NORDEN

ANNUAL REPORT 2024

Enabling smarter global trade

CVR NUMBER 67758919

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2024 in five minutes

CEO Jan Rindbo presents NORDEN's annual results in a brief video
norden.com/investor

Related reports and information

- Remuneration Report 2024
- Statutory statement on Corporate Governance 2024
- ESG performance data

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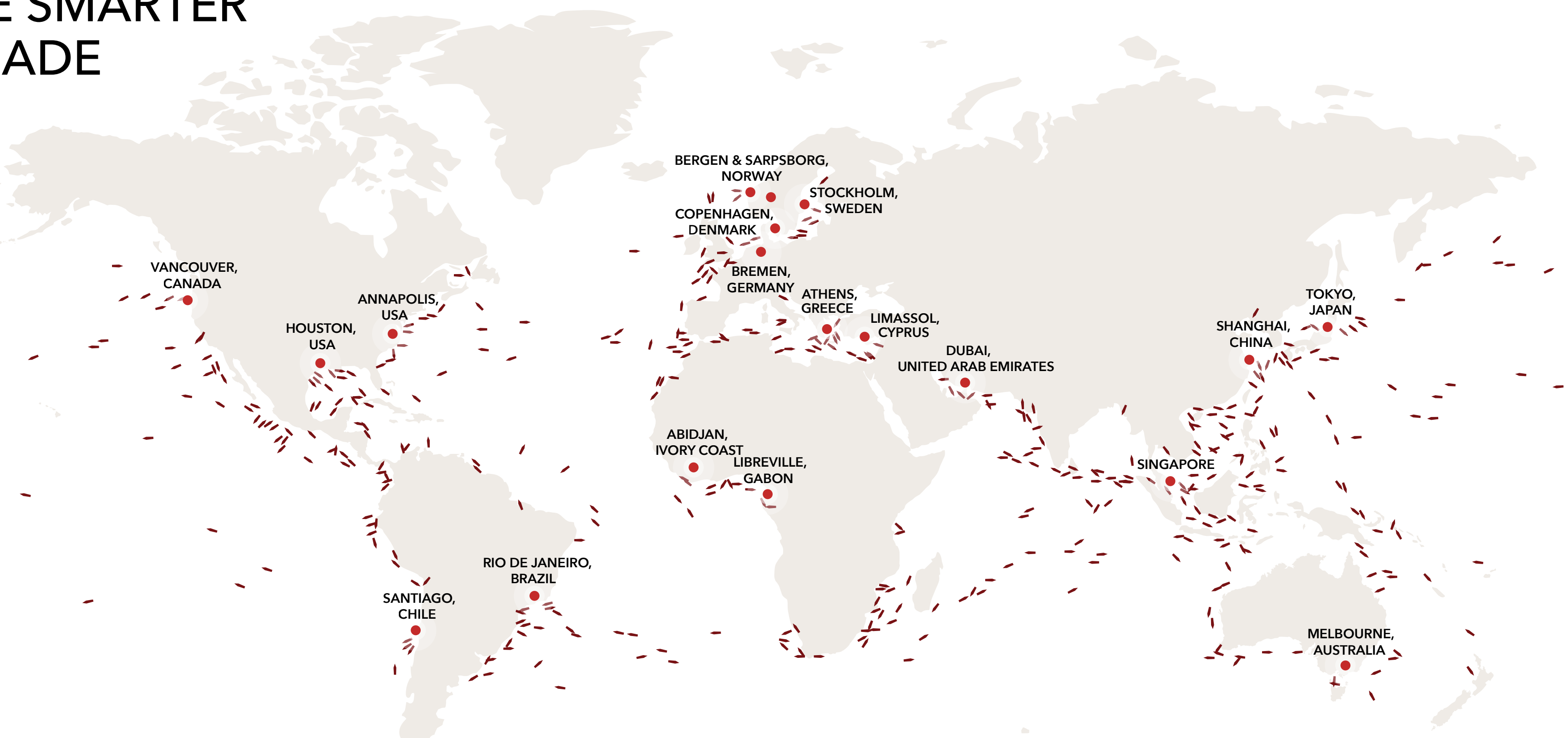
In brief

INTRODUCTION TO NORDEN

WE ENABLE SMARTER GLOBAL TRADE



Vessels operated
500
on average in 2024

Tonnes of cargo carried
140m
in 2024

Number of offices
19
around the world

We are
52
nationalities at NORDEN

LETTER FROM THE CHAIR AND CEO

As we close the books on 2024, we are pleased to reflect on a year of significant achievements and strategic advancements for NORDEN. Despite challenging market conditions, 2024 has been a successful year in terms of executing on our strategic scorecard objectives, which confirms the long-term value creation based on an agile and flexible business model.

Geopolitical uncertainty combined with fluctuating supply and demand patterns have underscored the complexity of our operating environment. However, we have demonstrated our ability to adapt, leveraging our diversified portfolio and operational excellence to deliver good returns. Overall, we reported a net profit of USD 163 million and a ROIC of 14% in 2024. We propose to distribute USD 27 million to shareholders for the fourth quarter through an interim dividend and a new share buy-back program, bringing the total distribution for 2024 to USD 100 million. This reconfirms the strength of our agile business model in both positive underlying market conditions, but also in times with a more challenging and less predictable outlook for the industry.

A challenging year for ship operators
During 2024, our company navigated through dynamic markets with resilience. It was a challenging year for our Freight Services & Trading division, where we started the year with unusually strong

markets which resulted in negative margins in the dry cargo activities due to a short position that led to high costs on fulfilling cargo commitments. Our tanker activities achieved very good results in the first half of the year, but weaker tanker rates put pressure on earnings in the second half of the year.

Throughout the year, our focus has been on steering the dry operator activities back towards profitability and the unit is now demonstrating a marked improvement. At the same time, we are increasing our long-term focus on high-return business, such as project cargo. The acquisition of Norlat Shipping, a specialised forestry cargo operator, is a great addition within project cargo that allows us to further cement our position in a growing and resilient segment. With a customer-centric business and complementary trading routes, we offer fully flexible solutions as a global provider of ocean-based freight services for bulk and project cargo of all sizes.

Realising high portfolio values in an owner's market

2024 has been characterised by an owner's market with high asset prices and period rates, which benefits our Assets & Logistics division. In this environment, our focus has been on realising high values and optimising the vessel portfolio. Following the strong development in asset prices, we have during the year taken the opportunity to unlock portfolio value by selling eight vessels – two from exercised purchase options - at significant sales gains. The reported Net Asset Value of the Assets & Logistics unit at the end of the year was DKK 425 per share, and reflects the estimated value of NORDEN's owned fleet, leased fleet and purchase options.

To secure attractive returns in the future, we have during the year also made new strategic investments in modern, fuel-efficient vessels which will position ourselves advantageously against the backdrop of an ageing global fleet and a historically low dry cargo orderbook. With tight shipyard availability anticipated in the coming years, newbuilding prices and forward charter rates in the dry cargo sector are expected to be robust. We continue to be well positioned towards a fundamentally positive asset market and with the investments that we have made in both our own vessels and our large portfolio of leased vessels with purchase options, we are well positioned to capture this upside.

> Despite continued geopolitical uncertainties and a market impacted by challenging market conditions, NORDEN delivered a solid result with a net profit of USD 163 million and a return on invested capital of 14% in 2024.

Resilient business model and strategic execution

The diversity of our business model, with both owner and operator activities across tankers and dry cargo, enables us to generate superior returns to shareholders over time. It has been a successful year in respect of executing on our strategic scorecard objectives, confirming the long-term value creation based on an agile and flexible business model. The value creation based on the return on invested capital (ROIC) has in the past five years been 25% per year and 14% in the last twelve months, outperforming our target of average min. 12% per year over a rolling five-year period.

We continue to work towards our ESG target and we have achieved an overall reduction in emissions by 14% since 2022, well on track towards our reduction target of 16% by 2030. Emission regulations are increasingly coming into force, adding further complexity to vessel operations and compliance handling. Our customers' increased need for solving complexity in supply chains and reducing emissions is a key part of our growth strategy. At NORDEN, we see it as our responsibility to drive this transition and develop sustainable solutions to reduce emissions.

Biofuels are an integral part of our ambition to decarbonise our customers' supply chains, as they can be applied directly onto our ~500 operated vessels without any engine modifications. In September, we entered into a biofuel partnership with the global mining company BHP for its supply of biofuel for a long-haul Capesize voyage. BHP is taking a leading role in accelerating the decarbonisation of shipping, and we are immensely proud of the trust they have put in us to support their efforts in decreasing supply chain emissions.

In November, we also signed a sustainable fuel agreement with Meta aimed at advancing the decarbonisation of the maritime industry. Under this agreement, Meta pays for biofuels, which are burnt on NORDEN-operated vessels. Our Book and Claim system tracks the reductions and allocates them to customers, such as Meta, to purchase and track the benefits of biofuel emissions reductions even when not available for their cargo's voyage.

The diversity of our business model, with both owner and operator activities across tankers and dry cargo, enables us to generate superior returns to shareholders over time.

Looking forward

Entering 2025, macroeconomics and the geopolitical situation in Ukraine and the Middle East, are still expected to impact the market outlook. In addition, potential disruptions from sanctions and trade wars are adding to even higher uncertainty and volatility compared to 2024.

In Freight Services & Trading, the margins in the dry cargo activities are expected to continue to improve, whereas margins in the tanker activities are likely to decline as a result of weaker tanker rates. Based on the current market outlook and also as a result of lower sales gains from already signed transactions, profitability is expected to be lower compared to 2024 with a full-year 2025 guidance of a net profit in the range of USD 20-100 million.

The long-term market fundamentals remain positive due to the ageing global fleet and limited available shipyard capacity. We expect this will continue to underpin asset values, and this adds a value upside to NORDEN's portfolio of vessels and purchase options. We firmly believe that our operator activities will generate an attractive return over time, as we have seen historically with our track record. However, it remains a cyclical market so there will be both tough periods with low earnings and great periods with substantial upside. Following a couple of very good years, our focus going forward will be on lower risk-taking and creating more stable returns relative to the industry, while keeping the ability to capture upside when markets change. When we look to the future, we are confident that we have all the right ingredients in place to ensure a successful long-term development of NORDEN - a high-performing organisation with world-class assets, trusted partnerships and great customers.

Let us end by thanking all our employees for your hard work and dedication throughout the year. Together, we have successfully developed NORDEN into a more customer-focused organisation with freight services spanning across all sizes, segments and geographies. New colleagues with new competencies to further grow NORDEN have joined us across all areas of our global organisation. In addition, it has also been fantastic to experience many internal promotions during the year - underlining that we have a strong talent pipeline, as we continue to provide new career opportunities in line with the growth of NORDEN. Our employees' commitment and contributions are the foundation of our future success, and we have very exciting times ahead of us.

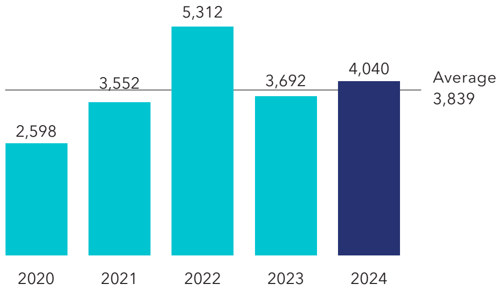
Klaus Nyborg
Chair of the Board of Directors

Jan Rindbo
CEO

FINANCIAL HIGHLIGHTS

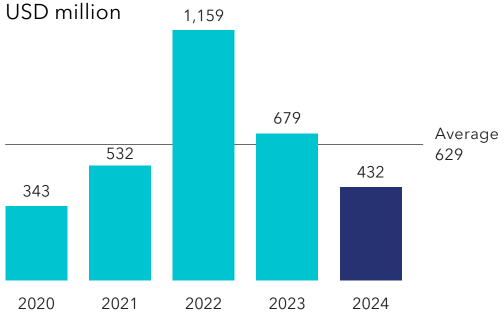
Revenue

4,040
USD million



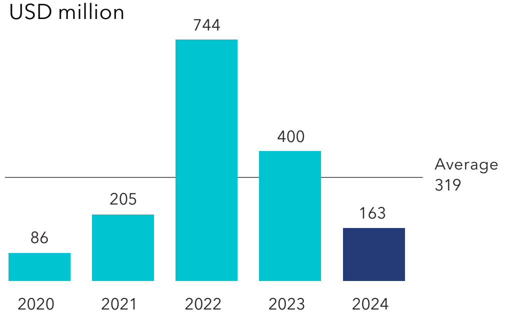
EBITDA

432
USD million



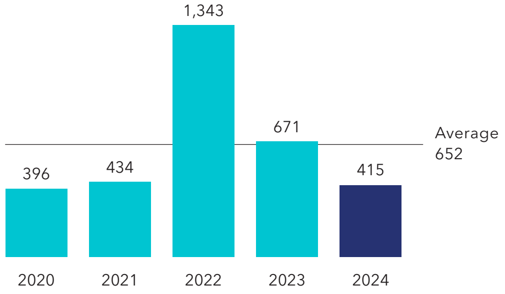
Profit for the period

163
USD million



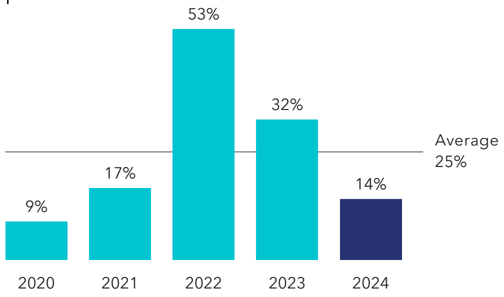
Cash flow from operations

415
USD million



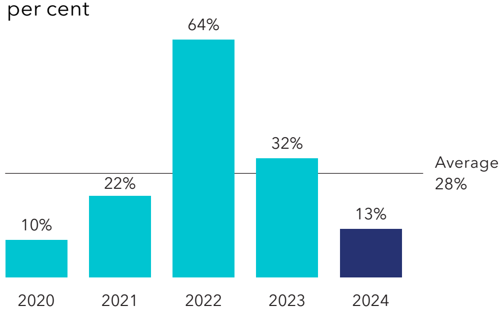
ROIC after tax

14
per cent



ROE

13
per cent



NET PROFIT

Group

USD 163m

Freight Services & Trading

USD -74m

Assets & Logistics

USD 236m

ESG HIGHLIGHTS

With NORDEN playing a leading role in global trade, we have a pivotal role in shaping a more sustainable future for the shipping industry and helping our customers decarbonise their supply chains.

With a medium-term target of reducing our emissions by 16% by 2030, our decarbonisation initiatives are an integrated part of the strategy and daily operations of NORDEN.

We are committed to upholding high social responsibilities and strong corporate governance, as we recognise them as key strategic pillars in fostering a high performing organisation.

ENVIRONMENT

Emission reduction

14%

reduced emissions per tonne-mile since 2022

During 2024, we successfully reduced our emission intensity per tonne cargo by 14% since the base year 2022. We are thus well on track to reach our medium-term target of a minimum reduction of 16% by 2030.

SOCIAL

Diversity

38%

share of underrepresented gender in managerial roles

The share of the underrepresented gender in managerial roles was 38% in 2024, unchanged from 2023 and just short of our target of 40%.

GOVERNANCE

Anti-corruption

100%

of staff completed e-learning course

During the year, all employees have passed an anti-corruption e-learning course, to ensure the organisation is aware of and compliant with the programme.

Read more about our ESG here

KEY FIGURES & FINANCIAL RATIOS

Amounts in USD million	2024	2023	2022	2021	2020
Income statement					
Revenue	4,040.1	3,691.9	5,312.4	3,551.8	2,597.8
Contribution margin	506.6	795.4	1,365.9	649.6	435.6
EBITDA	432.2	678.6	1,159.1	532.2	342.5
Profit/loss from sale of vessels, etc.	82.0	79.0	79.4	7.7	-18.2
Depreciation, amortisation and impairment losses	-312.0	-335.2	-449.7	-295.5	-201.9
EBIT	202.1	421.6	791.6	245.5	119.4
Financial items, net	-28.5	-11.4	-39.7	-34.8	-26.7
Profit for the year	162.7	400.1	743.5	204.5	86.0
Statement of financial position					
Total assets	2,254.8	2,343.9	2,755.4	2,453.5	1,824.8
Equity	1,297.1	1,197.9	1,330.7	993.3	902.5
Liabilities	957.7	1,146.0	1,424.7	1,460.2	922.3
Net working capital	107.8	39.1	-32.6	150.9	54.5
Invested capital	1,560.8	1,242.5	1,303.2	1,631.0	1,246.3
Net interest-bearing debt	263.7	44.6	-27.5	637.7	343.8
Cash and cash equivalents	266.6	557.2	842.3	410.7	331.6
Statement of cash flows					
Cash flow from operating activities	415.4	670.8	1,342.9	433.9	396.0
Cash flow from investing activities	126.6	-12.8 [1]	57.9	2.6	-45.1
- of this investments in property, plant and equipment	-471.5	-349.7 [1]	-328.1 [1]	-247.9 [1]	-99.0 [1]
Cash flow from financing activities	-601.7	-968.3 [1]	-1,151.7	-261.9	-228.2
Free cash flow	-74.3	264.6	1,078.8	40.3	144.5
Dividends distributed	72.5	308.9	376.2	53.0	14.6
Share buy-back	69.3	127.5	129.8	33.1	24.0

Please see definitions in the "Alternative performance measures" and in the "Key figures and financial ratios" sections within this report.

	2024	2023	2022	2021	2020
Environmental and social figures					
EEOI (gCO_2/tonne-mile)	8.5	9.0	9.9	9.7	8.8 [2]
LTIR (days per million working hours)	1.3	1.0	0.8	0.8	0.6
Average number of employees (FTEs)	483	466	425	385	391
Share of least represented gender	39%	41%	40%	39%	36%
Share-related key figures and financial ratios					
No. of shares of DKK 1 each (incl. treasury shares)	32,000,000	34,000,000	37,000,000	39,200,000	40,700,000
No. of shares of DKK 1 each (excl. treasury shares)	29,949,522	31,567,588	33,751,988	36,763,061	37,805,533
Number of treasury shares	2,050,478	2,432,412	3,248,012	2,436,939	2,894,467
Earnings per share (EPS), DKK [3]	36.7	85.4	150.0	34.3	14.5
Diluted earnings per share (diluted EPS), DKK [3]	36.5	85.0	149.1	34.3	14.5
Dividend per share, DKK	8.0	45.0	90.0	18.0	9.0
Book value per share, DKK [3]	309.4	255.9	274.9	170.0	144.6
Share price at year-end	212.4	321.0	418.3	166.4	109.6
Other key figures and financial ratios					
Gross margin	12.5%	21.5%	25.7%	18.3%	16.8%
EBITDA ratio	10.7%	18.4%	21.8%	15.0%	13.2%
ROIC	13.6%	32.4%	53.4% [4]	16.6% [4]	8.8% [4]
ROE	13.0%	31.6%	64.0%	21.6%	9.8%
Payout ratio	21.6%	53.1%	57.1%	49.1%	65.3%
Equity ratio	57.5%	51.1%	48.3%	40.5%	49.5%
Price/book value	0.7	1.3	1.5	1.0	0.8
Total no. of vessel days	178,736	172,116	171,932	170,270	153,195
USD/DKK rate at year-end	714.3	674.5	697.2	656.1	605.8
USD/DKK average rate for the year	689.1	689.3	708.3	629.2	653.4

[1] Restated from disclosed figures in the 2020-2023 Annual Reports, due to changed methodology.
[2] Disclosed based on legacy methodology and not comparable to the methodology adapted since 2021. See Annual Report 2022 for previous methodology.
[3] Converted based on the USD/DKK exchange rate at the end of the period.
[4] Restated from disclosed figures in the 2020-2022 Annual Reports, due to changed methodology. See Alternative performance measures on page 160 and Key figures and financial ratios on page 161 for further details.

OUTLOOK 2025

Based on the current market outlook and lower sales gains from signed and agreed transactions, NORDEN expects a net profit for 2025 in the range of USD 20-100 million (Realised in 2024: USD 163 million).

Freight Services & Trading
Looking into 2025, we still expect a challenging year, but the margins in the Freight Services & Trading division are expected to improve in 2025 compared to 2024. To what extent will depend mainly on the strength of the tanker markets.

Compared to 2024, we expect a significant improvement in margins in the dry cargo activities, whereas margins in the tanker activities are likely to decline as a result of weaker tanker rates.

Assets & Logistics
For 2025, we expect Assets & Logistics will continue to benefit from high earnings coverage in both dry cargo and tankers at profitable levels. Gains from vessel sales and subleases are expected to contribute positively to the results.

Our full-year guidance for 2025 includes gains on the sale of vessels from already signed and agreed transactions of USD 16 million. In 2024, the full-year net profit of USD 163 million included gains on the sale of vessels of USD 82 million.

Geopolitical uncertainty
Given the current macroeconomic and geopolitical situation, in particular related to the Red Sea and Middle East, the freight market uncertainty and volatility are expected to remain very high during 2025. Potential disruptions from sanctions and trade wars are adding to even higher uncertainty and volatility compared to 2024.

With an agile business model and high coverage across dry cargo and tankers in Assets & Logistics, NORDEN is well-positioned to manage this uncertainty and adjust market exposure accordingly.

NORDEN's net position by end January 2025
By end January 2025, NORDEN had a total of approximately 8,900 open tanker equivalent vessel days in 2025 across both business units. In dry cargo, the exposure was a total of approximately -7,000 equivalent vessel days in 2025, including a short position in the Dry Cargo activities in the Freight Services & Trading unit, where the position remains dynamic in accordance with short-term market expectations.

Cash distribution policy
To distribute minimum 50% of the profit for the full-year, including profit/loss on the sale of vessels, through dividends and share buy-back programmes.

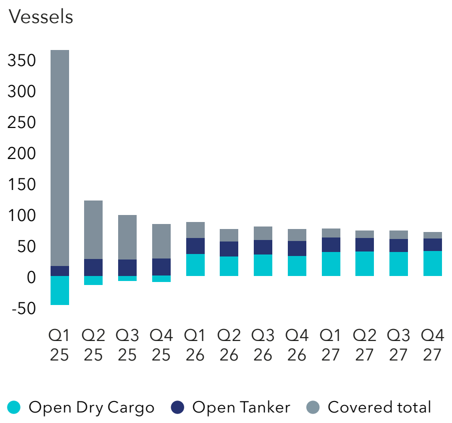
Events after the reporting date
No significant events have occurred between the reporting date and the publication of this Annual Report, which have not already been included and adequately disclosed in the Annual Report, and which materially affect the assessment of the Company's and Group's results of operations or financial position.

Forward-looking statements
This Annual Report contains certain forward-looking statements reflecting Management's present judgement of future events and financial results. Statements relating to 2025 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 Annual 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.

NORDEN expects a 2025 full-year net profit of

USD 20–100 million

Group net position - end January 2025



Strategy

MARKET AND INDUSTRY TRENDS

Disruptions due to Russian sanctions and Red Sea re-routing continued to reduce fleet efficiency and adding to market tightness. Both dry and tanker markets were relatively strong in the first half of the year, but towards year-end both markets were in decline. However, fundamentals continue to look good based on limited yard capacity and the growing scrapping potential of an ageing global fleet.

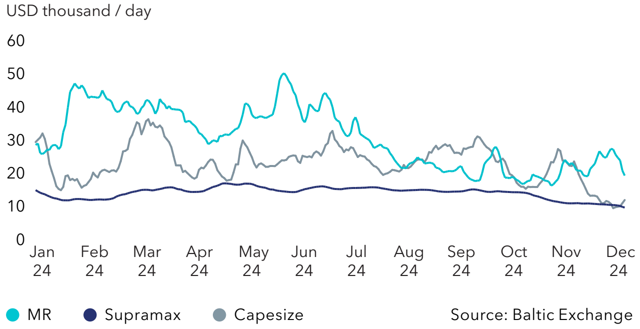
Dry cargo markets

The market experienced a strong start to 2024 with high spot rates, driven by diversions related to the Red Sea, an increase in iron ore exports from Brazil due to unusually dry weather conditions and a general increase in fronthaul voyages going from the Atlantic to the Pacific basin. However, in the second half of the year spot rates declined mainly caused by lower volumes combined with an increased amount of backhaul voyages and low levels of global congestion, which added to a significant improvement in the effectiveness of the global fleet capacity.

In 2024, global volumes grew by 4% Y/Y, driven by imported volumes to China of 3% Y/Y and an increase in volumes for the rest of the world of 3% Y/Y. Measured in tonne-mile, global demand increased by 5% Y/Y, driven by longer distances partly due to the issues in the Panama canal and Red Sea.

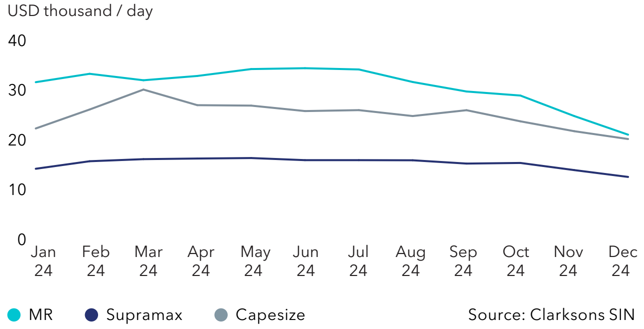
In line with declining spot rates in the second half of 2024, second-hand vessel values and 1-year TC rates also started to decline. However, due to the ageing global fleet, limited yard capacity and a low dry cargo orderbook, asset prices are still significantly elevated compared to historical levels.

Spot rates



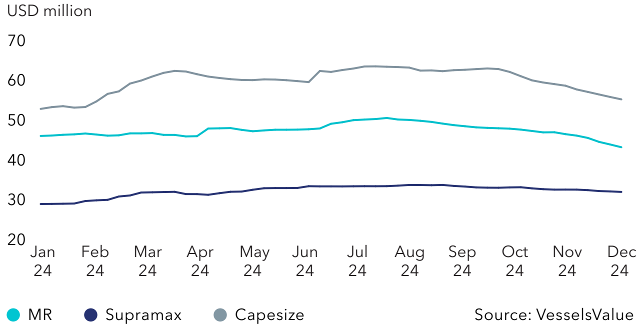
Average Supramax spot rates increased 21% in 2024 compared to 2023
Average Capesize spot rates increased 38% in 2024 compared to 2023
Average MR spot rates increased 2% in 2024 compared to 2023

1-year TC rate



1-year TC rates for Supramax decreased 14% comparing end 2023 to end 2024
1-year TC rates for Capesize decreased 11% comparing end 2023 to end 2024
1-year TC rates for MR tankers decreased 32% comparing end 2023 to end 2024

5-year asset values



5-year asset values for Supramax increased 11% comparing end 2023 to end 2024
5-year asset values for Capesize increased 7% comparing end 2023 to end 2024
5-year asset values for MR tankers decreased 5% comparing end 2023 to end 2024

Looking into 2025, dry cargo spot rates have started the year on a very weak note. Average dry cargo spot rates are expected to be lower in 2025 compared to 2024, mainly due to weaker demand growth as there will be no additional growth impact from the issues in the Red Sea, less restocking in China and continued high fleet efficiency.

Tanker markets
The tanker market experienced exceptionally high spot rates in the first half of 2024, caused by longer distances due to Red Sea re-routing and sanctions on Russian exports. In the second half of the year, rates decreased significantly. During the summer, regional price spreads for oil products combined with low rates for crude tankers, created an environment where crude tankers started to trade clean products. This led to an excessive supply of vessels in the clean market which significantly lowered the spot rates during the second half of the year.

In 2024, the development in tonne-miles for tankers was at 0%, as a result of the poor crude market in 2024 combined with lower oil production volumes in the Middle East.

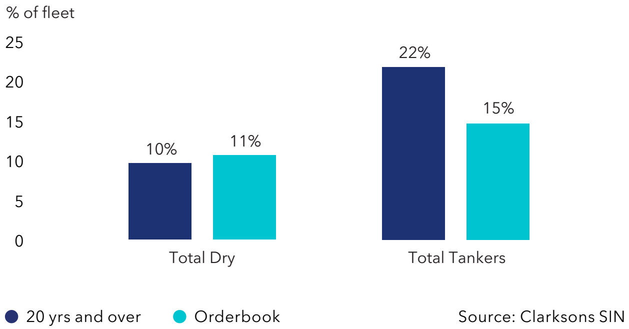
The weaker rates towards year-end impacted the 1-year TC rates which decreased 32% in 2024 compared to year end 2023. However, asset prices for a 5-year MR vessel were only slightly impacted with a decrease of 5% in 2024, indicating that fundamentals remain strong.

Looking into 2025, we expect fundamentals in the tanker markets to continue to weaken, leading to a lower tanker market on average. However, uncertainty is very high and driven by political factors. Rates may increase if sanctions are tightened further, but could be lower if sanctions are removed. A full halt to attacks on shipping in the Red Sea would have a negative impact on rates, but the ceasefire remains fragile, and traffic will depend on the political stability over the coming months.

As a result of the attractive market conditions, ageing fleet and high profitability in recent years, the tanker orderbook has during 2024 started to increase quite significantly. By the end of 2024, the overall orderbook for the global tanker fleet was at 15%.

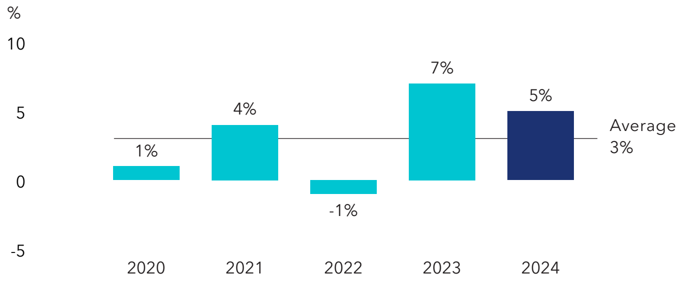
However, long-term fundamentals still look good since the order-book is offset by an increased scrapping potential as more than 20% of the global fleet is now more than 20 years old.

Age vs. orderbook



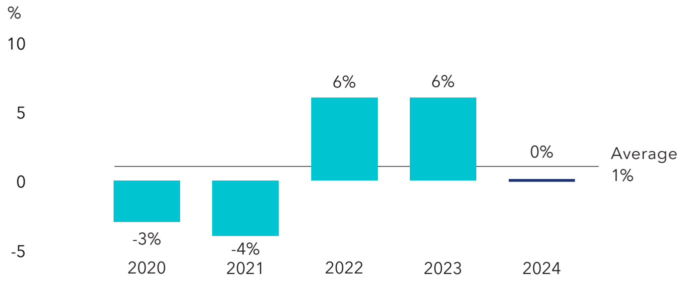
Source: Clarksons SIN

Tonne-mile growth – Total dry



Source: AXSDry

Tonne-mile growth – Total tankers



Source: Vortexa

OUR BUSINESS MODEL

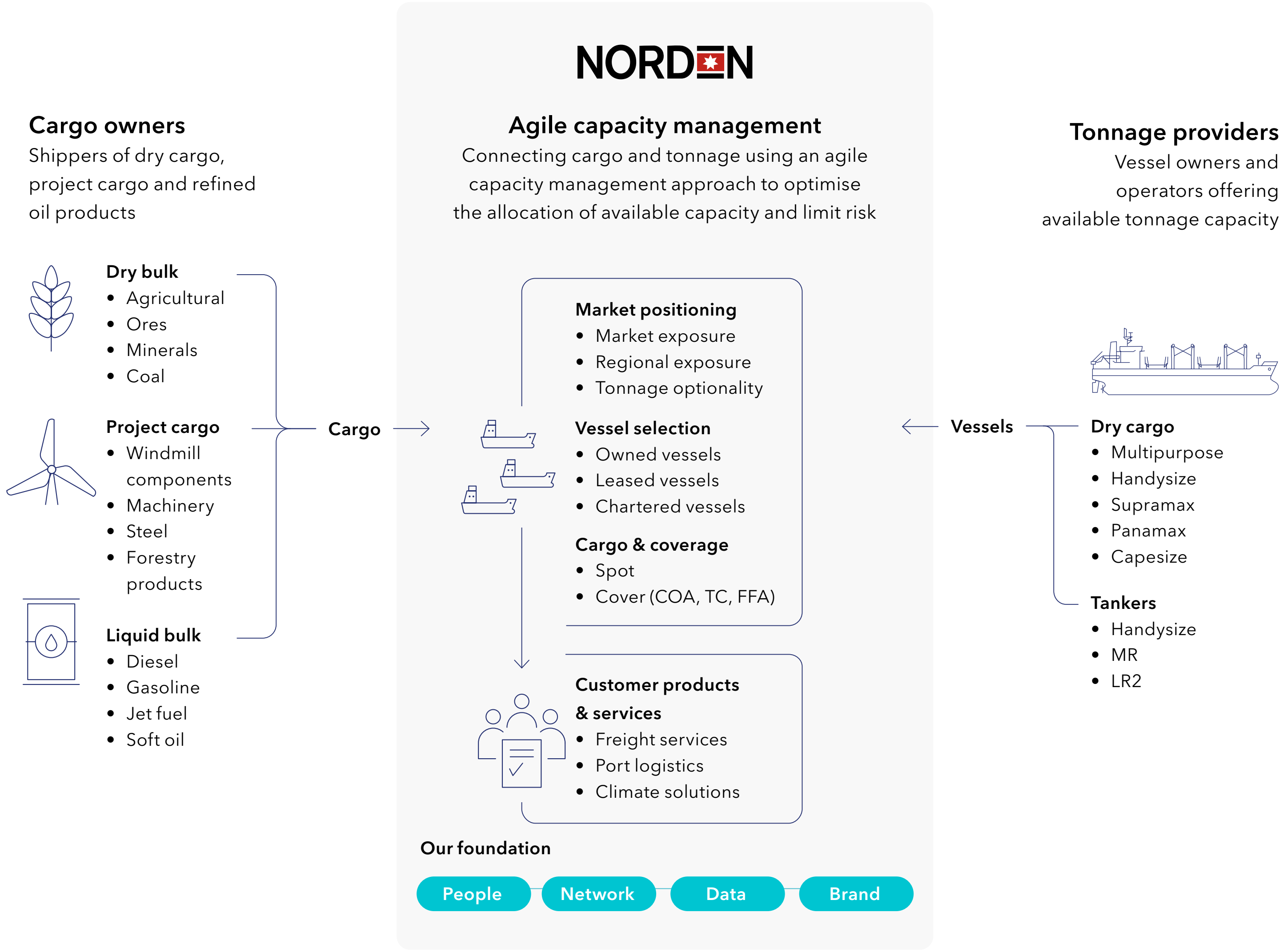
Founded in 1871 and with 19 offices across 6 continents and close to 500 employees, NORDEN is a global provider of ocean-based freight services for bulk and project cargo of all sizes. We integrate freight solutions with port logistics, helping our customers optimise and decarbonise their supply chains.

We provide tailored solutions based on flexibility, reliability and intelligence, delivered by our global team of professionals. Our agile business model ensures stability by continuously adapting our fleet to market developments and customer demand, utilising our tonnage through spot cargo, COAs, time-charters and FFA's.

Based on an agile capacity management model, we operate a diversified fleet of around 500 vessels ranging from Handysize (10,000 dwt) to Capesize (200,000 dwt) as well as product tankers, through our owned and leased fleet, our tanker pool and externally chartered tonnage.

We have the ability to adjust to market trends by adjusting the operated fleet using chartered vessels and the optionality from extension and purchase options from the leased fleet. This allows us to navigate the complexities and cyclicality of the shipping industry to improve cost efficiency and generate good returns in a highly volatile industry.

Our integrated port logistics solutions aim at helping clients solve port infrastructure bottlenecks using floating transfer stations to load larger vessels off-shore, optimising supply chain efficiency and reducing emissions.



CASE STORY

Strengthening strategic commercial relations

In line with our strategic ambition to enhance customer focus, a new Strategic Commercial Partnerships function was launched in 2024 to address the growing complexity that our customers are facing in their supply chains in terms of efficiency, reliability, decarbonisation and geopolitical uncertainty.

Building a deeper understanding of our customers' needs and delivering the right solutions require multi-layered relationships with our customers, which the Strategic Commercial Partnerships team is tasked to further develop together with our global team of experts across our office network.

In 2024, the Strategic Commercial Partnerships team was instrumental in arranging innovative contracts with a leading grain house and a global mining company. Our strong freight capabilities were combined with our decarbonisation activities to leverage our expertise to deliver best-in-class decarbonisation solutions for their supply chains. Given the complex nature of these deals, close collaboration was required to assure alignment between all parties. These solutions initiated new discussions with the customers about how we can support their business with value-added services such as market intelligence, low carbon fuels and logistic services.

"The team will work proactively with key customers to identify opportunities to optimise their supply chains related to ocean freight, port logistics and emissions to further enhance our relevance to customers."

Manisha Mathur, Head of Strategic Commercial Partnerships

STRATEGY UPDATE

As a global provider of ocean-based freight services and logistics solutions, our strategy is focused on enabling smarter global trade through customer-focused freight services and climate solutions. This is based on an asset-light business model as well as data analytics and risk management – all fostered by a high-performing organisation.

Operating at the heart of global trade, NORDEN engages in business across markets in a world that is characterised by increased complexity and volatility. Markets have in recent years been less predictable due to changes in trading patterns caused by increased market volatility, climate change and geopolitical complexity, e.g. the war in Ukraine, disruption to Panama Canal transits and the situation in the Red Sea.

Embracing the volatility and complexity of the global markets, we recognise four major macro trends that continue to affect shipping and are a core part of our strategic considerations.

- Geopolitical complexity
- Market volatility
- Digitalisation
- Decarbonisation

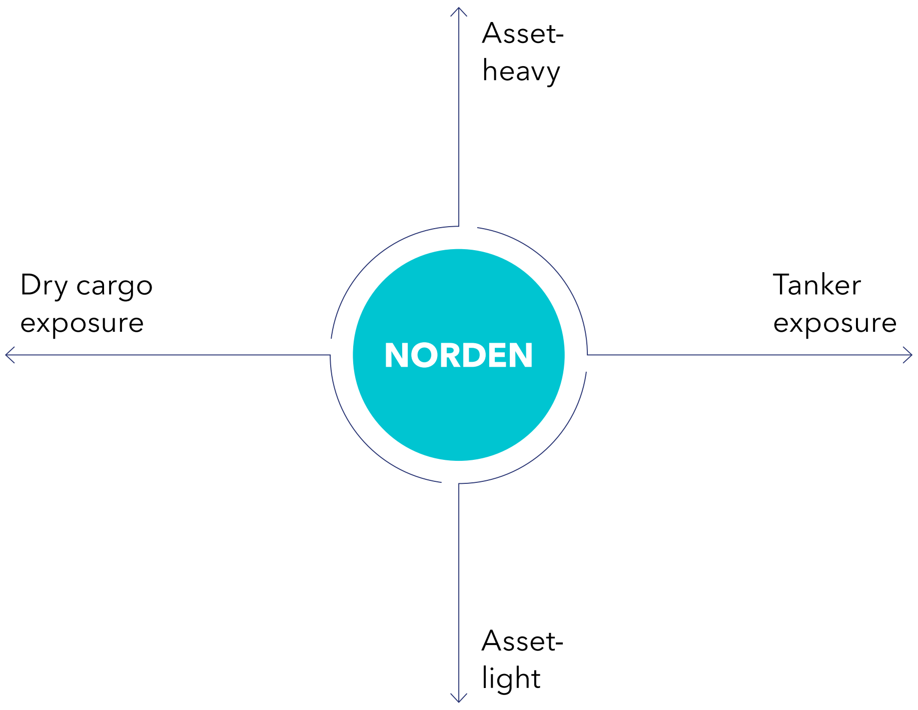
In order to navigate and embrace these market trends, our business is based on our agile capacity management model, according to which we have both owner and operator capacity. This enables us to adjust exposure not only towards operator or owner activities, but also towards the tanker market and dry cargo market.

Further, our scalable portfolio of various vessel segments enables us to also adjust exposure across the different vessel segments in which we operate.

With the ability to adjust our exposure on several different parameters, we can navigate the volatility of the market with the ambition of generating long-term value and stability in an otherwise volatile industry.

UNIQUE MARKET POSITION

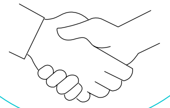
Ability to adjust exposure to navigate market volatility



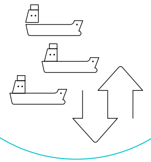
Our strategy

Long-term strategic direction
Based on our business model, market conditions as well as other challenges that we need to embrace, our strategy is centered on the following four key strategic areas.

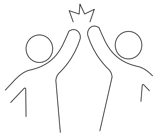
Customer-focused freight services, logistics & climate solutions



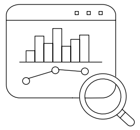
Asset-light business model



High-performing organisation



Advanced analytics



For us, customer focus is the understanding of our customers' needs, being the trusted adviser in providing solutions and services. It is a deep-rooted collaboration with our freight customers, pool partners, shipowners and brokers to provide value-added services and products within freight services, logistics and climate solutions.

Operating in increasingly volatile market conditions, our asset-light and agile business model has proven its value and generated an average ROIC of 25% in the past five years and continuous profitability over the period. Looking ahead, the global shipping market calls for a higher degree of flexibility in the asset-base to ensure more stable profitability and adaptation to the decarbonisation agenda.

The combination of an asset-light business model where our fleet is constantly adapted to market developments and an integrated freight service with a high customer focus requires a global team of highly skilled professionals. We continuously focus on developing our organisation by fostering engaged teams and prioritising innovation and collaboration.

At NORDEN we use data analytics in our daily operations to optimise commercial decisions. We have built our own risk management system which accurately measures NORDEN's total position on a daily basis to guide and support the commercial decision making.

Update on strategic scorecard

Our strategic scorecard outlines five key performance indicators (KPIs) which measure the development of our strategic and operational initiatives.

The performance of the KPI's is disclosed quarterly and measured based on a five-year rolling average per year, as we focus less on the short-term quarterly cyclicality and seasonality in our business and more on the long-term development.

Value creation to shareholders

The value creation based on the return on invested capital (ROIC) has in the past five years been 25% per year and 14% in 2024. The positive returns confirm the long-term value-creation of an agile and flexible business model, despite short-term fluctuations in earnings.

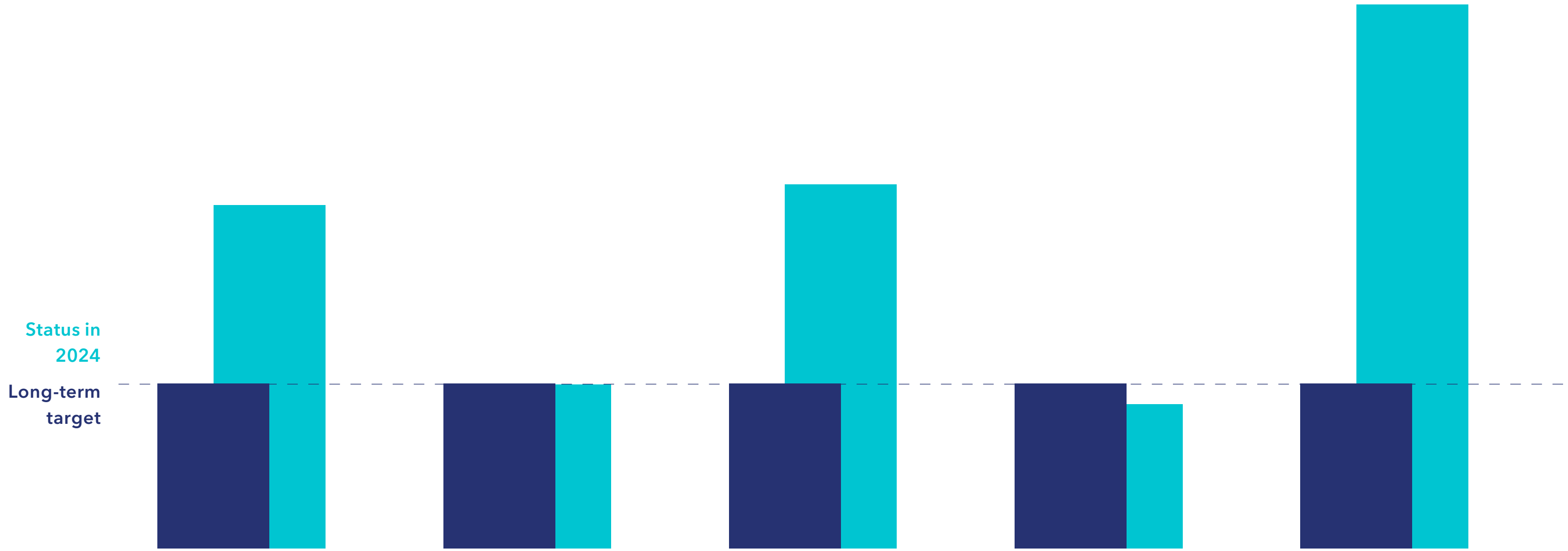
While we still expect some fluctuations in returns from one year to the other due to the volatility that can occur in the dry cargo and tanker markets, our target is to generate an average ROIC of a minimum of 12% per year based on a five-year rolling average.

Growth

We intend to grow the number of vessel days by a minimum of 5% per year (CAGR) on a rolling five-year basis, which is above the expected market growth. NORDEN has in the past five years grown

STRATEGIC SCORECARD

Measure	Value creation Return on Invested Capital (ROIC) - rolling five years	Growth Total number of vessel days - baseline FY 2019	Profitability Margin per day in FST - rolling five years	Decarbonisation Reduction in emission intensity (EEOI) – baseline FY 2022	Shareholder returns Total shareholder returns (TSR) - rolling five years
Status in 2024	25%	5%	USD 1,090	14%	33%
Long-term target	Rolling five years Average a min of 12% per year	Rolling five years: CAGR a min. of 5% per year	Rolling five years: Average a min. of USD 500 per day	Target by 2030 latest: Reduction a min. of. 16%	Rolling five years: Average a min. of 10% per year



the number of vessel days by 5% per year (CAGR) and is thus in line with our target.

Profitability

Our ambition is to generate a higher degree of stability in earnings relative to the industry and protect the downside risk, while also embracing volatility to capture the potential in high markets.

In 2024, the margin in Freight Services & Trading was negative, however, on a five year-rolling basis the division delivered an average of USD 1,090 per vessel day. Our five year-rolling target for the Freight Services & Trading division is to generate an average minimum margin of USD 500 per vessel day.

Decarbonisation

A core strategic ambition for NORDEN is to help customers decarbonise their supply chains through the way we operate our business, but also by providing our customers with decarbonised services and solutions. Combining our agile capacity management model with our data analytics gives us the opportunity to operate the most fuel-efficient vessels and thereby reduce the emissions for NORDEN and our customers.

NORDEN has a long-term target of achieving net-zero emissions by 2050 and a medium-term target of lowering emissions intensity by a minimum of 16% by 2030, from a baseline of 2022. Since 2022, we have reduced our emissions intensity by 14% and are thus well on track to reach our medium-term target.

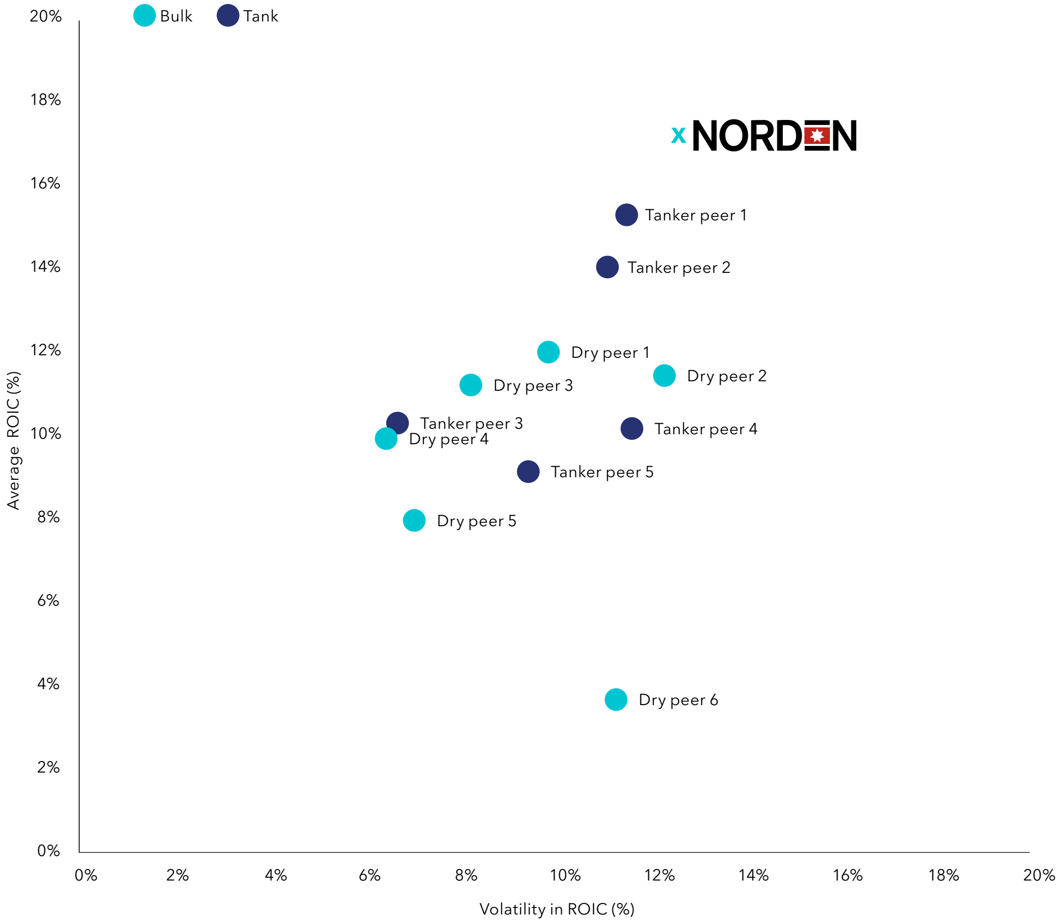
Shareholder returns

Finally, creating value for shareholders is a key element of NORDEN's strategy both through cash distribution from dividends and share buy-backs and a positive share price performance.

While NORDEN's share price performance is, at times, impacted by external factors, including global macroeconomics and geopolitical events, we are still targeting a total shareholder return (TSR) of on average a minimum of 10% per year on a five-year rolling basis. In the past five years, the annualised total shareholder return (TSR) on the NORDEN share has totalled 33% per year, outperforming both the dry-cargo and tanker industries and the overall equity benchmark indices.

VALUE CREATION OVER TIME

Return on invested capital (ROIC) and volatility, 5-year average



Source: Bloomberg, Q4 2019 - Q3 2024

Bloomberg data differs from company-reported figures due to an alternative calculation methodology.

CASE STORY

Reducing emissions using biofuel

NORDEN and leading global resources company BHP entered into a lower CO_2 emission biofuel arrangement for approximately 1,000 tonnes of 100% biofuel to be used on a voyage from Australia to the Netherlands on the Capesize vessel NORD Steel.

This deal constituted the largest quantity of biofuel used on a single voyage by NORDEN, reducing approximately 2,500 tonnes of CO_2 emissions compared to an equivalent voyage using conventional fossil maritime fuel - equivalent to removing 543 fossil-fuelled vehicles off the roads for a year.

"Since our first biofuel trial in 2021, BHP has introduced biofuel blends into the fuel mix for selected voyages on our major shipping routes. We are delighted to work with like-minded partners like NORDEN to consume biofuel as a contribution towards decarbonising supply chain emissions."

Sarah Greenough, BHP's Head of Maritime

RISK MANAGEMENT

Managing risk is key to our value creation
At NORDEN, risk management is an important part of our strategy and how we conduct business. We work strategically with risk to generate value and optimise our risk-reward profile, while at the same time recognising that there are certain risks associated with conducting business in the shipping industry.

Risk management is an integral part of NORDEN's culture, where traders have the authority to operate within set boundaries clearly defined by rules and limits. This is achieved through implementing a robust risk framework, explicitly defining the risk appetite, and by continuously monitoring the risks.

Risk framework
The Board of Directors is responsible for defining the overall risk framework, setting the risk appetite, and ensuring that the appropriate structures and processes are in place to manage the risk.

The risk framework defines NORDEN's risk capacity, and the risk appetite defines how much of the risk capacity will be allocated for risk taking.

- Risk capacity reserved for risk taking is given to the CEO, who will distribute risk capacity between business units according to the expected risk/reward of their activities and the overall risk strategy.
- Unused risk capacity is safeguarded for future opportunities, and depending on expected future risk capacity requirements, can be partly or fully distributed to shareholders.

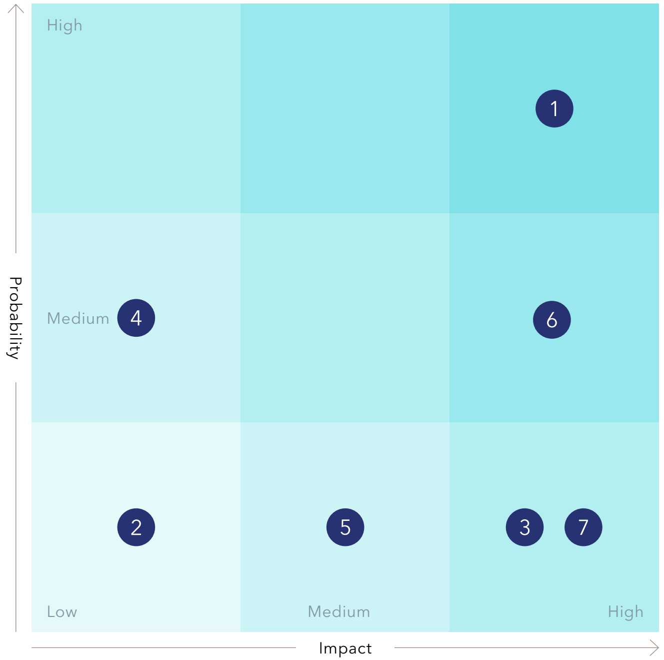
Risk management responsibilities
NORDEN has a dedicated risk management team that is responsible for implementing the risk framework within the business and to ensure full independence the team has a direct line to the Risk Committee. Furthermore, the risk management team is responsible for identifying, measuring, reporting and monitoring risk-taking.

To ensure this can be done in an appropriate manner, the risk management team has developed a sophisticated risk system that ensures full transparency by providing traders with a live overview of their risk-taking, enabling them to make instant decisions when market opportunities arise.

Regulatory risks are also covered by the risk system, and strong governance processes are in place to ensure compliance with all applicable laws and regulations.

Key developments
The divergence between asset prices and freight levels initiated a review of the purchase option valuation model. This led to a new model that was released during the summer of 2024, ensuring that our valuation and risk measurement remained appropriate in the changing market conditions.

The regulations related to the sustainable transition impacts the maritime industry and how we measure and manage risks. One of the very clear impacts is the inclusion of shipping into EU ETS and FuelEU Maritime, resulting in market risks towards carbon emissions and greenhouse gas intensity.



Key risks
1. Freight market risk
2. Other market risks
3. Liquidity risk
4. Credit risk
5. Sanctions risk
6. Cyber security risk
7. Oil spill risk and other major operational events

	1 Freight market risk	2 Other market risks	3 Liquidity risk	4 Credit risk
Key risks	• Asset price changes. • Changes in market levels, both overall but also between regions, vessel types, etc.	• Changes to bunker prices, both overall and between products. • Changes to carbon allowance prices in relation to EU ETS. • Changes to alternative fuel prices in relation to FuelEU Maritime. • Changes to foreign exchange levels. • Changes to interest rates.	• Breach of covenants. • Inability to make payments.	• Loss of outstandings related to ongoing and completed voyages. • Loss of market values related to chartered-out vessels or cargoes.
Risk appetite	Our risk appetite towards freight and asset markets is high, and we actively take selected risks based on our current risk strategy.	Our risk appetite towards other market risks is low.	Our risk appetite towards liquidity is low, and we have implemented procedures to ensure we can handle liquidity needs even in distressed situations.	Our risk appetite towards credit exposure is: • moderate in the front, where the margins we realise from servicing clients with lower credit ratings provide attractive returns. • low for all other periods as the cumulative default probability increases with time.
Mitigating actions	Freight market risks are subject to our risk framework: • we have transaction authorities in place for all traders in all parts of the organisation. • we have implemented limits on profit centres, business units and on group level. Traders are able to access their live position, which also means any change in market dynamics will quickly be reflected in our position.	Other market risks are subject to our risk framework: • bunker risk, including bunkers onboard, redelivery commitments and commitments related to future cargoes are hedged to the extent possible using physical contracts and derivatives. • EU carbon allowance prices are hedged to the extent possible using derivatives. • foreign exchange levels are hedged according to future needs the next 0 to 24 months. • interest rates are hedged if exposure is above a given threshold.	Liquidity risks are subject to our risk framework: • short-term volatility in cash flows should be possible to cover with available funds. • longer-term volatility in cash flows should be possible to cover by a solid capital base containing assets that can be converted to funds within the required amount of time.	Credit risks are subject to our risk framework: • all clients must be rated before any business can be conducted. • transaction authorities are subject to the internal rating of clients. • limits on profit centres, business units and on group level.
Impact	High	Low	High	Low
Probability	High	Low	Low	Medium

	5 Sanctions risk	6 Cyber security risk	7 Oil spill risk and other major operational events
Key risks	• Fines. • Reputational damage. • Significant costs related to ongoing voyages. • Not being able to retrieve outstanding amounts. • Loss of market values related to chartered-in vessels or cargoes.	• Significant economic losses. • Reputational damage.	• Reputational damage.
Risk appetite	Our risk appetite towards sanctions is zero, and risks are eliminated to the extent possible.	Our risk appetite towards cyber security is zero, and risks are eliminated to the extent possible.	Our risk appetite towards oil spills and other major operational events is zero, and risks are eliminated to the extent possible.
Mitigating actions	Our dedicated sanctions team works proactively on mitigating sanctions risk by: • ensuring that a sound sanctions compliance culture is implemented in all parts of the organisation. • ensuring that appropriate controls and relevant processes are in place.	We have a dedicated cyber security team that works proactively on mitigating cyber security risks through: • running awareness programmes and regular exercises to ensure our colleagues are fully aware of cyber security and the impact this may have on them, our company and our clients. • ensuring that relevant processes are in place to reduce the risk of cyber security threats, but also appropriate procedures for business continuity and disaster recovery. Part of our setup also includes multiple data locations with emergency capacity for the IT environment and data backups allowing for mirrored critical systems.	We seek to mitigate oil spill risk and other major operational events by operating a well-maintained fleet, combined with the use of respectable ship managers responsible for a strong safety performance. Potential financial impact is covered by insurance policies taken out with recognised international insurance companies.
Impact	Medium	High	High
Probability	Low	Medium	Low

Business performance

GROUP FINANCIAL REVIEW

In 2024, we reported a ROIC of 14% and a group net profit of USD 163 million, which was at the lower end of our initial guided range of USD 150-250 million. This robust financial group performance has been delivered despite the challenging market environment and is a testament to the strength of our agile business model.

In addition to delivering a robust financial performance, we have executed on our strategic plans and strengthened our business model, focusing on expanding the services and products we offer our customers. By the end of July 2024, NORDEN announced the acquisition of Norlat Shipping, adding a new dimension to the business activities in Freight Services & Trading.

Solid performance despite challenging markets

The Group financial performance was impacted by a market mostly favourable to owners. Overall, market conditions with high asset prices and period rates supports Assets & Logistics, but the low spot rates erode margins in Freight Services & Trading. Margins in Freight Services & Trading were negative driven by wrong positioning in the dry cargo activities which led to high costs on fulfilling cargo commitments in the first half of the year. Towards the second half of the year, weaker tanker rates were putting pressure on margins, whilst earnings from the dry cargo activities were improving. As expected, Assets & Logistics enjoyed stable contribution from high coverage.

Total number of vessel days increased by 4% to 178,736 days.

The time charter-equivalent revenue (TCE) increased by 8% to USD 2,522 million (USD 2,331 million), due to strong activity levels across both segments. However, charter hire and OpEx elements increased by 32% to USD 1,977 million (USD 1,495 million) which resulted in a contribution margin of USD 507 million (USD 795 million), down by 36% compared to last year.

Group EBITDA decreased by 36% to USD 432 million (USD 679 million), reflecting a margin of 11%, compared to 18% in 2023.

Operating profit (EBIT) decreased by 52% to USD 202 million (USD 422 million), mainly due to the decrease in EBITDA and the relatively higher deprecation. Sales gains of USD 82 million were realised during the year, compared to USD 79 million in 2023. In addition, gains from sublease contracts of USD 64 million (USD 65 million) were recognised during the year as chartered vessels were re-chartered out to lock in earnings.

The conversion ratio adjusted for sales gains was 24% in 2024, a decrease from 43% in 2023.

Net financial items amounted to USD -29 million (USD -11 million), primarily driven by reduced interest income resulting from lower interest rates, combined with a decline in cash and cash equivalents.

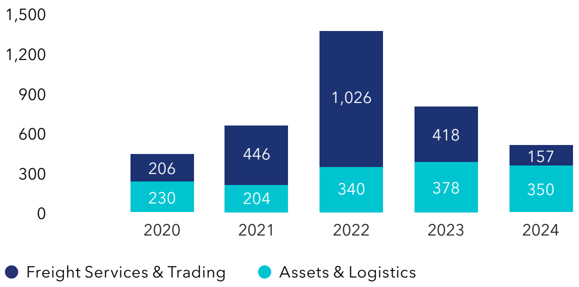
Tax expenses increased slightly to USD 11 million (USD 10 million), as a result of higher taxation on gains from the sale of vessels.

Highlights of the year

	Freight Service & Trading	Assets & Logistics	NORDEN Group
EBITDA	**105** USD million 2023: 325 USD million	**328** USD million 2023: 354 USD million	**432** USD million 2023: 679 USD million
EBIT	**-50** USD million 2023: 151 USD million	**252** USD million 2023: 271 USD million	**202** USD million 2023: 422 USD million
Net profit	**-74** USD million 2023: 133 USD million	**236** USD million 2023: 267 USD million	**163** USD million 2023: 400 USD million

Net profit of USD 163 million (USD 400 million) reflects the contribution from Assets & Logistics of USD 236 million (USD 267 million) and the loss in Freight Services & Trading of USD -74 million (USD 133 million). Adjusted for sale of vessels, the net profit was USD 81 million (USD 321 million).

Contribution margin



Cash flow statement

Cash flow from operating activities was USD 415 million (USD 671 million), negatively impacted by lower earnings and an increase in net working capital compared to last year.

Cash flow from investing activities amounted to USD 127 million (USD -13 million), primarily driven by a change in cash investment, partially offset by a net cash outflow from investments and sales of vessels and newbuildings.

Cash flow from financing activities was USD -602 million (USD -968 million), due to cash distributions to shareholders through dividends and share buy-backs, instalments on lease liabilities as well as the repayment on the remaining bonds.

Free cash flow was USD -74 million (USD 265 million), mainly impacted by the lower earnings and higher investment activities, including the acquisition of Norlat Shipping.

In 2024, cash and cash equivalents decreased to USD 267 million (USD 557 million at the end of 2023).

Capital structure

NORDEN shareholders' share of equity as of end 2024 was USD 1,297 million (USD 1,198 million end 2023), reflecting the positive net profit for the period and allocation to shareholders during the year. The equity ratio was 58% by end 2024, compared to 51% by the end of 2023.

At end 2024, NORDEN had committed credit facilities of USD 200 million, of which USD 200 million was undrawn and directly accessible. USD 100 million will mature in May 2025, and USD 100 million will mature in December 2027. Both of the credit facilities have 1-year extension options.

Net interest-bearing debt increased to USD 264 million compared to USD 45 million by end 2023, mainly as a result of increased capex spending.

ROIC and Total Invested Capital

In 2024, NORDEN continued the strong value creation with a return on invested capital (ROIC) after tax of 14% (32%), above our long-term target of 12%. The decrease compared to 2023 was due to the lower operating result in combination with the higher invested capital.

The invested capital increased by 26% to USD 1,561 million (USD 1,243 million), mainly as a result of an increase in net working capital and fixed assets, following the purchases of several Capesize vessels during the year.

BUSINESS ACQUISITION

Norlat Shipping

In July 2024, NORDEN entered into an agreement to acquire the Nordic dry bulk operator Norlat Shipping, which specialises in the shipment of forestry products and other bulk commodities, with main trading routes from Northern Europe to North Africa and North America.

"With a customer-centric business and trading routes complementary to NORDEN's, Norlat Shipping is a great fit with our business model. The acquisition will further cement our growing position within projects and parcelling and strengthen our customer offerings, as a global provider of ocean-based freight services for bulk and project cargo of all sizes."

Jan Rindbo, CEO

FREIGHT SERVICES & TRADING

2024 has been a challenging year for Freight Services & Trading and the net result for the full year was negative USD 74 million. A difficult dry cargo market combined with margin pressure in the product tanker market caused by lower spot rates contributed to the significantly lower results.

Challenging market impacting financial results
In 2024, Freight Services & Trading was significantly impacted by the challenging market conditions in both the dry cargo and tanker market, adding to a downward pressure on margins.

An unexpectedly strong dry cargo market in the beginning of the year resulted in negative margins due to a short position that took longer than anticipated to turn around. Our focus has been on steering the business division back towards profitability and the margins in the dry cargo activities gradually improved throughout the year, as expected.

However, towards the second half of the year, weaker tanker rates have been putting pressure on our tanker operator activities. As a result, the improved earnings in dry cargo in the second half of the year were partly offset by lower earnings generated from the tanker activities.

The total number of vessel days increased by 4% to 169,287.

EBITDA decreased by 68% Y/Y to USD 105 million (USD 324 million), reflecting the significantly lower profitability due to the higher charter costs, mainly in the dry cargo activities.

Operating loss (EBIT) amounted to USD -50 million (USD 151 million), while net loss for the year amounted to USD -74 million (USD 133 million). The margin amounted to USD -435 per day compared to USD 816 per day in 2023.

Unique positioning to capture value
Freight Services & Trading makes its margins from two sources:
1. Base earnings from freight services, optimisation and pool management fees and 2. Positioning earnings from directional market positions (trading activities).

Optimisation of voyages provides a base level of earnings, which is less dependent on market developments, although margins are typically higher in a strong market. This is achieved through a constant focus on voyage scheduling and speed setting, improved fuel efficiency, minimised ballast and enhanced port logistics, among other areas.

In addition, Freight Services & Trading also generates earnings from additional trading income and market timing. This gives the flexibility to adjust market exposure across market segments, vessel types and world regions.

Historical performance

	Average in the past five years
Result per vessel day (USD/day)	1,090
Vessel days	162,436
Annual activity growth	4%

Average no. of operated vessels in 2024

Dry cargo vessels
369

Product tanker vessels
94

Key figures and financial ratios

	FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Contribution margin	417.6	34.4	39.4	37.2	45.6	156.6
Overhead and administration expense	-93.3	-17.4	-13.8	-11.8	-9.0	-52.0
EBITDA	324.3	17.0	25.6	25.4	36.6	104.6
EBIT	150.9	-21.1	-11.3	-15.9	-1.5	-49.8
Net profit/loss for the period	132.6	-26.8	-18.1	-18.2	-10.5	-73.6
Number of vessel days	162,442	45,518	43,138	42,672	40,959	169,287
Result per vessel day (USD/day)	816	-630	-420	-427	-256	-435

We firmly believe that the operator activities will generate an attractive return over time. However, it remains a cyclical market so there will be both tough periods with low or even negative earnings and great periods with substantial upside. Following a couple of very good years, our focus going forward will be on stable returns and lower risk-taking, while keeping the ability to capture upside when the markets change.

Focus on growing high-margin business

We are currently increasing our long-term focus on the high margin business, such as project cargo. In 2024, we executed on our strategic plans and strengthened our business, focusing on expanding the services and products we offer our customers.

To grow the activities and broaden our expertise, NORDEN in July signed an agreement to acquire Norlat Shipping, a Nordic asset-light dry bulk operator specialised within shipment of forestry products with main trading routes from Northern Europe to North Africa and North America.

New management team

In April 2024, an internal leadership reorganisation was announced in Freight Services & Trading, where Rasmus Saltofte and Søren Tolbøll was appointed Head of Dry and Head of Tankers, respectively. Rasmus and Søren both bring almost 20 years of experience with NORDEN and a deep-rooted understanding of the company and strong commercial mindsets which further strengthens the company's customer focus as an ocean-based freight provider.

Volatile markets expected to remain in 2025

Based on the current outlook for the dry cargo market, we expect volumes to show more moderate growth in 2025 due to macroeconomic uncertainties, including lower economic growth in China. We have lowered our market expectations for 2025 and hence reduced our dry cargo position. Our remaining dry cargo market exposure for 2025 is currently concentrated on the smaller and geared segments while we are fully covered in the larger ship segments.

By end January 2025, the business had a short dry cargo position of approximately 6,800 equivalent vessel days for the year, with a total short position of approximately 4,400 equivalent vessel days for the remainder of the first quarter.

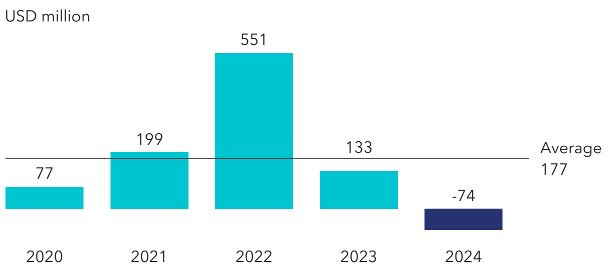
The tanker market is expected to continue to weaken, with significant uncertainty driven by sanctions and political developments, especially in relation to the Red Sea and the stability of the ceasefire over the coming months.

For product tankers, the position was open by approximately 2,300 equivalent vessel days for the remainder of 2025.

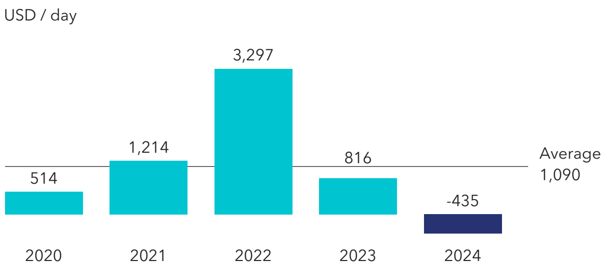
Opening new office to stay close to customers and partners

In early January 2025, NORDEN opened its 19th office in Athens, Greece, with the purpose of staying close to customers and partners in the region to further develop our global network.

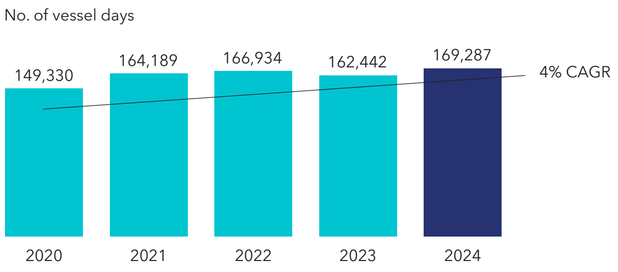
Net profit



Result per vessel day



Activity levels



CASE STORY

Enabling global trade through customised solutions

When a freight forwarder contacted NORDEN to get help transporting roughly 1,500 industrial batteries from Asia to a solar farm in North America, NORDEN's Projects & Parcelling team took on the challenge.

By creating this customised solution, NORDEN was able to handle the batteries with safer and more efficient operations while the client was able to save both costs and emissions in its supply chain. Since this initial project, NORDEN has moved more than 6,000 batteries for this client around the world.

"We were able to ship roughly 300 batteries on each voyage by using a combination of multi-purpose vessels and purpose-fitted single-deck bulk carriers. Each segment weighed approximately ten tonnes and, given the sensitive nature of the cargo, we had our Transport Engineering team develop custom lifting frames which we had developed to handle the segments,"

Dave White, Business Development Manager at NORDEN.

ASSETS & LOGISTICS

Assets & Logistics delivered a strong performance in 2024 with a net profit of USD 236 million generated by high earnings coverage and realised strong market values through the sale of vessels. The business unit NAV by the end of the year was DKK 425 per share.

Positive contribution from high earnings coverage
In 2024, Assets & Logistics benefitted from high earnings cover across dry cargo and product tankers, limiting the downside in a market where spot rates declined in the second half of the year. In addition, the business unit took advantage of the strong asset market values by realising gains from sale of vessels and subleases of vessels.

EBITDA totalled at USD 328 million (USD 354 million) due to the positive contribution from higher covered rates, particularly in product tankers and slightly lower operating and administrative costs.

Net profit for the year amounted to USD 236 million (USD 267 million) which, in addition to the strong operational performance, also included gains on the sale of vessels of USD 82 million (USD 79 million) and sublease gains of USD 59 million.

At end 2024, the estimated Net Asset Value (NAV) of the business unit portfolio (including NORDEN's net cash position) was USD 1,781 million or DKK 425 per share. Of the total NAV, the gross cash position accounted for DKK 62 per share by end of 2024.

In relation to sensitivities of NAV, a change in the freight rates (FFA) of +/-10% for 2025 will impact the estimated market value of leased vessels with USD -85 million and USD +93 million, respectively.

Realising high values while maintaining optionality
In 2024, the business unit has been very active in asset trading and realised high values by executing on our purchase option strategy, while also letting older vessels go. In the pursuit of attractive returns, the business unit has actively managed its portfolio of owned vessels and leased vessels with the intention of reducing risk in the near term and add exposure in the long term. Thus, the business unit sold eight dry cargo vessels and leased out four MR tankers in order to lock in high asset values and period rates. In order to build long-term exposure, we have invested in the future by adding nine new high-quality vessels, mainly focused on dry cargo.

By the end of 2024, the owned fleet of dry cargo and tanker vessels consisted of 20 vessels including newbuildings, of which seven vessels were MR tankers and 13 dry cargo vessels ranging from Handysize to Capesize. In addition, Assets & Logistics has a unique optionality of purchase and extension options which provide significant upside potential. By the end of 2024, the portfolio included in

Net asset value of Assets & Logistics

USD million	Dry cargo	Tankers	Total
Market value of owned vessels[1]	939	443	1,382
Estimated market value of leased vessels and cover portfolio (incl. purchase options)	217	220	437
Total Assets & Logistics portfolio value	1,156	663	1,819
Cash and cash equivalents			267
Interest bearing debt			-108
Non-cash borrowings[2]			102
Newbuilding instalments			-501
Other net assets			202
Total business unit NAV			1,781
Business unit NAV per share, DKK			425
Market value of owned vessels in excess of carrying amounts	35	133	168

[1] Including newbuildings under construction
[2] Financing leasing debt

Key figures and financial ratios

	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024
Contribution margin	377.8	79.3	100.2	93.7	76.8	350.0
Overhead and administration expense	-23.5	-4.6	-4.2	-3.9	-9.7	-22.4
EBITDA	354.3	74.7	96.0	89.8	67.1	327.6
EBIT	270.7	93.5	65.5	48.2	44.7	251.9
Profit/loss from sale of vessels	79.0	54.8	7.3	-0.1	20.0	82.0
Net profit/loss for the period	267.5	88.8	64.1	43.3	40.1	236.3

total 79 purchase options split between 53 options in dry cargo and 26 in product tankers. Of these, 41 purchase options are currently in the money and can be exercised before the end of 2025 at average strike prices that are currently 19% below broker values. In addition to the purchase options, NORDEN had a total of 66,136 extension option days at the end of 2024, which adds to the upside potential in an increasing market.

The market value of both owned and leased vessels was USD 1,819 million (USD 1,355 million) at year-end, with owned vessel values exceeding book values by USD 168 million (USD 164 million). The value of the leased tanker portfolio alone accounted for USD 220 million (USD 220 million).

Exposure in 2025

Looking ahead, Assets & Logistics has continued high earnings coverage in both dry cargo and product tankers. For the product tanker segment, the total number of vessel days is 5,896 days of which 47% are covered at average rates of USD 22,638 per day. In dry cargo, the total number of vessel days is 23,186 days of which 117% are covered at average rates of USD 14,377 per day.

Assets & Logistics capacity & cover levels and rates

	2025	2026	2027
Dry cargo			
Cover levels	117%	36%	17%
Average cover rate per day	14,377	13,966	12,495
Tankers			
Cover levels	47%	31%	27%
Average cover rate per day	22,638	23,615	22,318

Assets & Logistics fleet overview

	Dry cargo	Tankers	Total
Active fleet			
Owned vessels	7	7	14
Leased vessels	45	27	72
Total active	52	34	86
Contracted future changes			
Owned vessels (net entries & exits)	6	-	6
Leased vessels (entries net of declared purchase options)	14	-	14
Leased vessels (declared purchase options)	1	4	5
Total future changes	21	4	25
Total vessels	73	38	111
Purchase options	53	26	79
Extension option days	47,718	18, 418	66,136

Logistics assets	Floating transfer station	Tugboats	Barges
Total	1	7	3

CASE STORY

Scaling up Capesize fleet

Back in 2023, NORDEN re-entered the Capesize segment with the ambition of improving customer offerings and tapping into new market opportunities. In 2024, NORDEN continued its venture into the segment with the purchase of seven Capesize vessels, while at the same time selling four Capesize vessels.

The Capesize segment is the segment with the oldest fleet and lowest orderbook. By continuously investing in new Capesize vessels, we optimise our portfolio by adding newer high-quality vessels featuring state-of-the-art designs and the best available fuel performance, which enables us to position our fleet in a competitive manner. By scaling up in this segment, we can increasingly offer modern vessels that enable customers to upsize and thereby bring down operational costs, while also reducing emissions.

Henrik Lykkegaard Madsen, Head of Asset Management

Corporate governance

CORPORATE GOVERNANCE

At NORDEN, our view is that responsible and transparent governance facilitates long-term value creation aligned with shareholder interest.

NORDEN's governance principles and structure are set out to ensure alignment with long-term shareholder interests to enable prudent management of NORDEN in accordance with relevant national and international regulations, applicable corporate governance recommendations as well as to align with the risk framework specified by the Board of Directors. Furthermore, the ongoing management of NORDEN is based on the underlying Company values of flexibility, reliability, empathy and ambition as well as the Company's guiding purpose of enabling smarter global trade.

Governance structure

NORDEN has a two-tier governance structure consisting of a Board of Directors and an Executive Management ensuring a clear separation and that no individuals are part of both management bodies. The shareholders have the ultimate authority over the Company and exercise their rights by passing resolutions at general meetings. Resolutions are adopted by simple majority of votes, unless otherwise provided by legislation or by NORDEN's articles of association.

The Articles of Association are available on the Company's website. Generally, resolutions to amend the Articles of Association require a quorum of at least two-thirds of the voting share capital represented at a general meeting and a majority of at least two-thirds of the votes cast, as well as of the voting share capital represented at the general meeting. In addition, certain resolutions on changes of the shareholders' dividend or voting rights or the transferability of shares, as set out in the Danish Companies Act, require a special supermajority of at least 9/10 of the votes and of the capital represented.

The Board of Directors determines and approves strategies, policies, overall goals and budgets for the Company. In addition, it sets out the risk management framework and supervises the work and procedures carried out by the day-to-day management. The Board of Directors appoints the Executive Management and determines its responsibilities and remuneration. Apart from the agreed remuneration, no transactions are conducted between related parties and the Board, and the Board does not operate with any form of incentive-based remuneration.

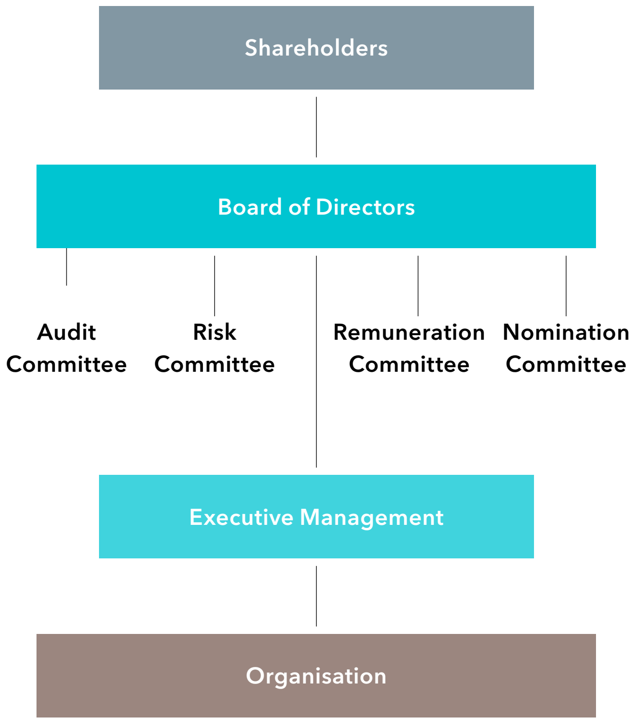
The first level of management comprises the CEO and CFO, who makes up the Executive Management. The Executive Management is responsible for the day-to-day management, organisation and development of NORDEN, for managing assets, liabilities and equity, for accounting and reporting, and for preparing and implementing the strategy. The day-to-day contact between the Board of Directors and the Executive Management is primarily handled by the Chair and the CEO. The Executive Management participates in board meetings and is supplemented by other managers in strategic meetings when relevant.

The second management level includes employees with managerial responsibilities and refers directly to the Executive Management.

Board work

The Board of Directors sets out an annual work schedule to ensure that all relevant issues are discussed during the year, through a combination of regular board meetings and strategy seminars. In line with the focus on short- and long-term activities, the Board of Direc-

Governance structure



tors is engaged in upholding NORDEN's purpose of enabling smarter global trade. This is, among other areas, reflected in the strategic discussions and priorities set by the Board of Directors and the Executive Management, in the regular updates provided by the Executive Management to the Board, as well as in the remuneration targets set forth for Executive Management by the Board. In 2024, the Board of Directors held 13 board meetings. The attendance rate was 100%.

Board committees

As part of the Board of Directors' work and structure, four subcommittees have been established to ensure dedicated focus and strengthened oversight on recurring topics deemed of high importance for the governance of the Company. See overview of committees on page 36.

Board qualifications and evaluation

For the Board of Directors to be able to perform its managerial and strategic tasks, and at the same time act as a sounding board to the Executive Management, the following skills are deemed particularly relevant:

- Insight into shipping and trading
- Commodity trade
- General management
- Strategic development
- Risk management
- Investment, finance and accounting
- International experience
- ESG competences

The Board of Directors and the Executive Management conducted a self-assessment of the composition, qualifications and dynamics of the Board of Directors in 2024 with assistance from a third-party adviser. The assessment concluded that the Board of Directors possesses relevant skills and has good working relationships and dynamics. A similar assessment is planned for 2026.

Board composition and remuneration

The Board of Directors is made up of nine members. Six are elected for a term of one year by the shareholders, while three members are elected for a term of four years by the employees. At the Annual General Meeting in March 2024, Klaus Nyborg, Johanne C F Riegels, Karsten Knudsen, Robert Hvide Macleod, Ian McIntosh and Vibeke Bak Solok were all re-elected as board members.

During 2024, new employee representatives for the Board were elected for a four-year period. Henrik Røjel was re-elected as employee-elected board member whereas Ruhi Hermansen and Sofie Schønherr were elected as new employee elected board members.

The Board of Directors has set a target outlining that 40% of the shareholder-elected board members should be represented by females by 2025. Currently, the percentage of shareholder-elected board members which are female is 33% and thus not yet meeting NORDEN's target. To achieve this objective, the search process for female candidates will continue in 2025, with the aim of aligning the ratio of female board members with our objective by 2026.

Further details on the diversity levels in NORDEN can be found in the sustainability statement of this report, while NORDEN's Diversity, Equity & Inclusion policy can be found at https://norden.com/investor/governance/policies-and-charters.

Board remuneration increased to USD 0.9 million in 2024, after eight years of unchanged board remuneration. The increase was approved at the Annual General Meeting 2024. Specific board remuneration can be found in the Remuneration Report 2024 at https://norden.com/about/governance/remuneration.

Executive Management remuneration

The remuneration of the Executive Management follows the principles set out in the Company's remuneration policy, and the specific remuneration components granted for the Executive Management are set out in the separate Remuneration Report 2024.

Adherence to Danish corporate governance recommendations

The Board of Directors has reviewed its adherence to each recommendation as provided by the Danish Committee on Corporate Governance, following a 'comply or explain' approach.

NORDEN follows all recommendations from the Danish Committee on Corporate Governance, except for 3.4.2 that is related to the recommendation that the majority of the members of the board committees are independent. The Chair, Klaus Nyborg, has been a member of the Board of Directors for more than 12 years and can thus not be regarded as independent according to the criteria. As a result, NORDEN is no longer complying with the recommendation that the majority of the members of the board committees are independent, as Klaus Nyborg remains a member of the Audit Committee, Remuneration Committee and Nomination Committee.

At the Annual General Meeting held in March 2024, it was announced that Karsten Knudsten would not seek re-election at the Annual General Meeting in 2025, and consequently a search to find a replacement was initiated. The search is now finalised, and an independent board member will be proposed at the upcoming Annual General Meeting on 12 March 2025. Subject to approval, the shareholder-elected Board will have a majority of independent members and all committees, except the Nomination Committee, will be in compliance with recommendations.

NORDEN's position on each specific recommendation is summarised in the corporate governance statement available at: https://norden.com/about/governance/governance.

Planned board activity for 2025

The Board of Directors has planned 12 board meetings for 2025. The Annual General Meeting will be held on 12 March 2025.

BOARD COMMITTEES

The four subcommittees have been established to ensure dedicated focus on recurring topics deemed of high importance to the governance of NORDEN.

Audit Committee

The Audit Committee consists of:

- Vibeke Bak Solok (Chair)
- Karsten Knudsen
- Klaus Nyborg
- Johanne C F Riegels (observer)

The committee supervises financial reporting, transactions with closely related parties, auditing and sustainability-related matters. The terms of reference are published on NORDEN's website, where a statement of control and risk management in connection with financial reporting can also be found (in accordance with section 107b of the Danish Financial Statements Act). During the year, the committee held four meetings with 100% attendance.

Risk Committee

The Risk Committee consists of:

- Karsten Knudsen (Chair)
- Robert Hvide Macleod
- Ian McIntosh

The purpose of the committee is to assist the Board of Directors in its oversight of the Group's overall risk-taking tolerance and management of market, credit and liquidity risks. The committee's terms of reference are available on NORDEN's website. During the year, the committee held four meetings with 92% attendance.

Remuneration Committee

The Remuneration Committee consists of:

- Klaus Nyborg (Chair)
- Karsten Knudsen
- Robert Hvide Macleod
- Ian McIntosh

The committee is responsible for supervising the implementation of the Group's remuneration policy, which specifies the remuneration of the Board of Directors and Executive Management. The Remuneration policy as well as the committee's terms of reference are available on NORDEN's website. During the year, the committee held four meetings with 100% attendance.

Nomination Committee

The Nomination Committee consists of:

- Klaus Nyborg (Chair)
- Johanne C F Riegels

The committee is responsible for describing the qualifications required in the Board of Directors and the Executive Management. The committee is also in charge of an annual assessment of the competences, knowledge and experience present in the two management bodies. The committee's terms of reference are available on NORDEN's website. During the year, the committee held seven meetings with 100% attendance.

BOARD OF DIRECTORS

	 **Klaus Nyborg**	 **Johanne C. F. Riegels**	 **Karsten Knudsen**	 **Robert Hvide Macleod**
Position	Chair Managing Director	Vice Chair Managing Director	Board member Managing Director	Board member Owner
Other directorships	Bawat A/S (CB), Bunker Holding A/S (CB), Moscord Pte. Ltd. (CB), Uni-Tankers A/S (CB), DFDS A/S (VCB), A/S United Shipping & Trading Company (VCB), X-Press Feeders Ltd. (BM), Norchem A/S (BM), Maritime Investment Fund II and III K/S (Chair of Investment Committee) and Return APS (BM)	A/S Motortramp (BM), D/S Orients Fond (BM), Skovsleskabet af 13 december 2017 A/S, LOMAX A/S (BM), Design Eyewear Group International A/S (BM), Green Box A/S (VCB), EPOKE A/S (BM), JRO A/S (MD)	Vækst-Invest Nordjylland A/S (CB), Polaris IV Invest Fonden (CB), A/S Motortramp (BM), D/S Orients Fond (BM), Obel-LFI Ejendomme A/S (BM), Saga I-VII GP ApS (MD), Saga VII-USD PD AIV K/S (MD), Saga VII-EUR K/S (MD), Saga VII-USD K/S (MD), Saga VIII-EUR K/S (MD) and Saga VIII-USD K/S (MD)	Monitra Ltd. (CB), Highlander Tankers (CB), Hans Hvide Invest 1 & 2 (CB), Energynest (BM), Monitra Norway AS (BM), NOMA Capital (BM), Pharos Group (BM), Rankedin (BM)
Relevant skills	Experience with management of global, listed shipping companies, strategy, investment, sale and purchase, financial issues and risk management	General management, financial and business insight as well as detailed knowledge of NORDEN's values and history	General management and strategy, broad financial experience, comprising accounting, investment banking and management of financial risks, including credit risks	Experience within both trading and shipping, having leadership experience from shipowners and operators. Experience from companies with global operations, risk management and governance frameworks as well as culturally diverse settings
Board member since	2012 (Chair since 2015)	2016 (Vice Chair since 2017)	2008	2022
Term expires	2025	2025	2025	2025
Attendance 2024	100%	100%	100%	100%
Committees and attendance 2024	Audit Committee (100%), Remuneration Committee (100%), Nomination Committee (100%)	Nomination Committee (100%), Audit Committee (observer)	Audit Committee (100%), Risk Committee (100%), Remuneration Committee (100%)	Risk Committee (100%), Remuneration Committee (100%)
Independent/ Not independent	Not independent	Not independent	Not independent	Independent
Born in	1963	1971	1953	1979
Gender	Male	Female	Male	Male
Nationality	Danish	Danish	Danish	Norwegian
No. of shares	1,700	499	2000	0

BOARD OF DIRECTORS





	Ian McIntosh	**Vibeke Bak Solok**	**Henrik Røjel**	**Ruhi Hermansen**	**Sofie Schønherr**
Position	Board member	Board member CEO at Lunar Bank	Board member Head of Decarbonisation & Cilmate Solutions	Board member Head of Operations - Asset Management	Board member Lead Market Risk Analyst
Other directorships	Member of the Impact Finance and Markets advisory board of The Nature Conservancy	Nordic Solar A/S (BM)	Elected by the employees	Elected by the employees	Elected by the employees
Relevant skills	Experience with management, strategy, investment, risk management, international commodity trade, asset management as well as reducing carbon footprint of global supply chains. Experience as CEO in one of the world's largest commodity trade corporations	Experience in strategy, finance, management, risk management, fintech and digitalisation in major Danish organisations. Experience as a senior executive in the property and banking sectors as well as from having been a partner and state-authorised public accountant in an international auditing firm			
Board member since	2023	2023	2024	2024	2024
Term expires	2025	2025	2028	2028	2028
Attendance 2024	100%	100%	100%	100%	100%
Committees and attendance 2024	Remuneration Committee (100%), Risk Committee (100%)	Audit Committee (100%)			
Independent/ Not independent	Independent	Independent	Not independent	Not independent	Not independent
Born in	1961	1970	1987	1988	1992
Gender	Male	Female	Male	Male	Female
Nationality	British	Danish	Danish	Danish	Danish
No. of shares	950	900	0	0	0

SENIOR MANAGEMENT

		
	Jan Rindbo	**Martin Badsted**
Position	CEO	CFO
Education	Trained in shipping and has completed executive training programmes at INSEAD	Holds an M.Sc. in International Business
Other directorships	Danish Shipping (BM) and D/S Orients Fond (BM)	
Employed in	2015	2005
Born in	1974	1973
No. of shares	100,000	31,267
No. of restricted shares	25,114	13,302

Remuneration for the Executive Management can be found in the Remuneration Report 2024 available for ten years on NORDEN's website https://norden.com/investor/governance/remuneration

					
	Anne Heidi Jensen	**Henrik Lykkegaard Madsen**	**Rasmus Saltofte**	**Søren Tolbøll Nielsen**	**Heidi Nykjær Persson**
Position	Chief Operating Officer, Assets & Logistics	Head of Asset Management	Head of Dry Cargo, Freight Services & Trading	Head of Tankers, Freight Services & Trading	Head of People and Sustainability
Education	Holds a Bachelor of Commerce and has 25+ years of experience from the oil and gas industry	Trained in shipping, holds a graduate diploma in Marketing Economics and has completed executive training programmes at INSEAD and IMD	Holds extensive experience in shipping, a degree in International Transport & Logistics and has completed executive training at IMD	Holds extensive experience in shipping, a degree in International Transport & Logistics and a graduate diploma in Business Administration, Marketing Management and International Business	Trained in shipping, holds a BA in Shipping and Transportation from Shanghai University and an MA in Consulting and Coaching Change from INSEAD
Employed in	2024	2010	2005	2006	2018
Born in	1972	1962	1985	1984	1968

* Will be leaving NORDEN in March 2025

SHAREHOLDER INFORMATION

2024 was a year with continued high uncertainty and complexity due to the underlying macroeconomic and geopolitical situation. The NORDEN total share price return (TSR) adjusted for dividends of DKK 16 per share was negative 34% measured in USD, and the share price performance was negative 37%.

Total shareholder return of 216% in the past five years
The NORDEN share has in the past five years generated a positive total shareholder return (TSR) of 216% or 33% annualised measured in USD, including the payout of dividends of DKK 168 per share. The share price has in the same period generated a positive performance of 98%.

In 2024, the overall share price performance was negatively affected by a combination of lower earnings, a weaker outlook for both the tanker and dry cargo market as well as negative investor sentiment related to global economic growth, especially the outlook for China.

NORDEN aspires to benchmark its total shareholder returns, not only towards peers within dry cargo and tankers, but also against the global MSCI World Transportation index and the Danish benchmark index KAX CAP. These indices reflect the global transportation sector and the overall performance of the Danish equity market. Comparing total share return in NORDEN over the past five years since we changed our strategic focus towards an asset-light business model, the NORDEN share has outperformed both the MSCI World Transportation Index and the KAX CAP index, with these indices generating a positive total return of 14% and 23% measured in USD, respectively. It confirms that while short-term performance of the NORDEN share price might be volatile due to fluctuations in rates, in the long term, our strategy creates value to shareholders.

Continued high shareholder cash returns through dividends and buy-back programmes.
Based on historical strong earnings levels combined with a strong capital structure, NORDEN in 2024 continued the cash distribution to shareholders through dividends and share buy-backs. The Board of Directors decided to pay interim dividends for 2024 after every quarterly result, totalling DKK 6 per share.

The interim dividends count as part of the Company's dividend policy of distributing a minimum of 50% of the full-year net profit. The Board of Directors recommends that a final dividend of DKK 2 per share be paid to the shareholders, subject to approval by the annual general meeting. In addition to the already paid interim dividends, this brings the total dividend to DKK 8 per share, representing a payout ratio of 22%. Including share buy-backs, the total distribution ratio was 62%.

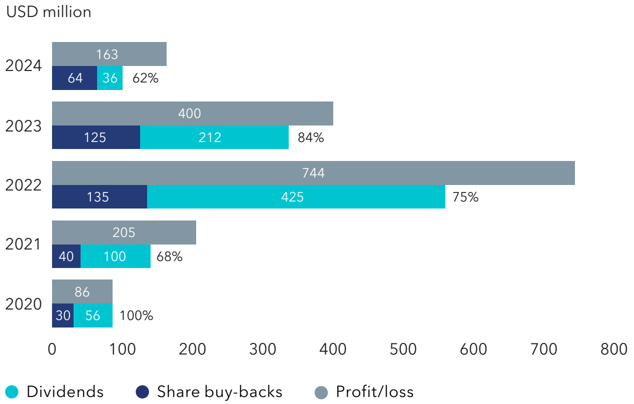
The share capital was nominally USD 5.1 million by the end of 2024 (USD 5.4 million in 2023) divided into 32 million shares of DKK 1 each. Each share has one vote. On 12 March 2024, it was decided to reduce the share capital through the cancellation of 2 million treasury shares.

In 2024, a total of 1,690,742 shares were acquired through share buy-backs at a total purchase price of USD 69 million. The shares were purchased at an average price of DKK 283. Following this,

Financial calendar 2025

6 February	Annual report 2024
12 March	Annual General Meeting
1 May	Interim report – first quarter
14 August	Interim report – second quarter and first half-year
30 October	Interim report – third quarter

Cash distributed to shareholders (USD million)
By the end of December 2024



Note: Dividends are based on the same financial year as the results, not the year of distribution. The dividend amounts outlined exclude dividends related to treasury shares held by NORDEN.

NORDEN had 2,050,478 treasury shares or 6.4% of the total share capital at the end of 2024. In the past five years, NORDEN has in total bought back 10 million shares equal to USD 382 million in value.

When combining share buy-backs, interim dividends and proposed dividends for the year, NORDEN has returned almost USD 1.3 billion to shareholders since 2020, which is more than the market value of NORDEN by the end of 2024.

At the end of 2023, the Board of Directors obtained a one-year authority to acquire treasury shares at market price up to a nominal value not exceeding 15% of the share capital and a standing authority to increase the nominal value of the share capital by up to DKK 4,220,000. The latter is effective until March 2025.

Trading volume and turnover

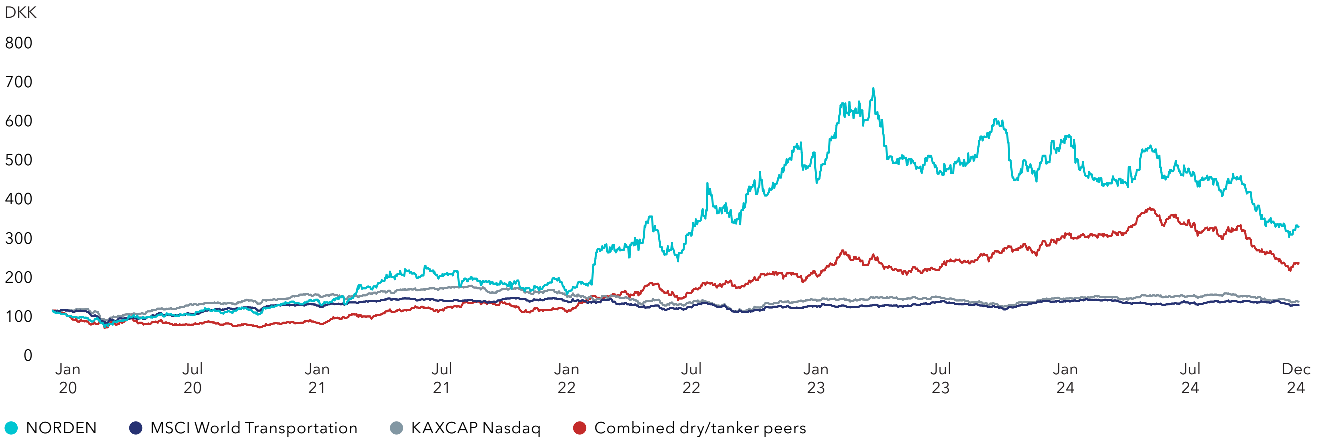
On average, 109,990 NORDEN shares were traded on a daily basis on NASDAQ Copenhagen in 2024 compared to 126,474 shares in 2023, reflecting a decrease in daily trading of 13%. The average daily trading value (turnover) of the NORDEN share decreased by 35% from DKK 48.3 million in 2023 to DKK 31.6 million in 2024.

Investor relations

During the year, NORDEN has conducted a wide range of investor presentations, including local events, physical meetings, bank seminars, shipping conferences, roadshows with institutional investors as well as online live webinars to engage with retail investor audiences. At year-end 2024, NORDEN was actively covered by five equity analysts.

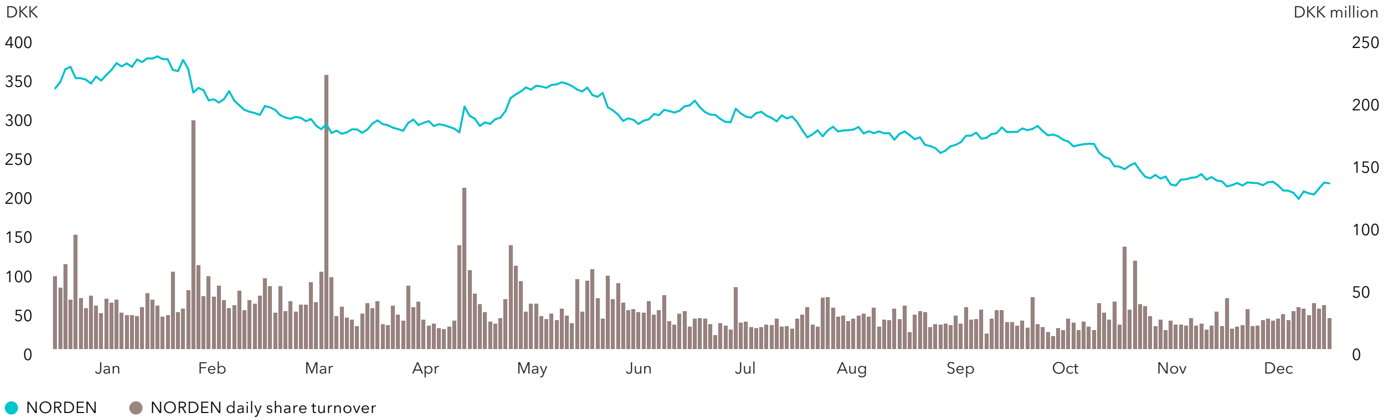
At the end of 2024, NORDEN's share capital was held by approximately 31,000 shareholders with 67% located in Denmark, 15% in the US, 7% in Ireland and 11% in the rest of the world. NORDEN owned

Total shareholder return in the past five years



The total return of the peer group is calculated based on 10 dry cargo companies and 12 product tanker companies each weighted by their market capitalisation.

Share price performance and turnover 2024



6.4% of the share capital in treasury shares, whereas A/S Motortramp, Stensbyvej 52 4773 Stensved, owned 30% as the largest shareholder. Of the remaining share capital, 34% was held by institutional investors and 20% by retail investors.

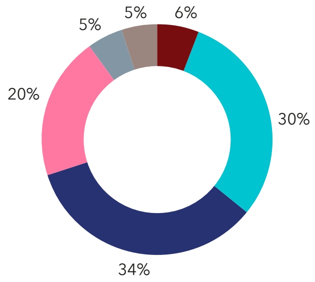
NORDEN senior unsecured bonds matured in 2024

The bonds that were listed on Nasdaq Copenhagen A/S' regulated market have matured. The bond issuance, with an initial trading date of 15 October 2021, matured on 28 June 2024.

Disclosure regarding change of control

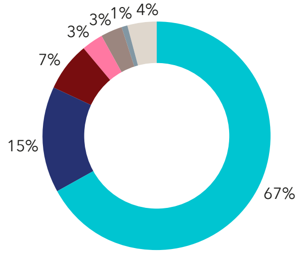
The Danish Financial Statements Act requires listed companies to disclose information in relation to change-of-control provisions. In the event of a change of control in the Company, bank agreements may be subject to renegotiation. No other important agreements are in place with business partners which could be terminated in case of a change of control.

Shareholder composition*



* Of total share capital at 31 December 2024

Shareholder nationality [1]



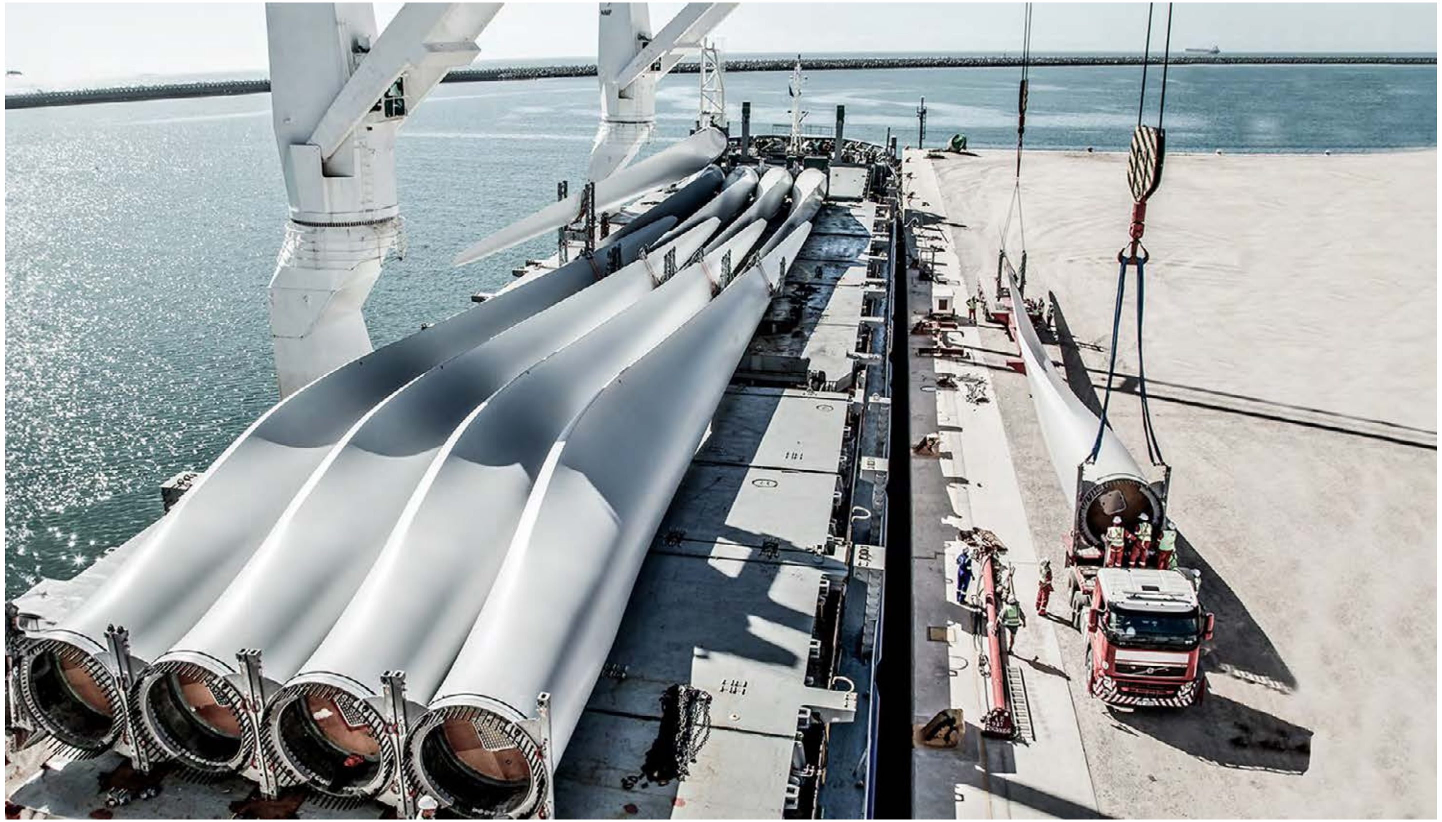
[1] Of total share capital at 31 December 2024
[2] 'Other' includes nations below 1 per cent ownership of share capital

Master data – NORDEN share

Share capital	DKK 32 million
Total number of shares	32,000,000 of DKK 1
Treasury shares (NORDEN)	2,050,478 (6.4%) (at 31 December 2024)
Classes of shares	1
Voting and ownership restrictions	None
Stock exchange	NASDAQ OMX Copenhagen
Ticker symbol	DNORD
ISIN code	DK0060083210
Bloomberg code	DNORD.DC
Reuters code	DNORD.CO

Sustainability statement

ESG IN NORDEN



As a global provider of ocean-based freight services and logistics solutions, NORDEN has a pivotal role in shaping a more sustainable future. Our ESG efforts emphasise our dedication to addressing the critical challenges and opportunities in environmental leadership, social responsibility and corporate governance.

Environmental, Social and Governance (ESG) activities are embedded in NORDEN's overall business strategy and purpose of enabling smarter global trade. Based on our ESG efforts and ambitions, we have a unique opportunity to push forward the development and improvements of our industry.

While we focus on all aspects of ESG, our most significant concern is our environmental impact due to the urgent global decarbonisation challenge. With shipping responsible for approximately 3% of global carbon emissions, our industry has a responsibility to act and reduce its climate impact.

E: Delivering on the decarbonisation agenda

In terms of the environmental agenda, NORDEN has an ambition to reach net-zero emissions by 2050, supported by our medium-term target of a 16% reduction in energy intensity (EEOI) by 2030 compared to FY 2022 as baseline, equivalent to a 2% average reduction per year. Since 2022, we have improved our EEOI by 14% and are thus well on track to reach our medium-term target.

In the short term, NORDEN contributes to reducing environmental impact by offering low emission freight products and services and providing transparency on emission outputs to our customers. Throughout the year, we have continued the focus on our four climate initiatives: voluntary speed reductions, CO_2-based hull cleanings, using the most energy-efficient vessels and investing in fuel transparency. Looking ahead, we are focused on developing sustainable shipping solutions and investing in new vessels equipped with emission-reducing technologies, aiming to achieve our net-zero emissions target by 2050.

Biofuels will be an important part of the solution for developing the sustainable solutions of the future. With our investment in the biofuel company Mash Makes in 2023, NORDEN has secured future access to low emission fuels - an important step in our ambition to help our customers decarbonise their supply chains. Through our partnership with Mash Makes, we conducted the first successful engine trials in 2024.

In 2024, NORDEN was the first company to conduct a 100% biofuel bunkering on board a vessel in Singapore, showing that the demand for biofuel is materialising with customers. Furthermore, we also entered into jupitea partnership with the global mining company BHP, where NORDEN replaced fossil fuels with approximately 1,000 tonnes of 100% biofuel on a voyage between Australia and Rotterdam.

During the year, we also experienced increased interest in our carbon insetting solution, Book & Claim, where we entered into an agreement with Meta in which they pay for biofuels being burnt on NORDEN-operated vessels. Our Book and Claim system tracks and allocates the associated carbon reductions to the customer, allowing them to purchase and track the benefits of biofuel emissions reductions even when not available for their cargo's voyage.

S: People is our most important resource

NORDEN is a people and value-driven company and continuously work on strengthening our position as an attractive workplace, offering an inclusive and engaging working environment in which all employees have equal opportunities for realising their potential.

An inclusive, diverse and equal culture where people are encouraged to be open about their viewpoints creates an organisation where people feel respected, included and motivated.

By measuring engagement, turnover and retention rates, as well as the age and representation of the least represented gender across organisational levels, we continuously gather insights on areas for improvement.

Another key priority for NORDEN is setting high standards for health and safety in our value chain. Operating at sea involves safety and security risks that must be managed carefully to safeguard the crew and external personnel. Outsourcing technical management and upholding a service that complies with NORDEN's standards requires a close, continuous dialogue and a comprehensive reporting framework.

Enhancing the health and well-being of seafarers directly correlates with improved performance on vessels and success in both recruiting and keeping talented workers. To maintain excellent working conditions, NORDEN has implemented an Technical Manager Code of Conduct and a HSEQ (Health, Safety, Environment and Quality) framework to further guide our collaboration with third-party managers. This framework helps ensure that all our partnerships meet high standards within safety, well-being of employees, sustainability and environmental protection.

G: Trust is a key component of our business

Being a global company that operates in regions where concepts of integrity and good business ethics vary, it is critical for NORDEN to strive to uphold the highest standards for business conduct in our operations and ensure transparent and ethical business practices through a strong focus on anti-corruption and bribery, sustainable procurement and human rights.

Corruption and bribery have severe consequences for sustainable development. It leads to weak institutions, hinders economic growth and potentially endangers the health and safety of

employees. To maintain a strong zero-tolerance culture in regards to bribery and corruption, all employees are required to acknowledge and sign the Employee Code of Conduct, and all suppliers are requested to sign the Supplier Code of Conduct, which outlines the ethical, social and environmental standards that all employees and suppliers are expected to follow. Furthermore, all employees are required to complete anti-corruption and sanctions e-learning courses once a year. During the year, all eligible employees passed the courses.

In 2024, NORDEN launched a new reporting tool of unethical requests covering all of NORDEN's operated fleet. This enables us to monitor requests for facilitation payments globally with reporting from all port visits and transits which give insights to current risks, development in the risk landscape and the effectiveness of the programme, strengthening our mitigation plans and how we ensure the prevention of future corruption incidents.

In 2024, NORDEN also conducted a Human Rights Impact Assessment that gave us added insight into our human rights risks across the organisation and value chain. We conducted our first Human Rights Impact Assessment in 2015 and have repeated this assessment every two years since.

ESG initiatives for 2025

Looking into 2025, we will continue our climate, decarbonisation and biofuel initiatives based on the commercial breakthrough with our low-emission contracts and Book & Claim offerings which have gained increased interest from customers across industries.

Furthermore, we will continue to focus on developing an engaging and inclusive working environment and increasing the share of the underrepresented gender in all levels of the organisation.

A leadership programme, Leadership Essentials, was launched in 2024. This programme is developed to define what good leadership looks like and to build a shared language and leadership culture across NORDEN. In 2025, all managers across levels will undergo training in translating the Leadership Essentials into everyday behaviour and decision-making.

In addition, NORDEN will finalise the adaption to report in conformity with the European Sustainability Reporting Standards (ESRS), ensuring that we comply with regulatory reporting standards ensuring trust, transparency and comparability.

Reporting standards

Although NORDEN is not currently required to report under the ESRS due to having fewer than 500 full-time employees on average, we have proactively aligned our sustainability disclosures with the topical standards to ensure comparability, enhance transparency, and a seamless transition into fully compliant CSRD reporting. During the year, we carried out our Double Materiality Assessment (DMA) in accordance with EFRAG implementation guidelines and received pre-assurance from the Group's auditors that the process used by Management to identify reported information is in conformity with the ESRS 2 IRO-1. This forward-looking approach positions NORDEN well for the 2025 reporting year, when the ESRS will become mandatory for the Group.

In line with our commitment to transparency and reliability, NORDEN has also obtained limited assurance on selected material metrics and targets that correspond to the ESRS data points. These can be found in the ESRS index on page 83.

Double materiality assessment:

Following the double materiality process, we have identified sub-topics within the six topical standards of the ESRS to be material:

- E1: Climate Change
- E2: Pollution
- E4: Biodiversity & Ecosystems
- S1: Own Workforce
- S2: Workers in the Value Chain
- G1: Business Conduct

We provide a more detailed explanation of exclusion of topical standards in the DMA process description, which can be found in our accounting policies.

Norden's material topics and monitoring indicators

Sustainability priorities	ESRS section	Material topics	Monitoring indicators	2024	2023	2022	Ambitions
Environmental Enabling our customers to decarbonise their supply chains	E1 Climate Change	Efficient operation of our vessels	TTW EEOI on all assets (reduction vs. baseline)	8.5 (14%)	9.0 (10%)	9.9 (NA)	Reduce 16% by 2030 on 2022 baseline
		Decreasing value chain emissions	Total CO_2e emissions from scopes 1 & 2 ('000 ton) [1]	4,397	3,835	4,287	Reduce GHG emissions to net zero by 2050
			Total CO_2e emissions from scope 3 ('000 ton)	3,499	3,693	3,826	Reduce GHG emissions to net zero by 2050
Social Offering an inclusive, engaging, equal and safe working environment	S1 Own Workforce	Diversity, Equity & Inclusion	Overall engagement score	84	84	83	> Index 80 by 2025
			Diversity (share of least represented gender)	39%	41%	40%	Min. of 40% share of least represented gender
			Diversity in Management (share of least represented gender)	38%	38%	37%	Min. of 40% share of least represented gender
			Retention rate / Employee turnover	90% / 13%	94% / 15%	94% / 9%	> 90% retention rate
	S2 Workers in Value Chain	Health & Safety	LTIR	1.3	1.0	0.8	< 0.8
Governance Galvanising sustainable business conduct	G1 Business Conduct	Sustainable Procurement	Suppliers screened for ESG (%)	68%	55%	NA	75% strategic suppliers by 2026
		Anti-corruption and bribery	Staff completed e-learning course	100%	100%	99%	100% e-learning completed
			The total number of corruption or bribery incidents	0	0	0	0 at all times

[1] Location-based scope 2

CASE STORY

Initial biofuel tests off to a great start

In 2023, NORDEN invested a minority stake in the Danish-Indian biofuels scale-up Mash Makes, which researches and develops biofuel. The investment is a strategic partnership, where NORDEN secures access to renewable fuels, specifically biooil, at favourable pricing. The partnership places us at the forefront of the research and development of future renewable fuels, where we can also benefit from future renewable biooils once developed.

In 2024, we conducted the first successful engine lab trials with the biofuel together with Mash Makes.

The partnership between NORDEN and Mash Makes is proof that collaboration is key for developing the sustainable fuel sources of the future and the success of the trial is a testament to the commercial potential.

Towards the end of the year, the initial lab trials led to the first biofuel trials on board an actual vessel. The trials will be running on an ongoing basis in 2025.

ENVIRONMENTAL

Maritime shipping is the most carbon-efficient method for transporting goods, emitting significantly less CO_2 per tonne-mile compared to trucks, trains or airplanes. However, shipping transports almost 90% of global trade and, given the vast size, the industry contributes to approximately 3% of global CO_2 emissions. Hence, despite being the most sustainable choice for transportation, the industry still has a responsibility to continuously work on reducing its climate impact.

NORDEN has an ambition to be on the frontier of this change, and we are dedicated to helping customers decarbonise their supply chains. Our commitment extends beyond our operations as we actively contribute to innovating solutions through collaborations in industry organisations and exploring opportunities within the upstream production of sustainable fuels.

To concentrate our environmental efforts and maintain transparency and progression, we have identified two key topics within NORDEN's environmental agenda: the efficient operation of our vessels and the reduction of emissions across the value chain. The strategies and goals within these topics are closely linked to our long-term target of reaching net-zero emissions by 2050 and our medium-term target of reaching a minimum 16% reduction in emissions by 2030.

To reach these targets, we work proactively with developing more sustainable shipping solutions such as our carbon insetting solution, Book & Claim, and offering voyages powered by low emission biofuels. Furthermore, we provide carbon emissions transparency through pre and post voyage emissions reports and pledge that, by 2030, all new vessel orders made by NORDEN will be equipped with zero-emission technology.

Our ambitions and goals are not just about meeting regulatory requirements or industry standards; they reflect NORDEN's commitment to environmental leadership and our proactive role in shaping a more sustainable future for global shipping.

ESRS E1 Climate Change

Impacts, risks and opportunities

Governance

Our governance model closely aligns executive remuneration with progress in reducing emissions and increasing efficiency, dedicating 15% of Executive Management's compensation to sustainability objectives. This incentive structure is linked to critical metrics such as improving emission efficiency (EEOI), enhancing workforce engagement and promoting diversity. These KPIs support our strategic commitment to achieving net-zero emissions by 2050, fostering a transition to zero-carbon shipping and delivering on our strategic objective to decarbonise our customer's value chain.

NORDEN's transition plan is integrated into the overall business strategy and financial planning, focusing on enabling customers to meet their decarbonisation commitments.

Management is responsible for upholding NORDEN's risk management policy and for overseeing and discussing strategic risks and opportunities. NORDEN's risk profile and exposure are reported to the Board of Directors regularly. Internally, our Risk Committee assists the Board of Directors with its oversight of the Group's overall risk-taking tolerance and management of market, credit and liquidity risks as well as climate-related risks. Our Decarbonisation team makes proposals as to how these opportunities and risks can be linked to the commercial business. Our Audit Committee identifies and manages risks related to financial reporting and auditing, among others. The transition plan has received full approval from NORDEN's Board of Directors and is overseen by the ESG Executive Body, emphasising strong organisational commitment. In the reporting period, NORDEN has reported a 6% improvement in EEOI.

Strategy
In alignment with the 1.5°C target of the Paris Agreement, NORDEN has articulated a transition plan aimed at achieving net-zero emissions by 2050 and a 16% reduction in the Energy Efficiency Operational Indicator (EEOI) by 2030, which is equivalent to an average short-term reduction in EEOI of 2% per annum.

In the short-term, we are continuing our four climate initiatives, which are all crucial tools in reaching our climate goals:

- **Voluntary speed reduction:** Proactively reducing vessel speeds beyond profit/loss considerations for emissions reduction.
- **Using the most energy-efficient vessels:** Increasing usage of the 25% most energy-efficient vessels in the world, to improve fleet emissions performance.
- **Investing in fuel transparency:** Conducting regular bunker surveys to ensure fuel quality and efficiency.
- **CO_2-based hull cleanings:** Scheduling consistent hull cleanings decreases resistance and enhances fuel economy.

Additionally, NORDEN offers tailored low emission freight solutions to our customers and we have in 2024 increased our focus on biofuels. Depending on a customer's needs, NORDEN can develop freight solutions enabling emission reduction of up to 85% by a well-to-wake approach.

In the short- to medium-term, we consider our Book & Claim system, the strategic partnership with the Mærsk McKinney Møller Center for Zero Carbon Shipping and the investment in Mash Makes as key levers for our ambition to reduce EEOI by 16% by 2030. Book & Claim is a carbon insetting system that enables direct reduction of GHG emissions within the industry in which they are generated. Carbon insets supports demand for low-carbon fuel and thus contributes to financing and accelerating the decarbonisation of the industry. Carbon insetting addresses this challenge by providing a mechanism allowing us to disconnect the physical burning of biofuel onboard our vessel from the customer purchasing and claiming the associated emissions reduction. Through this mechanism, carriers such as NORDEN can operate on low emission fuel where possible in the fleet and offer an emission reduction solution to all our customers at a competitive price, regardless of their trading routes and other constraints that would prevent them from being serviced directly on low-carbon fuels. Currently, the supply of low-carbon fuels such as biofuel is limited both in terms of production and geographical availability. This means that it is not possible to offer biofuels on the same conditions to all our customers looking to reduce maritime emissions within their supply chains. Therefore, carbon insetting is a vital component of delivering emission reduction in the short and medium term.

In the long term, NORDEN will be exploring the production of alternative biofuels like ammonia or methanol to eventually provide CO_2e-neutral freight services, highlighting our commitment to pioneering sustainable shipping solutions.

Risks and opportunities
NORDEN's process for identifying and assessing climate-related physical and transitional risks is conducted by an in-house team of commercial and environmental specialists. This team thoroughly

Achievements & initiatives 2024

- Reduced our EEOI by 14% since 2022.
- Conducted the first ever 100% biofuel bunkering in the port of Singapore on board a NORDEN vessel.
- Conducted the first commercial trial of biofuel onboard a vessel together with Mash Makes.
- Entered into a partnership with BHP under which NORDEN supplied 1,000 tonnes of 100% biofuel used on a voyage between Australia and the Netherlands.
- Signed an agreement to assist several customers in lowering their emissions through NORDEN's emissions reduction solution, Book & Claim.

evaluates potential transitional and acute risks associated with climate-related scenarios, specifically, the RCP 1.9 and RCP 8.5 pathways. These scenarios reflect a spectrum of possible future climate outcomes, from more optimistic low greenhouse gas concentration trajectories to high-emission scenarios. Based on the risk analysis, the team formulates mitigation actions to manage identified risks and leverages opportunities to enhance the company's resilience. This includes incorporating weather routing systems, diversifying business activities, and investing in low emission technology. The team also explores opportunities arising from the transition to a low-carbon economy, such as the development of new low emission products or services, or improvements in operational efficiency.

The company recognises that while its agile operator model typically shields it from significant impacts of physical climate risks, under the RCP 8.5 scenario, the increased frequency and intensity of extreme weather events could lead to higher risks of damage to vessels and cargo, potentially eroding margins. To mitigate these risks, NORDEN is relying on extensive use of weather routing systems for pricing, securing comprehensive insurance coverage, and carefully assessing freight contracts for chronic risks.

As the maritime industry evolves rapidly with technological innovations, particularly in fuel sources and vessel efficiency, there is an inherent risk of our assets declining in value. This devaluation is a direct consequence of the transition towards low-emission technologies and could potentially lead to assets becoming stranded before the end of their useful life. NORDEN operates an asset-light fleet strategy, which mitigates this risk. This approach enhances our agility and flexibility, allowing us to adapt more readily to technological advancements and market shifts without incurring significant losses on asset value. By being an operator of assets, we mitigate the financial risk of declining asset prices that are tied to older, less efficient technologies.

In the table overview on page 52, we list key transitional and physical risks for NORDEN alongside mitigation actions and opportunities arising from these risks based on our analysis.

Climate change mitigation policy
As of 2024, NORDEN has adopted a climate change mitigation policy. The climate change mitigation policy articulates our approach to mitigating the risks of climate change by reducing EEOI by 16% by 2030 and being net zero by 2050.

Metrics & targets

Decreasing value chain emissions
As part of our ambition to decarbonise our customers' supply chains, NORDEN aims to be carbon neutral by 2050. This is aligned with the climate ambitions outlined by the Danish government's climate partnership with the Danish maritime sector of achieving carbon neutrality by 2050. Providing transparency is the first step towards decreasing value chain emissions, mapping the full extent of our GHG emissions and focusing on the ones on which NORDEN has a material impact.

We apply a materiality threshold to our scope 3 categories to ensure focus on material sustainability topics. If any category is estimated to contribute less than 1% to the total scope 3 emissions, it falls below our materiality threshold and is deemed immaterial for external reporting purposes. In line with this approach, although relevant, the following GHG Scope 3 categories have been determined to be 'material', 'relevant, but not material' and 'not relevant or material':

	Transitional risks	Mitigating risks	Opportunities
Policy & Legal	• Implementation of new regulation which impacts NORDEN more negatively than competitors. • Failure to comply with reporting and compliance regulations (ESRS, EU Taxonomy & CII).	• Decreasing residual value risk by shifting exposure to operator activities and being less dependent on the owned fleet. • Monitoring policy, legal and regulatory sustainability landscapes.	• Asset-light operator model and ablility to quickly shift market exposure and navigate new legislation. • Offering regulatory and carbon tax services to third parties in the NORDEN tanker pool.
Technology	• Accelerated decline in value of existing assets due to technological innovation, e.g. fuel sources and vessel efficiency.	• Actively testing and operating zero-emission ships, investing in R&D related to low-carbon fuels and, from 2030, only order ships with zero-emission technology. • Investing in data analytics to keep developing market-leading operational systems.	• Agile model allowing NORDEN to perform relatively well compared to our peers. • Offering innovative and sustainable freight solutions to our customers.
Market	• Declining demand for seaborne transportation services driven by lower demand for fossil fuel products and higher marginal costs (fuel costs, carbon tax, capital costs). • Premature investments in low emission freight products not aligned with market demands. • Increasing funding cost and/or potential lack of funding availability for activities not aligned with sustainable investment demands (e.g. the EU Taxonomy, Poseidon principles and SBTi). • Insufficient supply of alternative fuel sources.	• Diversification of business activities. • Providing low emission freight options by working with our partners to co-create sustainable shipping solutions. • Securing long-term alternative fuel supply contracts.	• Increasing market share through stronger branding and superior offering. • Empowering our customers to reduce their CO_2e emissions by offering low emission alternatives competitive with the price of carbon. • Providing logistic solutions supporting a circular economy. • Book-and-claim offering.
Reputation	• External stakeholders' perception of NORDEN's climate footprint and initiatives. • Unable to attract and retain talented employees with high decarbonisation ambitions.	• Support industry-wide research within new forms of propulsion, low emission fuels and eFuels with Mærsk McKinney Møller Center for Zero Carbon Shipping. • New and ambitious climate strategy. • Improving transparency of emissions reporting.	• Delivering net-zero emissions from our operations by 2050. • Becoming an industry leader in helping customers decarbonise their supply chains.

	Physical risks		
Acute	• Margin erosion due to more frequent extreme weather events (e.g. drought or storm).	• Extensive use of weather routing systems when pricing and assessing the risk of freight contracts.	• Leveraging our use of data to improve predictions and decision-making.
Chronic	• Scarcity of water, impacting trade patterns and volumes. • Rising sea levels, impacting port operations and trade patterns.	• Including the impact of chronicle risks when evaluating business opportunities.	• Expansion of logistics offerings to non-core activities via Assets & Logistics business unit.

EU Taxonomy

NORDEN has decided to report in accordance with the EU Taxonomy, which is intended to provide transparency on what is considered eligible and aligned with environmentally sustainable activities.

Taxonomy eligibility and alignment are expressed through three KPIs:
Turnover, capital expenditure (CapEx) and operating expenditure (OpEx). NORDEN has Taxonomy-eligible activities within the 'Sea and Coastal Freight Water Transport, Vessels For Port Operations, and Auxiliary Activities' category, based on the company's turnover, CapEx and OpEx. NORDEN has aligned activities within turnover and CapEx, but not within the OpEx KPIs. The EU Taxonomy tables for all KPIs are located on p. 82. Please refer to the ESG accounting policies related to the EU Taxonomy for the methodology behind our eligibility alignment assessment.

Turnover:
Taxonomy-eligible revenue is 79% for 2024, while Taxonomy-aligned revenue is 0% (rounded) for 2024.

Capital expenditures:
Taxonomy-eligible CapEx is calculated to be 100% for 2024, while Taxonomy-aligned CapEx is 0% for 2024. NORDEN does not have any technically aligned CapEx plan, but this is to be considered within the coming years.

Operating expenditures:
Taxonomy-eligible OpEx is 75% for 2024, while Taxonomy-aligned OpEx is 0% for 2024.

GHG scope 3 categories

	GHG number
Material	
Purchased goods and services	1
Capital goods	2
Fuel- and energy-related activities	3
Upstream transportation and distribution	4
Downstream leased assets	13
Relevant, but not material	
Waste generated in operations	5
Business travel	6
Employee commuting	7
Investments	15
Not relevant or material	
Upstream leased assets (reported in scope 1)	8
Downstream transportation and distribution	9
Processing of sold products	10
Use of sold products	11
End of life treatment of sold products	12
Franchises	14

Our total GHG scope 1, 2 and 3 CO_2 -equivalent emissions were 7.9m tonnes – an increase of 0.4m tonnes compared to 2023. Scope 1 CO_2e emissions have increased by 15% year-on-year, while scope 3 CO_2e emissions have decreased by 5% year-on-year, driven by an increasing share of vessels being operated by NORDEN, while fewer vessels have been on time-charter out. Given our target of net-zero by 2050, we must reduce emissions by 3.7% on an annual basis from 2022 levels to realise this ambition.

CO_2e emissions

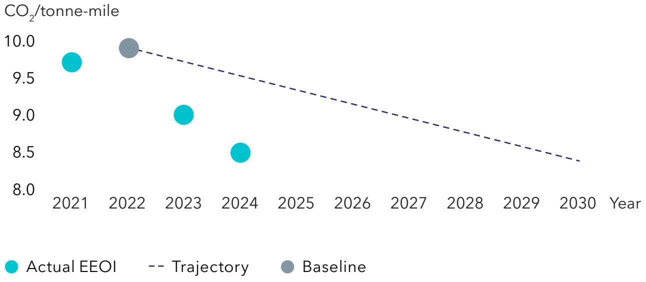
('000 tonnes)	2024	2023	2022	%
Scope 1 GHG emissions	**4,397**	**3,834**	**4,287**	15%
Scope 2 GHG emissions	**0.5**	**0.4**	**0.4**	25%
Scope 3 GHG emissions	**3,499**	**3,693**	**3,826**	-5%
- GHG 1: purchased goods and services	147	187	266	-22%
- GHG 2: capital goods	5	18	6	-15%
- GHG 3: fuel and energy-related activities	900	823	904	9%
- GHG 13: downstream leased assets	2,448	2,665	2,650	-8%
Total GHG emissions	**7,896**	**7,528**	**8,113**	5%

Efficient operation of our vessels
Efficient operation of vessels is an integral part of NORDEN's operator business model. We monitor the fuel efficiency of vessels using the EEOI measure. On NORDEN's owned and operated vessels, we continuously monitor fuel efficiency, determining optimal speeds and route planning. By distinguishing between operated and chartered-out voyages, we can identify the impact of our efforts, while still taking responsibility for all tonnage that we deliver to our customers by reporting EEOI based on all assets.

During 2024, the tank-to-wake (TTW) EEOI on all assets decreased from 9.0 grams CO_2/tonne-mile to 8.5, corresponding to a decrease of 6%. The EEOI reduction is impacted by the decision to trade up in vessel sizes with capesize accounting for 10% of transport work in 2024 vs. 2% in 2023. After adjusting for changes to fleet composition, the EEOI has decreased from 8.8 to 8.5 corresponding to a decrease of 3%.

The decrease on a like-for-like basis is mainly driven by higher cargo utilisation and a higher share of renewables, while being offset by lower laden utilisation and slightly higher speed. The development

Actual EEOI and EEOI trajectory



in EEOI is supported by continued weak markets in Dry Cargo and Tankers making lower speeds more attractive compared to baseline period.

In the table below, we have summarised performance from 2023 to 2024 of the key metrics that drive the development in EEOI:

Key metrics	2024	2023	%
TTW EEOI (g CO_2/tonne-mile)	8.5	9.0	-6%
WTW EEOI (g CO_2e/tonne-mile)	9.9	10.7	-7%
Cargo hold utilisation	82.3%	81.4%	0.9%p
Laden utilisation	74.8%	78.2%	-3.4%p
Avg. speed (kts)	11.3	11.3	0%
Avg. fleet (dwt)	73,501	61,316	20%
Renewable fuel share	0.3%	0.1%	0.2%p

Energy consumption and mix
Perceiving energy consumption as a material sustainability impact, NORDEN reports on development in fuel consumption from crude oil and petroleum products, fuel consumption for renewable sources and energy intensity in conformity with the ESRS. By monitoring these metrics, NORDEN aims to create transparency on the share of fuel consumption from renewable sources, allowing stakeholders to see progress on a medium and long-term basis.

Furthermore, it allows stakeholders to distinguish between reductions being created by operational decisions like reduced speeds or customers being willing to pay for low emission freight solutions, which is seen in an increasing share of renewable fuel consumption. Finally, we report on the share of heavy fuel oil (HFO) in our fuel consumption to provide transparency on whether reductions in air pollutants are driven by a lower share of HFO, having high emission factors for pollutants like SO_x and PM2.5, further outlined in the ESRS index on page 83.

NORDEN's fuel consumption from renewable sources increased from 19,790 MWh in 2023 to 42,140 MWh in 2024. This corresponds to 0.3% of NORDEN's fuel consumption on our operated vessels. During the reporting period, NORDEN entered into a biofuel agreement with BHP, which entails the burning of approximately 1,000 tonnes of B100 biofuel.

Additionally, we are experiencing good traction on our carbon insetting solution to support the decarbonisation of our customers' supply chains by bridging emission reductions made on NORDEN's biofuel voyages with customers looking to reduce emissions. Since the supply of low-carbon fuels such as biofuel is limited both in terms of production and geographic availability, the system provides an option for customers willing to pay to reduce emissions, who have previously been limited by trading routes. Being able to offer this solution to our customers, we are expecting an increasing share of renewable fuel consumption in the short to medium term.

Metric	2024	2023
Fuel consumption from crude oil and petroleum products	15,844,670	13,861,565
Fuel consumption for renewable sources	42,140	19,790
Energy intensity	254	266

ESRS E2 Pollution

Impacts, risks and opportunities

Maritime shipping, while efficient in terms of CO_2 emissions relative to the distance and weight of goods transported, presents multi-faceted environmental challenges. The varied nature of vessels, their cargo, fuels and materials renders them complex entities with a broad environmental footprint that spans both air and water ecosystems. In terms of pollutants, vessels, through combustion and energy transformation for propulsion and power, emit a mix of air pollutants. The primary ones include sulfur oxides (SO_X), nitrogen oxides (NO_X) and particulate matter (PM). In addition, although less prevalent, vessels emit non-methane volatile organic compounds (NMVOCs) and heavy metals (HM) into the air. These emissions are particularly concerning in high-traffic maritime areas and can travel great distances, affecting communities and regions far from the source. Efforts to regulate and reduce such emissions have led to a sustainability trade-off. The implementation of scrubbers to cut SO_X emissions, for example, has resulted in an increased release of pollutants into the sea through wash water from scrubbers. While striving to curb high sulfur bunker fuel use without scrubbers, these

Breakdown of EEOI by vessel and type

	2024			2023			
	WTW Ops	TTW Ops	TTW	WTW Ops	TTW Ops	TTW	% TTW all assets
Multi-purpose	29.8	25.0	27.6	28.5	23.9	23.9	15.5%
Handysize	11.7	9.8	9.8	11.6	9.8	9.9	-0.9%
Supramax	8.4	7.1	7.2	8.2	6.9	7.1	1.9%
Panamax	8.6	7.2	7.4	8.4	7.1	7.4	-0.7%
Capesize	5.4	4.5	4.7			7.3	NM
Dry cargo	**9.0**	**7.5**	**7.7**	**9.2**	**7.8**	**7.9**	**-2.9%**
Fleet-adjusted	*9.0*	*7.5*	*7.7*	*8.8*	*7.4*	*7.9*	*-3.3%*
Handysize T	26.9	22.4	22.8	27.5	23.0	22.9	-0.6%
MR	16.6	13.9	14.1	17.4	14.6	14.5	-2.7%
LR2	7.8	6.5	6.6	6.0	5.1	5.1	28.4%
Tankers	**16.5**	**13.9**	**14.0**	**17.9**	**15.0**	**14.8**	**-5.1%**
Fleet-adjusted	*16.5*	*13.9*	*14.0*	*17.2*	*14.5*	*14.4*	*-2.5%*
Total	**9.9**	**8.3**	**8.5**	**10.7**	**8.9**	**9.0**	**-5.6%**
Fleet-adjusted	*9.9*	*8.3*	*8.5*	*9.9*	*8.3*	*8.8*	*-3.2%*

regulatory developments illustrate the complex interplay between reducing atmospheric pollution and protecting water quality.

Another complexity is related to our ambition to improve fuel efficiency and reduce the EEOI by applying anti-fouling paint. This is a special coating applied to the hull and, in some cases, to the propeller of a vessel to slow the growth and facilitate detachment of subaquatic organisms, commonly known as fouling, which attach to the hull and have a substantial impact on the vessel's hydrodynamic performance. Specifically, it will result in increased resistance through the water due to elevated friction resulting from the considerably rougher hull surface caused by the fouling. As a direct consequence, fuel consumption is expected to rise significantly. While improving fuel efficiency, and hence reducing the relative CO_2e emissions from vessel operation, there is an increased risk of water pollution related to the biocide effect of persistent anti-fouling components. The industry started to have more focus on this topic, and new biocide-free coatings are already in the market, but the effectiveness to prevent fouling growth is still yet to be proven.

Pollution policy

NORDEN is following the industry standard enforced by the IMO. This approach ensures that we remain aligned with the best available practices while we await regulation from policymakers. Not complying with the regulation of the IMO may lead to financial penalties, while potentially hurting business relationships by not demonstrating commitment to environmental compliance. Both are considered material financial risks.

Material topics, metrics and targets

Pollution to air

Perceiving air pollution to be material, NORDEN monitors and reports on emissions of nitrogen oxides (NO_x), sulfur oxides (SO_x), particulate matter (PM2.5/PM10), NMVOC and HM in air, which are significant air pollutants associated with maritime transport. These emissions largely originate from the combustion processes within vessel engines and are a direct consequence of the fuels used. A breakdown of the development by air pollutant types can be found in the table below:

Development by air pollutant type

Metric	2024	2023
NO_x	115,290	101,678
SO_x	11,284	9,894
PM2.5	5,239	4,546
NVMOC	4,751	4,147
HM	76	70

Pollution to water

NORDEN reports the emissions of HM and polycyclic aromatic hydrocarbons (PAHs) into the water. These pollutants stem from the operation of vessels having installed open-looped scrubbers. Scrubbers are systems installed on vessels to reduce the sulfur content in exhaust gases by spraying seawater into the exhaust stream.

In the reporting period, NORDEN operated 94 vessels with open-looped scrubbers corresponding to 18% of the total vessels operated. Total pollutants in water have increased from 30 metric tons in 2023 to 64 metric tons in 2024. Heavy metals in water have increased from 29 metric tons in 2023 to 62 metric tons in 2024, while PAHs have increased from 1 metric tons in 2023 to 2 metric tons in 2024. The change is driven by more scope 1 voyages and a larger share of vessels with open-looped scrubbers.

Development in pollutants in water

Metric	2024	2023
HM	62	29
PAH	2	1

In addition to the pollutants above, NORDEN tracks the ecological impact of our operations through the performance indicators from the SASB Marine Transportation Standard, including spills. Development in performance indicators can be found in the SASB table on page 82.

NORDEN’s EEOI framework

NORDEN uses the EEOI metric as a performance indicator for fuel efficiency. EEOI measures the relationship between CO_2 emissions from bunker fuel consumption and transport work (tonne-nautical miles). NORDEN reports three different versions of EEOI:

1. **TTW all assets:** For the entire fleet including TCO vessels and based on TTW emissions only.
2. **TTW operating assets:** For the operated fleet excluding TCO vessels and based on TTW emissions only.
3. **WTW operating assets:** For the operated fleet excluding TCO vessels and on a well-to-wake (WTW) basis, i.e., including upstream emissions related to the extraction, processing and transportation of bunker fuel for our vessels. This measure is presented on a CO_2 equivalent basis.

NORDEN's primary measure is the TTW EEOI all assets presented on a fleet-adjusted basis. NORDEN has divided EEOI into the main drivers that affect performance as this allows NORDEN to follow developments in the indicator on a more granular level. CO_2 emission drivers are split into speed and bunker type, while transport work drivers are determined by cargo utilisation, laden utilisation and fleet composition. The relationship between EEOI and the drivers listed is described as:

- **Speed:** EEOI is positively correlated with speed.
- **Bunker type:** EEOI is impacted by the WTT and TTW CO_2e emissions related to the bunker type. Increasing the share of biofuel would decrease emissions and thereby EEOI.
- **Cargo utilisation:** Measures the utilisation of cargo capacity during a voyage. Cargo hold utilisation is a number between zero and one. Higher cargo utilisation would increase transport work and fuel consumption as more energy is required for propulsion at a given speed with more cargo. The effect of increasing cargo utilisation is a decreasing EEOI.
- **Laden utilisation:** Measures the relationship between laden and total miles. Laden miles are miles, where the vessel carries cargo. Transport work is calculated as the product of nautical miles and cargo carried. Holding everything else constant, higher laden utilisation would increase transport work and decrease EEOI.
- **Fleet composition:** EEOI is highly impacted by fleet composition. To make EEOI more comparable, NORDEN reports performance across vessel types and outlines the fleet-adjusted EEOI, enabling a more transparent explanation of variations in the performance indicator year-on-year.

ESRS E4 Biodiversity & ecosystems

Impacts, risks and opportunities

Our operations impacts biodiversity and ecosystems directly by potentially introducing non-indigenous species (NIS), contributing to underwater noise and sailing through marine-protected areas, and indirectly by emitting GHG emissions leading to changes of ecosystems. While being aware of the impacts of our operations, it remains challenging to fully identify, assess and quantify the severity of the impacts.

We have identified the risk of introducing NIS as a material topic due to the scale of the impact. NORDEN does not have any policies, metrics or targets for the topic, but we are focused on reducing the likelihood of the impact by performing regular hull cleanings and applying best-in-class anti-fouling paint on owned vessels and on some key partner vessels.

Additionally, NORDEN reports on the number of vessel days in Marine Protected Areas (MPA) in the SASB Marine Transportation Index. We do not have any policies or targets for this metric.

Biodiversity policy
NORDEN is following the industry standard enforced by the IMO. This approach ensures that we remain aligned with the best available practices while we await regulation from policymakers. Not complying with the regulation of the IMO may lead to financial penalties, while potentially hurting business relationships by not demonstrating commitment to environmental compliance. Both are considered material financial risks.

CASE STORY

Using carbon insetting to help customers decarbonise their supply chains

To assist Meta with its ambition to lower its emissions, NORDEN and Meta entered into an agreement to under which Meta was pay for biofuel and track the associated emissions reductions through NORDEN's emissions reduction solution, Book & Claim.

NORDEN's Book & Claim solution works by NORDEN burning biofuel on a NORDEN-operated vessel and the emission reduction being allocated to a third-party customer, in this case Meta, using a book and claim chain of custody system.

"Our Book & Claim solution allows customers of marine transportation across the globe to take advantage of emissions reductions from biofuels, even when biofuels are not physically available to be bunkered on a specific trading route or voyage."

Anne Jensen, COO of Assets & Logistics

The solution is developed to enable NORDEN's direct customers and clients in other industries which are dependent on marine transportation and seeking to decarbonise their supply chains to credibly invest in maritime decarbonisation.

SOCIAL

NORDEN is a people and value-driven organisation guided by our purpose of enabling smarter global trade. We continuously work to strengthen our position as an attractive workplace through promoting a diverse, inclusive, engaging, healthy and safe working environment, in which all employees have equal opportunities to realise their full potential.

As a people-driven business, we are focused on fostering an inclusive culture that values everyone's contributions, promotes equality and diminishes safety risks. To create a foundation for such culture, we are proactively working with pivotal aspects such as Diversity, Equity & Inclusion (DE&I) within our offices and Health & Safety across our value chain.

ESRS S1 Own workforce

Impacts, risks and opportunities

NORDEN has identified promoting DE&I as a key area of importance within the social segment of our own workforce. Embracing DE&I is not just about fairness and ethical responsibility; it is business critical. In this context, the shipping industry's historical male dominance presents both a challenge and an opportunity for NORDEN as we consider that driving the diversity agenda is a missed opportunity in our industry today. Diverse teams and an inclusive culture with equal opportunities bring varied perspectives, experiences and ideas, which are critical in a dynamic and globally interconnected industry. By improving DE&I figures, we are not only setting a progressive example but also enhancing our potential problem-solving abilities and overall operational performance.

It is vital to safeguard our strong, value-driven culture where we strive to retain and develop our employees, maintain a high level of well-being and engagement and attract a diverse range of new employees. Sustaining a work environment where diverse employees continue to thrive, have equal career development possibilities and are motivated is essential for maintaining long-term success.

We carry out ongoing social impact discussions through our ESG Executive Body in collaboration with in-house topic specialists. Our ambition is to improve engagement, diversity and retention metrics, since it, in our view, is a clear link between improving DE&I and organisational performance.

NORDEN's workforce is crucial to our success. A lack of diversity, inclusiveness and equality among employees may significantly impact their satisfaction. To address these risks, we regularly monitor workforce metrics, encourage open communication and implement policies that foster a sustainable culture.

There are opportunities related to fostering a diverse and inclusive culture focused on equality as it enables great organisational performance and allows us to attract and retain high-performing employees. By investing in these areas, we aim to not only mitigate risks but also to create a resilient and agile organisation capable of adapting to changing market demands and sustaining a competitive edge in the maritime industry. By promoting a sustainable culture, NORDEN is likely to maintain the position of an attractive workplace for new talent and strengthen our ability to retain and develop employees, reducing the costs of hiring and integrating replacements.

NORDEN has articulated several policies to address and mitigate the risks related to the material topics, some of which are listed here: https://norden.com/about/governance/policies-and-charters. All relevant policies are described on page 80.

Diversity, Equity & Inclusion
As a people and value-driven business, NORDEN considers diversity a strength, and we actively work to ensure DE&I in our organisation. We aim for an organisation, where DE&I accelerates our purpose of enabling smarter global trade through diversity of gender, nationality, age, work experience, educational background and other attributes. We want to achieve this by harnessing all employees' unique contributions into our operational foundation through opening for different viewpoints and ways of thinking.

In total, NORDEN employees represented 52 different nationalities in 2024, and the percentage of non-Danish employees has risen from 57% in 2023 to 59% in 2024. Cross-cultural understanding and respect are crucial in a multicultural environment, wherefore we in 2024 conducted training sessions on how to foster a strong feedback culture, effective collaborations and unlock the potential of psychological safety for all employees and managers.

In NORDEN, we aim to create a diverse management across our managerial levels ranging from managers to the Board of Directors. The members of NORDEN's Board of Directors cover a wide range of competencies and experiences within international shipping, finance, investment, strategy, digitalisation and risk management, from both Danish and international businesses. This combination is considered desirable as it ensures a broad approach to tasks and contributes to ensuring qualified governance of NORDEN's strategic direction. Likewise, gender balance across managerial levels is desirable and pursued on an ongoing basis in NORDEN, as part of ensuring a diverse range of management skillsets and composition, while promoting equal opportunity across NORDEN's organisation.

Our structured recruitment process empowers managers to promote equality and broaden opportunities for both candidates and existing employees. This includes seeking managerial candidates with diverse backgrounds beyond shipping and actively mitigating potential biases in the hiring process. This ensures that NORDEN recruits based on qualifications, potential to develop and ability to deliver on our strategy. Additionally, NORDEN has consistently worked on increasing awareness of including candidates of underrepresented genders in the recruiting process and has assessed our promotion process to strengthen equal opportunities for all employee groups.

NORDEN aims for a gender balance of a minimum of 40% of the underrepresented gender across all levels which leaves up to 20% flexibility for female, male and non-binary genders, recognising that some employees may not wish to be categorised. The gender balance in Executive Management and on the Board of Directors remained unchanged in 2024. On the Board of Directors, shareholder-elected women represented 33% (two out of six) of the Board members in 2024. This gender balance does not yet meet NORDEN's target of having a minimum of 40% shareholder-elected female board members in 2025. To achieve this objective, we will continue the search process in 2025, with the aim of aligning the ratio of female board members with our objective by 2026. The share of women in managerial positions in NORDEN was 38% in

Achievements & initiatives 2024

- Screened for DE&I imbalances in our organisation through our Engagement and Harassment Survey with the purpose of evaluating the perception of DE&I across age groups, gender, locations and levels.
- Launched a leadership development programme designed to develop manager traits crucial for successful leadership in NORDEN.
- Re-introduced our trainee programme in collaboration with Danish Shipping ensuring an ongoing strengthening of our talent pipeline.
- Used the Women's Empowerment Principles' Gender Gap Analysis Tool to outline opportunities for improving performance on gender-related topics and received a higher score than in 2023.
- Implemented an HSEQ Framework including Life-Saving Rules and established an audit programme for Technical Managers.
- Conducted inspections onboard our vessels, visited technical management offices and attended crew seminars assessing safety approaches and general well-being of crew members.
- Introduced a Service Level Agreement (SLA) to our Technical Manager on the GABON project with the aim of aligning requirements and expectations on daily technical and operational matters, fostering stronger collaboration and cooperation.

2024, unchanged compared to 2023. NORDEN aims to increase this share to at least 40%.

Diversity in Management

Management level	Metric	2024	2023
Board	Total number of members	6	6
	Percentage of underrepresented gender	33%	33%
	Target figures in percentage	40%	40%
	Year of achievement of target figure	2025	2025

In addition to our strategic work on diversity across Management, we launched a leadership development programme in 2024 called Leadership Essentials, which aims to define what good leadership looks like in NORDEN. All managers across levels and locations will be trained during 2024 and 2025, and newly hired and promoted managers will be introduced and trained continuously through our distinguished onboarding programme New@NORDEN. The Leadership Essentials training programme is designed to strengthening an inclusive leadership community and develop the manager traits crucial for successful leadership in NORDEN, giving managers hands-on training in translating the Leadership Essentials into everyday behaviour and decision-making.

Furthermore, NORDEN re-introduced its trainee programme in collaboration with Danish Shipping which will, along with the current graduate programme in Singapore and the student worker scheme, strengthen our diversity in educational backgrounds and spread across age groups, while ensuring an ongoing talent pipeline of the next shipping generation in NORDEN.

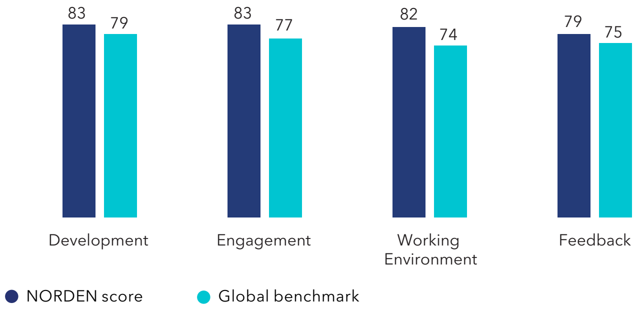
On an industry level, NORDEN aims to empower the diversity agenda through Women in Shipping (WIS), a professional network with the aim of achieving more diversity and equality within the industry. NORDEN is represented by CEO Jan Rindbo as an Advisory Network member and Sofie Schønherr as Board Member.

Metrics and targets

NORDEN tracks performance within DE&I as a material topic through four indicators: Engagement score, diversity, turnover rate and retention rate. Additionally, we measure supporting indicators such as new hires and job level share of the least represented gender.

Engagement score
NORDEN's overall employee engagement score was 84 in 2024 – same level as in 2023. The score is above our ambition of 80, while exceeding the global benchmark provided by Ennova, which benchmarks against all industries for each of the four indicators. NORDEN performs well within the sub-categories 'engagement' and 'development'. The response rate of our survey was 98%.

Engagement score by category vs global benchmark



Our survey indicated lowest performance in questions related to giving and receiving feedback among colleagues. While the responses on feedback have a higher average score than our benchmarks, NORDEN has prioritised creating a workplace with more constructive feedback.

Gender representation
The share of the underrepresented gender among employees was 39% in 2024, down from 41% in 2023 and below our target of 40%. Among Management and Senior Management, the share of the underrepresented gender was 38% and 29%, respectively in 2024, compared to 38% and 20% in 2023.

Diversity across employee groups

	2024	2023
Share of underrepresented gender in shareholder-elected members of the Board of Directors	33%	33%
Share of underrepresented gender in Executive Management	0%	0%
Share of underrepresented gender in Senior management	29%	20%
Share of underrepresented gender in managerial positions	38%	38%
Share of underrepresented gender among employees	39%	41%
Share of underrepresented gender among employees in commercial roles	24%	23%

Gender distribution in Senior Management

Gender	2024	2023
Female	2	1
Male	5	4
Total	**7**	**5**

Commercial roles represent an employee group to which we have, historically, had the most difficulty attracting and retaining females. Since 2020, the share of women in commercial roles has increased from 17% to 24%.

In 2024, NORDEN hired 77 employees with an average age of 36 years and of whom 41% were women. Women represented 32% of leavers in 2024. The share of underrepresented gender decreased from 41% to 39%, bringing the gender ratio below our ambition of 40%. The average age of leavers was approximately 39 years.

Retention and turnover rates
The overall retention rate was 90% in 2024, decreasing from 94% in 2023. The performance is in line with our ambition of 90% in retention among full-time employees. We track retention rates across locations, age groups and gender. While differences are currently considered immaterial, we continue to track retention trends across these categories to identify and address any potential imbalances, such as those arising from a lack of inclusivity. The turnover rate among full-time employees was 13% in 2024, down from 15% in 2023, with the highest turnover among employees younger than 30 years old.

Retention rate across age groups

Gender	< 30	30 - 50	50 <	Total
Female	88%	92%	90%	91%
Male	88%	91%	87%	90%
Total	**88%**	**91%**	**88%**	**90%**

Turnover rate across age groups

Gender	< 30	30 - 50	50 <	Total
Female	16%	11%	13%	12%
Male	18%	11%	16%	13%
Total	**17%**	**11%**	**14%**	**13%**

Total number of employee turnover

Gender	Total
Female	21
Male	45
Total	**66**

Distribution of employees across age groups

Year	< 30	30 - 50	50 <	Total
2023	19%	65%	16%	**100%**
2024	16%	67%	17%	**100%**

Looking ahead
During 2025, NORDEN will focus on continuously increasing the share of the underrepresented gender in commercial and managerial roles.

To continue the development of a strong and engaging culture, NORDEN will further implement Leadership Essentials globally with the purpose of strengthening the leadership community and our leadership culture.

Furthermore, to strengthen and reinforce our purpose, values and connectivity, NORDEN will host its second round of NORDEN Days in 2025. During this event, employees from all our global offices will gather in Copenhagen for a week of learning, team bonding, idea sharing and inspirational talks.

ESRS S2 Workers in the value chain

Impacts, risks and opportunities

Managing and maintaining excellent working conditions are business critical to NORDEN – both when it comes to its own workforce and workers in the value chain. NORDEN's approach to managing the relationship between material risks and opportunities related to impacts towards workers in the value chain and dependencies is centered on proactive engagement. Our ambition is not only to ensure compliance with international legislation but also to set higher standards. Having outsourced the technical management of owned vessels, we classify our seafarers as workers in the value chain in conformity with the ESRS, making Health & Safety for workers in the value chain a material topic for us. Operating at sea involves safety and security risks that must always be managed carefully to safeguard the crew and external personnel. Outsourcing technical management and upholding a service that complies with international law and NORDEN's standards requires a close, continuous dialogue and a comprehensive reporting framework, to ensure trust in the technical manager's operation.

There are consequences associated with outsourcing services such as technical management, as physical distances and differences in corporate culture poses the risk of failing to notice incidents or an undesirable culture, both of which could lead to inferior working conditions, injuries and a negative effect on NORDEN's reputation. NORDEN's responsibility is to investigate and manage these salient risks and therefore, under its Human Rights Impact Assessment (further detailed on page 68), covers risks associated with outsourcing technical management. We regularly monitor and review metrics associated with workers in the value chain, while fostering open communication channels for feedback. Furthermore, NORDEN has implemented a Technical Manager Code of Conduct that supports a work environment with a sustainable culture and a strong focus on health and safety, which is updated annually.

In our view, enhancing the rights and well-being of seafarers correlates directly with improved performance on vessels and success in both recruiting and keeping talented workers. Furthermore, this commitment to seafarers' welfare aligns NORDEN with customers and partners who share similar values, fostering stronger business relationships.

NORDEN has articulated several policies to address and mitigate the risks related to the material topics, some of which are listed here: https://norden.com/about/governance/policies-and-charters. All relevant policies are described on page 80.

Material topics, metrics and targets

Health & safety

In 2024, NORDEN conducted ongoing inspections onboard our vessels. In addition, we visited the offices of our technical managers and attended crew seminars to assess their approach to safety. During these visits, we emphasised our focus on safety and the general health of the seafarers and contractors working onboard our vessels. On-site visits enable NORDEN to evaluate our technical managers' approach to safety, as well as the safety culture they are striving to uphold and implement onboard the vessels, through training of crew and safety campaigns targeting critical work processes onboard.

An HSEQ (Health, Safety, Environment and Quality) framework was implemented in 2024 to further guide our cooperation with third-party managers. This framework helps ensure that all our partnerships meet high standards within safety, well-being of employees, sustainability, environmental protection and quality.

With the HSEQ framework in place, we are able to work more effectively with our partners, reduce risks and improve overall performance. It provides clear guidelines to make sure everyone is aligned, accountable and working toward shared goals while keeping health, safety and environmental care as top priorities.

NORDEN strives to set the same high standards for safety and optimal working conditions onboard vessels as we do onshore. We continuously ensure that our technical managers meet these standards. The number of injuries, by which crew members were unable to work the following day, is measured through the Lost Time Incident Rate (LTIR). LTIR is measured as lost time incidents per one million working hours. Overall, LTIR increased to 1.3 in 2024 based on five incidents in 4.0 million exposure hours, up from 1.0 in 2023.

At NORDEN, we have intensified our focus on safety awareness internally and in the cooperation with our Technical Managers.

Incident onboard a NORDEN barge

In November 2024, a serious incident occurred during the unmooring operation of a barge in Gabon, where one of the mooring crew members severely injured his foot. Consequently, operations were halted, and the injured crew member was evacuated to the nearest hospital for emergency medical attention.

Given the severity of the injury and the seriousness of the incident, NORDEN initiated an investigation into the circumstances that led to the event. Simultaneously, NORDEN's emergency response team was activated to support the injured crew member and provide the necessary comfort and assistance to him and his family.

The investigation concluded several findings which necessitated immediate corrective actions before resuming operations, as well as long-term preventive measures to enhance the safety and control of mooring and unmooring operations.

Looking ahead

During 2025, NORDEN will focus on inspections of owned vessels, conducting office visits and attending crew seminars to support technical managers in developing high health and safety standards and avoiding accidents onboard owned vessels. Focus will be on investigating whether new preventive measures should be taken to decrease LTIR and evaluating all technical managers through the EcoVadis ESG scorecard.

Furthermore, we will carry out comprehensive audits of all Technical Managers and other key partners to ensure compliance with both NORDEN's internal standards and applicable regulatory requirements. These audits will serve to uphold best practices, identify areas for improvement and reinforce a culture of safety, quality and accountability across all operations.

GOVERNANCE

Our governance framework is designed to align with the enduring interests of our stakeholders and to manage NORDEN's operations in adherence to all relevant local and international laws and regulations. We are committed to maintaining the highest ethical standards within our business practices.

Operating internationally, NORDEN is aware that standards of integrity and proper business conduct may differ across regions, presenting unique challenges for conducting business. Recognising the consequences of non-compliance, including legal action and reputational damage, we prioritise robust governance to prevent corruption and define clear expectations for ethical behaviour in all our markets. Our unwavering commitment to combatting corruption is for us a key component of enabling smarter global trade.

ESRS G1 Business Conduct

Impacts, risks and opportunities

NORDEN's governance structure is designed to integrate sustainability targets with strategic business objectives. The Board of Directors oversees ESG governance, while the ESG Executive Body, comprising of representatives from Senior Management and specialists from core operational areas, formalises NORDEN's strategy and policies. ESG accountability resides at board level, with ESG owners within business functions driving initiatives to meet our targets.

Performance is measured against key performance indicators and is reported quarterly to the Board, ensuring continuous alignment with our ESG goals. Our Board members possess collective expertise in global shipping management, strategy, financial oversight and risk management, ensuring informed guidance in relation to business conduct matters. This expertise underpins our commitment to ethical business practices and supports our ability to navigate the complexities of international trade and sustainability.

NORDEN actively promotes a corporate culture rooted in compliance and ethical integrity which aims to mitigate reputational risks and clarify behavioural expectations for all employees, including the Board of Directors. Our CFO oversees the ownership and enforcement of our Anti-Corruption Compliance Programme and the overall governance of the company.

Our corporate values and expectations are outlined in the Employee Code of Conduct, accessible on the Intranet and disseminated to new hires during onboarding. We require annual acknowledgement of the Code by all employees to ensure comprehension of any updates and continuous awareness.

Whistleblower scheme
Since 2011, we have maintained an independent whistleblower scheme to empower employees and external partners to report any operational or workplace concerns, ensuring the confidentiality and anonymity of the reporting party. Concerns can be raised directly with direct managers, the HR department or through the whistleblower scheme. Reports received are handled by the Chair and Vice Chair of

the Board of Directors, along with the Head of Group Legal, ensuring a thorough and impartial investigation.

In 2024, a total of five whistleblower reports were received, down from six in 2023. Some cases concerned personal behaviour between employees while others concerned supplier performance. Upon the completion of the investigation, cases are classified as either substantiated or unsubstantiated. All cases were investigated and actions to address the complaints were carried out when required. Of the cases closed in 2024, 60% were classified substantiated.

Whistleblower cases are taken very seriously. NORDEN continuously enhances the awareness of good business conduct through education and campaigns for both greater awareness of our whistleblower scheme and the strengthening of our Speak Up culture with the aim of which to minimise possible future cases. NORDEN has a strict non-retaliation policy vital to ensuring that employees feel safe raising concerns.

Responsible tax
As a company with global reach, NORDEN operates in multiple jurisdictions with different tax rules and regulations. NORDEN complies with the current tax legislation in the countries in which we operate, and we comply with all applicable transparency rules, including country-by-country reporting. NORDEN does not use so-called tax havens according to the European Union tax haven blacklist.

Sanctions
Due to the global nature of the shipping industry and the constantly evolving geopolitical landscape, navigating sanctions requires an agile and comprehensive approach to compliance, continuously assessing risks and adapting strategies to align with evolving international laws and regulations. In NORDEN, sanctions compliance is embedded in all parts of our organisation as it is part of our day-to-day operations, conducting business in almost all countries in the world. Sanctions compliance is implemented by having a robust sanctions compliance framework, a specialist sanctions team and formal processes and procedures in place to handle sanctions. To uphold strong compliance, NORDEN requires all employees to take a sanctions e-learning course once a year. All eligible employees (excluding employees on leave, long-time sickness, etc.) passed the course in 2024.

Impacts and risk
Following the double materiality assessment conducted during the reporting period, NORDEN identified anti-corruption and bribery along with sustainable procurement and contributing to human rights as our key material impacts in governance.

The maritime industry is inherently international, making anti-corruption and bribery efforts critically important. For a company like NORDEN, with a vast operational reach, the ability to ensure transparent and ethical business practices across various legal and cultural landscapes is not just a regulatory requirement but a fundamental aspect of maintaining our licence to operate and safeguarding our reputation. Therefore, the risk of non-compliance in this area is considered material, as it may have significant legal consequences and undermine stakeholder trust. Sustainable procurement and contributing to human rights are other topics of material significance. Our procurement practices directly impact our environmental footprint and social responsibility. It also influences our resilience against supply chain disruptions, which has become increasingly relevant in the face of global challenges. The material risks here include potential environmental damage and the repercussions of associating with suppliers who may not adhere to our sustainability and human rights criteria, which could have far-reaching consequences for our business and the communities we engage in.

Achievements & initiatives 2024

- Contributed to the elimination of all forms of maritime corruption on a more systemic level through our active engagement with MACN, which serves as a strong collective voice against corruption.
- Launched a new tool for reporting of unethical requests covering all of NORDEN's operated fleet. This enables us to monitor unethical requests globally based on reporting from all port visits and transits.
- Successfully renewed our EcoVadis certification and have been recognised by EcoVadis as being in the world's top 5% sustainable companies within the shipping industry, achieving a gold score. The framework ensures NORDEN is measured against the latest sustainability criteria.
- Successfully renewed our Tcertification (TRACE). To achieve a Tcertification, companies must undergo a heavily benchmarked and comprehensive due diligence review, analysis and approval process. This certification ensures that a company has been thoroughly vetted and trained.
- Screened 66% of our strategic suppliers for ESG criteria.

Material topics, metrics and targets

Anti-corruption and bribery

Corruption is a major obstacle to sustainable development. Corruption leads to weak institutions, insecurity, destroys justice and fairness and deprives people of basic needs such as health care, education, clean water, sanitation for health and housing. It also hinders economic growth, threatens environmental resources and destroys innovation, making our world even more turbulent.

NORDEN calls numerous ports all over the world every single day. Occasionally, NORDEN faces challenges, particularly in countries presenting a high risk of corruption. In this business context, making the right choice becomes more complex, yet increasingly important, as non-compliance may entail legal and reputational risks and damage our licence to operate.

Corruption escalates costs and endangers the safety and well-being of the workers in our value chain, while posing a legal and reputational risk. Therefore, NORDEN takes firm measures to prevent any form of corruption as part of its ambition to enable smarter global trade. In 2024, NORDEN had 9,738 port calls across 129 countries.

Following the SASB Marine Transportation standard, NORDEN reports on the number of port calls in the world's 20 most corrupt countries, applying the Transparency International's Corruption Perception Index (CPI). The result indicates a decrease in port calls with a high risk of corruption from 2023 to 2024. No changes to the current set-up were deemed necessary due to the decrease.

NORDEN conducts risk assessments at country level and job function level applying both the CPI and Maritime Anti-Corruption Network (MACN) Incident Data. The assessment makes it possible for us to conduct an integrity risk assessment resulting in a corruption risk map from which we can devise a possible action plan. To address the appropriate compliance training requirements for employees, identification of specific risks linked to departments and job functions has been undertaken and resulted in a categorisation where different roles require different training. This assessment enables NORDEN to identify risks and trends ensuring that necessary training is provided. Furthermore, NORDEN uses third-party due diligence tools to assess potential corruption risks when engaging with external partners, suppliers and contractors through MACN and Tcertification (TRACE). Based on these analyses, NORDEN reviews the Anti-Corruption Compliance Programme at least every second year.

NORDEN has an anti-corruption working group consisting of anti-corruption specialists. The group meets monthly to analyse and discuss risks and actions. NORDEN takes a systematic approach to assessing corruption and bribery risks, particularly in countries deemed high risk. The specialists are dedicating time to conduct country risk assessments and engage with masters and operators guiding on the specific challenges for the port of call.

Furthermore, NORDEN conducts due diligence investigations of business relations as an integrated part of its business conduct, ensuring compliance with legal requirements and stakeholders' expectations, improving internal decision-making, raising risk awareness and protecting NORDEN's reputation. NORDEN has a complex third-party landscape and currently has different due diligence procedures in place for various third-party groups. The main third-party groups in NORDEN are agents, brokers and suppliers.

All NORDEN's third-party contacts are screened daily on several potential risk factor issues, including sanctions lists, global law enforcement lists, vessel information and politically exposed persons.

NORDEN has zero tolerance towards bribery, and our Anti-Corruption Policy clearly outlines the refusal of all types of facilitation payments. To ensure a culture of exemplary conduct with strong procedures, NORDEN has an Anti-Corruption Compliance Programme in place. The programme helps ensure that corruption and bribery risks are identified, that concerns are reported and that measures are taken to mitigate any identified risks throughout the organisation.

Moreover, this programme covers third-party responsibility, gifts and entertainment, commissions, conflicts of interest, sponsorships and political and charitable contributions as topics within the broader compliance agenda.

In 2024, NORDEN implemented new measurements to decrease the likelihood of corruption on owned vessels and launched a new tool for reporting unethical requests covering all of NORDEN's operated fleet. This enables us to monitor requests for bribery and facilitation payments globally based on reporting from all port visits and transits, which provides insight into current risks, development in the risk landscape and the effectiveness of the programme, strengthening our mitigation plans and ensuring the prevention of future corruption incidents.

NORDEN's Anti-Corruption Programme is incorporated into NORDEN's Employee Code of Conduct which is provided to new hires during onboarding and must be acknowledged annually by all employees to ensure comprehension of any updates and continuous awareness.

To ensure compliance with the programme, a compliance manager has been appointed. The role of the compliance manager is to ensure that relevant policies and procedures are followed and that risk assessments, due diligence and monitoring are conducted regularly. NORDEN's compliance manager reports to the CEO if any issues arise

UN Global Compact

NORDEN's CEO, Jan Rindbo, comments: "NORDEN remains committed to upholding the principles of the UN Global Compact (UNGC) and supports the worldwide movement to accelerate and scale the collective impact of responsible and sustainable business."

In April 2024, NORDEN submitted its 2024 Communication on Progress (COP) in line with the requirements.

NORDEN has remained an active participant of the UNGC since 2009 and adheres to the following UN Sustainable Development Goals (SDGs), which are mapped to each of the E, S and G-related activities that we consider relevant to our core business:

Environment:
- 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
- 17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

Social:
- 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
- 5.C: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.
- 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers and by 2025 end child labour in all its forms.
- 8.8: Protect labour rights and promote safe and secure working environments for all workers.
- 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
- 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

Governance:
- 16.5: Substantially reduce corruption and bribery in all their forms.
- 17.16: Enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries.

that need to be addressed immediately or discussed. The compliance manager provides regular updates to the ESG Executive Body.

All relevant policies are described on page 80.

NORDEN continues to be an active member of the MACN, a network working to eliminate all forms of corruption in the maritime industry and enabling fair trade to the benefit of society at large. MACN has grown to include more than 215 companies representing the maritime supply chain, emerging as a leading example of collective action against corruption. MACN and its members work with raising awareness of the challenges faced, implementing anti-corruption principles, co-developing and sharing best practices, collaborating with governments, non-governmental organisations and civil society to identify and mitigate the root causes of corruption and creating a culture of integrity within the maritime community. In high-risk areas where MACN has introduced collective actions, the reported corruption requests have dropped.

On behalf of NORDEN, our external technical managers carry out anti-corruption training for the workers in our value chain to ensure alignment with legislation and NORDEN's Anti-Corruption Compliance Programme. NORDEN requires its technical managers to be members of MACN and promotes awareness internally and externally regarding MACN tools and helpdesks. For chartered vessels, an anti-corruption instruction is sent to captains and agents.

NORDEN tracks performance through two indicators: Eligible employees trained in NORDEN's anti-corruption course in the current year as well as number of confirmed bribery cases.

NORDEN requires all employees to take an e-learning course annually on anti-corruption. All eligible employees (excluding employees on leave, long-time sickness, etc.) passed the course in 2024.

The anti-corruption course focuses on the complexity of corruption and trains employees to identify and assess situations in which corruption can occur. Additionally, employees are trained in the severity of corruption and potential consequences. The course covers topics such as anti-corruption practices, bribery and facilitation payments, gifts and entertainment, conflicts of interest, indirect bribery via commissions, fraud, third-party procedures and NORDEN's whistleblower scheme.

In 2024, NORDEN had zero bribery cases in line with our ambitions. In 2025, NORDEN will implement steps to further improve the measuring of the effectiveness of the Anti-Corruption Compliance Programme and engage further with MACN on systematic challenges and risks.

In order to further strengthen the focus on anti-corruption in 2024, NORDEN introduced three new KPIs: the percentage of technical managers assessed through the EcoVadis platform in the current year, the percentage who has signed the latest revised Technical Manager Code of Conduct and the percentage who meets NORDEN's requirement of being members of MACN. NORDEN is actively engaging with Central Mare to ensure that all technical managers join MACN, aiming to achieve 100% membership.

Sustainable procurement
As a globally operating company, we interact with numerous suppliers around the world, and it is a priority for NORDEN to ensure sustainable procurement in collaboration with our external stakeholders. NORDEN seeks to enable sustainable procurement by integrating ESG matters into our procurement processes and decisions.

In 2023, NORDEN began assessing and working with strategic suppliers, i.e. suppliers that are critical to business operations, to become more sustainable. Throughout 2024, using EcoVadis, we continued to assess our strategic suppliers both on potential risk and attained ESG scorecards on 25 of our key strategic suppliers. Following the new transparency act, we plan to increase audits and supplier reporting regarding human rights.

In 2024, we were able to assess potential risk of 66% of our strategic suppliers, well above our target of 60% set in 2023. During the year, Procurement additionally participated along with HSEQ in the audit of one of our key suppliers, resulting in an improved way of working for the supplier. As we continue to gain knowledge of our suppliers' activities, we are better equipped to make decisions in relation to our sourcing strategy.

The KPI set out for 2025 is to ensure that at least 75% of our strategic suppliers have been screened for ESG criteria by 2026.

Looking ahead, we will continue our focus on securing ESG scorecards on strategic suppliers, carry out audits and put improvement plans into place where needed. We will work on further embedding sustainable procurement in the business and conduct at least one on-site supplier visit. Lastly, we will continue our focus on preparing for legislation on sustainable procurement following the ESRS.

Working with human rights

As a global company, NORDEN is dedicated to implementing due diligence and mitigation measures to respect human rights. In 2024, NORDEN conducted a Human Rights Impact Assessment (HRIA) that led to added insight into and understanding of our potential and actual human rights risks across the organisation and value chain. NORDEN always strives to abide by policies and grievance mechanisms all compliant with, and upholding to, the highest international regulations, standards and best practice recommendations, as stated in the International Bill of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles for Business and Human Rights (UNGPs), Danish Shipping and the Danish Institute for Human Rights.

NORDEN has a responsibility to consider any human right violations it might cause, contribute to, or be directly linked to. Based on a thorough risk assessment of NORDEN's various areas of operations and value chain, a Human Rights Impact Assessment is carried out every two years. For this process, NORDEN utilises a mixed-method approach combining qualitative and quantitative data, including surveys, interviews with stakeholders, employees and managers and on-site inspections, ensuring an in-depth understanding of the potential risks and that diverse perspectives are considered and respected.

Following the findings from the previous HRIA, NORDEN has implemented multiple prevention, mitigation and remediation plans and procedures. These include the hiring of a HSEQ manager, carrying out on-site audits of suppliers and technical managers, the adoption of a Technical Manager Code of Conduct, the implementation of supplier screenings and self-assessments through EcoVadis, Speak Up Campaigns in offices and on board vessels and the implementation of an Incident Management Instruction plan.

The learnings from the previous HRIA also led to improvements in this year's methodology. Not only were a larger number of key informant interviews conducted, including external stakeholders, a more thorough assessment methodology was designed to better quantify and classify the risks in terms of severity and likelihood of impact. The findings from this year's HRIA, along with proposed preventive and mitigating actions, were reviewed and approved by the responsible ESG Executive Body representative.

The salient risks identified were:

- Health and safety of workers in dry docks shipyards and during vessel repairs.
- Crew health, safety and well-being on board.
- Security risks during logistics operations and in defined high-risk areas.
- Suppliers, partners and third parties' (including manning agencies) maturity in human rights.

To alleviate these risks, several mitigating actions have been implemented. These include measures such as thorough supplier vetting, on-site audits and self-assessments, vessel and shipyard visits, weekly communications of security risks to Executive Management, close monitoring of the implementation of security guidelines for logistics operations, campaigns advocating for incident reporting channels and setting health and safety requirements for technical managers to be carried out when external personnel board a vessel.

In 2025, NORDEN will continue to focus on defining areas of actions and take proactive measures to prevent human rights violations. NORDEN aims to continuously secure ESG scorecards on strategic suppliers, engage in conversations regarding our suppliers' suppliers and their auditing procedures, continue to raise awareness through our Speak Up campaign and compliance programme, continue to carry out regular audits of suppliers and technical managers, systemise due diligence and on-site auditing, implement a crisis management plan as well as implement a due diligence process for dry dock shipyards.

ESG ACCOUNTING POLICIES

The reporting boundaries
The ESG report comprises activities in the parent company and all subsidiaries. The accounting policies are applicable for the reporting period: 1 January – 31 December 2024.

ESG metrics follow the below boundaries unless otherwise specified:

- Owned and leased vessels (excl. time chartered-out ('TCO') and third-party pool-managed vessels).
- Employees on shore (scoped as own workforce).
- Crew on board vessels (scoped as workers in the value chain).
- All NORDEN offices across the world.

Statement on carbon insetting
The greenhouse gas emissions intensity information presented in the report reflects calculations that account for the allocation of low-emission transport activity to selected customers. The emission intensity presented is therefore not appropriate for use in customer-specific greenhouse gas emissions calculations.

Changes to accounting policy and previously reported metrics

- **Change in emission factors applied for scope 3 (GHG 1 and 2):** Changed from previously being reported by a third-party provider of emission factors. NORDEN uses the United States Environmental Protection Agency (U.S EPA) emission factors until we move to primary ones. Emission factors were updated on the 20th of April 2023.
- **Change in scope 2 calculation method:** Changed from previously being reported by a third-party provider of emission factors. NORDEN uses the carbon footprint scope 2 emission factors. Emission factors were updated in July 2024. NORDEN reports on scope 2 emissions from our 18 offices, of which one based on actual consumption data. The remaining offices are based on the average CO_2e per FTE derived from the office having actual consumption data multiplied by the number of FTEs at the respective office. Please see the accounting policies for scope 2 emissions for further description of the methodology applied.

Data quality and data collection
The reporting principles of balance, clarity, accuracy, reliability, timeliness and comparability are applied when collecting information and data that form the basis for NORDEN's ESG performance. NORDEN has built and implemented models for reporting environmental KPIs based on data from our Integrated Maritime Operations System (IMOS) and Spinergie for logistics operations in Gabon. Besides providing more insights into the development of key indicators for fuel efficiency, the models allow for checking and reporting extreme observations and enable NORDEN to identify potential errors on an ongoing basis. This ensures the accuracy and reliability of data points reported for internal and external stakeholders.

The HR department enters HR data into our HR system, Fairsail. Post data entry, HR personnel can immediately review, analyse, and visualise the impact of their data entry in our HR visualisation tool. This tool allows for an instantaneous check, ensuring that the data aligns with actual HR metrics and facilitating any necessary corrections or updates in real time. Subsequently, numbers are checked and validated by our finance department before being shared with internal and external stakeholders. Other social KPIs stem from our technical managers. Numbers are reported monthly and validated by our internal technical department and finance department.

Having implemented the SASB Marine Transportation standard in 2022, NORDEN reports values for the previous two years allowing for comparability. All accounting policies following the accounting standards from the SASB Marine Transportation reporting standard are marked by "TR-MT". The SASB reporting standard can be found at https://www.sasb.org/standards/download/?lang=en-us

During the reporting year, NORDEN has continued the process of complying with the upcoming ESRS requirements. All metrics calculated in conformity with the ESRS are listed in the ESRS Index table, which can be found on page 47. The full ESRS can be found on page 83.

The development in company-specific material ESG performance indicators can be found in the ESG Materiality Matrix in the introduction section, while supporting indicators are disclosed in the relevant sections of the ESG report. Accounting metrics from the SASB Marine Transportation standard can be found on page 82.

NORDEN applies a 5% threshold for changes to previously reported emission figures in the ESG statements. The threshold is based on the percentage change in the respective GHG scopes. Differences below the selected threshold will be accounted for in the current reporting period. Changes to previously reported figures are monitored continuously in our internal controls and reporting tools.

For inclusion of GHG categories, NORDEN applies a 1% materiality threshold of total scope 3 emissions to ensure focus on our main impacts. Although not part of external reporting, NORDEN estimates and tracks development in all relevant GHG categories and will include GHGs, when they exceed the 1% materiality threshold.

Environmental performance

Energy consumption

Total energy consumed (TJ): Calculated by adding up tonnes of fuel and electricity usage, applying their higher heating values (HHV) of 40.2MJ/kg for heavy fuel oil, 42.7MJ/kg for distillate fuel oil, 41.7MJ/kg for very low sulphur residuals, 37 MJ/kg for biofuel, and 0.0036 MWh/TJ for electricity. Following TR-MT-110a.3., but NORDEN reports on total energy consumed in TJ instead of GJ.

Total energy consumption from fossil sources (MWh): Following ESRS E1-5. Since NORDEN is in one of the high climate impact sectors as defined in the ESRS, we must disaggregate into fossil sources. However, only the fuel consumption from crude oil and petroleum products is relevant to NORDEN. Calculated by adding up tonnes of fuel and electricity usage, applying their higher heating values (HHV) of 40.2MJ/kg for heavy fuel oil, 42.7MJ/kg for distillate fuel oil, 41.7MJ/kg for very low sulphur residuals.

Total energy consumption from renewable sources (MWh): Following ESRS E1-5. Includes fuel consumption on operated voyages for renewable sources, including biomass (also comprising industrial and municipal waste of biological origin), biofuels, biogas, and hydrogen from renewable sources. Calculated by adding up tonnes of fuel and electricity usage, applying the higher heating values of 37 MJ/kg for biofuel.

Energy intensity (MWh/USD): Following ESRS E1-5. Calculated as the total energy consumption (MWh) per net revenue (USD).

Heavy fuel oil as a % of total energy consumed: Following TR-MT110a.3. Calculated as the heavy fuel oil consumption multiplied by 40.2MJ/kg and divided by the total energy consumed from bunker consumption on owned or operated voyages.

Renewables as a % of total energy consumed: Following TR-MT110a.3. Calculated as the biofuel consumption multiplied by 37MJ/ kg and divided by the total energy consumed from bunker consumption on owned or operated voyages.

Energy efficiency operational indicator (gCO_2 /cargo-nautical-mile): The energy efficiency operational indicator (EEOI) is a measurement of energy efficiency defined as the amount of CO_2 emitted per tonne of cargo transported 1 nautical mile. Transport work expresses the mass of cargo transported over distance, as registered in the Integrated Maritime Operations System (IMOS). The relative relationship between CO_2 emitted and transport work measures the fleet's operational efficiency.

NORDEN provides EEOI with different boundaries:

1. **EEOI TTW on operating assets:** vessels operated by NORDEN, based on tank-to-wake (TTW) emissions, and only including CO_2 emissions using factors from FUEL EU.
2. **EEOI WTW on operating assets:** vessels operated by NORDEN but based on well-to-wake (WTW) emissions and reported in CO_2 equivalent emissions using the 100-year horizon GWP values from AR6 and FUEL EU.
3. **EEOI TTW on all assets:** including TCO vessels, based on TTW emissions, and only including CO_2 emissions using factors from AR6 and FUEL EU.

All metrics are reported per vessel type. Logistics operation is not included in EEOI.

Greenhouse gas emissions

CO_2 equivalent emissions (1,000 tonnes): All emissions are reported as CO_2 equivalents calculated by the 100-year time horizon GWP values from IPCC (6th assessment report) in conformity with the ESRS E1-6 and using emission factors from FUEL EU.

Gross Scope 1 GHG Emissions: Direct emissions from NORDEN's consumption of fuel from owned and chartered-in vessels. Consumption is allocated across reporting periods based on contract service performance criteria. The pool's allocation of emissions is based on the pool's distribution model. Including bunker consumption on ballast leg prior to voyage operation by NORDEN, which could be considered part of GHG #4: Upstream transportation and distribution. NORDEN includes these emissions in our Gross Scope 1 GHG Emissions as we consider the emissions to be part of our own operation.

Gross Scope 2 GHG Emissions: Indirect emissions from purchased electricity and district heating. Electricity and heating usage of NORDEN based on actual data from our Hellerup office and estimation of the remaining offices' usage. Emissions from these offices are based on the average CO_2e per FTE derived from the office having actual consumption data multiplied by the number of FTEs at the respective office.

- **Location-based:** Not considering renewable energy certificates (RECs) or power purchase agreements (PPAs). Simply using location-based grid average emission factors from carbon footprint (2024).
- **Market-based:** Reflects the GHG emissions from the electricity that NORDEN has purposefully chosen (or the lack of a choice). In 2024, NORDEN only had a green electricity purchase agreement for the Hellerup office.

Gross Scope 3 GHG Emissions: Indirect upstream and downstream emissions from third-party activities and operational management services. Based on our materiality threshold of 1%, below the GHG recommendation of 5%, NORDEN includes the following scope 3 GHG categories in our external reporting framework:

- **Purchased goods and services (GHG #1):** Overhead, administration and port costs as classified in the NORDEN chart of accounts are converted into emissions based on the U.S. EPA (2023) categorisation of costs.

- **Capital goods (GHG #2):** Capital expenditures (CapEx) such as investments in vessel newbuildings, scrubbers or dry docking of vessels are converted into emissions based on costs and the CEDA Group categorisation: Shipbuilding and repairing. The USD aligns with the 'transferred from prepayments during the year' in the financial statement notes related to tangible assets and additional CapEx investments related to dry docking, scrubbers and similar. Thus, the emissions related to investments in newbuildings are accounted for at the vessel's delivery. Follows cash usage and is not allocated over the depreciation schedule of the asset or upgrade.

- **Fuel and energy-related activities (GHG #3):** Upstream emissions related to direct bunker consumption using CO_2 equivalent emission factors from FUEL EU based on fuel types on owned or operated voyages using data from IMOS and Spinergie. The upstream emission factor on biofuel is based on actual emission factors provided by the supplier.

- **Upstream transportation & distribution (GHG #4):** Upstream transportation emissions on our purchased goods and services based on CEDA Group categorisation of costs. Since upstream transportation and distribution are part of the emission factors applied by a third-party provider, GHG #4 is included despite being below our 1% threshold and reported as part of purchased goods and services in the reported figures.

- **Downstream leased assets (GHG #13):**
  – Emissions from TCO voyages are included based on contract service performance in the reporting period. NORDEN's share of TCO emissions in the NORDEN Tanker Pool is allocated based on the distribution model. The residual between total emissions generated by TCO voyages in the NORDEN Tanker Pool and NORDEN's share of these is not part of NORDEN's scope of emissions.
  – Emissions related to operating third-party vessels generating management fees in the NORDEN Tanker Pool. Estimated as the difference between the total emissions from operated vessels and the NORDEN share of these based on the distribution model. The residual is accounted for as emissions related to the operational management of pool vessels.

GHG categories 5, 6, 7 and 15 are considered relevant for NORDEN but fall below our materiality threshold of 1% of total scope 3 emissions. NORDEN continues to monitor development in the GHG categories internally, but these will not be part of our externally reported ESG metrics subject to the emissions exceeding our selected threshold.

GHG emissions intensity: Following ESRS E1-6. Calculated as total GHG emissions (CO_2e) per net revenue (USD).

EEDI (gCO_2 /cargo-capacity-mile): Following TR-MT-110a.4. The calculations follow methodologies outlined in IMO MEPC 66/21/Add.1, Annex 5, 2014. The average EEDI is a simple average of the EEDI value of all new ships added to NORDEN's fleet during the reporting period. Only including owned vessels at the end of the reporting period.

GHG removals and storage projects in the value chain (metric tonnes): Total amount of GHG removals and storage in metric tonnes of CO_2e disaggregated and separately disclosed for the amount related to our operations and our upstream and downstream value chain and broken down by removal activity.

GHG emission reductions or removals by the purchase of carbon credits (metric tonnes): The total amount of carbon credits outside our value chain in metric tonnes of CO_2e that are cancelled in the reporting period or planned to be cancelled in the future.

Air quality

NO_X (metric tonnes): Following TR-MT-120a.1. Nitrogen oxide emissions from combustion of fuels from operated vessels. NO2 emissions from the energy produced by the main engine are multiplied by the Tier 1 NO_X limit (17 g/kWh) or Tier 2 NO_X limit (14.4 g/kWh) in accordance with the 4th IMO GHG study. Calculated basis bunker consumption on operated voyages based on data from IMOS and Spinergie. NORDEN assumes distribution of fuel consumption between ME and AE of 90%/10%.

SO_x (metric tonnes): Following TR-MT-120a.1 and the IMO 4th GHG study. Sulphur oxide emissions mainly stem from burning the sulphur compound in the fuel from operated vessels. SO2 emissions are calculated from the fuel quantity consumed during the year multiplied by the average sulphur content in the bunker fuel purchased by NORDEN's Bunker department. Calculated basis bunker consumption on operated voyages based on data from IMOS and Spinergie.

PM10 (metric tonnes): Following the TR-MT-120a and the IMO 4th GHG study. PM10 emissions are influenced by engine type and fuel sulphur content. NORDEN uses the same average sulphur content used in the SO_x calculation and assumes 175/195 g/kwh in engine output (SFOC) based on the engine efficiency of the main/auxiliary engine. Calculated based on bunker consumption from operated vessel voyages based on data from IMOS and Spinergie.

PM2.5 (metric tonnes): Following ESRS E2-4 and the IMO 4th GHG study. PM2.5 emissions are influenced by engine type and fuel sulphur content. NORDEN uses the same average sulphur content used in the SO_x calculation and assumes 175/195 g/kwh in engine output (SFOC) based on the engine efficiency of the main/auxiliary engine. Calculated based on bunker consumption from operated vessel voyages based on data from IMOS and Spinergie. Estimated to be 92% of the PM10.

NMVOC (metric tonnes): Following ESRS E2-4 and the IMO 4th GHG study. NMVOC emissions are influenced by engine type. NORDEN assumes 175/195 g/kwh in engine output (SFOC) based on the engine efficiency of the main/auxiliary engine. Calculated based on bunker consumption from operated vessel voyages based on data from IMOS and Spinergie.

HM (metric tonnes): Following ESRS E2-4 and the IMO 4th GHG study. ESRS E2-4 requires the reporting company to report HM emissions to water and air. NORDEN uses the conversion factors reported by the US EPA for HM air pollution. Calculated based on bunker consumption from operated vessel voyages based on data from IMOS and Spinergie.

Water pollution

HM (metric tonnes): Following ESRS E2-4. HM in water stems from scrubber-fitted vessels. We estimate the water pollution using values from the ICCT. Emissions into water are only relevant for open-looped scrubbers since pollutants stem from the wash water.

PAH (metric tonnes): Following ESRS E2-4. The concentration of PAHs in the discharged wash water is assumed to comply with IMO guidelines as described in the Resolution MEPC.340(77) of 50 µg/l (2.25 g/MWh). Emissions into water are only relevant for open-looped scrubbers since pollutants stem from the wash water.

Ecological impacts

Shipping duration in marine-protected areas or areas of protected conservation status (days): Following TR-MT-160a.1, but NORDEN reports only on days in emission control areas (ECA) based on a materiality assessment. Total ECA days are calculated as the sum of sea and port days in ECA zones on owned or operated voyages based on data from IMOS and Spinergie.

Percentage of fleet implementing ballast water exchange (%): Following TR-MT-160a.2, reporting only on owned vessels by NORDEN in the reporting period. Calculated as the residual between vessels having implemented a ballast water treatment system and the total number of owned vessels. Does not include the tugs used for the Gabon project.

Percentage of fleet implementing ballast water treatment (%): Following TR-MT-160a.2, calculated as the percentage of NORDEN's vessels having implemented ballast water treatment divided by the number of owned vessels. Reported by the internal technical department on NORDEN's owned vessels. Does not include the tugs used for the Gabon project.

The number of spills and releases to the environment: Following TR-MT-160a.3, NORDEN reports on all spills that significantly harm the environment from owned vessels. Reported by vessel technical manager on NORDEN's owned vessels.

The aggregate volume of spills and releases to the environment (m^3): Following TR-MT-160a.3, NORDEN reports on all spills that significantly harm the environment from owned vessels. Reported by vessel technical manager on NORDEN's owned vessels.

Activity measures

Number of shipboard employees: Following TR-MT-000.A. Shipboard employees are those employees who work aboard the entity's vessels during the reporting period. Reported as the average number of employees.

Total distance travelled by vessels: Following TR-MT-000.B. Reported as the sum of nautical miles travelled on owned or operated voyages during the reporting period. Does not include the tugs used for the Gabon project.

Operating days: Following TR-MT-000.C. Operating days are calculated as the number of available days in a reporting period minus the aggregate number of days that the vessels are off-hire due to unforeseen circumstances. Including internal voyages.

Deadweight tonnage: Following TR-MT-000.D. Deadweight tonnage is the sum, for all owned vessels at the end of the reporting period, of the difference in displacement in deadweight tons between the light displacement and the loaded displacement. Does not include the tugs used for the Gabon project.

Number of vessels in the total shipping fleet: Following TR-MT000.E. Reported as the number of owned vessels at the end of the reporting period. Does not include the tugs used for the Gabon project.

Number of vessel port calls: Following TR-MT-000.F. Reported as the number of vessel port calls in the reporting period for owned or operated voyages.

Twenty-foot equivalent unit (TEU) capacity: NORDEN does not report on this metric in the SASB Marine Transportation standard as it is considered out of scope.

Social performance

Own workforce

General statement of scope and boundaries: Scope for the full-time workforce, accounted for as full-time equivalent (FTE) onshore, includes permanent and time-limited employees (fixed-term jobs, student jobs and temporary hires) in NORDEN's offices, except for the indicators 'Retention' and 'Turnover', in which the scope includes average FTE number onshore relating to permanent employees, excluding fixed-term jobs, student roles and temporary hires. All social KPIs are based on NORDEN's HR system, Fairsail. Following the definition in the ESRS, significant employment is defined as countries with more than 50 employees measured as headcount.

NORDEN's own workforce includes primarily employees and to a limited extent non-employees who are either self-employed or provided by companies that primarily perform employment activities. Given the limited extent of non-employee workers, NORDEN is not considering the disclosure requirement (DR) S1.7: Characteristics of non-employee workers in the undertaking's own workforce, to be material and will therefore not report on the DR.

Employees (FTE): Average full-time equivalent number of employees onshore as defined in NORDEN's HR system.

Nationalities represented (of the total workforce): Number of nationalities in the total workforce based on NORDEN's HR system.

New hires: Calculated as the sum of headcounts being hired during the reporting period.

Locations: NORDEN's office locations are divided into 'Headquarters' and 'Other Offices'. Other Offices consist of our offices in Limassol, Dubai, Singapore, Melbourne, Shanghai, Tokyo, Owendo, Abidjan, Rio de Janeiro, Santiago, Annapolis, Vancouver and Bremen.

The gender distribution in number at top management: Top management is defined as the senior management in the Corporate Governance section. The number of each gender is based on NORDEN's HR system and aligns with the ESRS 1-9: Diversity Indicators.

The gender distribution in percentage at top management: Top management is defined as the senior management in the Corporate Governance section. The number of each gender divided by total top management headcount based on NORDEN's HR system and aligning with the ESRS 1-9: Diversity Indicators.

Total number of turnover: The number of leavers (all leavers) in the reporting period based on NORDEN's HR system aligning with the ESRS S1-6: Characteristics of the undertaking's employees.

Turnover rate: The number of leavers (all leavers) in the reporting period divided by the number of employees at the beginning of the reporting period based on NORDEN's HR system as per the ISO 30414 standard and GRI 401-01 b with age data from HR system birth dates.

Retention rate: One minus the number of resignations (voluntary leavers) in the reporting period divided by the number of employees at the beginning of the reporting period based on NORDEN's HR system based on GRI 401-01 b with age data from HR system birth dates.

Engagement score: Provided by a third-party supplier of the Engagement and Harassment Survey. The score is standardised to per cent, with 100% representing maximum engagement. The survey recurs on an annual basis. All of NORDEN's own employees are part of the engagement survey. A third party provides benchmark scores with NORDEN's knowledge of calculations and weights of benchmark categories.

Lowest represented gender among own workforce (%): The percentage of the average number of the gender with the lowest represented FTE out of the total average number of FTEs during the year based on NORDEN's HR system.

Lowest represented gender among managers (%): Average number of the gender with the lowest represented FTE in manager positions out of a total average number of FTEs. A manager position is defined as a person responsible for a team of at least one other FTE as defined in the HR system.

Lowest represented gender among commercial roles (%): The percentage of the average number of the gender with the lowest represented FTE out of the total average number of FTEs in commercial roles during the year based on NORDEN's HR system. Commercial roles include the CEO, ship operators, charterers, FFA traders, commercial and portfolio managers. The remaining are considered support roles.

Male-to-female pay ratio (%): Following ESRS S1-16. Calculated as the ratio between male and female average gross hourly earnings based on base salary, excluding pension and working hours as specified in the employment contract based on data from NORDEN's HR system. Reported by employee location and distinguished between support and commercial employees.

Total remuneration ratio (%): Following ESRS S1-16. Annual total remuneration for the undertaking's highest-paid individual divided by the median employee's annual total remuneration excluding the highest-paid individual.

Workers in the value chain

General statement of scope and boundaries: NORDEN defines workers in the value chain as all non-employee workers whose work and/or workplace is controlled by the undertaking but are not included in the 'own workforce' scope. Based on the materiality assessment of NORDEN's social impacts, the scope of workers in the value chain includes our seafearers on our owned vessels, who are employed by technical managers.

Lost time incident rate (LTIR): Following TR-MT-320a.1. Calculated based on the number of registered work-related accidents which cause a seafarer to be unable to work for more than 24 hours per 1 million working hours due to work-related injury. Numbers are reported by vessel technical managers on NORDEN's owned vessels.

Rest hour violations intensity: Calculated as the number of rest hour violation hours divided by the working hours in the reporting period by shipboard employees. Numbers are reported by vessel technical managers on NORDEN's owned vessels. The calculation of shipboard employees follows the TR-MT-000.A. In 2023, the numbers exclude the logistics operation in Gabon.

Accident & safety management

The number of marine casualties and percentage classified as very serious: Marine casualties are calculated as the number of fatalities. The percentage classified as very serious includes LTIs and fatalities, with fatalities considered very serious. Reported on owned vessels by the vessel technical manager.

The number of conditions of class or recommendations: Following TR-MT-540a.2 and reported on owned vessels by the vessel technical manager.

The number of port state control (1) deficiencies and (2) detentions: Following TR-MT-540a.3 and reported on owned vessels by the vessel technical manager.

Governance performance

Sustainable procurement

Strategic suppliers screened for ESG (%): The number of strategic suppliers screened for ESG-related risks divided by the total strategic suppliers for NORDEN. Strategic suppliers for NORDEN are defined based on three critical metrics; spending, materiality for NORDEN and whether the vendor is in a high-risk country.

Business conduct

The number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index: Following TR-MT-510a.1. Calculated as the number of port calls (see definition of port calls under activity measures) being in the 20 lowest rankings in the Transparency International's Corruption Perception Index.

The total amount of monetary losses because of legal proceedings associated with bribery or corruption / The total amount of fines for violation of anti-corruption and anti-bribery laws (USD): Following TR-MT-510a.2 and ESRS G1-4. Reported by the Head of Group Legal and is validated against spending in the audited accounts.

The number of convictions and the amount of fines for violation of anti-corruption and anti-bribery laws: Following the ESRS G1-4. Reported by the Head of Group Legal.

Staff completed E-learning course: Share of eligible employees having passed NORDEN's Anti-Corruption course. Eligible employees are full-time employees on a permanent contract who have worked with NORDEN the entire reporting year. Employees on maternity or sickness leave are considered non-eligible. Retrieved from our external provider of anti-corruption courses and HR system.

Board

Gender with lowest representation share on Board of Directors (%): Percentage of shareholder-elected gender with lowest representation on the Board of Directors out of the total number of shareholder-elected board members at year end.

Double materiality assessment

This section describes NORDEN's materiality assessment process and complies with the disclosure requirement IRO-1: description of the process to identify and assess material impacts, risks and opportunities. The section should allow readers to fully understand the process for determining which disclosure requirements to include in our sustainability statement.

The DMA follows a structured governance process, with clearly defined roles and responsibilities to ensure the accuracy and relevance of the DMA and the selection of DPs for inclusion in the sustainability statement. The Board of Directors bears the ultimate responsibility for reviewing the DMA, ensuring that all relevant IROs have been captured. Before being presented to the Board of Directors, the DMA is up for review and approval by the ESG Body and Audit Committee.

In preparation for the ESRS being implemented in 2025, we have performed a DMA during the reporting period. To the extent possible, we seek to base all our rankings on objective criteria, however, we do see several IROs needing to be evaluated based on judgement using internal stakeholders with expertise in the areas. Our DMA has followed three steps inspired by the published implementation guidance from EFRAG:

Step 1: Understanding the context of our operations.

- Mapping of our activities, products/services and geographic locations of these activities.
- Mapping of business relationships and upstream/downstream value chain.
- Mapping of affected stakeholders across our activities and business relationships.

Step 2: Identifying the actual and potential IRO related to sustainability matters.

- Creating a, to the extent possible, complete list of IROs for further assessment and analysis. In addition to the sub-topic list provided by the ESRS following AR 16, which serves as a guide for topics to be considered in the assessment, NORDEN leverages IMO, SASB, GRI and MSCI sustainability reporting frameworks for the identification of sector/entity-specific matters.

Step 3: Assessing and determining the material IROs related to sustainability matters.

- Applying objective criteria using appropriate quantitative and/or qualitative thresholds to assess the materiality of current and potential impacts. Materiality is based on severity and, for potential impacts, likelihood. All IROs are assessed on a gross basis.

- The criteria are scale, scope and irremediable character of the impact, for actual negative impacts. For potential and actual positive impacts, we will include an estimate of the likelihood of occurrence.

- Financial materiality to be assessed based on objective thresholds for likelihood and magnitude. We are evaluating whether the IROs have a material impact on financial position, cash flows or access to capital/impact on the cost of capital.

Our primary focus has been on conducting in-depth internal analyses and leveraging established industry frameworks and regulatory guidelines (such as IMO, SASB, and MSCI) to identify and assess the impacts, risks, and opportunities (IROs) related to the DMA. This strategic emphasis ensured that our internal processes were thoroughly developed and robust before initiating deeper stakeholder engagement.

Waiting on the sector-specific disclosure requirements under the ESRS, NORDEN has initially identified relevant sustainability matters leveraging existing sector-specific sustainability reporting standards such as the SASB Marine Transportation and the MSCI ESG materiality map. Additionally, we have used regulations enforced by the IMO for guidance (e.g. guidelines of biofouling), arguing that IMO regulation is centred around mitigating the key impacts of the shipping industry.

Impact materiality

The impact materiality assessment is based on the three criteria for severity: scale, scope and irremediability as well as likelihood. Scores are considered continuous within their ranges from 0-5. Scores for each IRO were averaged between severity and likelihood to generate a final impact materiality score.

Financial materiality

Risk and opportunities are rated based on the principles for financial materiality. The assessment is based on two criteria: the likelihood of occurrence and the potential magnitude of financial effects in the short, medium and long term. Size of impact is based on the expected impact on net profit. The overall score is based on the average between likelihood and size.

DMA process and results

After developing the framework for evaluating materiality, we organised three dedicated workshops focusing on Environmental, Social and Governance topics. The primary goal of these workshops was to assess the materiality of each identified IRO by leveraging the expertise of topic owners and in-house specialists.

Prior to the workshops, participants were provided with briefing documents that included a full list of IROs, detailed scoring criteria, and summaries of relevant research findings. This preparation ensured that all attendees had a clear understanding of the assessment framework and were ready to contribute effectively to the discussions.

During the workshop, each IRO was presented along with any available data and supporting research. Participants engaged in structured discussions, sharing insights based on their areas of expertise. For topics with clear and established research on the impacts of the industry (mainly climate change, air pollution and invasive species), materiality was recognised based on existing literature and industry consensus, aligning with the EFRAG guidelines. No further internal analysis was conducted of these topics, as their significance was already well-documented.

For other topics with less clarity regarding their impacts, the team performed qualitative assessments. They relied on their professional judgement, supported by existing reporting frameworks, studies within specific sub-topics, and comparisons with industry peers. This approach allowed us to evaluate the severity and likelihood of each IRO in the absence of extensive quantitative data.

Scores were assigned through participant consensus, ensuring that diverse perspectives were considered and that the evaluations were balanced and objective. The workshops resulted in a list of material IROs for each ESG dimension. All IROs are categorised as short, medium or long term. NORDEN defines short term as current reporting period, mid term as within a time frame of five years and long-term as a time frame exceeding 5 years.

As a result of the double materiality process, we identified the following six topical standards of the ESRS as material:

- Climate change
- Pollution
- Biodiversity & ecosystems
- Own workforce
- Workers in the value chain
- Business conduct

While these topics are considered material and are included in our Sustainability Statement, we have assessed other topics from the ESRS and determined that E3, E5, S3, and S4 are non-material for NORDEN. Below, we provide detailed reasoning for their exclusion:

E3 Water and Marine Resources: NORDEN's operations involve maritime transportation, which primarily occurs on international waters and within port facilities. Our vessels do not engage in significant water withdrawal activities from freshwater sources. Water used on board is minimal and primarily for domestic purposes, sourced from port facilities where it is already treated and regulated.

E5 Resource Use and Circular Economy: Waste generated includes operational waste (e.g., packaging, maintenance waste) and domestic waste from crew activities. The primary materials consumed in our operations are fuels, which are addressed under E1: Climate Change and E2: Pollution. Other material consumption, such as lubricants, paints, and maintenance supplies, is minimal in quantity. Generally, shipping is not a very waste-intensive industry making the topic less relevant for us.

S3 Affected Communities: NORDEN's operations are primarily conducted offshore and within established port facilities, which are industrial areas with existing infrastructure and regulations. Our interactions with local communities are limited. We do see some interaction with local communities in our upstream value chain from shipyards and in our logistics project in Gabon. However, the scale and scope of those operations do not justify an inclusion in our external reporting. S3 is a topical standard that could become material if we scale our logistics business significantly.

S4 Consumers and End-users: NORDEN does not produce consumer goods or products that are consumed or used by end-users in the traditional sense. Our services facilitate the transportation of goods owned by our customers. Hence, the topical standard is not relevant for us.

We keep monitoring these areas and will reassess their materiality annually or if circumstances change. Should any of these topics become more relevant due to operational changes, stakeholder concerns or emerging risks, we will update our materiality assessment accordingly.

Limitations and areas for further clarification

While NORDEN has undertaken a comprehensive DMA, there are several areas where the impacts of our operations remain challenging to fully identify, assess, or quantify. These limitations primarily arise due to the following factors:

We are aware that our operations, particularly maritime transport, contribute to noise pollution, which can have adverse effects on marine life and nearby communities. However, at present, we do not have sufficient data to evaluate the scope or scale of this impact accurately. In the absence of concrete data, we have applied a best guess approach in our assessment, acknowledging the limitations of this method. We are open to adopting new research and methodologies as they emerge, and we plan to reevaluate this impact once more robust data or assessment tools become available.

Certain sustainability matters, such as biodiversity impacts, are areas where scientific understanding and industry best practices are still evolving. While we recognise the potential significance of these issues, the long-term impacts, especially in relation to specific ecosystems, are not yet fully understood or quantifiable.

NORDEN will perform a yearly reassessment of the DMA to ensure that our materiality assessments remain current and reflective of both internal and external changes. Key triggers for reassessment will include the availability of new research and data, mergers and acquisitions (M&A) activity, or the initiation of new logistics projects. These events may introduce new IROs or shift the scale and scope of existing impacts, requiring a fresh evaluation of our sustainability matters.

EU Taxonomy

Turnover

NORDEN's revenue-generating activities are generally considered eligible. Revenue from time chartered-out vessels (TCO) and subleases as well as income earned from the administration of pool arrangements are not considered eligible. The latter is reported as part of 'Other operating income' in the Consolidated Financial Statements. The reported turnover corresponds to 'Revenue - services rendered, external', which can be found in the '2.1 Segment information' note. Aligned turnover increased from USD 6m in 2023 to USD 14m in 2024 (0%).

Capital expenditures

CapEx as defined in the Taxonomy is considered equivalent to the 'additions' and 'prepayments on vessels and newbuildings', as set out in note 3.4 to the Consolidated Financial Statements, and additions to 'Right-of-use assets' as set out in note 3.5 to the Consolidated Financial Statements. CapEx incurred is generally considered eligible, except if CapEx is incurred directly relating to chartering out vessels. 0% of CapEx was aligned in 2024, down from 4% in 2023, which was impacted by the Mash Makes acquisition.

Operating expenditures

OpEx as defined in the Taxonomy covers expenditures directly related to chartering, maintaining and operating vessels, and is equivalent to 'Vessel operating costs' as presented in the "income statement" in the Consolidated Financial Statements less operating costs for owned vessels and daily running costs for leased vessels (expenses related to the service component in note 3.5). OpEx incurred is generally considered to be eligible under the Taxonomy, except if relating to owned vessel OpEx or vessels chartered out. NORDEN includes costs related to the bunker, as these are considered crucial for the effective functioning of the asset (time-chartered vessels on short-term leases). There has been no change in the aligned OpEx from 2023 to 2024, since the costs included are based on time-chartered vessels, where NORDEN has no documentation on the vessel's EEDI.

Review of alignment

To align with the EU Taxonomy, eligible economic activities must a) contribute to one or more of six environmental objectives, b) do no significant harm (DNSH) to the remaining objectives and c) meet the minimum social safeguards. The six environmental objectives outlined in the EU Taxonomy are climate change mitigation, climate change adaptation, sustainable use of water & marine sources, circular economy, pollution prevention and a healthy ecosystem.

Following the identification of eligible activities, NORDEN has applied the technical screening criteria under the EU Taxonomy to evaluate whether our activities are aligned with one of the EU objectives, do no significant harm to other Taxonomy objectives and are aligned with the minimum social safeguards criteria.

All NORDEN's activities fall under activity number 6.10: 'Sea and coastal freight water transport, vessels for port operations, and auxiliary activities'. In the section below, we describe the process of screening our activities for the technical criteria in the Taxonomy of each activity in NORDEN.

Activity number 6.10: Sea and coastal freight water transport, vessels for port operations, and auxiliary activities'

Our assessment of alignment is based on the technical criteria from substantial contribution to climate change mitigation. Following the technical criteria, alignment forbids vessels from being dedicated to the transport of fossil fuels. Therefore, tanker vessels are excluded from the alignment criteria, despite the ability of tanker vessels to transport soft oils. This trade is considered immaterial for the consideration of including some share of product tanker activities as eligible and potentially aligned. Dry cargo vessels are only subject to potential taxonomy alignment if the EEDI is 10% below the requirement applicable on 1 April 2022, and if the vessels can run based on zero-direct CO_2 emission fuels or on fuels from renewable sources. The latter includes vessels eligible for running on biofuel (ref: activity number 4.13).

Currently, NORDEN only has EEDI scores on owned vessels, where the building contract was placed on or after 1 January 2013, or the vessel was delivered on or after 1 July 2015. The EEDI scores are collected from our technical managers. As of 2024, the required EEDI for bulk vessels is calculated using the IMO reference line equation and subtracting 20%. Alignment with the screening EEDI criteria requires that a vessel's EEDI is 10% below the required EEDI, i.e. 10% below the phase 3 IMO EEDI requirement. During the financial year 2024, NORDEN operated one vessels aligned with the EEDI criteria.

All of these are eligible for running on biofuel as per certification from the Danish Maritime Authorities (Søfartsstyrelsen) to run at a 100% biofuel capacity. Therefore, solely vessels under the Danish International Ship Register (DIS) are subject to alignment, as certification for 100% biofuel consumption has not been obtained by other flag authorities. NORDEN notes that all its vessels can run at 30% biofuel capacity without pre-certification from any flag state.

Having secured alignment with the technical criteria under the objective of climate mitigation, we assess whether the activity does harm to any of the remaining environmental objectives, i.e., live up to all the DNSH criteria. Below is a review of NORDEN's alignment with the remaining five objectives:

Climate adaptation

Activity number 6.10 is expected to be affected by changing temperatures, leading to more frequent extreme weather events (e.g. drought or storms) and scarcity of water, impacting trade patterns and volumes.

NORDEN does not consider physical climate risks to have a material impact on its economic activity. This is due to our agile operator model, allowing us to comply with and adapt to changing trade patterns.

NORDEN intends to leverage its use of data to improve predictions and decision-making, mitigating the impact on its business relative to its peers. In addition, we intend to expand our logistics offering beyond tramp shipping via the Assets & Logistics business unit.

The IPCC has five major climate scenarios: RCP 1.9, 2.6, 4.5, 6 and 8.5. RCP 1.9 would impose limited climate risks, but heavy transitional risks for NORDEN (following the Paris agreement), while RCP 8.5 would increase the physical climate risks as the frequency and intensity of extreme weather would surge. This could potentially lead to margin erosion as the risks of damage to ships and cargo increase. NORDEN intends to mitigate the risks related to climate change by extensive use of weather routing systems when pricing, securing appropriate insurance coverage and assessing the risk of freight contracts as well as including chronicle risks when evaluating business opportunities.

Based on the assessment above, we believe NORDEN is aligned with the generic climate adaptation criteria for DNSH.

Water

NORDEN is monitoring and assessing the impact of our operation on marine life. As part of our adaption of the SASB Marine Transportation reporting standard, we report on the share of owned vessels having implemented ballast water treatment systems (BWTS), voyage duration in marine-protected areas and oil spills. These are all considered relevant issues to NORDEN. Having a high percentage of our vessels with BWTS, we avoid the risk of invasive species. We reduce water pollution using best management practices/policies aligned with the Directive 2000/60/EC stating that companies should take measures to prevent, reduce and control water pollution. NORDEN follows IMO standards for all its operations and considers IMO's regulation on water regulation to be adequate in terms of doing no significant harm to the waters in which we sail.

Based on the review above, we believe NORDEN is aligned with the generic water criteria for DNSH.

Circular economy

Aligned with Regulation (EU) No 1257/2013, NORDEN has implemented waste management plans and uses the best techniques available to reduce the environmental impact of waste management. NORDEN keeps track of the waste generated on board vessels and the disposal of such via the onboard logbooks, which are reported to the technical managers.

NORDEN's business model involves operating a modern fleet of vessels, selling and redelivering vessels long before vessel end-of-life. Should NORDEN face situations in which recycling of a vessel is relevant, NORDEN has a Responsible Ship Recycling Policy meaning we have measures in place to manage waste at the end-of-life of the vessel.

NORDEN complies with Annex V. This requires ships to take measures to prevent accidental loss of garbage and to have equipment on board to collect and store garbage, as well as procedures to ensure that it is disposed of properly. Annex V is enforced by the IMO and is thus a standard in the shipping industry.

Pollution prevention

All technical criteria under the objective are considered IMO standards. Thus, NORDEN is required to comply.

Based on the review above, we believe NORDEN is aligned with the generic pollution prevention criteria for DNSH.

Biodiversity
All technical criteria under the objective are considered IMO standards. Thus, NORDEN is required to comply. Based on the review above, we believe NORDEN is aligned with the generic biodiversity criteria for DNSH.

Minimum safeguards

The OECD Guidelines are considered a standard for responsible business conduct. The guidelines cover a wide range of issues, including labour rights, bribery and corruption, environmental protection and human rights. NORDEN has human rights policies aligning with the OECD and UN Guidelines and is deeply involved in securing an anti-corruption foundation for shipping with its activities involving MACN and focusing on educating its employees in anti-bribery via e-learning courses. Mash Makes works continuously to ensure that employees enjoy safe, healthy and fair working conditions.

In line with these commitments, NORDEN has implemented a rigorous due diligence process to identify and address salient human rights risks in its operations. This process involved conducting multiple interviews with employees and managers, providing an in-depth understanding of the potential risks related to NORDEN's activities. The findings from these interviews, along with proposed preventive and mitigating actions, were thoroughly reviewed and approved by NORDEN's ESG owner.

Based on such argumentation, we believe NORDEN is aligned with the minimum safeguards criteria that enable EU Taxonomy-aligned activities reporting under both activity numbers 4.13 and 6.10.

POLICIES

Anti-Corruption Compliance Programme: The purpose is to ensure compliance with key anti-corruption legislation, mitigate NORDEN's reputational risks and guide employees in what is expected when working for NORDEN. The policy applies to all employees and the Board of Directors. Ownership and enforcement of the programme rest with the Head of Asset Management, and the programme is accessible on the Intranet and described in the Employee Code of Conduct.

Anti-Harassment Policy: NORDEN is committed to ensuring all employees are treated equally and with respect, safeguarded from harassment, abuse and violence in the workplace, regardless of their background or characteristics. This applies to all forms of harassment, whether physical, verbal, sexual or psychological, and includes all NORDEN employees and contractors. The policy, overseen by the Head of People & Sustainability, extends to any work-related setting and is integral to our corporate culture. It is detailed on our website, Intranet and in the Employee Code of Conduct.

Climate Mitigation Policy: The policy states our commitment to achieving net-zero emissions by 2050 across all GHG scopes, describing how we measure and reduce emissions through initiatives such as lower vessel speeds, regular hull cleanings, and the use of biofuels. Ownership and enforcement of the policy rest with the COO of Assets and Logistics, and it is available on our website.

Data Ethics Policy: The policy states our data ethics principles, describing how we collect, store, process and protect data for the benefit of our employees, customers, business partners and other stakeholders. This Data Ethics Policy applies to all employees and has been prepared in accordance with GDPR requirements and section 99 d of the Danish Financial Statements Act. Ownership and enforcement of the policy rest with the CFO, and it is available on our website https://norden.com/investor/governance/policies-and-charters.

Diversity, Equity & Inclusion Policy: NORDEN is committed to respecting and promoting diversity, offering equal opportunities and ensuring fair treatment for all employees. We strictly oppose any form of discrimination, whether based on race, gender identity, religion, political views or any other distinguishing characteristics. Our employment practices, including hiring, remuneration, training and advancement, are governed by relevant and objective criteria. The policy, overseen by the Head of People & Sustainability, applies to every NORDEN employee and is detailed on our website, Intranet and in the Employee Code of Conduct. In compliance with ÅRL 107d.

Employee Code of Conduct: NORDEN's Employee Code of Conduct outlines the ethical, social and environmental standards all employees are expected to follow. It serves as a guide for decision-making and maintaining high standards of business conduct. The Code encompasses policies that reinforce NORDEN's commitment to sustainability and supersedes less stringent laws or regulations. Ownership and enforcement of the Code rest with the Head of People & Sustainability. It is accessible on the Intranet, provided to new hires during onboarding and must be acknowledged annually to ensure comprehension of any updates.

Flexible Woking Policy: NORDEN values flexibility, offering remote work and flexible hours to foster work-life balance and inclusivity. This policy, suited to all employees, balances flexibility with maintaining connectivity, innovation and performance. Office presence may be required for certain roles and situations. The policy is approved by the Head of People & Sustainability and is available on our Intranet.

Health and Safety Policy: NORDEN prioritises a safe and healthy workplace, addressing physical, emotional, mental and spiritual well-being. We aim to exceed legal standards and align with ILO principles on workplace health and safety. This policy, overseen by the Head of People & Sustainability, applies to all employees and is detailed on our website, Intranet and in our Employee Code of Conduct.

Human Rights Policy: NORDEN is committed to upholding human and labour rights as outlined in the International Bill of Human Rights and the International Labour Organisation's Declaration. This encompasses rights related to compensation, labour practices, privacy, association, religion and work hours. The Head of People & Sustainability ensures these principles are integrated into our culture and practices. The policy is detailed on our website, Intranet and in our Employee Code of Conduct. We expect all employees and business partners to adhere to these standards, reinforced through our Responsible Supply Chain Management process, Supplier Code of Conduct and Technical Manager Code of Conduct.

Modern Slavery Act: Conducting business in a legal, ethical and socially responsible manner is core to NORDEN and in line with our values. We are committed to ensuring that modern slavery or human trafficking does not occur in any part of our business or supply chain. NORDEN's framework for respecting human and labour rights is operationalised by the UN Guiding Principles on Business and Human Rights (UNGP), which draws on the International Bill of Human Rights, the International Labour Organisation's Declaration of Fundamental Principle and Rights at Work and the Rio Declaration on Environment and Development. Ownership and enforcement rest with the Head of People & Sustainability, and the policy is available on NORDEN's website, Intranet and described in our Employee Code of Conduct.

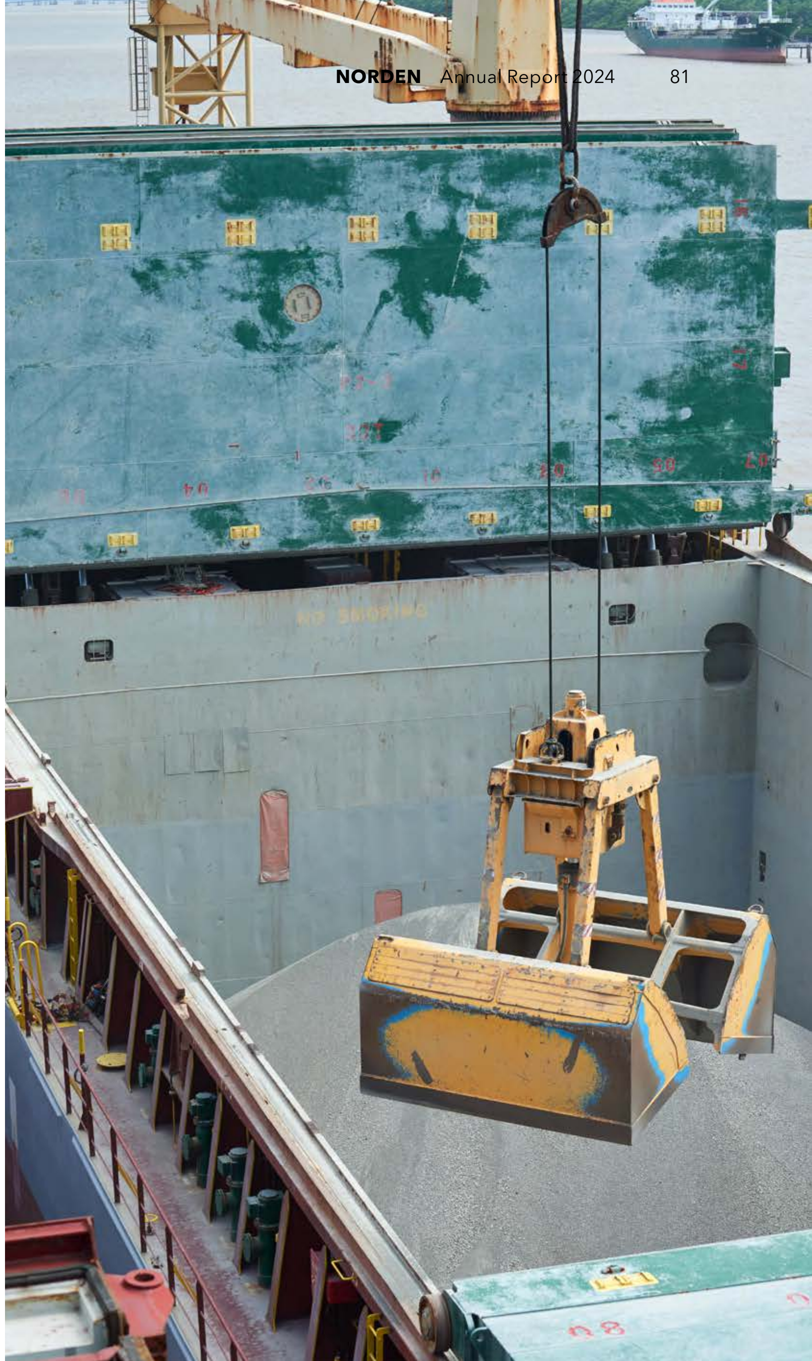
Sanctions Compliance Programme: NORDEN's Sanctions Compliance Programme is implemented to ensure that NORDEN, its affiliated companies and employees do not engage in any transactions in breach of the sanctions policy. The sanctions policy is defined by the Board of Directors, and it is the responsibility of the Head of Risk Management to ensure the Sanctions Compliance Programme is followed and the sanctions policy is implemented and available on our Intranet.

Supplier Code of Conduct: The Supplier Code of Conduct supports NORDEN in building a sustainable practice by establishing systems and processes to manage our adverse impacts on human and labour rights, environment and anti-corruption through our purchasing practices. NORDEN expects all our suppliers, at any time, to be able to declare in writing their stage of implementation. Ownership and enforcement of the Code rest with the Head of Procurement and is part of the contractual agreement. The Supplier Code of Conduct is available on our website https://norden.com/investor/governance/policies-and-charters.

Tax Policy: The purpose of the Tax Policy is to define the global management of taxes, including governance and structuring. As part of NORDEN's responsible approach to tax, NORDEN aims to increase sustainable growth and value creation for society and our stakeholders through reliable and effective tax management. NORDEN uses the arm's length principle of pricing in line with OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administration and applies this consistently across our businesses. The Board of Directors of NORDEN approves general tax principles and exercises governance over corporate tax affairs through regular updates on our tax positions. Ownership and enforcement of the policy rest with the CFO and the policy is available on our website.

Technical Manager Code of Conduct: NORDEN's Technical Manager Code of Conduct outlines the ethical, social and environmental standards which all NORDEN's technical managers are expected to follow. It serves as a guide for maintaining high standards of business conduct. The Code encompasses policies that reinforce NORDEN's commitment to sustainability and supersedes less stringent laws or regulations. Ownership and enforcement of the Code rest with the Head of Technical Management, and it is part of the basis for the contract between the parties and must be acknowledged by the technical managers annually to ensure comprehension of any updates.

Whistleblower scheme: NORDEN promotes a speak-up culture where employees are encouraged to report misconduct without fear of retaliation. This applies to everyone associated with NORDEN, including workers in our value chain and external partners. Reports can be made anonymously and are managed by the Head of Group Legal and the Board of Directors. The whistleblower scheme is detailed on our website, Intranet and in our Employee Code of Conduct.



ESG PERFORMANCE DATA

SASB Marine transportation index

Topic	Metric	Unit	Code	2024	2023	2022
Greenhouse Gas Emissions	Scope 1 bunker emissions	Metric tonnes (t) CO_2e	TR-MT-110a.1	4,396,938	3,834,437	4,271,580
	Total energy consumed (TJ)	Terajoules (TJ)	TR-MT-110a.3	57,193	49,901	55,809
	Percentage heavy fuel oil	Percentage (%)	TR-MT-110a.3	11.2%	5.9%	7.1%
	Percentage renewable	Percentage (%)	TR-MT-110a.3	0.3%	0.1%	0.1%
	Average Energy Efficiency Design Index (EEDI) for new vessels	CO_2 per capacity-nm	TR-MT-110a.4	2.1	4.3	4.1
Air Quality	NO_x	Metric tonnes (t)	TR-MT-120a.1	115,290	101,678	117,620
	SO_x	Metric tonnes (t)	TR-MT-120a.1	11,284	9,894	10,889
	PM10	Metric tonnes (t)	TR-MT-120a.1	5,694	4,941	5,692
Ecological Impacts	Shipping duration in marine-protected areas or areas of protected conservation status	Number of travel days	TR-MT-160a.1	22,203	21,458	23,321
	Percentage of fleet implementing ballast water treatment	Percentage (%)	TR-MT-160a.2	100%	100%	95%
	Percentage of fleet implementing ballast water exchange	Percentage (%)	TR-MT-160a.2	0%	0%	5%
	Number of spills and releases to the environment	Number	TR-MT-160a.3	0	0	0
	Aggregate volume of spills and releases to the environment	Number, cubic metres	TR-MT-160a.3	0	0	0
Health & Safety	Lost Time Incident Rate (LTIR)	Rate	TR-MT-320a.1	1.3	1.0	0.8
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	TR-MT-510a.1	43	58	52
	The total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	TR-MT-510a.2	0	0	0
Accident & Safety Management	Number of marine casualties	Number	TR-MT-540a.1	0	0	2
	Percentage classified as very serious (very serious = the total loss of the ship, a death, or severe damage to the environment)	Percentage (%)	TR-MT-540a.1	0%	0%	33%
	Number of Conditions of Class or Recommendations	Number	TR-MT-540a.2	29	15	15
	Number of port state control deficiencies	Number	TR-MT-540a.3	38	26	61
	Number of port state control detentions	Number	TR-MT-540a.3	1	0	1
Number of shipboard employees		Number	TR-MT-000.A	431	461	546
Total distance travelled by vessels		Nautical miles (nm)	TR-MT-000.B	15,867,410	13,989,053	14,219,344
Operating days		Days	TR-MT-000.C	200,557	196,388	203,674
Deadweight tonnage		Thousand DWT	TR-MT-000.D	1,725	1,573	1,201
Number of vessels in total shipping fleet		Number	TR-MT-000.E	14	19	21
Number of vessel port calls		Number	TR-MT-000.F	9,738	9,496	10,139
Twenty-foot equivalent unit (TEU) capacity		TEU	TR-MT-000.G	NA	NA	NA

ESRS index

Section	Sub Section	Metric	Unit	Disclosure requirement	2024	2023	2022
E1 - Climate change	Energy consumption and mix	Fuel consumption from crude oil and petroleum products	MWh	ESRS E1-5	15,844,670	13,861,565	15,492,959
		Fuel consumption for renewable sources	MWh	ESRS E1-5	42,140	19,790	14,470
		Energy intensity	USD / MWh	ESRS E1-5	254	266	343
	Gross scopes 1, 2, 3 and total GHG emissions	Gross Scope 1 GHG Emissions	Metric tonnes (t) CO_2 eq	ESRS E1-6	4,396,938	3,834,437	4,271,580
		Gross Scope 2 GHG Emissions					
		Location based	Metric tonnes (t) CO_2 eq	ESRS E1-6	522	418	531
		Market based	Metric tonnes (t) CO_2 eq	ESRS E1-6	427	348	NA
		Gross Scope 3 GHG Emissions	Metric tonnes (t) CO_2 eq	ESRS E1-6	3,499,026	3,693,383	3,826,419
		Total Gross GHG Emissions					
		Location based	Metric tonnes (t) CO_2 eq	ESRS E1-6	7,896,487	7,528,238	8,113,403
		Market based	Metric tonnes (t) CO_2 eq	ESRS E1-6	7,896,392	7,528,168	NA
		GHG emissions intensity					
		Location based	USD/Metric tonnes (t) CO_2 eq	ESRS E1-6	512	490	655
		Market based	USD/Metric tonnes (t) CO_2 eq	ESRS E1-6	512	490	NA
E2 - Pollution	Pollution of air, water and soil	NO_x	Metric tonnes (t)	ESRS E2-4	115,290	101,678	117,620
		SO_x	Metric tonnes (t)	ESRS E2-4	11,284	9,894	10,889
		PM2.5	Metric tonnes (t)	ESRS E2-4	5,239	4,546	5,236
		NVMOC	Metric tonnes (t)	ESRS E2-4	4,751	4,147	4,636
		Heavy metals in air	Metric tonnes (t)	ESRS E2-4	76	70	76
		Heavy metals in water	Metric tonnes (t)	ESRS E2-4	62	29	38
		PAHs	Metric tonnes (t)	ESRS E2-4	2	1	1
G1 - Business conduct	Confirmed incidents of corruption or bribery	The total number and nature of confirmed incidents of corruption or bribery	#	ESRS G1-4	0	0	0
		The number of convictions and the amount of fines for violation of anti-corruption and antibribery laws	#	ESRS G1-4	0	0	0

Total GHG emissions disaggregated by scopes 1 and 2 and material scope 3 categories

	Retrospective				Target years		
'000 metric tonnes	Base year	N-1	N = 2024	% N / N-1	2025	2030	2050
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (tCO_2e)	**4,287**	**3,834**	**4,397**	**15%**	**NA**	**NA**	**0**
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	NA	NA	NA	NA	NM	NM	NM
Scope 2 GHG emissions							
Gross location-based scope 2 GHG emissions (tCO_2e)	0.4	0.4	0.5	25%	NA	NA	0
Gross market-based scope 2 GHG emissions (tCO_2e)	NA	0.3	0.4	23%	NA	NA	0
Material Scope 3 GHG emissions							
Total gross indirect (scope 3) GHG emissions (tCO_2e)	**3,826**	**3,693**	**3,499**	**-5%**	**NA**	**NA**	**0**
GHG 1: Purchased goods and services	266	187	147	-22%	NA	NA	0
GHG 2: Capital goods	6	18	5	-15%	NA	NA	0
GHG 3: Fuel and energy-related activities	904	823	900	9%	NA	NA	0
GHG 13: Downstream leased assets	2,650	2,665	2,448	-8%	NA	NA	0
Total GHG emissions							
Total GHG emissions (location-based) (tCO_2e)	**8,125**	**7,515**	**7,878**	**5%**	**NA**	**NA**	**0**
Total GHG emissions (market-based) (tCO_2e)	**NA**	**7,515**	**7,878**	**5%**	**NA**	**NA**	**0**

EU Taxonomy

Turnover

Economic Activities (1)	Code (2)	Absolute Number (3)	Proportion of Turnover	Substantial contribution criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	DNSH criteria ("Does Not Significantly Harm"): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		USDm	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1. + A.2.)																			
A.1. Environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Sea and coastal freight water transport	CCM 6.10	14	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0%	E	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		14	0%	0%	0%	0%	0%	0%	0%	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	0%		
Of which enabling		14	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		0	0%	0%													0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Sea and coastal freight water transport	CCM 6.10	3,139	79%	EL													78%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,139	79%	79%	0%	0%	0%	0%	0%								78%		
Total turnover of Taxonomy-elgible activities (A.1 + A.2)		3,153	79%														78%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		815	21%																
Total (A+B)		3,968	100%																

CapEx

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	Absolute Number (3)	Proportion of CapEx	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		USDm	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1. + A.2.)																			
A.1. Environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Sea and coastal freight water transport	CCM 6.10	0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0%	E	-
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	4%	E	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	4%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	4%	E	
Of which transitional		0	0%	0%													0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Sea and coastal freight water transport	CCM 6.10	525	100%	EL													96%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		525	100%	100%	0%	0%	0%	0%	0%								96%		
Total turnover of Taxonomy-eligible activities (A.1 + A.2)		525	100%														96%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities		2	0%																
Total (A+B)		527	100%																

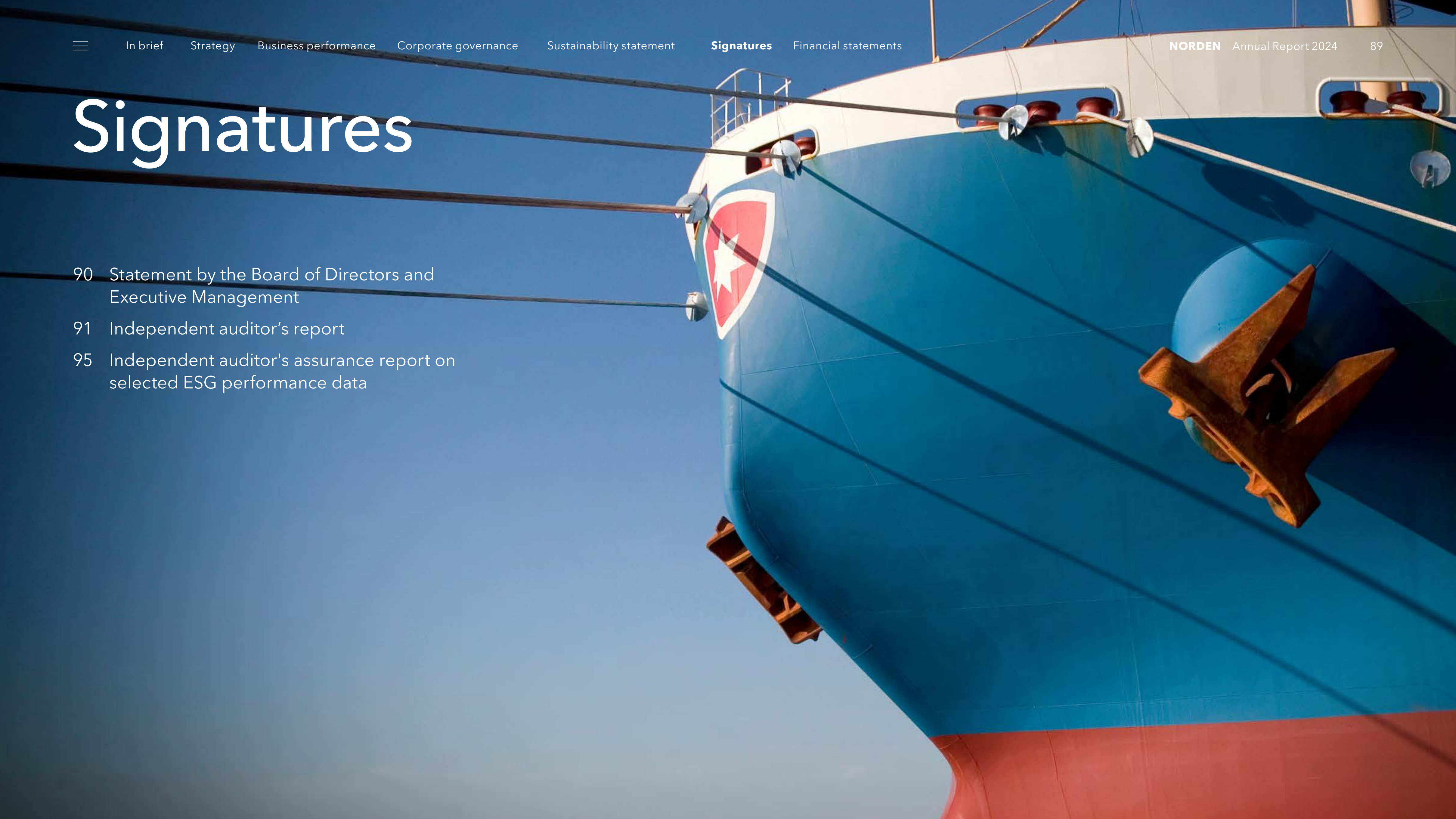
OpEx

Economic Activities (1)	Code (2)	Absolute Number (3)	Proportion of OpEx	Substantial contribution criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	DNSH criteria ("Does Not Significantly Harm"): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) OpEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		USDm	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1. + A.2.)																			
A.1. Environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Sea and coastal freight water transport	CCM 6.10	0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional			0%	0%													0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Sea and coastal freight water transport	CCM 6.10	2,422	75%	EL													75%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2,422**	**75%**	**75%**	**0%**	**0%**	**0%**	**0%**	**0%**								75%		
Total turnover of Taxonomy-eligible activities (A.1 + A.2)		**2,422**	**75%**														75%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities		822	25%																
Total (A+B)		3,245	**100%**																

Template 1 in Annex XII under the Complementary Delegated Act

	Nuclear energy-related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas-related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Signatures



STATEMENT BY THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The Board of Directors and the Executive Management have today considered and adopted the Annual Report of Dampskibsselskabet NORDEN A/S for the financial year 1 January – 31 December 2024.

The Consolidated Financial Statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements stated in the Danish Financial Statements Act. The Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act. The Management's Review is also prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Group and the Parent Company and of the results of the Group's and the Parent Company's operations and the Group's consolidated cash flows for the financial year 2024.

In our opinion, the Management's Review provides a fair review of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty, which the Group and the Parent Company are facing.

In our opinion, the ESG performance data on pages 44 - 68 is presented in accordance with the stated accounting policies on pages 69 – 79 and provides a fair and balanced view of the Group's sustainability performance and social responsibility for the financial year 2024.

In our opinion, the Annual Report of Dampskibsselskabet NORDEN A/S for the financial year 1 January – 31 December 2024 with the file name "norden-2024-12-31-en.zip" is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the Annual Report be adopted at the annual general meeting on 12 March 2025.

Copenhagen, 6 February 2025

Executive Management

Jan Rindbo
CEO

Martin Badsted
CFO

Board of Directors

Klaus Nyborg
Chair

Johanne C F Riegels
Vice Chair

Karsten Knudsen

Robert Hvide Macleod

Ian McIntosh

Vibeke Bak Solok

Henrik Røjel
(employee-elected)

Ruhi Hermansen
(employee-elected)

Sofie Schønherr
(employee-elected)

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Dampskibsselskabet NORDEN A/S

Report on the audit of the Consolidated Financial Statements and Parent Company Financial Statements

Opinion
We have audited the consolidated financial statements and the parent company financial statements of Dampskibsselskabet NORDEN A/S for the financial year 1 January – 31 December 2024, which comprise income statement, statement of financial position balance sheet, statement of changes in equity and notes, including material accounting policy information, for the Group and the Parent Company, and a consolidated statement of comprehensive income and a consolidated statement of cash flows. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2024 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion the parent company financial statements give a true and fair view of the financial position of the Parent Company at 31 December 2024 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2024 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor
We were initially appointed as auditor of Dampskibsselskabet NORDEN A/S on 9 March 2023 for the financial year 2023. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 2 years up until the financial year 2024.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2024. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Key audit matter	How our audit addressed the key audit matter
Valuation of intangible and tangible assets. Intangible and tangible assets amount to USD million 1,182 on 31 December 2024 as specified by Management in notes 3.3, 3.4 and 3.5 to the consolidated financial statements. This area is significant to our audit due to the carrying value of intangible and tangible assets as well as the management judgements and assumptions involved in impairment testing of these. Management monitors continuously the carrying value of intangible and tangible assets to determine, whether there are any indications of impairment. The assessment of impairment indicators is performed on a portfolio basis on the two cash-generating units (CGUs); Dry cargo and Tankers. The indications assessed by Management comprises, among other, vessel values, newbuilding prices and expectations to future development in short- and long-term freight and time charter rates. Management performs an impairment test if any indication of impairment exists and at least once a year for CGUs to which goodwill has been allocated. The impairment test is performed by comparing the carrying amount of intangible and tangible assets with their recoverable amount. The recoverable amount of the assets is determined as the higher of the net selling price and the value-in-use. If the carrying amount, exceeds the recoverable amount, as assessed by the impairment testing, the assets are written down to the lower recoverable amount. For details on the impairment tests performed by Management, reference is made to note 3.2 to the consolidated financial statements.	We discussed with Management and evaluated the methodology by which indications of impairment of intangible and tangible assets are monitored, including the identification of CGUs. For the CGU Dry Cargo, Management identified impairment indicators and assessed the recoverable amounts of assets allocated to the CGU. Our audit procedures to test Management's assessment of the recoverable amount included, among others: • Testing of the value-in-use model and the valuation methodology prepared by Management. • Testing of the mathematical accuracy of the model and the reliability of data used in the calculation. • Testing the reasonableness of key assumptions and input data on basis of our knowledge of the business and industry together with supporting evidence such as budgets and externally observable market data related to expected short- and long-term freight and time charter rates, peer group information, interest rates etc. For the CGU Tankers, Management did not identify any impairment indicators. Our audit procedures to test Management's assessment of impairment indicators included, among others: • Assessment of the conclusions from Management's assessment of whether any indications of impairment exist. • Testing the reasonableness of Management's assessment by comparing key assumptions and input data to supporting evidence such as externally observable market data related to short, and long-term freight and time charter rates, pricing of newbuilding of vessels and vessel valuations prepared by external and independent ship valuation experts. We examined the adequacy of disclosures about key assumptions and sensitivity in note 3.2 to the consolidated financial statements.

Statement on the Management's review
Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required by relevant law and regulations.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of relevant law and regulations. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements
Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act.

Moreover, Management is responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements and the parent company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Consolidated Financial Statements and Parent Company Financial Statements of Dampskibsselskabet NORDEN A/S, we performed procedures to express an opinion on whether the annual report of Dampskibsselskabet NORDEN A/S for the financial year 1 January – 31 December 2024 with the file name "norden-2024-12-31-en.zip" is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;

- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;

- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and

- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor’s judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Dampskibsselskabet NORDEN A/S for the financial year 1 January – 31 December 2024 with the file name "norden-2024-12-31-en.zip" is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 6 February 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mikkel Sthyr	Morten Weinreich Larsen
State Authorised	State Authorised
Public Accountant	Public Accountant
mne26693	mne42791

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON SELECTED ESG PERFORMANCE DATA

To the stakeholders of Dampskibsselskabet NORDEN A/S
As agreed, we have performed an examination with a limited assurance, as defined by the International Standards on Assurance Engagements, on Dampskibsselskabet NORDEN A/S's ('NORDEN') selected ESG performance data in the tables 'NORDEN's material topics and monitoring indicators', 'Breakdown of EEOI by vessel and type', 'SASB Marine transportation index', 'ESRS index', 'Total GHG emissions disaggregated by Scope 1 and 2 and significant to Scope 3' on pages 47, 55 and 82 – 84 ('the selected ESG performance data') in the Sustainability statement of the Annual Report for the period 1 January 2024 to 31 December 2024.

In preparing the selected ESG performance data, NORDEN applied the ESG accounting policies described on pages 69 – 74. The selected ESG performance data needs to be read and understood together with the ESG accounting policies, which Management is solely responsible for selecting and applying. The absence of an established practice on which to derive, evaluate, and measure the selected ESG performance data allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Annual Report and accordingly, we do not express an opinion on this information.

Management's responsibilities
NORDENS's Management is responsible for selecting the ESG accounting policies, and for presenting the ESG performance data in accordance with the ESG accounting policies, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the ESG performance data, such that it is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities
Our responsibility is to express a conclusion based on our examinations on the presentation of the selected ESG performance data in accordance with the scope defined above.

We conducted our examinations in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and additional requirements under Danish audit regulation to obtain limited assurance for the purposes of our conclusion.

EY Godkendt Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour as well as ethical requirements applicable in Denmark.

Description of procedures performed
In obtaining limited assurance over the selected ESG performance data on pages 47, 55 and 82 – 84, our objective was to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a conclusion with limited assurance.

The procedures performed in connection with our examination are less than those performed in connection with a reasonable assurance engagement. Consequently, the degree of assurance for our conclusion is substantially less than the assurance which would be obtained had we performed a reasonable assurance engagement.

As part of our examinations, we performed the below procedures:

- Interviewed those in charge of the selected ESG performance data to develop an understanding of the process for the preparation of the Sustainability statement and for carrying out internal control procedures.
- Performed analytical review of the data and trends to identify areas of the selected ESG performance data with a significant risk of misleading or unbalanced information or material misstatements and obtained an understanding of any explanations provided for significant variances.
- Based on inquiries we evaluated the appropriateness of accounting policies used, their consistent application and related disclosures in the selected ESG performance data. This includes the reasonableness of estimates made by Management.
- Designed and performed further procedures responsive to those risks and obtained evidence that is sufficient and appropriate to provide a basis for our conclusion.
- In connection with our procedures, we read the other sustainability information in the Sustainability statement of NORDEN's Annual Report and, in doing so, considered whether the other sustainability information is materially inconsistent with the selected performance data or our knowledge obtained in the review or otherwise appear to be materially misstated.

In our opinion, the examinations performed provide a sufficient basis for our conclusion.

Conclusion
Based on our examinations and the evidence obtained, nothing has come to our attention that causes us to believe that the selected ESG performance data presented in the tables 'NORDEN's material topics and monitoring indicators', 'Breakdown of EEOI by vessel and type', 'SASB Marine transportation index', 'ESRS index', 'Total GHG emissions disaggregated by Scope 1 and 2 and significant to Scope 3' on pages 47, 55 and 82 – 84 ('the selected ESG performance data') in the Sustainability statement of Dampskibsselskabet NORDEN A/S's Annual Report for the period 1 January 2024 to 31 December 2024 has not been prepared, in all material respects, in accordance with ESG accounting policies described on pages 69 – 74.

Copenhagen, 6 February 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mikkel Sthyr	Lars Fermann
State Authorised	State Authorised
Public Accountant	Public Accountant
mne26693	mne45879

Financial statements

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

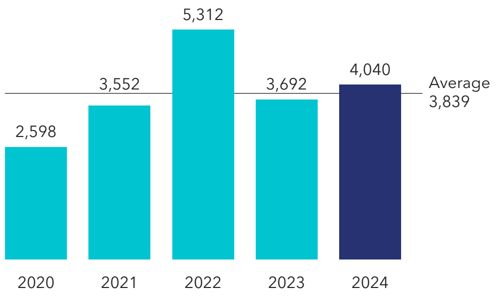
Amounts in USD million	Note	2024	2023
Revenue	2.1	**4,040.1**	**3,691.9**
Other operating income		16.5	17.6
Vessel operating costs	2.2	-3,550.0	-2,914.1
Contribution margin		**506.6**	**795.4**
Overhead and administration expenses	2.2	-74.4	-116.8
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)		**432.2**	**678.6**
Profit/loss from sale of vessels, etc.	3.9	82.0	79.0
Depreciation, amortisation and impairment losses, net	3.2-3.5	-312.0	-335.2
Profit/loss from investments in joint ventures	3.7	-0.1	-0.8
Profit from operations (EBIT)		**202.1**	**421.6**
Financial income	4.3	18.5	42.0
Financial expenses	4.3	-47.0	-53.4
Profit before tax		**173.6**	**410.2**
Tax for the year	5.2	-10.9	-10.1
Profit for the year		**162.7**	**400.1**
Attributable to:			
Owners of Dampskibsselskabet NORDEN A/S		**162.7**	**400.1**
Earnings per share (EPS)	4.1		
Earnings per share (USD)		5.3	12.4
Earnings per share, diluted (USD)		5.3	12.3

STATEMENT OF COMPREHENSIVE INCOME

Amounts in USD million	Note	2024	2023
Profit for the year		**162.7**	**400.1**
Items which will be reclassified to the income statement:			
Fair value adjustment for the year, cash flow hedges	4.6	76.6	-98.4
Other comprehensive income, total		**76.6**	**-98.4**
Total comprehensive income for the year, after tax		**239.3**	**301.7**
Attributable to:			
Owners of Dampskibsselskabet NORDEN A/S		**239.3**	**301.7**

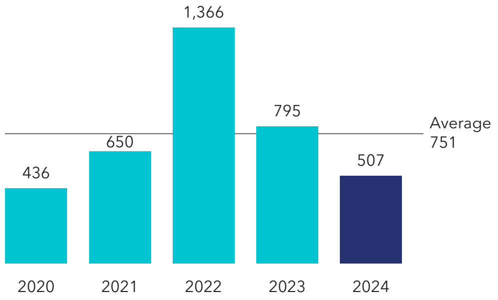
Revenue

USD million



Contribution margin

USD million



STATEMENT OF FINANCIAL POSITION

Amounts in USD million	Note	2024	2023
Assets			
Goodwill	3.3	44.6	35.3
Other intangible assets	3.3	12.9	15.2
Total intangible assets		**57.5**	**50.5**
Vessels	3.4	694.1	503.5
Right-of-use assets	3.5	320.6	355.0
Property and equipment	3.4	51.3	49.6
Prepayments on vessels and newbuildings	3.4	58.8	37.0
Total tangible assets		**1,124.8**	**945.1**
Investments	3.7	13.9	12.7
Receivables from subleases	3.6	75.3	17.0
Loan receivables		5.2	-
Total financial assets		**94.4**	**29.7**
Total non-current assets		**1,276.7**	**1,025.3**
Inventories	2.4	137.4	112.1
Receivables from subleases	3.6	68.0	77.6
Contract assets	2.5/2.6	187.0	222.5
Trade receivables	2.6	209.2	177.6
Loan receivables		7.5	0.8
Other receivables		32.4	37.2
Cash and cash equivalents	3.8	266.6	557.2
Current assets excluding assets held for sale		**908.1**	**1,185.0**
Assets held for sale	3.9	70.0	133.6
Total current assets		**978.1**	**1,318.6**
TOTAL ASSETS		**2,254.8**	**2,343.9**

Amounts in USD million	Note	2024	2023
Equity and liabilities			
Share capital	4.1	5.1	5.4
Reserve for hedges	4.6	41.3	-35.3
Retained earnings		1,250.7	1,227.8
Total equity		**1,297.1**	**1,197.9**
Borrowings	4.2	106.9	109.8
Lease liabilities	4.2	176.6	153.0
Other payables		5.0	-
Total non-current liabilities		**288.5**	**262.8**
Borrowings	4.2	2.3	2.2
Bonds	4.2	-	71.3
Lease liabilities	4.2	244.5	265.5
Trade payables		270.3	261.8
Tax payables		8.4	6.6
Other payables		58.0	148.7
Contract liabilities	2.5	68.9	101.9
Current liabilities excluding liabilities relating to assets held for sale		**652.4**	**858.0**
Liabilities relating to assets held for sale	3.9	16.8	25.2
Total current liabilities		**669.2**	**883.2**
Total liabilities		**957.7**	**1,146.0**
TOTAL EQUITY AND LIABILITIES		**2,254.8**	**2,343.9**

STATEMENT OF CASH FLOWS

Amounts in USD million	Note	2024	2023
Profit for the year		162.7	400.1
Reversal of items from the income statement	2.3	206.9	216.0
Change in working capital	2.3	-68.7	-71.7
Instalments on sublease receivables	3.6	123.6	130.2
Income tax, paid		-9.1	-3.8
Cash flow from operating activities		**415.4**	**670.8**
Investments in assets, assets held for sale and other tangible assets	3.4/3.9	-340.5	-201.5
Prepayments on vessels and newbuildings	3.4	-131.0	-148.2
Acquisition of businesses and investments	3.7	-10.3	-69.6
Proceeds from sale of vessels and newbuildings		363.4	388.9
Interest income, received		18.0	35.6
Change in financial receivables		-3.5	8.5
Change in money market investments, rate agreements >3 mths.		230.5	-26.5
Cash flow from investing activities		**126.6**	**-12.8**
Dividend paid to shareholders		-72.5	-308.9
Acquisition of treasury shares	4.1	-69.3	-127.5
Proceeds from borrowings	4.2	625.0	-
Repayment of bonds	4.2	-71.3	-2.4
Repayment of borrowings	4.2	-627.8	-109.6
Instalments on lease liabilities	4.2	-344.0	-366.7
Interest expense, paid		-41.8	-53.2
Cash flow from financing activities		**-601.7**	**-968.3**
Net cash flow		**-59.7**	**-310.3**
Liquidity at 1 January		326.7	638.3
Exchange rate adjustments		-0.4	-1.3
Change in liquidity for the year		-59.7	-310.3
Liquidity at 31 December		**266.6**	**326.7**
Cash and cash equivalents with rate agreements of >3 mths.		-	230.5
Cash and cash equivalents 31 December	3.8	**266.6**	**557.2**

Amounts in USD million	Note	2024	2023
Cash flow from operating activities		415.4	670.8
Cash flow from investing activities		126.6	-12.8
Change in money market investments, rate agreements >3 mths.		-230.5	26.5
Instalments on lease liabilities		-344.0	-366.7
Interest expense, paid		-41.8	-53.2
Free cash flow		**-74.3**	**264.6**
Acquisition of businesses and investments		10.3	69.6
Adjusted free cash flow		**-64.0**	**334.2**

Free cash flow is the cash generated after taking into consideration cash outflows that support our operations and maintain our capital assets.

Accounting policies

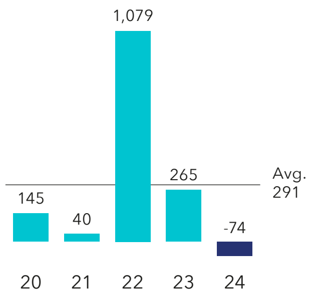
The statement of cash flows shows the Group's cash flows for the year distributed on operating, investing and financing activities, net changes for the year in cash and cash equivalents at the beginning and end of the year. Positive amounts indicate inflows, whereas negative amounts indicate outflows.

Cash flow from operating activities is stated as the profit/loss for the year adjusted for non-cash operating items such as depreciation, profit/loss from sale of vessels, etc., changes in working capital plus or minus corporation tax paid or received. Working capital includes current assets less current liabilities, excluding the items included in cash and cash equivalents and assets held for sale.

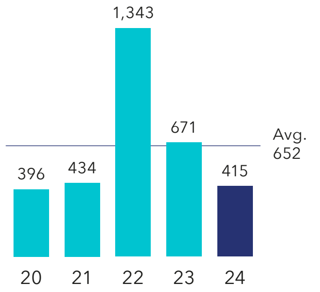
Cash flow from investing activities comprises cash flow from the acquisition and sale of non-current assets, as well as interest income received.

Cash flow from financing activities comprises cash flow from the raising and repayment of borrowings and bonds, instalments on lease liabilities as well as payments to and from shareholders and interest expenses paid.

Free cash flow
USD million



Cash flow from operations
USD million



STATEMENT OF CHANGES IN EQUITY

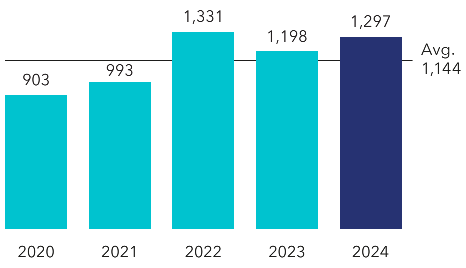
		Shareholders of NORDEN			
Amounts in USD million	Note	Share capital	Reserve for hedges	Retained earnings	Total
Equity at 1 January 2024		**5.4**	**-35.3**	**1,227.8**	**1,197.9**
Profit for the year		-	-	162.7	162.7
Other comprehensive income, total		-	76.6	-	76.6
Capital reduction		-0.3	-	0.3	-
Acquisition of treasury shares	4.1	-	-	-69.3	-69.3
Dividends paid	4.1	-	-	-77.6	-77.6
Dividends related to treasury shares		-	-	5.1	5.1
Share-based payment	5.1	-	-	1.7	1.7
Changes in equity		**-0.3**	**76.6**	**22.9**	**99.2**
Equity at 31 December 2024		**5.1**	**41.3**	**1,250.7**	**1,297.1**

		Shareholders of NORDEN			
Amounts in USD million	Note	Share capital	Reserve for hedges	Retained earnings	Total
Equity at 1 January 2023		**5.9**	**63.1**	**1,261.7**	**1,330.7**
Profit for the year		-	-	400.1	400.1
Other comprehensive income, total		-	-98.4	-	-98.4
Capital reduction		-0.5	-	0.5	-
Acquisition of treasury shares	4.1	-	-	-127.5	-127.5
Dividends paid	4.1	-	-	-333.5	-333.5
Dividends related to treasury shares		-	-	24.6	24.6
Share-based payment	5.1	-	-	1.9	1.9
Changes in equity		**-0.5**	**-98.4**	**-33.9**	**-132.8**
Equity at 31 December 2023		**5.4**	**-35.3**	**1,227.8**	**1,197.9**

Refer to note 4.1 "Share capital, dividends and earnings per share" for a specification of reserves available for distribution as dividends and note 4.6 "Derivative financial instruments" for a specification of fair value adjustment of cash flow hedges.

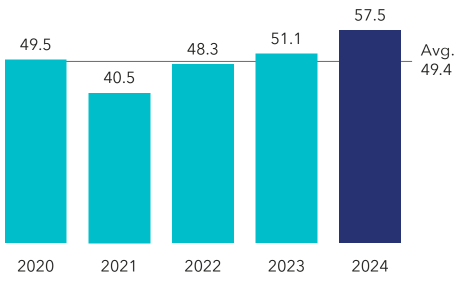
Equity

USD million



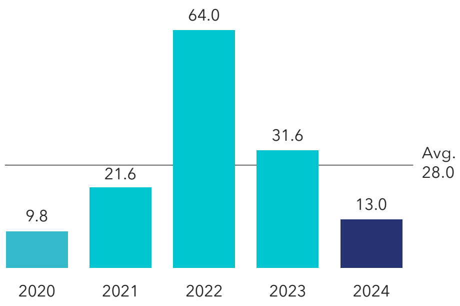
Equity ratio

per cent

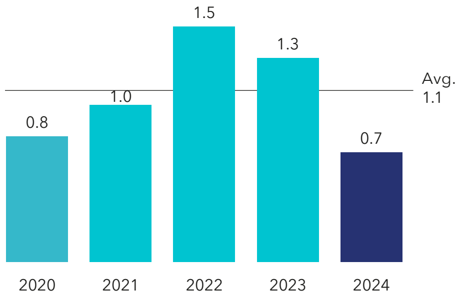


Return on equity

per cent



Price/book value



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SECTION 1
Significant accounting policies and significant accounting estimates and judgements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 Basis of preparation

This note provides a list of accounting policies adopted in the preparation of the consolidated financial statements and the financial statements of the parent company to the extent they have not been disclosed in the respective notes below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Dampskibsselskabet NORDEN A/S, along with its subsidiaries, is one of Denmark's oldest internationally operating shipping companies. NORDEN operates in dry cargo and tankers worldwide.

Dampskibsselskabet NORDEN A/S is a public limited company incorporated in Denmark and listed on Nasdaq Copenhagen.

Principal accounting policies
The Annual Report for the period 1 January - 31 December 2024 with comparative figures comprises the consolidated financial statements of Dampskibsselskabet NORDEN A/S (the parent company) and its subsidiaries (the Group) and the financial statements of the parent company.

The consolidated financial statements of the Group have been prepared on a going concern basis and in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

The financial statements of the parent company, Dampskibsselskabet NORDEN A/S, have been prepared in accordance with the Danish Financial Statements Act applying to enterprises of reporting class D.

Measurement basis
The consolidated financial statements and the financial statements of the parent company have been prepared based on the historical cost principle, with the exception of the following assets and liabilities:

- Derivative financial instruments, which are measured at fair value.
- Investments, which are measured at fair value.
- Contingent considerations, which are measured at fair value.
- Non-current assets and groups of assets held for sale, which are measured at the lower of carrying amount before the changed classification and fair value less selling costs.

USD is the functional currency of the Group as well as the parent company. In the annual report, the presentation currency is USD, and amounts are presented in million USD with one decimal rounded, except when otherwise stated.

Applying materiality
The financial statements are a result of processing a large number of transactions and aggregating those transactions into classes according to their nature. When aggregated, the transactions are presented in classes of similar items in the financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the financial statements or in the notes.

There are substantial disclosure requirements throughout IFRS. Management provides specific disclosures required by IFRS unless the information is considered immaterial to the economic decision-making of the users of these financial statements or not applicable.

1.2 Basis of consolidation

Consolidation principles
The consolidated financial statements comprise the parent company, Dampskibsselskabet NORDEN A/S, and subsidiaries. An investment is classified as a subsidiary when the below conditions are met:

- Dampskibsselskabet NORDEN A/S has control over the company.
- Dampskibsselskabet NORDEN A/S is exposed to variability in return on the investment.
- The control over the company can be used to affect the return on the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At consolidation, intra-group income and expenses, shareholdings, dividends and accounts as well as unrealised intra-group gains and losses on transactions between the consolidated enterprises are eliminated.

The financial statements used in the consolidation are prepared in accordance with the Group's accounting policies. The consolidated financial statements are prepared on the basis of the financial statements of the parent company and the subsidiaries by aggregating items of a uniform nature.

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the date of acquisition using the acquisition method. Enterprises divested or wound up are included in the consolidated income statement until the date of disposal. Comparative figures are not restated to reflect acquisitions or companies wound up.

1.3 General accounting policies

Other operating income
Commercial management fee is recognised upon receipt of the services in accordance with the agreements concluded. Furthermore, the item includes income from speculative trading of derivatives.

Foreign currency translation
A functional currency is determined for each of the reporting entities of the Group. The functional currency is the currency in the primary economic environment in which the reporting entity operates. Transactions in currencies other than the functional currency are transactions in foreign currencies.

Transactions in foreign currencies during the year are translated at the exchange rates at the transaction date. Gains and losses arising between the exchange rate at the transaction date and the exchange rate at the date of payment are recognised in the income statement as "Financial income" or "Financial expenses".

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the reporting date are translated at the exchange rates at the reporting date. Differences between the exchange rates at the transaction date and the exchange rate at the reporting date are recognised in the income statement as "Financial income" or "Financial expenses".

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary assets and liabilities in foreign currency that are subsequently revalued at fair value are translated at the exchange rates at the date of revaluation. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

In determining the spot exchange rate used on initial recognition of the related asset, expense, or income on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Non-IFRS financial measures
In the annual report, the Group discloses certain financial measures of the Group's financial performance, financial position and cash flows that reflect adjustments to the most directly comparable measures calculated and presented in accordance with IFRS. These non-IFRS financial measures may not be defined and calculated by other companies in the same manner and may thus not be comparable. For more information, see page160.

Financial ratios
Definitions of key figures and financial ratios are shown on pages 161.

1.4 Significant accounting estimates and judgements

The preparation of the consolidated financial statements of the Group and the financial statements of the parent company requires Management to make estimates and judgements. These are the basis for recognition and measurement of the Group's and parent company's income, expenses, assets and liabilities.

The applied estimates are based on historical data and other factors that Management considers appropriate under the given circumstances, but which are inherently uncertain or unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. In addition, the Group is subject to risks and uncertainties that may cause actual outcomes to deviate from these estimates.

It may be necessary to change previous estimates as a result of changes to the assumptions on which the estimates were based or due to new information or subsequent events that affect the current as well as future periods.

The accounting policies are described in the notes of the financial statements, which also include additional description of accounting estimates and judgements. Below are the accounting estimates and judgements, which Management deems to be significant to the preparation of the financial statements:

Significant accounting estimates and judgements	Note	Level of potiential impact
Impairment of intangible and tangible assets	3.2	●●●
Non-lease component for leases under IFRS 16	3.5	●●

The accounting poicies are described in each of the specific notes to the financial statements, which also include additional descriptions of accounting estimates and judgements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.5 Climate change

As a global provider of ocean-based freight services, NORDEN plays a decisive and leading role in the industry, working to create a sustainable future for global trade and for our customers. In 2024, we made significant progress on the environmental agenda towards our target of net-zero emission by 2050.

NORDEN actively seeks to reduce carbon emissions and takes a leading role in the green transition of the shipping industry. Throughout the year, we have continued to focus on our four climate initiatives: voluntary speed reductions, CO_2-based hull cleanings, using the most energy efficient vessels and investing in fuel transparency.

The long-term perspectives for optimal zero-emission technologies for dry cargo and tanker shipping remain uncertain. With a medium-term target of reducing our emissions by 16% by 2030, our decarbonisation initiatives are an integrated part of the strategy and day-to-day operations of NORDEN. To reach our long-term net zero emission target by 2050, we are committed to investing in new vessels with emission-reducing technologies, as already included in our target of only ordering zero-emission vessels from 2030.

On 1 January 2024, the EU ETS introduced a cap-and-trade mechanism for the shipping sector, according to which emission caps decrease annually. Affected companies must surrender EU Allowances (EUAs) correlating to their carbon emissions or face fines for non-compliance.

The phase-in begins with 40% carbon emission coverage and will be increased to 100% by 2026. The scheme covers all intra-EU voyages and emissions at EU docks, with partial inclusion for voyages between EU and non-EU ports. As an operator, NORDEN often acts as intermediary, allocating the cost to the charterers and transferring the income to the owners. NORDEN employs derivatives to manage the risks associated with fluctuating EUA prices.

As highlighted above, NORDEN's business model is exposed to risks and opportunities associated with climate change.

Compliance with changes in laws and regulations relating to climate change could increase the costs of operations and maintainance of the Group's own vessels, require the Group to install new emission controls and acquire new carbon allowances. Further, the transition to create a sustainable future for global trade, could affect the resale value or useful lives of the vessels and lead to impairment charges. NORDEN employs an asset-light fleet strategy, which mitigates this risk.

In preparing the consolidated financial statements for 2024, Management has considered the impact of climate change, particularly in the context of the Group's sustainability targets. NORDEN's sustainability targets, the transition of the industry as well as our compliance with the new EU ETS are included in the Group's financial forecasts and accounting estimates to the extent possible and subject to estimation uncertainty.

As noted above, the long-term perspectives for optimal zero-emission technologies for dry cargo and tanker shipping remain uncertain. The potential consequences on the value and the useful life of owned vessels becoming outdated in the sustainability transformation were also assessed. Management currently considers the residual value and useful life to be unchanged compared to last year.

While sustainability is an embedded part of our business model, except for the estimates described above, management does not consider climate change to have a material impact on the accounting estimates and judgements prepared by Management in relation to the 2024 consolidated and parent company financial statements.

1.6 Reporting under the ESEF Regulation

NORDEN is required to prepare and file the annual report in the European Single Electronic Format (ESEF), and the annual report for 2024 is therefore prepared in the XHTML format that can be displayed in a standard browser. The consolidated financial statements are tagged using inline eXtensible Business Reporting Language (iXBRL).

The iXBRL tags comply with the ESEF taxonomy, which is included in the ESEF Regulation and developed based on the IFRS taxonomy published by the IFRS Foundation. Where a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy has been created. Extensions are anchored to elements in the ESEF taxonomy, except for extensions which are subtotals. The annual report submitted to the Danish Financial Supervisory Authority consists of the XHTML document together with certain technical files, all included in a file named "norden-2024-12-31-en.zip".

1.7 Changes in accounting policies and disclosures

The Group has adopted standards and interpretations effective as of 1 January 2024. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Adoption of new or amended IFRSs
NORDEN has implemented the following amendments and interpretations to existing standards: amendments to IAS 1, IAS 7, and IFRS 16. The amendments listed did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Standards issued but not yet effective
Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on current or future reporting periods and on foreseeable future transactions, with the exception of IFRS 18 which will impact presentation and disclosure in the financial statements and will be effective from 2027. NORDEN is currently assessing the potential impact of this standard on its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SECTION 2
Operating activities

This section sets out the results of NORDEN's operating activities split into the two segments Freight Services & Trading and Assets & Logistics. It details the revenue earned in markets and categories and specifies the related operating costs.

Profit from operations (EBIT)
Freight Services & Trading

-50
USDm
2023: USD 151m

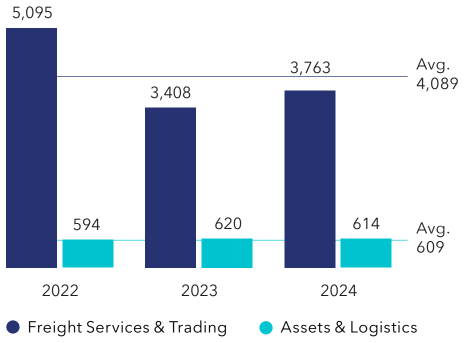
2024 has been a challenging year for Freight Services & Trading, and the loss from operations for the full year was USD 50 million. A difficult dry cargo market combined with margin pressure in the product tanker market caused by lower spot rates contributed to the significantly lower results comparing to last year.

Profit from operations (EBIT)
Assets & Logistics

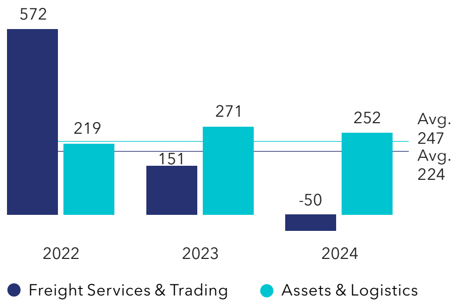
252
USDm
2023: USD 271m

Assets & Logistics delivered a strong performance in 2024 with profit from operations of USD 252 million generated by high earnings coverage and realised strong market values through the sale of vessels. Gains from the sale of vessels amounted to USD 82 million.

Revenue per business unit (before eliminations)
USD million



EBIT per business unit
USD million



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Segment information

Amounts in USD million	Freight Services & Trading	Assets & Logistics	Elimi-nations	Total
2024				
Revenue – services rendered, external	3,756.4	211.9	-	3,968.3
Revenue – services rendered, internal	-	336.7	-336.7	-
Revenue – sublease financial income and gains	6.5	65.3	-	71.8
Voyage costs*	-1,457.5	-68.5	8.3	-1,517.7
T/C - equivalent revenue	**2,305.4**	**545.4**	**-328.4**	**2,522.4**
Other operating income	18.3	-1.8	-	16.5
Charter hire and OpEx element*	-2,167.1	-138.8	328.4	-1,977.5
Other operating costs, owned vessels*	-	-54.8	-	-54.8
Contribution margin	**156.6**	**350.0**	**-**	**506.6**
Overhead and administration expenses	-52.0	-22.4	-	-74.4
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**104.6**	**327.6**	**-**	**432.2**
Profit/loss from sale of vessels, etc.	-	82.0	-	82.0
Depreciation, amortisation and impairment losses	-154.4	-157.6	-	-312.0
Profit/loss from investments in joint ventures	-	-0.1	-	-0.1
Profit from operations (EBIT)	**-49.8**	**251.9**	**-**	**202.1**
Financial income	4.1	14.4	-	18.5
Financial expenses	-19.1	-27.9	-	-47.0
Profit before tax	**-64.8**	**238.4**	**-**	**173.6**
Tax for the year	-8.8	-2.1	-	-10.9
Profit for the year	**-73.6**	**236.3**	**-**	**162.7**

*Included in the item "Vessel operating costs" in the income statement.

Amounts in USD million	Freight Services & Trading	Assets & Logistics	Elimi-nations	Total
2023				
Revenue – services rendered, external	3,371.3	249.4	-	3,620.7
Revenue – services rendered, internal	-	335.9	-335.9	-
Revenue – sublease financial income and gains	36.7	34.5	-	71.2
Voyage costs*	-1,334.8	-30.9	5.2	-1,360.5
T/C - equivalent revenue	**2,073.2**	**588.9**	**-330.7**	**2,331.4**
Other operating income	17.5	0.1	-	17.6
Charter hire and OpEx element*	-1,673.1	-152.5	330.7	-1,494.9
Other operating costs, owned vessels*	-	-58.7	-	-58.7
Contribution margin	**417.6**	**377.8**	**-**	**795.4**
Overhead and administration expenses	-93.3	-23.5	-	-116.8
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**324.3**	**354.3**	**-**	**678.6**
Profit/loss from sale of vessels, etc.	-	79.0	-	79.0
Depreciation, amortisation and impairment losses	-173.4	-161.8	-	-335.2
Profit/loss from investments in joint ventures	-	-0.8	-	-0.8
Profit from operations (EBIT)	**150.9**	**270.7**	**-**	**421.6**
Financial income	7.5	34.5	-	42.0
Financial expenses	-19.7	-33.7	-	-53.4
Profit before tax	**138.7**	**271.5**	**-**	**410.2**
Tax for the year	-6.1	-4.0	-	-10.1
Profit for the year	**132.6**	**267.5**	**-**	**400.1**

*Included in the item "Vessel operating costs" in the income statement.

The amounts of revenue stated in the above tables for both current financial year and the comparable financial year include the agreed time charter rates earned during the lease. The lease and service components are recognised as revenue following the same pattern as transfer to customers. Separate disclosure of the lease components and the service income components has not been provided as it is impracticable to establish this disclosure.

All deferred revenue as of 31 December 2023 has been recognised as revenue in 2024. Refer to note 2.5 "Contract assets and liabilities".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Segment information – continued

Business unit information
The Freight Services & Trading segment offers transport of bulk commodities such as grain, coal, ores and minerals, project cargo such as windmill components, forestry products and machinery, and tank commodities such as, fuel oil and refined oil products. The vessel capacity comprises vessels chartered either from third parties or from Assets & Logistics at market rates. This business unit also includes commercial management of NORDEN Tanker Pools.

The Assets & Logistics segment handles owned vessels and charters in long-term vessel capacity and charters out its capacity of owned and long-term chartered tonnage to Freight Services & Trading at market rates and to third parties. Assets & Logistics further aims to develop logistics solutions beyond a standard freight service, improving supply chain efficiency and reducing carbon emissions for our customers.

Operating segments
The segmentation is based on the Group's organisation, business management and management control, including internal financial reporting to NORDEN's operational management. The operative management function comprises the Executive Management and the Board of Directors in union.

The Executive Management is responsible for the day-to-day management, and the Board of Directors approves strategy, action plans, targets, budgets and limits for financial and market risks as well as supervises the Executive Management.

The Executive Management's and Board of Directors' functions and responsibilities are described in further detail in the section "Corporate governance" in the Management Review. The operative management function assesses performance and carries out allocation of resources on the basis of the results for the year. Presentation of the segment income statement items and their order is consistent with NORDEN's consolidated income statement, except for voyage costs, which are not included in the item "Vessel operating costs" but presented as a separate item, and the segment income statement therefore comprises the subtotal "T/C-equivalent revenue".

The allocation between Assets & Logistics and Freight Services & Trading is as follows:

- Items included in the segment profit are allocated to the extent that the items are directly or indirectly attributable to the segments.
- Items allocated by indirect calculation; the allocation keys are defined on the basis of each segment's drawing on key resources.

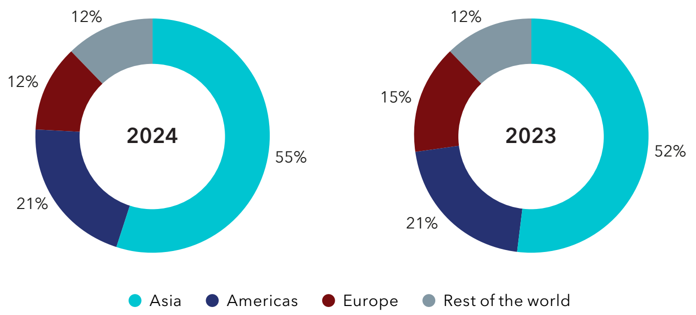
Inter-segment transactions are valued at market prices and eliminated at Group level.

Geographical segments
Our global customer base spans numerous countries, with a select few contributing a notable portion to our overall revenue. NORDEN has a diversified customer portfolio, ensuring that revenue from no single external customer exceeds 10% of our total revenue.

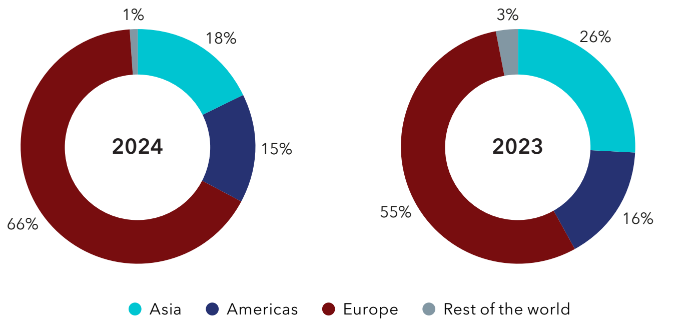
Segmentation of revenue is based on the port of discharge for all operated vessels, covering both owned and leased vessels under time charter contracts. Additionally, the revenue generated from leasing out vessels on time charter contracts is determined by the geographical location of the customer.

The geographical location of our non-current assets is determined by the legal ownership of these assets. The geographical location of prepayments on newbuildings is the location of the shipyard up to the point of delivery. Similarly, for second-hand vessels, the location is the owner's location until delivery. The geographical location of right-of-use assets is determined by the location of the counterpart.

External revenue per region
per cent



Non-current asset per region
per cent



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Segment information – continued

Segregation of revenue

	External revenue		Non-current assets	
Amounts in USD million	2024	2023	2024	2023
Geographical split				
Denmark	61.0	87.3	734.1	486.1
People's Republic of China	763.6	585.0	34.2	34.2
Singapore	307.0	313.2	44.0	80.5
United States of America	279.7	239.1	21.2	21.4
Japan	169.7	99.3	94.9	72.2
India	166.5	137.8	-	-
Mexico	142.7	153.4	-	-
The Philippines	125.4	131.1	-	-
Brazil	105.0	60.8	-	0.1
Indonesia	104.8	133.1	-	-
Republic of Korea (South)	98.0	102.4	4.7	15.5
Other	1,716.7	1,649.4	1,91.7	235.1
Total	**4,040.1**	**3,691.9**	**1,124.8**	**945.1**

Amounts in USD million	2024	2023
Revenue by vessel type		
Dry Bulk	3,429.2	3,007.8
Tankers	610.9	684.1
Total	**4,040.1**	**3,691.9**
Revenue by type of service		
Voyage charter	3,251.5	2,944.5
Time charter out	788.6	747.4
Total	**4,040.1**	**3,691.9**

Future revenue from contracts of affreightment

Contracts of affreightment (COAs) are agreements for the transportation of specific quantities of cargo over multiple voyages along the same route within a defined period, often medium to long term. Unlike voyage charters, COAs do not specify the exact vessels or voyage schedules in advance, providing flexibility for both parties.

Charterers have the option to determine individual voyage schedules at a later stage, while we as shipowners can assign different vessels to fulfil the contractual obligations. Under these agreements, all operating, voyage, and capital costs are typically borne by the shipowner, and freight rates are typically agreed on a fixed per-ton cargo basis.

Amounts in USD million	2024	2023
<1 year	241.4	358.0
1-2 years	50.4	64.8
2-3 years	22.4	32.7
3-4 years	14.4	17.7
4-5 years	8.3	13.6
>5 years	32.4	42.2
Total	**369.3**	**529.0**

Future revenue from time charter agreements

Our fleet consists of several vessels leased out under time charter agreements, where we act as the lessor. Under these agreements, customers pay either a fixed daily rate or a variable rate for a specified period to utilise our vessels.

Customers are granted flexibility, within agreed limits, to select the type and quantity of cargo as well as the loading and unloading ports. They also bear responsibility for all voyage-related expenses. For owned vessels, we cover the costs of crew and technical management. However, for chartered-in vessels, we pay hire to the vessel's owner while the vessel operates under a time charter agreement.

In some cases, where all significant risks and rewards of ownership have been transferred to the lessee, these time charter contracts are accounted for as subleases, refer to note 3.6 "Subleases".

In the following table, "Time charter revenue" represents the revenue from time charter agreements over their contractual durations. However, when a time charter agreement is classified as a sublease, the associated revenue is recognized upfront, eliminating future revenue for that contract. This adjustment is reflected in the "Sublease revenue" column as a negative value. The "Net revenue" column represents the net future revenue from time charter agreements to be recognised, factoring adjustments from sublease contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Segment information – continued

2024 Amounts in USD million	Time charter revenue	Sublease revenue	Net revenue
<1 year	208.0	-101.2	106.8
1-2 years	79.6	-47.7	31.9
2-3 years	57.8	-31.2	26.6
3-4 years	29.5	-25.1	4.4
4-5 years	11.4	-11.0	0.4
>5 years	-	-	-
Total	**386.3**	**-216.2**	**170.1**

2023 Amounts in USD million	Time charter revenue	Sublease revenue	Net revenue
<1 year	318.7	-116.4	202.3
1-2 years	107.4	-40.7	66.7
2-3 years	26.1	-18.6	7.5
3-4 years	21.3	-16.6	4.7
4-5 years	19.6	-15.9	3.7
>5 years	6.2	-4.6	1.6
Total	**499.3**	**-212.8**	**286.5**

Accounting policies

Revenue comprises the present value of services rendered together with revenue generated from subleases, net of discounts. Services rendered comprise freight income and time charter income.

Revenue for most activities is recognised over time and in the income statement for the financial year as earned. All freight income and voyage costs are recognised as the freight services are rendered (percentage of completion).

According to this method, freight income and related costs are recognised in the income statement according to the entered charter parties from the vessel's load date to the delivery of the cargo (discharge). This applies to all spot transports and transports under contracts of affreightment.

Costs directly attributable to relocating the vessel to the load port under the contract are capitalised to the extent that they are recoverable.

Agreed periods are designated for loading and unloading. If delays outside our control occur, we earn demurrage revenue, recognised as per charter party terms and when verifiable. Post-voyage, we compare actual port time to contractual terms and may claim demurrage. Such claims often face counterclaims due to contract interpretation or dispute over additional time.

Accounting judgements and estimates

Revenue recognition under the load-to-discharge method requires judgements and estimates to determine the stage of completion at the reporting date.

For voyages in progress at the end of the reporting period, additional uncertainty arises as the final duration and conditions of the voyage may deviate from initial expectations. This calculation is based on expected voyage durations, historical data, and vessel schedules but is also influenced by external factors such as weather conditions, port congestion, and changes to destination ports. These factors may necessitate adjustments as new information becomes available.

Demurrage revenue also involves judgements, particularly in evaluating time spent in port against contractual terms. Initial recognition of demurrage claims relies on historical recovery rates, with adjustments made to account for counterclaims or disputes related to port delays.

These estimates and judgements are regularly reviewed to ensure they remain reasonable, reflect operational realities, and provide a reliable basis for revenue recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

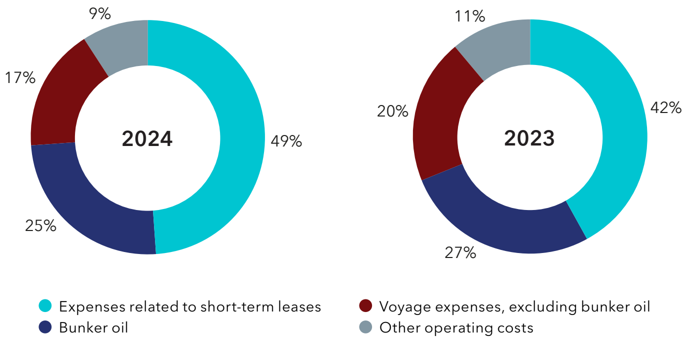
2.2 Operating expenses

Operating expenses can be split by nature to disclose information about the expenses arising from the main inputs utilised to accomplish the Group's activities.

Vessel operating expenses

Amounts in USD million	2024	2023
Expenses related to short-term leases	1,726.9	1,237.3
Bunker oil	900.1	792.2
Voyage expenses, excluding bunker oil	617.6	568.3
Service component of right-of-use assets	250.6	257.6
Operating expenses of owned vessels	54.8	58.7
Total	**3,550.0**	**2,914.1**

Vessel operating expenses per type
per cent



Accounting policies

Vessel operating expenses include expenses directly related to vessels' operations such as charter hire, bunker oil consumption, other voyage expenses such as commissions and port charges, repair and maintenance expenses, insurance expenses, crew wages and other operating expenses.

Costs directly attributable to transportation of the vessel to the loading port are capitalised and amortised over the course of the transportation period. Vessel operating expenses other than those capitalised are recognised upon receipt of services in accordance with the charter concluded by the parties.

Accounting judgements and estimates

Voyage expenses, which include costs such as bunker fuel, port fees, canal tolls, and other operational costs, are estimated using judgment and may fluctuate due to changes in prices or operational conditions.

Overhead and administration expenses

Amounts in USD million	2024	2023
Wages and salaries	39.3	82.3
Pensions - defined contribution plans	3.4	3.3
Other social security costs	3.1	2.8
Share-based payment, cf. note 5.1	1.7	1.9
Other external costs	26.9	26.5
Total	**74.4**	**116.8**

The average number of employees was 483 in 2024, compared to 466 in 2023.

Remuneration of Executive Management and the Board of Directors

Amounts in USD million	2024	2023
Wages and salaries	2.6	5.0
Share-based payment, cf. note 5.1	0.5	0.5
Remuneration of Executive Management	**3.1**	**5.5**
Remuneration of the Board of Directors	**0.9**	**0.7**

Accounting policies

Staff costs and remuneration comprise expenses related to wages, salaries, bonuses, pension contributions, social security contributions, annual leave, sick leave, etc. Expenses are recognised in the year in which the associated services are rendered by employees of the Group.

The employment contracts of Executive Management entitle to 12 months' remuneration in cases where they terminate their employment within four weeks of any change of control of the company.

Refer to "Remuneration report 2024" published on NORDEN's website: www.norden.com/investor/governance/remuneration for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.3 Cash flow from operating activities

Cash flow specifications

Amounts in USD million	2024	2023
Reversal of items from the income statement		
Depreciation, amortisation and impairment losses, net	312.0	335.2
Financial items, net	28.5	11.4
Profit/loss from sale of vessels, etc.	-82.0	-79.0
Share of profit/loss of joint ventures	0.1	-0.8
Other reversed non-cash operating items	-51.7	-50.8
Total	**206.9**	**216.0**
Change in trade working capital		
Inventories	-25.3	22.1
Trade receivables	-21.9	-2.7
Trade payables	-3.1	-17.7
Contract assets	35.5	70.5
Contract liabilities	-33.0	17.3
Liabilities related to assets held for sale	-8.4	4.2
Var. margin deposits related to cash flow hedges	76.6	-98.4
Other trade working capital movements	1.9	-
Total	**22.3**	**-4.7**
Change in non-trade working capital		
Receivables/liabilities from joint ventures	-	1.5
Other receivables	7.0	7.5
Other payables	-91.8	-75.8
Other working capital movements	-6.2	-0.2
Total	**-91.0**	**-67.0**
Change in working capital	**-68.7**	**-71.7**

As part of our efforts on working capital management and in strengthening commercial relationships with suppliers, the Group has implemented supplier financing arrangements. These arrangements provide flexibility to participants to improve and align terms and conditions with commercial practices and market standards.

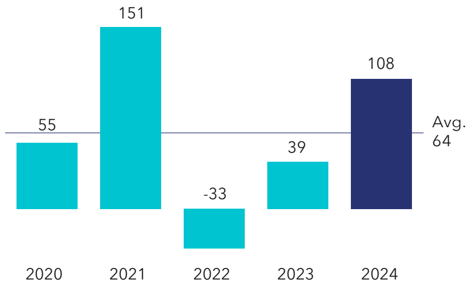
Under these arrangements, financial institutions also facilitate early payment to suppliers based on their invoices, while the customer gets to align with market payment terms, typically not exceeding 90 days.

The advantage for suppliers participating in these programmes is the ability to improve their cash position by leveraging the customers' creditworthiness. For the customer, the benefit lies in strong, stable commercial relationships with participating suppliers, while ensuring payment terms align with market standards.

Amounts in USD million	2024	2023
Carrying amount of trade payables subject to supplier financing arrangements	3.7	-
- of which, suppliers have received early payment	3.7	-

Net working capital

USD million



2.4 Inventories

Amounts in USD million	2024	2023
Bunkers	128.2	112.1
Carbon allowances	8.5	-
CO_2 reduction certificates	0.7	-
Total	**137.4**	**112.1**

Inventories primarily consist of bunker and lubrication oil kept on board vessels, as well as the emission-related allowances and certificates.

Accounting policies

Bunkers

Bunkers are measured at the lower of either cost according to the FIFO method or net realisable value. Cost of bunkers and lubrication oil includes expenditure incurred in acquiring them, including delivery costs less discounts.

Carbon allowances

The Group participates in the EU Emissions Trading Scheme (EU ETS), a regulatory cap-and-trade system for greenhouse gas emissions. Under this scheme, companies must surrender EU Allowances (EUAs) to cover emissions for voyages within the EU (intra-EU), 50% of the emissions from voyages starting or ending outside of the EU (extra-EU voyages), and all emissions that occur when vessels are at berth in EU ports. In the shipping sector, no free allocation of EUAs is provided.

The Group uses the "Gross method" when accounting for the inventory and liabilities of EUAs. Purchased EUAs are recognised as inventory in accordance with IAS 2.

The EUAs are initially recognised at cost and measured subsequently at the lower of cost and net realisable value (NRV). The cost of EUAs transferred or surrendered is determined using the weighted average method. The inventory of allowances is maintained strictly for operational purposes and not intended for trading activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.4 Inventories – continued

Liabilities for used allowances are recognised under trade payables, representing the obligation to surrender EUAs. The liability is calculated using the market price of EUAs at the time of consumption on each voyage. If there is an insufficient inventory of allowances to cover the liability, a liability equal to the deficit of allowances is re-evaluated at the market price at the period end.

For chartered-out vessels, the Group recognises a receivable from the charterer for allowances required to cover emissions according to the contractual terms agreed.

CO_2 reduction certificates
The emissions reduction certificates are a part of our Book & Claim solution, supporting decarbonisation of maritime freight. These certificates represent measured emissions reductions achieved through the use of biofuels, with lifecycle emission reduction potential of 80-90%. The reductions are then allocated to third-party customers, through a certified chain of custody system.

The Group holds the biofuel-related reduction certificates for sale and records them as inventory at cost. At year end, a value adjustment is performed to reflect their net realisable value, ensuring the inventory is accurately measured. Upon sale, the certificates are derecognised, and the corresponding revenue is recognised.

2.5 Contract assets and liabilities

Amounts in USD million	2024	2023
Contract assets		
Accrued income from voyages commenced at the balance sheet date	72.8	106.0
Costs to fulfill contracts	114.2	116.5
Total	**187.0**	**222.5**
Contract liabilities		
Deferred income	68.9	101.9
Total	**68.9**	**101.9**

Contract balances arise primarily from the Group's shipping activities, which involve transporting cargo under voyage and time charter agreements. In these arrangements, revenue recognition and cash flows often occur at different times, resulting in assets or liabilities until the related performance obligations are satisfied. As the contract balances primarily relate to voyages of a short duration, contract balances are generally recognised in profit or loss within one year. No material voyages are longer than one year.

Accounting policies

The Group recognises contract assets and liabilities in accordance with IFRS 15.

Contract assets are recognised when the Group has performed a service but does not yet have an unconditional right to payment, and if voyage-related expenses have incurred in advance of fulfilling a contract. Contract liabilities are recognised when the Group receives consideration from customers before fulfilling its contractual obligations.

Both contract assets and contract liabilities are measured at the transaction price allocated to remaining performance obligations in the contract.

Contract assets
Accrued income from voyages commenced
When a vessel departs its load port, the performance obligation to transport cargo begins. However, under some contracts, customers are only invoiced upon delivery of cargo at the discharge port. During the voyage, we recognise partial revenue and record an equivalent accrued income as a contract asset, as we have performed services for which we do not yet have an unconditional right to payment.

Demurrage income
Demurrage income, which represents compensation for delays beyond the agreed laytime, is also included in accrued income. Demurrage is recognised as additional freight revenue once the delay period is confirmed and can be reliably measured. Until invoiced, both voyage-related accrued income and demurrage are recorded as contract assets, reflecting the Group's right to consideration for services already provided, even though the final invoice has not yet been issued.

Once the voyage is completed or the performance obligation is met (e.g., cargo delivered), the accrued income portion of contract assets is reclassified as trade receivables. At that stage, our right to consideration becomes unconditional.

Costs to fulfill contracts
Certain voyage-related expenses (e.g., port and canal fees, or other directly attributable costs) may be incurred before or during the voyage. We capitalise these costs as contract assets when they fulfil below capitalisation requirements:

- Relate directly to a specific voyage or charter agreement.
- Help generate or enhance resources used to satisfy our performance obligations.
- And are expected to be recoverable through future revenue.

These costs are then amortised in line with the progression of the voyage, matching the pattern of revenue recognition in the contract.

Contract liabilities
Deferred income
Under some contracts, the Group receives payments (e.g., freight or time charter hire) in advance of performing the underlying services. These amounts are recorded as contract liabilities (deferred income) because we have an obligation to provide future services for which we have been prepaid. Prepayments related to freight services are recognised as revenue over time from the time of cargo load and until the performance obligation is fulfilled, and prepayments related to time charter agreements are recognised as revenue over the duration of the time charter agreement.

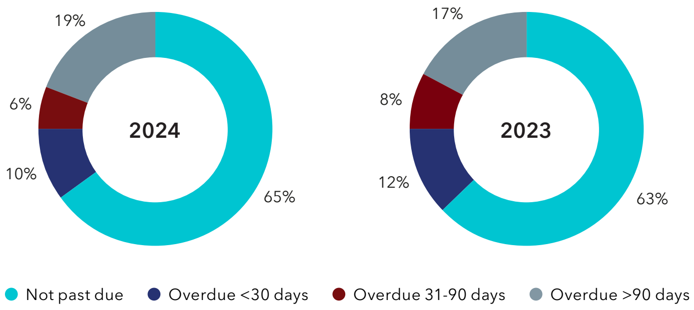
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.6 Operating receivables

Amounts in USD million	2024	2023
Not past due	203.0	189.7
Overdue <30 days	30.5	38.1
Overdue 31-90 days	20.4	23.0
Overdue >90 days	58.2	52.2
Operating receivables, gross	**312.1**	**303.0**
Writedown regarding demurrage, claims, etc.	-30.1	-19.4
Operating receivables, net	**282.0**	**283.6**
Trade receivables	209.2	177.6
Accrued income from voyages commenced at the balance date	72.8	106.0
Carrying amount at 31 December	**282.0**	**283.6**

Operating receivables are predominately denominated in USD as other currencies accounted for less than 1% in both 2024 and 2023. The Group usually has the opportunity to use the cargo as security for operating receivables.

Operating receivables ageing
per cent



Accounting policies

Receivables are measured at amortised cost less allowances for impairment losses. For operating receivables, impairment losses are based on the expected lifetime loss of these receivables.

Accounting judgements and estimates

Provisions for receivables are determined using the lifetime expected credit loss, which includes factors such as internal rating, historical information about payment patterns, collateral received as well as prevailing economic conditions. Estimates made are updated if the customer's ability to pay changes. It is estimated that the provisions made are sufficient to cover any bad debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SECTION 3
Asset base

This section sets out the return on invested capital and details the invested capital in its separate components of non-current assets and working capital items.

Invested capital

1,561

USDm
2023: 1,243

Return on invested capital

14

per cent
2023: 32

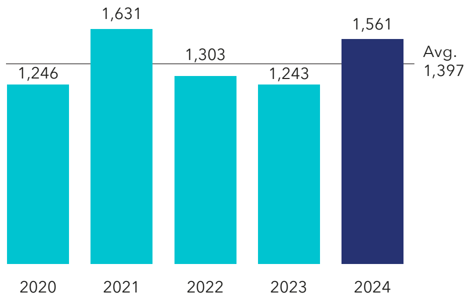
Our asset-light business model and agile capacity management abilities allow us to adjust our fleet to market trends by chartering vessels in and out and utilising the optionality from extension and purchase options related to the leased fleet. This enables us to navigate and mitigate the complexities and cyclicality of the shipping industry by adjusting our asset base and invested capital.

Total invested capital including goodwill increased by 26% to USD 1,561 million at 31 December 2024 (USD 1,243 million). The increase is mainly related to increased vessel investments, especially the acquisition of Capesize dry cargo vessels.

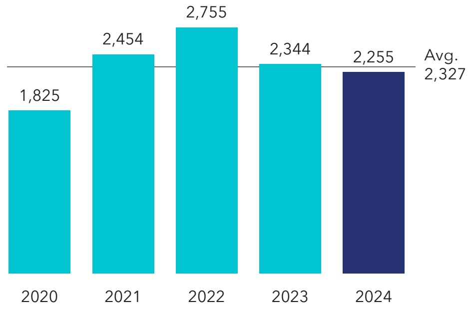
During 2024, NORDEN took delivery of five modern Capesize vessels. These vessels were all built between 2021 and 2023, with a total purchase price exceeding USD 350 million.

Return on invested capital (ROIC) after tax remained strong at 14% (32%), above our target of 12%. The decrease compared to 2023 was due to the lower operating result in combination with the higher invested capital. Free cash flow was a negative USD 74 million (positive USD 265 million), mainly impacted by lower earnings and higher investing activities.

Invested capital
USD million



Total assets
USD million



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.1 Return on invested capital

Amounts in USD million	2024	2023
EBIT	202.1	421.6
Operational tax	-12.2	-9.4
Net operating profit after tax	**189.9**	**412.2**
Inventories	137.4	112.1
Contract assets	187.0	222.5
Trade receivables	209.2	177.6
Trade payables	-270.3	-261.8
Contract liabilities	-68.9	-101.9
Liabilities related to assets held for sale	-16.8	-25.2
Var. margin deposits related to cash flow hedges	-41.3	35.3
Trade working capital	**136.3**	**158.6**
Other receivables	32.4	37.2
Other payables	-58.0	-148.7
Other non-trade working capital	-2.9	-8.0
Non-trade working capital	**-28.5**	**-119.5**
Goodwill	44.6	35.3
Other intangible assets	12.9	15.2
Tangible assets and assets held for sale	874.2	723.7
Right-of-use assets	320.6	355.0
Loan receivables	12.7	0.8
Other invested capital	188.0	73.4
Invested capital	**1,560.8**	**1,242.5**
Return on invested capital	**13.6%**	**32.4%**

Net operating profit after tax (NOPAT)
NOPAT is a measure of our profit that excludes the costs and tax benefit from debt financing by measuring the earnings before interest and taxes adjusted for operational tax.

Trade working capital
The amount of trade working capital represents capital required to maintain our ongoing operations. Trade working capital can be used to assess our efficiency in utilising current assets and short-term liquidity, and forms an integral part of our management strategy for cash and debt.

Invested capital
Invested capital consists of trade and non-trade working capital, intangible assets, tangible assets, assets held for sale, right-of-use assets, loan receivables and other invested capital.

Other invested capital comprises our financial assets and short-term receivables from subleases, deducted tax payables, variation margin deposits related to hedges (reserve for hedges) and other non-trade working capital.

Return on invested capital after tax (ROIC)
ROIC can be used to measure the value creation from our investments. Management believes ROIC is a useful measure providing investors with information regarding our performance as well as our operational profitability and efficiency of business.

Our target is to achieve an average ROIC of at least 12% per year based on a five-year rolling average.

ROIC is defined as NOPAT divided by average invested capital.

3.2 Impairment of intangible and tangible assets

Management continuously monitors the carrying amounts of our intangible and tangible assets, to determine if there are indications of impairment beyond what is covered by normal depreciation, or if any previous impairment losses should be reversed.

Impairment assessment
Dry Cargo
The dry cargo market started the year with high spot rates, fueled by diversions related to the Red Sea, increased iron ore exports from Brazil due to unseasonably dry weather, and a rise in fronthaul voyages from the Atlantic to the Pacific basin.

However, spot rates declined in the second half of the year, primarily due to lower volumes, a greater number of backhaul voyages, and reduced global congestion, which significantly improved global fleet efficiency. Despite declining spot rates in the latter half of 2024, second-hand vessel values began to soften but remain elevated due to the ageing global fleet, limited yard capacity, and a historically low dry cargo orderbook.

With few indications of impairment indicators, and since the Dry Cargo CGU contains goodwill, an impairment test was carried out during Q4 2024.

The recoverable amount of the cash-generating unit was determined based on a value-in-use calculation using cash flow projections generated. This exercise is complex and requires various estimates to be made.

The outcome of the impairment assessment revealed an excess value of USD 19 million over the carrying value of USD 1,002 million, indicating that there is no requirement for impairment recognition. The discount rate used in the value-in-use calculation was based on a WACC of 8.75%. The average remaining lifespan of owned vessels is 21.5 years and the average duration of long-term chartered vessels is 1.2 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.2 Impairment of intangible and tangible assets – continued

Although no impairment of assets is required at present, future changes to the assumptions could result in impairment. Future impairment incurred could negatively affect our financial condition, our results, the value of our shares and dividend distribution. Given the number of open vessel days, the value-in-use calculation demonstrates a high sensitivity to minor variations in freight rates and WACC.

A reduction in the estimated short and long-term freight rates by USD 1,000 per day would result in an approximate decline of USD 58 million in the value-in-use. Similarly, a 1% increase in the WACC would lead to a decrease of approximately USD 33 million in the value-in-use. For the value-in-use to break even with the carrying amount, a decrease in the freight rate of USD 669 per day would be required or, alternatively, an increase in the WACC of 0.6%.

During 2024, the CGU consisted of owned vessels, vessels under construction, leased vessels and intangibles assets including goodwill.

Tankers

In 2024, the tanker market faced significant volatility, marked by exceptionally high spot rates in the first half of the year. This surge was driven by longer trading distances resulting from Red Sea re-routing and sanctions on Russian exports. However, the market softened considerably in the second half, as declining regional price spreads for oil products and low crude tanker rates prompted crude tankers to shift into trading clean products. This transition led to an oversupply of vessels in the clean market, causing a substantial decline in spot rates.

Throughout the year, tonne-mile demand for tankers remained flat at 0%, reflecting the combined impact of a weak crude market and lower oil production volumes in the Middle East. Despite the softer market conditions and declining rates in the latter half of the year, asset prices for five-year-old MR tankers showed resilience, decreasing by only 5% over the year.

Given these dynamics, no indications of impairment were identified for the Tankers CGU. However, Management continues to monitor the market closely, recognising that further significant market softness could necessitate an impairment assessment in the future.

During 2024, the CGU consisted of owned vessels and leased vessels without any goodwill allocated.

Accounting policies

For the purpose of impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. Allocated goodwill undergoes a mandatory annual impairment test along with other assets of the CGU.

For CGUs without allocated goodwill, an impairment test is conducted when there is an indication of the carrying amount of the CGU exceeding the expected recoverable amount.

If the carrying amount of the CGU exceeds the recoverable amount, the assets are written down. Impairment losses are first allocated to reduce the carrying amount of goodwill, then to other assets pro-rata, based on each asset's carrying amount.

The recoverable amount of each CGU is determined as the greater of value-in-use and fair value less cost to sell.

Goodwill impairment losses cannot be reversed. For other assets, an impairment loss is reversed only if the revised carrying amount of the asset does not exceed its carrying amount before the impairment, after depreciation.

Accounting judgements and estimates

Cash-generating units

The determination of cash-generating units differs to the business units Freight Services & Trading and Assets & Logistics. The degree of interdependency between the two business units, in respect of taking decisions related to the vessel capacity, has been evaluated.

The conclusion is that interdependency exists, to such an extent, that the cash inflows are not largely independent. Consequently, the respective dry cargo and tanker vessels of the two segments have been included in the respective CGU, either Dry Cargo or Tankers, according to the nature of the vessels.

Impairment indicators

The assessment of impairment indicators involves complex and subjective judgements by Management. These indicators are reviewed to assess the impairment need for our CGUs:

- The obsolescence or physical damage of assets.
- Financial performance of assets and the CGU.
- Freight and time-charter rates.
- Vessel values, newbuilding orders and prices.
- Significant adverse effects from changes in technological, economic. environmental, climate, geopolitical or regulatory environment.
- Increase in market interest rates.

The assessment of impairment indicators for intangible assets, owned vessels, right-of-use assets, and prepayments on newbuildings, is based on the CGUs in which they are included and assessed concurrently on a portfolio basis.

When considering vessel values, two independent broker valuations are obtained. The assessment of newbuilding prices considers market data, including known transactions, potential newbuilding prices and broker analysis.

Assessment and calculation inputs

If indications exist, the recoverability of the carrying amount of intangible and tangible assets in the related CGU is assessed. This is done by evaluating whether the recoverable amount exceeds the carrying amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.2 Impairment of intangible and tangible assets – continued

The recoverable amount is determined as the higher of the value-in-use and the fair value less costs to sell. The calculation of value-in-use is particularly complex and contains uncertainty, as it relies on expected future cash flows and a discount factor. Significant assumptions are made about long-term freight and time-charter rates when projecting future cash flows.

In assessing value-in-use, assumptions are made regarding historical data, market analysis and spot and forward market curves. It is important to note the uncertainty pertaining to future market developments, significantly influencing the cash flow projections.

In the calculation of value-in-use, the lifespan of owned vessels is set at 25 years for both Dry Cargo and Tankers, while the duration for long and short-term chartered-in vessels is based on contractually agreed periods.

The assumptions are made regarding the discount factor, which is generally obtained from the WACC calculated using variables, each with its inherent uncertainty, further complicating the value-in-use calculation.

The assessment is impacted by geopolitical situations, such as the war in Ukraine. Additionally, abnormally low water levels in the Panama Canal, resulting from climate change, and disruptions in global trade due to attacks in the Red Sea, contribute to increased macroeconomic uncertainties.

The long-term outlook for the adoption of optimal zero-emission technologies carries uncertainties. This uncertainty extends to the potential impact on the value and operational lifespan of owned vessels amidst the transition to sustainability. Currently, Management does not believe that climate change has a significant effect on the estimates and judgements related to the impairment assessment.

3.3 Intangible assets

Amounts in USD million	Goodwill	Other intangible assets	Total
2024			
Cost at 1 January	35.3	21.6	56.9
Additions from business combinations	9.3	5.7	15.0
Disposals	-	-1.8	-1.8
Cost at 31 December	**44.6**	**25.5**	**70.1**
Amortisation and impairment losses at 1 January	-	-6.4	-6.4
Amortisation	-	-8.0	-8.0
Disposals	-	1.8	1.8
Amortisation and impairment losses at 31 December	**-**	**-12.6**	**-12.6**
Carrying amount at 31 December	**44.6**	**12.9**	**57.5**

Amounts in USD million	Goodwill	Other intangible assets	Total
2023			
Cost at 1 January	-	-	-
Additions from business combinations	35.3	21.6	56.9
Disposals	-	-	-
Cost at 31 December	**35.3**	**21.6**	**56.9**
Amortisation and impairment losses at 1 January	-	-	-
Amortisation	-	-6.4	-6.4
Disposals	-	-	-
Amortisation and impairment losses at 31 December	**-**	**-6.4**	**-6.4**
Carrying amount at 31 December	**35.3**	**15.2**	**50.5**

Intangible assets additions in 2024 mainly consist of goodwill and customer relationships acquired from the acquisition of Norlat Shipping on 3 September 2024. Similarly, the additions in 2023 from the acquisition of Thorco Projects.

Goodwill arises when the Group acquires a business and pays a higher amount than the fair value of the net assets acquired, primarily due to the expected synergies, growth potential and employee expertise.

For further details, refer to note 3.7 "Investments and activities".

Accounting policies

Goodwill

Goodwill is initially recognised in the statement of financial position as the difference between the fair value of net assets acquired and the consideration transferred. Subsequently, goodwill is measured at this value less accumulated impairment losses and is not amortised.

The carrying amount of goodwill is allocated to each of NORDEN's CGUs expected to benefit from the synergies of the combination. Goodwill is tested at least annually for impairment, together with the other assets of the operating segment to which goodwill has been allocated.

For further information on impairment of intangible assets, refer to note 3.2 "Impairment of intangible and tangible assets".

Other intangible assets

Customer relationships and similar intangible assets with a limited useful life acquired from third parties, either separately or as part of a business combination, are capitalised and amortised over the average life of the customer relationship.

Accounting judgements and estimates

For further details, refer to accounting judgements and estimates in note 3.2 "Impairment of intangible and tangible assets".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.4 Tangible assets

Amounts in USD million	Vessels	Property and equipment	Prepayments on vessels	Prepayments on newbuildings	Total
2024					
Cost at 1 January	595.7	57.2	-	37.0	689.9
Additions	283.8	3.3	94.8	36.2	418.1
Disposals	-	-0.3	-	-	-0.3
Transferred from prepayments on vessels and newbuildings	106.8	-	-92.4	-14.4	-
Transferred to tangible assets held for sale	-184.6	-	-2.4	-	-187.0
Cost at 31 December	**801.7**	**60.2**	**-**	**58.8**	**920.7**
Depreciation and impairment losses at 1 January	-92.2	-7.6	-	-	-99.8
Depreciation	-34.6	-1.6	-	-	-36.2
Impairment of assets	-0.2	-	-	-	-0.2
Reversal of impairment of assets	1.5	-	-	-	1.5
Disposals related to derecognised assets	-	0.3	-	-	0.3
Transferred to assets held for sale	17.9	-	-	-	17.9
Depreciation and impairment losses at 31 December	**-107.6**	**-8.9**	**-**	**-**	**-116.5**
Carrying amount at 31 December	**694.1**	**51.3**	**-**	**58.8**	**804.2**

Amounts in USD million	Vessels	Property and equipment	Prepayments on vessels	Prepayments on newbuildings	Total
2023					
Cost at 1 January	663.2	56.8	-	32.1	752.1
Additions	79.2	0.8	71.4	76.8	228.2
Disposals	-2.5	-0.4	-	-	-2.9
Transferred from prepayments on vessels and newbuildings	136.5	-	-71.4	-65.1	-
Transferred to tangible assets held for sale	-280.7	-	-	-6.8	-287.5
Cost at 31 December	**595.7**	**57.2**	**-**	**37.0**	**689.9**
Depreciation and impairment losses at 1 January	-137.6	-6.4	-	-	-144.0
Depreciation	-31.4	-1.3	-	-	-32.7
Impairment of assets	-1.2	-	-	-	-1.2
Reversal of impairment of assets	-	-	-	-	-
Disposals related to derecognised assets	2.5	0.1	-	-	2.6
Transferred to assets held for sale	75.5	-	-	-	75.5
Depreciation and impairment losses at 31 December	**-92.2**	**-7.6**	**-**	**-**	**-99.8**
Carrying amount at 31 December	**503.5**	**49.6**	**-**	**37.0**	**590.1**

Capital commitments
The Group has entered into agreements for future delivery of vessels and other capital investments.

Amounts in USD million	<1 year	1-3 years	>3 years	Total
Investment in newbuildings and secondhand vessels	332.2	168.6	-	500.8
Other CapEx	6.4	16.6	-	23.0
Total capital commitments	**338.6**	**185.2**	**-**	**523.8**

Timing and amounts may vary between periods due to deposits, part payments or other contractual agreements.
Refer to note 3.9 "Assets held for sale" for specification of future cash-flows from vessels sold.

Capital commitments
The Group has entered into agreements for future delivery of vessels and other capital investments.

Amounts in USD million	<1 year	1-3 years	>3 years	Total
Investment in newbuildings and secondhand vessels	95.0	165.0	-	260.0
Other CapEx	15.0	7.6	-	22.6
Total capital commitments	110.0	172.6	-	282.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.4 Tangible assets – continued

Accounting policies

Tangible assets are measured at cost less accumulated depreciation and impairment losses. Cost comprises the acquisition price and costs directly related to the acquisition up until the time when the asset is ready for use.

Borrowing costs concerning either specific or general borrowing directly related to assets with an extended construction period are included in cost over the period of construction.

Depreciation is based on the straight-line method over the estimated useful lives of the assets. Depreciation is calculated based on the following estimated useful lives:

- Buildings 50 years
- Land Not depreciated
- Logistics assets 5-25 years
- Vessels 25 years
- Fixtures, fittings and equipment 3-10 years

Useful lives of the assets and residual values are reviewed and adjusted at each balance sheet date, if appropriate.

Vessels

Dry docking costs are recognised in the carrying amount of vessels when incurred and depreciated over the period until the next dry docking. The scrap value of vessels is determined based on the market price per lightweight tonne for scrapping of the vessel.

The depreciation period for second-hand vessels is determined on the basis of the condition and age of the vessels at the time of acquisition, but the depreciation period does not exceed 25 years from delivery from the shipyard.

Prepayments on newbuildings are recognised in assets as vessels under construction as payments are made. At the delivery of the vessel, it is reclassified to the item "Vessels".

Accounting judgements and estimates

Useful lives of vessels are estimated based on past experience. Management periodically reviews and revises the estimates for individual vessels or groups of vessels with similar characteristics, taking into account factors such as maintenance standards, repair practices, technological advancements and environmental regulations.

Residual values are challenging to estimate due to the long operational lives of vessels, uncertainties of future economic conditions and steel price fluctuations, which are key determinants of scrap value. Management adopts a long-term perspective to minimise the impact of temporary and potentially significant market fluctuations on residual value estimates.

3.5 Right-of-use assets

The nature of leasing activities

The majority of lease contracts are time charter contracts on vessels, while a minor part is the lease of office space and other equipment from external parties under non-cancellable lease agreements. Leases have varying terms, including options to extend and options to purchase.

	2024	2023
Number of right-of-use assets leased	121	142
- of which, index leases	18	14
Range of remaining term of leases, in years	0-6	0-6
Average remaining term of leases, in years	1.4	2.4
Number of leases with extension options	63	70
Number of leases with purchase options	58	81

Amounts recognised in the statement of financial position

Amounts in USD million	2024	2023
Right-of-use assets		
Cost at 1 January	1,030.4	1,147.6
Additions	134.6	92.6
Remeasurements	92.0	105.7
Disposals	-178.5	-315.5
Cost at 31 December	**1,078.5**	**1,030.4**
Depreciation at 1 January	-675.4	-693.6
Depreciation	-269.1	-294.9
Disposals	186.6	313.1
Depreciation at 31 December	**-757.9**	**-675.4**
Carrying amount at 31 December	**320.6**	**355.0**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.5 Right-of-use assets – continued

Amounts recognised in the income statement

Amounts in USD million	2024	2023
Depreciation of right-of-use assets	269.1	294.9
Interest expenses related to lease liabilities	31.5	31.4
Expenses related to the service component	250.6	257.6
Expenses related to short-term leases	1,726.9	1,237.3
Gain on sale and leaseback	18.3	-
- of which, relating to the rights to use the asset retained by NORDEN	3.7	-
Future expenses related to short-term leases	331.9	294.5

Leases with future commencement date

The Group has entered into lease agreements (+12 mths.) with future commencement dates, which will affect the statement of financial position as shown below, when the time-chartered vessels will be delivered, and the Group obtains the right to direct the use of the asset.

Daily running cost

The Group has elected to separate lease and non-lease components. For these contracts, the consideration is allocated based on the relative stand-alone prices between the lease and non-lease component. For time charter contracts, the non-lease component is the technical management services provided to operate the vessel. The future effect in the income statement related to the non-lease component (daily running costs) is shown on the following table.

Extension options

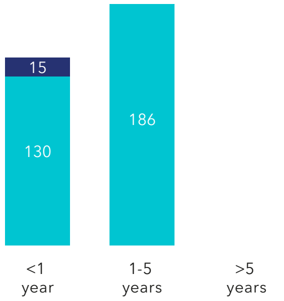
Some leases include an option to be extended for one additional year at a time. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors.

At the lease commencement date, the Group assesses whether it is reasonably certain that the extension option will be exercised. If significant events or changes in circumstances within its control occur, the Group reassesses this certainty.

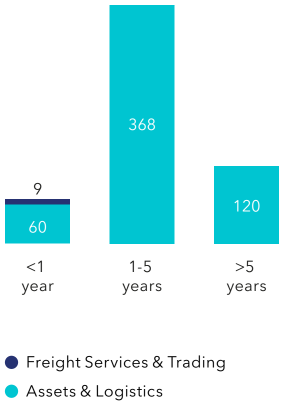
If all available extension options at year end were exercised when possible, the right-of-use asset and corresponding lease liability would increase by the following amounts in each future year (undiscounted and excluding the non-lease component).

	Freight Services & Trading				Assets & Logistics				Group
Amounts in USD million	<1 year	1-5 years	>5 years	**Total**	<1 year	1-5 years	>5 years	**Total**	**Total**
2024									
Leases with future commencement date	15.1	-	-	**15.1**	130.4	185.5	-	**315.9**	**331.0**
Extension options	8.8	-	-	**8.8**	60.4	368.4	120.1	**548.9**	**557.7**
Daily running cost	69.8	20.4	-	**90.2**	127.4	310.5	32.8	**470.7**	**560.9**
2023									
Leases with future commencement date	11.9	-	-	**11.9**	110.5	194.5	-	**305.0**	**316.9**
Extension options	-	8.8	-	**8.8**	29.7	414.3	138.1	**582.1**	**590.9**
Daily running cost	78.5	24.7	-	**103.2**	123.4	285.0	24.3	**432.7**	**535.9**

Leases with future commencement date, 2024
Right-of-use asset value, USD million



Extension options, 2024
Undiscounted lease liability value, USD million



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.5 Right-of-use assets – continued

Accounting policies

At inception of a new contract, NORDEN assesses whether a contract is a lease or contains a lease. This involves exercise of judgement as to whether:

- the contract depends on the use of a specific asset
- NORDEN obtains substantially all the economic benefits from the use of the asset
- NORDEN has the right to direct the use of the asset.

NORDEN recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation, impairment losses and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made before the commencement date. Unless NORDEN is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Impairment of right-of-use assets
Similar to owned assets, right-of-use assets are subject to testing for impairment if there is an indication of impairment. Refer to note 3.2 "Impairment of intangible and tangible assets" for further information.

Short-term leases and leases of low-value assets
NORDEN applies the lease recognition exemptions related to short-term leases (lease term of 12 months or less) and leases of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised in the income statement as an expense on a straight-line basis over the lease term.

Sale and leaseback
For sale and leaseback transactions, if there is a transfer of control within the meaning of IFRS 15, NORDEN as the seller-lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained.

Any gain or loss that relates to the rights transferred to the buyer-lessor is recognised in profit or loss.

If there is no transfer of control, the seller-lessee recognises the transaction as a financing transaction. While the transaction is legally subject to a lease contract, it is not accounted for as a lease and the underlying asset is not derecognised.

Accounting judgements and estimates

NORDEN has elected to separate lease and non-lease components for leases of time charter contracts on vessels. For these contracts, the estimated non-lease component (daily running costs) is excluded from the right-of-use assets.

Assessing the consideration attributable to the non-lease component includes a significant accounting judgement, where Management uses market data from an independent service provider. The market data consists of benchmarking reports and allows NORDEN to benchmark vessels' operating costs against a global sample. The measurement of the non-lease component takes several factors into consideration such as operating costs, aging of the vessels, vessel types, etc.

In this regard, Management assesses the service provider’s independence, objectivity and qualifications and whether the market data is appropriate for the purpose, for example based on sufficient market data.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 Subleases

This note provides information on leases where the Group is the intermediate lessor in a sublease arrangement classified as a finance lease.

Amounts in USD million	2024	2023
Amounts recognised in the income statement		
Revenue from sublease financial income	8.2	6.2
Gain on sublease recognition	63.6	65.0
Sublease financial income and gains*	**71.8**	**71.2**
Amounts recognised in the statement of cash flows		
Instalment on sublease receivables	123.6	130.2
Receivables from subleases		
Receivables from subleases at 1 January	94.6	91.9
Additions	169.1	122.5
Disposals	-	-0.9
Remeasurements	3.2	11.3
Payments received	-123.6	-130.2
Receivables from subleases at 31 December	**143.3**	**94.6**

* Included in revenue

Accounting policies

NORDEN enters into arrangements to sublease an underlying asset to a third party, while NORDEN retains the primary obligation under the original lease. In such arrangements, NORDEN acts as both the lessee and lessor of the same underlying asset.

If a leased vessel is subleased under terms transferring substantially all remaining risks and rewards under the head lease to the lessee in the sublease (finance lease), the right-of-use asset is derecognised, and a lease receivable is recognised. Gain/loss on the derecognised right-of-use asset is recognised in the income statement as revenue.

During the term of the sublease, NORDEN recognises both finance income on the sublease (as revenue) and interest expense on the head lease (as financial expenses).

If the sublease is classified as an operating lease, NORDEN continues to account for the lease liability and right-of-use asset on the head lease like any other lease.

Cash flows

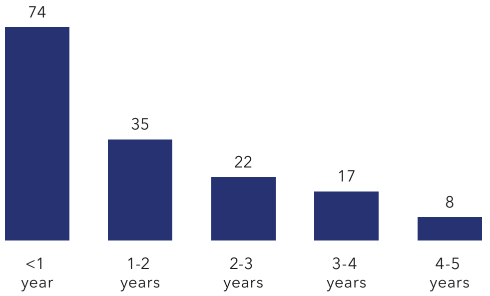
Cash payments received on sublease receivables are classified as operating activities.

Accounting judgements and estimates

Management's assessment of whether leases on vessels should be classified as finance or operating leases is based on an overall evaluation of the remaining risks and rewards of each lease.

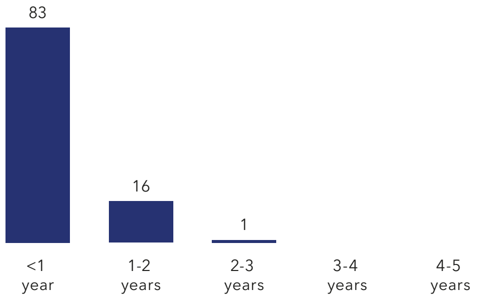
Sublease receivables, contractual undiscounted payments, 2024

USD million



Sublease receivables, contractual undiscounted payments, 2023

USD million



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.7 Investments and activities

This note includes the acquisition of subsidiaries and activities, signifying our entry into new market areas.

Additionally, this note covers investments in unlisted shares, joint ventures and joint operations.

Acquisition of subsidiaries and activities
On 3 September 2024, NORDEN acquired 100% of the shares in the Norwegian dry bulk operator, Norlat Shipping. Norlat Shipping specialises in the shipment of forest products and other bulk commodities, primarily trading from Northern Europe to North Africa and North America. This acquisition is in line with NORDEN's strategy to enhance our position within projects and parcelling, providing more flexible and comprehensive solutions to customers.

The purchase price was USD 18.1 million, which included the fair value of contingent consideration of USD 5.0 million, contingent upon meeting certain performance conditions over the next three years.

The goodwill arising from the acquisition, amounting to USD 9.3 million, is attributed to the expected synergies from the combination of operations, which are anticipated to enhance operational efficiencies, broaden NORDEN's service offering and improve customer value. Goodwill has been allocated to the Dry Cargo cash-generating unit.

The fair value of the acquired identifiable net assets, including customer relationships, amounts to USD 8.8 million.

Acquisition-related costs of USD 0.2 million have been recognised as an expense in the consolidated income statement as part of overhead and administration costs. The revenue, costs and profits from the new business have been allocated to the Freight Services & Trading segment.

From 3 September 2024 to 31 December 2024, the acquired business contributed revenue of approximately USD 22.0 million to the consolidated income statement, while the net profit contribution was less than USD 1.0 million.

Had the transaction closed on 1 January 2024, the acquired business would have contributed revenue of approximately USD 66.0 million and a profit after tax of around USD 2.6 million.

The following table summarises the fair value of net assets acquired as well as the cash flow impact:

Amounts in USD million	Norlat Shipping
Intangible assets - customer relationships	5.7
Current assets	11.6
Liabilities	-8.5
Net assets acquired	**8.8**
Goodwill	9.3
Purchase price	**18.1**
Change in payables on purchase price, etc.	-1.2
Contingent consideration, assumed	-5.0
Cash and bank balances, assumed	-1.6
Cash flow used for acquisition of subsidiaries and activities	**10.3**

In 2023, NORDEN acquired the shipping business of Thorco Projects, incorporated in Denmark. Thorco Projects offers transport solutions across multiple cargo segments such as break bulk, steel and wind energy. The consideration paid equals USD 56.9 million, resulting in goodwill of USD 35.3 million. The goodwill reflects expected synergies from the integration of Thorco Projects into NORDEN's operations as well as the value of its experienced workforce. For further details, refer to the annual report for 2023.

Valuation technique
An estimate of future economic benefits derived from the customer is made by identifying, separating and qualifying the cash flows attributable to the customers, and subsequently capitalising these cash flows.

Accounting policies

Upon acquisition of new subsidiaries or activites, the acquired assets, liabilities and contingent liabilities are measured at fair value at the date when control was achieved using the acquisition method. Identifiable intangible assets are recognised if they arise from contractual rights or can otherwise be separately identified.

The difference between the fair value of the acquisition cost and the fair value of acquired identifiable net assets is recognised as goodwill. Contingent consideration is measured at fair value and any subsequent changes to contingent consideration are recognised as financial income or financial expense in the income statement.

Transaction costs are recognised as operating costs as they are incurred.

Investments in unlisted shares
The Group holds a strategic equity investment in an unlisted company classified as fair value through other comprehensive income (FVOCI). This investment is intended to be held for the medium to long term and aligns with our broader sustainability and innovation goals.

The company is focused on developing sustainable biooil solutions and is currently advancing its production capabilities and engaging in active discussions with potential investors and strategic partners to secure additional funding. These efforts aim to enable the scaling of production and the introduction of its biofuel to the market.

Given the absence of active market data and insufficient information to reliably determine a fair value of the unlisted shares, Management has determined that the original transaction price of USD 12.7 million remains the best estimate of the investment's value as of 31 December 2024. This valuation was established at the time of initial recognition in 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.7 Investments and activities - continued

Accounting policies

On initial recognition, investments in unlisted shares are measured at fair value. Subsequently, they are measured at fair value through profit or loss (FVTPL) unless classified as fair value through other comprehensive income (FVTOCI) according to an individual decision for each equity investment. This election is made on an investment-by-investment basis.

Gains and losses on equity instruments classified as FVTOCI are never recycled to profit or loss. Dividends are recognised in the income statement unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

Investments in joint ventures

Amounts in USD million	2024	2023
Key figures (100%)		
Revenue and other income	9.3	12.7
Costs	-9.5	-14.2
Total profit/loss	**-0.2**	**-1.5**
Current assets	2.1	3.8
- of which, cash and cash equivalents	2.1	3.6
Non-current liabilities, debt	0.3	-0.6
Current liabilities	-	-0.6
Total	**2.4**	**2.6**

Investments comprise	Ownership	Share of profit/loss of joint ventures		Carrying amount	
		2024	2023	2024	2023
Polar Navigation Pte. Ltd., Singapore	50%	-0.1	-0.8	1.2	1.3
Total		**-0.1**	**-0.8**	**1.2**	**1.3**

No significant restrictions apply to distributions from joint ventures.

Accounting policies

In the Group's income statement, the Group's share of the joint ventures' profit/loss after tax is included in the item "Profit/loss from investments in joint ventures".

Companies which are contractually operated jointly with one or more other enterprises, and which are thus jointly controlled, are recognised in the consolidated financial statements according to the equity method.

In the Group's statement of financial position, the Group's share of the net asset value of joint ventures is thus included in the item "Investments", calculated on the basis of the Group's accounting policies and after deduction or addition of the Group's share of any unrealised intra-group gains or losses.

Joint ventures with negative net asset values are measured at nil value. If the Group has a legal or constructive obligation to cover the enterprises' negative balance, such obligation is recognised by writing down any receivable from the joint venture or under provisions.

Accounting judgements and estimates

Assessment of control in shared ownership
The classification of activities and enterprises which are in part jointly owned with other companies and, thus, the way these activities and enterprises are treated in the consolidated financial statements are to a certain extent based on judgements of formal and actual conditions.

In the assessment of joint control, an analysis has been made as to which decisions require unanimity, and whether these relate to relevant activities, which are activities that significantly affect the return of the arrangement.

Joint operations
NORDEN engages in jointly controlled arrangements, which include joint ventures and joint operations. In joint ventures, the parties do not have a direct share in assets and liabilities, etc., but solely a share in the net profit or loss and equity.

On the other hand, joint operations provide the parties with direct rights to the assets and direct obligations for the liabilities. Each joint operator recognises its part of assets, liabilities, income and costs.

NORDEN's shipping activities are to some extent conducted through pool arrangements. In pools, revenue and related costs are recognised according to criteria corresponding to the pool agreements.

For vessels operating in pools, the pool's profit is allocated to the pool participants based on an agreed principle. The agreed principle may differ from pool to pool. Generally, the pool profit is allocated to the participants according to the number of days the vessels have been at the pool's disposal but weighted for the capacity and characteristics of the individual vessels.

As the pool operator for NORDEN Tanker Pools, NORDEN earns management income to cover the associated operational costs. This income is calculated as a fixed percentage of the charter or freight income generated by each individual agreement, subject to a minimum guaranteed amount. Management income is recognised in the income statement under the item "Other operating income" in line with the recognition of the underlying charter or freight agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.7 Investments and activities – continued

The following is an overview of NORDEN's total liabilities and coverage in respect of jointly controlled operations in case the other pool partners are unable to meet their obligations.

Amounts in USD million	2024	2023
Unrecognised liabilities for which the pool partners are jointly and severally liable	25.6	30.8
Cash and cash equivalents liable to the pool partners	13.8	40.6
NORDEN's share of "NORDEN tanker pools"	31.4%	42.3%

Accounting policies

Pool arrangements are considered joint operations. Accordingly, for vessels operating in pools, the proportionate share of income and costs is presented as gross amounts in the income statement.

NORDEN's share of revenue in pools is recognised in "Revenue", while the proportionate share of costs in pools, such as direct voyage costs (e.g., bunker oil, commissions and port charges) and charter hire for chartered pool tonnage, is recognised in "Vessel operating costs".

Similarly, NORDEN's share of assets and liabilities in pools is recognised, and our share of other liabilities, etc. is included in the table above.

Accounting judgements and estimates

Assessment of control in shared ownership - pool arrangements
The classification of activities and enterprises which are in part jointly owned with other companies and, thus, how these activities and enterprises are treated in the consolidated financial statements are to a certain extent based on judgements of formal and actual conditions.

In connection with the assessment of control, an analysis of the operator role in NORDEN's agreements on pool arrangements has been made. The operator is responsible for the day-to-day management of activities carried out within a jointly established framework.

Since the operators are not exposed to, and are not entitled to, a return apart from the participating share and the fact that they can be replaced upon agreement, the operators are considered to be agents as defined in IFRS 10.

In the assessment of joint control, an analysis has been made as to which decisions require unanimity and whether these relate to relevant activities, which are activities that significantly affect the return of the pool arrangement. It is assessed that joint control by default exists when business plans and budgets must be adopted unanimously.

For NORDEN's pool arrangements, unanimity is required on decisions relating to relevant activities. It has also been established that the pool partners have rights and obligations, directly and unlimited, with regard to the assets and liabilities of the arrangements, and as the pool arrangements have not been structured into separate legal units, these are treated and classified as joint operations.

3.8 Cash and cash equivalents

Amounts in USD million	2024	2023
Demand deposits and cash balance	113.4	142.5
Money market investments	109.0	361.2
Other cash and cash equivalents	44.2	53.5
Total	**266.6**	**557.2**

In relation to its derivative financial instruments trading activities, NORDEN has set up margin accounts with Macquarie Bank Europe DAC, primarily funded by cash deposits. As of 31 December 2024, the total cash held in these margin accounts, which serves as security, equalled USD 31.2 million (USD 54.7 million).

Accounting policies

Cash and cash equivalents, as presented in the statement of financial position, are valued at their nominal amount. This category primarily includes items such as demand deposits, cash in hand and money market investments as detailed in the aforementioned table.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 Assets held for sale

Amounts in USD million	2024	2023
Cost at 1 January	133.6	110.0
Additions	56.9	121.5
Transferred from vessels	166.7	205.2
Transferred from prepayments on vessels and newbuildings	2.4	6.8
Disposals	-289.6	-309.9
Carrying amount at 31 December	**70.0**	**133.6**
Liabilities relating to assets held for sale		
Prepayments received on newbuildings and vessels sold	16.8	25.2
Carrying amount at 31 December	**16.8**	**25.2**
Future cash flow from vessels sold but not yet delivered		
<1 year	91.0	197.9
1-3 years	3.8	28.1
>3 years	-	-
Total	**94.8**	**226.0**
Gains from sale of vessels during the year	82.0	79.0
Losses from sale of vessels during the year	-	-
Profit/loss from sale of vessels	**82.0**	**79.0**

During 2024, the Group delivered four MR tankers, four Panamax, two Supramax and two Capesize vessel to their new owners, with a total sales gain of USD 82 million (USD 79 million). Balances under held for sale as of 31 December 2024 mainly consist of two Capesize vessels, one Supramax newbuild and three logistics assets.

Accounting policies

Assets classified as held for sale include vessels for which a binding sales agreement is in place, with the transfer to the buyer anticipated within 12 months of the reporting date. In the case of newbuilding being sold, this period extends to 12 months following the delivery of the vessel from the yard.

Newbuilding vessels and prepayments on vessels held for sale are measured at the lower of carrying amount before classification as held for sale and fair value less selling costs and are recognised under current assets. Assets held for sale are not depreciated.

Assets and directly related liabilities in relation to assets held for sale are recognised in separate items in the statement of financial position. Gains and losses are included in the income statement in the item "Profit/loss from sale of vessels, etc.". Gains are recognised on delivery and losses when they are classified as "held for sale".

Profit/loss from sale of vessels is stated as the difference between the sales price less selling costs and the carrying amount of the vessel in question at the time of delivery. Furthermore, impairment of assets held for sale and any gains and losses upon repayment of related loans are included.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SECTION 4
Capital and financing

This section sets out the funding of NORDEN's activities, whether through equity or debt, and the related financial risks. It also details the policies applied and the use of derivative financial instruments to manage financial risks.

Equity

1,297

USDm
2023: 1,198

Net interest-bearing debt

264

USDm
2023: 45

At 31 December 2024, NORDEN's equity was USD 1,297 million (USD 1,198 million). This increase was driven by the year's positive profit and favourable fair value adjustments of hedges, partially offsets by distributions to shareholders during the year.

The distribution to shareholders during the year amounted to USD 142 million split between dividends and share buy-backs. An ordinary dividend for 2024 of DKK 2 per share or USD 8.4 million, excluding treasury shares, will be proposed at the annual general meeting.

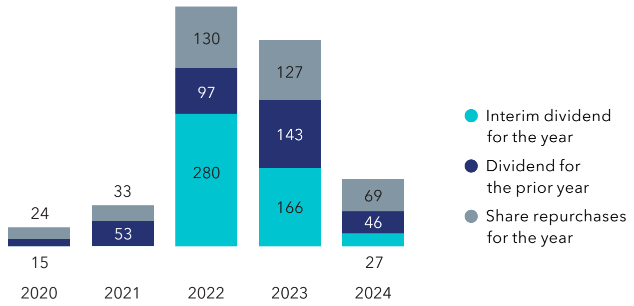
The equity ratio was 58% at 31 December 2024 compared to 51% at the end of December 2023.

Total cash and cash equivalents decreased by USD 290 million to USD 267 million (USD 557 million), primarily due to the positive operating cash flow for the year not fully covering outflows related to increased investment activities, distributions to shareholders, and the repayment of remaining bonds.

Net interest-bearing debt, including IFRS 16 liabilities, increased to USD 264 million by the end of 2024 (USD 45 million).

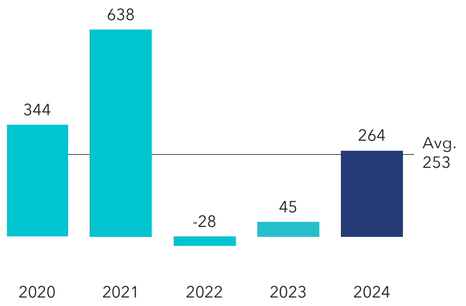
Distribution to shareholders

USD million



Net interest-bearing debt

USD million



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.1 Share capital, dividends and earnings per share

The net cash distribution to shareholders in the form of dividends and share repurchases amounted to USD 141.8 million, compared to a free cash flow of negative USD 74.3 million.

Total dividend for 2024 amounted to USD 35.1 million (DKK 8 per share), corresponding to a payout ratio of 21.6%. The 2024 final dividend of USD 8.4 million (DKK 2 per share) is expected to be distributed pending approval at the annual general meeting.

Interim dividends of USD 8.8 million (DKK 2 per share) were paid in April 2024, USD 9.0 million (DKK 2 per share) in August 2024 and USD 8.9 million (DKK 2 per share) in November 2024.

Amounts exclude dividend declared on treasury shares.

Treasury shares

	Market value, USD million	Treasury shares %	2024	2023
Holding 1/1	115.8	7.15	2,432,412	3,248,012
Purchases			1,690,742	2,257,440
Transfers			-72,676	-73,040
Cancellations			-2,000,000	-3,000,000
Holding 31/12	**61.0**	**6.41**	**2,050,478**	**2,432,412**

Treasury shares are acquired for the purpose of hedging in connection with share-based payment and in connection with share buy-back programmes.

The Company is authorised by the general meeting to acquire treasury shares in the period until next year's annual general meeting at a total nominal value not exceeding 15% of the share capital at the market price applicable at the time of acquisition with a deviation of up to 10%.

Share buy-back programmes

NORDEN initiated four share buy-back programmes in 2024. The share-buy back programmes were initiated pursuant to the authorisation granted to the Board of Directors.

The details of all share buy-back programmes conducted throughout the year are found in the following table:

Period	Limit* of share capital	Number of shares acq.	Cost of shares acq., DKK	Avg. price of shares acq., DKK
2 Nov 23 - 31 Jan 24	10%	159,626	57,465,743	360
9 Feb - 19 Apr 24	10%	354,751	104,939,959	296
26 Apr - 1 Aug 24	15%	472,175	145,277,294	308
9 Aug - 23 Oct 24	15%	350,690	95,134,762	271
1 Nov 24 - 22 Jan 25	15%	353,500	75,252,840	213
		1,690,742	**478,070,598**	**283**

* Applicable at the time of acquisition with a deviation of up to 10%

The figures in the table above include only shares acquired through share buy-back programmes in 2024. The total cost of DKK 478,070,598 (USD 69.3 million) was deducted from retained earnings.

Accounting policies

Dividend is recognised as a liability at the time of adoption by the share-holders at the annual general meeting. Dividend proposed by Management in respect of the year is stated under equity.

The acquisition and disposal of treasury shares and dividends are recognised directly in retained earnings at cost under equity.

Earnings per share (EPS)

The basis for calculating earnings per share and diluted earnings per share is set out below:

	2024	2023
Profit for the year	162.7	400.1
Weighted average number of ordinary shares	32,387,978	34,657,535
Weighted average number of treasury shares	1,812,196	2,346,406
Weighted average number of shares	**30,575,782**	**32,311,129**
Dilutive effect of outstanding options and restricted share units	116,317	146,497
Weighted average number of shares, including dilutive effect of share options and restricted shares	30,692,099	32,457,626
Earnings per share, EPS (USD)	5.3	12.4
Earnings per share, diluted, EPS-D (USD)	5.3	12.3

Accounting policies

Earnings per share is presented as both basic and diluted earnings per share. Basic earnings per share is calculated as net profit divided by the weighted average number of shares outstanding.

Diluted earnings per share is calculated as net profit divided by the sum of average number of shares outstanding, including the dilutive effect of the outstanding share options and restriced share units.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.2 Borrowings, bonds and lease liabilities

Amounts in USD million	Borrowings	Bonds	Lease liabilities	Total
2024				
Interest-bearing liabilities at 1 January	112.0	71.3	418.5	601.8
Proceeds/additions	625.0	-	242.7	867.7
Remeasurements	-	-	106.4	106.4
Repayments/instalments	-627.8	-71.3	-344.0	-1,043.1
Other adjustments/disposals	-	-	-2.5	-2.5
Interest-bearing liabilities at 31 December	**109.2**	**-**	**421.1**	**530.3**
Current liabilities	2.3	-	244.5	246.8
Non-current liabilities	106.9	-	176.6	283.5
Total	**109.2**	**-**	**421.1**	**530.3**
Fixed-rate	102.3	-	421.1	523.4
Floating-rate	7.0	-	-	7.0
Bonds, floating-rate	-	-	-	-
Commission	-0.1	-	-	-0.1
Total	**109.2**	**-**	**421.1**	**530.3**
Mortgages and securities				
Security for liabilities	6.9	-	-	6.9
– number of vessels pledged	7	-	-	7
– number of buildings pledged	2	-	-	2
– carrying amount	289.1	-	-	289.1
– mortgaged amount	323.0	-	-	323.0
Amount insured on vessels	405.6	-	-	405.6

Amounts in USD million	Borrowings	Bonds	Lease liabilities	Total
2023				
Interest-bearing liabilities at 1 January	221.6	73.7	519.5	814.8
Proceeds/additions	-	-	152.7	152.7
Remeasurements	-	-	120.3	120.3
Repayments/instalments	-109.6	-2.4	-366.7	-478.7
Other adjustments/disposals	-	-	-7.3	-7.3
Interest-bearing liabilities at 31 December	**112.0**	**71.3**	**418.5**	**601.8**
Current liabilities	2.2	71.3	265.5	339.0
Non-current liabilities	109.8	-	153.0	262.8
Total	**112.0**	**71.3**	**418.5**	**601.8**
Fixed-rate	105.7	-	418.5	524.2
Floating-rate	6.5	-	-	6.5
Bonds, floating-rate	-	71.3	-	71.3
Commission	-0.2	-	-	-0.2
Total	**112.0**	**71.3**	**418.5**	**601.8**
Mortgages and securities				
Security for liabilities	8.0	-	-	8.0
– number of vessels pledged	5	-	-	5
– number of buildings pledged	2	-	-	2
– carrying amount	176.9	-	-	176.9
– mortgaged amount	196.2	-	-	196.2
Amount insured on vessels	218.4	-	-	218.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.2 Borrowings, bonds and lease liabilities – continued

Fixed-rate borrowings include financing leasing debt of USD 102.3 million.

Some of the mortgages have been registered with an amount to secure future drawings under a revolving credit facility of USD 200 million of which 0 million has been drawn.

The Group's borrowing agreements generally include a clause on the lender's option to terminate the agreement in the event the majority control of the Group is changed.

Refer to note 4.5 "Financial instruments by category" for a description of the fair value hierarchy.

Net interest-bearing debt

Amounts in USD million	2024	2023
Interest-bearing liabilities	109.2	183.3
Lease liabilities	421.1	418.5
Cash and cash equivalents	-266.6	-557.2
Total	**263.7**	**44.6**

Accounting policies

Borrowings and bonds comprise amounts borrowed from banks and a credit institution, financing leasing debt arising from sale and leaseback transactions and senior unsecured bonds listed on NASDAQ Copenhagen A/S.

Borrowings and bonds are recognised at the time the liabilities are obtained in the amount of the proceeds after deduction of transaction costs. In subsequent periods, such borrowings and bonds are recognised at amortised cost, equivalent to the capitalised value applying the effective rate of interest at the inception of the borrowing or bond, to the effect that the difference between the proceeds and the nominal value is recognised as interest expense in the income statement over the term of the borrowing or bond.

Commission paid to set up a credit facility is recognised as transaction costs to the extent that it is probable that the facility will be partially utilised. To the extent that it is not probable that the facility will be partially or fully utilised, commission is amortised over the term of the credit facility.

Lease liabilities
At the commencement date of a lease, NORDEN recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease term comprises the non-cancellable period with addition of periods covered by options, if NORDEN is reasonably certain to exercise such extension options. This assessment is made on inception of the lease. The lease payments include fixed payments and variable payments depending on an index or a rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by NORDEN.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period to produce a constant period rate of interest on the remaining balance of the liabilities for each period.

In calculating the present value of lease payments, NORDEN uses the incremental borrowing rate at the lease commencement date. The incremental borrowing rate applied is in the range of 4-7%, depending on the maturity of the lease contracts.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

Cash flows
In the statement of cash flows, cash payments for the principal portion of the lease liabilities and related cash payments for the interest portion are classified within the financing activities. For short-term leases or leases of low-value assets, the lease payments are classified in the operating activities.

4.3 Financial income and expenses

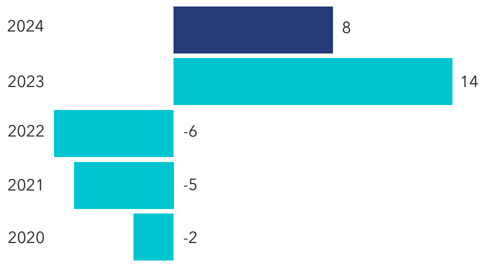
Amounts in USD million	2024	2023
Interest income	18.0	35.6
Fair value adjustment, derivatives	0.5	1.9
Exchange rate adjustments	-	4.5
Total financial income	**18.5**	**42.0**
Interest expenses	10.3	21.8
Fair value adjustment, derivatives	0.8	0.2
Exchange rate adjustments	4.4	-
Interest expenses on lease liabilities	31.5	31.4
Total financial expenses	**47.0**	**53.4**

Accounting policies

Financial income and expenses comprise interest income and expenses, realised and unrealised gains and losses on transactions denominated in foreign currencies, amortisation of borrowing costs and securities and subsequent changes to contingent acquisition costs.

Financial items, net, excl. fair value, FX and lease

USD million



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.4 Financial instruments and risks

The Group is exposed to a variety of risks from its operations in shipping markets.

The Board of Directors is advised by the Risk Committee in matters related to the management of these risks, with the Risk Committee being responsible for ensuring development and implementation of robust risk frameworks that appropriately identify and measure risks.

Based on advice from the Risk Committee, the Board of Directors reviews and agrees on policies for managing each of the risks which are described below.

Credit risks
The Group is exposed to credit risk related to trade receivables, sublease receivables, contracts assets and agreed future COAs, its prepayments to shipyards and ship owners, its cash deposits with financial institutions, money market investments and potential initial margins and intraday volatility market values in relation to derivative instruments.

Credit risk is reduced by systematic credit assessment of counterparties and regular monitoring of their creditworthiness. For this purpose, own analyses are applied based on external credit rating agencies and publicly available information. Each analysis results in an internal rating, which is subsequently used for determining the allowed scope of the commitment.

The internal ratings are based both on a financial and a non-financial assessment of the counterparty profile, where each category ranges between A to D, with A being the highest achievable score.

Customer credit risk exposure
The total Group credit exposure was USD 1,183 million (USD 1,631 million) at the end of 2024, with USD 723 million (USD 1,154 million) in Dry Cargo and USD 460 million (USD 447 million) in Tankers.

While concentration risk is mitigated by distributing exposure between many counterparties, a few counterparties still account for a large part of the exposure.

In Dry Cargo, the exposure involves 415 (315) counterparties, with the five largest counterparties accounting for 26% (33%) of the covered revenue in the segment.

In Tankers, the exposure involves 95 (78) counterparties, with the five largest accounting for 67% (71%) of the covered revenue in the segment. It is assessed that most of the counterparties referred to above are solid, and the Group stays updated on the performance and activities of these companies on a regular basis.

Credit risks related to trade receivables differ somewhat for time charters and voyage charters. For time charters, revenues are in general paid in advance for the next two to four weeks, while for voyage charters, substantially all revenue is paid before discharge in Dry Cargo and within two to five days after discharge in Tankers.

Due to the nature of the counterparties as described above and the systematic and regular monitoring of their creditworthiness, the customer credit risk is determined to be limited.

Prepayments
The Group has credit risk related to prepayments to shipyards. To mitigate this risk, the Group generally obtains a guarantee from a financial institution with high credit rating.

Cash deposits
The Group liquidity is strictly placed with financial institutions that have a rating of at least A-.

Derivatives
NORDEN uses derivatives instruments to hedge freight risk, bunker risk and currency risk. The credit risk related to these instruments is deemed to be small, since cleared, and OTC contracts are subject to daily margin payments, with the only difference that OTC contracts have a threshold before daily margin payments are made.

At year end, a total positive market value of USD 80 million (USD 72 million) and a total negative market value of USD 38 million (USD 110 million) had been cleared and settled through NORDEN's margin account with Macquarie Bank Europe DAC.

Freight rate risks
Purchasing and chartering vessels, and cargo contracts, imply a risk as the Group assumes financial liability in expectation of generating earnings which are dependent on the freight market.

The Group uses FFAs to hedge cash flow risk to the extent Management finds it attractive, refer to note 4.6 "Derivative financial instruments".

Bunker price risks
A large part of the variable revenues and expenses are related to bunker prices, which impact the Group's result. The Group uses bunker swaps to hedge the bunker price risk to the extent possible, refer to note 4.6 "Derivative financial instruments".

Note that for vessels that are scrubber-fitted, the Group has a bunker price risk related the spread between high sulphur fuel oil and a combination of high sulphur fuel oil and very low sulphur fuel oil and gas oil, respectively. As the available hedging tools are not very liquid, only parts of this risk are hedged.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.4 Financial instruments and risks - continued

Interest rate risks
The Group's loan obligations are paying interest on SOFR (Secured Overnight Financing Rate). Given that a significant portion of the Group's cash balance is held in banks, this ensures a positive exposure to interest rate developments by the end of 2024. There is no significant re-financing risk related to loans.

Currency risks
The Group's functional currency is USD. Since administration costs and dividends are paid in other currencies - mainly DKK - there is a currency risk in this connection. The Group hedges expected administrative expenses payable in DKK for a period of 6-24 months.

Newbuilding payments are in USD. Occasional payments in other currencies are hedged.

The strike price of some of the Group's purchase options is determined in JPY, and it is the Group's policy only to hedge these if the option is exercised and only upon exercise.

Liquidity risks
The Group ensures adequate liquidity to manage short-term cash flow fluctuations while maintaining compliance with bank covenants. The Group has access to a USD 200 million committed revolving credit facility (RCF) for general operational purposes. This facility consists of two tranches: one USD 100 million facility maturing in May 2025 and another USD 100 million facility maturing in December 2027. Both facilities include 1-year extension options.

The RCF is subject to covenants requiring the Group to maintain a minimum cash and cash equivalents balance of USD 75 million and a minimum equity ratio of 25%. Compliance with these covenants is reviewed on a quarterly basis to ensure adherence.

In 2024, the financial covenants have not been breached, and based on current expectations, no breach is anticipated.

Most of the Group's derivatives contracts, including but not limited to bunker swaps and FFAs, are cleared and the variation margins are settled-to-market. The derivatives contracts can also be traded OTC, but in this case always supported by a credit support annex (CSA) from the International Swaps and Derivatives Association (ISDA). This implies a liquidity risk as changes in market value of the financial contracts must be backed by collateral on a daily basis.

The Group actively monitors and manages this risk using Cash Flow at Risk to ensure sufficient liquidity is available to handle severe stress of current market conditions.

The terms to maturity of financial assets and liabilities are disclosed by category and class distributed on maturity periods in this note as well as in note 4.5 "Financial instruments by category". All interest payments and repayments of financial assets and liabilities are based on contractual agreements.

Capital management risks
The Group's formal external capital requirement is limited to the contributed capital of the parent company and the subsidiaries, which is significantly lower than the Group's equity.

The Group's equity ratio was 57.5% (51.1%) at the end of 2024. This significant equity ratio should be considered relative to the Group's future payment obligations in the form of operating lease liabilities (T/C contracts) and payments for newbuildings not recognised in the statement of financial position.

Financial comments
On the reporting date, floating-rate bank loans had an interest rate of up to SOFR plus a margin of 1.85%. NORDEN redeemed the USD 100 million bond during 2024. Refer to note 4.5 "Financial instruments by category" for further information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.4 Financial instruments and risks – continued

Overview of financial risks

Amounts in USD million	Nominal value		
Credit	2024	2023	Comments on NORDEN's policy
Loan receivables	13	1	The credit rating of counterparties is assessed on an ongoing basis through systematic credit assessment and regular monitoring of creditworthiness.
Trade receivables, gross	223	186	The credit rating of counterparties is assessed on an ongoing basis through systematic credit assessment and regular monitoring of creditworthiness.
Cash and cash equivalents	267	557	The Group liquidity is strictly placed with financial institutions that have a rating of at least A-.
Prepayments on vessels and newbuildings	66	44	As a main rule, newbuilding contracts with shipyards are all entered into with repayment guarantees issued by banks with good credit ratings.
Freight rate risks (FFAs)	224[S]	27[S]	To limit credit risk, the Group's FFAs are all entered through established clearing houses as these have daily margin settlement.
Bunker swaps	63[B]	133[B]	Bunker swaps are in general traded cleared, but in some cases bunker swaps are traded OTC with financial institutions and with major, recognised business partners with good credit ratings. In the case of OTC trades, the Group always includes an ISDA agreement ensuring continuous collateral above a specific threshold.

Amounts in USD million	Nominal value			
Market	2024	2023	Sensitivity	Comments on NORDEN's policy
Freight rate risks (FFAs)	224[S]	27[S]	A 10% drop in freight rates at year end would positively impact equity by USD 20 (positive impact of USD 5).	The Group uses FFAs to hedge the cash flow risk related to highly probable freight expenses and revenues.
Bunker price risks	63[B]	133[B]	A 10% drop in bunker prices at year end would negatively impact equity by USD 7 (negative impact of USD 13).	The Group uses bunker swaps to hedge the cash flow risk related to expenses of highly probable bunker purchases and revenues from the bunker price component of expected, highly probable, forecast cargoes.
Currency risks	72	144	A 10% increase in the DKK and NOK exchange rates at year end would have the following impact: • DKK; net results by USD 0 (USD 0) and equity USD 0 (USD 0). • NOK; net results by USD 0 (USD 0) and equity USD 0 (USD 0). Any exposure to other currencies than DKK and NOK is insignificant.	• DKK forward currency contracts are used to secure the anticipated DKK overhead and administration expenses for the next 12-24 months. • NOK forward currency contracts are used to secure future payment obligations in NOK.
Interest rate risks	267	479	Based on the Group's liquidity and debt at year end, a 1% increase in interest rates would, all other things being equal, impact earnings before tax positively by USD 3 (USD 3) and equity by USD 3 (USD 3).	The Group's loan obligations are paying interest on SOFR (Secured Overnight Financing Rate). Given that a significant portion of the Group's cash balance is held in banks, this ensures a positive exposure to interest rate developments by the end of 2024.

[S]Sold net, [B]Bought net, () indicates year of comparison

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.4 Financial instruments and risks – continued

The table below summarises the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments:

Amounts in USD million	Maturities <1 year	1-3 years	>3 years	Total	Carrying amount
2024					
Derivative financial instruments					
Derivatives with positive values, not designated in hedging	-	0.2	-	0.2	0.2
Derivatives with negative values, not designated in hedging	-0.9	-	-	-0.9	-0.9
Derivatives with positive value, designated in cash flow hedge	-	-	-	-	-
Derivatives with negative value, designated in cash flow hedge	-0.1	-	-	-0.1	-0.1
Financial assets measured at amortised cost					
Receivables from subleasing	74.4	56.9	25.1	156.4	143.3
Trade receivables	209.2	-	-	209.2	209.2
Loan receivables	8.4	5.4		13.8	12.7
Other receivables	32.2	-	-	32.2	32.2
Cash and cash equivalents	266.6	-	-	266.6	266.6
Total	**590.8**	**62.3**	**25.1**	**678.2**	**664.0**
Financial liabilities measured at amortised cost					
Borrowings	-9.5	-109.7	-6.2	-125.4	-109.2
Bonds	-	-	-	-	-
Lease liabilities, current and non-current	-261.9	-151.8	-42.4	-456.1	-421.1
Lease liabilities, future commencement date	-34.4	-187.2	-379.9	-601.5	-
Trade and other payables	-344.1	-5.0	-	-349.1	-349.1
Total	**-649.9**	**-453.7**	**-428.5**	**-1,532.1**	**-879.4**

Amounts in USD million	Maturities <1 year	1-3 years	>3 years	Total	Carrying amount
2023					
Derivative financial instruments					
Derivatives with positive values, not designated in hedging	0.3	-	-	0.3	0.3
Derivatives with negative values, not designated in hedging	-	-0.1	-	-0.1	-0.1
Derivatives with positive value, designated in cash flow hedge	0.1	0.6	-	0.7	0.7
Derivatives with negative value, designated in cash flow hedge	-	-	-	-	-
Financial assets measured at amortised cost					
Receivables from subleasing	82.9	17.4	-	100.3	94.6
Trade receivables	177.6	-	-	177.6	177.6
Loan receivables	0.8	-	-	0.8	0.8
Other receivables	36.2	-	-	36.2	36.2
Cash and cash equivalents	557.2	-	-	557.2	557.2
Total	**854.7**	**17.4**	**-**	**872.1**	**866.4**
Financial liabilities measured at amortised cost					
Borrowings	-9.5	-60.0	-64.3	-133.8	-112.0
Bonds	-71.6	-	-	-71.6	-71.3
Lease liabilities, current and non-current	-281.0	-146.2	-14.7	-441.9	-418.5
Lease liabilities, future commencement date	-18.5	-106.2	-241.6	-366.3	-
Trade and other payables	-435.6	-	-	-435.6	-435.6
Total	**-816.2**	**-312.4**	**-320.6**	**-1,449.2**	**-1,037.4**

Refer to page 133 in the note's Financial comments section and to note 4.6 "Derivative financial instruments" for further information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.5 Financial instruments by category

Fair value measurement
The Group measures financial instruments such as derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction of selling the asset or transferring the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, the most advantageous market. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

In measuring the fair value of unlisted derivative financial instruments and other financial instruments for which there is no active market, fair value is determined using generally accepted valuation techniques.

- Market-based parameters such as market-based yield curves and forward exchange prices are used for the valuation.
- For bunker contracts, the price is based on observable stock markets, e.g. Rotterdam and Singapore.
- The value of FFAs is assessed based on daily recorded prices from the Baltic Exchange.
- For non-current liabilities and other interest rate-based financial instruments, the fair value is based on a discounted value of future cash flows. The zero-coupon rate with the addition of the Group’s interest margin is used as discount factor.

The fair value of receivables and debt with a maturity of less than one year is assumed to approximate their face values less any estimated credit adjustments.

The fair value of bank debt is calculated as the present value of expected future repayments and interest payments. As discount rate at the calculation of present value, a zero-coupon rate with similar maturities adjusted for the Group’s interest margin has been used.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Financial instruments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as following the accounting hierarchy:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement are directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement are unobservable.

NORDEN's forward exchange contracts and other derivative financial instruments (commodity instruments) are considered for fair value measurement at level two, as the fair value can be determined directly on the basis of the published exchange rates, forward interest rates and prices at the reporting date.

NORDEN's bonds are considered for fair value measurement at level 1 as the bond is quoted by NASDAQ, valued at the official closing price.

NORDEN's other financial instruments are considered for fair value measurement at level two as the fair value can be determined on the basis of observable inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.5 Financial instruments by category – continued

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Amounts in USD million — Fair value measurement using

2024	Carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant un-observable inputs (Level 3)
Receivables from subleasing [1]	143.3	-	143.3	-
Trade receivables [2]	209.2	-	-	-
Loan receivables [1]	12.7	-	12.7	-
Other receivables [2]	32.2	-	-	-
Cash and cash equivalents [2]	266.6	-	-	-
Total financial assets at amortised cost	**664.0**	**-**	**156.0**	**-**
Other investments, unlisted shares	12.7	-	-	12.7
Other receivables, derivatives	-	-	-	-
Total financial assets at fair value through other comprehensive income	**12.7**	**-**	**-**	**12.7**
Other receivables, derivatives	0.2	-	0.2	-
Total financial assets at fair value through the income statement	**0.2**	**-**	**0.2**	**-**
Borrowings [1]	-109.2	-	-109.2	-
Bonds	-	-	-	-
Lease liabilities [1]	-421.1	-	-421.1	-
Trade and other payables [3]	-349.1	-	-	-
Total financial liabilities at amortised cost	**-879.4**	**-**	**-530.3**	**-**
Other payables, derivatives	-0.1	-	-0.1	-
Total financial liabilities at fair value through other comprehensive income	**-0.1**	**-**	**-0.1**	**-**
Other payables, derivatives	-0.9	-	-0.9	-
Total financial liabilities at fair value through the income statement	**-0.9**	**-**	**-0.9**	**-**

1) The carrying amount is approximately equal to the fair value.
2) Due to the short-term nature, the carrying amount is assumed to approximate the fair value.
3) Due to the short-term nature, the carrying amount is assumed to approximate fair value. Additionally, the small portion classified as non-current is also considered to approximate fair value, as the amortised cost reflects the effective interest rate, which aligns with market rates over this time horizon.

Amounts in USD million — Fair value measurement using

2023	Carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant un-observable inputs (Level 3)
Receivables from subleasing [1]	94.6	-	94.6	-
Trade receivables [2]	177.6	-	-	-
Loan receivables [1]	0.8	-	0.8	-
Other receivables [2]	36.2	-	-	-
Cash and cash equivalents [2]	557.2	-	-	-
Total financial assets at amortised cost	**866.4**	**-**	**95.4**	**-**
Other investments, unlisted shares	12.7	-	-	12.7
Other receivables, derivatives	0.7	-	0.7	-
Total financial assets at fair value through other comprehensive income	**13.4**	**-**	**0.7**	**12.7**
Other receivables, derivatives	0.3	-	0.3	-
Total financial assets at fair value through the income statement	**0.3**	**-**	**0.3**	**-**
Borrowings [1]	-112.0	-	-112.0	-
Bonds	-71.3	-73.3	-	-
Lease liabilities [1]	-418.5	-	-418.5	-
Trade and other payables [2]	-435.6	-	-	-
Total financial liabilities at amortised cost	**-1,037.4**	**-73.3**	**-530.5**	**-**
Other payables, derivatives	-	-	-	-
Total financial liabilities at fair value through other comprehensive income	**-**	**-**	**-**	**-**
Other payables, derivatives	-0.1	-	-0.1	-
Total financial liabilities at fair value through the income statement	**-0.1**	**-**	**-0.1**	**-**

1) The carrying amount is approximately equal to the fair value.
2) Due to the short-term nature, the carrying amount is assumed to approximate the fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.6 Derivative financial instruments

Cash flow hedging

Set out below is the fair value of cash flow hedging net of ineffectiveness recognised and the movements during the period:

Amounts in USD million	2024	2023
Fair value of cash flow hedges:		
Fair value at 1 January	-35.3	63.1
Fair value adjustment at year end, net	76.6	-98.4
Fair value at 31 December	**41.3**	**-35.3**
The fair value of cash flow hedges can be specified as follows:		
Bunker hedging	-1.1	-1.9
FFA hedging	42.4	-34.0
Foreign currency risk hedging	-	0.6
Fair value at 31 December	**41.3**	**-35.3**
At year end, cash flow hedges cleared through margin accounts can be specified as follows:		
FFA hedging	42.4	-34.0
Bunker hedging	-1.0	-1.9
Foreign currency risk hedging	-	0.6
At year end, cash flow hedges not cleared through margin accounts can be specified as follows:		
Bunker hedging	-0.1	-
Total	**41.3**	**-35.3**

USD 0.1 million has been recycled from the hedging reserve recognised to other income as ineffectiveness.

Bunker hedging

The Group hedges cash flow risks associated with bunker prices to the extent possible. The risk strategy is built on portfolio hedging where Risk Management is given a mandate in terms of Value at Risk.

Bunker swaps are used to hedge expected bunker revenues and planned bunker expenses. The bunker swaps are designated as hedges of the forward bunker prices.

Bunker swaps are sold to hedge revenue related to the bunker price component of expected, highly probable cargoes up to a limit given by the bunkers onboard and the redelivery commitment related to time chartered-out vessels.

The expected bunker sales arise from expected, highly probable cargoes as the Group's basis analysis of the freight market structure has concluded that bunkers are a separate and identifiable component of cargo freight prices.

Bunker swaps are purchased to hedge expenses related to planned, highly probable bunker purchases.

The planned bunker purchases are related to existing cargoes, where owners must cover the bunker expenses required to carry the cargo from its load to discharge port, and the redelivery commitment related to time chartered-in vessels, as charterers must redeliver the vessel with a bunker volume specified in the charterparty to owners.

Bunker swaps are contracts that are priced against published Platts prices for the respective bunker product in the given bunkering hub. The Group has in its basis analysis of the bunker market structure concluded that Rotterdam and Singapore prices are separate and identifiable components of bunker prices in other ports.

The Group, therefore, uses bunker swaps with price reference in Rotterdam to hedge bunker prices west of Suez, and in Singapore to hedge bunker prices east of Suez.

Amounts in USD million	2024	2023
Movements in the hedging reserve:		
1 January	-1.9	-10.8
Fair value adjustment	12.8	15.1
Realised contracts, transferred to revenue	4.4	27.7
Realised contracts, transferred to operating costs	-16.4	-33.9
31 December	**-1.1**	**-1.9**

The bunker hedging activities comprise the following contracts:

	Settlement Mts				Fair value	
	<1 year	1-2 years	2-3 years	>3 years	Positive	Negative
2024						
Purchased	730,079	44,063	15,039	-	8.1	-4.9
Avg. USD/Mts	*506.6*	*478.5*	*465.5*	-		
Sold	617,661	38,063	5,039	-	2.7	-7.0
Avg. USD/Mts	*501.8*	*468.5*	*450.2*			
2023						
Purchased	918,738	20,984	11,984	-	6.0	-24.0
Avg. USD/Mts	*551.6*	*492.4*	*477.9*	-		
Sold	667,718	11,984	5,984	-	16.5	-2.6
Avg. USD/Mts	*553.8*	*491.2*	*470.9*	-		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.6 Derivative financial instruments – continued

Freight hedging

To manage the variability of cash flow risk due to freight price fluctuations, we cover future open ship days with cargo contracts, Time Charter (T/C) contracts, and Forward Freight Agreements (FFAs), based on Management's assessment of their attractiveness.

The risk is managed by the Business Unit Leaders, based on Value at Risk limits defined by Management. The FFAs are designated as hedges of the forward freight rate.

FFAs are sold to hedge freight revenue of expected, highly probable cargoes that will be booked. They are purchased to hedge freight expenses related to expected, highly probable vessels to be time chartered-in.

FFA contracts are priced against published Baltic spot indices for the respective vessel types. Actual earnings on spot voyages within the respective vessel type show strong correlation to the relevant Baltic spot indices, and are therefore considered to be effective hedges against highly probable freight revenue when applying a 1:1 hedging ratio.

Change in price difference between the Baltic indices and the actual freight rates and difference in actual number of days may cause ineffectiveness.

Amounts in USD million	2024	2023
Movements in the hedging reserve:		
1 January	-34.0	71.9
Fair value adjustment	39.3	-18.5
Realised contracts, transferred to operating costs	-15.6	-19.1
Realised contracts, transferred to revenue	52.7	-68.3
31 December	**42.4**	**-34.0**

The following table comprises the freight hedging contracts.

	Settlement days				Fair value	
	<1 year	1-2 years	2-3 years	>3 years	Positive	Negative
2024						
Purchased	8,034	660	120	60	4.9	-10.6
Avg. USDk/day	*13.7*	*15.0*	*12.5*	*11.6*		
Sold	21,985	1,080			49.0	-0.9
Avg. USDk/day	*15.5*	*21.0*				
2023						
Purchased	15,801	4,320	660	180	39.4	-1.4
Avg. USDk/day	*13.0*	*13.0*	*15.0*	*12.2*		
Sold	21,905	-	-	-	1.7	-73.7
Avg. USDk/day	*12.0*	-	-	-		

Derivatives not designated in hedge accounting

The Group has entered into hedging transactions, where hedge accounting is not used and where assets and liabilities are recognised with the following amounts:

	Fair value	
Amounts in USD million	Positive	Negative
2024		
Freight Forward Agreements	14.7	-14.2
Forward exchange contracts	0.2	-0.9
2023		
Freight Forward Agreements	8.0	-8.0
Forward exchange contracts	0.3	-0.1

Foreign currency risk hedging

In 2016, NORDEN agreed to transport wood pellets from the USA to the UK with one monthly cargo during 2019-2034. Part of the payments for the transport during 2020-2025 was denominated in GBP.

Amounts in USD million	Settlement				Fair value	
	<1 year	1-2 years	2-3 years	>3 years	Positive	Negative
2024 - GBP	0.7	-	-	-	-	-
2023 - GBP	8.7	0.7	-	-	0.6	-

The currency exposure arising from these payments has been swapped to USD at two of NORDEN's partnership banks at an average GBP/USD rate of 1.36.

Accounting policies

The Group uses derivative financial instruments to hedge its bunker price risks, freight risk and currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently remeasured at fair value. Derivatives are carried as financial assets (other receivables) when the fair value is positive, and as financial liabilities (other payables) when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting, and the risk management objective and strategy for undertaking the hedge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.6 Derivative financial instruments – continued

Accounting policies

Changes in the fair value of derivative financial instruments that are designated as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement in the same item as any changes in the carrying amount of the hedged asset or hedged liability.

Changes in the fair value of derivative financial instruments designated as hedges of expected future transactions (cash flow hedge) are recognised in other comprehensive income and presented under "Reserve for cash flow hedges" (equity).

Where the expected future transactions result in the acquisition of non-financial assets, any amounts deferred under equity are transferred from equity to the cost of the asset. Where an expected future transaction results in income or expense, any amount deferred under equity is transferred from equity to the income statement under the same item as the hedged transaction.

Changes in derivative financial instruments used for economic trading are recognised in the income statement in a separate item under other operating income.

4.7 Unrecognised contingent assets and liabilities

Claims have been made against the Group, primarily concerning discharge responsibility and broker fees, etc. The Group and its legal advisers consider the claims unjustified, and it is Management's opinion that the claims will not have any material impact on the Group's financial position, results of operations and cash flows.

NORDEN has deposited USD 0.8 million in a collateral account as security for a performance guarantee issued by the bank on behalf of one of our customers.

Accounting policies

Contingent assets are recognised when it is virtually certain that the claim will have a positive outcome for the Group. A contingent liability is recognised if it is likely that the claim will have a negative outcome and when the amount can be estimated. Rulings in connection with such matters may in future accounting periods produce realised gains or losses which may differ considerably from the recognised amounts or information.

Accounting judgements and estimates

Management assesses provisions and contingencies on an ongoing basis, as well as the likely outcome of pending or potential legal proceedings, etc. The assessments are made on the basis of legal opinions of the signed agreements, which in considerable claims also include assessments obtained from external advisers, including external legal advisers, among others.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SECTION 5
Other disclosure requirements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.1 Share-based payment

Number of shares	2024	2023
Restricted shares oustanding at 1 January	185,797	229,067
Granted during the period	56,310	34,858
Exercised during the period	-80,105	-78,128
Lapsed during the period	-21,255	-
Restricted shares outstanding at 31 December	**140,747**	**185,797**
Share options outstanding at 1 January	-	14,400
Exercised during the period	-	-2,900
Lapsed during the period	-	-11,500
Share options outstanding at 31 December	**-**	**-**
Average price of exercised share options (DKK)	-	54.89

The overall purpose of the restricted share programmes and the share option programmes is to ensure a shared interest with shareholders and to reward long-term and dedicated work, which is deemed to be of value to NORDEN.

Restricted share programme
Restricted shares are granted free of charge and remain restricted during a vesting period of three years.

Transfer of the restricted shares is subject to continued employment within the three-year vesting period. It applies that, upon vesting, the employee will receive one share of nominally DKK 1 for each restricted share vested.

The decision to grant restricted shares is taken on an annual basis by the Board of Directors.

Special terms apply in case of death and illness.

Active restricted share programmes

Programme	2024	2023	2022
Share value at launch (DKK)	359.80	396.08	159.83
Fair value at grant (USDk)	2,808	2,012	1,712
Allocated to recipients	Jan & May 2027	Jan & Jun 2026	Jan 2025
Vesting period	2024 to 2027	2023 to 2026	2022 to 2025
Amortisation period	3 years	3 years	3 years
Originally granted shares	53,540	34,858	81,344
Outstanding restricted shares:			
Excecutive Management	9,563	8,262	20,591
Other executives	18,064	3,766	9,216
Others	21,097	15,115	35,073
Total	**48,724**	**27,143**	**64,880**
Expense for the year, all programmes (USDk)	1,737	1,888	1,401

The RSU plans have no performance condition, only a service condition. Where a recipient resigns during the vesting period, non-vested restricted shares will lapse.

Programmes are expected to be covered by treasury shares.

Accounting policies

The value of services rendered by employees as consideration for share-based incentive payments is measured at the fair value of the granted options and restricted shares, respectively. For both, this fair value is recognised in the income statement over the vesting period. A corresponding increase is recognised in equity.

The fair value of the options is determined using the Black-Scholes valuation model, taking into account the terms of the grant and the actual number of vested options. The fair value of restricted shares is determined using the share price at the grant date adjusted for expected dividend per share, which is based on historical dividends. On recognition, the number of options and restricted shares expected to vest are estimated. The estimate is adjusted over the vesting period to the actual number of vested options and restricted shares.

The exercise price of share options is determined as the five-day average of the market price following the grant, less all dividend payments after the grant date plus a fee of 10%, respectively, in proportion to the market price at the date of grant.

The division into employee categories is based on the current title of the employee. Employees having resigned are included in the category "Others".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.2 Income tax

Amounts in USD million	2024	2023
Tax on the profit from operations (EBIT)	12.2	9.4
Tax on other items	-	1.5
Adjustment of tax regarding previous years	-1.3	-0.8
Total	**10.9**	**10.1**
Can be broken down as follows:		
Profit/loss before tax	173.6	410.2
- of which, results from tonnage activity	-139.1	-392.8
Profit/loss from non-tonnage activity	**34.5**	**17.4**
Tax using the Danish corporation tax rate (22%)	7.6	3.8
Additional tax due to OECD Pillar Two	2.6	-
Tax rate deviations in foreign jurisdictions	-4.6	0.4
Adjustment to previous years' taxes	-1.3	-0.8
Total income tax	**4.3**	**3.4**
Tonnage tax	6.6	6.7
Total tax for the year	**10.9**	**10.1**
Effective tax rate	6.2%	2.5%
Contingent tax under the tonnage tax scheme	16.3	16.3
Contingent tax is calculated equalling the tax rate for 2024 and going forward	22.0%	22.0%

The contingent tax could become payable as current tax if the tonnage tax regime is discontinued, if there is a significant decrease in the net investments in vessels by the Danish group entities, or if these entities are liquidated. Therefore, the business plans of the Group are an important basis for this tax estimate.

Accounting policies

The Group’s current tax primarily consists of tax payable according to the regulations of the Danish and Singaporean Tonnage Tax Act for shipping activities and according to general tax regulations for net financial income and other activities.

Other activities primarily consist of commercial management income. Shipping activities in Denmark and Singapore are taxed based on the vessel net tonnage at disposal.

Based on the planned use of vessels and recovery of reversed depreciation, respectively, the Danish and Singaporean tonnage tax regimes do not result in a liability, hence, it does not result in any deferred tax in the statement of financial position. The tax liability is merely a contingent liability.

Other activities of the Group and the parent company are not subject to deferred tax either.

The Group has included additional tax related to Pillar Two only in connection with vessels sold in 2024. Beyond this, the Group applies the exception to recognising and disclosing information about deferred tax associated with Pillar Two income taxes.

As the predominant aspect of the Group's business activities falls under the tonnage tax system, the forthcoming regulations associated with Pillar II are anticipated to exert minimal influence on the overall tax structure of the Group. Notably, the primary regions that may be subject to the regulatory impact are Africa and the Americas. However, it is important to highlight that these regions currently contribute insignificantly to the overall profit of the Group.

Accounting judgements and estimates

The Danish group entities have entered into the Danish tonnage tax regime for a binding ten-year period from 2021. The Singaporean group entity has entered into the Singaporean tonnage tax regime for a binding ten-year period from 2019.

In addition, tax regulation becomes complex when a company has activities that are partly covered by the tonnage tax regime and partly by corporate taxation.

In calculation of the taxable income, estimates are made which in a later assessment by the Danish or Singaporean tax authorities may result in corrections to previous estimates of recognised tax assets and liabilities in the statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.3 Fees to auditor appointed at the general meeting

Amounts in USD million	2024	2023
"Other external costs" cf. note 2.2 include the following fees to the independent auditor:		
Statutory audit	0.5	0.5
Other assurance services	0.1	0.1
Tax consultancy	0.1	-
Other services	-	-
Total	**0.7**	**0.6**

Fees for services other than the statutory audit of the financial statements provided by EY Godkendt Revisionspartnerselskab Denmark amounted to USD 0.2 million including other assurance opinions and other services.

5.4 Related party disclosures

Amounts in USD million	2024	2023
Income statement		
Sale of goods and services, joint ventures	10.2	4.9
Purchase of goods and services, joint ventures	4.9	14.0
Shareholders with significant influence		
A/S Motortramp		
- Dividends paid to shareholder	23.5	99.8
A/S Motortramp participates on a pro-rata basis to the shares purchased under the company's share buy-back programme.		

The Group has no related parties controlling NORDEN.

Detailed information regarding the remuneration and share-based compensation for both the Board of Directors and the Executive Management can be found in note 2.2 "Operating costs" and note 5.1 "Share-based payment".

Accounts with joint ventures are related to operations, unsecured and with usual interest rates. Guarantees to joint ventures are disclosed in note 3.7 "Investments and activities".

No other financial transactions occurred throughout the year involving the Board of Directors, the Executive Management, significant shareholders or any other related parties.

Accounting policies

Related parties include the Board of Directors and the Executive Management as well as their close relatives. Related parties also include companies in which the above persons have significant interests as well as companies and foundations which have direct or indirect significant influence through shareholdings.

In addition, related parties include joint ventures; refer to note 3.7 "Investments and activities".

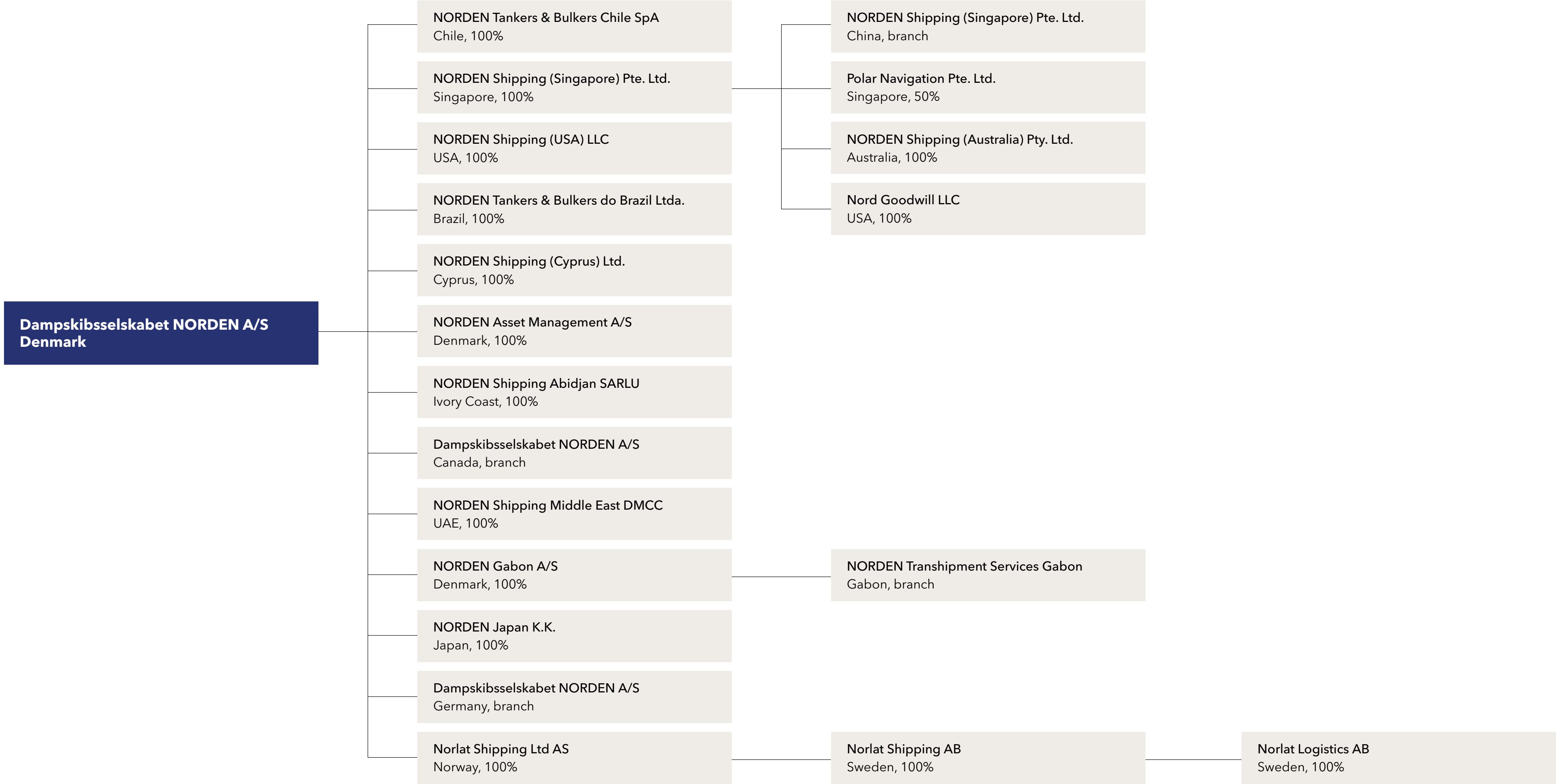
All transactions involving related parties are conducted in adherence to arm's length principles, maintaining independence and market-driven terms.

5.5 Events after the reporting date

There are no material subsequent events. Refer to page 11 in the Management review.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.6 Group structure



PARENT COMPANY FINANCIAL STATEMENTS

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

INCOME STATEMENT

Amounts in USD million	Note	2024	2023
Revenue	2.1	**3,891.9**	**3,524.5**
Other operating income		12.3	4.5
Vessel operating costs		-3,402.5	-2,778.4
Other external costs		-49.1	-59.7
Staff costs	2.2	-28.6	-60.7
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)		**424.0**	**630.2**
Profit/loss from sale of vessels, etc.		9.2	14.6
Depreciation, amortisation and impairment losses, net	3.1-3.3	-331.2	-348.2
Profit from operations (EBIT)		**102.0**	**296.6**
Profit/loss from investments in subsidiaries	3.5	103.2	135.3
Financial income	4.4	23.1	38.1
Financial expenses	4.4	-65.5	-65.4
Profit before tax		**162.8**	**404.6**
Tax for the year	5.2	-7.2	-8.0
Profit for the year	4.2	**155.6**	**396.6**

STATEMENT OF FINANCIAL POSITION

Assets

Amounts in USD million	Note	2024	2023
Goodwill	3.1	24.7	31.8
Other intangible assets	3.1	8.0	15.2
Total intangible assets		**32.7**	**47.0**
Vessels	3.2	45.1	45.8
Right-of-use assets	3.3	415.4	430.8
Property and equipment	3.2	49.5	47.6
Prepayments on vessels and newbuildings	3.2	-	1.7
Total tangible assets		**510.0**	**525.9**
Investments in subsidiaries	3.5	798.9	775.6
Other investments		12.7	12.7
Receivables from subleasing	3.4	75.6	23.1
Total financial assets		**887.2**	**811.4**
Total non-current assets		**1,429.9**	**1,384.3**
Inventories		129.6	109.3
Receivables from subleasing	3.4	73.8	93.2
Contract assets		179.8	215.4
Trade receivables		186.2	157.5
Receivables from subsidiaries		78.1	50.3
Other receivables		29.1	34.0
Cash and cash equivalents		159.7	432.9
Total current assets		**836.3**	**1,092.6**
TOTAL ASSETS		**2,266.2**	**2,476.9**

Equity and liabilities

Amounts in USD million	Note	2024	2023
Share capital	4.1	5.1	5.4
Reserve for hedges		41.3	-35.3
Reserve for net revaluation according to the equity method		330.2	325.0
Retained earnings		900.9	848.9
Proposed dividend	4.2	9.0	50.4
Total equity		**1,286.5**	**1,194.4**
Borrowings	4.3	50.9	52.7
Lease liabilities	4.3	223.2	205.7
Other payables		5.0	-
Total non-current liabilities		**279.1**	**258.4**
Borrowings	4.3	1.1	1.1
Bonds	4.3	-	71.3
Lease liabilities	4.3	300.2	312.2
Trade payables		254.7	247.9
Debt to subsidiaries		21.2	164.1
Tax payables		5.2	5.0
Other payables		50.6	124.0
Contract liabilities		67.6	98.5
Total current liabilities		**700.6**	**1,024.1**
Total liabilities		**979.7**	**1,282.5**
TOTAL EQUITY AND LIABILITIES		**2,266.2**	**2,476.9**

STATEMENT OF CHANGES IN EQUITY

Amounts in USD million	Note	Share capital	Reserve for hedges	Reserve under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 January 2024		**5.4**	**-35.3**	**325.0**	**848.9**	**50.4**	**1,194.4**
Profit for the year		-	-	5.2	150.4	-	155.6
Capital reduction		-0.3	-	-	0.3	-	-
Fair value adjustments taken to equity, hedging instruments		-	76.6	-	-	-	76.6
Acquisition of treasury shares	4.1	-	-	-	-69.3	-	-69.3
Dividend paid out in respect of 2023		-	-	-	-	-45.8	-45.8
Dividend related to treasury shares in respect of 2023		-	-	-	3.9	-3.9	-
Exchange rate adjustment to dividends paid		-	-	-	0.7	-0.7	-
Proposed interim dividend		-	-	-	-27.9	27.9	-
Interim dividend paid out in respect of 2024		-	-	-	-	-26.7	-26.7
Interim dividend related to treasury shares in respect of 2024		-	-	-	1.2	-1.2	-
Proposed dividend related to 2024	4.2	-	-	-	-8.4	8.4	-
Proposed dividend on treasury shares related to 2024	4.2	-	-	-	-0.6	0.6	-
Share-based payment	5.1	-	-	-	1.7	-	1.7
Changes in equity		**-0.3**	**76.6**	**5.2**	**52.0**	**-41.4**	**92.1**
Equity at 31 December 2024		**5.1**	**41.3**	**330.2**	**900.9**	**9.0**	**1,286.5**

Amounts in USD million	Note	Share capital	Reserve for hedges	Reserve under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 January 2023		**5.9**	**63.1**	**289.7**	**812.8**	**159.2**	**1,330.7**
Profit for the year		-	-	35.3	361.3	-	396.6
Capital reduction		-0.5	-	-	0.5	-	-
Fair value adjustments taken to equity, hedging instruments		-	-98.4	-	-	-	-98.4
Acquisition of treasury shares	4.1	-	-	-	-127.5	-	-127.5
Dividend paid out in respect of 2022		-	-	-	-	-143.2	-143.2
Dividend related to treasury shares in respect of 2022		-	-	-	16.7	-16.7	-
Exchange rate adjustment to dividends paid		-	-	-	-0.7	0.7	-
Proposed interim dividend		-	-	-	-173.6	173.6	-
Interim dividend paid out in respect of 2023		-	-	-	-	-165.7	-165.7
Interim dividend related to treasury shares in respect of 2023		-	-	-	7.9	-7.9	-
Proposed dividend related to 2023	4.2	-	-	-	-46.8	46.8	-
Proposed dividend on treasury shares related to 2023	4.2	-	-	-	-3.6	3.6	-
Share-based payment	5.1	-	-	-	1.9	-	1.9
Changes in equity		**-0.5**	**-98.4**	**35.3**	**36.1**	**-108.8**	**-136.3**
Equity at 31 December 2023		**5.4**	**-35.3**	**325.0**	**848.9**	**50.4**	**1,194.4**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1.1 Summary of significant accounting policies

NORDEN prepares the parent company financial statements for Dampskibsselskabet NORDEN A/S in accordance with the Danish Financial Statements Act applying to enterprises of reporting class D.

The items of the income statement differ from the format prescribed by the Danish Financial Statements Act as they have been adjusted to the nature of the company's activities.

NORDEN has implemented the changes in its accounting policies as stated in note 1.7 "Changes in accounting policies and disclosures" in the consolidated financial statements, if applicable under the Danish Financial Statements Act. Other changes have had no impact on the parent company.

Income statement and statement of financial position

Income/loss from investments in subsidiaries and joint ventures
In the parent company's income statement, the proportional share of earnings is recognised under the items "Profit/loss from investments in subsidiaries" and "Profit/loss from investments in joint ventures".

Goodwill
Goodwill is initially recognised in the statement of financial positions as the difference between the fair value of net assets acquired and the consideration transferred.

Goodwill is amortised on a straight-line basis over five years. The amortisation period is determined considering the strategic nature of the acquired businesses, the transfer of know-how and long-term earnings profile.

Investments in subsidiaries and joint ventures
Investments in subsidiaries and joint ventures are recognised and measured according to the equity method.

In the statement of financal position under the items "Investments in subsidiaries" and "Investments in joint ventures", the proportional ownership share of the companies' net asset value is recognised.

The total net revaluation of investments in subsidiaries and joint ventures is transferred through the distribution of profits to "Reserve for net revaluation according to equity method" under equity. The reserve is reduced by dividend payments to the parent company and is adjusted with other changes in equity in subsidiaries and joint ventures.

Subsidiaries and joint ventures with negative net asset value are recognised at USD 0 million, and a provision to cover the negative balance is recognised if such a present obligation for this purpose exists.

IFRS 15 and 16 have been applied as interpretation under Danish GAAP.

Other investments
The Group has invested in an equity share of a non-listed company. The investment is expected to be held medium to long term for strategic purposes. The investment will be accounted for at fair value through profit or loss.

Other accounting policies
With reference to the provisions of the Danish Financial Statements Act, the company has refrained from preparing a cash flow statement. For this information, see the consolidated financial statements of Dampskibsselskabet NORDEN A/S.

Refer to the consolidated financial statements for other accounting policies, which are similar for the parent company.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

2.1 Revenue information

Amounts in USD million	Freight Services & Trading	Assets & Logistics	Elimi-nations	**Total**
2024	3,659.4	569.4	-336.9	**3,891.9**
2023	3,291.0	564.3	-330.8	**3,524.5**

For further details on each segment, please refer to note 2.1 "Segment information" in the consolidated financial statements.

Future revenue from contracts of affreightment

Amounts in USD million	2024	2023
<1 year	233.9	346.6
1-2 years	46.6	64.5
2-3 years	18.8	32.7
3-4 years	14.4	17.7
4-5 years	8.3	13.6
>5 years	32.3	42.2
Total	**354.3**	**517.3**

NORDEN holds several contracts of affreightment, obligating the Parent to undertake voyage charters of varying lengths, from medium to long term. These charters will use vessels that have not yet been nominated. It is expected that these contracts will yield a projected revenue of around USD 354 million in the upcoming years. For further details, please refer to note 2.1 "Segment information" in the consolidated financial statements.

Future revenue from time charter agreements

Amounts in USD million	Time charter revenue	Sublease revenue	Net revenue
2024			
<1 year	203.3	-109.9	93.4
1-2 years	74.9	-48.2	26.7
2-3 years	53.1	-31.2	21.9
3-4 years	26.5	-25.1	1.4
4-5 years	11.4	-11.0	0.4
>5 years	-	-	-
Total	**369.2**	**-225.4**	**143.8**

Amounts in USD million	TC revenue	Sublease revenue	Total
2023			
<1 year	314.0	-116.4	197.6
1-2 years	102.7	-40.7	62.0
2-3 years	21.4	-18.6	2.8
3-4 years	16.6	-16.6	-
4-5 years	16.7	-15.9	0.8
>5 years	6.2	-4.6	1.6
Total	**477.6**	**-212.8**	**264.8**

Sublease revenue is derived from sublease gains recognised in prior years, eliminating future time charter (TC) revenue. For further details, please refer to note 2.1 "Segment information" in the consolidated financial statements.

2.2 Staff costs and remuneration

Amounts in USD million	2024	2023
Wages and salaries	23.7	55.9
Pensions – defined contribution plans	2.6	2.5
Other social security costs	0.6	0.5
Share-based payment	1.7	1.8
Total	**28.6**	**60.7**
Average number of employees	231	223

Staff costs and average number of employees exclude employees on T/C vessels.

For remuneration of the Executive Management and the Board of Directors, refer to note 2.2 "Operating costs" and note 5.1 "Share-based payment" in the consolidated financial statements.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

3.1 Intangible assets

Amounts in USD million	Goodwill	Other intangible assets	Total
2024			
Cost at 1 January	35.3	21.6	56.9
Additions from business combinations	-	-	-
Disposals	-	-1.8	-1.8
Cost at 31 December	**35.3**	**19.8**	**55.1**
Amortisation and impairment losses at 1 January	-3.5	-6.4	-9.9
Amortisation	-7.1	-7.2	-14.3
Disposals	-	1.8	1.8
Amortisation and impairment losses at 31 December	**-10.6**	**-11.8**	**-22.4**
Carrying amount at 31 December	**24.7**	**8.0**	**32.7**

Amounts in USD million	Goodwill	Other intangible assets	Total
2023			
Cost at 1 January	-	-	-
Additions from business combinations	35.3	21.6	56.9
Disposals	-	-	-
Cost at 31 December	**35.3**	**21.6**	**56.9**
Amortisation and impairment losses at 1 January	-	-	-
Amortisation	-3.5	-6.4	-9.9
Disposals	-	-	-
Amortisation and impairment losses at 31 December	**-3.5**	**-6.4**	**-9.9**
Carrying amount at 31 December	**31.8**	**15.2**	**47.0**

Intangible assets mainly consist of goodwill, customer relationships and similar intangible assets acquired from the acquisition of Thorco Projects in 2023.

Goodwill is amortised on a straight line basis over five years, while customer relationships are amortised over a life time of five years on a churn rate basis.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

3.2 Tangible assets

Amounts in USD million	Vessels	Property and equip-ment	Prepay-ments on vessels and new-buildings	Total
2024				
Cost at 1 January	47.1	53.6	1.7	102.4
Additions	-	2.8	15.8	18.6
Disposals	-	-	-17.5	-17.5
Cost at 31 December	**47.1**	**56.4**	**-**	**103.5**
Depreciation at 1 January	-1.3	-6.0	-	-7.3
Depreciation	-0.7	-0.9	-	-1.6
Disposals	-	-	-	-
Depreciation at 31 December	**-2.0**	**-6.9**	**-**	**-8.9**
Carrying amount at 31 December	**45.1**	**49.5**	**-**	**94.6**

Amounts in USD million	Vessels	Property and equip-ment	Prepay-ments on vessels and new-buildings	Total
2023				
Cost at 1 January	47.1	53.6	4.2	104.9
Additions	-	-	121.5	121.5
Disposals	-	-	-124.0	-124.0
Cost at 31 December	**47.1**	**53.6**	**1.7**	**102.4**
Depreciation at 1 January	-0.6	-5.2	-	-5.8
Depreciation	-0.7	-0.8	-	-1.5
Disposals	-	-	-	-
Depreciation at 31 December	**-1.3**	**-6.0**	**-**	**-7.3**
Carrying amount at 31 December	**45.8**	**47.6**	**1.7**	**95.1**

Vessels relate to two vessels sold to third parties with a repurchase option in connection with which NORDEN, at the same time, entered into long-term lease contracts. These transactions have been treated as financing transactions, and the received proceeds are part of the loans.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

3.3 Right-of-use assets

The nature of leasing activities
The majority of lease contracts are time charter contracts on vessels, while a minor part concerns the lease of office space and other equipment from external parties under non-cancellable lease agreements. Leases have varying terms, including options to extend and options to purchase.

	2024	2023
Number of right-of-use assets leased	128	156
- of which, index leases	18	14
Range of remaining term of leases, in years	0-5	0-6
Average remaining term of leases, in years	1.3	2.3
Number of leases with extension options	63	70
Number of leases with purchase options	72	97

Amounts recognised in the statement of financial position

Amounts in USD million	2024	2023
Right-of-use assets		
Cost at 1 January	1,185.6	1,302.4
Additions	219.2	153.4
Remeasurements	93.3	69.6
Disposals	-240.3	-339.8
Cost at 31 December	**1,257.8**	**1,185.6**
Depreciation at 1 January	-754.8	-773.9
Depreciation	-315.3	-336.8
Disposals	227.7	355.9
Depreciation at 31 December	**-842.4**	**-754.8**
Carrying amount at 31 December	**415.4**	**430.8**

Amounts recognised in the income statement

Amounts in USD million	2024	2023
Depreciation of right-of-use assets	315.3	336.8
Interest expenses related to lease liabilities	34.1	35.0
Expenses related to the service component	282.8	295.2
Expenses related to short-term leases	1,689.5	1,195.6
Future expenses related to short-term leases	355.0	294.0

Leases with future commencement date
The company has entered into lease agreements (+12 mths.) with future commencement dates, which will affect the statement of financial position as shown below, when the time-chartered vessels will be delivered, and when the company will obtain the right to direct the use of the asset.

Daily running cost
The company has elected to separate lease and non-lease components. For these contracts, the consideration is allocated based on the relative stand-alone prices between the lease and non-lease component. For time charter contracts, the non-lease component is the technical management services provided to operate the vessel. The future effect on the income statement related to the non-lease component (daily running costs) is shown below.

Extension options
Some leases include an option to be extended for one additional year at a time. Where practicable, the company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the company and not by the lessors.

At the lease commencement date, the Group assesses whether it is reasonably certain that the extension option will be exercised. If significant events or changes in circumstances within its control occur, the Group reassesses this certainty.

If all available extension options at year end were exercised when possible, the right-of-use asset and corresponding lease liability would increase by the following amounts in each future year (undiscounted and excluding the non-lease component).

	Freight Services & Trading				Assets & Logistics				Parent
Amounts in USD million	<1 year	1-5 years	>5 years	**Total**	<1 year	1-5 years	>5 years	**Total**	**Total**
2024									
Leases with future commencement date	15.1	-	-	**15.1**	130.4	185.5	-	**315.9**	**331.0**
Extension options	8.8	-	-	**8.8**	60.4	368.4	120.1	**548.9**	**557.7**
Daily running cost	69.8	20.4	-	**90.2**	147.8	327.9	32.8	**508.5**	**598.7**
2023									
Leases with future commencement date	11.9	-	-	**11.9**	110.5	194.5	-	**305.0**	**316.9**
Extension options	-	8.8	-	**8.8**	29.7	414.3	138.1	**582.1**	**590.9**
Daily running cost	78.5	24.7	-	**103.2**	150.7	312.0	24.3	**487.0**	**590.2**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

3.4 Subleases

This note provides information on leases where the company is the lessor.

Amounts in USD million	2024	2023
Amounts recognised in the income statement		
Revenue from sublease financial income*	8.9	7.5
Gain on derecognised right-of-use assets*	63.6	68.1
Sublease financial income and gains*	**72.5**	**75.6**
Amounts recognised related to cash flow		
Instalments on sublease receivables	139.2	154.0
Receivables from subleases		
Receivables from subleases at 1 January	116.3	109.3
Additions	169.1	150.7
Disposals	-	-1.0
Remeasurements	3.2	11.3
Payments received	-139.2	-154.0
Receivables from subleases at 31 December	**149.4**	**116.3**

*Included in revenue

Amounts in USD million	2024	2023
Sublease receivables, contractual undiscovered payments:		
<1 year	80.4	97.0
1-2 years	35.1	22.5
2-3 years	22.1	1.2
3-4 years	17.4	-
4-5 years	7.7	-
Total	**162.7**	**120.7**

3.5 Investments in subsidiaries

Amounts in USD million	2024	2023
Cost at 1 January	450.6	450.6
Additions	18.1	-
Cost at 31 December	**468.7**	**450.6**
Value adjustments at 1 January	325.0	289.7
Share of profit for the year	95.2	135.8
Depreciation, internal profit/loss	-0.4	-0.5
Dividends received	-98.0	-100.0
Share of loss recognised under financial expenses	8.4	-
Value adjustments at 31 December	**330.2**	**325.0**
Carrying amount at 31 December	**798.9**	**775.6**

Additions of USD 18.1 million in 2024 relate to the acquisition of 100% of the shares in the Norwegian dry bulk operator Norlat Shipping on 3 September 2024. Norlat Shipping specialises in the shipment of forest products and other bulk commodities, primarily trading from Northern Europe to North Africa and North America.

The purchase price includes the fair value of contingent consideration of USD 5 million, contingent upon meeting certain performance conditions over the next three years.

Goodwill arising from the acquisition amounts to USD 9.3 million, while the fair value of customer relationships amounts to USD 5.7 million. Goodwill is amortised on a straight-line basis over five years, while customer relationship is amortised over a life time of five years on a churn rate basis. The amortisations of both are included in share of profit/loss for the year. Unamortised goodwill amounted to USD 8.7 million at the end of 2024.

Refer to note 5.6 "Group structure" in the consolidated financial statements.
No significant restrictions apply to distributions from subsidiaries.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

4.1 Share capital and dividends

The share capital consists of 32,000,000 shares of a nominal value of DKK 1 each. No shares are subject to any special rights or restrictions.

Distribution to shareholders

Amounts in USD million	2024	2023
Interim dividend for the year	26.7	165.7
Dividend for the prior year	45.8	143.2
Share repurchases for the year	69.3	127.5
Total	**141.8**	**436.4**

The net cash distribution to shareholders in the form of dividends and share repurchases amounted to USD 141.8 million, compared to a free cash flow of negative USD 74.3 million.

Dividends

	2024	2023
Interim dividend per share, DKK	6.0	35.0
Final proposed dividend per share, DKK	2.0	10.0
Available for distribution, USD million	909.9	899.3

Total dividend for 2024 amounted to USD 35.1 million (DKK 8 per share), corresponding to a payout ratio of 21.6%. The 2024 final dividend of USD 8.4 million (DKK 2 per share) is expected to be distributed pending approval at the annual general meeting.

Interim dividends of USD 8.8 million (DKK 2 per share) were paid in April 2024, USD 9.0 million (DKK 2 per share) in August 2024 and USD 8.9 million (DKK 2 per share) in November 2024.

Amounts exclude dividend declared on treasury shares.

Treasury shares

	Market value, USDm	Treasury shares as a %	2024	2023
Holding at 1 January	115.8	7.15	2,432,412	3,248,012
Purchases			1,690,742	2,257,440
Transfers			-72,676	-73,040
Cancellations			-2,000,000	-3,000,000
Holding at 31 December	**61.0**	**6.41**	**2,050,478**	**2,432,412**

Treasury shares are acquired for the purpose of hedging in connection with share-based payment and in connection with share buy-back programmes.

The Company is authorised by the general meeting to acquire treasury shares in the period until next year's annual general meeting at a total nominal value not exceeding 15% of the share capital at the market price applicable at the time of acquisition with a deviation of up to 10%.

Share buy-back programmes

NORDEN initiated four share buy-back programmes in 2024. The share-buy back programmes were initiated pursuant to the authorisation granted to the Board of Directors.

Details of all programmes conducted throughout the year:

Period	Limit* of share capital	Number of shares acq.	Cost of shares acq., DKK	Avg. price of shares acq., DKK
2 Nov 23 - 31 Jan 24	10%	159,626	57,465,743	360
9 Feb - 19 Apr 24	10%	354,751	104,939,959	296
26 Apr - 1 Aug 24	15%	472,175	145,277,294	308
9 Aug - 23 Oct 24	15%	350,690	95,134,762	271
1 Nov 24 - 22 Jan 25	15%	353,500	75,252,840	213
		1,690,742	**478,070,598**	**283**

* Applicable at the time of acquisition with a deviation of up to 10%

The figures in the table above include only shares acquired through share buy-back programmes in 2024. The total cost of DKK 478,070,598 (USD 69.3 million) was deducted from retained earnings.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

4.2 Proposal for the distribution of profit

Amounts in USD million	2024	2023
Reserve for net revaluation according to the equity method	5.2	35.3
Proposed final dividend	9.0	50.4
Interim dividends paid	27.9	173.6
Retained earnings	113.5	137.3
Total	**155.6**	**396.6**
Proposed final dividend per share, DKK	2.0	10.0

4.3 Borrowings, bonds and lease liabilities

Amounts in USD million	2024	2023
Current borrowings, <1 year	301.3	384.6
Non-current borrowings, 1-5 years	270.4	253.7
Non-current borrowings, >5 years	3.7	4.7
Total*	**575.4**	**643.0**
Mortgages and security		
As security for borrowings	6.9	8.0
- number of buildings pledged	2	2
- carrying amount	45.9	46.3
- mortgaged amount	13.2	14.1

* Total amount includes lease liabilities.

Lease liabilities

Amounts in USD million	2024	2023
Lease liabilities at 1 January	517.9	605.6
Additions	323.5	238.7
Remeasurements	108.1	103.5
Instalments	-402.1	-420.4
Disposals	-24.0	-9.5
Lease liabilities at 31 December	**523.4**	**517.9**

Some of the borrowings have been registered with an amount to secure future drawings under a revolving credit facility of USD 200 million of which 0 million has been drawn. Among the company's subsidiaries, only NORDEN Asset Management A/S has been designated as a guarantor for this facility, as was also the case in 2023. Apart from this, no subsidiary guarantees the parent company's debt.

4.4 Financial income and expenses

Amounts in USD million	2024	2023
Interest income	17.0	34.5
Interest income related to cash pool	5.6	1.6
Fair value adjustment, derivatives	0.5	2.0
Total financial income	**23.1**	**38.1**
Interest expenses	10.4	12.7
Interest expenses related to cash pool	7.7	17.6
Fair value adjustment, derivatives	0.8	0.1
Interest expenses on lease liabilities	34.1	35.0
Impairment of receivables from subsidiaries	8.4	-
Exchange rate adjustment	4.1	-
Total financial expenses	**65.5**	**65.4**

4.5 Financial instruments and risks

Refer to note 4.4 "Financial instruments and risks" in the consolidated financial statements.

4.6 Derivative financial instruments

Refer to note 4.6 "Derivative financial instruments" in the consolidated financial statements.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

5.1 Share-based payment

Refer to note 5.1 “Share-based payment” in the consolidated financial statements.

5.2 Income tax

Amounts in USD million	2024	2023
Tax on profit for the year	8.4	8.8
Adjustment of tax regarding previous years	-1.2	-0.8
Total	**7.2**	**8.0**

The company entered into the Danish tonnage tax regime for a binding 10-year period from 2021. The Danish Group companies are jointly and severally liable for tax on the Group's income subject to joint taxation in Denmark.

5.3 Fees to auditor appointed at the general meeting

Amounts in USD million	2024	2023
"Other external costs" include the following fees to the independent auditor:		
Statutory audit	0.4	0.3
Other assurance services	0.1	0.1
Tax consultancy	0.1	-
Other services	-	-
Total	**0.6**	**0.4**

Fees for services other than the statutory audit of the financial statements provided by EY Godkendt Revisionspartnerselskab Denmark amounted to USD 0.2 million including other assurance opinions and other services.

5.4 Unrecognised contingent assets and liabilities

The company guarantees the subsidiaries’ lease liabilities towards external counterparties and the subsidiaries’ newbuilding liabilities. The Group's total lease liabilities and newbuilding commitments are disclosed in note 4.2 "Borrowings, bonds and lease liabilities" and note 3.4 "Tangible assets", respectively, in the consolidated financial statements.

The company has deposited USD 0.8 million in a collateral account as security for a performance guarantee issued by the bank on behalf of one of our customers.

The company has provided a guarantee of up to USD 1.0 million in relation to a multicurrency facility, for one of its subsidiaries.

Other contingencies are disclosed in note 4.7 "Unrecognised contingent assets and liabilities" in the consolidated financial statements.

5.5 Related party disclosures

Refer to note 5.4 “Related party disclosures” in the consolidated financial statements.

Other

ALTERNATIVE PERFORMANCE MEASURES

This Annual Report contains certain measures that are non-IFRS financial measures. They are used by the Group as an integrated part of the financial reporting internally, as well as in the audited annual reports and interim financial reports to monitor the financial performance of its business and operations. It is to be noted that since not all companies calculate financial measurements in the same manner, these are not always comparable to measurements used by other companies (even if similarly labelled). Accordingly, these financial measures should not be seen as a substitute for measures defined according to IFRS.

The Group uses the following non-IFRS financial measures:

Adjusted results
Adjusted results are computed as "Profit/loss for the period" adjusted for "Profit/loss from sale of vessels, etc." and sale of vessels in joint ventures.

Contribution margin
The Group reports Contribution margin as it provides additional information regarding the Group's profitability after direct costs i.e. the direct profitability of the shipping activities provided. Contribution margin is computed as "Revenue" plus "Other operating income" less "Vessel operating costs". Using the terminology in the segment reporting in note 2.1 "Segment information", contribution margin is defined as "T/C equivalent revenue" less "Charter hire for vessels and OpEx element" less "Operating costs" plus "Other operating income/(expense)".

Contribution margin can be derived directly from the consolidated income statement.

Invested capital
The Group reports Invested capital as it provides additional information regarding the capital invested in the Group's business and operations in order to generate the Group's returns. Invested capital is computed as described and shown in note 3.1 "Return on Invested Capital after tax".

Net interest-bearing debt
The Group reports Net interest-bearing debt as it provides additional information regarding the financial leverage of the Group. Net interest-bearing debt is computed as "Loans" (current and non-current) plus "Bonds" (current and non-current) plus "Lease liabilities" (current and non-current) less "Cash and cash equivalents".

Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)
The Group reports Profit before depreciation, amortisation and impairment losses, etc. (EBITDA) as it is considered a generally applied financial measure which provides additional information regarding the Group's profitability after direct costs and "Overhead and administrative costs" but not impacted by the effects of capital investments in the form of depreciation, amortisation and impairment losses nor impacted by profit/loss on divestments of vessels etc., the Group's capital structure or tax.

Profit before depreciation, amortisation and impairment losses, etc. (EBITDA) is computed as Profit/loss before "Depreciation, amortisation and impairment losses", "Profit/loss from sale of vessels etc.", (in parent income statement) "Profit/loss from investments in subsidiaries", "Share of profit/loss of joint ventures", "Financial income", "Financial expenses" and "Tax".

Profit before depreciation, amortisation and impairment losses, etc. (EBITDA) can be derived directly from the income statements.

Profit from operations (EBIT)
The Group reports Profit from operations (EBIT) as it is considered a generally applied financial measure which provides additional information regarding the Group's profitability before the impact from the Group's capital structure or tax.

Profit from operations (EBIT) is computed as Profit/loss before "Financial income", "Financial expenses" and "Tax". For the parent income statement, Profit from operations (EBIT) is in addition also before "Profit/loss from investments in subsidiaries" and "Profit/loss from investments in subsidiaries".

Profit from operations (EBIT) can be derived directly from the income statements.

KEY FIGURES AND FINANCIAL RATIOS

Book value per DKK 1 share = $$\frac{\text{Year-end equity}}{\text{Number of shares at year end, excluding treasury shares}}$$

Conversion ratio = $$\frac{\text{EBIT adjusted for sales profit/loss x 100}}{\text{Contribution margin}}$$

Dividend yield = $$\frac{\text{Dividend per share x 100}}{\text{Share price}}$$

EBITDA ratio = $$\frac{\text{EBITDA x 100}}{\text{Revenue}}$$

EEOI (gCO_2/tonnes-mile) = The Energy Efficiency Operational Indicator (EEOI) is a measurement of energy efficiency and is defined as the amount of CO_2 emitted per tonne of cargo transported 1 nautical mile.

Equity ratio = $$\frac{\text{Equity at year end x 100}}{\text{Total assets}}$$

Free cash flow: Cash flow from operating activities less cash flow from investing activities adjusted for change in cash and cash equivalents with rate agreements of more than three months, etc., less instalments on lease liabilities, plus financial payments received, less financial payments paid.
(Adjusted free cash flow = Free cash flow + acquisition of businesses and investments)

Lost-Time Incident Rate (LTIR) = LTIR is calculated based on the number of work-related accidents which cause a seafarer to be unable to work for more than 24 hours per 1 million working hours due to work-related injury.

Net asset value = The sum of broker valuation of owned vessels (delivered and to be delivered), estimated market value of T/C and cover portfolio, net cash (net of non-cash sale-and-lease back debt) and other net assets, less instalments related to newbuildings and other S&P commitments.

Net asset value per DKK 1 share = $$\frac{\text{Net asset value x USD exchange rate at year end}}{\text{Number of shares at year end, excluding treasury shares}}$$

Net profit or loss per DKK 1 share = $$\frac{\text{Profit/loss for the year}}{\text{Number of shares at year end, excluding treasury shares}}$$

Operating margin = $$\frac{\text{EBIT x 100}}{\text{EBITDA}}$$

Payout ratio = $$\frac{\text{Proposed dividend (incl. interim dividend), excluding treasury shares x 100}}{\text{Profit/loss for the year}}$$

Price/book value = $$\frac{\text{Share price at year end per DKK 1 share}}{\text{Book value per DKK 1 share}}$$

Return on equity in % (ROE) = $$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$$

Return on invested capital (ROIC) = $$\frac{\text{Profit/loss from operations, less operational tax x 100}}{\text{Average invested capital}}$$

Share price at year end per DKK 1 share = $$\frac{\text{(Current share price – purchase price) + dividends}}{\text{Purchase price}}$$

Total shareholder return = The total return of a share to an investor based on share price performance and dividends. Dividends are assumed to have been reinvested in the share. Return is based on USD.

USD exchange rate at year end = The USD exchange rate quoted by the Danish central bank at year end.

COMPANY INFORMATION

Company information
Dampskibsselskabet NORDEN A/S
52 Strandvejen
2900 Hellerup
Denmark
Telephone: +45 3315 0451

CVR no.: 67 75 89 19
Financial year: 1 January - 31 December
Municipality of domicile: Gentofte

Website: norden.com
Email: direktion@norden.com

Annual general meeting
The annual general meeting will take place on Wednesday, 12 March 2025, at 2pm and will be held as a virtual event.

Board of Directors
Klaus Nyborg, Chair
Johanne C F Riegels, Vice Chair
Karsten Knudsen
Robert Hvide Macleod
Ian McIntosh
Vibeke Bak Solok
Henrik Røjel
Ruhi Hermansen
Sofie Schønherr

Executive Management
Jan Rindbo, CEO
Martin Badsted, CFO

Auditor
EY
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg
Denmark

Since 1871, NORDEN has built a reputation for providing stability in an industry defined by volatility. We leverage the intelligence we have gathered, acquired and developed to deliver solutions that are tailored to the realities of the marketplace – delivering results our customers and investors can rely on.

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