



Eimskipafélag Íslands hf.  
Condensed Consolidated Financial Statements  
1 January to 30 September 2017  
EUR

Eimskipafélag Íslands hf.  
Korngardar 2  
104 Reykjavík  
Iceland

Reg. no. 690409-0460

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# Endorsement and Statement by the Board of Directors and the CEO

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## Operations and significant matters

Eimskip is a leading transportation company in the North Atlantic with connections to international markets and is specialized in worldwide freight forwarding services, with the vision of reaching excellence in transportation solutions and services. Eimskip specializes in shipping, logistics and supply chain management and offers its customers solutions on land, sea and air with special emphasis on the handling and storing of any type of temperature-controlled cargo, frozen or chilled, and dry cargo.

The Annual General Meeting of Eimskip approved on 23 March 2017 a dividend payment to shareholders of ISK 6.80 per share. The total dividend payment amounted to ISK 1,269.1 million or EUR 10.6 million. The payment date was 19 April 2017.

In January 2017, Eimskip acquired 80% of the shares of the forwarding company Mareco N.V. Mareco focuses on logistics services, especially export to West, Central and South Africa from all over the world. In March 2017, Eimskip acquired a 51% share in the container trading company CSI Group LLC. In September 2017, Eimskip acquired 75% of the shares of the Danish forwarding company SHIP-LOG A/S.

In January 2017, Eimskip signed a shipbuilding contract with a Chinese shipbuilding company for the building of two new 2,150 TEU container vessels. The contract price of each vessel is approximately USD 32 million or EUR 27 million. The vessels are expected to be delivered in 2019.

Net earnings for the first nine months of the year 2017 amounted to EUR 13.9 million according to the Consolidated Income Statement. Total equity at 30 September 2017 amounted to EUR 242.7 million according to the Statement of Financial Position.

## Statement by the Board of Directors and the CEO

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

According to the best of our knowledge, it is our opinion that these Condensed Consolidated Interim Financial Statements give a true and fair view of the consolidated financial performance of Eimskip for the nine months ended 30 September 2017, its assets, liabilities and consolidated financial position as at 30 September 2017 and its consolidated cash flows for the nine month period ended 30 September 2017.

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

The Board of Directors and the CEO have today discussed the Condensed Consolidated Interim Financial Statements of Eimskipafélag Íslands hf. for the period 1 January to 30 September 2017 and confirm them by means of their signatures.

Reykjavík, 21 November 2017

### Board of Directors:

Richard Winston Mark d'Abo, Chairman

Víglundur Thorsteinsson

Helga Melkorka Óttarsdóttir

Hrund Rudolfsdóttir

Lárus L. Blöndal

### CEO:

Gylfi Sigfússon

# Consolidated Income Statement

## 1 January to 30 September 2017

	Notes	2017 1.7. - 30.9.	2016 1.7. - 30.9.	2017 1.1. - 30.9.	2016 1.1. - 30.9.
<b>Revenue</b>					
Operating revenue .....	5	177,019	134,070	497,015	373,425
<b>Expenses</b>					
Operating expenses .....		124,637	86,427	351,402	244,318
Salaries and related expenses .....		33,095	29,883	100,313	85,537
	5	157,732	116,310	451,715	329,855
<b>Operating profit, EBITDA</b> .....		19,287	17,760	45,300	43,570
Depreciation and amortization .....		( 7,561)	( 6,917)	( 22,417)	( 20,079)
<b>Results from operating activities, EBIT</b> .....		11,726	10,843	22,883	23,491
Finance income .....		3	141	589	774
Finance expense .....		( 1,090)	( 972)	( 3,426)	( 2,641)
Net foreign currency exchange (loss) gain .....		( 563)	462	( 3,159)	839
Net finance expense .....	6	( 1,650)	( 369)	( 5,996)	( 1,028)
Share of (loss) earnings of associated companies .....		( 20)	196	( 193)	411
<b>Net earnings before income tax</b> .....		10,056	10,670	16,694	22,874
Income tax .....		( 1,264)	( 1,289)	( 2,775)	( 2,893)
<b>Net earnings for the period</b> .....		8,792	9,381	13,919	19,981
<b>Net earnings for the period attributable to:</b>					
Equity holders of the Company .....		8,622	9,152	13,681	19,703
Non-controlling interest .....		170	229	238	278
		8,792	9,381	13,919	19,981
<b>Earnings per share:</b>					
Basic and diluted earnings per share (EUR per share) .....	7	0.0462	0.0490	0.0733	0.1056

The notes on pages 10 to 14 are an integral part of these Condensed Consolidated Interim Financial Statements.

# Consolidated Statement of Comprehensive Income

## 1 January to 30 September 2017

	Notes	2017 1.7. - 30.9.	2016 1.7. - 30.9.	2017 1.1. - 30.9.	2016 1.1. - 30.9.
Net earnings for the period .....		8,792	9,381	13,919	19,981
<b>Other comprehensive income:</b>					
<b>Items that are or may subsequently be reclassified to the income statement</b>					
Foreign currency translation difference of foreign operations .....	(	1,379)	766	( 4,504)	677
Effective portion of changes in fair value of cash flow hedges, net of income tax .....		43	0	( 30)	0
Total comprehensive income for the period .....		7,456	10,147	9,385	20,658
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the Company .....		7,295	9,973	9,361	20,404
Non-controlling interest .....		161	174	24	254
		7,456	10,147	9,385	20,658

The notes on pages 10 to 14 are an integral part of these Condensed Consolidated Interim Financial Statements.

# Consolidated Statement of Financial Position

## as at 30 September 2017

	Notes	30.9.2017	31.12.2016	
<b>Assets:</b>				
Property, vessels and equipment .....		222,662	202,912	
Intangible assets .....		63,231	41,558	
Investment in associated companies .....		2,600	2,871	
Unlisted shares .....		379	271	
Deferred tax assets .....		5,589	5,644	
Total non-current assets		294,461	253,256	
Inventories .....		3,311	2,281	
Trade and other receivables .....	8	123,346	96,611	
Cash and cash equivalents .....		24,545	39,543	
Total current assets		151,202	138,435	
Total assets		445,663	391,691	
<b>Equity:</b>				
Share capital .....		1,165	1,165	
Share premium .....		154,726	154,726	
Translation reserve .....	(	4,352)	(	62)
Hedging reserve .....	(	30)	(	0)
Undistributed profits .....		20,305	9,866	
Retained earnings .....		66,382	73,725	
Total equity attributable to equity holders of the parent company		238,196	239,420	
Non-controlling interest .....		4,507	4,355	
Total equity		242,703	243,775	
<b>Liabilities:</b>				
Loans and borrowings .....	9	94,777	62,105	
Other long-term liabilities .....	12	4,802	0	
Deferred tax liability .....		2,007	2,351	
Total non-current liabilities		101,586	64,456	
Loans and borrowings .....	9	18,183	19,044	
Trade and other payables .....	10	83,191	64,416	
Total current liabilities		101,374	83,460	
Total liabilities		202,960	147,916	
Total equity and liabilities		445,663	391,691	

The notes on pages 10 to 14 are an integral part of these Condensed Consolidated Interim Financial Statements.

# Consolidated Statement of Changes in Equity

## 1 January to 30 September 2017

	Attributable to equity holders of the Company							Non-controlling interest	Total equity
	Share capital	Share premium	Translation reserve	Hedging reserve	Un-distributed profits	Retained earnings	Total		
<b>Changes in Equity 1 January to 30 September 2016:</b>									
Equity at 1 January 2016 .....	1,165	154,726	( 2,289)	0	0	70,781	224,383	3,741	228,124
Dividend paid (0.0461 EUR per share) .....						( 8,610)	( 8,610)		( 8,610)
Changes in non-controlling interest .....							0	( 111)	( 111)
Total comprehensive income for the period .....			701		20,600	( 897)	20,404	254	20,658
Equity at 30 September 2016 .....	1,165	154,726	( 1,588)	0	20,600	61,274	236,177	3,884	240,061
<b>Changes in Equity 1 January to 30 September 2017:</b>									
Equity at 1 January 2017 .....	1,165	154,726	( 62)	0	9,866	73,725	239,420	4,355	243,775
Dividend paid (0.0717 EUR per share) .....						( 10,585)	( 10,585)		( 10,585)
Acquisition of subsidiaries with non-controlling interest .....							0	390	390
Other changes in non-controlling interest .....							0	( 262)	( 262)
Total comprehensive income for the period .....			( 4,290)	( 30)		13,681	9,361	24	9,385
Profit of subsidiaries net of dividend received .....					10,439	( 10,439)	0		0
Equity at 30 September 2017 .....	1,165	154,726	( 4,352)	( 30)	20,305	66,382	238,196	4,507	242,703

The notes on pages 10 to 14 are an integral part of these Condensed Consolidated Interim Financial Statements.



# Consolidated Statement of Cash Flows

## 1 January to 30 September 2017

	Notes	2017 1.7. - 30.9.	2016 1.7. - 30.9.	2017 1.1. - 30.9.	2016 1.1. - 30.9.
<b>Cash flows from operating activities:</b>					
Net earnings for the period .....		8,792	9,381	13,919	19,981
Adjustments for:					
Depreciation and amortization .....		7,561	6,917	22,417	20,079
Net finance expense .....	6	1,650	369	5,996	1,028
Share of loss (earnings) of associated companies .....		20	( 196)	193	( 411)
Change in deferred taxes .....		( 19)	904	( 399)	1,215
Other changes .....		( 124)	( 111)	( 617)	( 694)
		17,880	17,264	41,509	41,198
Changes in current assets and liabilities:					
Inventories, change .....		( 211)	( 38)	( 509)	26
Receivables, change .....		( 12,806)	( 6,445)	( 18,023)	( 8,891)
Payables, change .....		4,030	( 4,175)	7,688	4,075
Change in current assets and liabilities		( 8,987)	( 10,658)	( 10,844)	( 4,790)
Interest paid .....		( 1,042)	( 870)	( 3,224)	( 2,333)
Interest received .....		140	162	261	405
Taxes paid .....		( 322)	( 67)	( 878)	( 298)
Net cash provided by operating activities		7,669	5,831	26,824	34,182
<b>Cash flows used in investing activities:</b>					
Acquisition of property, vessels and equipment .....		( 8,938)	( 6,257)	( 33,701)	( 22,190)
Acquisition of intangible assets .....		( 1,068)	( 1,185)	( 2,957)	( 2,563)
Proceeds from the sale of property and equipment .....		116	191	3,218	2,755
Dividend received .....		0	79	0	79
Investment in subsidiaries net of cash acquired .....		0	0	( 16,347)	558
Investment in unlisted shares .....		( 75)	( 53)	( 229)	( 104)
Net cash used in investing activities		( 9,965)	( 7,225)	( 50,016)	( 21,465)
<b>Cash flows from financing activities:</b>					
Dividend paid to equity holders of the Company .....		0	0	( 10,585)	( 8,610)
Dividend paid to minority interest .....		( 100)	( 14)	( 1,269)	( 111)
Proceeds from non-current loans and borrowings .....		401	2,035	31,122	13,158
Repayment of non-current loans and borrowings .....		( 3,901)	( 3,234)	( 10,099)	( 7,892)
Short term borrowings, change .....		( 5,782)	0	0	0
Net cash (used in) provided by financing activities		( 9,382)	( 1,213)	9,169	( 3,455)
Changes in cash and cash equivalents .....		( 11,678)	( 2,607)	( 14,023)	9,262
Cash and cash equivalents at the beginning of the period .....		36,608	47,463	39,543	35,983
Effects of exchange rate fluctuations on cash held .....		( 385)	266	( 975)	( 123)
<b>Cash and cash equivalents at the end of the period .....</b>		<b>24,545</b>	<b>45,122</b>	<b>24,545</b>	<b>45,122</b>
<b>Investing and financing activities not affecting cash flows:</b>					
Acquisition of property and equipment .....	9	( 9,260)	( 1,122)	( 9,939)	( 1,343)
Proceeds from non-current loans and borrowings .....		9,260	1,122	9,939	1,343

The notes on pages 10 to 14 are an integral part of these Condensed Consolidated Interim Financial Statements.

# Notes to the Consolidated Financial Statements

## 1. Reporting entity

Eimskipafélag Íslands hf. (the "Company" or the "Parent Company") is a public limited liability company domiciled in Iceland. The address of the Company's registered office is Korngardar 2, 104 Reykjavík. The Condensed Consolidated Interim Financial Statements of the Company for the period 1 January to 30 September 2017 comprise the Company and its subsidiaries (together referred to as "Eimskip" or the "Group"). The Parent Company is an investment company focused on investments in shipping and logistics services. The Company's shares are listed at Nasdaq Iceland.

## 2. Basis of preparation

### a. Statement of compliance

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

The Condensed Consolidated Interim Financial Statements do not include all of the information required for a complete set of consolidated annual financial statements and should be read in conjunction with the Consolidated Financial Statements of the Company as at and for the year ended 31 December 2016, which is available on the Company's website, [www.eimskip.is](http://www.eimskip.is), and in the company news release distribution network of Nasdaq Nordic.

The Condensed Consolidated Interim Financial Statements were approved and authorized for issue by the Company's Board of Directors on 21 November 2017.

### 3. Significant accounting policies

The accounting policies have been applied consistently to all periods presented in these Condensed Consolidated Interim Financial Statements for the nine month period ended 30 September 2017, and have been applied consistently by Group entities.

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

### 4. Use of estimates and judgements

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

In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements as at and for the year ended 31 December 2016.

## 5. Segment reporting

### Business segments

	Liner services	Forwarding services	Consoli- dated
<b>1 January to 30 September 2017</b>			
Revenue, external .....	321,729	175,286	497,015
Inter-segment revenue .....	29,965	39,661	69,626
Total .....	351,694	214,947	566,641
Expenses, external .....	( 281,247)	( 170,468)	( 451,715)
Inter-segment expense .....	( 39,661)	( 29,965)	( 69,626)
<b>EBITDA</b> .....	30,786	14,514	45,300
Depreciation and amortization .....	( 21,067)	( 1,350)	( 22,417)
<b>EBIT</b> .....	9,719	13,164	22,883
Net finance expense .....	( 4,957)	( 1,039)	( 5,996)
Share of loss of associated companies .....	( 16)	( 177)	( 193)
Income tax .....	418	( 3,193)	( 2,775)
Net earnings for the period .....	5,164	8,755	13,919

## Notes

	<b>Liner services</b>	<b>Forwarding services</b>	<b>Consoli- dated</b>
<b>5. Segment reporting, continued</b>			
<b>1 January to 30 September 2016</b>			
Revenue, external .....	278,562	94,863	373,425
Inter-segment revenue .....	23,503	33,098	56,601
Total .....	302,065	127,961	430,026
Expenses, external .....	( 234,297)	( 95,558)	( 329,855)
Inter-segment expense .....	( 33,098)	( 23,503)	( 56,601)
<b>EBITDA</b> .....	34,670	8,900	43,570
Depreciation and amortization .....	( 18,994)	( 1,085)	( 20,079)
<b>EBIT</b> .....	15,676	7,815	23,491
Net finance expense .....	( 970)	( 58)	( 1,028)
Share of earnings of associated companies .....	335	76	411
Income tax .....	( 1,015)	( 1,878)	( 2,893)
Net earnings for the period .....	14,026	5,955	19,981
<b>Information on assets and liabilities</b>			
Segment assets as at 30 September 2017 .....	359,190	86,473	445,663
Segment assets as at 31 December 2016 .....	328,353	63,338	391,691
Segment liabilities as at 30 September 2017 .....	159,968	42,992	202,960
Segment liabilities as at 31 December 2016 .....	119,723	28,193	147,916
Capital expenditure for the period 1 January to 30 September 2017 .....	44,475	2,122	46,597
Capital expenditure for the period 1 January to 30 September 2016 .....	25,517	579	26,096
<b>Geographical segments</b>			
In presenting information on the basis of geographical segments, segment revenue and assets are based on the geographical location of assets.			
	<b>North Atlantic</b>	<b>Other territories</b>	<b>Consoli- dated</b>
Revenue, external for the period 1 January to 30 September 2017 .....	465,891	31,124	497,015
Revenue, external for the period 1 January to 30 September 2016 .....	345,413	28,012	373,425
Geographical location of assets as at 30 September 2017 .....	431,880	13,783	445,663
Geographical location of assets as at 31 December 2016 .....	375,808	15,883	391,691
Capital expenditure for the period 1 January to 30 September 2017 .....	46,593	4	46,597
Capital expenditure for the period 1 January to 30 September 2016 .....	26,070	26	26,096

## Notes

6. Finance income and expense	2017		2016	
	1.7. - 30.9.	1.7. - 30.9.	1.1. - 30.9.	1.1. - 30.9.
Finance income is specified as follows:				
Interest income .....	( 16)	134	500	690
Dividend received .....	19	7	89	84
Finance income .....	3	141	589	774
Finance expense is specified as follows:				
Interest on long-term loans .....	( 872)	( 772)	( 2,590)	( 2,030)
Other finance expense .....	( 218)	( 200)	( 836)	( 611)
Finance expense .....	( 1,090)	( 972)	( 3,426)	( 2,641)
Net foreign currency exchange (loss) gain .....	( 563)	462	( 3,159)	839
Net finance expense .....	( 1,650)	( 369)	( 5,996)	( 1,028)

## 7. Earnings per share

### Basic and diluted earnings per share

The calculation of basic earnings per share was based on earnings attributable to shareholders and a weighted average number of shares outstanding during the period. Diluted earnings per share is equal to earnings per share whereas Eimskip has neither issued convertible bonds nor granted stock options. Calculations are as follows:

	2017		2016	
	1.7. - 30.9.	1.7. - 30.9.	1.1. - 30.9.	1.1. - 30.9.
Net earnings attributable to equity holders of the Company ....	8,622	9,152	13,681	19,703
Number of issued shares at 1 January .....	200,000	200,000	200,000	200,000
Effect of treasury shares .....	( 13,361)	( 13,361)	( 13,361)	( 13,361)
Weighted average number of outstanding shares .....	186,639	186,639	186,639	186,639
Basic and diluted earnings per share (EUR) .....	0.0462	0.0490	0.0733	0.1056

## 8. Trade and other receivables

Trade and other receivables are specified as follows:

	30.9.2017	31.12.2016
Trade receivables .....	109,185	84,961
Restricted cash .....	2,632	3,119
Other receivables .....	11,529	8,531
Trade and other receivables total .....	123,346	96,611

## 9. Loans and borrowings

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

Loans and borrowings consist of the following:

	30.9.2017	31.12.2016
Secured bank loans .....	98,967	73,831
Finance lease liabilities .....	13,911	7,187
Bank overdraft and short term borrowing .....	82	131
Total loans and borrowings .....	112,960	81,149
Current maturities of secured bank loans .....	( 15,617)	( 15,653)
Finance lease liabilities payable within one year .....	( 2,484)	( 3,260)
Bank overdraft and short term borrowing .....	( 82)	( 131)
Current loans and borrowings .....	( 18,183)	( 19,044)
Non-current loans and borrowings .....	94,777	62,105

## Notes

### 9. Loans and borrowings, continued

The loan agreements of Eimskip contain restrictive covenants. At the end of September 2017 and at the year-end 2016 Eimskip complied with all restrictive covenants.

#### Secured bank loans

Secured bank loans are payable as follows:

	30.9.2017		31.12.2016	
	Nominal interest	Carrying amount	Nominal interest	Carrying amount
Loans in EUR .....	2.6%	79,312	2.9%	52,496
Loans in USD .....	3.9%	7,433	3.5%	9,250
Loans in ISK .....	6.1%	10,285	7.0%	10,384
Loans in other currencies .....	-	1,937	-	1,701
Total secured bank loans .....		98,967		73,831

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

	30.9.2017	31.12.2016
On demand or within 12 months .....	15,617	15,653
12 - 24 months .....	45,875	16,493
24 - 36 months .....	4,475	5,446
36 - 48 months .....	5,519	3,986
48 - 60 months .....	3,833	5,393
After 60 months .....	23,648	26,860
Total secured bank loans .....	98,967	73,831

#### Finance lease liabilities

Finance lease liabilities are payable as follows:

	30.9.2017		31.12.2016	
	Minimum lease payments	Principal	Minimum lease payments	Principal
Less than one year .....	2,658	2,484	3,631	3,260
Between one and five years .....	12,226	11,427	4,241	3,821
More than five years .....	0	0	110	106
Total .....	14,884	13,911	7,982	7,187

### 10. Trade and other payables

Trade and other payables are attributable to the following:

	30.9.2017	31.12.2016
Trade payables .....	44,948	37,530
Income tax payable .....	1,365	1,068
Other payables .....	36,878	25,818
Total .....	83,191	64,416

### 11. Capital commitments

In January 2017, Eimskip signed a shipbuilding contract with a Chinese shipbuilding company for the building of two new 2,150 TEU container vessels. The contract price of each vessel is approximately USD 32 million or EUR 27 million. The vessels are expected to be delivered in 2019. The payment profile of the vessels is that 40% of the contract price is paid during the building period and 60% upon delivery. As of the end of the quarter, USD 12.8 million or EUR 11.7 million has been paid towards the agreements and capitalized as property, vessels and equipment. In April 2017, Eimskip secured the financing of the vessel buildings with a German bank, KfW IPEX Bank GmbH, for 80% of the contract price with a 15 year term.

# Notes

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## 12. Group entities

At period-end the Company owned directly ten subsidiaries that are all included in the consolidation. In January 2017, Eimskip acquired 80% of the shares of the forwarding company Mareco N.V. In March 2017, Eimskip acquired a 51% share in the container trading company CSI Group LLC. In September 2017 Eimskip acquired a 75% share of the forwarding company SHIP-LOG A/S. The acquired companies are included in the Condensed Consolidated Interim Financial Statements. The direct subsidiaries owned 60 subsidiaries at period-end. The Company holds the majority of voting power in all of its subsidiaries. Assets, liabilities, revenues and expenses in Consolidated Financial Statements that include a non-controlling interest are immaterial to the Group.

The Group's direct subsidiaries are as follows:

	<b>Country of incorporation</b>	<b>Ownership Interest</b>	<b>Ownership Interest</b>
		<b>30.9.2017</b>	<b>31.12.2016</b>
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. ....	Netherlands	100%	100%
Eimskip Asia B.V. ....	Netherlands	80%	100%
P/f Skipafélagid Føroyar ....	Faroe Islands	100%	100%
Harbour Grace CS Inc. ....	Canada	51%	51%
Eimskip REIT ehf. ....	Iceland	100%	100%
Sæferdir ehf. ....	Iceland	100%	100%

As a result of a preliminary purchase price allocation for acquisition in subsidiaries, Eimskip has recognized in the statement of financial position, a financial liability 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 will subsequently be 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.

## 13. Other matters

Eimskipafélag Íslands hf. and its subsidiaries, Eimskip Ísland ehf. and TVG-Zimsen ehf., have been under investigation of the Icelandic Competition Authority since 10 September 2013. At this point the subject matter of the investigation is not known and any elaboration on the potential outcome of the investigation is premature. The investigation has had no effect on the Company's Financial Statements. For further information, see note 23 in the Company's Consolidated Financial Statements 2014.

## 14. Subsequent events

There are no subsequent events to report.

## Quarterly statements

<b>Year 2017</b>	<b>Q1 2017</b>	<b>Q2 2017</b>	<b>Q3 2017</b>		
<b>Revenue</b> .....	146,936	173,060	177,019		
<b>Expenses</b> .....	137,626	156,357	157,732		
<b>Operating profit, EBITDA</b> .....	9,310	16,703	19,287		
Depreciation and amortization .....	( 7,371)	( 7,485)	( 7,561)		
<b>Results from operating activities, EBIT</b> .....	1,939	9,218	11,726		
<b>Net finance expense</b> .....	( 1,510)	( 2,836)	( 1,650)		
Share of loss of associated companies .....	( 108)	( 65)	( 20)		
<b>Net earnings before income tax</b> .....	321	6,317	10,056		
Income tax .....	( 128)	( 1,383)	( 1,264)		
<b>Net earnings</b> .....	193	4,934	8,792		
<b>Year 2016</b>	<b>Q1 2016</b>	<b>Q2 2016</b>	<b>Q3 2016</b>	<b>Q4 2016</b>	<b>2016</b>
<b>Revenue</b> .....	113,253	126,102	134,070	140,497	513,922
<b>Expenses</b> .....	103,621	109,924	116,310	130,592	460,447
<b>Operating profit, EBITDA</b> .....	9,632	16,178	17,760	9,905	53,475
Depreciation and amortization .....	( 6,365)	( 6,797)	( 6,917)	( 7,998)	( 28,077)
<b>Results from operating activities, EBIT</b> .....	3,267	9,381	10,843	1,907	25,398
<b>Net finance (expense) income</b> .....	( 1,365)	706	( 369)	683	( 345)
Share of earnings (loss) of associated companies .....	100	115	196	( 201)	210
<b>Net earnings before income tax</b> .....	2,002	10,202	10,670	2,389	25,263
Income tax .....	( 157)	( 1,447)	( 1,289)	( 475)	( 3,368)
<b>Net earnings</b> .....	1,845	8,755	9,381	1,914	21,895