

Eimskipafélag Íslands hf. Condensed Consolidated Interim Financial Statements

1 January to 30 June 2024 | EUR



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Endorsement and Statement by the Board of Directors and the CEO

Eimskip is a leading transportation company in the North Atlantic providing container and reefer liner services with connections to international markets and is specialized in worldwide freight forwarding with focus on frozen and chilled commodities. Eimskip offers its customers a broad range of services related to shipping, logistics and supply chain management solutions on land, sea and air. Eimskip currently operates 57 offices in 20 countries. The Condensed Consolidated Interim Financial Statement of the Group includes the financials of the parent company and its subsidiaries. The Group consists of a total of 62 companies. In addition the Company operates branch offices in Norway, Denmark, the UK, Netherlands and Germany.

The Condensed Consolidated Interim Financial Statements of Eimskipafélag Íslands hf. and its subsidiaries (together referred to as "Eimskip" or the "Group") for the period 1 January to 30 June 2024 are prepared and presented in accordance with International Financial Reporting Standards (IFRS) for Interim Financial Statements (IAS 34) as adopted by the EU and additional requirements for listed Icelandic companies. The Financial Statements are presented in thousands of EUR. The Condensed Consolidated Interim Financial Statements have not been audited or reviewed by the Company's independent auditors and should be read in conjunction with the Group's Annual Consolidated Financial Statement as at and for the year ended 31 December 2023.

Net earnings for the first six months of the year 2024 amounted to EUR 8.4 million according to the Consolidated Income Statement. Total equity at 30 June 2024 amounted to EUR 293.5 million according to the Consolidated Statement of Financial Position.

Operations and significant matters

In the second quarter of 2024, revenue amounted to EUR 209.6 million and remained unchanged from the previous year, despite some changes in revenue composition. Liner revenue amounted to EUR 137.0 million and decreased by EUR 12.9 million from previous year, mainly due to lower Trans-Atlantic rates, less import volume to Iceland and a large-scale four-week long strike in the Faroe Islands that lasted from 14 May until 10 June, 2024. Meanwhile, Forwarding revenue amounted to EUR 72.6 million, an increase of EUR 13.0 million, which was driven by a surge in global freight rates that started to increase sharply at the beginning of the quarter. A strong growth in global trade at the same time as global shipping capacity has been adversely affected by the Red-Sea situations are the main factors behind the tension that has built up in global supply chains, putting pressure on rates.

While revenue remained stable, operating expenses increased by EUR 10.9 million, primarily due to the aforementioned increase in global freight rates, which affect both revenue and expenses in the Company's International Forwarding operations. Bunker fuel expenses increased marginally from previous year, by EUR 0.6 million while the newly imposed ETS (European Trading System) regulation that took effect at the start of the year, cost the Company additional EUR 0.9 million in the quarter. In recent years the Company has experienced extensive wage increases in key locations with a large number of FTEs such as Iceland and the Faroe Islands, affecting salary expenses that increased by EUR 1.1 million from previous year despite a 2% reduction in FTEs at a Group level.

EBITDA in the second quarter amounted to EUR 23.5 million, compared to EUR 34.3 million in the second quarter last year which was historically a strong quarter. Liner EBITDA amounted to EUR 15.1 million, a decrease of 10.7 million from previous year which was almost entirely associated with lower results of the Container Liner services, while Forwarding EBITDA amounted to 8.4 million which is equal to last year's good results.

The outlook for coming months is somewhat marked by uncertainty. Global shipping markets remain highly volatile, with factors such as the Red-Sea situation which limits commercial traffic through the Suez Canal, and rebound in large economies, contributing to the current high-level rates. However, the effects of prolonged supply chain disruptions combined with growing geopolitical tensions remain uncertain. In Eimskip's home market the outlook is mixed, with generally positive outlook in the Faroe Islands and Norway, while the important market in Iceland has softened due to persistent inflation and high Central Bank interest rates.

Despite this mixed macro-economic outlook, Eimskip is well positioned in its home market in the North Atlantic, with focus on transportation of frozen and chilled commodities. The Company remains operationally focused and cost conscious while also committed to business development to support sustainable growth that is built on strong relationships with all stakeholders. Although the Company is not immune to the effects of economic factors impacting global trade and demand for shipping and transportation, the Company has a solid financial position, enabling the Company to weather economic cycles with greater resilience.

Endorsement and Statement by the Board of Directors and the CEO

On 10 October 2023 the Board of Directors initiated a share buy-back program in accordance with the approval of Eimskip shareholders' meeting on 9 March 2023. The number of shares to be acquired under the buy-back program were up to 2,150,000. During the first quarter 2024 Eimskip purchased 401,000 shares with a purchase price of ISK 194.7 million or EUR 1.3 million. The share buy-back was completed on 16 January 2024. The main purpose of the share buy-back was to reduce the Company's share capital.

The Annual General Meeting approved a dividend payment to shareholders as well as a share capital reduction. Please refer to note 13 for further information.

Statement by the Board of Directors and the CEO

According to the best of our knowledge, it is our opinion that these Condensed Consolidated Interim Financial Statements give a true and fair view of the consolidated financial performance of Eimskip for the six months ended 30 June 2024, its assets, liabilities and consolidated financial position as at 30 June 2024 and its consolidated cash flows for the six month period ended 30 June 2024.

Further, in our opinion, the Consolidated Interim Financial Statements and the Endorsement by the Board of Directors and the CEO give a fair view of the development and performance of Eimskip's operations and its position and describe the principal risks and uncertainties faced by Eimskip.

The Board of Directors and the CEO have today discussed the Condensed Consolidated Interim Financial Statements of Eimskipafélag Íslands hf. for the period 1 January to 30 June 2024 and confirm them by means of their signatures.

Reykjavík, 20 August 2024.

Board of Directors:

Óskar Magnússon, Chairman

Margrét Guðmundsdóttir, Vice-Chairman

Guðrún Ó. Blöndal, Board Member

Lárus L. Blöndal, Board Member

Ólöf Hildur Pálsdóttir, Board Member

CEO:

Vilhelm Már Thorsteinsson

Consolidated Income Statement

1 January to 30 June 2024

	Notes	2024 1.4. - 30.6.	2023 1.4. - 30.6.	2024 1.1. - 30.6.	2023 1.1. - 30.6.
Revenue					
Operating revenue	5	209,607	209,516	405,504	424,085
Expenses					
Operating expenses		148,261	138,390	292,435	286,118
Salaries and related expenses		37,851	36,801	75,331	71,804
	5	186,112	175,191	367,766	357,922
Operating profit, EBITDA		23,495	34,325	37,738	66,163
Depreciation and amortization		(14,938)	(14,914)	(30,074)	(30,967)
Results from operating activities, EBIT		8,557	19,411	7,664	35,196
Finance income		463	666	697	1,265
Finance expense		(3,737)	(2,878)	(6,947)	(5,463)
Net foreign currency exchange gain		682	319	466	448
Net finance expense	6	(2,592)	(1,893)	(5,784)	(3,750)
Share of earnings of equity accounted investees		3,333	3,827	7,565	5,687
Net earnings before Income tax		9,298	21,345	9,445	37,133
Income tax		(1,379)	(4,368)	(1,035)	(7,675)
Net earnings for the period		7,919	16,977	8,410	29,458
Net earnings for the period attributable to:					
Equity holders of the Company		7,701	16,711	8,152	29,024
Non-controlling interest		218	266	258	434
		7,919	16,977	8,410	29,458
Earnings per share:					
Basic earning per share (EUR per share)	7	0.0470	0.1006	0.0501	0.1716
Diluted earning per share (EUR per share)	7	0.0471	0.1006	0.0501	0.1716

The notes on pages 10 to 15 are an integral part of these Condensed Consolidated Interim Financial Statements.

Consolidated Statement of Comprehensive Income

1 January to 30 June 2024

	Notes	2024 1.4. - 30.6.	2023 1.4. - 30.6.	2024 1.1. - 30.6.	2023 1.1. - 30.6.
Net earnings for the period		7,919	16,977	8,410	29,458
Other comprehensive income:					
Items that are or may subsequently be reclassified to the income statement					
Foreign currency translation difference of foreign operations		159	(1,293)	814	(3,344)
Effective portion of changes in fair value of cash flow hedges, net of income tax		(299)	109	(474)	313
Fair value changes of non-controlling put option liability		(5)	12	(467)	(894)
Other comprehensive income for the period		(145)	(1,172)	(127)	(3,925)
Total comprehensive income for the period		7,774	15,805	8,283	25,533
Total comprehensive income for the period attributable to:					
Equity holders of the Company		7,568	15,709	8,031	25,325
Non-controlling interest		206	96	252	208
		7,774	15,805	8,283	25,533

The notes on pages 10 to 15 are an integral part of these Condensed Consolidated Interim Financial Statements.

Consolidated Statement of Financial Position

as at 30 June 2024

	Notes	30.6.2024	31.12.2023
Assets:			
Property, vessels and equipment		242,730	246,269
Right-of-use assets		103,493	89,373
Intangible assets	4	62,235	62,057
Equity accounted investees		51,484	43,898
Finance assets		1,568	2,017
Deferred tax assets		1,560	1,416
Total non-current assets		463,070	445,030
Inventories		11,214	11,401
Trade and other receivables	8	148,091	129,906
Cash and cash equivalents		25,707	32,502
Total current assets		185,012	173,809
Total assets		648,082	618,839
Equity:			
Share capital		1,007	1,010
Share premium		97,754	99,042
Reserves		104,684	115,134
Retained earnings		86,288	92,493
Total equity attributable to equity holders of the parent company		289,733	307,679
Non-controlling interest		3,735	4,393
Total equity	13	293,468	312,072
Liabilities:			
Loans and borrowings	9	101,893	107,551
Lease liabilities	10	73,735	64,636
Other long-term liabilities		611	2,940
Deferred tax liability		5,380	6,953
Total non-current liabilities		181,619	182,080
Loans and borrowings	9	41,656	11,613
Lease liabilities	10	31,360	27,372
Trade and other payables	11	96,919	78,474
Income tax payable		3,060	7,228
Total current liabilities		172,995	124,687
Total liabilities		354,614	306,767
Total equity and liabilities		648,082	618,839

The notes on pages 10 to 15 are an integral part of these Condensed Consolidated Interim Financial Statements.

Consolidated Statement of Changes in Equity

1 January to 30 June 2024

	Attributable to equity holders of the Company									
	Notes	Share capital	Share premium	Reserves			Retained earnings	Total	Non-controlling interest	Total equity
				Trans-lation reserve	Other reserves*	Un-distributed profits				
Changes in Equity 1 January to 30 June 2023:										
Equity at 1 January 2023		1,045	117,046	(5,091)	1,655	98,380	89,091	302,126	7,039	309,165
Share capital reduction		(23)	(12,653)					(12,676)		(12,676)
Dividend declared (0.1340 EUR per share)							(22,717)	(22,717)		(22,717)
Changes in share options reserve					142		22	164		164
Minority put options exercised					2,618		(2,618)	0		0
Other changes in non-controlling interest								0	(1,527)	(1,527)
Total comprehensive loss for the period				(3,118)	(581)		29,024	25,325	208	25,533
Profit of subsidiaries net of dividend received						2,462	(2,462)	0		0
Equity at 30 June 2023		1,022	104,393	(8,209)	3,834	100,842	90,340	292,222	5,720	297,942
Reserves						96,467				
Changes in Equity 1 January to 30 June 2024:										
Equity at 1 January 2024		1,010	99,042	(10,127)	(838)	126,099	92,493	307,679	4,393	312,072
Share capital reduction	13	(3)	(1,288)					(1,291)		(1,291)
Dividend paid (0.1515 EUR per share)	13						(24,844)	(24,844)		(24,844)
Changes in share options reserve	14				143		15	158		158
Minority put options exercised					2,333		(2,333)	0		0
Other changes in non-controlling interest								0	(910)	(910)
Total comprehensive income for the period				820	(941)		8,152	8,031	252	8,283
Profit of subsidiaries net of dividend received						(12,805)	12,805	0		0
Equity at 30 June 2024		1,007	97,754	(9,307)	697	113,294	86,288	289,733	3,735	293,468
Reserves						104,684				

* Other reserves includes hedging reserve, share option reserve and reserve for fair value changes of minority put options.

The notes on pages 10 to 15 are an integral part of these Condensed Consolidated Interim Financial Statements.

Consolidated Statement of Cash Flows

1 January to 30 June 2024

	Notes	2024 1.4. - 30.6.	2023 1.4. - 30.6.	2024 1.1. - 30.6.	2023 1.1. - 30.6.
Cash flows from operating activities:					
Net earnings for the period		7,919	16,977	8,410	29,458
Adjustments for:					
Depreciation and amortization		14,938	14,914	30,074	30,967
Net finance expense	6	2,592	1,893	5,784	3,750
Share of earnings of equity accounted investees		(3,333)	(3,827)	(7,565)	(5,687)
Change in deferred taxes		(661)	(110)	(2,095)	192
Adjustments for other non-cash income and expenses		(91)	(35)	(146)	(79)
		<u>21,364</u>	<u>29,812</u>	<u>34,462</u>	<u>58,601</u>
Changes in current assets and liabilities:					
Inventories, change		406	822	286	861
Receivables, change		(6,558)	20	(16,263)	8,781
Payables, change		11,922	(5,302)	20,713	(6,582)
Change in current assets and liabilities		<u>5,770</u>	<u>(4,460)</u>	<u>4,736</u>	<u>3,060</u>
Interest paid		(3,737)	(2,878)	(6,947)	(5,463)
Interest received		463	666	697	1,265
Taxes paid		(2,526)	(941)	(6,550)	(986)
Net cash from operating activities		<u>21,334</u>	<u>22,199</u>	<u>26,398</u>	<u>56,477</u>
Cash flows used in investing activities:					
Acquisition of property, vessels and equipment		(5,727)	(8,660)	(10,005)	(13,496)
Acquisition of intangible assets		(1,202)	(1,531)	(2,322)	(2,825)
Proceeds from the sale of property, vessels and equipment		237	440	520	806
Investment in equity accounted investee		0	(5,623)	0	(6,245)
Dividend received from equity accounted investee		48	5,787	48	5,787
Proceed from the sale of equity accounted investees		0	0	0	815
Minority put options exercised		0	(2,618)	(2,576)	(2,618)
Other investing activities		231	96	444	330
Net cash used in investing activities		<u>(6,413)</u>	<u>(12,109)</u>	<u>(13,891)</u>	<u>(17,446)</u>
Cash flows from financing activities:					
Share capital reduction paid		0	(12,676)	0	(12,676)
Dividend paid to equity holders of the Company		(24,844)	(22,717)	(24,844)	(22,717)
Purchased treasury shares		0	0	(1,291)	0
Dividend paid to non-controlling interest		(194)	(431)	(910)	(1,527)
Proceed from current loans and borrowings		20,000	0	30,000	0
Repayment of non-current loans and borrowings		(3,643)	(6,078)	(5,787)	(8,576)
Repayment of lease liabilities		(7,664)	(8,118)	(15,851)	(17,290)
Short term borrowings, change		54	(75)	38	(75)
Net cash used in financing activities		<u>(16,291)</u>	<u>(50,095)</u>	<u>(18,645)</u>	<u>(62,861)</u>
Changes in cash and cash equivalents		(1,370)	(40,005)	(6,138)	(23,830)
Cash and cash equivalents at the beginning of the period		26,990	86,767	32,502	69,937
Effects of exchange rate fluctuations on cash held		87	(426)	(657)	229
Cash and cash equivalents at the end of the period		<u>25,707</u>	<u>46,336</u>	<u>25,707</u>	<u>46,336</u>
Investing and financing activities not affecting cash flows:					
Acquisition of right-of-use assets		(14,196)	(11,052)	(29,365)	(16,560)
New or renewed leases		14,196	11,052	29,365	16,560
Proceed from sale of investment		0	0	0	27
Receivables, change		0	0	0	(27)

The notes on pages 10 to 15 are an integral part of these Condensed Consolidated Interim Financial Statements.

Notes

1. Reporting entity

Eimskipafélag Íslands hf. reg. no. 690409-0460 (the "Company" or the "Parent Company") is a public limited liability company domiciled in Iceland. The address of the Company's registered office is Sundabakki 2, 104 Reykjavík. The Condensed Consolidated Interim Financial Statements of the Company for the period 1 January to 30 June 2024 comprise the Company and its subsidiaries (together referred to as "Eimskip" or the "Group"). The Parent Company is an investment company focused on investments in shipping and logistics services. The Company's shares are listed at Nasdaq Iceland.

2. Basis of preparation

a. Statement of compliance

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU for interim financial statements (IAS 34) and additional Icelandic disclosure requirements for consolidated financial information of listed companies in accordance with Icelandic Financial Statements Act No. 3/2006 and rules for issuers of financial instruments on Nasdaq Iceland.

The Condensed Consolidated Interim Financial Statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the Consolidated Financial Statements of the Company as at and for the year ended 31 December 2023, which is available on the Company's website, www.eimskip.is, and in the company's news release distribution network of Nasdaq Nordic.

These Condensed Consolidated Interim Financial Statements were approved and authorized for issue by the Company's Board of Directors on 20 August 2024.

b. Functional and presentation currency

These Condensed Consolidated Interim Financial Statements are presented in Euro (EUR), which is the Company's functional currency. All financial information presented in EUR has been rounded to the nearest thousand.

3. Significant accounting policies

The accounting policies applied in these Condensed Consolidated Interim Financial Statements are the same as those applied in the Group's Consolidated Financial Statements as at and for the year ended 31 December 2023. IFRS standards effective as at 1 January 2024 had immaterial effects on the Consolidated Financial Statements.

4. Use of estimates and judgements

The preparation of the Condensed Consolidated Interim Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the last annual Consolidated Financial Statements as at and for the year ended 31 December 2023.

Intangible assets

Eimskip annually tests whether the carrying amount of intangible assets is impaired. At the end of each reporting period, the Company assesses whether there is any indication of impairment. Management has reviewed the impairment tests performed at year-end 2023. Please refer to note 12 in the Financial Statements of 2023. To date, there is no indication of impairment.

Impairment loss on trade receivables and finance assets

Eimskip establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and finance assets. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Notes

5. Segment reporting

Business segments

Eimskip has two reportable segments, as described below, which are Eimskip's strategic business units. The strategic business units offer different products and services on different markets and are managed separately. The segment reporting is based on an internal reporting function of Eimskip. The following summary describes the operations in each of Eimskip's reportable segments:

Liner services: The main emphasis in Eimskip's operations is the sale of transportation of goods to and from Iceland, Norway and the Faroe Islands through its service routes in the North Atlantic. These services include sea transportation, trucking, warehousing and logistic services.

Forwarding services: The second segment represents transportation solutions outside Eimskip's own operating system, utilizing the global network of Eimskip's offices and associates, mainly in the reefer sector.

	Liner services	Forwarding services	Elimination	Consolidated
1 January to 30 June 2024				
Revenue, external	269,462	136,042		405,504
Inter-segment revenue	6,893	19,557	(26,450)	0
Total	276,355	155,599	(26,450)	405,504
Expenses, external	(233,376)	(134,390)		(367,766)
Inter-segment expense	(19,557)	(6,893)	26,450	0
EBITDA	23,422	14,316	0	37,738
Depreciation and amortization	(26,062)	(4,012)		(30,074)
EBIT	(2,640)	10,304		7,664
Net finance expense	(5,407)	(377)		(5,784)
Share of earnings of equity accounted investees	7,503	62		7,565
Income tax	1,681	(2,716)		(1,035)
Net earnings for the period	1,137	7,273		8,410
1 January to 30 June 2023				
Revenue, external	300,200	123,885		424,085
Inter-segment revenue	7,989	16,548	(24,537)	0
Total	308,189	140,433	(24,537)	424,085
Expenses, external	(241,392)	(116,530)		(357,922)
Inter-segment expense	(16,548)	(7,989)	24,537	0
EBITDA	50,249	15,914	0	66,163
Depreciation and amortization	(27,453)	(3,514)		(30,967)
EBIT	22,796	12,400		35,196
Net finance expense	(3,700)	(50)		(3,750)
Share of earnings of equity accounted investees	5,762	(75)		5,687
Income tax	(5,038)	(2,637)		(7,675)
Net earnings for the period	19,820	9,638		29,458

Notes

5. Segment reporting, continued	Liner services	Forwarding services	Elimination	Consolidated
Information on assets and liabilities				
Segment assets as at 30.06.2024	503,675	144,407		648,082
Segment assets as at 31.12.2023	501,467	117,372		618,839
Segment liabilities as at 30.06.2024	280,923	73,691		354,614
Segment liabilities as at 31.12.2023	262,487	44,280		306,767
Non-lease capital expenditure				
for the period 1 January to 30 June 2024	10,579	1,748		12,327
Non-lease capital expenditure				
for the period 1 January to 30 June 2023	15,106	1,215		16,321

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is presented based on the geographical location of the entity issuing invoices. Non-current assets (fixed assets, right of use assets, intangible assets), which can not be easily moved (e.g terminal and cranes) are based on the geographical location of assets. For all other non-current assets geographical location is based on the legal ownership. These assets consist mainly of vessels and containers.

Geographical split of external revenue:	2024 1.4. - 30.6.	2023 1.4. - 30.6.	2024 1.1. - 30.6.	2023 1.1. - 30.06
Iceland	113,076	111,746	217,004	222,918
Norway	11,502	13,680	23,210	30,928
Faroe Island	10,439	20,073	24,427	32,453
Europe - other	45,130	44,535	87,376	94,625
North - America	7,765	8,355	14,419	19,597
Asia	21,695	11,127	39,068	23,564
	209,607	209,516	405,504	424,085

Geographical split of Non-Current assets:	30.06.2024	31.12.2023
Iceland	201,813	201,561
Norway	37,805	31,133
Faroe Island	106,740	109,377
Europe - other	49,115	41,672
North - America	11,674	12,473
Asia	1,311	1,483
	408,458	397,699

6. Finance income and expense	2024 1.4. - 30.6.	2023 1.4. - 30.6.	2024 1.1. - 30.6.	2023 1.1. - 30.6.
Finance income is specified as follows:				
Interest income	282	397	516	963
Dividend received	181	269	181	302
Finance income	463	666	697	1,265
Finance expense is specified as follows:				
Interest on long-term loans	(1,946)	(1,680)	(3,401)	(2,796)
Interest on lease liabilities	(1,605)	(1,406)	(3,153)	(2,675)
Other finance expense	(186)	208	(393)	8
Finance expense	(3,737)	(2,878)	(6,947)	(5,463)
Net foreign currency exchange (loss) gain	682	319	466	448
Net finance expense	(2,592)	(1,893)	(5,784)	(3,750)

Notes

7. Earnings per share

Basic and diluted earnings per share

The calculation of basic earnings per share was based on earnings attributable to shareholders and a weighted average number of shares outstanding during the period. The Company has one category of dilutive potential ordinary shares: share options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price year to date of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2024 1.4. - 30.6.	2023 1.4. - 30.6.	2024 1.1. - 30.6.	2023 1.1. - 30.6.
Earning per share is calculated as follows:				
Net earnings attributable to equity holders of the Company	7,701	16,711	8,152	29,024
Number of issued shares at the beginning of the period in thousands	165,700	167,850	167,850	173,050
Effect of treasury shares at the beginning of the period in thousands	(1,725)	(1,725)	(3,474)	(3,461)
Effect of share capital reduction	0	0	(1,276)	(470)
Effect of treasury shares purchased in thousands	0	0	(380)	0
Weighted average number of outstanding shares in thousands	163,975	166,125	162,720	169,119
Adjustment for share options	0	0	0	8
Weighted average number of outstanding shares for diluted earnings per share	163,615	166,125	162,720	169,127
Basic earnings per share (EUR)	0.0470	0.1006	0.0501	0.1716
Diluted earnings per share (EUR)	0.0471	0.1006	0.0501	0.1716

8. Trade and other receivables

30.6.2024 31.12.2023

Trade and other receivables are specified as follows:

Trade receivables	127,004	111,871
Restricted cash	730	535
Other receivables	20,357	17,500
Trade and other receivables total	148,091	129,906

9. Loans and borrowings

This note provides information on the contractual terms of Eimskip's interest bearing loans and borrowings.

Loans and borrowings consist of the following:

	30.6.2024	31.12.2023
Secured bank loans	113,332	118,985
Bank overdraft and short term borrowing	30,217	179
Current maturity	(41,656)	(11,613)
Total non-current loans and borrowings	101,893	107,551
Current loans and borrowings:		
Current maturities of secured bank loans	11,439	11,434
Bank overdraft and short term borrowing	30,217	179
Total current loans and borrowings	41,656	11,613
Total loans and borrowings	143,549	119,164

Notes

9. Loans and borrowings, continued

The loan agreements of Eimskip contain restrictive covenants. At the end of June 2024 and at the year-end 2023 Eimskip complied with all restrictive covenants.

During the year Eimskip has drawn down EUR 30.0 million on the revolving loan facility. In April the Company renewed an outstanding revolving loan facility amounting to EUR 20.0 million and added a new EUR 10.0 million revolving loan facility. The total committed revolving loan facilities currently amounts to EUR 40.0 million (31.12.2023: EUR 30.0 million).

	30.6.2024	31.12.2023
Revolving loan facilities:		
Committed revolver loan facilities	40,000	30,000
Drawn amount	(30,000)	0
Undrawn amount	<u>10,000</u>	<u>30,000</u>

Terms and debt repayment schedule:

	30.6.2024		31.12.2023	
	Nominal interest	Carrying amount	Nominal interest	Carrying amount
Secured loans in EUR	4.8%	142,960	3.9%	118,513
Secured loans in ISK	-	180		253
Secured loans in other currencies	-	192		219
Unsecured loans	-	217		179
Total interest-bearing liabilities		<u>143,549</u>		<u>119,164</u>

	30.6.2024	31.12.2023
On demand or within 12 months	41,656	11,613
12 - 24 months	39,330	41,343
24 - 36 months	7,291	7,292
36 - 48 months	7,291	7,292
48 - 60 months	7,286	7,286
After 60 months	40,695	44,338
Total secured bank loans	<u>143,549</u>	<u>119,164</u>

10. Lease liabilities

Lease liabilities are as follows:

Lease Liabilities in EUR	13,584	13,578
Lease Liabilities in USD	23,589	29,347
Lease Liabilities in ISK	22,173	18,529
Lease Liabilities in NOK	32,006	24,444
Lease Liabilities in other currencies	13,743	6,110
Total	<u>105,095</u>	<u>92,008</u>
Current maturities	(31,360)	(27,372)
Non-current maturities	<u>73,735</u>	<u>64,636</u>

Maturity analysis:

Within 12 months	31,360	27,372
12 - 24 months	10,767	14,626
24 - 36 months	5,672	5,729
36 - 48 months	4,742	3,310
48 - 60 months	2,960	1,591
After 60 months	49,594	39,380
Total	<u>105,095</u>	<u>92,008</u>

Notes

11. Trade and other payables	30.6.2024	31.12.2023
Trade and other payables are attributable to the following:		
Trade payables	55,399	48,843
Other payables	41,520	29,631
Total	96,919	78,474

12. Group entities

At period-end the Company owned directly nine subsidiaries that are all included in the consolidation. The direct subsidiaries owned 52 subsidiaries at period-end. The Company holds the majority of voting power in all of its subsidiaries. Assets, liabilities, revenues and expenses in Consolidated Interim Financial Statements that include a non-controlling interest are immaterial to the Group.

The Group's direct subsidiaries are as follows:

	Country of incorporation	Ownership Interest	Ownership Interest
		30.6.2024	31.12.2023
Eimskip Ísland ehf.	Iceland	100%	100%
TVG-Zimsen ehf.	Iceland	100%	100%
Eimskip USA, Inc.	USA	100%	100%
Eimskip UK Ltd.	England	100%	100%
Eimskip Holding B.V.	The Netherlands	100%	100%
Eimskip Asia B.V.	The Netherlands	80%	80%
P/f Skipafélagid Føroyar	Faroe Islands	100%	100%
Harbour Grace CS Inc.	Canada	51%	51%
Sæferdir ehf.	Iceland	100%	100%

13. Shareholder distributions

Dividend payment

The Annual General Meeting of Eimskip approved on 7 March 2024 a dividend payment of ISK 22.53 per share to shareholders. The dividend payment amounted to ISK 3,7 billion or EUR 24.8 million. The payment date was 17 April 2024.

Reduction of treasury shares

The share capital reduction by reducing treasury shares consisted of a share capital reduction of 2,150,000 shares or from 167,850,000 to 165,700,000 issued shares. Treasury shares amounted to 2.31% of total issued shares but will after the reduction amount to 1.04% of total issued shares. The reduction was executed on 27 March 2024.

Subsequent to the shareholder distributions above share capital is ISK 165,700,000 and each share is divided into one ISK. Treasury shares are ISK 1,725,320 and outstanding shares are ISK 163,974,680.

14. Other matters

With reference to note 26 in the Consolidated Financial Statements 2023, an investigation from the Icelandic District Prosecutor is currently open. No changes have been in the case during the period.

The Company received summons from Samskip in April 2024 where the Chairman of the Board of Directors on behalf of the Company and the CEO are being summoned for recognition of liability for compensation, without an amount, for alleged wrongful and negligent actions in connection with the settlement which Eimskip made with the Icelandic Competition Authority in year 2021. The hearing on the defendants' motion to dismiss the case will take place in Q4 2024.

15. Subsequent events

There are no subsequent events to report.

Quarterly statements

Year 2024	Q1 2024	Q2 2024			
Revenue	195,897	209,607			
Expenses	181,654	186,112			
Operating profit, EBITDA	14,243	23,495			
Depreciation and amortization	(15,136)	(14,938)			
Results from operating activities, EBIT	(893)	8,557			
Net finance expense	(3,192)	(2,592)			
Share of earnings of equity accounted investees	4,232	3,333			
Net earnings before income tax	147	9,298			
Income tax	344	(1,379)			
Net earnings	491	7,919			
Year 2023	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023
Revenue	214,569	209,516	201,967	201,479	827,531
Expenses	182,731	175,191	167,469	178,779	704,170
Operating profit, EBITDA	31,838	34,325	34,498	22,700	123,361
Depreciation and amortization	(16,053)	(14,914)	(15,626)	(15,773)	(62,366)
Results from operating activities, EBIT	15,785	19,411	18,872	6,927	60,995
Net finance expense	(1,857)	(1,893)	(2,186)	(2,105)	(8,041)
Share of earnings of equity accounted investees	1,860	3,827	4,383	3,329	13,399
Net earnings before income tax	15,788	21,345	21,069	8,151	66,353
Income tax	(3,307)	(4,368)	(4,463)	291	(11,847)
Net earnings	12,481	16,977	16,606	8,442	54,506

Key figures by quarter

OPERATING RESULTS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Revenue	209,607	195,897	201,479	201,967	209,516	214,569
Expenses	186,112	181,654	178,779	167,469	175,191	182,731
<i>Salaries and related expense</i>	37,851	37,480	36,850	35,118	36,801	35,003
EBITDA	23,495	14,243	22,700	34,498	34,325	31,838
EBIT	8,557	(893)	6,927	18,872	19,411	15,785
Net earnings for the period	7,919	491	8,442	16,606	16,977	12,481
EBITDA ratio	11.2%	7.3%	11.3%	17.1%	16.40%	14.8%
EBIT ratio	4.1%	(0.5%)	3.4%	9.3%	9.30%	7.4%
Profit ratio	3.8%	0.3%	4.2%	8.2%	8.1%	5.8%
Basic earning per share (in EUR)	0.0470	0.0028	0.0510	0.0999	0.1006	0.0731
Diluted earning per share (in EUR)	0.0471	0.0028	0.0510	0.0999	0.1006	0.0730
Average FTE's	1,708	1,720	1,719	1,709	1,732	1,719
BALANCE SHEET	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.3.2023
Assets	648,082	631,386	618,839	651,390	638,496	668,436
Equity	293,468	285,680	312,072	314,569	297,942	282,485
Liabilities	354,614	345,706	306,767	336,821	340,554	385,951
Interest-bearing debt	248,644	225,025	211,172	222,285	228,265	229,329
<i>Loans and borrowings</i>	143,549	127,071	119,164	122,814	124,893	131,237
<i>Lease liabilities</i>	105,095	97,954	92,008	99,471	103,372	98,092
Net debt	221,287	196,164	176,610	172,801	179,385	139,768
Equity ratio	45.3%	45.2%	50.4%	48.3%	46.7%	42.3%
Leverage ratio	2.33	1.85	1.43	1.24	1.16	0.85
Current ratio	1.07	1.09	1.39	1.40	1.39	1.32
CASH FLOW	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net cash from operating activities	21,334	5,064	12,091	29,330	22,199	34,278
Net cash used in investing activities	(6,413)	(7,478)	(8,948)	(16,711)	(12,109)	(5,337)
Net cash used in financing activities	(16,291)	(2,354)	(17,816)	(11,388)	(50,095)	(12,766)
Cash and cash equivalents at the end of the period	25,707	26,990	32,502	47,096	46,336	86,767
New investments	4,647	1,036	5,547	6,021	5,130	1,107
Maintenance capital expenditure	7,045	5,328	3,609	10,916	4,777	6,088
Distribution to shareholders	24,844	0	0	0	35,393	
Share buy-back	0	1,291	5,363	0	0	0