. (EBITDA)	68.1	30.6	20.5	-261.5	24.3
Profit and loss from sale of vessels, etc.	0.9	-45.5	-31.0	0.0	2.5
Depreciation and write-downs	-42.2	-49.6	-248.6	-68.2	-79.0
Earnings from operations (EBIT)	23.3	-64.5	-282.0	-335.5	-51.3
Fair value adjustment of certain hedging instruments	0.0	34.5	9.1	-61.9	10.6
Net financials	-0.9	-12.3	-9.4	-15.2	-2.5
Profit/loss before tax	22.4	-42.2	-282.3	-412.5	-43.2
Profit/loss for the year	24.6	-45.6	-284.9	-415.6	-47.7
Profit/loss for the year for the NORDEN shareholders	24.6	-45.6	-284.9	-415.6	-47.7
Adjusted results for the year ¹⁾	28.4	-34.6	-263.0	-350.2	-60.8
Statement of financial position, USD million					
Non-current assets	786.5	767.1	945.7	1,221.0	1,215.2
Total assets	1,326.5	1,301.0	1,604.7	1,778.0	2,061.2
Equity (including minority interests)	834.4	801.4	856.1	1,139.3	1,604.8
Liabilities	492.1	499.6	748.6	638.7	456.4
Invested capital	836.7	753.8	788.7	1,131.6	1,377.0
Net interest-bearing assets	-2.3	47.6	67.3	7.7	227.8
Cash and securities	219.4	263.9	365.7	238.3	486.1
Cash flows, USD million					
From operating activities	6.3	-79.7	76.9	-46.0	-8.9
From investing activities	-0.2	102.1	-112.9	66.2	-61.9
- hereof investments in property, plant and equipment	-75.4	-36.8	-131.6	-110.4	-139.4
From financing activities	3.0	-85.3	67.5	-79.4	62.5
Change in cash and cash equivalents for the year	9.1	-62.9	31.5	-59.2	-8.3
Financial and accounting ratios					
Share-related key figures and financial ratios:					
No. of shares of DKK 1 each (including treasury shares)	42,200,000	42,200,000	42,200,000	42,200,000	43,000,000
No. of shares of DKK 1 each (excluding treasury shares)	40,467,615	40,467,615	40,467,615	40,460,055	40,770,988
No. of treasury shares	1,732,385	1,732,385	1,732,385	1,739,945	2,229,012
Earnings per share (EPS) (DKK)	0.6 (4)	-1.1 (-8)	-7.0 (-47)	-10.3 (-58)	-1.2 (-7)
Diluted earnings per share (diluted EPS) (DKK)	0.6 (4)	-1.1 (-8)	-7.0 (-47)	-10.3 (-58)	-1.2 (-7)
Dividend per share, DKK	0	0	0	0	5
Book value per share (DKK)	19.8 (123)	19.0 (134)	21.2 (144)	28.2 (172)	39.4 (213)
Share price at year-end, per share DKK 1	116.5	110.5	122.1	131.4	285.0
Price/book value	0.9	0.8	0.8	0.8	1.3
Other key figures and financial ratios:					
EBITDA ratio	3.8%	2.4%	1.2%	-12.8%	1.1%
ROIC	2.9%	-8.4%	-10.6%	-26.7%	-3.8%
ROE	3.0%	-5.5%	-28.6%	-30.3%	-2.9%
Payout ratio (excluding treasury shares) ²⁾	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio	62.9%	61.6%	53.3%	64.1%	77.9%
Total no. of ship days for the Group	93,738	79,060	75,763	83,866	90,069
USD rate at year-end	620.77	705.28	683.00	612.14	541.27
Average USD rate	659.53	673.27	672.69	561.90	561.60

The ratios are computed in accordance with "Recommendations and Financial Ratios 2015" 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 results for the year" is computed as "Profit/loss for the year" adjusted for "Profit and loss from sale of vessels, etc." and "Fair value adjustment of certain hedging instruments" for periods before 2017. Including adjustment from sale of vessels in joint ventures.

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