



Eimskipafélag Íslands hf.
Condensed Consolidated
Interim Financial Statements

1 January to 30 June 2023 | EUR

Contents

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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 56 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 68 companies. In addition the Company operates branch offices in Norway, Sweden, 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 2023 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 2022.

Net earnings for the first six months of the year 2023 amounted to EUR 29.5 million according to the Consolidated Income Statement. Total equity at 30 June 2023 amounted to EUR 297.9 million according to the Statement of Financial Position.

Operations and significant matters

Overall a solid results and good quarter with most business units performing well, despite a significant change in international market conditions compared to the previous year. In the second quarter of 2023, revenue decreased by EUR 73.6 million from previous year or 26%, and at the same time expenses decreased by EUR 63.2 million or 27%. Main drivers behind this substantial decrease in both revenue and expenses are changed conditions in the global shipping market, where freight rates have decreased substantially in major trade lanes since latter half of last year. This has reduced the cost of third-party services that Eimskip purchases on behalf of its customers, e.g., when providing forwarding services and other logistics services that are part of Eimskip's product portfolio. At the same time, salary expenses grew by 5.3% from same quarter last year, affected both by broad-based wage increases and an increase in number of employees over the course of last year to support the growth in the Company's operations.

EBITDA in the quarter amounted to EUR 34.3 million, which is a solid result despite a decrease of EUR 10.4 million or 23.3% from the previous year's very strong results. EBIT amounted to EUR 19.4 million, down from EUR 29.8 million the year before. Both business segments, liner and forwarding, delivered lower EBITDA results than in the same period last year, which was anticipated due to the significant change in market conditions from previous year. The decrease in liner EBITDA is mainly attributed to decrease in Trans-Atlantic freight rates, which have followed the development in other Global trade lanes, combined with less volume on the Trans-Atlantic trade lane and less export out of Iceland than in previous year due to various external factors such as lower salmon harvesting, less fishing activity and less industrial production. Forwarding services EBITDA results decreased from previous year due to the aforementioned drop in global freight rates combined with less volume, however EBITDA margin was on a good level in the quarter.

Despite the mixed global 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 the economic slowdown that impacts global trade and demand for shipping and transportation, the sound financial position of the Company is an advantage in this respect, enabling the Company to weather economic cycles with greater resilience.

The Annual General Meeting approved a dividend payment to shareholders as well as a share capital reduction with both a cash payment to shareholders and reduction of treasury shares. Please refer to note 14 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 2023, its assets, liabilities and consolidated financial position as at 30 June 2023 and its consolidated cash flows for the six month period ended 30 June 2023.

Endorsement and Statement by the Board of Directors and the CEO

Further, in our opinion, the Consolidated 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 2023 and confirm them by means of their signatures.

Reykjavík, 15 August 2023

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 2023

| | Notes | 2023 1.4. - 30.6. | 2022 1.4. - 30.6. | 2023 1.1. - 30.6. | 2022 1.1. - 30.6. |
|---|-------|----------------------|----------------------|----------------------|----------------------|
| Revenue | | | | | |
| Operating revenue | 5 | 209,516 | 283,115 | 424,085 | 522,799 |
| Expenses | | | | | |
| Operating expenses | | 138,390 | 203,419 | 286,118 | 380,411 |
| Salaries and related expenses | | 36,801 | 34,943 | 71,804 | 67,249 |
| | 5 | 175,191 | 238,362 | 357,922 | 447,660 |
| Operating profit, EBITDA | | 34,325 | 44,753 | 66,163 | 75,139 |
| Depreciation and amortization | | (14,914) | (14,928) | (30,967) | (30,226) |
| Results from operating activities, EBIT | | 19,411 | 29,825 | 35,196 | 44,913 |
| Finance income | | 666 | 259 | 1,265 | 456 |
| Finance expense | | (2,878) | (2,138) | (5,463) | (3,921) |
| Net foreign currency exchange gain (loss) | | 319 | (497) | 448 | (971) |
| Net finance expense | 6 | (1,893) | (2,376) | (3,750) | (4,436) |
| Share of earnings of equity accounted investees | | 3,827 | 3,658 | 5,687 | 4,461 |
| Net earnings before income tax | | 21,345 | 31,107 | 37,133 | 44,938 |
| Income tax | | (4,368) | (6,203) | (7,675) | (9,579) |
| Net earnings for the period | | 16,977 | 24,904 | 29,458 | 35,359 |
| Net earnings for the period attributable to: | | | | | |
| Equity holders of the Company | | 16,711 | 24,093 | 29,024 | 34,029 |
| Non-controlling interest | | 266 | 811 | 434 | 1,330 |
| | | 16,977 | 24,904 | 29,458 | 35,359 |
| Earnings per share: | | | | | |
| Basic earning per share (EUR per share) | 7 | 0.1006 | 0.1395 | 0.1716 | 0.1956 |
| Diluted earning per share (EUR per share) | 7 | 0.1006 | 0.1395 | 0.1716 | 0.1956 |

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 2023

| | Notes | 2023 1.4. - 30.6. | 2022 1.4. - 30.6. | 2023 1.1. - 30.6. | 2022 1.1. - 30.6. | | | |
|---|-------|----------------------|----------------------|----------------------|----------------------|--------|-------|------|
| Net earnings for the period | | 16,977 | 24,904 | 29,458 | 35,359 | | | |
| Other comprehensive income: | | | | | | | | |
| Items that are or may subsequently be reclassified to the income statement | | | | | | | | |
| Foreign currency translation difference of foreign operations | (| 1,293) | (| 503) | (| 3,344) | 2,295 | |
| Effective portion of changes in fair value of cash flow hedges, net of income tax | | 109 | 731 | 313 | 2,225 | | | |
| Fair value changes of non-controlling put option liability | | 12 | (| 23) | (| 894) | (| 135) |
| Other comprehensive income for the period | (| 1,172) | 205 | (| 3,925) | 4,385 | | |
| Total comprehensive income for the period | | 15,805 | 25,109 | 25,533 | 39,744 | | | |
| Total comprehensive income for the period attributable to: | | | | | | | | |
| Equity holders of the Company | | 15,709 | 24,263 | 25,325 | 38,121 | | | |
| Non-controlling interest | | 96 | 846 | 208 | 1,623 | | | |
| | | 15,805 | 25,109 | 25,533 | 39,744 | | | |

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 2023

| | Notes | 30.6.2023 | 31.12.2022 |
|---|-------|-----------|------------|
| Assets: | | | |
| Property, vessels and equipment | | 233,043 | 233,201 |
| Right-of-use assets | | 102,468 | 102,680 |
| Intangible assets | 4 | 61,884 | 61,469 |
| Equity accounted investees | | 36,261 | 31,670 |
| Finance assets | | 2,364 | 2,934 |
| Deferred tax assets | | 2,008 | 2,121 |
| Total non-current assets | | 438,028 | 434,075 |
| Inventories | | 10,720 | 11,721 |
| Vessel held for sale | 8 | 686 | 0 |
| Trade and other receivables | 9 | 142,726 | 150,926 |
| Cash and cash equivalents | | 46,336 | 69,937 |
| Total current assets | | 200,468 | 232,584 |
| Total assets | | 638,496 | 666,659 |
| Equity: | | | |
| Share capital | | 1,022 | 1,045 |
| Share premium | | 104,393 | 117,046 |
| Reserves | | 96,467 | 94,944 |
| Retained earnings | | 90,340 | 89,091 |
| Total equity attributable to equity holders of the parent company | | 292,222 | 302,126 |
| Non-controlling interest | | 5,720 | 7,039 |
| Total equity | 14 | 297,942 | 309,165 |
| Liabilities: | | | |
| Loans and borrowings | 10 | 113,259 | 120,528 |
| Lease liabilities | 11 | 74,381 | 74,373 |
| Other long-term liabilities | | 1,724 | 3,448 |
| Deferred tax liability | | 7,327 | 7,169 |
| Total non-current liabilities | | 196,691 | 205,518 |
| Loans and borrowings | 10 | 11,634 | 13,213 |
| Lease liabilities | 11 | 28,991 | 29,789 |
| Trade and other payables | 12 | 86,997 | 94,954 |
| Income tax payable | | 16,241 | 14,020 |
| Total current liabilities | | 143,863 | 151,976 |
| Total liabilities | | 340,554 | 357,494 |
| Total equity and liabilities | | 638,496 | 666,659 |

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 2023

| | 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 2022: | | | | | | | | | | |
| Equity at 1 January 2022 | | 1,085 | 137,236 | (4,806) | (86) | 43,185 | 78,366 | 254,980 | 6,485 | 261,465 |
| Share capital reduction | | (15) | (7,576) | | | | | (7,591) | | (7,591) |
| Dividend declared (0.0998 EUR per share) | | | | | | | (17,477) | (17,477) | | (17,477) |
| Purchased treasury shares | | (12) | (5,536) | | | | | (5,548) | | (5,548) |
| Changes in share options reserve | | | | | 96 | | | 96 | | 96 |
| Other changes in non-controlling interest | | | | | | | | 0 | (599) | (599) |
| Total comprehensive loss for the period | | | | 2,002 | 2,090 | | 34,029 | 38,121 | 1,623 | 39,744 |
| Profit of subsidiaries net of dividend received | | | | | | 22,318 | (22,318) | 0 | | 0 |
| Equity at 30 June 2022 | | 1,058 | 124,124 | (2,804) | 2,100 | 65,503 | 72,600 | 262,581 | 7,509 | 270,090 |
| Reserves | | | | | | 64,799 | | | | |
| 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 | 13 | (23) | (12,653) | | | | | (12,676) | | (12,676) |
| Dividend declared (0.1340 EUR per share) | 13 | | | | | | (22,717) | (22,717) | | (22,717) |
| Changes in share options reserve | 14 | | | | 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 income 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 | | | | |

* 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 2023

| | Notes | 2023 1.4. - 30.6. | 2022 1.4. - 30.6. | 2023 1.1. - 30.6. | 2022 1.1. - 30.6. | | | | |
|---|-------|----------------------|----------------------|----------------------|----------------------|--------|---------|--------|---------|
| Cash flows from operating activities: | | | | | | | | | |
| Net earnings for the period | | 16,977 | 24,904 | 29,458 | 35,359 | | | | |
| Adjustments for: | | | | | | | | | |
| Depreciation and amortization | | 14,914 | 14,928 | 30,967 | 30,226 | | | | |
| Net finance expense | 6 | 1,893 | 2,376 | 3,750 | 4,436 | | | | |
| Share of earnings of equity accounted investees | (| 3,827) | (| 3,658) | (| 5,687) | (| 4,461) | |
| Change in deferred taxes | (| 110) | 357 | 192 | 1,010 | | | | |
| Adjustments for other non-cash income and expenses | (| 35) | (| 88) | (| 79) | (| 447) | |
| | | 29,812 | 38,819 | 58,601 | 66,123 | | | | |
| Changes in current assets and liabilities: | | | | | | | | | |
| Inventories, change | | 822 | (| 2,016) | 861 | (| 3,602) | | |
| Receivables, change | | 20 | (| 21,765) | 8,781 | (| 28,782) | | |
| Payables, change | | (| 5,302) | 19,511 | (| 6,582) | 31,322 | | |
| Change in current assets and liabilities | | (| 4,460) | (| 4,270) | 3,060 | (| 1,062) | |
| Interest paid | | (| 2,878) | (| 2,382) | (| 5,463) | (| 4,093) |
| Interest received | | 666 | 350 | 1,265 | 480 | | | | |
| Taxes paid | | (| 941) | (| 1,219) | (| 986) | (| 1,371) |
| Net cash from operating activities | | 22,199 | 31,298 | 56,477 | 60,077 | | | | |
| Cash flows used in investing activities: | | | | | | | | | |
| Acquisition of property, vessels and equipment | | (| 8,660) | (| 3,304) | (| 13,496) | (| 6,136) |
| Acquisition of intangible assets | | (| 1,531) | (| 1,482) | (| 2,825) | (| 2,683) |
| Proceeds from the sale of property, vessels and equipment | | 440 | 367 | 806 | 919 | | | | |
| Investment in equity accounted investee | | (| 5,623) | 0 | (| 6,245) | 0 | | |
| Dividend received from equity accounted investee | | 5,787 | 0 | 5,787 | 0 | | | | |
| Proceed from the sale of equity accounted investees | | 0 | 0 | 815 | 0 | | | | |
| Minority put options exercised | | (| 2,618) | 0 | (| 2,618) | 0 | | |
| Other investing activities | | 96 | (| 109) | 330 | 112 | | | |
| Net cash used in investing activities | | (| 12,109) | (| 4,528) | (| 17,446) | (| 7,788) |
| Cash flows from financing activities: | | | | | | | | | |
| Share capital reduction paid | | (| 12,676) | (| 7,591) | (| 12,676) | (| 7,591) |
| Dividend paid to equity holders of the Company | | (| 22,717) | (| 17,477) | (| 22,717) | (| 17,477) |
| Purchased treasury shares | | 0 | (| 5,547) | 0 | (| 5,547) | | |
| Dividend paid to non-controlling interest | | (| 431) | (| 624) | (| 1,527) | (| 624) |
| Repayment of non-current loans and borrowings | | (| 6,078) | (| 4,225) | (| 8,576) | (| 6,929) |
| Repayment of lease liabilities | | (| 8,118) | (| 6,553) | (| 17,290) | (| 14,535) |
| Short term borrowings, change | | (| 75) | 447 | (| 75) | (| 21) | |
| Net cash used in financing activities | | (| 50,095) | (| 41,570) | (| 62,861) | (| 52,724) |
| Changes in cash and cash equivalents | | (| 40,005) | (| 14,800) | (| 23,830) | (| 435) |
| Cash and cash equivalents at the beginning of the period | | 86,767 | 51,234 | 69,937 | 36,986 | | | | |
| Effects of exchange rate fluctuations on cash held | | (| 426) | 418 | 229 | 301 | | | |
| Cash and cash equivalents at the end of the period | | 46,336 | 36,852 | 46,336 | 36,852 | | | | |
| Investing and financing activities not affecting cash flows: | | | | | | | | | |
| Acquisition of right-of-use assets | | (| 11,052) | (| 965) | (| 16,560) | (| 2,830) |
| New or renewed leases | | 11,052 | 965 | 16,560 | 2,830 | | | | |
| Proceed from sale of investment | | 0 | 0 | 27 | 0 | | | | |
| Receivables, change | | 0 | 0 | (| 27) | 0 | | | |

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

Notes to the Consolidated Financial Statements

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 2023 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) for Interim Financial Statements (IAS34) as adopted by the EU 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 consolidated annual 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 2022, which is available on the Company's website, www.eimskip.com, and in the company news release distribution network of Nasdaq Nordic.

The Condensed Consolidated Interim Financial Statements were approved and authorized for issue by the Company's Board of Directors on 15 August 2023.

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 2022. IFRS standards effective as at 1 January 2023 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 2022.

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 2022. Please refer to note 12 in the Financial Statements of 2022. 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

| | Liner services | Forwarding services | Consoli- dated |
|---|-------------------|------------------------|-------------------|
| 1 January to 30 June 2023 | | | |
| Revenue, external | 300,200 | 123,885 | 424,085 |
| Inter-segment revenue | 7,989 | 16,548 | 24,537 |
| Total | 308,189 | 140,433 | 448,622 |
| Expenses, external | (241,392) | (116,530) | (357,922) |
| Inter-segment expense | (16,548) | (7,989) | (24,537) |
| EBITDA | 50,249 | 15,914 | 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 profit 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 |

1 January to 30 June 2022

| | | | |
|---|------------|------------|------------|
| Revenue, external | 314,524 | 208,275 | 522,799 |
| Inter-segment revenue | 32,517 | 37,050 | 69,567 |
| Total | 347,041 | 245,325 | 592,366 |
| Expenses, external | (255,903) | (191,757) | (447,660) |
| Inter-segment expense | (37,050) | (32,517) | (69,567) |
| EBITDA | 54,088 | 21,051 | 75,139 |
| Depreciation and amortization | (26,602) | (3,624) | (30,226) |
| EBIT | 27,486 | 17,427 | 44,913 |
| Net finance expense | (4,463) | 27 | (4,436) |
| Share of profit of equity accounted investees | 4,596 | (135) | 4,461 |
| Income tax | (5,891) | (3,688) | (9,579) |
| Net earnings for the period | 21,728 | 13,631 | 35,359 |

Information on assets and liabilities

| | Liner services | Forwarding services | Consoli- dated |
|--|-------------------|------------------------|-------------------|
| Segment assets as at 30 June 2023 | 481,222 | 157,274 | 638,496 |
| Segment assets as at 31 December 2022 | 502,338 | 164,321 | 666,659 |
| Segment liabilities as at 30 June 2023 | 254,193 | 86,361 | 340,554 |
| Segment liabilities as at 31 December 2022 | 269,754 | 87,740 | 357,494 |
| Non-lease capital expenditure for the period 1 January to 30 June 2023 | 15,106 | 1,215 | 16,321 |
| Non-lease capital expenditure for the period 1 January to 30 June 2022 | 7,557 | 1,262 | 8,819 |

Notes

5. Segment reporting, continued

Geographical segments

In presenting information on the basis of geographical segments, segment revenue and assets are based on the geographical location of assets.

| | North Atlantic | Other territories | Consoli- dated |
|--|-------------------|----------------------|-------------------|
| Revenue, external for the period 1 January to 30 June 2023 | 401,392 | 22,693 | 424,085 |
| Revenue, external for the period 1 January to 30 June 2022 | 453,275 | 69,524 | 522,799 |
| Geographical location of assets as at 30 June 2023 | 613,682 | 24,814 | 638,496 |
| Geographical location of assets as at 31 December 2022 | 638,188 | 28,471 | 666,659 |
| Non-lease capital expenditure for the period 1 January to 30 June 2023 | 16,312 | 9 | 16,321 |
| Non-lease capital expenditure for the period 1 January to 30 June 2022 | 8,700 | 119 | 8,819 |

| | 2023 1.4. - 30.6. | 2022 1.4. - 30.6. | 2023 1.1. - 30.6. | 2022 1.1. - 30.6. |
|---|----------------------|----------------------|----------------------|----------------------|
| 6. Finance income and expense | | | | |
| Finance income is specified as follows: | | | | |
| Interest income | 397 | 112 | 963 | 309 |
| Dividend received | 269 | 147 | 302 | 147 |
| Finance income | 666 | 259 | 1,265 | 456 |
| Finance expense is specified as follows: | | | | |
| Interest on long-term loans | (1,680) | (664) | (2,796) | (1,317) |
| Interest on lease liabilities | (1,406) | (1,159) | (2,675) | (2,085) |
| Other finance expense | 208 | (315) | 8 | (519) |
| Finance expense | (2,878) | (2,138) | (5,463) | (3,921) |
| Net foreign currency exchange gain (loss) | 319 | (497) | 448 | (971) |
| Net finance expense | (1,893) | (2,376) | (3,750) | (4,436) |

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. Calculations are as follows:

| | 2023 1.4. - 30.6. | 2022 1.4. - 30.6. | 2023 1.1. - 30.6. | 2022 1.1. - 30.6. |
|--|----------------------|----------------------|----------------------|----------------------|
| Net profit attributable to equity holders of the Company | 16,711 | 24,093 | 29,024 | 34,029 |
| Number of issued shares at the beginning of the period in thousands | 167,850 | 173,050 | 173,050 | 175,200 |
| Effect of treasury shares at the beginning of the period in thousands | (1,725) | (31) | (3,461) | (31) |
| Effect of share capital reduction | 0 | 0 | (470) | (1,105) |
| Effect of treasury shares purchased in thousands | 0 | (260) | 0 | (129) |
| Weighted average number of outstanding shares in thousands | 166,125 | 172,759 | 169,119 | 173,935 |
| Adjustments for stock options | 0 | 0 | 8 | 0 |
| Weighted average number of outstanding shares for diluted earning per share in thousands | 166,125 | 172,759 | 169,127 | 173,935 |
| Basic earnings per share (EUR) | 0.1006 | 0.1395 | 0.1716 | 0.1956 |
| Diluted earnings per share (EUR) | 0.1006 | 0.1395 | 0.1716 | 0.1956 |

Notes

8. Asset classified as held for sale

At the end of March, Sæferðir ehf., a subsidiary of Eimskipafélag Íslands hf., sold one of its vessels, the ferry Baldur. Sæferðir will operate the ferry until 15 October 2023 when the vessel will be delivered to its new owner. The sale had negligible impact on the Income Statement.

It is the intention of Sæferðir to continue its main operation of offering ferry services in Breiðafjörður Iceland if an agreement will be reached with the Icelandic Road Administration for the services. A tender was opened 25 July 2023 where Sæferðir had the only bid. As the bid was 60% above cost estimate an uncertainty remains until negotiations will be concluded.

9. Trade and other receivables

Trade and other receivables are specified as follows:

| | 30.6.2023 | 31.12.2022 |
|---|-----------|------------|
| Trade receivables | #LOGON | 134,607 |
| Restricted cash | #LOGON | 706 |
| Other receivables | #VALUE! | 15,613 |
| Trade and other receivables total | 142,726 | 150,926 |

10. 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:

| | 30.6.2022 | 31.12.2022 |
|--|-----------|------------|
| Secured bank loans | 124,816 | 133,586 |
| Bank overdraft and short term borrowing | 77 | 155 |
| Current maturity | (11,634) | (13,213) |
| Total non-current loans and borrowings | 113,259 | 120,528 |
| Current maturities of secured bank loans | 11,557 | 13,058 |
| Bank overdraft and short term borrowing | 77 | 155 |
| Total current loans and borrowings | 11,634 | 13,213 |
| Total non-current loans and borrowings | 124,893 | 133,741 |

The loan agreements of Eimskip contain restrictive covenants. At the end of June 2023 and at the year-end 2022 Eimskip complied with all restrictive covenants.

Terms and debt repayment schedule:

| | 30.6.2023 | | 31.12.2022 | |
|--|---------------------|--------------------|---------------------|--------------------|
| | Nominal interest | Carrying amount | Nominal interest | Carrying amount |
| Secured loans in EUR | 3.4% | 124,095 | 2.6% | 130,359 |
| Secured loans in USD | - | 0 | 5.4% | 1,822 |
| Secured loans in ISK | 5.0% | 397 | 4.8% | 1,041 |
| Secured loans in other currencies | - | 324 | - | 364 |
| Unsecured loans | - | 77 | - | 155 |
| Total interest-bearing liabilities | | 124,893 | | 133,741 |

Aggregated annual maturities of secured bank loans are as follows:

| | 30.6.2023 | 31.12.2022 |
|-------------------------------------|-----------|------------|
| On demand or within 12 months | 11,634 | 13,213 |
| 12 - 24 months | 11,398 | 12,170 |
| 24 - 36 months | 39,301 | 41,433 |
| 36 - 48 months | 7,293 | 7,733 |
| 48 - 60 months | 7,286 | 7,349 |
| After 60 months | 47,981 | 51,843 |
| Total secured bank loans | 124,893 | 133,741 |

Notes

11. Lease liabilities

Lease liabilities are as follows:

| | 30.6.2023 | 31.12.2022 |
|---|------------------|-------------------|
| Lease Liabilities in EUR | 17,180 | 7,036 |
| Lease Liabilities in USD | 36,370 | 47,375 |
| Lease Liabilities in ISK | 19,294 | 16,136 |
| Lease Liabilities in NOK | 23,068 | 25,886 |
| Lease Liabilities in other currencies | 7,460 | 7,729 |
| Total | 103,372 | 104,162 |
| Current maturities | (28,991) | (29,789) |
| Non-current maturities | 74,381 | 74,373 |

Maturity analysis:

| | 30.6.2023 | 31.12.2022 |
|------------------------|------------------|-------------------|
| Within 12 months | 28,991 | 29,789 |
| 12 - 24 months | 21,278 | 18,885 |
| 24 - 36 months | 8,272 | 9,936 |
| 36 - 48 months | 3,473 | 3,179 |
| 48 - 60 months | 2,396 | 2,517 |
| After 60 months | 38,962 | 39,856 |
| Total | 103,372 | 104,162 |

12. Trade and other payables

Trade and other payables are attributable to the following:

| | 30.6.2023 | 31.12.2022 |
|----------------------|------------------|-------------------|
| Trade payables | #LOGON | 62,883 |
| Other payables | #VALUE! | 32,071 |
| Total | 86,997 | 94,954 |

13. Group entities

At period-end the Company owned directly nine subsidiaries that are all included in the consolidation. The direct subsidiaries owned 57 subsidiaries at period-end. The Company holds the majority of voting power in all of its subsidiaries. Assets, liabilities, revenues and expenses in Consolidated 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 30.6.2023 | Ownership Interest 31.12.2022 |
|--------------------------------|-------------------------------------|---|--|
| 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% |

Notes

14. Shareholder distributions

Dividend payment

The Annual General Meeting of Eimskip approved on 9 March 2023 a dividend payment of ISK 20.08 per share to shareholders. The dividend payment amounted to ISK 3,405,3 million or EUR 22.7 million. The payment date was 19 April 2023.

Reduction of treasury shares

The share capital reduction by reducing treasury shares consisted of a share capital reduction of 1,700,000 shares or from 173,050,000 to 171,350,000 issued shares. Treasury shares amounted to 2.0% of total issued shares but will after the reduction amount to 1.05% of total issued shares. The reduction was executed on 25 April 2023.

Reduction of share capital with a payment to shareholders

The share capital reduction with a payment to shareholders consisted of a share capital reduction of 3,500,000 shares or from 171,350,000 to 167,850,000 issued shares with a payment to shareholders in the amount of ISK 1,925,0 million or EUR 12.7 million. The payment date was 26 April 2023.

Subsequent to the shareholder distributions above share capital is ISK 167,850,000 and each share is divided into one ISK. Treasury shares are ISK 1,761,307 and outstanding shares are ISK 166,088,693.

15. Other matters

Investigation of the Danish Competition Authority

With reference to note 26 in the Consolidated Financial Statements 2022 regarding investigation from the Danish Competition Authority. On 7 July 2023 the Company received a letter from the Danish Competition authority notifying of its decision to discontinue the case proceeding and to close the case. The Company is content that this case is thereby over.

The Environment Agency of Iceland

With reference to note 26 in the Consolidated Financial Statements 2022 an investigation from the Environmental Agency of Iceland is currently open. No changes have been in this case during the period.

16. Subsequent events

There are no subsequent events to report.

Quarterly statements

| Year 2023 | Q1 2023 | Q2 2023 | | | |
|---|----------------|----------------|----------------|----------------|-------------|
| Revenue | 214,569 | 209,516 | | | |
| Expenses | 182,731 | 175,191 | | | |
| Operating profit, EBITDA | 31,838 | 34,325 | | | |
| Depreciation and amortization | (16,053) | (14,914) | | | |
| Results from operating activities, EBIT | 15,785 | 19,411 | | | |
| Net finance expense | (1,857) | (1,893) | | | |
| Share of earnings of equity accounted investees | 1,860 | 3,827 | | | |
| Net earnings before income tax | 15,788 | 21,345 | | | |
| Income tax | (3,307) | (4,368) | | | |
| Net earnings | 12,481 | 16,977 | | | |
| | | | | | |
| Year 2022 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | 2022 |
| Revenue | 239,684 | 283,115 | 292,173 | 255,654 | 1,070,626 |
| Expenses | 209,298 | 238,362 | 242,595 | 217,285 | 907,540 |
| Operating profit, EBITDA | 30,386 | 44,753 | 49,578 | 38,369 | 163,086 |
| Depreciation and amortization | (15,298) | (14,928) | (15,501) | (15,891) | (61,618) |
| Results from operating activities, EBIT | 15,088 | 29,825 | 34,077 | 22,478 | 101,468 |
| Net finance expense | (2,060) | (2,376) | (2,664) | (1,800) | (8,900) |
| Share of earnings of equity accounted investees | 803 | 3,658 | 3,866 | 4,823 | 13,150 |
| Net earnings before income tax | 13,831 | 31,107 | 35,279 | 25,501 | 105,718 |
| Income tax | (3,376) | (6,203) | (7,142) | (3,702) | (20,423) |
| Net earnings | 10,455 | 24,904 | 28,137 | 21,799 | 85,295 |

Key figures by quarter

| OPERATING RESULTS | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 |
|---|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
| Revenue | 209,516 | 214,569 | 255,654 | 292,173 | 283,115 | 239,684 |
| Expenses | 175,191 | 182,731 | 217,285 | 242,595 | 238,362 | 209,298 |
| <i>Salaries and related expense</i> | 36,801 | 35,003 | 35,296 | 33,425 | 34,943 | 32,306 |
| EBITDA | 34,325 | 31,838 | 38,369 | 49,578 | 44,753 | 30,386 |
| EBIT | 19,411 | 15,785 | 22,478 | 34,077 | 29,825 | 15,088 |
| Net earnings for the period | 16,977 | 12,481 | 21,799 | 28,137 | 24,904 | 10,455 |
| EBITDA ratio | 16.4% | 14.8% | 15.0% | 17.00% | 15.8% | 12.7% |
| EBIT ratio | 9.3% | 7.4% | 8.8% | 11.70% | 10.5% | 6.3% |
| Profit ratio | 8.1% | 5.8% | 8.5% | 9.6% | 8.8% | 4.4% |
| Basic earning per share (in EUR) | 0.1006 | 0.0731 | 0.1275 | 0.1622 | 0.1395 | 0.0567 |
| Diluted earning per share (in EUR) | 0.1006 | 0.0730 | 0.1275 | 0.1622 | 0.1395 | 0.0567 |
| Average FTE's | 1,732 | 1,719 | 1,717 | 1,681 | 1,660 | 1,634 |
| BALANCE SHEET | 30.06.2023 | 31.03.2023 | 31.12.2022 | 30.09.2022 | 30.6.2022 | 31.3.2022 |
| Assets | 638,496 | 668,436 | 666,659 | 677,125 | 663,618 | 655,891 |
| Equity | 297,942 | 282,485 | 309,165 | 296,189 | 270,090 | 251,032 |
| Liabilities | 340,554 | 385,951 | 357,494 | 380,936 | 393,528 | 404,859 |
| Interest-bearing debt | 228,265 | 229,329 | 237,903 | 243,932 | 252,790 | 260,767 |
| <i>Loans and borrowings</i> | 124,893 | 131,237 | 133,741 | 138,164 | 140,608 | 144,061 |
| <i>Lease liabilities</i> | 103,372 | 98,092 | 104,162 | 105,768 | 112,182 | 116,706 |
| Net debt | 179,385 | 139,768 | 164,900 | 192,436 | 212,325 | 205,891 |
| Equity ratio | 46.7% | 42.3% | 46.4% | 43.7% | 40.7% | 38.3% |
| Leverage ratio | 1.16 | 0.85 | 1.01 | 1.23 | 1.48 | 1.60 |
| Current ratio | 1.39 | 1.32 | 1.53 | 1.48 | 1.38 | 1.27 |
| CASH FLOW | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2021 |
| Net cash from operating activities | 22,199 | 34,278 | 51,174 | 37,204 | 31,298 | 28,779 |
| Net cash (used in) provided by investing activities | (12,109) | (5,337) | (11,873) | (10,996) | (4,528) | (3,260) |
| Net cash used in financing activities | (50,095) | (12,766) | (14,412) | (17,432) | (41,570) | (11,154) |
| Cash and cash equivalents at the end of the period | 46,336 | 86,767 | 69,937 | 46,554 | 36,852 | 51,234 |
| New investments | 5,130 | 1,107 | 2,873 | 6,103 | 498 | 255 |
| Maintenance capex | 4,777 | 6,088 | 10,465 | 5,016 | 4,616 | 4,100 |
| Distribution to shareholders | 35,393 | 0 | 0 | 0 | 25,068 | 0 |
| Share buy back | 0 | 0 | 1,417 | 5,674 | 5,548 | 0 |