



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	937 019 661
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	EIMSKIP NORWAY AS
Forretningsadresse:	Stakkevollvegen 375 9019 TROMSØ

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Thomas K. Føre
Dato for fastsettelse av årsregnskapet:	25.01.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert

År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 24.09.2024

Brønnøysundregistrene

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Organisasjonsnummer: 974 760 673



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	303 159 435	464 243 559
Sum inntekter		303 159 435	464 243 559
Kostnader			
Varekostnad	2	247 329 174	405 152 901
Lønnskostnad	3, 4	27 993 267	28 045 841
Avskrivning av driftsmidler og immaterielle eiendeler	5	1 131 860	1 718 574
Nedskrivning av varige driftsmidler og immaterielle eiendeler	5		
Annен driftskostnad	3	17 140 907	13 995 075
Sum kostnader		293 595 209	448 912 391
Driftsresultat		9 564 226	15 331 168
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap	6	73 570 000	6 080 000
Renteinntekt fra foretak i samme konsern		1 246 667	225 989
Annен renteinntekt		1 116 594	248 704
Annен finansinntekt	7	1 873 371	4 253 087
Sum finansinntekter		77 806 631	10 807 780
Annен rentekostnad		1 012 398	461 177
Annен finanskostnad		2 211 648	3 336 121
Sum finanskostnader		3 224 047	3 797 298
Netto finans		74 582 585	7 010 482
Ordinært resultat før skattekostnad		84 146 811	22 341 649
Skattekostnad på resultat	8	2 360 338	3 576 978
Ordinært resultat etter skattekostnad		81 786 473	18 764 671
Årsresultat	9	81 786 473	18 764 671
Årsresultat etter minoritetsinteresser		81 786 473	18 764 671



Resultatregnskap

Beløp i: NOK	Note	2023	2022
Totalresultat		81 786 473	18 764 671
Overføringer og disponeringer			
Tilleggsutbytte		48 000 000	81 000 000
Avsatt til annen egenkapital		33 786 473	
Overført fra annen egenkapital			-62 235 329
Sum overføringer og disponeringer		81 786 473	18 764 671

**Balanse**

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8	231 228	410 736
Sum immaterielle eiendeler		231 228	410 736
Varige driftsmidler			
Tomter, bygninger o.a. fast eiendom	5		
Driftsløsøre, inventar o.a. utstyr	5	2 026 570	2 554 585
Sum varige driftsmidler		2 026 570	2 554 585
Finansielle anleggsmidler			
Investering i datterselskap	6, 10	41 372 152	41 372 152
Investering i annet foretak i samme konsern	6, 10		
Lån til foretak i samme konsern	6, 11		25 000 000
Investeringer i tilknyttet selskap	6, 10	28 140 700	28 140 700
Lån til tilknyttet selskap og felles kontrollert virksomhet	6, 12	6 830 926	5 684 000
Investeringer i aksjer og andeler	7	490 000	490 000
Andre langsiktige fordringer	4, 12	1 224 568	813 917
Sum finansielle anleggsmidler		78 058 346	101 500 769
Sum anleggsmidler		80 316 144	104 466 090
Omløpsmidler			
Varer			
Sum varer	2	5 906 582	7 082 314
Fordringer			
Kundefordringer	6, 11	32 804 233	48 198 658
Andre kortsiktige fordringer	11, 12	19 355 158	4 730 632
Sum fordringer	11, 12	52 159 392	52 929 290
Investeringer			
Aksjer og andeler i foretak i samme konsern	7, 10		
Markedsbaserte aksjer	7		
Markedsbaserte obligasjoner	7		



Balanse

Beløp i: NOK	Note	2023	2022
Andre markedsbaserte finansielle instrumenter	7		
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.	13	19 247 995	27 319 956
Sum bankinnskudd, kontanter og lignende		19 247 995	27 319 956
Sum omløpsmidler		77 313 968	87 331 560
SUM EIENDELER		157 630 112	191 797 650

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Aksjekapital	14	25 800 000	25 800 000
Beholdning av egne aksjer	14		
Sum innskutt egenkapital		25 800 000	25 800 000

Opptjent egenkapital

Annен egenkapital		81 949 627	48 163 154
Sum opptjent egenkapital		81 949 627	48 163 154
Sum egenkapital	9	107 749 627	73 963 154

Gjeld

Langsiktig gjeld

Utsatt skatt	8		
Annen langsiktig gjeld			
Gjeld til kreditinstitusjoner	11, 12		
Langsiktig konserngjeld	11, 12		20 000 000
Sum annen langsiktig gjeld			20 000 000
Sum langsiktig gjeld		0	20 000 000

Kortsiktig gjeld

Gjeld til kreditinstitusjoner		158 383	291 245
Leverandørgjeld	6, 11	25 205 079	54 442 526



Balanse

Beløp i: NOK	Note	2023	2022
Betalbar skatt	8	2 180 830	3 559 016
Skyldig offentlige avgifter		3 573 852	2 494 587
Annen kortsiktig gjeld	11	18 762 341	37 047 121
Sum kortsiktig gjeld	11	49 880 485	97 834 496
Sum gjeld		49 880 485	117 834 496
SUM EGENKAPITAL OG GJELD		157 630 112	191 797 650



Eimskipafélag Íslands hf.
Consolidated Financial
Statements for the year ended



Eimskipafélag Íslands hf.
Sundabakka 2 | 104 Reykjavík | Iceland
Reg. no. 690409-0460

E EIMSKIP



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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 Consolidated Financial Statement of the Group includes the financials of the parent company and its subsidiaries. The Group consists of a total of 64 companies in addition to five foreign branches. The Company operates branch offices in Norway, Denmark, UK, Netherland and Germany.

The Consolidated Financial Statements of Eimskipafélag Íslands hf. and its subsidiaries (together referred to as "Eimskip", "the Group" or "the Company") are prepared and presented in accordance with IFRS accounting standards (IFRS) as adopted by the EU and additional requirements for listed Icelandic companies. The Financial Statements are presented in thousands of EUR.

Highlights & Operations in 2023

Revenue in 2023 amounted to EUR 827.5 million and decreased by 243.1 million from the previous year while operating expenses decreased by EUR 203.4 million and amounted to EUR 704.2 million. EBITDA for the financial year 2023 amounted to EUR 123.4 million compared to EUR 163.1 million in 2022, which was a record year for the company. Net earnings as reported for the year 2023 are a total of EUR 54.5 million (2022: EUR 85.3 million) according to the Consolidated Income Statement.

Property, vessels and equipment increased by EUR 13.1 million in 2023 and amounted to a total of EUR 246.3 million by year-end. Interest-bearing debt decreased by EUR 14.6 million in the period and amounted to EUR 119.2 million at the end of the year. Total equity at 31 December 2023 amounted to EUR 312.1 million (2022: EUR 309.2 million) according to the Statement of Financial Position.

Cash flow from operations amounted to EUR 97.9 million, a decrease by EUR 50.6 million from 2022. The Company's liquidity position is strong, with cash and cash equivalents equal to EUR 32.5 million on 31 December 2023 and available undrawn revolving credit facilities in the amount of EUR 36.6 million. Capital expenditure in 2023 amounted to EUR 44.5 million, an increase of EUR 12.9 million from the previous year which was mainly driven by large investment projects in Eimskip's terminal in the Faroe Islands and Sundahöfn Terminal in Iceland.

Eimskip's financial performance for 2023 remains solid, with both business segments demonstrating resilience amid swift changes in global market conditions compared to the previous year. The international freight forwarding business generated an EBITDA of EUR 32.1 million in 2023, a decrease from EUR 43.6 million in 2022. This decline can be attributed primarily to the shift in market dynamics, with global freight rates significantly lower than the year before, especially compared to the first half of 2022 when rates were still highly elevated. As the freight forwarding business primarily serves as an intermediary between shippers and ocean carriers, managing sea freight and other services on behalf of customers and selling with a margin, global freight rates exert a substantial impact on the financial performance of this segment. Handled forwarding volume remained on same level in 2023 as in the preceding year but with a 7.2% growth in the last quarter of the year compared to same quarter the year before.

Eimskip's liner services, encompassing ocean transportation in the North-Atlantic along with ancillary services like terminal operations, inland trucking, warehousing, customs agency, and related activities, delivered robust results in 2023 with EBITDA amounting to EUR 91.3 million and EBIT of EUR 36.4 million, down by 24% and 44% respectively from the extraordinary 2022 results. The transported liner volume in 2023 was 204,400 TEUs and decreased marginally from 208,500 TEUs from the previous year. Revenue in liner services decreased by EUR 73.6 million, or 11%, from the prior year. This reduction was mainly driven by lower freight rates in the Trans-Atlantic trade lane and in third-party pre-and on-carriage rates that fell in 2023 from highly elevated levels in 2022. Revenue and expenses in the liner segment are also significantly influenced by bunker prices, impacting both operating costs of vessels and liner revenue through floating bunker surcharges. In 2023, bunker expenses were EUR 18.5 million lower than in 2022, attributed both to lower oil prices and reduced consumption, with a similar effect on the revenue side.



Endorsement and Statement by the Board of Directors and the CEO

Highlights in 2023, continued

The Company has maintained a strong focus on customer service, reliability, and operational efficiency in the liner services, essential for sustaining a healthy profitability in this asset-heavy segment and enabling a sustainable level of investment. Recognizing the evolving external environment amid an economic slowdown, the management initiated efforts to streamline and optimize the sailing system in the beginning of 2023, resulting in material changes to the system that were announced in November and are to be implemented in the first quarter of 2024. These changes are intended to enhance reliability, reduce costs, and, notably, reduce carbon emissions. Furthermore, the Company emphasizes providing its customers holistic logistics solutions, offering a broad range of value-added services which are under constant development. In the international forwarding business, the primary focus is on proactive sales to support volume growth, agile procurement to ensure competitive rates and enhanced productivity by implementing smart solutions and best practice processes.

The Annual General Meeting approved a dividend payment to shareholders equal to EUR 22.7 million as well as a share capital reduction in the amount of EUR 12.7 million with a cash payment to shareholders. Please refer to note 17 for further information.

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 is up to 2,150,000. The main purpose of the share-buy-back is to reduce the Company's share capital. During the fourth quarter Eimskip purchased shares with a purchase price of ISK 804.1 million or EUR 5.4 million. The share buy-back was completed on 16. January 2024.

The Board of Directors proposes a dividend payment to shareholders in 2024 in the amount of ISK 22.53 per share. The proposed dividend payment is ISK 3.7 billion, or approximately EUR 25 million, which represents 45.9% of net earnings for the year 2023.

Outlook and uncertainties

The outlook for the beginning of the year 2024 is again marked by uncertainty, with rising political conflicts causing disturbance in the world economy and negatively impacting expectations of an economic rebound alongside declining inflation. The Suez Canal, a vital trade corridor between Asia and Europe, has since mid-December experienced a major blow by militant attacks on commercial vessels. This has effectively closed the canal for commercial sea traffic, increasing transit times and negatively affecting turnaround times of vessels and containers. The freight rates on Asia connected trade lanes have subsequently risen sharply. Higher rates might positively affect Eimskip's international freight forwarding business, while the risk of prolonged economic downturn, with increased shipping costs negatively impacting global trade, might have the opposite effect. In that respect, Eimskip's specialization in reefer logistics provides an advantage as frozen and refrigerated goods are generally more resistant to economic cycles.

In the liner segment, Eimskip is strongly positioned as a shipping line mainly servicing wealthy economies in the North-Atlantic. Eimskip's home market covers Northern Norway, Faroe Islands, Iceland, Greenland, Newfoundland, and the New England area in the United States. This area is rich in natural resources with a strong fishing heritage, a highly skilled labor force, and economies that are heavily reliant on import and export. At the start of 2024, demand for Eimskip's shipping services in this region remains on a good and stable level, while demand for Trans-Atlantic transportation of goods from Europe to North-America via Iceland, which softened over the course of 2023 with lower rates and less volume, affected by changed market landscape, is likely to remain on a similar or somewhat better level than the latter half of last year during the next few months.

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. The Company is not immune to the effects of the economic slowdown that impacts global trade and demand for shipping and transportation but the Company has sound financial position enabling the Company to weather economic cycles with greater resilience.

Corporate Governance

Eimskip's management is of the opinion that practicing good Corporate Governance is vital for Eimskip and is in the best interests of the shareholders, employees and other stakeholders. The framework for Corporate Governance practices within Eimskip consists of the provisions of law, the parent company's Articles of Association, Rules of Procedures for the Board of Directors and Board's subcommittee and various company policies, Rules for Issuers of Financial Instruments listed at Nasdaq Iceland and the 6th edition of Corporate Governance Guidelines issued by the Iceland Chamber of Commerce, SA - Confederation of Iceland Enterprise and Nasdaq Iceland.



Endorsement and Statement by the Board of Directors and the CEO

Corporate Governance, continued

Corporate Governance practices are designed to ensure open and transparent relationship between the Company's management, its Board of Directors, its shareholders, and other stakeholders. Management has emphasized and increased level of information shared with investors and other stakeholders in quarterly reporting as well as communication with customers on current affairs. The Corporate Governance in Eimskip is also designed to ensure sound and effective control of the Company's affairs and a high level of business ethics. Further information is provided in the Corporate Governance Statement which is an appendix to these Financial Statements.

Active risk management plays an important role at Eimskip ensuring stable operations and earnings. The Company's Treasury Policy aims to minimize potential negative effects on operations and earnings from financial activities and to keep risk at acceptable levels. Information on matters related to financial risk management is disclosed in note 21. Furthermore, the Company has an active risk management program to map and manage the Company's main risk exposure, both operational and financial.

The Company complies with Article 63 of Act no. 2/1995 on Limited Liability Companies (Company Act), as the Company's Board of Directors currently consists of three females and two males. The Executive Management and the CEO consists of six males and three females. The Company's gender ratio is 69% males, 31% females and 0% other genders. Further information on the number of full-time equivalents is provided in note 6.

Non-Financial Reporting and EU Taxonomy

The Company is defined as a large Public Interest Entity according to the Icelandic Financial Statement Act. The Act states that these companies should disclose as an attachment to the Endorsement of the Board of Directors and the CEO relevant and useful information on their policies, main risks and outcomes relating to environmental, social and employee matters, their human rights policy and how they counteract corruption and bribery, in addition to a short description of the Company's business model. The Company's policies and outcome of these matters are further discussed in the Non-Financial Reporting which is an appendix to these Consolidated Financial Statements.

In November 2020 Eimskip conducted an ESG risk assessment (Environmental, Social, and Governance) and is finalizing the Company's double materiality analysis according to CSRD. Eimskip introduced a new ESG strategy in 2023 with accelerated targets connected to Environmental, Social, and Governance factors. Eimskip has now published its Sustainability Statement for 2023 that reflects the ESG guidelines issued by Nasdaq Iceland and the Nordic countries in March 2017. Please refer to the Company's website.

In 2023, Eimskip reports EU Taxonomy for the first time. According to Icelandic laws, 25/2023 on sustainability-related disclosures in the financial services sector and a classification system for sustainable investments, companies that fulfill specific requirements are required to publish non-financial information based on Article 8(1) of the Taxonomy regulation (EU 2020/852) as from 2023. Eimskip's EU Taxonomy is presented in an appendix to these Consolidated Financial Statements.

Share capital and articles of association

The Company's Board of Directors consists of five Directors and two alternate Directors, all elected at the annual general meeting in March 2023. Those who intend to run for the Board of Directors shall notify the Board of Directors of their candidacy at least ten days before a shareholders' meeting. The Company's articles of association may only be amended by a lawful shareholders' meeting, as long as the proposal for the amendment is described in the invitation to the meeting. The decision to amend the articles of association will only be valid if it is approved by 2/3 of the votes and approved by shareholders controlling at least 2/3 of the votes represented at the shareholders' meeting.



Endorsement and Statement by the Board of Directors and the CEO

Share capital and articles of association, continued

The number of shareholders at year-end 2023 was 942 which was a decrease of 42 from the beginning of year. The Company's ten largest shareholders at the year-end are the following:

Shareholder:	2023		2022	
	Number of shares	Shares in %	Number of shares	Shares in %
1. Sely ehf	55,589,385	33.82%	56,748,532	33.46%
2. Gildi - lifeyrissjóður ¹⁾	21,310,161	12.96%	21,781,520	12.84%
3. Lifeyrissjóður verzlunarmana ²⁾	20,482,040	12.46%	21,244,276	12.53%
4. Stefnir hf. ³⁾	11,770,676	7.16%	7,379,087	4.35%
5. Lifeyrissjóður stærfsmana rikisins A-deild and B-deild	8,214,613	5.00%	8,200,000	4.84%
6. Birta lifeyrissjóður	8,079,481	4.92%	8,105,035	4.78%
7. Stapi lifeyrissjóður	6,546,073	3.98%	6,997,710	4.13%
8. Sjóvá-Almennar tryggingar hf.	3,294,886	2.00%	4,152,687	2.45%
9. Lifsverk lifeyrissjóður	2,966,656	1.80%	2,722,551	1.61%
10. Landsbréf ⁴⁾	2,603,929	1.58%	3,120,862	1.84%
Other shareholders	23,517,780	14.31%	29,136,433	17.18%
Total outstanding shares	164,375,680	100.00%	169,588,693	100.00%
Treasury shares	3,474,320		3,461,307	
Total issued shares	167,850,000		173,050,000	

¹⁾ Gildi lifeyrissjóður, Gildi lifeyrissjóður/Framtíðarsýn 1 and 2

²⁾ Lifeyrissjóður verzlunarmana, Lifeyrissjóður verzlunarmana/Ævileid 1 and 2

³⁾ The shareholders are Stefnir - Innleid Hlutabréf, Stefnir - IS-5, Stefnir - Ardgreidsluþjodur and Stefnir Sustainable Artic

⁴⁾ The shareholders are Landsbréf - Úrvalsbréf, Landsbréf - Öndvegisbréf, Landsbréf - LEQ-UCITS ETF and Landsbréf - LEQ150 ETF.

Further information on matters related to the share capital is disclosed in note 17. Additional information on shareholders is provided on the Company's website, www.eimskip.is/investors.

Statement by the Board of Directors and the CEO

According to the best of our knowledge, it is our opinion that these annual Consolidated Financial Statements give a true and fair view of the consolidated financial performance of Eimskip for the year 2023, its assets, liabilities and consolidated financial position as at 31 December 2023 and its consolidated cash flows for the year 2023.

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.

In our opinion, the Consolidated Financial Statements of Eimskipafélag Íslands hf. for the year 2023 identified as "5493001UR8Q7Y44KBL02-2023-12-31-en.zip" are prepared in all material respects, in compliance with the ESEF Regulation.

The Board of Directors and the CEO have today discussed the Consolidated Financial Statements of Eimskipafélag Íslands hf. for the year 2023 and confirm them by means of their signatures. The Board of Directors and the CEO recommend that the Consolidated Financial Statements will be approved at the Annual General Meeting of Eimskipafélag Íslands hf.

Reykjavík, 13 February 2024

Board of Directors:

Óskar Magnússon, Chairman
 Margrét Guðmundsdóttir, Vice-Chairman
 Guðrún Ó. Blöndal, Board Member
 Lárus L. Blöndal, Board Member
 Ólaf Hildur Pálsdóttir, Board Member

CEO:

Vilhelm Már Thorsteinsson



Independent Auditors' Report

To the Board of Directors and the shareholders of Eimskipafélag Íslands hf.

Opinion

We have audited the accompanying consolidated financial statements of Eimskipafélag Íslands hf. and its subsidiaries (the group) for the year 2023, excluding the endorsement and statement by the board of directors and the CEO.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the group as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS accounting standards as adopted by the European Union (EU), and applicable articles in Icelandic law on annual accounts.

Our opinion is consistent with our additional report to the audit committee and the board of directors.

The consolidated financial statements comprise

- Endorsement and statement by the Board of Directors and the CEO.
- Consolidated income statement for the year 2023.
- Consolidated statement of comprehensive income for the year 2023.
- Consolidated statement of financial position as at 31 December 2023.
- Consolidated statement of changes in equity for the year ended December 2023.
- Consolidated statement of cash flows for the year 2023.
- Notes to the consolidated financial statements, which include material accounting policies and other explanatory information.

The endorsement and statement by the board of directors and the CEO and appendices to the financial statements are excluded from the audit, refer to section reporting on other information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report.

Independence

We are independent of the group in accordance with Icelandic laws on auditors and auditing and the code of ethics that apply to auditors in Iceland and relate to our audit of the group's consolidated financial statements. We have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the group and its subsidiaries are in accordance with the applicable law and regulations in Iceland and that we have not provided non-audit services that are prohibited under Article 5.1 of Regulation (EU) No. 537/2014.

The non-audit services that we have provided to the group and its subsidiaries, in the period from January 1, 2023 to December 31, 2023, are disclosed in note 24 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent Auditors' Report

Key Audit Matters

Revenue recognition

Operating revenue amounts to EUR 827.531 thousand in the year 2023.

Recognition of revenue consists of high volume of transactions and different types of logistic contracts with individually negotiated terms.

We focused on this area due to the significance of amounts involved and because recognition of revenue involves accounting policy decisions and judgements made by management.

Further, the volume of transactions and extent of different contracts require various IT setups to ensure correct revenue recognition.

Reference is made to notes 5 and 28.k. in the consolidated financial statements.

How the matter was addressed in our audit

Our audit procedures included:

- Considering the appropriateness of the revenue recognition accounting policies and assessing compliance with applicable accounting standards
- Obtaining understanding of the revenue and accounts receivable accounting process.
- Testing the accounting treatment and principles applied.
- Data analytics on selected revenue streams and testing journal entries on revenue.
- Substantive procedures over invoicing, contracts and other supporting documents.
- Detailed testing on timing to ensure that the revenue is recognised in the correct financial year.

- Accounts receivable confirmations.

Relevant notes have been reviewed.

Reporting on other information, including the endorsement and statement by the board of directors and the CEO

The board of directors and chief executive officer are responsible for other information. The other information comprises of the endorsement and statement by the board of directors and the CEO and appendices to the consolidated financial statements, including quarterly statements, key figures by quarter, corporate governance statement, non-financial reporting, ESG statement and EU taxonomy, which we obtained prior to the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information, including the endorsement and statement by the board of directors and the CEO.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, in light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in other information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

With respect to the endorsement and statement by the board of directors and the CEO we have, in accordance with article 104, of the Icelandic law on annual accounts reviewed that to the best of our knowledge, the endorsement and statement by the board of directors and the CEO accompanying the consolidated financial statements includes applicable information in accordance with Icelandic law on annual accounts if not presented elsewhere in the consolidated financial statements.

Responsibilities of the Board of Directors and the Chief Executive Officer

The board of directors and the chief executive officer are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS accounting standards as adopted by the EU, and applicable articles in Icelandic law on annual accounts, and for such internal control as determined necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Independent Auditors' Report

In preparing the consolidated financial statements, management is responsible for assessing the groups' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so. The Group's management must provide appropriate explanations regarding its ability to continue as going concern, if applicable, and why management applies the presumption of going concern in the preparation and presentation of the consolidated financial statements

Those charged with governance are responsible for overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 International Standards on Auditing 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 these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated 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 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 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 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 consolidated 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 to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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, related safeguards.



Independent Auditors' Report

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 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 or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on European single electronic format (ESEF Regulation)

As part of our audit of the consolidated financial statements of Eimskipafélag Íslands hf. we performed procedures to be able to issue an opinion on whether the consolidated financial statements of Eimskipafélag Íslands hf. for the year 2023 with the file name 549300IUR8Q7Y44KBL02-2023-12-31-en.zip is prepared, in all material respects, in accordance with law no. 20/2021 Act on securities issuer obligations to issue information and self-report relating to requirements under the European single electronic format regulation EU no. 2019/815, which include requirements concerning preparation of the consolidated financial statements in XHTML format and iXBRL markup.

The board of directors and chief executive officer are responsible for preparing the consolidated financial statements in accordance with law no. 20/2021. This responsibility includes preparing the consolidated financial statements in a XHTML format in accordance to EU regulation no. 2019/815 on the european single electronic format (ESEF regulation).

Our responsibility is to obtain reasonable assurance, based on evidence that we have obtained, on whether the consolidated financial statements are prepared in all material respects, in accordance with the ESEF Regulation, 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.

In our opinion, the consolidated financial statements of Eimskipafélag Íslands hf. for the year 2023 with the file name 549300IUR8Q7Y44KBL02-2023-12-31-en.zip is prepared, in all material respects, in accordance with the European single electronic format regulation EU no. 2019/815.

Appointment

We were first appointed as auditors at the company's annual general meeting on March 25, 2021. Our appointment has been renewed at the company's annual general meeting representing a total period of uninterrupted engagement appointment of three years.

Reykjavík, 13 February 2024

PricewaterhouseCoopers ehf.

Bryndís Björk Guðjónsdóttir
certified public accountant

Sara Henný H. Arnbjörnsdóttir
certified public accountant



Consolidated Income Statement
for the year 2023

	Notes	2023	2022
Revenue			
Operating revenue	5	827,531	1,070,626
		<u>827,531</u>	<u>1,070,626</u>
Expenses			
Operating expenses		560,398	771,570
Salaries and related expenses	6	143,772	135,970
	5	<u>704,170</u>	<u>907,540</u>
Operating profit, EBITDA		123,361	163,086
Depreciation, amortization and impairment	10-12	(62,366)	(61,618)
Results from operating activities, EBIT		60,995	101,468
Finance income		2,343	1,061
Finance expense		(11,860)	(8,888)
Net foreign currency exchange gain (loss)		1,476	(1,073)
Net finance expense	7	(8,041)	(8,900)
Share of earnings of equity-accounted investees	13	13,399	13,150
Net earnings before income tax		66,353	105,718
Income tax	8	(11,847)	(20,423)
Net earnings for the year		<u>54,506</u>	<u>85,295</u>
Net earnings for the year attributable to:			
Equity holders of the Company		54,122	83,397
Non-controlling interest		384	1,898
		<u>54,506</u>	<u>85,295</u>
Earnings per share:			
Basic earnings per share (EUR per share)	9	0.3249	0.4846
Diluted earnings per share (EUR per share)	9	0.3249	0.4846

The notes on pages 16 to 45 are an integral part of these Consolidated Financial Statements.



Consolidated Statement of Comprehensive Income for the year 2023

	Notes	2023	2022
Net earnings for the year		54,506	85,295
Other comprehensive income:			
Items that are or may subsequently be reclassified to the income statement			
Foreign currency translation difference of foreign operations		(5,492)	(384)
Effective portion of changes in fair value of cash flow hedges, net of income tax	8,21	(994)	2,064
Fair value changes of minority put option liability		(2,110)	(602)
Total other comprehensive income for the year		(8,596)	1,078
Total comprehensive income for the year		45,910	86,373
Total comprehensive income for the year attributable to:			
Equity holders of the Company		45,982	84,574
Non-controlling interest		(72)	1,799
Total comprehensive income for the year		45,910	86,373

The notes on pages 16 to 45 are an integral part of these Consolidated Financial Statements.



Consolidated Statement of Financial Position
as at 31 December 2023

	Notes	2023	2022
Assets:			
Property, vessels and equipment	10	246,269	233,201
Right-of-use assets	11	89,373	102,680
Intangible assets	12	62,057	61,469
Equity accounted investees	13	43,898	31,670
Finance assets		2,017	2,934
Deferred tax assets	14	1,416	2,121
		<u>445,030</u>	<u>434,075</u>
Inventories		11,401	11,721
Trade and other receivables	15,21	129,906	150,926
Cash and cash equivalents	16	32,502	69,937
		<u>173,809</u>	<u>232,584</u>
		<u>618,839</u>	<u>666,659</u>
Equity:			
Share capital		1,010	1,045
Share premium		99,042	117,046
Reserves		115,134	94,944
Retained earnings		92,493	89,091
		<u>307,679</u>	<u>302,126</u>
Non-controlling interest		4,393	7,039
		<u>312,072</u>	<u>309,165</u>
Liabilities:			
Loans and borrowings	18	107,551	120,528
Lease liabilities	19	64,636	74,373
Other long-term liabilities	25	2,940	3,448
Deferred tax liability	14	6,953	7,169
		<u>182,080</u>	<u>205,518</u>
Loans and borrowings	18	11,613	13,213
Lease liabilities	19	27,372	29,789
Trade and other payables	20	78,474	94,954
Income tax payable		7,228	14,020
		<u>124,687</u>	<u>151,976</u>
		<u>306,767</u>	<u>357,494</u>
		<u>618,839</u>	<u>666,659</u>

The notes on pages 16 to 45 are an integral part of these Consolidated Financial Statements.



**Consolidated Statement of Changes in Equity
for the year ended 31 December 2023**

	Attributable to equity holders of the Company						Total equity
	Share capital	Share premium	Trans-lation reserve	Other reserves*	Un-distributed profits	Retained earnings	
	Reserves						
Changes in Equity 2022:							
Equity at 1 January 2022	1,085	137,236	(4,806)	(86)	43,185	78,366	254,980
Share capital reduction	(15)	(7,576)				(7,591)	(7,591)
Dividend paid (0.098 EUR per share)					(17,477)	(17,477)	(17,477)
Purchased treasury shares	(25)	(12,614)				(12,639)	(12,639)
Changes in share options reserve				279		279	279
Other changes in non-controlling interest						0	(1,245)
Total comprehensive income for the period			(285)	1,462	55,195	83,397	84,574
Profit of subsidiaries net of dividend received					(55,195)	0	86,373
Equity at 31 December 2022	1,045	117,046	(5,091)	1,655	98,380	89,091	302,126
Reserves					94,944		7,039
Changes in Equity 2023:							
Equity at 1 January 2023	1,045	117,046	(5,091)	1,655	98,380	89,091	302,126
Share capital reduction	(23)	(12,653)				(12,676)	(12,676)
Dividend paid (0.134 EUR per share)					(22,717)	(22,717)	(22,717)
Purchased treasury shares	(12)	(5,351)		305		(5,363)	(5,363)
Changes in share options reserve					306	22	327
Minority put option exercised					(306)	0	0
Other changes in non-controlling interest						0	0
Total comprehensive income for the year			(5,036)	(3,104)	27,719	(27,719)	(2,574)
Profit of subsidiaries net of dividend received						45,982	(2,574)
Equity at 31 December 2023	1,010	99,042	(10,127)	(838)	126,099	92,493	307,679
Reserves						115,134	4,393
							312,072

* Other reserves include hedging reserve, share option reserve and reserve for fair value changes of minority put options. Please refer to note 17 for further information.
The notes on pages 16 to 45 are an integral part of these Consolidated Financial Statements.



Consolidated Statement of Cash Flows
for the year 2023

	Notes	2023	2022
Cash flows from operating activities:			
Net earnings for the year		54,506	85,295
Adjustments for:			
Depreciation, amortization and impairment	10-12	62,366	61,618
Net finance expense	7	8,041	8,900
Share of earnings of equity-accounted investees	13	(13,399)	(13,150)
Change in deferred taxes	8,14	448	754
Other changes		(625)	(431)
		<u>111,337</u>	<u>142,986</u>
Changes in current assets and liabilities:			
Inventories, change		160	(4,382)
Receivables, change		19,073	4,093
Payables, change		(4,760)	19,236
		<u>14,473</u>	<u>18,947</u>
Interest received		2,343	1,061
Interest paid		(11,860)	(8,887)
Taxes paid		(18,396)	(5,652)
		<u>97,897</u>	<u>148,455</u>
Cash flows from investing activities:			
Acquisition of property, vessels and equipment	10	(38,191)	(26,913)
Acquisition of intangible assets	12	(5,854)	(4,284)
Aquisition of right-of-use assets	11	(432)	(402)
Proceeds from the sale of property, vessels and equipment		2,749	1,913
Investment in equity accounted investee		(55,296)	0
Dividend from equity accounted investee		54,910	0
Proceed from sale of equity accounted investee		815	0
Minority put options exercised		(2,618)	0
Changes in finance assets		812	(971)
		<u>(43,105)</u>	<u>(30,657)</u>
Cash flows from financing activities:			
Share capital reduction		(12,676)	(7,591)
Dividend paid to equity holders of the company		(22,717)	(17,477)
Purchased treasury shares		(5,363)	(12,639)
Dividend paid to non-controlling interest and other changes		(2,574)	(1,245)
Proceeds from non-current loans and borrowings	18	0	362
Repayment of non-current loans and borrowings	18	(14,640)	(13,325)
Repayment of lease liabilities	19	(34,119)	(32,238)
Short term borrowings, change		24	(415)
		<u>(92,065)</u>	<u>(84,568)</u>
Changes in cash and cash equivalents		(37,273)	33,230
Cash and cash equivalents at the beginning of the year		69,937	36,986
Effects of exchange rate fluctuations on cash held		(162)	(279)
Cash and cash equivalents at year-end		<u>32,502</u>	<u>69,937</u>
Investing and financing activities not affecting cash flows:			
Acquisition of right-of-use assets	11	23,934	(15,254)
New or renewed leases	19	(23,934)	15,254
Reclassified fixed asset	10	0	(1,814)
Inventory, change		0	1,814

The notes on pages 16 to 45 are an integral part of these Consolidated Financial Statements.



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Notes to the Consolidated Financial Statements

1. Reporting entity

Eimskipafélag Íslands hf. (the "Company", the "Group" 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 Consolidated Financial Statements of the Company for the year ended 31 December 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 logistic services. The Company's shares are listed at Nasdaq Iceland.

2. Basis of accounting

a. Statement of compliance

These Consolidated Financial Statements have been prepared in accordance with IFRS accounting standards (IFRS) as adopted by the EU and additional Icelandic disclosure requirements for consolidated financial information of listed companies in accordance with Icelandic Financial Statement Act No. 3/2006 and rules for issuers of financial instruments at

The Consolidated Financial Statements were approved and authorized for issue by the Company's Board of Directors on 13 February 2024.

Details of the Group's accounting policies are included in note 28.

b. Basis of measurement

The Consolidated Financial Statements have been prepared on the historical cost basis, except for the valuation of minority put option liabilities and cash flow hedges which are valued at fair value through other comprehensive income. The methods used to measure fair values for disclosure purposes are discussed in note 3.

c. Functional and presentation currency

These Consolidated Financial Statements are presented in EUR, which is the Parent Company's functional currency. All financial information presented in EUR has been rounded to the nearest thousand unless otherwise indicated.

d. Use of estimates and judgements

The preparation of the Consolidated 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes.

Note 5 and 28 k - Revenue

Note 11 and 19 - Right-of-use assets and lease liabilities

Note 12 - Intangible assets and impairment testing

Notes 15 and 20 - Trade and other receivables

3. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values have been measured for measurement and/or disclosure purposes based on the present value of future cash flows, discounted at the market rate of interest at the reporting date. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4. Changes in significant accounting policies

The accounting policies applied in these Consolidated 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.



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	Consolidated
For the year 2023			
Revenue, external	585,084	242,447	827,531
Inter-segment revenue	12,729	34,935	47,664
Total	597,813	277,382	875,195
Expenses, external	(471,617)	(232,553)	(704,170)
Inter-segment expense	(34,935)	(12,729)	(47,664)
EBITDA	91,261	32,100	123,361
Depreciation and amortization	(54,817)	(7,549)	(62,366)
EBIT	36,444	24,551	60,995
Net finance expense	(6,522)	(1,519)	(8,041)
Share of earnings of equity-accounted investees	13,325	74	13,399
Income tax	(5,603)	(6,244)	(11,847)
Net earnings for the year	37,644	16,862	54,506
Segment assets	501,467	117,372	618,839
Segment liabilities	262,487	44,280	306,767
Non-lease capital expenditure	42,024	2,453	44,477
 For the year 2022			
Revenue, external	654,603	416,023	1,070,626
Inter-segment revenue	16,802	31,817	48,619
Total	671,405	447,840	1,119,245
Expenses, external	(520,052)	(387,488)	(907,540)
Inter-segment expense	(31,817)	(16,802)	(48,619)
EBITDA	119,536	43,550	163,086
Depreciation and amortization	(54,258)	(7,360)	(61,618)
EBIT	65,278	36,190	101,468
Net finance expense	(8,591)	(309)	(8,900)
Share of earnings of equity-accounted investees	13,140	10	13,150
Income tax	(10,751)	(9,672)	(20,423)
Net (loss) earnings for the year	59,076	26,219	85,295
Segment assets	502,338	164,321	666,659
Segment liabilities	269,754	87,740	357,494
Non-lease capital expenditure	28,563	2,634	31,197



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
For the year 2023			
Revenue, external	778,678	48,853	827,531
Segment assets	601,424	17,415	618,839
Non-lease capital expenditure	44,447	30	44,477
For the year 2022			
Revenue, external	948,235	122,391	1,070,626
Segment assets	638,188	28,471	666,659
Non-lease capital expenditure	31,052	145	31,197



Notes

6. Salaries and related expenses

Salaries and related expenses are specified as follows:	2023	2022
Salaries	116,266	110,257
Expenses related to equity settled share based payments	327	279
Defined pension contribution plan	13,732	12,944
Other related expenses	13,447	12,490
Salaries and related expenses	143,772	135,970

Average number of full-time equivalents during the year	1,727	1,678
Average number of employees	1,781	1,733
Number of full-time equivalents at year-end	1,728	1,723

A Share Option Plan that was approved on the Company's Annual General meeting in 2022 is still effective. The share options were allocated to certain key employees of the Company globally. See note 17 for details.

7. Finance income and expense

Finance income is specified as follows:	2023	2022
Interest income	1,926	782
Dividend received	417	255
Gain on sale of shares	0	24
Finance income	2,343	1,061

Finance expense is specified as follows:

Interest on long-term loans	(5,075)	(3,224)
Interest on lease liabilities	(5,647)	(4,738)
Other finance expense	(1,138)	(926)
Finance expense	(11,860)	(8,888)
Net foreign currency exchange gain (loss)	1,476	(1,073)
Net finance expense	(8,041)	(8,900)

8. Income tax

(i) Income tax recognized in the income statement:

Current tax expense:	2023	2022
Current year	10,618	18,794

Deferred tax:

Origination and reversal of temporary differences	324	1,606
Other changes	905	23
.....	1,229	1,629
Total income tax	11,847	20,423



Notes

8. Income tax, continued

(ii) Reconciliation of effective income tax rate:

	2023	2022
Net earnings before income tax	66,353	105,718
Income tax using the Company's domestic tax rate	20.0%	20.0%
Effect of tax rates in foreign jurisdictions	(1.5%) (963)	(2.1%) (2,249)
Non-deductable expenses	0.2%	0.2%
Under or over provided in previous years	(2.8%) (1,832)	0.5%
Other changes	1.8%	0.7%
Effective income tax rate	17.9%	19.3%
		20,423

Decrease in income tax relating to the cash flow hedge in other comprehensive income amounted to EUR 249 thousand (2022: Increase EUR 516 thousand).

Eimskip is in scope of the Pillar Two tax regulations. Several jurisdictions have implemented and enacted the Pillar Two regulations as per 31 December 2023. Eimskip is not expected to be materially impacted by the Pillar Two regulations as all countries where Eimskip has operations, that are not covered by tonnage tax regimes, impose taxation in excess of 15%. As such, the Pillar Two rules and local implementation thereof are not expected to result in materially increased tax expenses nor tax payments. However, the current Pillar Two definition of „International Shipping“ does not align with what is included in the tonnage tax regimes. The current wording shows a deviation, which may result in elements of International Shipping income being subject to a top-up tax. Currently, Eimskip only operates under tonnage tax in Norway and Faroe Islands where it also has other operations than are not covered by tonnage taxation. In the case that International Shipping would not be excluded from Pillar Two, that would impact the effective tax rate of these specific entities, but given current conditions it would not have a material effect of the group's tax expense and/or payments.

9. 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 year. Eimskip has one category of dilutive potential ordinary shares: stock options. The average stock price since the issuance of the stock options is below the exercise price of the options and therefore as at 31 December 2023 diluted earnings per share were equal to earnings per share. Calculations are as follows:

	2023	2022
	1.1.-31.12.	1.1.-31.12.
Net earnings attributable to equity holders of the Company	54,122	83,397
Number of issued shares at 1 January in thousands	173,050	175,200
Effect of treasury shares at 1 January in thousands	(3,461)	(33)
Effect of treasury shares purchased in thousands	(212)	(1,432)
Effect of share capital reduction	(2,771)	(1,632)
Weighted average number of outstanding shares at 31 December	166,606	172,103
Basic earnings per share (EUR)	0.3249	0.4846
Diluted earnings per share (EUR)	0.3249	0.4846



Notes

10. Property, vessels and equipment

Property, vessels and equipment are specified as follows:

	Land and buildings	Vessels	Containers and equipment	Total
Cost				
Balance at 1 January 2022	118,968	148,513	161,754	429,235
Reclassification of assets	559	0	1,255	1,814
Additions	750	5,217	20,946	26,913
Disposals	(331)	0	(9,894)	(10,225)
Currency adjustments	(402)	(691)	(233)	(1,326)
Balance at 31 December 2022	119,544	153,039	173,828	446,411
Balance at 1 January 2023	119,544	153,039	173,828	446,411
Reclassification of assets	88	0	(88)	0
Additions	5,575	7,587	25,029	38,191
Disposals	(592)	(7,168)	(5,707)	(13,467)
Currency adjustments	(503)	(451)	(258)	(1,212)
Balance at 31 December 2023	124,112	153,007	192,804	469,923
Depreciation				
Corrected Balance 1 January 2022	44,685	53,100	101,534	199,319
Disposals	(342)	0	(8,887)	(9,229)
Depreciation	3,838	8,134	12,211	24,183
Currency adjustments	(302)	(503)	(258)	(1,063)
Balance at 31 December 2022	47,879	60,731	104,600	213,210
Balance at 1 January 2023	47,879	60,731	104,600	213,210
Reclassification of assets	(20)	0	20	0
Disposals	(314)	(6,432)	(4,660)	(11,406)
Depreciation	3,897	8,264	10,837	22,998
Currency adjustments	(433)	(524)	(191)	(1,148)
Balance at 31 December 2023	51,009	62,039	110,606	223,654
Carrying amounts				
At 1 January 2022	74,283	95,413	60,220	229,916
At 31 December 2022	71,665	92,308	69,228	233,201
At 31 December 2023	73,103	90,968	82,198	246,269

Pledges

Property, vessels and equipment with a carrying amount of EUR 96.8 million (2022: EUR 122.7 million) have been pledged as security for loans amounting to EUR 118.8 million (2022: EUR 133.3 million) at year-end.



Notes

11. Right-of-use assets

Right-of-use assets are specified as follows:

Cost	Buildings and Cold storage		Vehicles and Equipment		Total
	Land	Vessels	Equipment		
Balance at 1 January 2022	15,176	48,926	62,124	20,659	146,885
New and amended leases	0	5,155	4,215	6,286	15,656
Expired leases	(44)	(2,157)	(1,018)	(1,710)	(4,929)
Divestments	0	(69)	0	(139)	(208)
Currency adjustments	648	(1,124)	1,911	(136)	1,299
Balance at 31 December 2022	15,780	50,731	67,232	24,960	158,703
Balance at 1 January 2023	15,780	50,731	67,232	24,960	158,703
Adjustment of opening balances	(1,242)	806	47	94	(295)
Adjusted balance at 1 January 2023	14,538	51,537	67,279	25,054	158,408
New and amended leases	1,703	4,136	15,307	3,220	24,366
Expired leases	(116)	(1,033)	(6,883)	(974)	(9,006)
Divestments	0	(1,782)	0	(2,470)	(4,252)
Currency adjustments	44	(1,990)	0	(199)	(2,145)
Balance at 31 December 2023	16,169	50,868	75,703	24,631	167,371
Depreciation					
Balance at 1 January 2022	1,034	10,039	7,453	7,845	26,371
Depreciation	469	5,887	22,995	3,626	32,977
Expired leases	(44)	(2,157)	(1,018)	(1,710)	(4,929)
Divestments	0	(30)	0	(114)	(144)
Currency adjustments	0	(80)	1,911	(83)	1,748
Balance at 31 December 2022	1,459	13,659	31,341	9,564	56,023
Balance at 1 January 2023	1,459	13,659	31,341	9,564	56,023
Adjustment of opening balances	7	88	20	(19)	96
Adjusted balance at 1 January 2023	1,466	13,747	31,361	9,545	56,119
Depreciation	491	6,064	24,179	3,629	34,363
Expired leases	(116)	(1,033)	(6,883)	(974)	(9,006)
Divestments	0	(1,337)	0	(1,862)	(3,199)
Currency adjustments	0	(219)	0	(60)	(279)
Balance at 31 December 2023	1,841	17,222	48,657	10,278	77,998
Carrying amounts					
1 January 2022	14,142	38,887	54,671	12,814	120,514
31 December 2022	14,321	37,072	35,891	15,396	102,680
31 December 2023	14,328	33,646	27,046	14,353	89,373

Lease categories

Eimskip leases vessels, buildings and cold storages, land, vehicles and equipment under operating leases.

Vessels: Eimskip charters vessels for use in the sailing system. The lease terms and the remaining lease terms on the date of the initial application, varies between 3 months and 5 years.

Buildings and cold storages: Eimskip leases buildings for regional offices and cold storages for use in logistics. The lease terms and the remaining lease terms on the date of the initial application, varies between 1 and 40 years.

Land: Eimskip leases land for operations of terminal areas. The lease terms and the remaining lease terms on the date of the initial application, varies between 1 and 50 years.

Vehicles and equipment: Eimskip leases vehicles and containers for use in its logistics and terminal operations. The lease terms and the remaining lease terms on the date of the initial application, varies between 1 and 7 years.

Leases not yet commenced

Eimskip has not committed to material leases that have not yet commenced which will lead to a right-of-use asset and a lease liability.



Notes

12. Intangible assets

Intangible assets and amortization are specified as follows:

Cost	Brand			Market and customer related	
	Goodwill	name	Software		Total
Balance at 1 January 2022	27,654	15,147	31,145	25,671	99,617
Additions	0	0	4,284	0	4,284
Disposal	0	0	(1,833)	(1,151)	(2,984)
Currency adjustments	(158)	(5)	2	(51)	(212)
Balance at 31 December 2022	27,496	15,142	33,598	24,469	100,705
Balance at 1 January 2023	27,496	15,142	33,598	24,469	100,705
Additions	0	0	5,720	134	5,854
Disposal	0	(536)	0	0	(536)
Currency adjustments	(232)	6	(2)	(54)	(282)
Balance at 31 December 2023	27,264	14,612	39,316	24,549	105,741
Amortization and Impairment					
Balance at 1 January 2022	0	0	26,104	11,683	37,787
Amortization	0	0	2,886	1,473	4,359
Impairment	98	0	0	0	98
Disposal	0	0	(1,833)	(1,151)	(2,984)
Currency adjustments	0	0	1	(25)	(24)
Balance at 31 December 2022	98	0	27,158	11,980	39,236
Balance at 1 January 2023	98	0	27,158	11,980	39,236
Amortization	0	739	2,515	1,487	4,741
Impairment	263	0	0	0	263
Disposal	0	(536)	0	0	(536)
Currency adjustments	0	0	(1)	(19)	(20)
Balance at 31 December 2023	361	203	29,672	13,448	43,684
Carrying amounts					
At 1 January 2022	27,654	15,147	5,041	13,988	61,830
At 31 December 2022	27,398	15,142	6,440	12,489	61,469
At 31 December 2023	26,903	14,409	9,644	11,101	62,057

Impairment testing

Intangible assets other than goodwill and brand names are stated at cost less any accumulated amortization. Goodwill and brand name were assessed to have an indefinite useful life since there was no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The carrying amount of goodwill and brand name are tested annually for impairment. An impairment amounting EUR 0.3 million was recognized for one CCU.

The Company has acquired several subsidiaries. Each acquired company is considered to be one Cash Generating Unit ("CCU") for the purpose of impairment testing. The carrying amounts of goodwill related to the acquisition of Mareco N.V. is EUR 9.8 million, EUR 3.9 million is related to aquisition of SHIP-LOC A/S that was merged with Eimskip Denmark A/S in the year 2022, EUR 7.6 million related to Extraco Internationale Expeditie B.V and EUR 3.0 million related to Tromsøterminalen AS. These CCU's are all part of forwarding services.

The impairment tests were performed in the fourth quarter of 2023 and were based on the results of 31 December 2023 as well as the board approved budget for the year 2024. The impairment tests are in the form of discounted cash-flow analysis. The periods projected are the years 2024-2028 with a fixed growth rate after the projected period when estimating the terminal value. The material variables in the test are revenue growth, EBITDA margin, investments and growth rate after the five year forecasted period. The projected variables are based on past experience and market research. The growth in EBITDA margins used to estimate future cash flows are based on management best estimates that take into account past performance and experience, external market growth assumptions and any uncertainties in the market the CCU operates or depends on.



Notes

12. Intangible assets, continued

		2023	2022
Future growth rate	1.0-2.5%	1.0-2.5%	
Weighted-average cost of capital	5.4-13.9%	7.37-12.86%	
Sector debt-ratio	35%-57%	33%-58%	

Five individual CCU's are sensitive for impairment. A sensitivity analysis is performed where future growth rate increases or decrease by 0 - 1%, EBITDA increases or decreases by 0- 10% or WACC increases by 0 - 1%. If one or more of the variables change it leads, for each CCU, to a maximum impairment in the range EUR 0.1 - 2.0 million or a maximum of EUR 4.0 million accumulated for all the CCU's.

13. Investments in equity-accounted investees

Eimskip has interests in a number of associates and joint ventures. The ownership percentage, carrying amounts and share of earnings (loss) is specified as follows:

Shares in associated companies	Ownership	Share of earnings	Share of earnings	Book value	Book value
		2023	2022	2023	2022
Qingdao Port Eimskip					
Coldchain Log. Co. Ltd., China	1.0%	0 (105)	23	798	
TLR Europe Asp	36.0%	74	114	133	133
Tromsøterminalen Eiendom AS, Norway	49.0% (38)	52	2,588	2,808	
Discover Truenorth ehf., Iceland	0.0%	67	0	0	0
		103	61	2,744	3,739
<hr/>					
Joint ventures	Ownership	Share of earnings	Share of earnings	Book value	Book value
		2023	2022	2023	2022
ElbFeeder Inc., The Marshall Islands*	47.9%	11,287	12,943	3,559	25,718
ElbFeeder Germany KG*	48.0%	2,096	0	35,474	0
Feederstar Verwaltung GmbH	49.0%	0	0	12	12
Feederstar GmbH & Co. KG, Germany	49.0% (65)	0	532	599	
P/F í Ánumum, The Faroe Islands	50.0%	38	75	1,056	1,020
P/F Gervi, The Faroe Islands	51.0% (60)	71	521	582	
		13,296	13,089	41,154	27,931
<hr/>					
Total equity accounted investees					
and joint ventures		13,399	13,150	43,898	31,670

The Group has long term receivables on one of its equity-accounted investees amounting to EUR 0.6 million at year-end 2023 (2022: EUR 0.5 million)

Discover Truenorth ehf. was sold during the year as well as the majority of shares in Qingdao Port Eimskip Coldchain Log. Co.

The joint venture ElbFeeder Inc. chose to value its vessel fleet at fair value which the Group reversed before applying the equity method. During the year, the vessel fleet was sold to ElbFeeder Germany KG, which was established during the year where Eimskip holds 48% of the shares. The fair value gain on vessels which was realized with the sales of the vessels from ElbFeeder Inc. to ElbFeeder Germany KG amounted to EUR 24.1 million but is eliminated in the consolidation. The book value of the Group's share of the equity of ElbFeeder Germany KG is lower than the reported equity in their Financial Statements by the same amount.



Notes

13. Investments in equity-accounted investees, continued

Summarised financial information for ElbFeeder Inc. and Elb Feeder KG.

(Elb Feeder Germany KG was established during the year 2023.)

Income Statement:	2023	2022
Profit for the period	210	21,134
Eimskip adjustment to ElbFeeders' fair value accounting	27,722	5,887
Adjusted profit	27,932	27,021
Eimskip's share in results (Elb Feeder Inc 47.9% and Elb Feeder Germany KG 48%)	13,383	12,943

Financial Position:	2023	2022
Vessels	95,738	106,222
Working capital	3,330	4,254
Cash and cash equivalents	32,932	22,165
Trade and other payables	(2,908)	(4,546)
Net assets	129,092	128,095

Reconciliations to carrying amounts:

	2023	2022
Opening net assets 1 January	128,095	101,057
Profit for the period	210	21,134
Payments from shareholders	115,059	0
Dividends paid	(114,888)	0
Minority Interest	2,075	0
Translation difference	(1,459)	5,904
Closing net assets	129,092	128,095

14. Deferred tax assets and liabilities

Recognized deferred tax assets and liabilities

2023	Assets	Liabilities	Net
Property, vessels and equipment	577	(7,353)	(6,776)
Intangible assets	66	(73)	(7)
Right-of-use assets	517	(9,122)	(8,605)
Current assets	838	(99)	739
Current liabilities	3	0	3
Lease liabilities	9,660	0	9,660
Other	277	(828)	(551)
Total tax assets (liabilities)	11,938	(17,475)	(5,537)
Set off tax	(10,522)	10,522	0
Net tax assets (liabilities)	1,416	(6,953)	(5,537)



Notes

14. Deferred tax assets and liabilities, continued

2022

	Assets	Liabilities	Net
Property, vessels and equipment	598	(6,762)	(6,164)
Intangible assets	97	(83)	14
Right-of-use assets	423	(11,031)	(10,608)
Current assets	575	(99)	476
Current liabilities	18	(7)	11
Lease liabilities	11,435	0	11,435
Other	941	(1,153)	(212)
Total tax assets (liabilities)	14,087	(19,135)	(5,048)
Set off tax	(11,966)	11,966	0
Net tax assets (liabilities)	2,121	(7,169)	(5,048)

Eimskip is in scope of the Pillar Two regulations. Eimskip has applied the temporary exception, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

15. Trade and other receivables

Trade and other receivables are specified as follows:

	2023	2022
Trade receivables	111,871	134,607
Restricted cash	535	706
Other receivables	17,500	15,613
Trade and other receivables total	129,906	150,926

Restricted cash consists of deposits for guarantees issued towards tax authorities, customs, port authorities and leases of office buildings.

Allowance for impairment losses of trade receivables are specified as follows:

	2023	2022
Balance at beginning of year	(9,205)	(8,144)
Write-offs	623	946
Changes in allowance for impairment losses	(1,369)	(2,007)
Balance at year-end	(9,951)	(9,205)

Due to the insignificant amount of write-offs, these are not shown separately in the Consolidated Income Statement. For more information regarding trade and other receivables see note 21.

16. Cash and cash equivalents

Cash and cash equivalents are specified as follows:

	2023	2022
Money market	90	15,998
Bank deposits	32,405	53,707
Cash on hand	7	232
Cash and cash equivalents total	32,502	69,937



Notes

17. Capital and reserves

Share capital

The Company's capital stock is nominated in Icelandic króna (ISK). The nominal value of each share is ISK 1 and one vote is attached to each share. Total authorized and issued shares were 173,050,000 at the beginning and 167,850,000 at the end of the year. The shares are listed on the Icelandic Stock Exchange (Nasdaq Iceland) under the ticker symbol EIM. The shares are in a single class bearing equal rights.

Total outstanding shares were 169,588,693 at the beginning of the year and 164,375,680 at the end of the year. They decreased by 3,464,013 due to a share capital reduction and by 1,749,000 due to share buy back program. The share capital of the Company is now ISK 167.85 million and the number of Company's treasury shares is ISK 3,474,320 or 2.07% of the total share capital of the Company. The EUR amount of share capital was 1.0 million at year-end 2023.

Share premium

Share premium represents excess of payment above nominal value that shareholders have paid for shares sold by the Company. The balance of the share premium account can be used to offset losses not covered by other reserves or to offset

Translation reserves

The *translation reserve* comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Other reserves

The *hedging reserve* comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

The *fair value reserve* comprises the cumulative net change in the fair value of minority put options.

The *share option reserve* comprises the cumulative increase in equity recognised in connection with a share-based payment reserve.

	Hedge reserve	Fair value reserve	Share option reserve	Total
2022				
Balance at beginning of year	176	(262)	(86)
Minority put option exercised			279	279
Total comprehensive income for the period	2,064	(602)		1,462
Balance at year-end	2,240	(864)	279	1,655
2023				
Balance at beginning of year	2,240	(864)	279	1,655
Changes in share options reserve			305	305
Minority put option exercised			306	306
Total comprehensive income for the period	(994)	(2,110)	(3,104)
Balance at year-end	1,246	(2,668)	584	(838)

Share option contracts

The Company has in place a share option plan, approved by Company's Annual General Meeting in 2022, under which certain key employees of the Company were granted options to purchase ordinary shares at an exercise price. The share option amounted to 1,839,600 shares which constitutes 1.05% of the Company's share capital when the share option plan was approved. Thereof 1,090,620 shares were allocated to the CEO and Executive Management and the respective agreements signed. The employee must remain continuously employed with the Company until the option expiring date.

The exercise price of the share options is ISK 546 pr. share determined by the average price of shares traded on Nasdaq Iceland stock exchange over the 10 trading days prior to the allocation date. The exercise price shall be adjusted (for reduction) for future dividend payments and corresponding capital allocation to the shareholders from the Company's assets on a krona-to-krona basis. The exercise price shall also be adjusted (upwards) with 3% annual interest, added to risk free interest until the first day of each exercise period. Vesting time is three (3) years from the date of allocation and exercise period is immediately upon the conclusion of the minimum vesting period (3 years from the date of allocation), whereas the option holder can exercise 33.33% of total options (period 1), a year thereafter, the option holder can exercise 33.33% of total options (period 2) and a year thereafter, the option holder can exercise 33.33% of total options (period 3).



Notes

17. Capital and reserves, continued

The total cost according to the Black & Scholes method is estimated EUR 1.4 million (ISK 205 million) during the vesting period as which accrued costs amounting to 327.7 thousand EUR (ISK 48.7 million) were recognized during the year.

The following share option contracts are outstanding at balance sheet date:	2023	2022
Outstanding number of shares at 1 January	1,840	
Granted during the period		1,840
Forfeited during the period	(191)	
Total number of outstanding shares at 31 December	1,649	1,840

Undistributed profits

According to Icelandic law, companies are required to recognize share in profit or loss of subsidiaries and associated companies that exceeds dividend received or declared from those companies in a restricted reserve among equity. If a subsidiary or an associated company is sold or liquidated, the undistributed profit or loss relating to that entity shall be transferred to retained earnings.

Reduction of treasury shares in relation to previous share buy back programs

The reduction of treasury shares was executed on March 14th. The Company's treasury shares were reduced by ISK 1,700,000, or from ISK 173,050,000 to ISK 171,350,000 nominal value.

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 million 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 12.8 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 3,474,320 and increased by 13,013 due to share buy-back programs and outstanding shares are ISK 164,375,680.

Dividend

The Board of Directors has approved the following dividend policy: "The policy of Eimskipafélag Íslands hf. is to pay annual dividend that equals an amount in the range of 10-65% of net profit after taxes. Decisions on dividend payment, and the exact amount, are subject to the Company's future investment plans, market outlook and satisfactory capital structure at any given time."

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 3.4 billion or EUR 22.7 million. The payment date was 26 April 2023. According to resolution made on the Company's 2022 Annual General Meeting, dividend in the amount of EUR 2,499.6 million or ISK 14.27 per share, was paid to shareholders.

The Board of Directors proposes a dividend payment to shareholders in 2024 in the amount of ISK 22.53 per share. The proposed dividend payment is ISK 3.7 billion or approximately EUR 25.0 million, which represents 45.9% of net earnings for the year 2023. Treasury shares are not entitled to receive dividend.

18. Loans and borrowings

This note provides information on the contractual terms of Eimskip's interest bearing loans and borrowings. For more information about Eimskip's exposure to foreign currency risk, see note 21:

Loans and borrowings consist of the following:	2023	2022
Secured bank loans	118,985	133,586
Bank overdraft and short term borrowings	179	155
Current Maturity	(11,613)	(13,213)
Total loans and borrowings	107,551	120,528
Current maturities of secured bank loans	11,434	13,058
Bank overdraft and short term borrowings	179	155
	11,613	13,213
Non-current loans and borrowings	119,164	133,741

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



Notes

18. Loans and borrowings, continued

Secured bank loans

Secured bank loans are as follows:

	2023	2022		
	Nominal interest	Carrying amount	Nominal interest	Carrying amount
Loans in EUR	3.9%	118,513	2.6%	130,359
Loans in USD	0	0	5.4%	1,822
Loans in ISK, indexed	253	253	4.8%	1,041
Secured loans in other currencies	219	219		364
Unsecured loans	179	179		155
Total secured bank loans	119,164	119,164		133,741

Aggregated annual maturities of secured-bank loans are as follows:

	2023	2022
On demand or within 12 months	11,613	13,213
12 - 24 months	41,343	12,170
24 - 36 months	7,292	41,433
36 - 48 months	7,292	7,733
48 - 60 months	7,286	7,349
After 60 months	44,338	51,843
Total secured bank loans	119,164	133,741

Reconciliation of movements of loans and borrowings to cash flow's financing activities

	2023	2022
Balance of loans and borrowings as at 1 January	133,741	146,833
<i>Changes from financing cash flows:</i>		
Proceeds from non-current loans and borrowings with cash effects	0	362
Repayment of non-current loans and borrowings	(14,640)	(13,325)
Changes in short-term borrowings	24	(414)
Total changes from financing cash flows	(14,616)	(13,377)
<i>Non-cash changes of loans and borrowings:</i>		
Currency adjustments	39	285
Total non-cash changes of loans and borrowings	(14,577)	285
Loans and borrowings at 31 December	119,164	133,741

19. Lease liabilities

Lease liabilities are as follows:

	2023	2022
Lease liabilities in EUR	13,578	7,036
Lease liabilities in USD	29,347	47,375
Lease liabilities in ISK	18,529	16,136
Lease liabilities in NOK	24,444	25,886
Lease liabilities in other currencies	6,110	7,729
Total	92,008	104,162
Current maturities	(27,372)	(29,789)
Non-current maturities	64,636	74,373
<i>Maturity analysis:</i>		
Within 12 months	27,372	29,789
12 - 24 months	14,626	18,885
24 - 36 months	5,729	9,936
36 - 48 months	3,310	3,179
48 - 60 months	1,591	2,517
After 60 months	39,380	39,856
Total	92,008	104,162



Notes

19. Lease liabilities, continued

Reconciliation of movements of lease liabilities

	2023	2022
Balance of lease liabilities as at 1 January	104,162	119,997
Adjustment to opening balances	953	0
Adjusted balances of Lease Liabilities as at 1 January	<u>105,115</u>	<u>119,997</u>
<i>Changes from financing cash flows:</i>		
Repayment of lease liabilities	(34,119)	(32,238)
<i>Total changes from financing cash flows</i>	<u>(34,119)</u>	<u>(32,238)</u>
<i>Non-cash changes of loans and borrowings:</i>		
New or renewed leases	23,934	15,254
Divested leases	(459)	(53)
Currency adjustments	(2,463)	1,202
<i>Total non-cash changes of loans and borrowings</i>	<u>21,012</u>	<u>16,403</u>
Lease liabilities at year end	<u>92,008</u>	<u>104,162</u>

20. Trade and other payables

	2023	2022
Trade and other payables are attributable to the following:		
Trade payables	48,843	62,883
Other payables	29,631	32,071
Total	78,474	94,954

21. Financial risk management

Overview

Eimskip has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about Eimskip's exposure to each of the above risks as well as operational risk, Eimskip's objectives, policies and processes for assessing and managing risk, and Eimskip's management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of Eimskip's risk management framework.

Eimskip's risk management policies are established to identify and analyze the risks faced by Eimskip, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Eimskip's activities. Eimskip, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with Eimskip's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by Eimskip.

(i) Credit risk

Credit risk is the risk of financial loss to Eimskip if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Eimskip's receivables from customers and investment securities.

The carrying amounts of financial assets represent the maximum credit exposure. Impairment losses on financial assets recognised in profit or loss were as follows.

	2023	2022
Impairment loss on trade and other receivables (note 15)	623	946



Notes

21. Financial risk management, continued

Trade and other receivables

Eimskip's exposure to credit risk is influenced mainly by the individual characteristics of each customer. No single customer accounts for more than 10% of Eimskip's revenue from sales transactions.

Eimskip has established a credit policy under which each new customer is analyzed individually for creditworthiness before Eimskip's standard payment and delivery term and conditions are offered. Eimskip's review includes external ratings, when available, and in some cases bank references. Customers that fail to meet Eimskip's benchmark creditworthiness may transact with Eimskip only on a prepayment basis.

Goods that are shipped or transported may be with-held until payment for service rendered has been received. Eimskip usually does not require collateral in respect to trade and other receivable.

Eimskip establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. 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.

The fair value of financial assets and liabilities equals their carrying amount, as the impact of discounting is not significant.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	2023 Carrying amount	2022 Carrying amount
Finance assets		2,017	2,934
Trade and other receivables	15	129,906	150,926
Cash and cash equivalents	16	32,502	69,937
Total		164,425	223,797

At year-end 2023 and 2022 there were no significant concentration of credit risk for trade and other receivables by individual counterparties or individual countries.

Impairment risk

The aging of trade receivables at the reporting date was as follows:

	Gross 2023	Impairment 2023	Gross 2022	Impairment 2022
Not past due	86,855	(1,293)	96,505	(1,800)
Past due 1 - 90 days	21,311	(2,067)	33,449	(2,278)
Past due 91 - 180 days	4,283	(2,218)	6,392	(750)
More than 180 days	9,373	(4,373)	7,466	(4,377)
Total	121,822	(9,951)	143,812	(9,205)

(ii) Liquidity risk

Liquidity risk is the risk that Eimskip will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. Eimskip's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Eimskip's reputation. The Company has undrawn revolver facility amounting to EUR 36.6 million at year-end 2023 (2022: EUR 36.6 million).



Notes

21. Financial risk management, continued

The following are the contractual maturities of financial liabilities, including estimated interest payments:

Financial liabilities	Carrying amount	Contractual cash flow	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years
31.12.2023						
Secured bank loans	119,164	154,956	19,380	48,236	33,778	53,562
Lease liabilities	92,008	162,843	32,331	18,194	19,385	92,933
Trade and other payables	78,474	78,474	78,474	0	0	0
Income tax payable	7,228	7,228	7,228	0	0	0
Total	296,874	403,501	137,413	66,430	53,163	146,495
31.12.2022						
Secured bank loans	133,741	161,897	19,106	16,401	65,987	60,404
Lease liabilities	104,162	180,751	35,983	27,296	32,677	84,795
Trade and other payables	94,954	94,954	94,954	0	0	0
Income tax payable	14,020	14,020	14,020	0	0	0
Total	346,877	451,622	164,063	43,697	98,664	145,199

Cash flows included in the maturity analysis are not expected to occur significantly earlier, or at significantly different amounts.

(iii) Market risk

Market risk includes the potential for fluctuations in market prices, including foreign exchange rates, interest rates, and commodity prices such as bunkers. The objective of market risk management is to effectively manage and control exposure to market risk within acceptable parameters, aligning with the Group's risk appetite, and optimizing returns.

The Group uses cash flow hedges to mitigate its currency risk related to foreseeable payments, including dividend and investments. Currency risk exposure is regularly assessed to align with defined risk thresholds, and hedging instruments are used to mitigate the impact of currency rate fluctuations. As of year-end 2023, the outstanding currency hedge agreements were positive by EUR 24 thousand.

Exposure to currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group entities. At year-end 2023 the primary risks are attached to the US Dollar (USD), the Icelandic krona (ISK), the Euro (EUR) but also the British pound (GBP) as can be seen in the table below.

Eimskip's exposure to foreign currency risk is as follows based on EUR amounts:

31 December 2023	USD	ISK	EUR	GBP	Other
Finance assets	1,145	122	0	0	0
Trade and other receivables	32,283	18,931	3,065	473	3,452
Cash and cash equivalents	11,252	176	1,499	132	443
Loans and borrowings	0	(230)	0	0	0
Lease liabilities	(24,551)	(18,147)	0	0	0
Trade and other payables	(8,089)	(18,515)	(1,937)	(2,310)	(3,012)
Income tax payable	(32)	(5,267)	0	0	(35)
Net balance sheet exposure	12,008	(22,930)	2,627	(1,705)	848



Notes

21. Financial risk management, continued

					Carrying amount	
	31 December 2022	USD	ISK	EUR	GBP	Other
Finance assets	2,123	122	0	0	0	0
Trade and other receivables	40,805	21,658	3,896	422	3,726	
Cash and cash equivalents	19,454	15,978	1,782	78	2,316	
Loans and borrowings	(1,822)	(477)	(581)	0	0	0
Lease liabilities	(43,048)	(15,439)	0	0	0	0
Trade and other payables	(19,563)	(12,233)	(657)	(2,723)	(1,872)	
Income tax payable	(32)	(8,145)	0	0	(27)	
Net balance sheet exposure	(2,083)	1,464	4,440	(2,223)	4,143	

Sensitivity analysis

A 10% strengthening of the EUR against the following currencies at 31 December would have changed result after income tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis for the previous year.

	2023	2022
EUR	(205)	(359)
USD	(864)	285
GBP	149	188
CAD	(8)	(131)
ISK	1,835	(117)
DKK	38	(81)
JPY	(65)	(80)
SEK	32	(15)

A 10% weakening of the EUR against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above on the basis that all other variables remain constant.

The following significant exchange rates were applied during the year:

EUR:	Average rate		Reporting date spot rate	
	2023	2022	2023	2022
USD	1.0815	1.0510	1.1037	1.0704
JPY	151.7556	137.8971	155.6900	140.3550
GBP	0.8695	0.8525	0.8670	0.8847
ISK	149.0483	142.2588	150.1000	151.4950
RMB	7.6571	7.0777	7.8361	7.3843
DKK	7.4508	7.4392	7.4552	7.4363
PLN	4.5351	4.6831	4.3446	4.6897

Interest rate risk

The Group can use the debt structure and interest rate swaps to fix interest rates on its long term borrowings, where a certain proportion of interest rates are to be fixed according to the Group's Treasury Policy. The outstanding interest rate swaps, classified as a part of equity was positive by EUR 1.2 million at year-end 2023.

At the reporting date the interest rate profile of Eimskip's interest bearing financial instruments was:

Variable rate instruments	2023	2022
Cash and cash equivalents	32,502	69,937
Financial liabilities	(119,164)	(133,741)
Net exposure	(86,662)	(63,804)

An increase of 100 basis points in interest rates at the reporting date would decrease result after income tax by EUR 294 thousand (2022: EUR 384 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis for the year 2022. A decrease of 100 basis points in interest rates would have had equal but opposite effect on the result. Eimskip does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss.



Notes

21. Financial risk management, continued

(iv) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with Eimskip's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of Eimskip's operations.

Eimskip manages operational risk in order to avoid financial losses and damage to Eimskip's reputation. When managing this risk, overall cost effectiveness and avoidance of control procedures that restrict initiative and creativity are considered.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit.

Capital management

Eimskip's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purposes of managing capital, management monitors the equity ratio and the net debt to equity ratio. The goal is to maintain both a strong equity ratio and a moderate leverage ratio (net debt to EBITDA).

The Board of Directors of Eimskip has approved a long-term target capital structure. The objective is to maintain an equity ratio near 40%, a benchmark leverage in the range of 2-3 for net debt against EBITDA. This is a long-term objective through the business cycle that can vary from quarter to quarter based on general economic and business conditions as well as strategic initiatives.

(i) Equity ratio

	2023	2022
Total equity	312,072	309,165
Total assets	618,839	666,659
Equity ratio	50.43%	46.38%

(ii) Net debt to EBITDA ratio (benchmark leverage)

	2023	2022
Total interest-bearing debt and lease liabilities	211,172	237,903
Finance assets	(2,017)	(2,934)
Cash and cash equivalents	(32,502)	(69,937)
Net debt	176,653	165,032
EBITDA	123,361	163,086
Net debt / EBITDA	1.43	1.01

22. Leases

Lease expenses in the Income Statement

	2023	2022
Depreciation of right-of-use assets	34,363	32,977
Interest on lease liabilities	4,945	4,331
Expenses related to low-value leases	2,705	2,094
Expenses related to short-term leases	102	74
Total expenses due to leases in the Income Statement	42,115	39,476

Cash outflow for leases

	2023	2022
Repayment of leases in the cash-flow statement	(34,119)	(32,238)
Lease payments of low-value and short-term leases	(2,807)	(2,168)
Total cash outflow for leases	(36,926)	(34,406)



Notes

23. Related parties

The Company's largest shareholder Sely ehf., with 33.82% shareholding of outstanding shares, its shareholders ESTIA ehf. and 600 Eignarhaldsfélag ehf., related companies and individuals are considered a related parties. Other related parties are Eimskip's subsidiaries, material equity accounted investees and key management personnel. Intercompany transactions with subsidiaries are eliminated in the consolidation.

Transactions with the largest shareholder Sely ehf. and related companies during the year amounted to EUR 15.2 million (2022: EUR 14.6 million) and receivables at year-end amounted to EUR 1.8 million (2022: EUR 2.3 million). Transactions with material equity accounted investees amounted to EUR 9.8 million and year-end payables amounted to EUR 0.2 million and receivables amounted to EUR 0.1 million. Transactions with related parties are on arm's length basis.

During the year there were no transactions nor outstanding balances at year-end with key management personnel.

Fee paid to the Board of Directors

	Fee in ISK		Fee in EUR		Shares at year-end*
	2023	2022	2023	2022	
Óskar Magnússon, Chairman	14,207	14,392	95	101	14,056
Márgrétt Guðmundsdóttir, Vice-Chairman	10,003	11,230	67	79	12,772
Lárus L. Blöndal, Board Member	8,972	8,981	60	63	2,989
Gudrún Ó. Blöndal, Board Member	7,103	9,055	48	64	0
Ólöf Hildur Pálsdóttir, Board Member	7,103	7,062	48	50	29,027
Baldvin Thorsteinsson, Alternate of the Board	2,199	3,894	15	27	227,336

Salaries and benefits paid to Executive Management

2023	In ISK		In EUR		Shares at year-end*	Options granted
	Base salary	Other **	Base salary	Other		
Vilhelm Már Thorsteinsson, CEO	45,370	26,901	304	180	232,380	197,100
Executive Management***	268,055	131,650	1,798	883	366,549	897,520

2022	In ISK		In EUR		Shares at year-end*	Options granted
	Base salary	Other **	Base salary	Other		
Vilhelm Már Thorsteinsson, CEO	41,593	38,677	292	272	237,226	197,100
Executive Management***	258,913	124,277	1,820	874	374,192	897,520

* Number of shares held directly by members of the Board of Directors and Executive management or parties related to them.

** Cash incentives, pension contributions and house and car benefits.

***The Executive Management consists of Björn Einarrsson EVP of Sales and Business Management, Bragi Thór Marinósson EVP of International Operations, Böðvar Órn Kristinsson EVP of Iceland Domestic Operations, David Ingi Jónsson General Council, Edda Rut Björnsdóttir EVP of Human Resources and Communication, Hilmar Karlsson CIO, Hilmar Pétur Valgárdsson COO of Operations and María Björk Einarsdóttir CFO. Böðvar Órn Kristinsson left the Executive Management in November 2023.

24. Auditor's fees

	2023	2022
Audit fee to the auditor of the Parent Company	454	420
Audit fee to other auditors	487	457
Total Auditor's fees for audit for the relevant fiscal year	941	877
Other services fees to the auditor of the Parent Company	12	15
Other services fees to other auditors	122	142
	134	157
Total audit fees	1,075	1,034



Notes

25. Group entities

At year-end the Company owned directly nine subsidiaries that are all included in the consolidation. The direct subsidiaries owned 54 subsidiaries at year-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	Ownership Interest
		2023	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%
Sæfærdir ehf.	Iceland	100%	100%

As a result of a purchase price allocation for acquisition in subsidiaries, Eimskip has recognized in the statement of financial position, a financial liability in the amount of EUR 2.9 million which reflects the estimated exercise price of put options issued towards non-controlling interests for their shareholding in the subsidiaries acquired. The financial liability is initially carried at fair value and classified as non-current. The fair value changes of the liability are recognized through equity. In the event that the options expire unexercised, the liability is derecognised with a corresponding recognition of a non-controlling interest in equity and to other equity.

26. Other matters

Investigation of the Iceland District Prosecutor

No changes have been in this case during the year. The Company believes that it complied with all laws and regulations in the sales process and sold the vessels for further trading but not to recycling. In 2020 the Environment Agency of Iceland reported the Company to the District Prosecutors for alleged violation of the Icelandic Waste Management Act due to the vessels Godafoss and Laxfoss being recycled in India. On 20 June 2022 the COD of Eimskipafélag Íslands hf. received a status of a defendant from the Icelandic District Prosecutor in the investigation regarding the sale and went to the District Prosecutor for formal questioning. Eimskip will diligently provide all the information requested by the Icelandic District Prosecutor. Any elaboration on the potential outcome of the investigation is premature, and no information is available on potential fines, or if they will materialize. The investigation has had immaterial effect on the Company's Financial Statements.

Investigation of 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. On 20 June 2022, the Danish competition authorities conducted a house arrest in Aalborg at a Danish subsidiary of Eimskip Holding B.V., which is owned by Eimskipafélag Íslands hf. This was done according to court ruling. The objective was to examine whether Atlantic Trucking, which is a part of Eimskip Denmark A/S, had been a party to actions in violation of Danish competition law. The dawn raid was a part of an investigation in the domestic trucking market in Denmark and concerns more companies in that market.

27. Subsequent events

There are no subsequent events to report.



Notes

28. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements, and have been applied consistently by Group entities.

The disclosures to the Consolidated Financial Statements are prepared on the basis on the concept of materiality. Therefore information that is considered immaterial for the user of the Consolidated Financial Statements is not disclosed.

a. Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on an bargain purchase is recognized in profit or loss immediately. Transactions costs are expensed as incurred, except if related to the issue of debt or equity securities.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements.

(iv) Investment in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control, over financial and operating policies. Joint ventures involves contractual sharing of control. Investment in equity-accounted investees is accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to recognition, the Consolidated Financial Statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

b. Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year and the amortized cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated to EUR at foreign exchange rates at the reporting date. The income and expenses of foreign operations are translated to EUR at the average exchange rate for the year.

Foreign currency differences are recognized in other comprehensive income and accumulated translation reserve, except for the extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.



Notes

28. Significant accounting policies, continued

c. Financial instruments

(i) Non-derivative financial assets

The Group has the following non-derivative financial assets: trade and other receivables, cash and cash equivalents and unlisted equity shares.

(ii) Derivative financial instruments and hedge accounting

A derivative is a financial instrument or other contract, the value of which changes in response to a change in an underlying variable such as an exchange or interest rate, which requires no initial net investment or initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors, and which is settled at a future date. Derivatives are recognized at fair value. Fair value changes are recognized in the income statement as finance income and expense. Derivatives with positive fair values are recognized as financial assets and derivatives with negative fair values are recognized as trading liabilities.

The Group holds derivative financial instruments to hedge a part of its exposure to fluctuation in currency and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of the changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve in equity. Any ineffective portion of the changes in the fair value of the derivative is recognized immediately in profit or loss. The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss or the hedged item affects profit or loss.

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(iv) Non-derivative financial liabilities

The Group has the following non-derivative financial liabilities: loans and borrowings and trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(v) Share capital

Share capital is classified as equity. Incremental costs directly attributable to issue of share capital is recognized as a deduction from equity, net of any tax effects.

When share capital is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

d. Property, vessels and equipment

(i) Recognition and measurement

Items of property, vessels and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, vessels and equipment have different useful lives, they are accounted for as separate items (major components) of property, vessels and equipment.

Gains and losses on disposal of an item of property, vessels and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, vessels and equipment, and are recognized net in profit or loss.



Notes

28. Significant accounting policies, continued

(ii) Subsequent costs

The cost of replacing part of an item of property, vessels and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, vessels and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated for the depreciable amount, which is the cost of an asset less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, vessels and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of buildings, vessels and equipment are as follows:

Buildings	15 - 50 years
Vessels	5 - 25 years
Containers and equipment	2 - 35 years

Depreciation methods, useful lives and residual values are reviewed at each year-end and adjusted if appropriate.

e. Intangible assets

(i) Goodwill and brand names

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill and brand names are measured at cost less accumulated impairment losses. The value of the brand name „Eimskip“ and the brand names of other acquired subsidiaries are included among brand names.

(ii) Customer related intangible assets

Customer relationships and other intangible assets with finite useful lives that have been acquired as part of acquisitions are amortized using the straight line method.

(iii) Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than brand name, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Software	3 - 7 years
Market and customer related	10 years

Amortization methods, useful lives and residual values are reviewed at each year-end and adjusted if appropriate.

f. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Eimskip is not a third-party lessor in any material instances.



Notes

28. Significant accounting policies, continued

(i) Leases in which the Group is a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately in the statement of financial position.

(ii) Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases that have a lease term of 12 months or less, with the exception of vessel leases that have a lease term that varies between 3 months and 5 years. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

g. Inventories

Inventories mainly consist of oil, spare parts and other supplies.



Notes

28. Significant accounting policies, continued

h. Impairment

(i) Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy and the disappearance of an active market for a security.

The Group considers evidence of impairment for trade receivables at both a specific asset and collective level. All individually significant trade receivables are assessed for specific impairment. All individually significant trade receivable found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Trade receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non - financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated annually at the same time.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



Notes

28. Significant accounting policies, continued

i. Employee defined contribution plans

(i) A defined contribution plan is a post-employment benefit plan under which an entity pays contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (stock options) of the Group. The fair value of the employee services received in exchange for the grant of the stock options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the stock options granted, excluding the impact of any non-market service and performance vesting conditions. Non market vesting conditions, e.g. remaining an employee of the entity over specified time period, are included in assumptions about the number of stock options that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At reporting date, the entity revises its estimates of the number of stock options that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the Consolidated Statement of Income, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the stock options will be exercised. The fair value of the employee stock options granted is measured using the Black-Scholes formula.

Measurement inputs include share price on measurement date, exercise price of the stock options, expected volatility based on weighted average historic volatility adjusted for changes expected due to publicly available information, weighted average expected life of the instruments based on historical experience and general stock option holder behavior, expected dividends, and the risk-free interest rate based on government bonds. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

j. Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

k. Revenue

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. According to IFRS 15, revenue is recognized when control over a good or service is transferred to a customer. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer rebates and other similar allowances.

(i) Revenue recognition in Liner services

Liner services is a door-to-door transportation process where customers can enter or exit the process whenever before the terminal handling in exports and after the terminal handling in imports. Activities included in liner services are pre-carriage, warehousing, terminal handling, container services, sea-transportation, documentation, on-carriage and distribution. Eimskip considers each activity in the liner transportation process to be a distinct performance obligation. For each activity, with the exception of sea-transportation, revenue is recognized when the performance obligation has been satisfied or at a certain point-in-time. Revenue from sea-transportation is recognized over-time in accordance with voyage days of the vessel already sailed in proportion to total estimated voyage days for the route. The consideration received for the services is allocated to each performance obligation based on tariff or stand-alone selling prices. Rebates are allocated to each performance obligation based on tariff or stand-alone selling prices.

(ii) Revenue recognition in Forwarding services

Forwarding services are an transportation solution outside Eimskip's own operating system but is materially the same process as the liner services.



Notes

28. Significant accounting policies, continued

(iii) Payment terms and warranties

Customers are invoiced on a monthly basis and consideration is payable when invoiced. Payment terms varies but is usually around 30 days and penal interest collected for overdue invoices. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component. All goods in transports are insured by the cargo owners and they have no claims on the company for damages or delays.

I. Finance income and finance expense

Finance income comprises interest income on funds invested and dividend income. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established.

Finance expenses comprise interest expense on borrowings.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on net basis as finance income or finance expense.

m. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Eimskip is in scope of the Pillar Two regulations. Eimskip has applied the temporary exception, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

n. Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential shares.

o. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and assess its performance.



Notes

29. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, Eimskip has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on Eimskip's accounting policies.

- *Classification of Liabilities as Current or Non-current Liabilities with Covenants (Amendments to IAS 1)*
- *Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)*
- *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)*
- *Lack of Exchangeability (Amendments to IAS 21)*



Quarterly statements - unaudited

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, amortization and impairment	(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 profit 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

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 loss 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	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Revenue	201,479	201,967	209,516	214,569	255,654	292,173	283,115	239,684
Expenses	178,779	167,469	175,191	182,731	217,285	242,595	238,362	209,298
<i>Salaries and related expense</i>	36,850	35,118	36,801	35,003	35,296	33,425	34,943	32,306
EBITDA	22,700	34,498	34,325	31,838	38,369	49,578	44,753	30,386
EBIT	6,927	18,872	19,411	15,785	22,478	34,077	29,825	15,088
Net earnings for the period	8,442	16,606	16,977	12,481	21,799	28,137	24,904	10,455
EBITDA ratio	11.3%	17.1%	16.4%	14.8%	15.0%	17.00%	15.8%	12.7%
EBIT ratio	3.4%	9.3%	9.3%	7.4%	8.8%	11.70%	10.5%	6.3%
Profit ratio	4.2%	8.2%	8.1%	5.8%	8.5%	9.6%	8.8%	4.4%
Basic earning per share (in EUR)	0.0510	0.0999	0.1006	0.0731	0.1275	0.1622	0.1395	0.0567
Diluted earning per share (in EUR)	0.0510	0.0999	0.1006	0.0730	0.1275	0.1622	0.1395	0.0567
Average FTE's	1,719	1,709	1,732	1,719	1,717	1,681	1,660	1,634
BALANCE SHEET	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.6.2022	31.3.2022
Assets	618,839	651,390	638,496	668,436	666,659	677,125	663,618	655,891
Equity	312,072	314,569	297,942	282,485	309,165	296,189	270,090	251,032
Liabilities	306,767	336,821	340,554	385,951	357,494	380,936	393,528	404,859
Interest-bearing debt	211,172	222,285	228,265	229,329	237,903	243,932	252,790	260,767
<i>Loans and borrowings</i>	119,164	122,814	124,893	131,237	133,741	138,164	140,608	144,061
<i>Lease liabilities</i>	92,008	99,471	103,372	98,092	104,162	105,768	112,182	116,706
Net debt	176,610	172,801	179,385	139,768	164,900	192,436	212,325	205,891
Equity ratio	50.4%	48.3%	46.7%	42.3%	46.4%	43.7%	40.7%	38.3%
Leverage ratio	1.43	1.24	1.16	0.85	1.01	1.23	1.48	1.60
Current ratio	1.39	1.40	1.39	1.32	1.53	1.48	1.38	1.27
CASH FLOW	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Net cash from operating activities	12,091	29,330	22,199	34,278	51,174	37,204	31,298	28,779
Net cash used in investing activities	(8,948)	(16,711)	(12,109)	(5,337)	(11,873)	(10,996)	(4,528)	(3,260)
Net cash used in financing activities	(17,816)	(11,388)	(50,095)	(12,766)	(14,412)	(17,432)	(41,570)	(11,154)
Cash and cash equivalents at the end of the period	32,502	47,096	46,336	86,767	69,937	46,554	36,852	51,234
New investments	5,547	6,021	5,130	1,107	2,873	6,103	498	255
Maintenance capex	3,609	10,916	4,777	6,088	10,465	5,016	4,616	4,100
Distribution to shareholders	0	0	35,393	0	0	0	25,068	0
Share buy back	5,363	0	0	0	1,417	5,674	5,548	0



Corporate Governance Statement

About Eimskip

The Company 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 services with focus on frozen and chilled

Corporate Governance

With this statement on the Corporate Governance of Eimskip it is declared that the Company is complying with the accepted practices in the 6th edition of Corporate Governance Guidelines, issued by the Iceland Chamber of Commerce, SA - Business Iceland and Nasdaq Iceland.

Corporate Governance practices are designed to ensure open and transparent relationship between the Company's management, its Board of Directors, its shareholders, and other stakeholders. The Corporate Governance in Eimskip is also designed to ensure sound and effective control of the Company's affairs and a high level of business ethics.

The Corporate Governance Statement of Eimskip is accessible on the Company's website, www.eimskip.com/investors, and is published in a special chapter in the Company's Financial Statements.

The Corporate Governance Guidelines are accessible on <https://leidbeiningar.is/english/>

Laws and regulations

Eimskip is a limited liability company and has its shares listed on Nasdaq Iceland and is therefore governed by Act no. 2/1995 on Limited Liability Companies (Company Act), Act no. 3/2006 on Annual Accounts, laws and regulations that apply to listed companies, along with its Articles of Association, Rules of Procedures for the Board of Directors and Board's subcommittees and various Company policies. Acts are accessible on the Parliament's website, www.athingi.is and rules and policies on the Company's investor website.

Eimskip's Financial Statements

Eimskip's financial year is the calendar year. The Company's Financial Statements are accessible on the Company's website, www.eimskip.com.

Shareholder Relations

The supreme authority of the Company is in the hands of the shareholders who attend shareholders' meetings at least once a year. Share register is held at the Company's headquarters where it is available to shareholders.

Company news that are considered to affect Eimskip's share price are published through the company news release distribution network of Nasdaq Iceland and on the Company's IR website, www.eimskip.com/investors. Other news is published on the Company's website, www.eimskip.com.

Proposals or questions from shareholders to the Board of Directors shall be sent to investors@eimskip.com and complianceofficer@eimskip.com.

The Board of Directors of Eimskip

The Board of Directors holds supreme authority between shareholders' meetings. It shall ensure that the Company's organization and operations are in good order. It shall promote the development and long-term performance of the Company and supervise its operations. The Board of Directors has statutory role which it is responsible for, unless the Board grants permission by law to transfer authority by delegation.

Board meetings are called with one-week notice. A meeting schedule is made for the financial year in advance. The invitation contains the agenda for the meeting. The CEO and the CFO attend Board meetings and other members of the Executive Management attend as required. The General Counsel serves as secretary to the Board. In 2023, the total number of Board meetings was 14, all members attended all meetings and the Board was competent to make decisions in all meetings.

The Board consists of five Directors and two alternate Directors and they are all elected annually at the Annual General Meeting. Those who intend to run for the Board of Directors shall notify the Board of Directors of their candidacy at least ten days before a shareholders' meeting. The majority of the Directors of the Board are independent of the Company and its day-to-day management, and four Directors are independent of the Company's significant shareholders. The alternate members of the Board are either independent or not independent of the Company or its significant shareholders. The Board evaluates whether Directors are independent of the Company and its significant shareholders. Moreover, the Board evaluates the independence of new Directors before the Company's Annual General Meeting and makes available to shareholders the result of its evaluation.



Corporate Governance Statement

Annually, the Board of Directors conducts an assessment of its work, size, composition and procedures and also evaluates the work of the Company's CEO, the Company's operations and development and whether it is in line with the Company's objectives. The assessment entails e.g. evaluation of the strengths and weaknesses of the Board's work and practices and takes into consideration the work components the Board believes may be improved. The evaluation is built on self-assessment, but the assistance of outside parties may be sought as appropriate. The evaluation includes an examination of whether the Board has operated in accordance with its Rules of Procedure and how the Board operates in general. Examination must be made whether important matters relating to the Company have been adequately prepared and if enough time is provided for discussions within the Board. Additionally, individual Directors must be considered with respect to both attendance and participation in meetings. The assessment for the financial year 2023 was concluded in February 2024.

Main responsibilities of the Board of Directors

- To hold supreme authority between shareholders' meetings, promote the development and long-term performance of the Company and supervise its operations. The Board shall regularly assess the performance of the Company's executive directors and how the Company's policies are implemented.
- To take the initiative, together with the CEO, on formulating policies and setting goals and risk parameters for the Company, both in the short and long term.
- To establish an active system of internal controls. This means, among other things, that the arrangement of the internal controls system shall be formalized, documented and its functionality verified regularly.
- To ensure that the Company's operations are in conformity with existing laws and regulations.
- To handle the recruitment and dismissal of the Company's CEO.

Extraordinary or major matters which require the approval of four out of five Directors and are therefore not a part of the CEO's day-to-day operations are defined in the Rules of Procedure for the Board of Directors.

Rules of Procedure for the Board of Directors

The Board of Directors has established its Rules of Procedure which were amended and approved at a Board meeting on 26 April 2019. A copy can be obtained from the Company's investor website.

The Board of Directors has appointed three subcommittees, Audit Committee, Remuneration Committee and Nomination Committee.

The principal duties of the Audit Committee are to review all financial information and procedures regarding information disclosure from day-to-day management and the Company's independent auditors and to ensure the independence of the Company's independent auditors. The role and main responsibilities of the Audit Committee are set out in its rules of procedure.

Members of the Audit Committee are Lárus L. Blöndal, Chairman, Ólöf Pálsdóttir and Alexander C. Edvardsson. In 2023, the Audit Committee held a total of six meetings, all members attended all meetings and the Committee was competent to make decisions in all meetings.

The role of the Remuneration Committee includes preparing the Company's remuneration policy and ensuring its enforcement and negotiating with the CEO on wages and other employment terms. The role and main responsibilities of the Remuneration Committee are set out in its rules of procedure.

Members of the Remuneration Committee are, Óskar Magnússon, Chairman, Guðrún Blöndal and Baldvin Thorsteinsson. In 2023, the Remuneration Committee held one meeting, all members attended the meeting and the Committee was competent to make decisions in the meeting.

The role of the Nomination Committee is to assist the Board with the process and oversight of Board succession planning and identification and nomination of Board candidates as well as member of the Board's committees. The Board is responsible for the appointment and activities of the Nomination Committee, and it operates under the Board's authority. The role and main responsibilities of the Nomination Committee are set out in its rules of procedure.

Members of the Nomination Committee are Margrét Guðmundsdóttir, Chairman, Lárus L. Blöndal and Óskar Magnússon. In 2023, the Nomination Committee held a total of three meetings and all members attended all meetings.



Corporate Governance Statement

The Board of Directors

Óskar Magnússon, Chairman of the Board

Óskar was born in 1954 and lives in Iceland. He is a well-known writer and has published eight books in recent years; two collections, of short stories and four novels.. He is a farmer in the south coast of Iceland. Óskar has been a board member of Samherji hf. since 1998 and is currently the vice-chairman of the board, as well as a board member of Seley ehf. and board member of several other companies within the Samherji group. He is the chairman of the Icelandic landowners Association. He has previously been a vice-chairman of the Icelandic Bar Association and served on various boards of retail companies. Óskar was Publisher/CEO and a major shareholder of Árvakur hf. from 2009 to 2015, President/CEO of Tryggingamíðstöðin hf. and TM Life Insurance hf. from 2004 to 2007, President/CEO of Vodafone Iceland from 2001 to 2004, Executive Chairman of Baugur from 1998 to 1999 and President/CEO of Hagkaup hf. supermarkets, that later became part of Baugur Corporation, from 1993 to 1998. Óskar has served on the city council in his community as well as being the parish chairman since 2004. He is a member of the church parliament in Iceland. Óskar has been a Supreme Court Attorney since 1993. He graduated with an LL.M. degree in International Business Law from George Washington University Law School in 1986, and with a Cand.jur. degree from the University of Iceland in 1983. He owns 14,056 shares in the Company, but no share options. Óskar was a board member in 2019, an alternate member of the Board from 2020 to 2022 and is currently the Chairman of the Board of Eimskipafélag Íslands, Chairman of the Remuneration Committee and a member of the Nomination Committee. Óskar is not independent of Seley ehf., which holds, in total, 55.6 million shares in the Company, at the year-end 2023.

Margrét Guðmundsdóttir, Vice-Chairman of the Board

Margrét was born in 1954 and lives in Iceland. She is a member of the board of Festi, board member of Eignarhaldsfélagið Lyng ehf, Hekla hf., Hekla Fasteignir ehf. and Paradís ehf. Margrét was the Chairman of the European Surgical Trade Association from 2011 to 2013 and a member of its Board from 2009 to 2015. She was the Chairman of Félag atvinnurekenda from 2009 to 2013, a member of the Board of Reiknistofa bankanna from 2010 to 2011 and 2016 to 2018, the Board of Isavia from 2017 to 2018 and the Board of SPRON from 2008 to 2009. Margrét was the CEO of Icepharma hf., from 2005 to 2016. Prior to that she was the Retail Manager of Skeljungur from 1995 to 2005, Director of various business segments of Kuwait Petroleum (Denmark) A/S from 1986 to 1995 and HR Development Manager at Dansk ESSO (later Statoil) from 1982 to 1986. Margrét was Assistant Secretary General of AIESEC International in Brussels from 1978 to 1979. Margrét holds a Cand. oecon. degree in economics and business administration from the University of Iceland, a Cand. merc. degree from the Copenhagen Business School and Executive education from CEDEP/Insead in France. Margrét owns 12,772 shares in the Company but no share options. Margrét has been a member of the Board since 25 March 2021 and is currently the Vice-Chairman of the Board of Eimskipafélag Íslands hf. and a member of the Nomination Committee. She has no interest links with the Company's main clients, competitors, or major shareholders.

Guðrún Ó. Blöndal

Guðrún was born in 1960 and lives in Iceland. Guðrún is a Board Member of Landsbankinn hf. and a member of the bank's Audit Committee, Remuneration Committee and Sustainability Committee. From 2013 to 2018 Guðrún was CEO of Nasdaq CSD Iceland (Nasdaq Central Securities Depository Iceland). In 2012 and 2013 she was a Board Member of The Enterprise Investment Fund slhf., Reginn hf., Mila ehf., Vörður Insurance Company and Vörður Life Insurance. Previously from 2002 to 2012 Guðrún was CEO of Arion Custody Services, a leading provider in the Icelandic market of fund services, clearing, settlement, local and global custody services to domestic and foreign financial institution. Prior to this Guðrún held various positions at Kaupthing hf. from 1984 to 2002 such as Executive Director, Corporate Director of Human Resources, Director of Marketing and Director in Asset Management. Guðrún holds a Cand. Decon degree from the University of Iceland. She is an independent Board member and does neither own shares nor share options in the Company. Guðrún has been a member of the Board of Directors since 6 September 2018 and is a member of the Remuneration Committee. Apart from being a Board Member of Landsbankinn hf. she has no interest links with the Company's main clients, competitors or major shareholders.



Corporate Governance Statement

Lárus L. Blöndal

Lárus was born in 1961 and lives in Iceland. He is a Supreme Court Attorney and a Partner at Juris Law Offices. Lárus was a Partner at Almenna lögfrædistofan from 1990 to 2008. Lárus was a board member of Orkusalan hf. from 2007 to 2022 and the Chairman of the board of ISFI (Icelandic State Financial Investments) from 2015 to 2023. He has been a member of the Competition Appeals Committee since 2000 and its Vice-Chairman since 2009 and a member of the National Olympics and Sport Association's executive committee since 2001, becoming its Vice-President in 2006 and its President from 2013. He has previously been a board member of the Icelandic Bar Association, the University of Iceland's Human Rights Institute, the University of Iceland's Research Centre in Environmental and Natural Resources law, Hótel Borg ehf., Fastus ehf., the Housing Financing Fund, Chairman of the National Olympic and Sport Association's legal committee, and a member of various other official committees and boards. Lárus has been a Supreme Court Attorney since 1998 and a District Court Attorney since 1990. He graduated with a Cand.jur. degree from the University of Iceland in 1987. Lárus has been on the Board of Directors since 27 March 2014 and is the Chairman of the Audit Committee and a member of the Nomination Committee. He is an independent Board member and owns 2,989 shares in the Company but no share options. He has no interest links with the Company's main clients, competitors or major shareholders.

Ólöf Hildur Pálsdóttir

Ólöf was born in 1977 and lives in Iceland. She is a Board Member of SIV eignastýring hf. and SIV Credit Fund slhf. She was the CFO of atNorth ehf., the largest data center in Iceland, from 2019-2021. Prior to that she worked as an independent financial advisor and was a board member of Reginn hf. and a board member and alternate board member of ViS hf. in 2018-2019. Ólöf worked at Arion bank and its predecessors from 1997 to 2017 in various roles e.g. as Head of Credit Structuring and Analysis, Deputy Head of IR, Investment strategist and in Asset Management as a fund manager. Ólöf was also member of the bank's credit committees and asset and liability committee (ALCO). Ólöf holds a cand. oecon degree in economics and business administration with emphasis on finance from the University of Iceland.

Ólöf Hildur has been a member of the Board since 25 March 2021 and is currently a member of the Audit Committee. Ólöf Hildur indirectly owns 29,027 shares in the Company through her holding company but no share options. She has no interest links with the Company's main clients, competitors, or major shareholders.

Baldvin Thorsteínsson, Alternate Member of the Board

Baldvin was born in 1983 and lives in Norway. Baldvin was the Chairman of the Board of Eimskipafélag Íslands hf. from 2018 to 2022. Previously he was the CEO of Iceland Drilling hf. from 2013 to 2016. He is currently a chairman of the board of Samherji hf and the chairman of the Supervisory Board of Alda Seafood Holding B.V. He earned a BS degree in Industrial Engineering from the University of Iceland in 2007. Baldvin has been an alternate member of the Board since 17 March 2022 and is currently a member of the Remuneration Committee. Baldvin owns 227,336 shares in the Company but does not have a share options agreement. He is not independent of Seley ehf., which holds 55.6 million shares in the Company at the year-end of 2023.

Jóhanna á Bergi, Alternate Member of the Board

Jóhanna was born in 1970 and lives in the Faroe Islands. Jóhanna is the CEO of Atlantic Airways Ltd. and has been since 2015. Jóhanna was the CEO of P/f Faroe Ship, Eimskip's subsidiary in the Faroe Islands, from 2006 to 2015, Sales Director of JFK and Kósín Seafood from 1998 to 2006 and Sales Manager of Faroe Seafood France from 1994 to 1998. She is currently a board member of the Faroese Confederation of Sports and Olympic Committees, Føroya Grunnurin, Norðoyatunnilin, House of Industry, Visit Faroe Islands and European Regions Airline Association. Jóhanna has a master's degree in Management from Robert Gordon University in the UK. She further holds a degree from the Danish School of International Marketing and Export. Jóhanna has been an alternate member of the Board since 3. April 2013, is an independent Board member and does neither own shares nor share options in the Company. She has no interest links with the Company's main clients, competitors or major shareholders.



Corporate Governance Statement

The Chief Executive Officer and the Executive Management

The Company's CEO is responsible for the day-to-day operations, in accordance with law, regulations and the Company's Articles of Association and follows the policies and instructions laid down by the Board. The CEO must at all times conduct his work with integrity and take account of the Company's interests. Day-to-day operations do not include matters which are unusual or of great significance. The CEO shall make sure that the Company's accounts are kept in accordance with law and practice and that the Company's assets are kept in a secure manner. The CEO is obligated to abide by all instructions of the Board of Directors and shall give the auditor any information requested. The CEO does not have the authority to make decisions concerning any matters that are assigned to others by law or are reserved to the Board under its Rules of Procedure. The CEO shall ensure that Directors of the Board are regularly provided with accurate information on the Company's finances, development and operations to enable them to perform their duties and the information shall be in the form and of the quality determined by the Board. The information shall be available when needed and as up-to-date and accurate as possible. The CEO is to acquaint the Board with all major issues involving the operations of the Company or its subsidiaries and is to attend the Board meetings. He participates in the Boards of the subsidiaries within the group.

Vilhjálmur Már Thorsteinsson, Chief Executive Officer

Vilhjálmur was born in 1971. He was appointed as CEO in January 2019. For over 20 years, he held various positions at Íslandsbanki. He was Managing Director of Corporate & Investment Banking at Íslandsbanki from 2017 to 2019 and Managing Director of Corporate Banking from 2008 to 2017. He was a member of the board of Chamber of Commerce in Iceland and a Board Member and/or CEO of various Eimskip Group subsidiaries. Vilhjálmur earned an MBA Degree from Pace University in New York; a BSc degree in Business Management, Majoring in Logistics, from Reykjavík University; and is a licensed Securities broker. Vilhjálmur owns shares in the Company through his holding company Sjávarlind ehf., a total of 232,380 shares. Vilhjálmur holds share options of 197,100 shares in the company.

The Executive Management of Eimskip consists of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Information Officer and the Executive Vice Presidents of International Operations, Human Resources and Communication, Iceland Sales and Business Management, Iceland Domestic Operations and the General Counsel and Compliance Officer.

Mára Björk Einarsdóttir is the Chief Financial Officer, Hilmar Pétur Valgárdsson is the Chief Operating Officer, Hilmar Karlsson is the Chief Information Officer, Bragi Thór Mariónósson is the Executive Vice President of International Operations, Edda Rut Björnsdóttir is the Executive Vice President of Human Resources and Communication, Björn Einarsson is the Executive Vice President of Sales and Business Management, Böðvar Órn Kristinsson was the Executive Vice President of Iceland Domestic Operations until November 2023 and Jónína Guðný Magnúsdóttir was appointed Executive Vice President of Iceland Domestic as of February 2024 and Davíð Ingi Jónasson is the General Counsel and Compliance Officer.

Further information on the Executive Management is on the Company's Investor website.

Diversity

The Company issued a policy on diversity, as part of the company's Human Resource Policy, in connection with the Board of Directors, Executive Management and Senior Management on 27 January 2022. The policy can be found on the Company's investor website.

Internal Control and Risk Management

The role of internal control is to facilitate the management of an operation and it has been defined as a process which is shaped by a company's Board of Directors, the management team, and other employees. The purpose of internal control is to build a foundation for the company to reach success and efficiency in its operations, reliability of financial information and consistency with laws and regulations.

Risk management is the process of analyzing and assessing the risk factors that could prevent the Company from achieving its set goals. It also includes that remedial action is taken to minimize the anticipated effects of such risk factors.

Eimskip's internal control and risk management procedures regarding financial processes is designed to minimize the risk of material misstatements. The Company does not have an internal audit function, but it uses internal control systems that are monitored by the Audit Committee.



Corporate Governance Statement

An independent auditing firm is elected at the Annual General Meeting each year. The auditors are to review the Company's accounting records and material related to the Company's operations and financial position and they are always to have access to the Company's books and documents. They must examine the Company's Consolidated Financial Statements in accordance with International Standards on Auditing. Significant findings regarding accounting and internal control deficiencies are reported to the Board of Directors through the Audit Committee. Independent auditors are not allowed to own shares in the Company.

The Company goes through a detailed strategic and budgeting process each year and a strategy and budget report are prepared. The Board of Directors approves the Company's strategy and budget each year. Deviations from the strategy and budget are carefully monitored on a monthly basis.

In 2023 the company has implemented a holistic Enterprise Risk Management (ERM) program to monitor and mitigate risks that face the company on a group level. All risks are assessed according to likelihood and impact and risk owner is assigned to ensure accountability. The ERM program is aimed at minimizing potential negative effects on operations and earnings from marketing, operational and financial activities and to keep risks at acceptable levels.

The Board of Directors regularly communicates with the CEO regarding the identification of, description of and response to business risks which the Company may be faced with. Risk management within Eimskip is governed by the Board of Directors, while the Audit Committee is responsible for its review on a regular basis. The Executive Management is responsible for identifying material risks and developing the Company's risk management strategy.

The Company's risk exposure is discussed at Board meetings and its risk management and risk factors are discussed in the Annual Report where further information regarding the ERM program can be found.

Eimskip monitors its financial risk factors and the Board of Directors has approved a Treasury policy which, among others, sets acceptable risk limits and stipulates how to identify, measure and manage financial risk exposure. The Company has in place a financial reporting and internal control manual to which the group reporting entities must adhere.

Information on violation of rules determined by the applicable authority

Please find information on main legal cases that relate to Eimskip under other matters in the notes to the annual financial statement.

Sustainability

Eimskip is a registered participant of the UN Global Compact, the United Nation's initiative for social responsibility with respect to human rights, labor, environment, and anti-corruption. With its participation, the Company has committed to managing its business operations so that the UN Global Compact and its Ten Principles become a part of the Company's strategy, culture, and day-to-day operations.

Eimskip's Sustainability Policy is based on the Nasdaq ESG Reporting Guide. The policy was reviewed in 2023. Further information on Sustainability at Eimskip can be found in the Non-Financial information in the annual financial statement and on the Company's website,

Code of Conduct

The Board of Directors approved a revision of the Company's Code of Conduct in February 2023. The Code of Conduct closely links to the Company's values: Achievement, Cooperation and Trust. The Code is also based on Eimskip's aim to secure good return for shareholders with profitable growth, create value for customers with outstanding solutions and services, be an outstanding workplace for employees with great team spirit and ambition and show concern for society with social responsibility and reduced ecological footprint.

The purpose of this Code of Conduct is to support Eimskip's mission and vision. It applies to the Board of Directors and all employees of Eimskip and its subsidiaries and guides them in conducting the Company's daily activities in an honest, responsible, and ethical way, based on its values, and generally accepted professional standards of conduct. Suppliers and subcontractors are also required to conform to high standards. The Code of Conduct is accessible on the Company's website, www.eimskip.com.



Non-Financial Reporting

Sustainability

Eimskip strives to provide its customers with the most efficient and sustainable transportation solutions with excellent services while securing a good return for its shareholders. As a company, Eimskip aims to contribute to a better and safer society wherever it operates, and responsibility towards the community is an integral part of the Company's sustainability policy.

Sustainability Structure

Eimskip's sustainability work is managed through the Sustainability Policy, last updated in 2023. The Company has a governance structure for sustainability-related matters where the CEO is responsible for a strategic sustainability framework, and the issues are regularly reported to the Board of Directors, who also participates in strategic work. Executive Vice Presidents are responsible for specific categories within the sustainability framework: environment (E), social (S), and governance (G). The Sustainability Manager holds the day-to-day responsibility and coordination of the sustainability strategy.

In 2023, Eimskip introduced a new ESC strategy with accelerated targets connected to environmental, Social, and Governance factors. Furthermore, the Company is finalizing the double materiality assessment of critical issues based on interviews with internal and external stakeholders. Focus areas for 2023 were Climate change, Safety and wellness, Gender equality, and Code of Conduct. All the focus areas are linked to one or more of the UN Sustainability Development Goals and are reported to the UN Global Compact annually.

The risk identified in the double materiality assessment will be monitored and mitigated as part of Eimskip's holistic Enterprise Risk Management approach. These risks will be assessed according to the potential impact and likelihood, and following relevant controls will be identified to mitigate the effect of the risks. Most importantly, a clear ownership of these risks will be established ensuring accountability throughout the process.

Highlights from 2023:

- Eimskip introduced a new ESC strategy with accelerated targets connected to the Environmental, Social and Governance factors.
- Preparing the EU Taxonomy report to be published for the first time for financial year 2023.
- Double materiality analysis was conducted.
- Three new electric trucks and one methane truck were delivered. With the delivery of the electric trucks, Eimskip was one of the first companies in Iceland to use larger electric trucks with a cooling system.
- Changes in the Eimskip sailing system with the goal of reducing the environmental impact of vessel operation. The total number of sailed miles reduced by approximately 5%, and bunker consumption reduced about 14% when compared with the system in 2022.
- Continued analyzing and evaluating options in renewing the container vessel fleet, focusing on the next generation of vessels using alternative, greener fuel.
- Preparation for the Emission Trading System.
- A new digital learning platform for employees, Eimskip Academy, was implemented.
- Project to support increased employee engagement, e.g., leadership training, more access to training material for all employees, and projects to support health and wellbeing.
- Eimskip is the first company in Iceland to sign a ship management internship with an Icelandic student.
- Eimskip is one of 500 companies that entered the Financial Times 2023 list as a climate leader.
- Faroese Sustainable Business Initiative (Burðardýgt Vinnulív) received the Edie Awards 2023 for the Partnership and Collaboration of the Year (UK's largest sustainability awards), but Eimskip's subsidiary Faroe ship is a part of the Burðardýkt Vinnulív.
- Eimskip and Landsbjörg (Icelandic Association for Search, Rescue & Injury Prevention) signed a cooperation agreement that makes Eimskip one of Landsbjörg's main sponsors.
- The Code of Conduct underwent a review in 2023 and was subsequently reintroduced to all employees. Currently, 74% of our employees have undergone training and affirmed their understanding and compliance with the Code of Conduct.
- Supplier Code of Conduct and supplier self-assessment were sent to vendors accounting for 80% of the Company's spend.



Non-Financial Reporting

Environment

In 1991, Eimskip became one of the first companies in Iceland to establish an environmental policy as the main driver for an improved ecological footprint.

For Iceland, which bases a large part of its economic foundation on harvesting natural resources from the ocean in a sustainable way, the changes associated with global warming and pollution of the ocean leave all the critical components of its modern economy utterly exposed, in addition to threatening the quality of life for future generations. To support global and local environmental initiatives, Eimskip signed the Reykjavík Declaration on Climate Issues in November 2015. In 2023, Eimskip introduced an accelerated target regarding reducing greenhouse gas emissions and aims to achieve net zero greenhouse gas emissions in 2040.

Climate change is one of the main ESG risks in the Company's operation. The Company respects the environment and recognizes the effects of climate change on society, its business activities, and the need for a low-carbon economy. Minimizing the environmental impact of the Company's operations is crucial. The focus is on achieving complete clarity regarding emissions and waste from each of the emitting sources in the supply chain. Development in data and analytics gives Eimskip a better overview of its ecological footprint and reduction opportunities.

The Company manages and monitors the environmental impact of the operation. The Company uses an environmental management system linked to all significant assets in the supply chain, streaming reliable and transparent information on its environmental matters into the system. Digitization of emission and waste-registration data from the supply chain enables continuous measurements and provides reliable and transparent communication. The data is regularly reviewed and evaluated. The environmental statement is published quarterly and is presented to the executive team for review and discussion.

For the first time in 2023, Eimskip reports EU Taxonomy. According to Icelandic laws, 25/2023 on sustainability-related disclosures in the financial services sector and a classification system for sustainable investments, companies that fulfill specific requirements are required to publish non-financial information based on Article 8(1) of the Taxonomy regulation (EU 2020/852) as from 2023. The report is displayed separately in the annual statement.

Starting from January 1st, 2024, all vessels over 5,000 gross tonnage are required to comply with the EU Emission Trading System (ETS) by purchasing and returning emission allowances to the authorities. The objective is to reduce the shipping industry's greenhouse gas emissions. Eimskip, being a responsible organization, has implemented an ETS surcharge, and has taken various measures to minimize the number of allowances needed, with a long-term goal of reaching net zero emissions.

In early 2024, Eimskip intends to implement changes to its container sailing system, aimed at reducing greenhouse gas emissions. These changes include streamlining the sailing system, reducing harbor time, and shortening sailing routes. The new system is expected to reduce sailed miles by 5% and bunker consumption by approximately 14%, as compared to the 2022 sailing system.

Eimskip looks to the future and recognizes the need for greener investments to lower emissions. The Company has started to analyze and evaluate its options for renewing the container vessel fleet, focusing on the next generation of vessels using alternative, greener fuels.

The Company's largest vessels, Brúarfoss and Dettifoss, undertook regular shipyard work where, among other things, the vessel hull was painted with a special paint that reduces the vessel's resistance while sailing, reducing fuel consumption estimated to be approximately 6%. NOx emission reduction equipment has also been installed in the Company's reefer vessels fleet operating out of Norway, significantly reducing NOx pollution from the vessels.

Eimskip added three new electric trucks with refrigerators and one methane truck to the fleet in 2023. Eimskip is among the first companies to distribute temperature-controlled goods with electric trucks. Distributing temperature-controlled goods in electric vehicles is an additional challenge, as considerable energy is needed to cool food during distribution. Simultaneously with the reception of the cars, a powerful 150 kWh charging station was installed, and the Company added charging stations for passenger cars. Now, there are 28 charging stations available.



Non-Financial Reporting

Emission

In the environmental statement for 2023, the Company has registered scope 1&2 for all vessels and offices in Iceland. Eimskip operates in 20 countries, and as of 2023, all the countries are part of environmental reporting compared to 17 countries in 2022. In the Company's ongoing commitment to sustainable and environmentally responsible practices, Eimskip discloses environmental data for the subsidiary Sæferdir and the utilization of non-combustible gases in cold storage facilities and temperature-controlled containers. The data from Sæferdir was estimated for 2015-2022, but data from the supplier was available for 2023. The information regarding non-combustible gases was available from 2016. The Company decided to maintain the data line as much as possible from the base year 2015. The Company has an outstanding overview of Scope 1 and 2.

Eimskip's total emissions were 284.124 tCO₂e in 2023 compared to 305.802 tCO₂e in 2022 that is 7% reduction. Scope 1 is 281.890 tCO₂e, where the vessel fleet is responsible for most emissions. Scope 2 has gone up from 1,517 tCO₂e in 2022 up to 2.027 tCO₂e in 2023, reason behind this is Eimskip is registering data on electricity from 3 countries that did not register data last year. Scope 3 is down 45%, from 377 tCO₂e in 2022 to 207 tCO₂e in 2023. Wrong flight distance was entered in 2022 and that can explain the difference.

The Company's energy mix is 96% fossil fuel, with most of the emission coming from the vessels.

Waste generation has gone down by 3% from 1289 tonn to 1257 tonn. Percentage of sorted waste 75% and recycled 74%.

Social

Eimskip acknowledges its responsibility to partner with the communities in which it operates. This partnership extends to all stakeholders, including employees, customers, and society, guided by the Company's values of achievement, cooperation, and trust.

Employees

Eimskip employs about 1.700 people across four continents and 20 countries. The employee group is diverse, with varied backgrounds and perspectives, bringing a wide range of talents, ideas, and views to the table that inspire creativity and innovation in the workplace. They get a positive and energetic atmosphere in the workplace, promoting a dynamic work culture characterized by teamwork, communication, and ambition.

Eimskip's values of achievement, cooperation, and trust form the cornerstone of the Company's actions and decisions, shaping its internal and external culture and reputation. 31% of Eimskip employees are women and the number of citizenships is 46.

The Company's employee rights and welfare policies reflect Eimskip's dedication to human rights. The Company's principal policies are the Employee Code of Conduct, Human Resource Policy, Salary Policy, Equal Opportunities Policy, Policy against Bullying and Harassment, Health Policy, and Occupational Safety and Security Policy. These apply to all employees of Eimskip and its subsidiaries.

Eimskip is dedicated to creating a workplace culture characterized by dynamic communication, information sharing, and diverse development opportunities, fostering a sense of belonging, loyalty, and high employee engagement.

The Company conducts annual engagement surveys to monitor and improve employee satisfaction and engagement, a key performance indicator (KPI) for Eimskip, to monitor and enhance employee satisfaction. In the 2023 survey, the overall engagement and satisfaction improved compared to 2022, with scores surpassing the True benchmark® set for international companies in similar sectors (e.g. Satisfaction = 8,1, Equality = 8,5, Meaningful Work = 8,4, Management Support = 8,3). the results are in line with previous trends, where the scores continue to improve year by year. These positive outcomes are attributed to the Company's continued focus on employee wellness and engagement.

In 2023, Eimskip achieved a milestone as the first Icelandic company to launch a vessel management internship. This program provides hands-on training for students following the Standard of Training, Certification, and Watchkeeping for Seafarers. It aligns with Eimskip's commitment to investing in employee growth and development while promoting diversification.



Non-Financial Reporting

Eimskip is committed to promoting diversity and gender equality within the organization, focusing on women's representation in leadership roles but woman in senior management has gone from 30% in 2020 to 33% in 2023. The Company has highly emphasized employee growth and development, with thirty capable employees successfully navigating its leadership program in 2023. Eimskip launched the leadership program in 2022 and strategically prioritizes the development of modern skills crucial in today's dynamic business environment. These skills include building connections and trust, adaptability to change, two-way feedback, and divergent thinking, empowering leaders with a strong sense of agency and confidence, enabling them to independently identify and address opportunities for themselves and their customers while highlighting individual growth. This strategic focus ensures that participants gain valuable insights into the operations and cross-company knowledge and expertise, fostering a comprehensive approach to leadership development and preparing them for new responsibilities and roles. 105 participants from 14 countries have graduated from the program, with 53% of the participants being women. Following two years of broad leadership development, the impact is evident in the success of numerous participants (28 individuals, F=16, M=12) taking on new roles and responsibilities. This quantifiable success underlines the effectiveness of Eimskip's leadership initiatives.

Moreover, the Company has implemented a digital learning platform, Eimskip Academy. The academy contributes to the Company's efforts in building a diverse and inclusive work environment, providing equal access to learning resources and development opportunities for individuals to excel in their roles and contribute to the Company's ongoing success.

Safety

A safe and healthy work environment is one of Eimskip's top priorities. The objective is that everyone can work safely at Eimskip; therefore, the Company has a zero-accident policy, which is one of the Company's main sustainability KPIs. To achieve this objective, the Company emphasizes prevention projects, safety training, and working proactively to enhance safe work protocol and create a safe work environment.

Terminal Safety Days were held in Reykjavik operations, focusing on enhancing safety awareness and strengthening the safety culture. The focus was on safety in the terminal operations, personal protective equipment, safe work protocol, dangerous goods, and first aid training.

Eimskip continues to provide IMDG training for global offices in dangerous goods transported by sea. The IMDG training aims to strengthen existing knowledge of dangerous goods further and ensure professional and safe transport of dangerous goods in Eimskip's transport chain. In 2023, the Eimskip's offices in the Faroe Islands, the United Kingdom, the United States, and Canada received IMDG training.

Eimskip focuses on increasing safety awareness and building a strong safety culture within the Company operations to be a safe workplace and prevent all accidents.

The Company continued strengthening its cybersecurity posture with a stronger partnership with key IT security partners. A newly implemented learning platform is in place to raise security awareness, and an enterprise risk management program is active.

Eimskip has a First Response Team, whose duty is to respond to various incidents on sea and land. The team's purpose is to ensure and assist on proper first response and limit accidents to people and damages to properties, cargo, and the environment. Also, it is the team's responsibility to respond to cyber incidents.

Furthermore, the Company's Loss Prevention Team meets regularly to investigate losses, damages, and accidents and follows up on necessary changes, training and improvements.

Human Rights

Eimskip has a clear human rights policy that states everyone should enjoy equal rights. The policy is accessible on the Company's website. Eimskip is a registered participant of the UN Global Compact, the United Nation's initiative for social responsibility for human rights, labor, environment, and anti-corruption. With its participation, the Company has committed to managing its business operations so that the UN Global Compact and its Ten Principles are a part of the Company's strategy, culture, and day-to-day operations.

Human rights touch almost every aspect of the Company's activities, both its own workforce and workers in the value chain. Several policies support human rights issues. Human resources, human rights, equal opportunities, bullying and harassment, well-being and safety are covered through the Human Resources Policy, Code of Conduct, Supplier Code of Conduct, Anti-Money Laundering and Sanction Policy, and Whistleblower procedure.



Non-Financial Reporting

Eimskip has taken significant steps to identify the risks to human rights in its own workforce, and the risks are monitored and mitigated as part of Eimskip's holistic enterprise risk management. The Company has also identified potential human rights risks for workers in the supply chain by asking suppliers to confirm the Supplier Code of Conduct and by asking suppliers to go over a self-assessment checklist based on the ten principles of the UN Global Compact. However, further actions are needed to complete the mitigation actions.

Customer

Eimskip is renowned for its excellent service. The Company has a broad customer base and provides various solutions to meet diverse requirements. A global team with local expertise provides customers with holistic services designed specifically for their needs.

The Company has a Global Service Policy. The Global Service Policy aims to align the service approach, goal setting, and measurements between different units within Eimskip to ensure that the Company is offering its customer base's strong satisfaction and loyalty lent customer service. The Global Service Policy contains three pillars: Global Team, Proactive, and Simplify. Eimskip sends out a Net Promoter Score (NPS) customer survey each year to measure and monitor customer satisfaction for customers globally. Eimskip's NPS continues to be strong at 29,2, reflecting the strong satisfaction and loyalty of its customer base.

The changes to container sailing in Eimskip will, in the first quarter of 2024, implement essential changes to container sailing to further increase the service level and reliability. The changes include improved services with shorter transit time from the UK, Monday arrivals in Reykjavík for import from Denmark and Sweden, and weekly coastal service in Iceland with increased service. Sailings at North America route are simplified and support the fresh fish services. Also, there is increased service from northern and western Norway to the Faroe Islands and to North America and provides a direct connection from the Faroe Islands to Germany.

The digitalization and automation of processes are key elements in the continued development of Eimskip's services. The Company continues to adapt to customers' needs in a fast-changing technical environment where self-service elements are increasingly important. A strong focus on information technology and potential synergies between systems and teams plays a vital role in Eimskip's proactive commitment to service excellence.

Eimskip continues to invest in technology platforms to support customer service strategically better. This includes Microsoft Customer Engagement solution, new liner and forwarding operation systems, container management system, global financial reporting, planning platform, and more.

Projects for the society

As a company, Eimskip wants to contribute to a better and safer society wherever it operates, and responsibility towards the community is an integral part of the sustainability policy.

The Company supports various projects, charities, sports activities, culture, innovation, and, finally, projects centered on preventive measures for children and young adults. The Company is incredibly proud of the bicycle helmet project, which began in 2004. Ever since, Eimskip, in cooperation with Kiwanis, has given all six-year-old children in Iceland bicycle helmets and safety reflectors to contribute to youth safety. Around 80,000 children have received a helmet.

Eimskip and Landsbjörg (Icelandic association for search, rescue & injury prevention) signed a cooperation agreement making Eimskip one of Landsbjörg main sponsors. Eimskip is very proud to take part in Landsbjörg critical Association, but through the years, the Company has often relied on their service and therefore knows firsthand the importance of their work. This agreement focuses on supporting rescue work and prevention at sea and on land, as Eimskip places great emphasis on safety and prevention in daily activities. Eimskip and Landsbjörg held a family event in Sundahöfn to encourage increased helmet use. Many cheerful kids and their families came to the event where they, for example, tried on helmets and learned how to adjust them correctly. Eimskip also supported transportation of the Rescue ship, "Sigurvin" to the destination in Siglufjördur, a small town in the north of Iceland.

Governance

Eimskip strives to ensure open and transparent relationship between the Company's management, its Board of Directors, its shareholders, and other stakeholders.



Non-Financial Reporting

Anti-corruption and bribery

Eimskip is committed to combating corruption and bribery. The Company's management and employees strive to always comply with applicable laws and regulations. The Company has rules and general standards of business ethics and corporate governance to avoid conflict of interest and maintain confidentiality. The Company's internal control and risk management are intended to spot abnormalities, including the risk of corruption and bribery. Eimskip's policy on Anti-corruption and bribery can be found in the Company's Code of Conduct, www.eimskip.com.

The Code of Conduct underwent a thorough review in 2023 and was subsequently reintroduced to all employees. 74% of the employees has undergone training and affirmed their understanding and compliance with the Code of Conduct. The Companies Code of Conduct is available in four languages: Icelandic, English, Danish, and Swedish.

Eimskip has in place a Speak up program e.g. through the Whistleblower procedure. The Speak up program aims to handle reports of alleged misconduct concerning the Company's operations and the protection of whistleblowers. Furthermore, Eimskip's Anti-Money Laundering & Sanction Policy prohibits anyone employed by Eimskip from participating in money laundering, terrorist financing, and sanction breaches.

The Company conducted the yearly training regarding competition law. All employees globally with direct contact with customers and suppliers must complete the training. The training is also available through the Eimskip digital learning platform.

Supplier code of conduct

Good partnerships with suppliers are beneficial, and risk management of the value chain is essential. The Company reviewed and updated the Supplier Code of Conduct and Procurement Policy in 2023. The Company has designed a self-assessment tool based on ten principles of the UN Global Compact.

Suppliers with 80% spend globally received the Companies Supplier Code of Conduct and a self-assessment based on the ten principles of UN Global Compact. Furthermore, the largest suppliers in Norway have gone through the same process as Norway, which has already confirmed the Transparency Act for Human Rights.

39% of the target group, with 80% Spent, has complied with the Supplier Code of Conduct and confirmed supplier self-assessment.

Eimskip has taken significant steps to identify risks in the value chain by putting forward a policy, identify target group and begun evaluation of suppliers. In 2024 the work will continue, and more focus will be put on identifying, assessing, monitor and mitigate potential risk.

Data privacy

Eimskip is committed to processing the personal data of customers, employees, business partners, and other stakeholders legally, fairly, and securely. Eimskip strives to comply with applicable data protection laws. All personal data used in business operation must be handled following global privacy and internal policies. The Company has identified suppliers that process data on behalf of Eimskip, and the first group of suppliers has been sent self-assessments. Eimskip has defined Data Security Classification to identify, categorize, and protect content according to its sensitivity or impact level to protect the data from unauthorized disclosure, alteration, or destruction. Eimskip is now working on informing employees of this classification and marking selected content with appropriate classification levels. There will be focus on this in 2024.



ESG Statement 2023

Assessment Statement by Klappir Green Solutions hf.

Klappir Green Solutions hf. (Klappir) has assisted Eimskipafélag Íslands hf. ("Eimskip"), with its sustainability statement. The sustainability statement contains information on environment, social and governance Eimskipafélag Íslands hf.

Eimskip's sustainability statement for the year 2023 reflects the ESG guidelines issued by Nasdaq Iceland and Nasdaq Nordic in 2019. These guidelines are based on recommendations made in 2015 by the United Nations, the Sustainable Stock Exchange Initiative, and the World Federation of Exchange. Reference is also made to the GRI Standard (Global Reporting Initiative, GRI100-400) and the Ten Reporting Principles of the UN Global Compact.

Eimskip uses the Klappir Sustainability Platform to ensure the traceability, transparency, and efficiency in data collection and processing and dissemination of environmental information.

Responsibility of the board of directors and CEO for the sustainability statement

The board of directors and CEO are responsible for reporting non-financial information, including information on environmental, social and governance matters, in accordance with Article 66 d of Act no. 3/2006 (Icelandic companies).

Confirmation by Klappir

We have planned and conducted our work in accordance with the principles of the Greenhouse Gas Protocol standards: Relevance, Accuracy, Completeness, Consistency and Transparency.

By signing below, I hereby confirm that the data provided by Eimskip and its suppliers for the company's sustainability statement has been reviewed and assessed by Klappir's sustainability specialists. Information relating to social and governance matters was not reviewed by Klappir.

Klappir is not responsible and bears no liability for any investment decisions made by any party based on the information presented in this statement.

Klappir Green Solutions hf.



ESG Statement 2023

Operational Parameters

Operational Parameters	Unit	2023	2022	Notes
Transported cargo	Tonne	2,544,281	2,767,362	
Total Revenue	EUR m	1,050	1,040	Environmental registration is now available from all Elmskip offices. All revenue is included in 2023 but 3 offices were excluded in 2022 since no environmental data was available.
Number of full time equivalents employees	FTEs	1,758	1,550	Environmental registration is now available from all Elmskip offices. All employees are included in 2023 but the employees from 3 offices were excluded in 2022 since no environmental data was available.

Environmental

ChG emission intensity

ChG emissions per megawatt-hour consumed	kgCO ₂ e/MWh	256	255	Environmental registration is now available from all Elmskip offices. All employees are included in 2023 but the employees from 3 offices were excluded in 2022 since no environmental data was available. Therefore the 2022 and 2023 are not fully comparable.
ChG emissions per full-time equivalent (FTE) employee	kgCO ₂ e/FTEs	161,618	198,845	
ChG emissions per unit of revenue	kgCO ₂ e/EUR m	270,588	296,317	Environmental registration is now available from all Elmskip offices. All revenue are included in 2023 but the revenue from 3 offices were excluded in 2022 since no environmental data was available. Therefore the 2022 and 2023 are not fully comparable.
Nasdaq: E2 UNGC: P7, P8 GRI: 305-4 SDG: 13 SASB: General Issue / GHG Emissions, Energy Management				



ESG Statement 2023

	Unit	2023	2022	Notes
Energy intensity				
Energy per full-time equivalent (FTE) employee	kWh/FTEs	630,722	778,460	Environmental registration is now available from all Eimskip offices. All employees are included in 2023 but the employees from 3 offices were excluded in 2022 since no environmental data was available. Therefore the 2022 and 2023 are not fully comparable.
<i>Nasdaq: E1 UNGC: P7, P8 GRI: 302-3 SIC: 12 SASB: General Issue / Energy Management</i>				
Carbon offset				
Total emissions offset	tCO ₂ e	277	400	
Emissions offset by afforestation	tCO ₂ e	277	400	
<i>Nasdaq: E1 UNGC: P7, P8 GRI: 302-3 SIC: 12 SASB: General Issue / Energy Management</i>				
Greenhouse Gas Emissions				
Scope 1	tCO ₂ e	281,890	306,316	Following information have been added to the environmental report in 2023. Fuel from Sæteröyr (2015-2023), combustion gases from operation in Iceland (2016-2023) and combustion gases from operation in Norway and the Faroe Islands (2021-2023). Effect is 1,4% increase in tCO ₂ e.
Scope 2	tCO ₂ e	2,027	1,517	Following information have been added to the environmental report in 2023. Electricity from Canada, China and USA.
Scope 2 (location-based)	tCO ₂ e	283,917	307,833	
Scope 1 and 2	tCO ₂ e	207	377	Scope 3 data reflects waste in Iceland and business flight in Iceland, Norway, and Germany.
Scope 3	tCO ₂ e	284,124	308,210	
<i>Nasdaq: E1 UNGC: P7 GRI: 305-1,305-2,305-3 SASB: General Issue / GHG Emissions TCFD: Metrics & Targets</i>				



ESG Statement 2023

Greenhouse Gas Emissions, continued**Scope 1 - Details**

Total emissions

tCO₂e

281,890

306,316

Scope 2 - Details

Total emissions

tCO₂e

2,027

1,517

Electricity

tCO₂e

1,884

1,377

Heating

tCO₂e

143

139

Scope 3 - Upstream emissions**Category 5: Waste generated in operations**

Total emissions

tCO₂e

82

81

Transport, disposal and treatment of waste

tCO₂e

82

81

Category 6: Business travel

Total emissions

tCO₂e

126

297

Air travel

tCO₂e

126

297

Energy consumption

Total energy consumption

kWh

1,108,810,001

1,206,612,550

Fossil fuels

kWh

1,063,919,376

1,166,846,458

Bio fuels

kWh

119,394

97,443

Electricity

kWh

29,523,227

24,339,478

Heating

kWh

15,248,004

15,329,171

Direct energy consumption

kWh

1,064,038,770

1,166,943,901

Indirect energy consumption

kWh

44,771,231

39,668,648

Næstaa: E3 UNGC: P7, P8 GRI: 302-1, 302-2 SDG: 12 SASB: General Issue / Energy Management



ESG Statement 2023

	Unit	2023	2022	Notes
Energy mix				
Total fuel consumption	Kwh	1,103,810,001	1,206,612,550	
Fossil fuel	%	96,2%	96,9%	
Renewables	%	3,8%	3,1%	
Nuclear	%	0%	0%	
<i>Nasdaq: ESGR: 302-1 SDG: 7 SASB: General Issue / Energy Management</i>				
Fuel consumption				
Total fuel consumption	kg	86,441,504	93,879,169	
Petrol	kg	106,928	51,770	
Natural gas	kg	706	2,168	
Diesel	kg	4,126,165	4,047,357	
Fugitive emissions				
Total fugitive emissions	kg	1,149	1,215	
Carbon dioxide (CO2)	kg	10	255	
F-gases	kg	885	960	
Ammonium	kg	254	-	
Water consumption				
Total water consumption	m ³	299,760	298,037	
Cold water	m ³	42,009	34,627	
Hot water	m ³	257,751	263,410	
<i>Nasdaq: ESGR: 303-5 SDG: 6 SASB: General Issue / Water & Wastewater Management</i>				
Waste treatment				
Total waste generation	kg	1,256,820	1,289,050	
Sorted waste	kg	936,021	990,061	
Unsorted waste	kg	320,799	284,379	
Recycled waste	kg	932,014	924,432	
Disposed waste	kg	374,806	350,008	
Percentage of waste sorted	%	75%	77%	
Percentage of waste recycled	%	74%	72%	



ESG Statement 2023

	Unit	2023	2022	Notes
Total weight of printed papers	kg	5,667	6,285	
Total amount of printed paper	pages	940,980	1,036,337	
of which color print	pages	194,687	223,324	
of which black/white print	pages	746,293	813,013	

Environmental management

Does your company follow a formal Environmental Policy?	yes/no	Yes	Yes
Does your company follow specific waste, water, energy, and/or recycling policies?	yes/no	Yes	Yes
Does your company use a recognized energy management system?	yes/no	Yes	Yes

Nasdaq: E7 GRI: 103-2 SASB: General Issue / Waste & Hazardous Materials Management

Climate oversight

Does your Senior Management Team oversee and/or manage climate-related risks?	yes/no	Yes	Yes
Does your Board of Directors oversee and/or manage climate-related risk?	yes/no	-	-

Nasdaq: E8, E9 GRI: 102-19, 102-20, 102-29, 102-30, 102-31 SASB: General Issue / Business Model Resilience, Systematic Risk Management TCFD: Governance (Disclosure A/B)

Climate risk mitigation

Total annual investment in climate-related infrastructure, resilience, and product development	EUR m	2.6	2.5
Nasdaq: E10 UNiCC, P9 SASB: General Issue / Physical Impacts of Climate Change, Business Model Resilience TCFD: Strategy (Disclosure A)			



ESG Statement 2023

Social		Unit	2023	2022	Notes
CEO Pay Ratio				4.7	Comparison to FTE Salary in Iceland will be added in April 2024.
CEO Salary & Bonus (X) to median FTE Salary	X:1				
S1 UNGC, P6 GR1 102-38					
Gender Pay Ratio					
Median total compensation for men (X) to median total compensation for women	X:1				
Compensation for women	%				
Outcome of equal pay certification					
				1.1%	Outcome of equal pay certification will be available in April 2024. This number will represent the outcome of the equal pay re-certification for Eimskip Iceland, TVG, Gára and Sæferðir.
S2 UNGC, P6 GR1 405-2 SASB: General Issue / Employee Engagement, Diversity & Inclusion					
Employee Turnover					
Full-time Employees					
Year-over-year change for full-time employees	%		23%	22%	New HR Dashboard was launched in 2023 and data cleaning followed. Therefore employee turnover for 2022 is updated.
Dismissal	%		2.4%	0.6%	
Retirement	%		1.0%	2.3%	
Gender					
Men	%		24%	22%	
Women	%		20%	22%	



ESG Statement 2023

Employee Turnover, continued.

Age	Unit	2023	2022	Notes
<20	%	80%	90%	
20-29	%	39%	41%	
30-39	%	25%	23%	
40-49	%	18%	14%	
50-59	%	10%	9%	
60-69	%	23%	18%	
70+	%	72%	0%	

S3 UNGC P6 GRI 407-1b SDG: 12 SASB: General Issue / Labor Practices

Gender Diversity**Enterprise Headcount**

Percentage of women in enterprise	%	31%	30%	
Women	no.	541	518	
Men	no.	1,217	1,205	

Senior- and Executive-level Positions**Percentage of women in senior- and executive-level**

positions	%	33%	30%	
Women	no.	59	55	
Men	no.	122	126	

Employee Engagement, Diversity & Inclusion**Non-Discrimination****Does your company follow a sexual harassment and/or****non-discriminatory policy?**

yes/no

Yes

Employee Engagement, Diversity & Inclusion



ESG Statement 2023

Injury Rate	Unit	2023	2022	Notes
Total number of injuries and fatalities, relative to the total workforce	%	4.0%	6.6%	Injury Rate in 2022 is based on employees in Iceland and employees on vessels. Injury rate in 2023 is based on 85% of employees globally. Injure rate is not fully comparable between 2022 and 2023
S7 GRI: 403-9 SDG: 3 SASB: General Issue / Employee Health & Safety				
Global Health & Safety				
Does your Company publish and follow an occupational health & safety policy				
	yes/no	Yes	Yes	Yes
Child & Forced Labor				
Does your company follow a child labor policy?	yes/no	Yes	Yes	Yes
Does your company follow a forced labor policy?	yes/no	Yes	Yes	Yes
If yes, do your child and/or forced labor policy cover suppliers and vendors?	yes/no	Yes	Yes	Yes
S9 GRI: 103-2 (See also GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor and GRI 414: Supplier Social Assessment 2016) UNGC: P4, P5 SDG: 8 SASB: General Issue / Labor Practices				
Human Rights				
Does your company publish and follow a human rights policy?	yes/no	Yes	Yes	Yes
If yes, does your human rights policy cover suppliers and vendors?	yes/no	Yes	Yes	Yes
S10 GRI: 103-2 (See also GRI 412: Human Rights Assessment 2016 & GRI 414: Supplier Social Assessment 2016) UNGC: P1, P2 SDG: 4, 10, 16 SASB: General Issue / Human Rights & Community Relations				



ESG Statement 2023

Governance**Board Diversity**

	Unit	2023	2022	Note
Total board seats occupied by women (as compared to men)	%	60%	60%	
Committee chairs occupied by women (as compared to men)	%	33%	33%	
<i>G1 GRI: 405-1 SDG: 10 SASB: General Issue / Employee Engagement, Diversity & Inclusion (See also: SASB Industry Standards)</i>				

Board Independence

Does the company prohibit CEO from serving as board chair?	yes/no	Yes	Yes	
Total board seats occupied by independents	%	80%	80%	
<i>G2 GRI: 102-23, 102-22</i>				

Incentivized Pay

Are executives formally incentivized to perform on sustainability	yes/no	No	No	
<i>G3 GRI: 102-55</i>				

Collective Bargaining

Total enterprise headcount covered by collective bargaining agreements (X) to the total employee population	%	100%	100%	
<i>G4 UNGC: P3 SDG: 8 GRI: 102-41 SASB: General Issue / Labor Practices (See also: SASB Industry Standards)</i>				

Supplier Code of Conduct

Are your vendors or suppliers required to follow a Code of Conduct	yes/no	Yes	Yes	
If yes, what percentage of your suppliers have formally certified their compliance with the code	%	39%	39%	
<i>G5 UNGC: P2, P3, P4, P8 GRI: 102-16, 103-2 (See also: GRI: 308: Supplier Environmental Assessment 2016 & GRI: 414: Supplier Social Assessment 2016 SDG: 12 SASB General Issue / Supply Chain Management (See also: SASB Industry Standards)</i>				



ESG Statement 2023

Ethics & Anti-Corruption

	Unit	2023	2022	Note
Does your company follow an Ethics and/or Anti-Corruption policy?	yes/no	Yes	Yes	Yes
If yes, what percentage of your workforce has formally certified its compliance with the policy?	%	74%	50%	
G6 UNGC: P10 SDG: 16 GRI: 102-16, 103-2 (See also: GRI 205: Anti-Corruption 2016)				

ESG Privacy

Does your company follow a Data Privacy policy?	yes/no	Yes	Yes	
Has your company taken steps to comply with GDPR rules?	yes/no	Yes	Yes	
G7 GRI 418 Customer Privacy 2016 SASB: General Issue / Customer Privacy, Data Security (See also: SASB Industry Standards)				
G8 UNGC: P8				

ESG Reporting

Does your organization publish a sustainability report?	yes/no	Yes	Yes	
Is sustainability data included in your regulatory filings?	yes/no	Yes	Yes	
G8 UNGC: P8				

Disclosure Practices

Does your company provide sustainability data to sustainability reporting frameworks?	yes/no	Yes	Yes	
Does your company focus on specific UN Sustainable Development Goals (SDGs)?	yes/no	Yes	Yes	
Does your company set targets and report progress on the UN SDGs?	yes/no	Yes	Yes	
G9 UNGC: P8				

External Assurance

Are your sustainability disclosures assured or validated by a third party?	yes/no	Yes	Yes	
G10 UNGC: P8 GRI: 102-56				

Verifavia validates the energy use of the vessels. Vessels are responsible for majority of the Eimskip energy use. Validation process is ongoing until April



ESG Statement - Notes

Organizational Boundaries

The "Operational Control" methodology has been chosen to define the organizational scope of Eimskip's emission accounting. According to the "Operational Control" methodology, companies should account for 100 percent of greenhouse gas emissions from operations under their control. They should not account for greenhouse gas emissions from operations that it has no control over, even though it has a vested interest in their operations. The following companies are covered in the statement:

Company	Land
Eimskipafélag Íslands hf.	Iceland
Eimskip Ísland ehf.	Iceland
Mareco Integrated Logistics N.V.	Belgium
Mareco South America Ltd	Brazil
Mareco Turkey (office)	Turkey
Eimskip Canada Inc	Canada
Eimskip Logistics (Qingdao) Co. Ltd.	China
Eimskip Denmark A/S	Denmark
Eimskip Transport GmbH	Germany
Eimskip Greenland A/S	Greenland
Eimskip Italy S.r.l.	Italy
Eimskip Netherland B.V.	Netherland
Eimskip Norway AS	Norway
Eimskip Poland Sp. z.o.o.	Poland
Eimskip Logistics Spain SL	Spain
Eimskip Logistics AB	Sweden
Eimskip Thailand Ltd.	Thailand
Eimskip UK Ltd.	United Kingdom
Eimskip USA Inc.	United States
Eimskip Vietnam Ltd	Vietnam
P/f Skipafelagið Foroyar	Faroe Island

Operational Boundaries

Scope 1

Mobile fuel consumption	Fully included
Stationary fuel combustion	Mostly included
Fugitive emissions	Not applicable
Industrial processes	Not applicable

Scope 2

Electricity	Fully included
Heating	Fully included
Cooling	Not applicable
Steam	Not applicable

Scope 3

Category 5: Waste from operations	Partially included
Category 6: Business travel	Partially included



EU Taxonomy

Introduction

In 2023 Eimskip reports EU Taxonomy for the first time. According to Icelandic laws, 25/2023 on sustainability-related disclosures in the financial services sector and a classification system for sustainable investments, companies that fulfill specific requirements are required to publish non-financial information based on Article 8(1) of the Taxonomy regulation (EU 2020/852) as from 2023.

EU Taxonomy has the stated objective of classifying which economic activity is considered environmentally sustainable, based on the technical screening criteria established in delegated regulations, thereby facilitating transparency in sustainability reporting. In Iceland, delegated regulation (EU) 2021/2139 on climate change mitigation and adaptation (Climate Delegated Act) has been implemented, but delegated regulation (EU) 2023/2485 amending the Climate Delegated Act and delegated regulation (EU) 2023/2486 (Environmental Delegated Act) have not been implemented as they have in the EU. As a classification system, it provides a needed common denominator for individuals, authorities, and investors, for which economic activity is considered environmentally sustainable.

For companies to be considered environmentally sustainable they are required to fulfil criteria set in the regulation. An economic activity must contribute to one or more stated environmental goals while simultaneously it may not do significant harm to others (DNSH). Furthermore, it must be conducted in compliance with minimum safeguards as well as fulfilling relevant technical criteria.

The environmental goals are six: *climate change mitigation*, *climate change adaptation*, *sustainable use and protection of water and marine resources*, *transition to a circular economy*, *pollution prevention and control*, and *protection and restoration of biodiversity and ecosystems*. The technical criteria for climate change mitigation and climate change adaptation have been implemented in Iceland.

Companies are required to disclose the ratio of revenue, capital expenditure (CAPEX), and operating expenses (OPEX) for eligible economic activity, that is, activity covered by the EU Taxonomy regulation for the reporting period, that is operations that fall under the classification regulation. At the same time, the same KPI's for operations that meet all the criteria of the regulation and therefore are aligned operations or environmentally sustainable should be published. The KPI's are calculated based on the Group's Consolidated Financial Statements that are prepared in accordance with IFRS accounting standards.

The EU Taxonomy regulation is maturing and evolving, as such reporting against the taxonomy is currently subject to interpretation. In the subsequent years Eimskip will adapt and expand the reporting according to the developments in the regulation.

EU Taxonomy Accounting Policies

The EU has put out rules on the calculation of KPI's in delegated regulation (EU) 2021/2178. Turnover, CAPEX and OPEX is calculated in accordance with Article 8 of the Taxonomy Regulation.

The taxonomy-eligible KPI's have been calculated as:

- taxonomy-eligible revenue KPI = eligible revenue/ total revenue
- taxonomy-eligible CAPEX KPI (additions) = eligible CAPEX/total CAPEX
- taxonomy-eligible OPEX KPI (repair and maintenance) = eligible OPEX/ total OPEX

Eimskip's process for determining taxonomy-eligible activities (the nominator of the taxonomy-eligibility KPI's) was a three-step approach:

1. Defining the economic activities that Eimskip is engaged in within each of the segments across the Group.
2. Assessing whether said activities are covered by the economic activity descriptions included in the EU Taxonomy Climate Delegated Act.
3. Allocating revenues, CAPEX (additions) and OPEX (repair and maintenance) according to the Group's overall assessment of whether an economic activity is eligible or not.

Firstly, the determination of the share of economic activities in Eimskip that are taxonomy-eligible is based on profit centers in the finance and consolidation systems Eimskip utilizes, which also forms the basis for Eimskip's external financial reporting. As such, each profit center has been analyzed and segregated into sub-activities where applicable.

Secondly, based on the descriptions of what is registered on Eimskip's profit centers an assessment has been conducted on whether these activities are covered by the activity descriptions that are included in the EU Taxonomy Climate Delegated Act.

Thirdly, depending on whether the registrations are related to assets or processes associated with taxonomy-eligible economic activities, the revenues, CAPEX and OPEX registered on these profit centers is assessed to be eligible or non-eligible and allocated accordingly.

¹ For the purpose of EU Taxonomy reporting, OPEX has been defined as all repair and maintenance expenses, short-term lease and any other direct expenditure relating to the day-to-day servicing of assets.



EU Taxonomy

The denominator for the eligibility KPI's has been defined as:

- Total operating revenue as stated in the Consolidated Income Statement.
- Total CAPEX (additions) as stated in Note 10 *Property, vessels and equipment*, Note 11 *Right-of-Use assets* and Note 12 *Intangible assets* in the Consolidated Financial Statements.
- Total OPEX related to repair and maintenance of eligible and non-eligible assets.

The taxonomy-aligned KPI's are to be calculated as:

- taxonomy-aligned revenue KPI = aligned revenue / total consolidated revenue
- taxonomy-aligned CAPEX KPI (additions) = aligned CAPEX/ total CAPEX
- taxonomy-aligned OPEX KPI (repair and maintenance) = aligned OPEX/total OPEX

Eimskip's process for determining taxonomy-aligned activities (the nominator of the taxonomy KPI's) has been based on screening the identified eligible activities within each of the segments against the technical screening criteria for climate change mitigation.

Eligibility assessment

Several activities of the Group's operations are eligible according to the EU Taxonomy classification system. These classification and activities are:

- 6.6. Freight Transport service by road – *Domestic Land Transport*
- 6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities – *Vessel operation*
- 6.11. Sea and coastal passenger water transport – *Ferry operation*
- 6.16. Infrastructure and enabling low-carbon water transport – *Terminal operation in Iceland and vessel to shore connection*.

These activities can contribute to at least one goal of the EU Taxonomy and were assessed based on the EU environmental objective "climate change mitigation". Buildings were excluded this year since Iceland has not implemented EU (2010/31), that describes energy class of buildings.

Alignment assessment

Eimskip assessed the eligible activities identified against the climate change mitigation criteria. The two following activities passed the criteria of substantial contribution.

- 6.6. Freight Transport service by road – *Domestic Land Transport*
- 6.16. Infrastructure and enabling low-carbon water transport – *Terminal operation in Iceland and vessel to shore connection*.

It should be noted that even if the other eligible activities could not be aligned with climate change mitigation, they passed "Do No Significant Harm" criteria on many accounts.

Summarized results from eligibility and alignment assessment

The following table summarizes the eligibility and alignment assessment:

	Operating revenue	CAPEX	OPEX
Aligned	0%	0%	0%
Eligible	54%	80%	71%
Non-eligible	46%	20%	29%
	100%	100%	100%

Please find further segregation in the attached tables to the EU Taxonomy.

6.6. Freight Transport service by road

Activity 6.6. Freight Transport service by road is the operation of inland transport in several countries. Zero-emission heavy-duty vehicles were estimated in the process. The Company is, currently operating 7 trucks running on green energy (electric and methane). Those trucks meet the substantial contribution criteria on climate change mitigation. However, the trucks proved unable to meet pollution criteria due to tire specification.

Eimskip has selected tires based on both wet grip and fuel efficiency but due to EU Taxonomy requirements tires must rank in two most populated classes for fuel efficiency. This requirement led to most tires currently in use by Eimskip's electric vehicles failing the technical requirements for fuel efficiency and the activities under Transport Services not being considered aligned. It should be noted that in all cases the highest populated class contained relatively few tire types that were not widely available. Furthermore, tires with high wet grip attributes commonly score low on road noise class potentially creating additional challenges in aligning Taxonomy goals and road safety. Eimskip will always adhere to and aim for utmost road safety and prioritize that when selecting vehicle equipment.



EU Taxonomy

6.16 Infrastructure and enabling low-carbon water transport.

Activity 6.16 Infrastructure and enabling low-carbon water transport, is the infrastructure in the terminals in Reykjavík and Reyðarfjörður meets the alignment criteria. This includes the Electric Container Cranes in both terminals and the Vessel to Shore power connection for container vessels that mainly services Bruarfoss and Dettifoss. This operation meets the substantial contribution criteria on climate change mitigation and the eligible activities within the terminals also fulfill the DNSH criteria.

Do No Significant Harm (DNSH)

For the qualifying activities covered by the Taxonomy reporting the Company has evaluated and confirmed compliance to the DNSH criteria for the aligned activity that is Activity 6.16 Infrastructure and enabling low-carbon water transport. The following criteria were addressed, Climate change adaptation, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection and restoration of biodiversity and ecosystems.

Minimum Safeguards

Eimskip and its subsidiaries are committed to conducting business in lawful, honest, and ethical manners. The Company has implemented a Code of Conduct which is mandatory for all employees to read and confirm. Supplier Code of Conduct applies to all suppliers and larger suppliers undergo supplier assessment.

Human rights

Eimskip has a clear human rights policy that states everyone should enjoy equal rights. Eimskip is a registered participant of the UN Global Compact, the United Nation's initiative for social responsibility for human rights, labor, environment, and anti-corruption. With its participation, the Company has committed to managing its business operations so that the UN Global Compact and its Ten Principles are a part of the Company's strategy, culture, and day-to-day operations.

The Company is committed to upholding human rights across various facets of its operations, encompassing both its internal workforce and those within the broader value chain. Our commitment is reflected in multiple policies addressing crucial human rights aspects. The Human Resources Policy comprehensively addresses topics such as human resources, equal opportunities, bullying and harassment, as well as employee wellbeing and safety.

Additionally, human rights considerations are embedded in the Code of Conduct, Supplier Code of Conduct, Anti-Money Laundering and Sanction Policy, and Whistleblower procedure, further underscoring our dedication to ensuring ethical practices and safeguarding human rights throughout our business activities.

In 2024 the focus will be to improve the Human Rights due diligence process to meet the Minimum Due Diligence Standards.²

Corruption

Eimskip has implemented Anti Money Laundering and Sanction Policy and Anti-bribery and corruption Policy is integrated in Code of Conduct. Relevant internal processes and awareness are in place to comply with the policy. The Whistleblower channel is in place to support the Whistleblower policy. These policies are part of employee regular training. Neither the Company nor any senior managers of any subsidiary have been convicted of corruption or bribery.

Taxation

Tax is treated as an important topic of oversight and the company has put in place adequate tax risk management processes. The company is in the process of aligning to the OECD MNE Guidelines covering tax and has the aim to set itself a board approved tax policy during the year 2024. Furthermore, the company has not been found guilty of tax evasion.

Fair competition

Regular training sessions are conducted to cover the key aspects of competition law. The management team has not been convicted of breach of competition laws.

² Eimskip has a Human Rights policy, identified risks and reporting process in place but due to uncertainty regarding requirements of OECD Guidelines for MNE, and criteria laid by the upcoming EU CSDD directive, full compliance with the Minimum Safeguards is not disclosed and therefore the full alignment is not possible at this time. The Company has completed a GAP analysis for Human Rights Due Diligence and outlined a roadmap for necessary actions for full compliance.



Proportion of revenues from services associated with taxonomy-aligned economic activities 2023

Economic Activities	NACE Codes	Absolute revenue (EUR '000)	A. TAXONOMY-ELIGIBLE ACTIVITIES			A.1. Environmentally sustainable activities (Taxonomy-aligned)			A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			B. TAXONOMY-NON-ELIGIBLE ACTIVITIES					
			Proportion of Turnover	%	54%	DNHS criteria ('Do No Significant Harm')	Biodiversity	Circular Economy	Pollution	Water	Climate Change Adaptation	Climate Change Mitigation	Turnover of environmentally sustainable activities (A.1)	Total (A+B)	%	E	T
6.6. Freight Transport service by road	H49.4.1	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	445,825	54%		
6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities	H50.2	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	445,825	54%		
6.11 Sea and coastal passenger water transport	H50.10	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	445,825	54%		
6.16 Infrastructure and enabling low-carbon water transport	H52.22	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	445,825	54%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	445,825	54%	N/A	0%
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)						6.6. Freight Transport service by road	H49.4.1	94,184	11%					94,184	11%		
						6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities	H50.2	H52.22	345,876	42%				345,876	42%		
						6.11 Sea and coastal passenger water transport	H50.10		5,765	1%				5,765	1%		
						6.16 Infrastructure and enabling low-carbon water transport	H52.22		0	0%				0	0%		
Total (A+A.2)						Total (A+B)								445,825	54%		
Turnover of Taxonomy-non-eligible activities						B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								31,706	46%		
Total (A+B)														877,531	100%		

Proportion of CAPEX from services associated with taxonomy-aligned economic activities 2023



Proportion of OPEX from services associated with taxonomy-aligned economic activities 2023

EIMSKIP		Economic Activities	NACE Codes	Proportion of OPEX (EUR '000)	Substantial Contribution Criteria			DNHS criteria ('Do No Significant Harm')			Transitional activity		
					Enabling activity		Minimum Safeguards	Taxonomy aligned proportion of total OPEX year 2022		%	Taxonomy aligned proportion of total OPEX 2023		%
A. TAXONOMY-ELIGIBLE ACTIVITIES				71%									
A.1 Environmentally sustainable activities (Taxonomy-aligned)													
6.6. Freight Transport service by road	H49.4.1	0	0%	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A
6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities	H50.2	0	0%	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A
6.11 Sea and coastal passenger water transport	H52.22	0	0%	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A
6.16 Infrastructure and enabling low-carbon water transport	H50.10	0	0%	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)				0	0%	0%	0%	0%	0%	0%	N/A	N/A	0%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)													
6.6. Freight Transport service by road	H49.4.1	13.606	12%										
6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities	H50.2												
6.11 Sea and coastal passenger water transport	H52.22	65.705	58%										
6.16 Infrastructure and enabling low-carbon water transport	H50.10	730	1%										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)					0	0%							
Total (A.1+A.2)					80,041	71%							
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES													
OPEX of Taxonomy-non-eligible activities					33,227	29%							
Total (A+B)					113,268	100%							





Årsregnskap 2023

Eimskip Norway AS

Resultatregnskap
Balanse
Kontantstrøm
Noter til regnskapet

Org.nr.: 937 019 661

**Resultatregnskap**

Eimskip Norway AS

Driftsinntekter og driftskostnader	Note	2023	2022
Salgsinntekt	1	303 159 435	464 243 559
Sum driftsinntekter		303 159 435	464 243 559
Varekostnad	2	247 329 174	405 152 901
Lønnskostnad	3, 4	27 993 267	28 045 841
Avskrivning av driftsmidler og immaterielle eiendeler	5	1 131 860	1 718 574
Annен driftskostnad	3	17 140 907	13 995 075
Sum driftskostnader		293 595 209	448 912 391
Driftsresultat		9 564 226	15 331 168
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap	6	73 570 000	6 080 000
Renteinntekt fra foretak i samme konsern		1 246 667	225 989
Annен renteinntekt		1 116 594	248 704
Annен finansinntekt	7	1 873 371	4 253 087
Annen rentekostnad		1 012 398	461 177
Annen finanskostnad		2 211 648	3 336 121
Resultat av finansposter		74 582 585	7 010 482
Resultat før skattekostnad		84 146 811	22 341 649
Skattekostnad på resultat	8	2 360 338	3 576 978
Resultat		81 786 473	18 764 671
Årsresultat	9	81 786 473	18 764 671
Overføringer			
Tilleggsutbytte		48 000 000	81 000 000
Avsatt til annen egenkapital		33 786 473	0
Overført fra annen egenkapital		0	62 235 329
Sum overføringer		81 786 473	18 764 671



Balanse

Eimskip Norway AS

Eiendeler	Note	2023	2022
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8	231 228	410 736
Sum immaterielle eiendeler		231 228	410 736
Varige driftsmidler			
Driftsløsøre, inventar o.a. utstyr	5	2 026 570	2 554 585
Sum varige driftsmidler		2 026 570	2 554 585
Finansielle anleggsmidler			
Investeringer i datterselskap	6, 10	41 372 152	41 372 152
Lån til foretak i samme konsern	6, 11	0	25 000 000
Investeringer i tilknyttet selskap	6, 10	28 140 700	28 140 700
Lån til tilknyttet selskap og felles kontrollert virksomhet	6, 12	6 830 926	5 684 000
Investeringer i aksjer og andeler	7	490 000	490 000
Andre langsiktige fordringer	4, 12	1 224 568	813 917
Sum finansielle anleggsmidler		78 058 346	101 500 769
Sum anleggsmidler		80 316 144	104 466 090
Omløpsmidler			
Lager av varer og annen beholdning	2	5 906 582	7 082 314
Fordringer			
Kundefordringer	6, 11	32 804 233	48 198 658
Andre kortsiktige fordringer	11, 12	19 355 158	4 730 632
Sum fordringer	11, 12	52 159 392	52 929 290
Bankinnskudd, kontanter o.l.	13	19 247 995	27 319 956
Sum omløpsmidler		77 313 968	87 331 560
Sum eiendeler		157 630 112	191 797 650

**Balanse**

Eimskip Norway AS

Egenkapital og gjeld	Note	2023	2022
Egenkapital			
Innskutt egenkapital			
Aksjekapital	14	25 800 000	25 800 000
Sum innskutt egenkapital		25 800 000	25 800 000
Oppkjøpt egenkapital			
Oppkjøpt egenkapital			
Annen egenkapital		81 949 627	48 163 154
Sum oppkjøpt egenkapital		81 949 627	48 163 154
Sum egenkapital	9	107 749 627	73 963 154
Gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	11, 12	0	20 000 000
Sum annen langsiktig gjeld		0	20 000 000
Kortsiktig gjeld			
Gjeld til kreditinstitusjoner		158 383	291 245
Leverandørgjeld	6, 11	25 205 079	54 442 526
Betalbar skatt	8	2 180 830	3 559 016
Skyldig offentlige avgifter		3 573 852	2 494 587
Annen kortsiktig gjeld	11	18 762 341	37 047 121
Sum kortsiktig gjeld	11	49 880 485	97 834 496
Sum gjeld		49 880 485	117 834 496
Sum egenkapital og gjeld		157 630 112	191 797 650



Balanse

Eimskip Norway AS
København, 25.01.2024



Bragi Thor Marinsson

styreleder



Vilhelm Mar Thorsteinsson

styremedlem



Hilmar Petur Valgardsson

styremedlem



Lara Konradsdottir

administrerende direktør



Indirekte kontantstrøm

Eimskip Norway AS	Note	2023	2022
Kontantstrømmer fra operasjonelle aktiviteter			
Resultat før skattekostnad		84 146 811	22 341 649
Periodens betalte skatt		-3 559 016	-2 643 896
Ordinære avskrivninger		1 131 860	1 718 574
Endring i varelager		1 175 732	-4 246 761
Endring i kundefordringer		15 394 425	-3 300 674
Endring i leverandørgjeld		-29 237 447	20 726 781
Forskj. kostnadsført pensjon og inn-/utbet. i pensjonsordning		-410 651	-813 917
Endring i andre tidsavgrensningsposter		7 743 784	-9 403 154
Netto kontantstrøm fra operasjonelle aktiviteter		76 385 498	24 378 603
Kontantstrømmer fra investeringsaktiviteter			
Innbetalinger ved salg av varige driftsmidler		0	70 000
Utbetalinger ved kjøp av varige driftsmidler		-603 845	-1 394 703
Innbetalinger ved salg av aksjer og andeler i andre foretak		0	400 200
Utbetalinger ved kjøp av andre investeringer		0	-24 279 378
Netto kontantstrøm fra investeringsaktiviteter		-603 845	-25 203 881
Kontantstrømmer fra finansieringsaktiviteter			
Innbetalinger ved opptak av ny kortsiktig gjeld		0	20 000 000
Utbetalinger ved nedbetaling av langsiktig gjeld		-20 000 000	0
Netto endring kortsiktig mellomværende konsern		-40 853 612	65 865 345
Innbetaling på kortsiktig utlån konsern		25 000 000	0
Utbetalinger av utbytte		-48 000 000	-81 000 000
Netto kontantstrøm fra finansieringsaktiviteter		-83 853 612	4 865 345
Netto endring i kontanter og kontantekvivalenter			
Beh. av kont. og kontantekvivalenter ved per. begynnels		-8 071 959	4 040 067
Beh. av kont. og kontantekvivalenter ved per. slutt		27 319 956	23 279 891
		19 247 996	27 319 957



Noter til årsregnskapet

Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk. Regnskapet er utarbeidet med forutsetning om fortsatt drift.

KONSOLIDERING

Eimskip Norway AS er et datterselskap av Eimskipafelag Islands HF. Konsernspiss utarbeider konsernregnskap etter IFRS hvor det norske underkonsernet inngår i konsolideringen. Eimskip Norway AS er omfattet av unntaksreglene om konsernregnskapsplikt etter regnskapsloven §3-7 og utarbeider derfor ikke konsernregnskap for det norske underkonsernet. Kopi av konsernregnskapet hvor Eimskip Norway AS inngår kan fås ved henvendelse til Eimskip Norway AS.

VALUTA

Transaksjoner i utenlandsk valuta omregnes til kursen på transaksjonstidspunktet. Pengeposter i utenlandsk valuta omregnes til norske kroner ved å benytte balansedagens kurs. Ikke-pengeposter som måles til historisk kurs uttrykt i utenlandsk valuta, omregnes til norske kroner ved å benytte valutakursen på transaksjonstidspunktet. Ikke-pengeposter som måles til virkelig verdi uttrykt i utenlandsk valuta, omregnes til valutakursen fastsatt på måletidspunktet. Valutakursendringer resultatføres løpende i regnskapsperioden under andre finansposter.

INNTEKTER

Inntektsføring ved salg av varer skjer på leveringstidspunktet. Tjenester inntektsføres etter hvert som de leveres.

SKATT

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22 % på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reverseres i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli utnyttet.

LEASING

Det skiller mellom finansiell og operasjonell leasing. Driftsmidler finansiert ved finansiell leasing er regnskapsmessig klassifisert under varige driftsmidler. Motposten er medtatt som langsiktig gjeld. Leiebeløp fordeles mellom rentekostnad og avdrag på gjelden.

Operasjonell leasing kostnadsføres som driftskostnad basert på fakturert leasingleie.

KLASSIFISERING OG VURDERING AV ANLEGGSMIDLER

Anleggsmidler omfatter eiendeler bestemt til varig eie og bruk. Anleggsmidler er vurdert til anskaffelseskost, fratrukket avskrivinger og nedskrivinger. Langsiktig gjeld balanseføres til nominelt beløp på transaksjonstidspunktet.

Varige driftsmidler balanseføres og avskrives over driftsmidlets økonomiske levetid. Vesentlige driftsmidler som består av flere betydelige komponenter med ulik levetid er dekomponert med ulik avskrivningstid for de ulike komponentene. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Varige driftsmidler nedskrives til gjenvinnbart beløp ved verdifall som forventes ikke å være forbigående. Gjenvinnbart beløp er det høyeste av netto salgsverdi og verdi i bruk. Verdi i bruk er nåverdi av fremtidige kontantstrømmer knyttet til eiendelen. Nedskrivingen reverseres når grunnlaget for nedskrivingen ikke



lenger er til stede.

KLASSIFISERING OG VURDERING AV OMLØPSMIDLER

Omløpsmidler og kortsiktig gjeld omfatter normalt poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Omløpsmidler vurderes til laveste verdi av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på transaksjonstidspunktet.

DATTERSELSKAP OG TILKNYTTET SELSKAP

Datterselskap og tilknyttede selskaper vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan forventes å være forbıgående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbryte, konsernbidrag og andre utdelinger fra datterselskap er inntektsført samme år som det er avsatt i givers regnskap. Overstiger utbyttet/konsernbidraget andelen av opptjent resultat etter anskaffelsestidspunktet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen til morselskapet.

VARER

Varer er vurdert til det laveste av anskaffelseskost og netto salgsverdi. Netto salgsverdi er estimert salgspris ved ordinær drift etter fradrag for beregnede nødvendige utgifter for gjennomføring av salget. Anskaffelseskost inkluderer utgifter påløpt ved anskaffelse av varene og kostnader for å bringe varene til nåværende plassering og tilordnes ved bruk av FIFO-prinsippet.

FORDRINGER

Kundefordringer og andre fordringer oppføres til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene. For øvrige kundefordringer utføres en uspesifisert avsetning for å dekke forventet tap på krav.

PENSJONER - YTLESESORDNING

Pensjonsforpliktelser finansiert over driften (ytelsesbaserte pensjonsordninger) vurderes til nåverdi av de fremtidige pensjonsytelser som regnskapsmessig anses opptjent på balansedagen. Pensjonsmidler vurderes til virkelig verdi. Pensjonsordninger finansiert via sikre ordninger er ikke balanseført. Pensjonspremien anses i disse tilfeller som pensjonskostnad og klassifiseres sammen med lønnskostnader.

Pensjonskostnader og pensjonsforpliktelser beregnes etter lineær opptjening, basert på forutsetninger om diskonteringsrente, fremtidig regulering av lønn, pensjoner og yteler fra folketrygden, fremtidig avkastning på pensjonsmidler samt aktuarmessige forutsetninger om dødelighet, frivillig avgang, osv. Ved estimatavvik anvendes en korridorløsning. Estimatavvik som overstiger 10 % av det høyeste av forpliktelse og verdier amortiseres over gjennomsnittlig opptjeningstid. Pensjonsmidler er vurdert til virkelig verdi og fratrukket i netto pensjonsforpliktelser i balansen.

Ved regnskapsføring av pensjon er lineær opptjeningsprofil og forventet sluttlønn som opptjeningsgrunnlag lagt til grunn.

PENSJONER - INNSKUDDSBASERT ORDNING

Kostnaden til innskuddsbasert pensjonsordning tilsvarer periodens premie til forsikringsselskapet.

KONTANTSTRØMOPPSTILLING

Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvile plasseringer.



Note 1 Salgsinntekter

	2023	2022
Pr. Virksomhetsområde		
Leieinntekter	7 815 472	7 158 269
Fraktformidling	265 263 494	421 670 479
Terminaltjenester	8 000 688	7 549 997
Dokumenttjenester	8 074 668	6 975 334
Andre inntekter	12 804 541	20 889 480
Sum	301 958 863	464 243 559
Geografisk fordeling		
Norge	233 695 306	355 228 279
Europa	34 511 527	58 478 719
Øvrige	33 752 030	50 536 561
Sum	301 958 863	464 243 559

Note 2 Varer

	2023	2022
Varelager		
Beholdning bunkers TC-fartøy	5 638 951	7 064 014
Varer for videresalg	267 631	18 300
Sum varelager	5 906 582	7 082 314

Varelageret er bokført til anskaffelseskost.



Note 3 Lønnskostnader og yteler, godtgjørelser til daglig leder, styret og revisor

LØNNSKOSTNADER

	2023	2022
Lønninger	21 546 609	22 590 702
Arbeidsgiveravgift	3 172 429	2 758 327
Pensjonskostnader	2 152 641	1 908 227
Andre yteler	1 121 588	788 585
Sum	27 993 267	28 045 841

Selskapet har i 2023 sysselsatt 39 årsverk.

PENSJONSFORPLIKTELSER

Selskapet er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon. Selskapets pensjonsordninger tilfredsstiller kravene i denne lov.

YTELSER TIL LEDENDE PERSONER

	Administrerende direktør	Styret
Lønn	1 996 357	0
Pensjonskostnader	206 234	0
Annen godtgjørelse	181 471	0
Sum	2 384 062	0

REVISOR

Kostnadsført revisjonshonorar for 2023 utgjør 301 455 eks. mva.

Note 4 Innskuddspensjon

Selskapet har innskuddspensjon som hovedordning for sine ansatte. Selskapet har også en tariffestet førtidspensjonsordning (AFP). AFP ordningen er å anse som en ytelsesbasert flerforetaksordning, men regnskapsføres som en innskuddsordning frem til det foreligger pålitelig og tilstrekkelig informasjon slik at selskapet kan regnskapsføre sin andel av pensjonskostnad, pensjonsforpliktelelse og pensjonsmidler i ordningen.

	2023	2022
Betalt pensjonspremie AFP	213 077	180 582
Betalt pensjonspremie	2 394 691	2 162 163
Ansattes egenfinansiering	-463 685	-434 518
Sum årets pensjonskostnad	2 144 083	1 908 228
 Innskuddsfond	 1 224 568	 813 917



Note 5 Varige driftsmidler

	Driftsløsøre, inventar o.a. utstyr
Anskaffelseskost 01.01.2023	14 515 958
Tilgang kjøpte driftsmidler	603 845
Anskaffelseskost 31.12.2023	15 119 803
Akkumulerte avskrivninger 31.12	13 093 233
Bokført verdi 31.12.2023	2 026 570
Akk. av- og nedskrivninger 01.01.2023	11 961 373
Årets avskrivninger	1 131 860
Akk. av- og nedskrivninger 31.12.2023	13 093 233
Økonomisk levetid	5-10 år
Avskrivningsplan	Lineær

Note 6 Transaksjoner med nærmiljøende parter

Nærstående part	Tilknytning	Eierandel
Marin Eiendom AS	Datterselskap	100 %
Tromsøterminalen AS	Datterselskap	51 %
Eimskip Shipping AS	Datterselskap	100 %
Eimskip UK Ltd	Søsterselskap	100 %
Eimskip Nederland BV	Søsterselskap	100 %
Eimskip Poland SP. Z O.O	Søsterselskap	100 %
Eimskip Holding B.V	Morselskap	100 %
Eimskip Island EHF	Konsernspiss	100 %

Følgende interne transaksjoner har funnet sted i 2023:

	Beløp
Leie av bygg fra Marin Eiendom AS	5 092 697
Management fee fra Eimskip Island EHF	3 786 031
Tjenestekjøp Eimskip UK Ltd	21 658 887
Tjenestekjøp Eimskip Nederland BV	8 864 632
Tjenestekjøp Eimskip Poland SP.Z O.O	3 174 188
Utbytte fra Eimskip Shipping	70 000 000
Utbytte fra Tromsøterminalen AS	3 570 000

Balansen inkluderer følgende beløp som følge av transaksjoner med tilknyttede selskap:

	2023	2022
Kundefordringer	551 972	181 289
Leverandørgjeld	3 351 330	5 147 636
Sum	3 903 302	5 328 925



Note 7 Aksjer og andeler i andre foretak m.v.

	Balanseført verdi
Anleggsmidler	
Nordvest Lagerhotell AS	350 000
Værøy Fryselager AS	105 000
Sortland idretts og fritidspark AS	10 000
Egga Utvikling AS	25 000
Sum	490 000

Note 8 Skatt

Årets skattekostnad	2023	2022
Resultatført skatt på ordinært resultat:		
Betalbar skatt	2 180 830	3 559 016
Endring i utsatt skattefordel	179 508	17 962
Skattekostnad ordinært resultat	2 360 338	3 576 978
 Skattepliktig inntekt:		
Resultat før skatt	84 146 811	22 341 649
Permanente forskjeller	-73 418 001	-6 082 662
Endring i midlertidige forskjeller	-815 947	0
Skattepliktig inntekt	9 912 863	16 258 988
 Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	2 180 830	3 559 016
Sum betalbar skatt i balansen	2 180 830	3 559 016

Skatteeffekten av midlertidige forskjeller som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller

	2023	2022	Endring
Varige driftsmidler	-1 153 085	-1 161 818	-8 733
Fordringer	-849 646	-1 177 991	-328 345
Gevinst – og tapskonto	-272 874	-341 092	-68 218
Pensjonspremie/- forpliktelse	1 224 568	813 917	-410 651
Sum	-1 051 036	-1 866 984	-815 947
 Grunnlag for utsatt skattefordel	-1 051 036	-1 866 984	-815 947
 Utsatt skattefordel (22 %)	-231 228	-410 736	-179 508



Note 9 Egenkapital

	Aksjekapital	Overkurs	Annen Innskutt egenkapital	Annen egenkapital	Sum egenkapital
Pr. 31.12.2022	25 800 000	0	0	48 163 154	73 963 154
Årets resultat				81 786 473	81 786 473
Tilleggsutbytte				-48 000 000	-48 000 000
Pr 31.12.2023	25 800 000	0	0	81 949 627	107 749 627

Note 10 Datterselskap, tilknyttet selskap m.v.

	Kontor	Ervervet	Eier-	Balanseført	Egenkapital	Resultat
			andel	verdi		
DATTERSELSKAP						
Vesterålen Shipping AS	Sortland	19.11.1997	100 %	50 000	5 509 793	1 626 585
Marin Eiendom AS	Sortland	01.01.2003	100 %	108 800	8 860 464	1 061 699
Eimskip Shipping AS	Sortland	07.09.2011	100 %	110 000	26 145 109	12 683 545
Tromsøterminalen AS	Tromsø	15.08.2018	51 %	37 773 352	8 720 427	8 100 688
Kirkenestterminalen AS	Kirkenes	11.08.1997	57 %	3 330 000	10 715 117	1 760 069
Sum				41 372 152	59 950 910	25 232 586
TILKNYTTET SELSKAP						
Tromsøterminalen Eiendom AS	Tromsø	24.11.2017	49 %	28 140 700	59 219 177	-886 467
Sum				28 140 700	59 219 177	-886 467

Investering i datterselskap og tilknyttet selskap vurderes etter kostmetoden i selskapsregnskapet.
Stemmeandel er lik eierandel for alle selskaper.



Note 11 Mellomværende med selskap i samme konsern

	2023	2022
Fordringer		
Kortsiktig lån Tromsøterminalen Eiendom AS	6 830 926	6 404 662
Kortsiktig fordring Kirkenesterminalen AS	0	-538 378
Kortsiktig fordring Tromsøterminalen AS	129 707	0
Kortsiktig fordring Eimskip Nederland BV	0	748 845
Kortsiktig fordring Eimskipfølag Island EHF	9 323 894	25 000 000
Kortsiktig fordring Eimskip Shipping AS	6 144 049	0
Sum	22 428 575	31 615 129
Gjeld		
Kortsiktig gjeld til Eimskip Shipping AS	0	21 813 094
Kortsiktig gjeld Vesterålen Shipping AS	5 710 718	4 560 659
Kortsiktig gjeld Marin Eiendom AS	1 978 766	0
Kortsiktig gjeld Kirkenesterminalen AS	297 497	538 378
Kortsiktig gjeld Eimskipfølag Island EHF	0	4 688 054
Konsernkonto	1 168 248	382 938
Sum	9 155 228	31 983 123

Konsernet har en felles bankkonto for plassering av kortsiktig likviditet. Eimskip Norway AS står som A-kontoinnehaver. Bankinnskudd hos datterselskaper som inngår i ordningen er presentert som bankinnskudd og mellomværende i Eimskip Norway AS.

Note 12 Fordringer og gjeld

	2023
Fordringer med forfall > 1 år	1 224 568
Selskapet har ingen gjeld som er sikret med pant.	

Note 13 Bankinnskudd

Eimskip Norway AS har stillet en skattetrekksgaranti på 2 000 000 som sikrer skattetrekk fra ansatte. Denne er ikke bokført i regnskapet.

Note 14 Aksjonærer

AKSJEKAPITALEN I EIMSKIP NORWAY AS PR. 31.12 BESTÅR AV:

	Antall	Pålydende	Bokført
Ordinære aksjer	21 500	1 200,0	25 800 000
Sum	21 500		25 800 000

EIERSTRUKTUR

De største aksjonærerne i % pr. 31.12 var:

	Ordinære	Eierandel	Stemmeandel
Eimskip Holding BV	21 500	100,0	100,0
EIMSKIP NORWAY AS			SIDE 14



BDO AS
Stakkevollvegen 39 - Kanal Nord
Postboks 290
9253 Tromsø

Uavhengig revisors beretning

Til generalforsamlingen i Eimskip Norway AS

Konklusjon

Vi har revidert årsregnskapet til Eimskip Norway AS.

Årsregnskapet består av:

- Balanse per 31. desember 2023,
- Resultatregnskap 2023
- Kontantstrømoppstilling for regnskapsåret avsluttet per 31. desember 2023
- Noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening:

- Oppfyller årsregnskapet gjeldende lovkrav, og
- Gir årsregnskapet et rettvisende bilde av selskapets finansielle stilling per 31. desember 2023 og av dets resultater og kontantstrømmer for regnskapsåret i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under Revisors oppgaver og plikter ved revisjonen av årsregnskapet. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Annен informasjon

Styret og daglig leder (ledelsen) er ansvarlig for annen informasjon. Annen informasjon består av årsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke annen informasjon.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese annen informasjon. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom annen informasjon og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i annen informasjon ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom annen informasjon fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Konklusjon om årsberetningen

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.



Styret og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgjøre en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:

<https://revisorforeningen.no/revisjonsberetninger>

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BDO AS

Erik Pedersen
statsautorisert revisor
(elektronisk signert)



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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Erik Pedersen

Partner

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EIMSKIP NORWAY AS

Organisasjonsnummer 937 019 661

ÅRSBERETNING FOR REGNSKAPSÅRET 2023

1. Virksomhetens art og lokalisering

Selskapet ble stiftet i 1985 med firmanavn Vesterålen Shipping AS, men endret navn i 1997 til Coldstore & Transport Group AS. Selskapet endret igjen navn til Eimskip-CTG AS i 2006 og til Eimskip Norway AS fra og med 01.01.14. Selskapet utøver shippingvirksomhet samt eier en kjøle- og fryseterminal med forretningskontorer for eget bruk og til utleie. Selskapet har status som morselskap i konsernet. Konsernet har landbasert virksomhet i Kirkenes, Tromsø, Sortland, Ålesund, Åfjord og Fredrikstad.

Eimskip Norway AS inngår i konsernet Eimskipafélag Ísland hf. (Eimskip Group) og faller dermed inn under Eimskip Groups omfattende rapportering. Det henvises derfor til dokumentasjon tilgjengelig på Eimskip Groups nettsider (www.eimskip.com).

2. Fortsatt drift/kommentarer til regnskapet

Eimskip Norways omsetning for 2023 utgjorde 303,159 MNOK med et driftsresultat på 8,578 MNOK. I 2022 omsatte selskapet for 464,234 MNOK med et driftsresultat på 14,896 MNOK. Omsetningen ble redusert med 161,075 MNOK, en reduksjon på 34,7 %. Driftsresultatet ble redusert med 6,318 MNOK, en reduksjon på 42,4 %. Styret er tilfreds med resultatet, som er på linje med et normalår for selskapet.

Vedr. selskapets kontantstrømmer er det mottatt og utdelt utbytter med formål om å redusere mellomregninger og lån i konsernet.

Forutsetningen om fortsatt drift er lagt til grunn for årsregnskapet, da det etter styrets oppfatning ikke er forhold som tilsier noe annet. Årsregnskapet anses å gi en tilfredsstillende beskrivelse av selskapets stilling. Det har ikke inntrådt forhold etter regnskapsåret som er av betydning for bedømmelse av selskapet.

3. Ytre miljø

Selskapet forurensrer ikke det ytre miljø utover det som er tillatt i lover og forskrifter.

4. Arbeidsmiljø

I regnskapsåret har selskapet hatt gjennomsnittlig 39,0 årsverk, inklusive terminalarbeidere. Arbeidsmiljøet i bedriften anses som tilfredsstillende. Selskapet har iverksatt tiltak for å styrke arbeidsmiljøet ved to av våre avdelinger i regnskapsåret. Det har ikke vært skader eller ulykker i regnskapsåret. Samlet sykefravær for morselskapet var 638 dager (7,95%), mot 346 dager (3,94 %) året før.

5. Likestilling

Selskapet har ved regnskapsårets slutt 39 ansatte, hvorav 22 kvinner (56,4 %) og 17 menn (43,6 %). Selskapets adm. direktør er kvinne. Blant avdelingslederne (mellomledernivå) er det 2 kvinner og 2 menn. Selskapets ledelse består dermed av 3 kvinner (60 %) og 2 menn (40 %). Selskapet har etter styrets mening en hensiktsmessig og fornuftig fordeling av kjønn på ulike stillingsnivåer i ulike avdelinger i selskapet, og denne fordelingen har vært stabil over tid.

Styret består av 3 menn (100 %). Styret settes sammen basert på roller til ledende ansatte i Eimskip Group, og i regnskapsåret har disse rollene vært besatt av menn. For å sikre en bedre kjønnsbalanse, har Eimskip Group fremmet forslag om å bytte ut én mann med én kvinne ved valg av styre i første



ordinære generalforsamling i 2024.

Eimskip Group har en HR Policy som dekker kategoriene Human Resources, Human Rights, Equal Opportunities, Bullying and Harassment, Well-Being og Occupational Safety and Security. Medarbeiderundersøkelse gjennomføres årlig, og resultatene av denne viser at de ansatte er tilfredse og at det jobbes godt med likestillingsarbeidet.

Styret har ut fra antall ansatte og stillingskategorier ikke funnet det nødvendig å iverksette spesielle tiltak med hensyn til likestilling.

Styret henviser til Eimskip Groups ESG-rapport, som finnes tilgjengelig på Eimskip Groups nettsider, når det gjelder nærmere redegjørelse for likestillingsarbeidet og resultatene av dette.

6. Samfunnsansvar

Selskapet har iht. regnskapsloven plikt til å utarbeide en redegjørelse om samfunnsansvar som minst omhandler miljø, sosiale forhold, arbeidsmiljø, likestilling og ikke-diskriminering, overholdelse av menneskerettigheter og bekjempelse av korruption og bestikkelsjer. Selskapet har iht. åpenhetsloven plikt til å utføre akt somhetsvurderinger i tråd med OECDs retningslinjer for flernasjonale selskaper. Selskapet har videre plikt til å redegjøre for akt somhetsvurderingene.

Selskapet utarbeider en egen redegjørelse, som tilfredsstiller kravene i både regnskapsloven og åpenhetsloven. Denne redegjørelsen blir offentliggjort årlig, innen utgangen av første halvår, på Eimskip Groups nettsider.

7. Finansiell risiko

Selskapet er eksponert for endringer i valutakurser. Aktuelle valutakurser har variert betydelig i løpet av regnskapsåret. Selskapet har delvis omsetning og betalingsforpliktelser i samme valuta. Dette bidrar til å redusere den totale valutaeksponeringen. Selskapet har ikke inngått terminkontrakter.

Alle lån i konsernet er opptatt i NOK. Tidligere lån i EUR er oppgjort i regnskapsåret. Selskapet/konsernet er eksponert mot endringer i rentenivået, da selskapets/konsernets gjeld har flytende rente. Endringer i rentenivået kan påvirke investeringsmulighetene i fremtiden.

Risiko for at motparter ikke har økonomisk evne til å oppfylle sine forpliktelser anses som lav, da det historisk sett har vært lite tap på fordringer. Det er ikke inngått avtaler om motregning eller andre finansielle instrumenter som minimerer kreditrisikoen i Eimskip Norway AS.

Selskapet vurderer likviditeten i selskapet som god, og det er ikke besluttet å innføre tiltak som endrer likviditetsrisiko. Forfallstidspunkter for kundefordringer opprettholdes, og andre langsiktige fordringer er ikke vurdert reforhandlet eller innløst.

Det er tegnet forsikring for styrets medlemmer og daglig leder for deres mulige ansvar overfor foretaket og tredjepersoner. Forsikringsdekningen er på 10 000 000 USD.

8. Fremtidig utvikling

Selskapet har over de siste årene vokst gjennom bl.a. eierskap i datterselskapet Tromsøterminalen AS (51 %) og det tilknyttede selskapet Tromsøterminalen Eiendom AS (49 %). Begge selskapene leverte hver for seg og samlet tilfredsstillende resultater i 2023, og fremtidig utvikling for disse selskapene ser lovende ut.

Eimskip Norway AS med datterselskaper og tilknyttede selskaper opererer i et marked med normale sesongvariasjoner og tilsvarende variasjoner mellom årene, men har de siste 4-5 årene vist både vilje og evne til å tilpasse seg markedet og levert solide resultater innenfor selskapets ulike

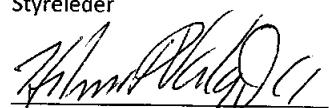


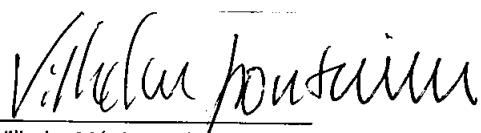
forretningsområder og totalt sett. Selskapet har god kontroll på risikoelementer som tilgjengelighet på fartøy og containere, bunkerspriser, valutakurser og kvoteendringer innen fiskeriene. Selskapet har vist at det kan tilpasse seg i perioder med både pandemi og krig i Europa.

Styret forventer fortsatt god aktivitet i selskapet fremover, men presiserer at det normalt er betydelig usikkerhet knyttet til vurderinger av fremtidige forhold.

København, 25. januar 2024


Bragi Þor Marinósson
Styreleder


Hilmar Pétur Valgarðsson
Styremedlem


Vilhelm Már Þorsteinsson
Styremedlem


Lara Konradsdottir
Adm. direktør