



2017 WAS A YEAR OF GROWTH FOR EIMSKIP

2017 and Q4 - 23 February 2018 | EBITDA forecast for 2018 EUR 60 to 65 million

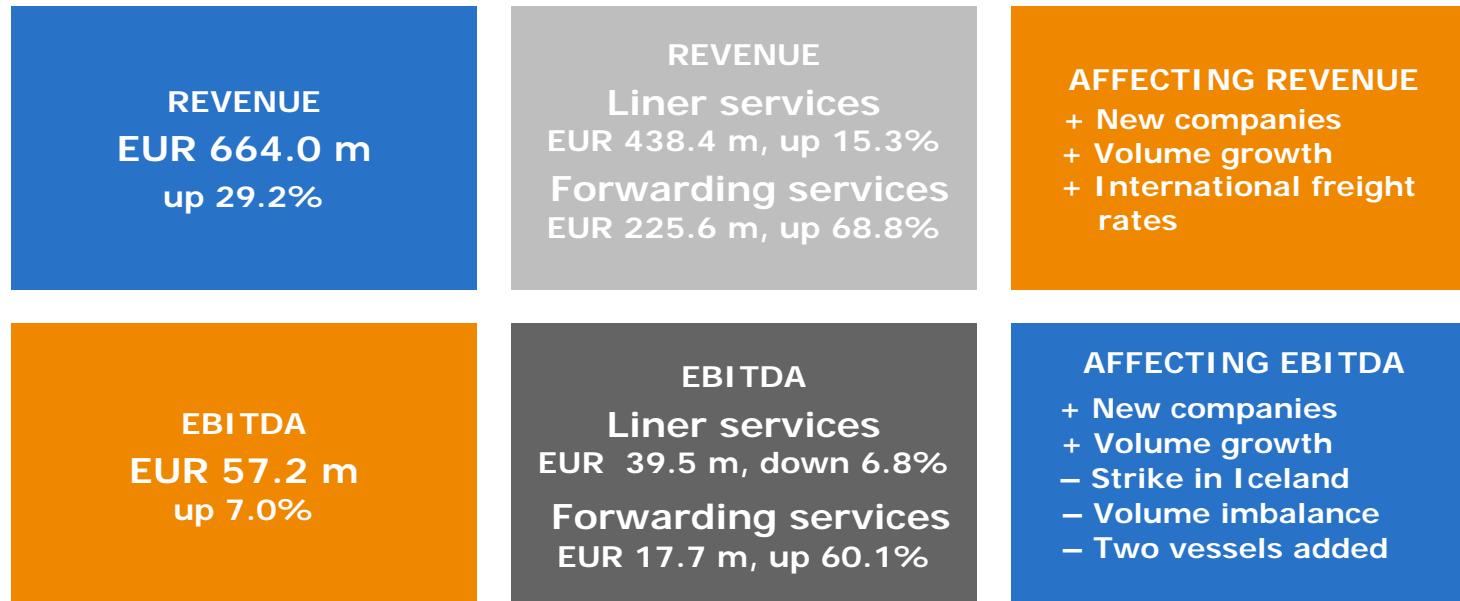




HIGHLIGHTS

KEY HIGHLIGHTS FOR 2017

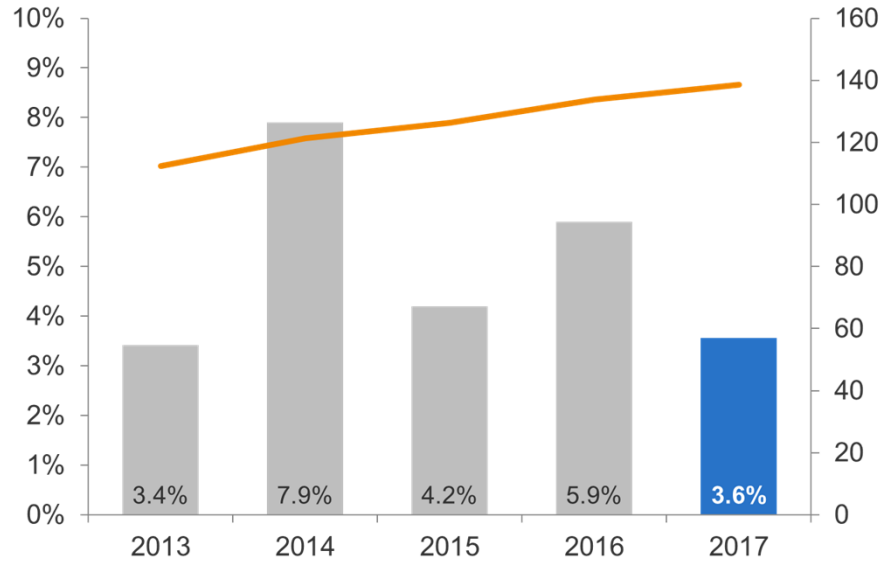
2017 compared to 2016



TRANSPORTED VOLUME 2013 TO 2017

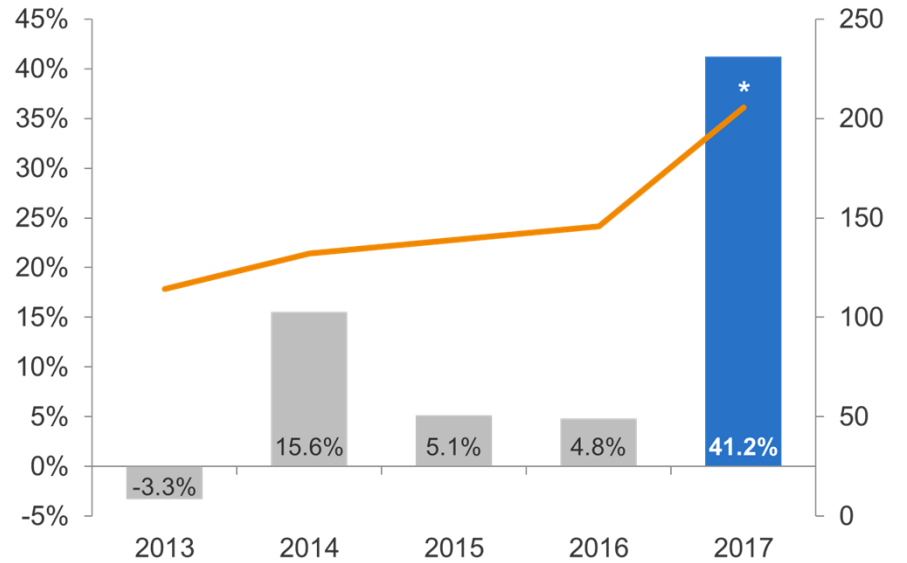
CAGR 5.4% for liner services and 15.8% for forwarding services

LINER SERVICES



Volume index: 2010 volume at 100

FORWARDING SERVICES



* New acquisitions account for 29.2% and organic growth 12.0%

KEY HIGHLIGHTS FOR Q4 2017

Q4 2017 compared to Q4 2016

REVENUE
EUR 175.9 m
up 25.2%

REVENUE
Liner services
EUR 116.7 m, up 14.7%
Forwarding services
EUR 59.2 m, up 52.7%

AFFECTING REVENUE
+ New companies
+ Volume growth

EBITDA
EUR 11.9 m
up 20.1%

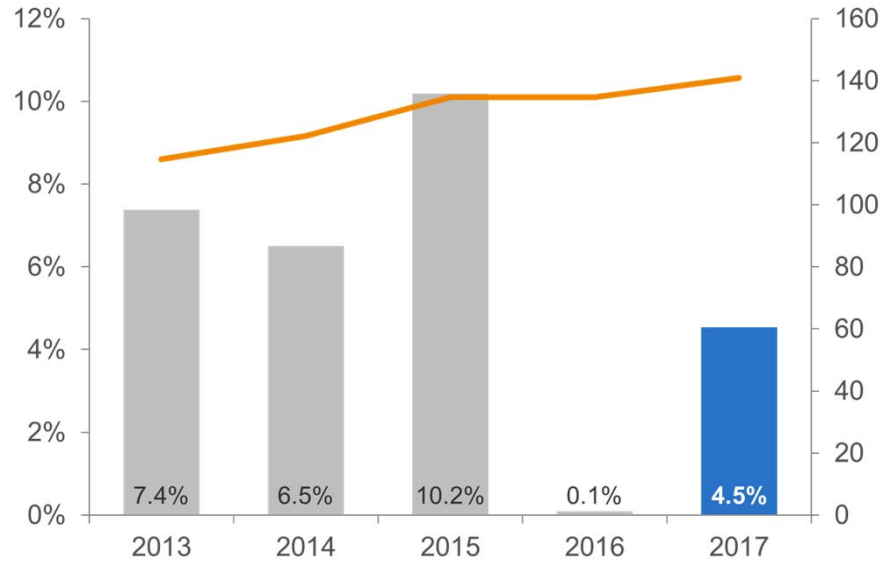
EBITDA
Liner services
EUR 8.8 m, up 12.6%
Forwarding services
EUR 3.1 m, up 47.5%

AFFECTING EBITDA
+ Volume growth
+ New companies
+ Non-recurring revenue
– One vessel added
– Export volume down

TRANSPORTED VOLUME IN Q4 2013 TO 2017

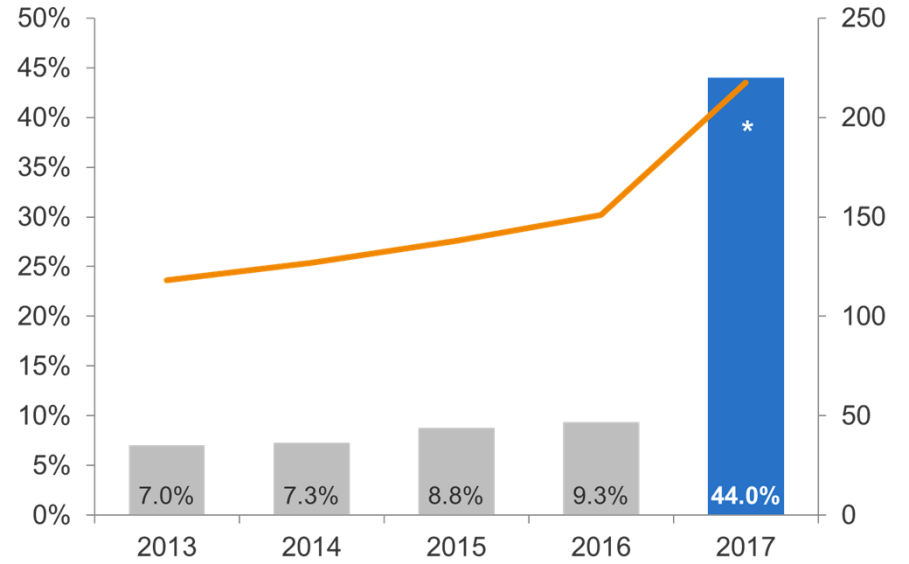
CAGR 5.3% for liner services and 16.4% for forwarding services

LINER SERVICES Q4



Volume index: 2010 volume at 100

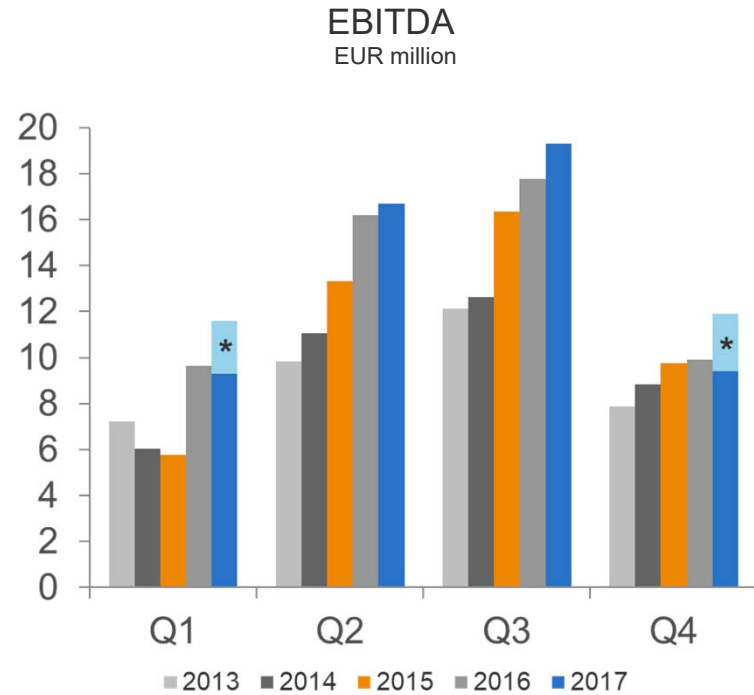
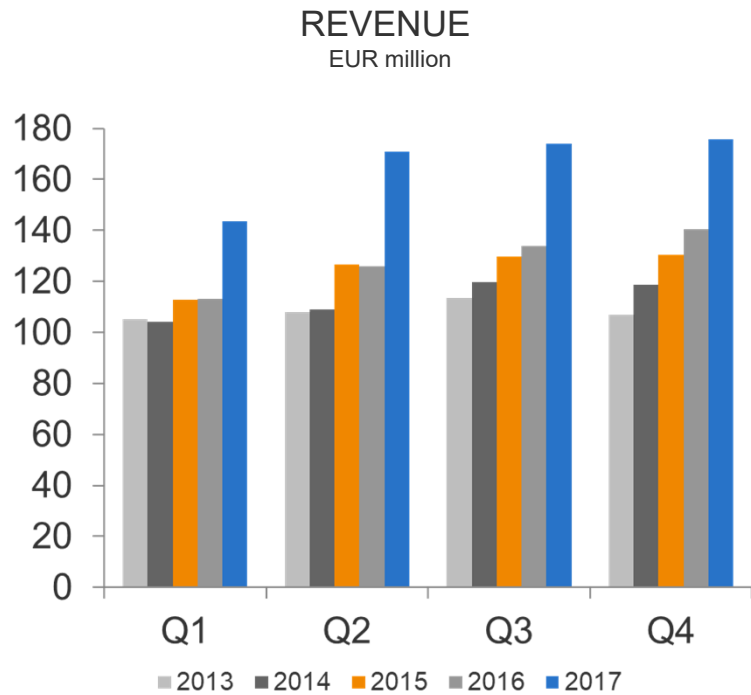
FORWARDING SERVICES Q4



* New acquisitions account for 25.2% and organic growth 18.8%

REVENUE AND EBITDA 2013 TO 2017 BY QUARTER

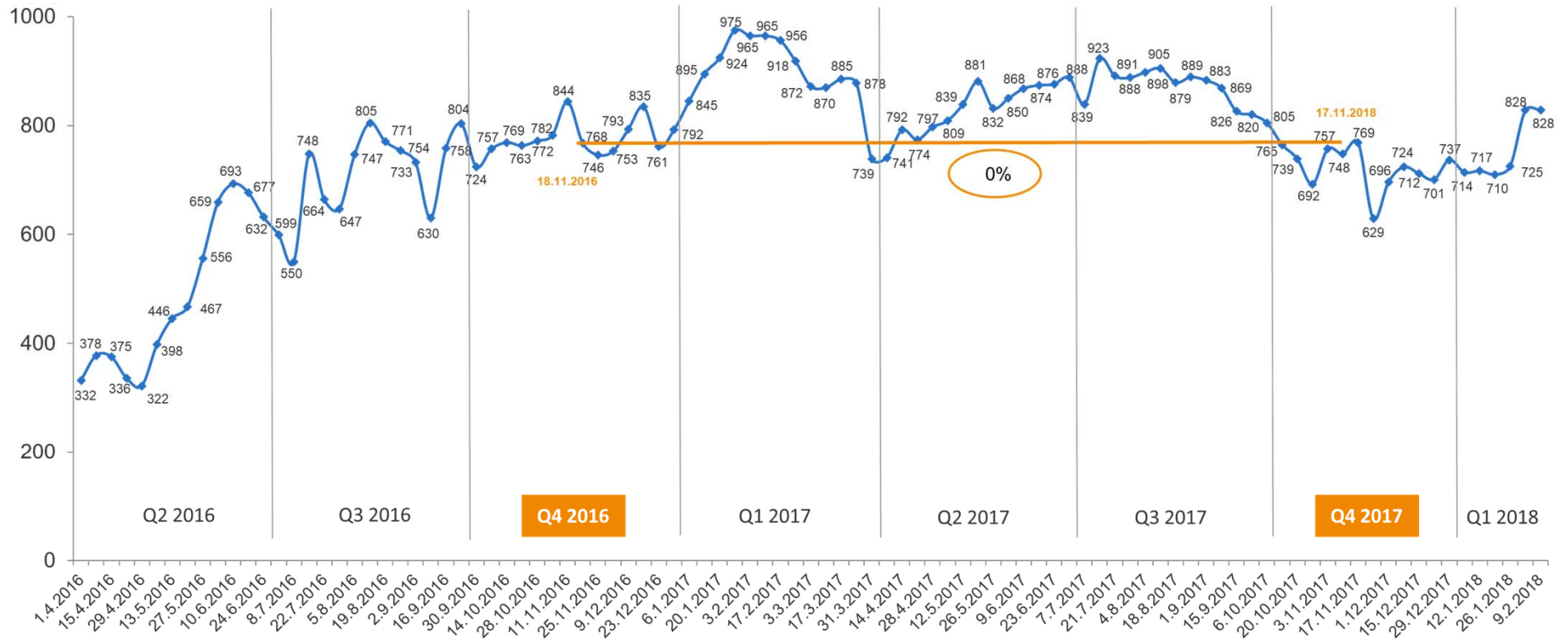
Revenue and EBITDA in 2017 outperform the previous years



* Add-back of EUR 2.3 million non-recurring charges in Q1 2017 is offset by a EUR 2.5 million non-recurring revenue item in Q4 2017

CHINA FORWARDERS FREIGHT INDEX

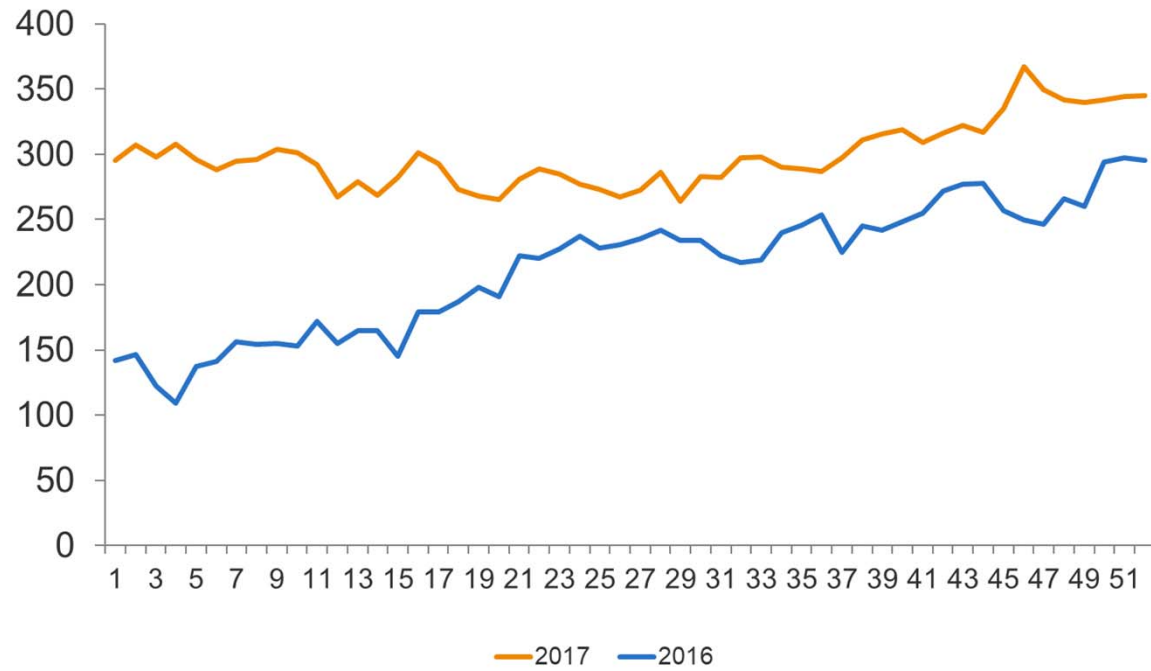
China - Europe



Source: www.shippingchina.com

BUNKER PRICE DEVELOPMENT

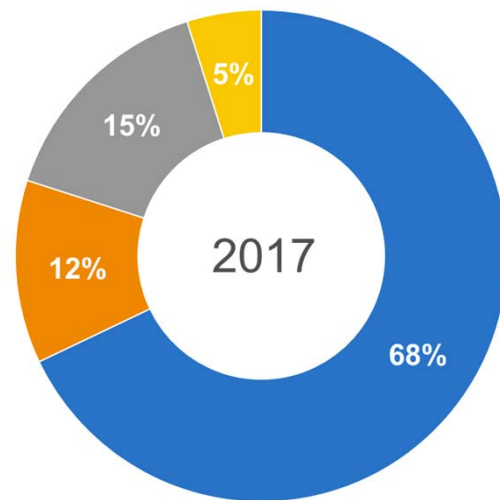
Average fuel price in 2017 approximately 40% up from 2016



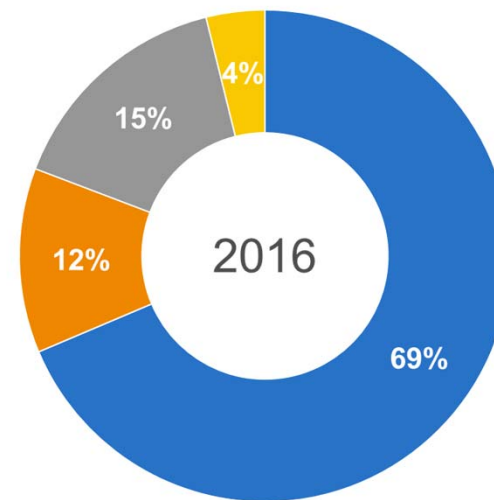
Rotterdam heavy fuel price in USD

LINER SERVICES VOLUME

Iceland, Faroe Islands, Norway and Trans-Atlantic



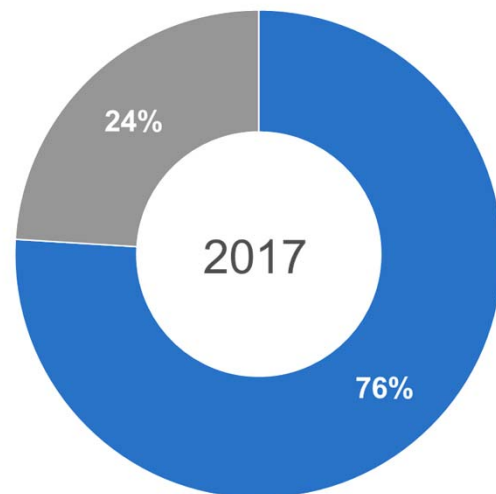
■ Iceland ■ Faroe Islands ■ Norway ■ Trans-Atlantic



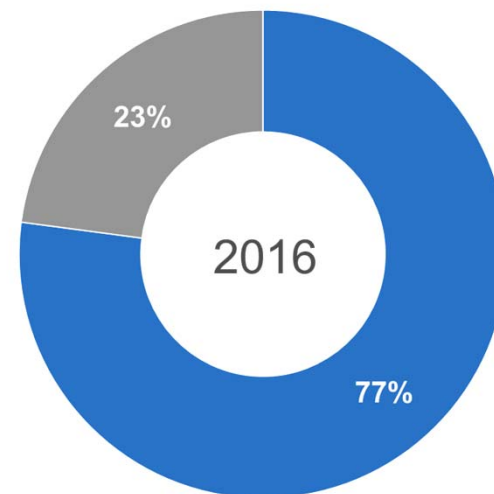
■ Iceland ■ Faroe Islands ■ Norway ■ Trans-Atlantic

FORWARDING SERVICES VOLUME

Reefer and dry cargo forwarding



■ Reeper ■ Dry



■ Reeper ■ Dry

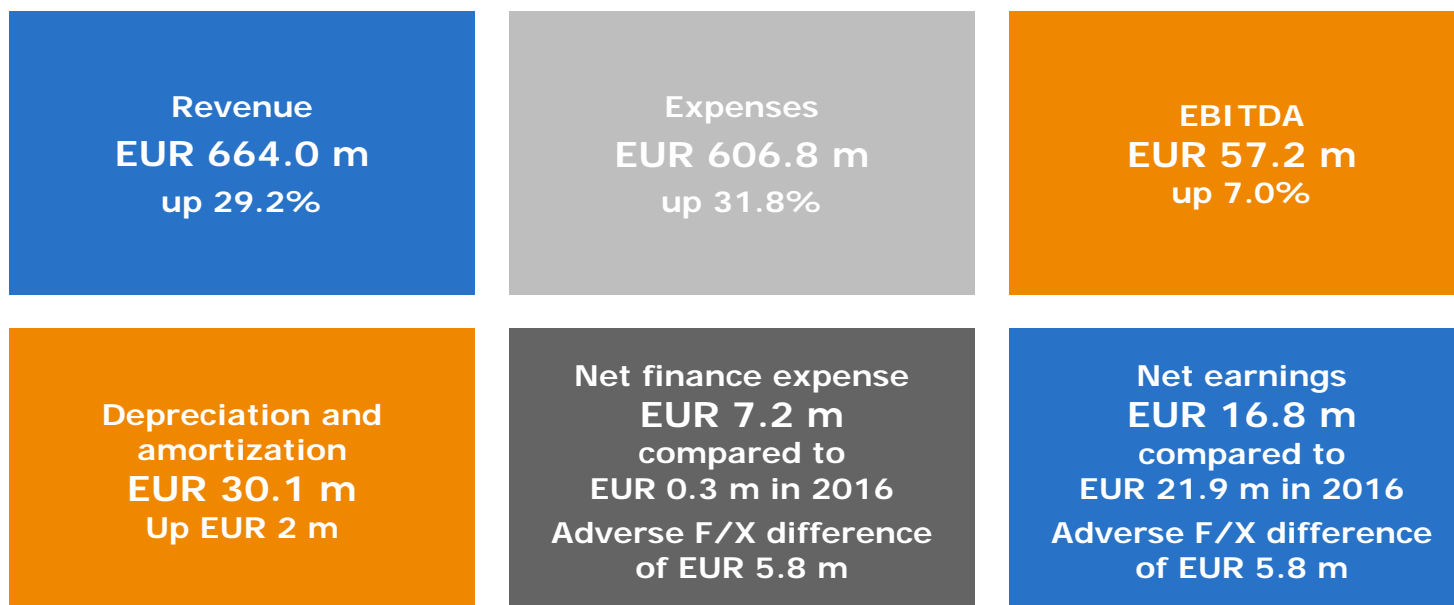


FINANCIAL RESULTS

45T 2.5-24m
SWL 40T 2.5-27m
36T 2.5-31m

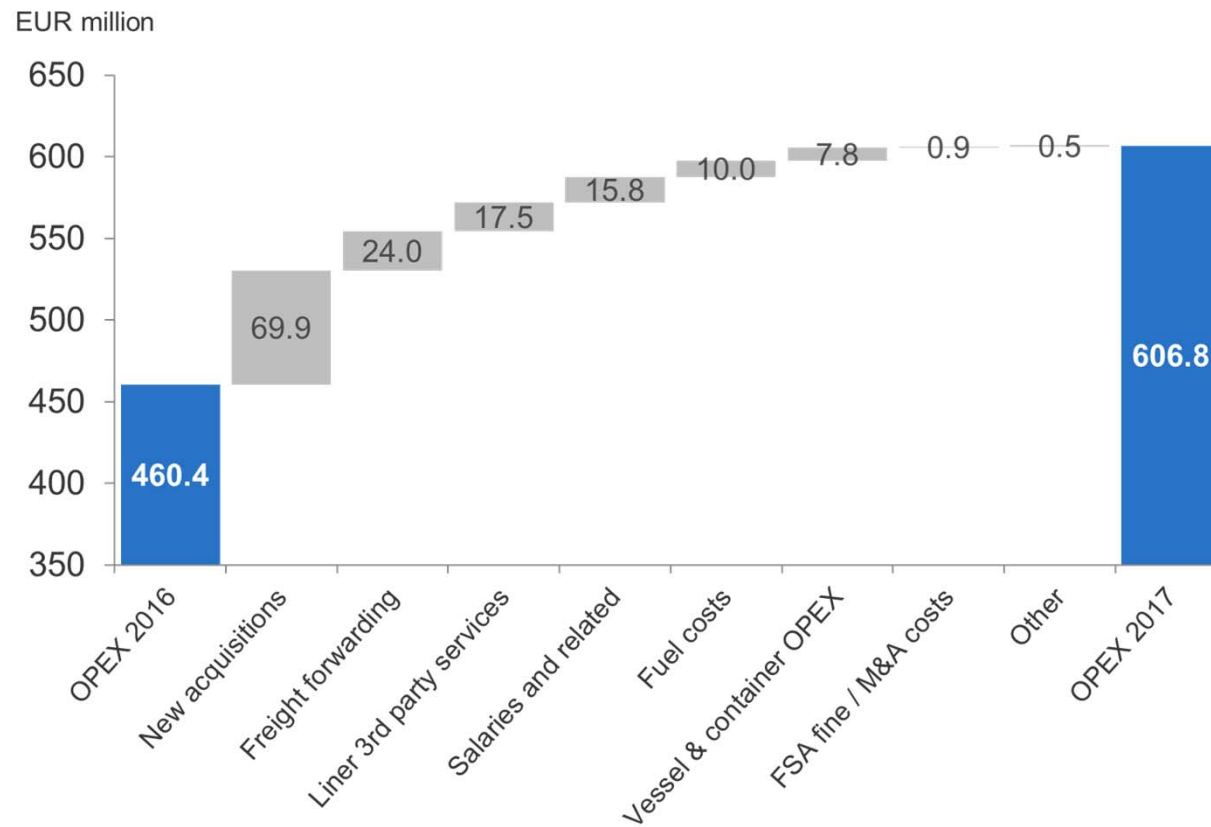
INCOME STATEMENT 2017

A year of growth, strike, imbalance challenges and investment in increased capacity



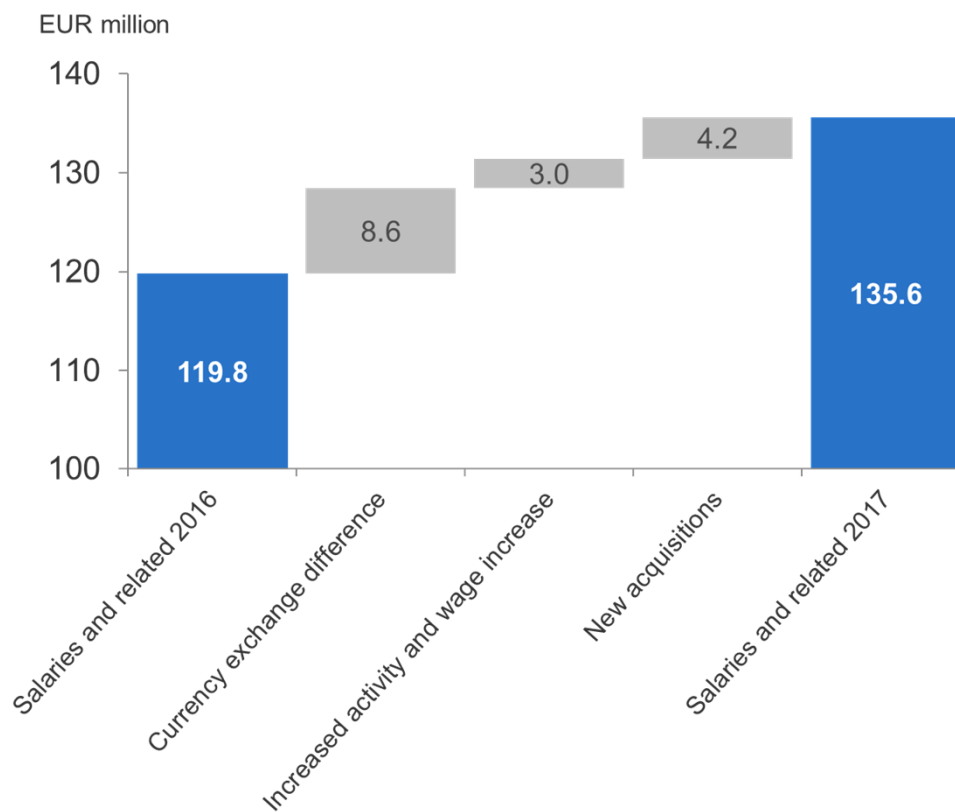
OPERATING EXPENSES BRIDGE

Increased expenses largely affected by new companies and increased capacity



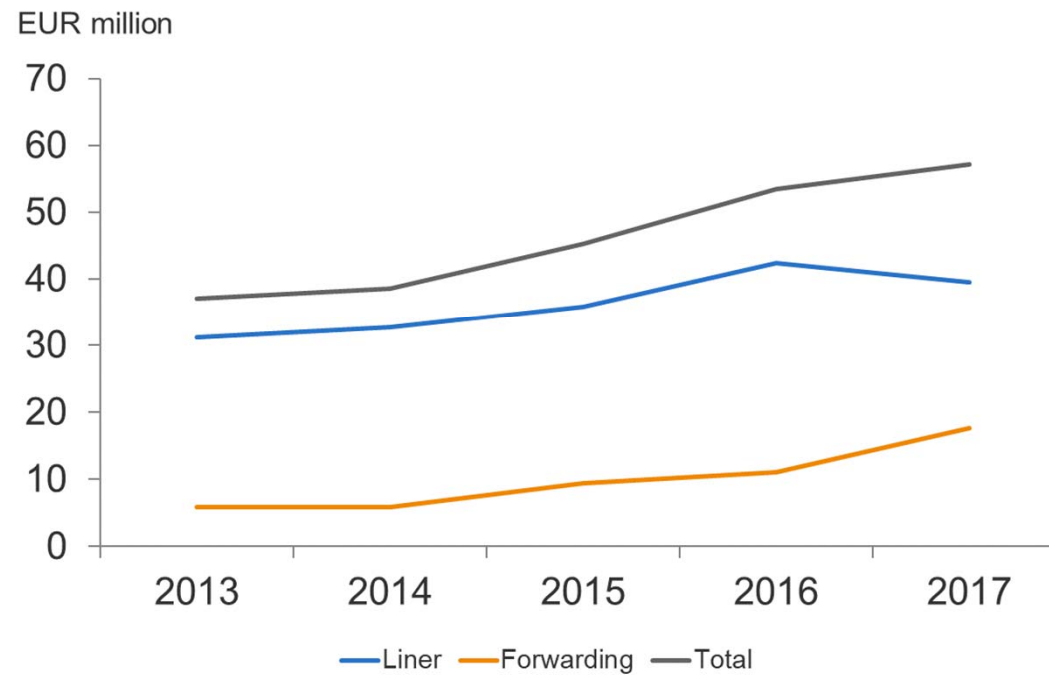
SALARY BRIDGE 2017

Salaries and related expenses increased by 13.2%, thereof EUR 8.6 million due to strengthening of the ISK



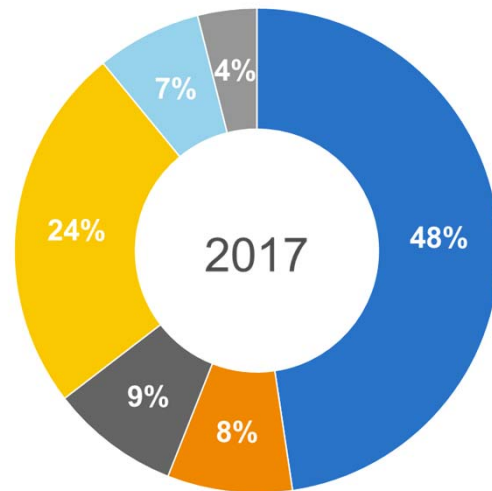
DEVELOPMENT OF THE SEGMENTS EBITDA 2013 TO 2017

Substantial growth in forwarding increasing the proportion of asset-light EBITDA and generating higher return on equity

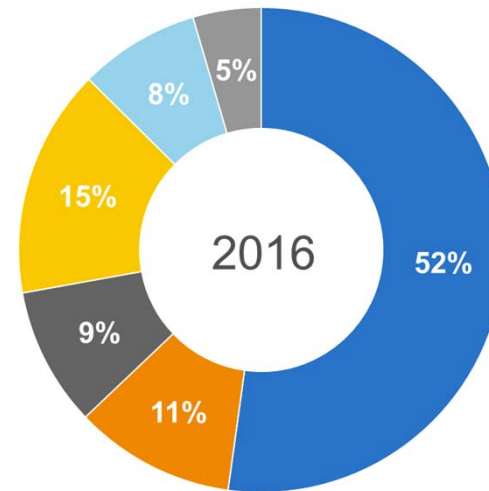


GEOGRAPHICAL SPLIT OF REVENUE

Europe has grown due to new forwarding acquisitions



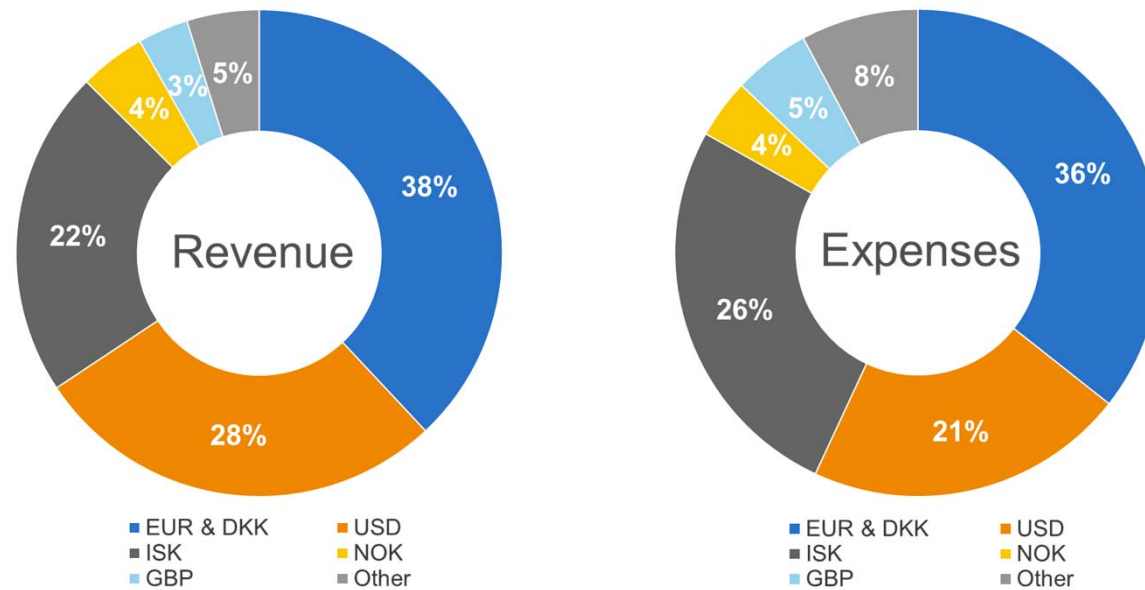
■ Iceland
■ Norway
■ Asia
■ Faroe Islands
■ Europe
■ Other



■ Iceland
■ Norway
■ Asia
■ Faroe Islands
■ Europe
■ Other

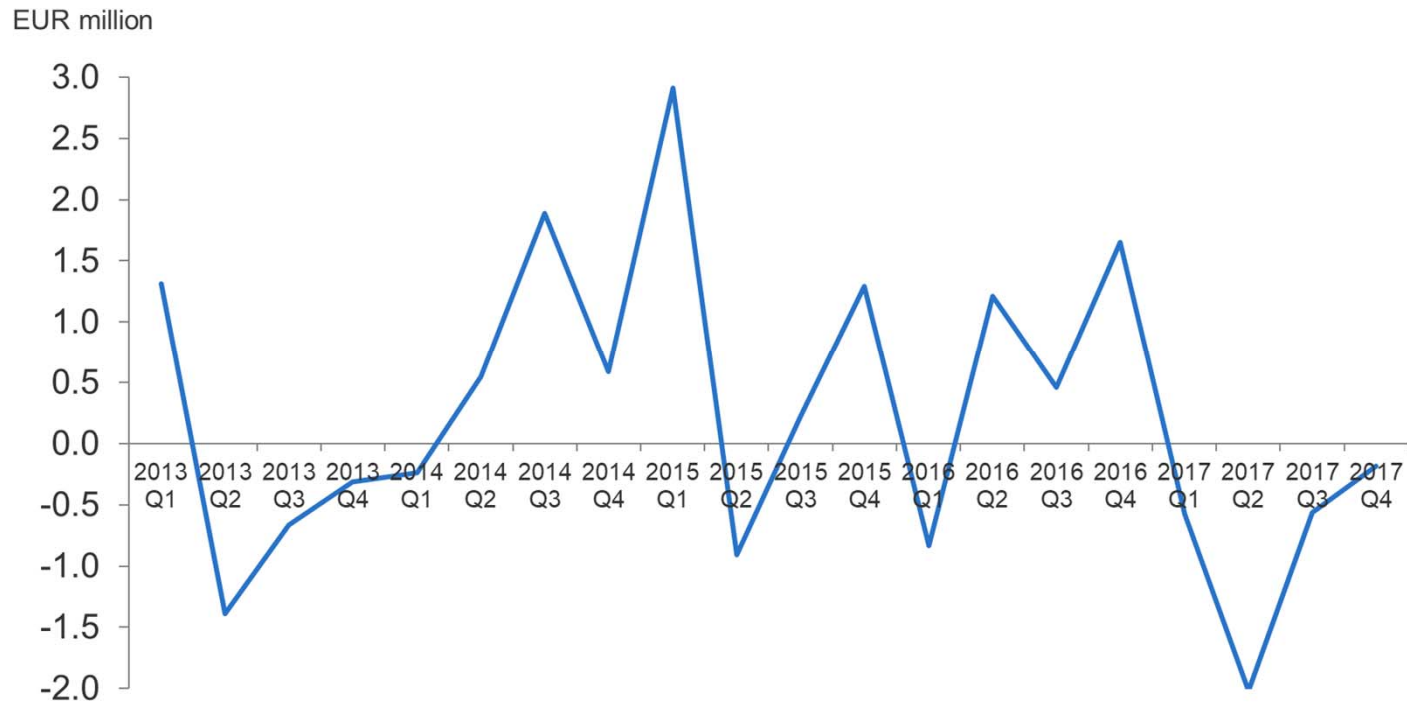
REVENUE AND EXPENSES BY CURRENCY 2017

Income statement relatively naturally hedged – long in USD and short in ISK



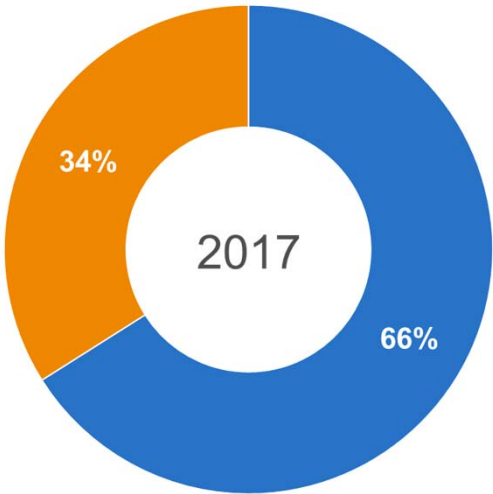
CURRENCY EXCHANGE GAINS AND LOSSES BY QUARTER 2013 TO 2017

Accumulated fluctuations 2013 to 2016 positive of EUR 7.7 million and 2017 negative of EUR 3.3 million

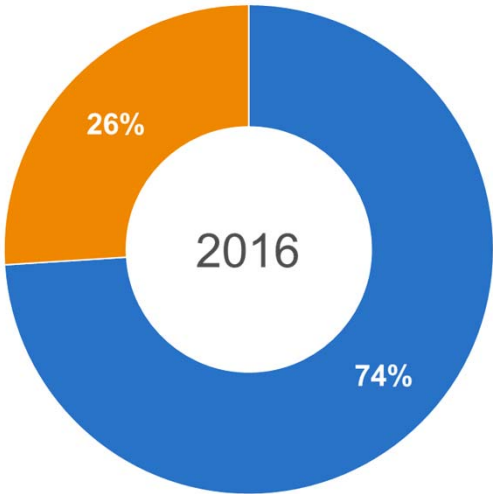


REVENUE BY BUSINESS SEGMENT

Liner services and forwarding services



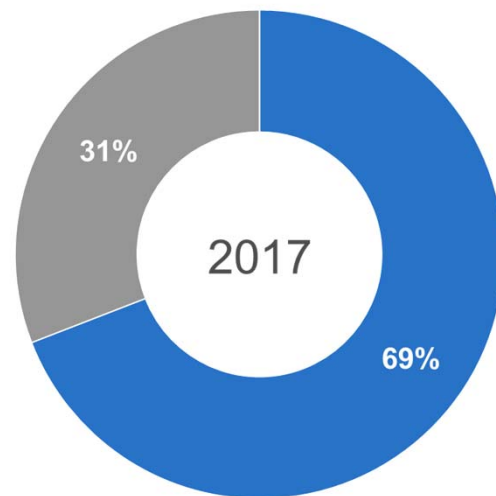
■ Liner services ■ Forwarding services



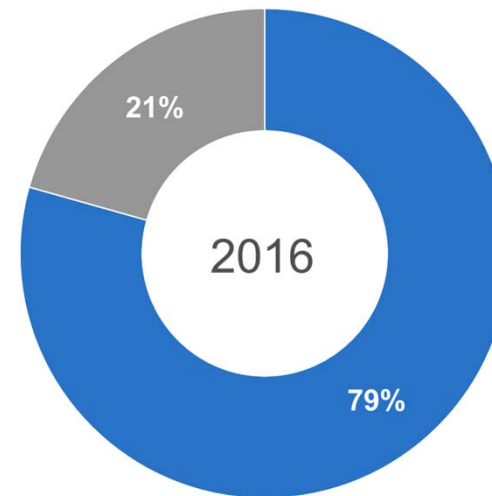
■ Liner services ■ Forwarding services

EBITDA BY BUSINESS SEGMENT

Liner services and forwarding services



■ Liner services ■ Forwarding services



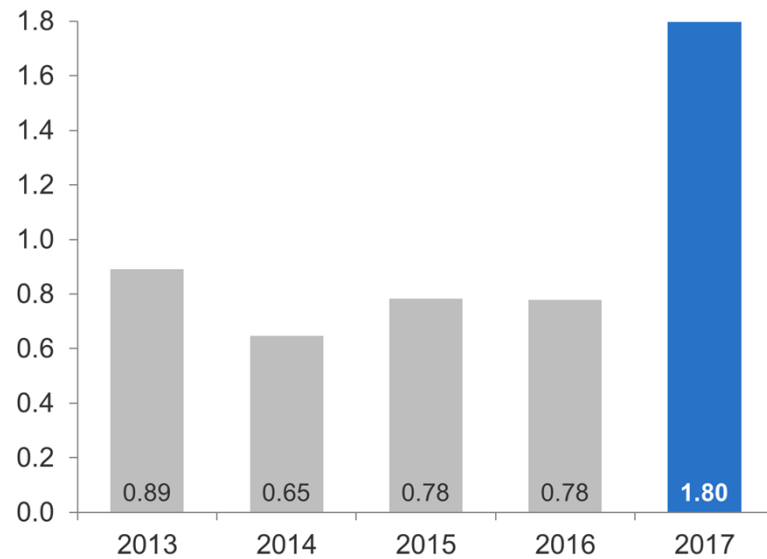
■ Liner services ■ Forwarding services

FINANCIAL RATIOS 2013 TO 2017

Increased leverage due to new acquisitions and other investments

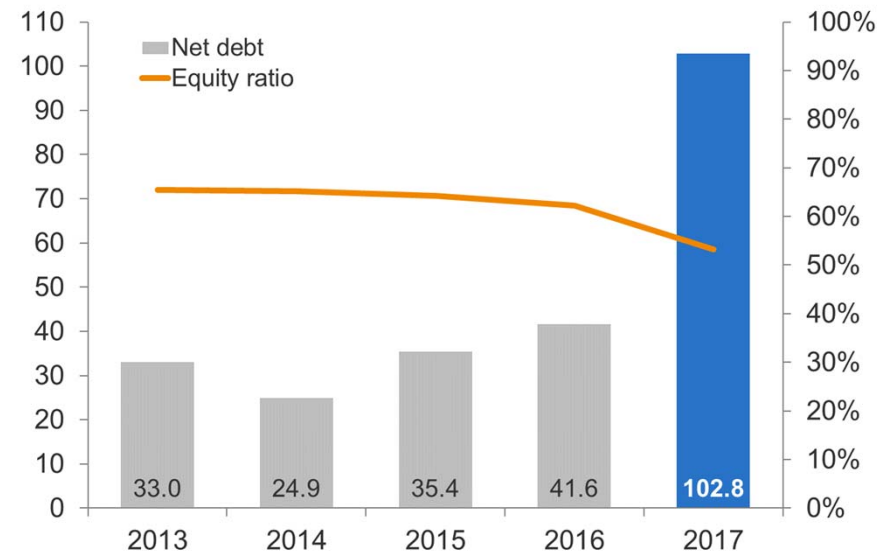
NET DEBT / LTM-EBITDA

EUR million



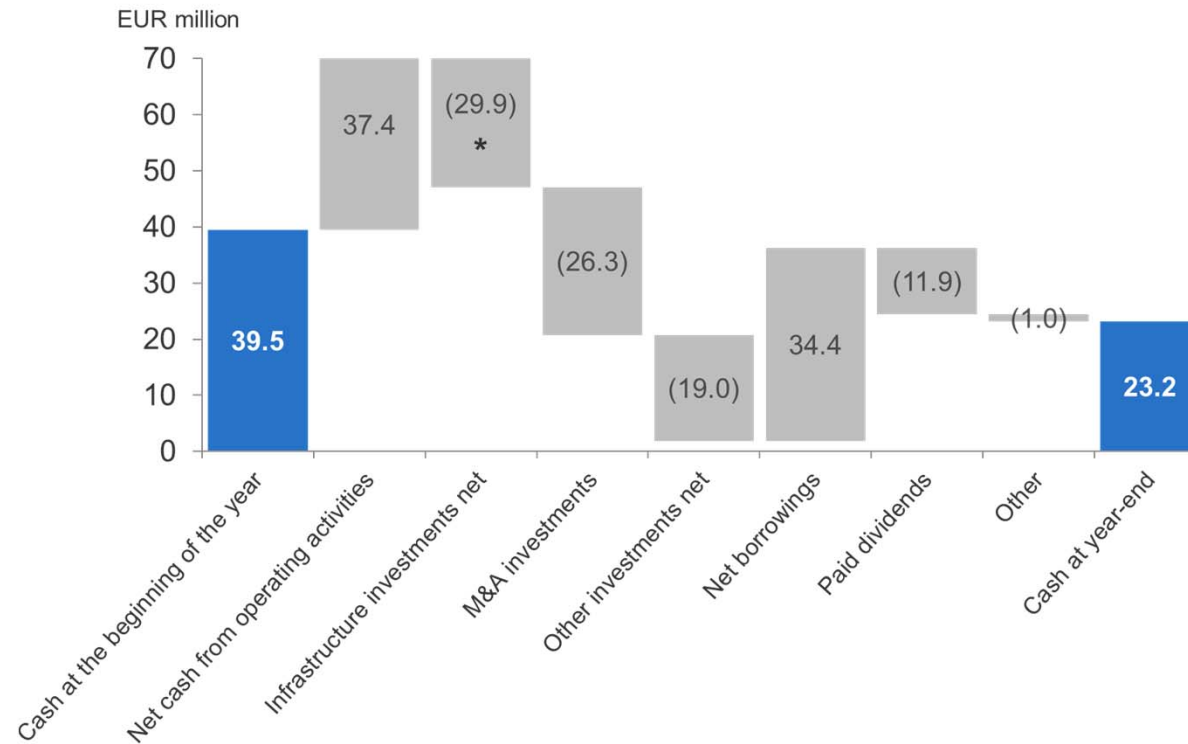
NET DEBT AND EQUITY RATIO

EUR million



CASH FLOW BRIDGE 2017

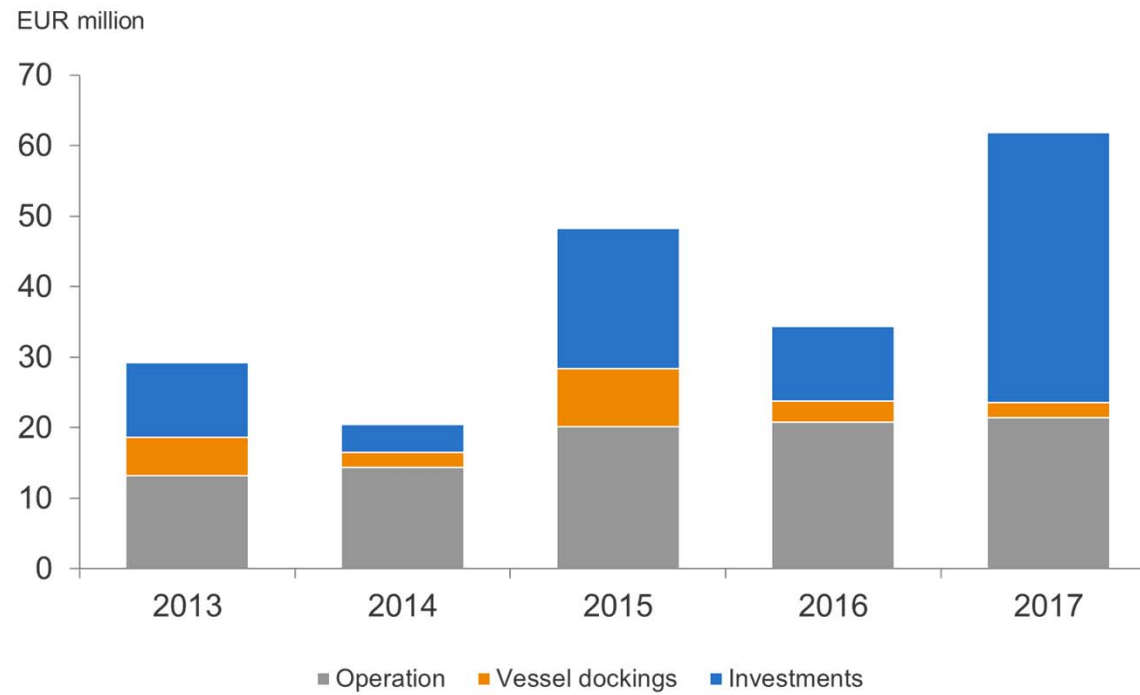
Affected by M&A investments and vessel investments



* Includes EUR 12.3 million on vessel building in China, EUR 6.0 million for the vessel Selfoss and EUR 4.1 million for harbor cranes

CAPEX 2013 TO 2017

Investments 2017 include EUR 12.3 million for vessel under construction and EUR 8.3 million for three buildings in Iceland



DIVIDEND PROPOSAL 2018

Proposed total payment EUR 10.2 million

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.

DIVIDEND PROPOSAL 2018

ISK 6.80 per share

- The same payment per share as last year

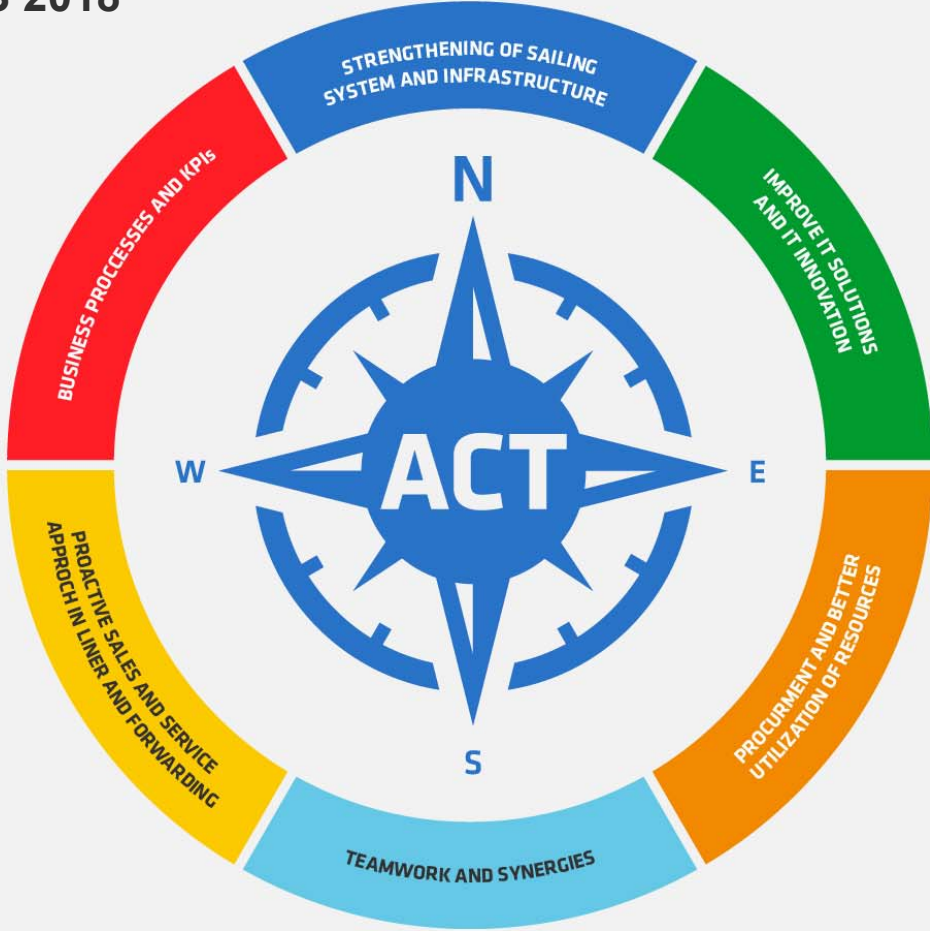
ISK 1,269.1 million total dividend payment

- Equal to about EUR 10.2 million
- Approximately 61.0% of net earnings for the year 2017



ONGOING PROJECTS AND FUTURE DEVELOPMENT

STRATEGIC PRIORITIES 2018

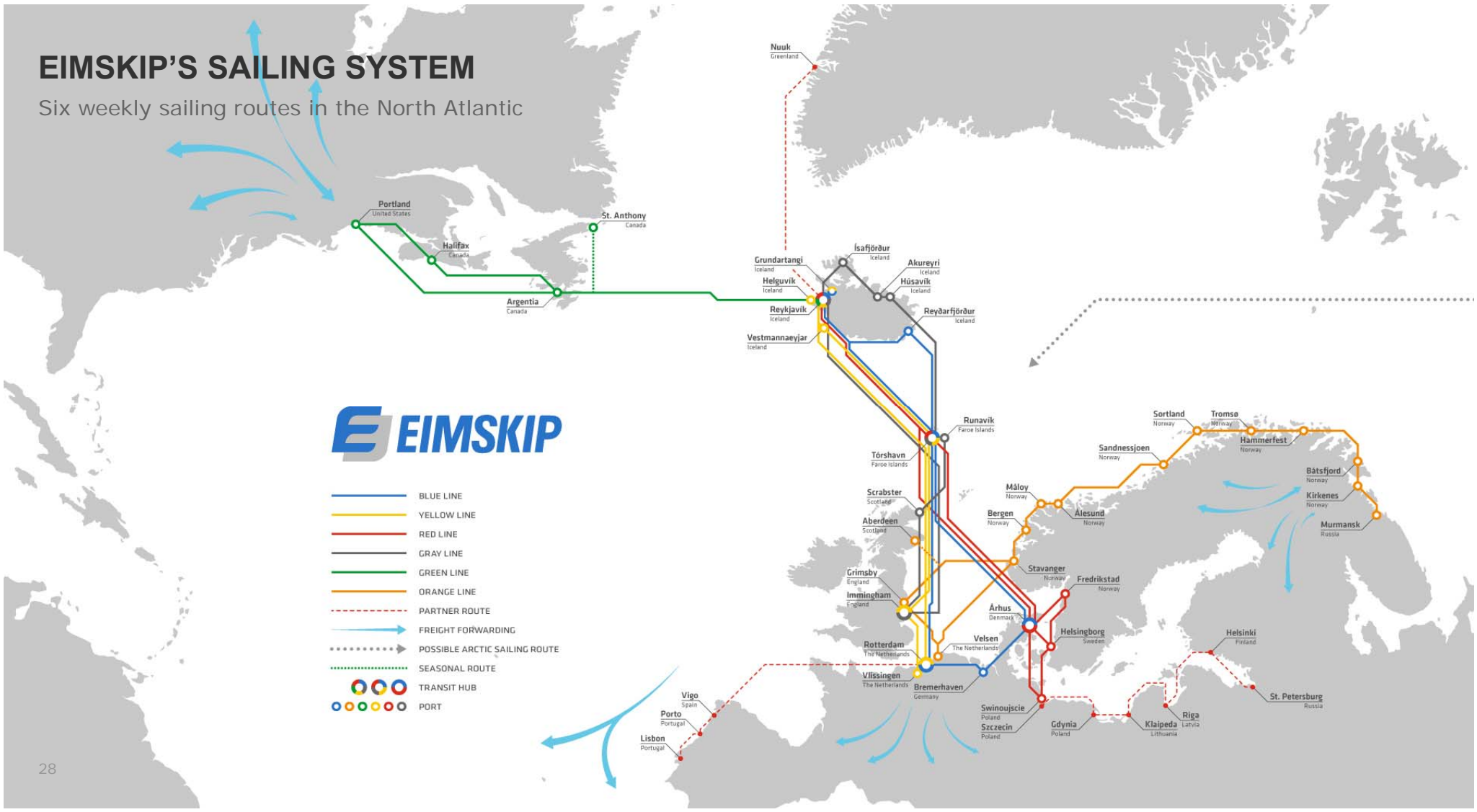


EIMSKIP'S SAILING SYSTEM

Six weekly sailing routes in the North Atlantic



- BLUE LINE
- YELLOW LINE
- RED LINE
- GRAY LINE
- GREEN LINE
- ORANGE LINE
- PARTNER ROUTE
- ➔ FREIGHT FORWARDING
- POSSIBLE ARCTIC SAILING ROUTE
- SEASONAL ROUTE
- TRANSIT HUB
- PORT



EVOLUTION OF THE SAILING SYSTEM

Weekly services in all routes

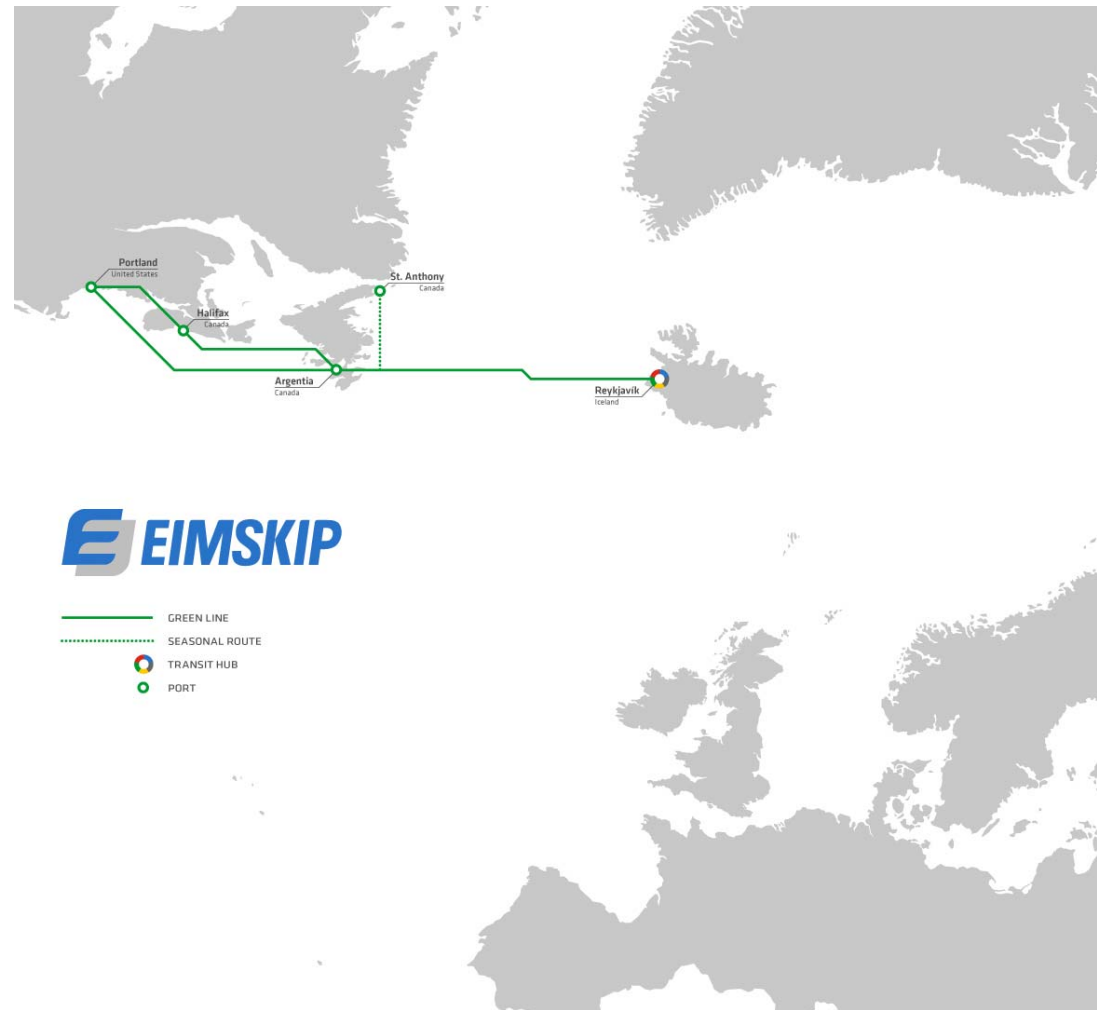
- Eimskip has over the last three years added three vessels to its container liner system, increasing capacity by 35%
 - At the same time the transported volume increased by 32%
- Adding a vessel to the system costs about EUR 5 million annually
 - It takes time to build up volume to be profitable
- Eimskip has reached its goal to offer weekly services on all of its North Atlantic routes
 - The added frequency in the sailing system will increase revenue and attract new customers
 - If the company needs to adjust capacity, it can scale the size of its vessels
 - The continuity in the system will provide better service and be more efficient
 - Focus on profitability



WEEKLY SERVICES TO NORTH AMERICA

Focus on sales in Trans-Atlantic services

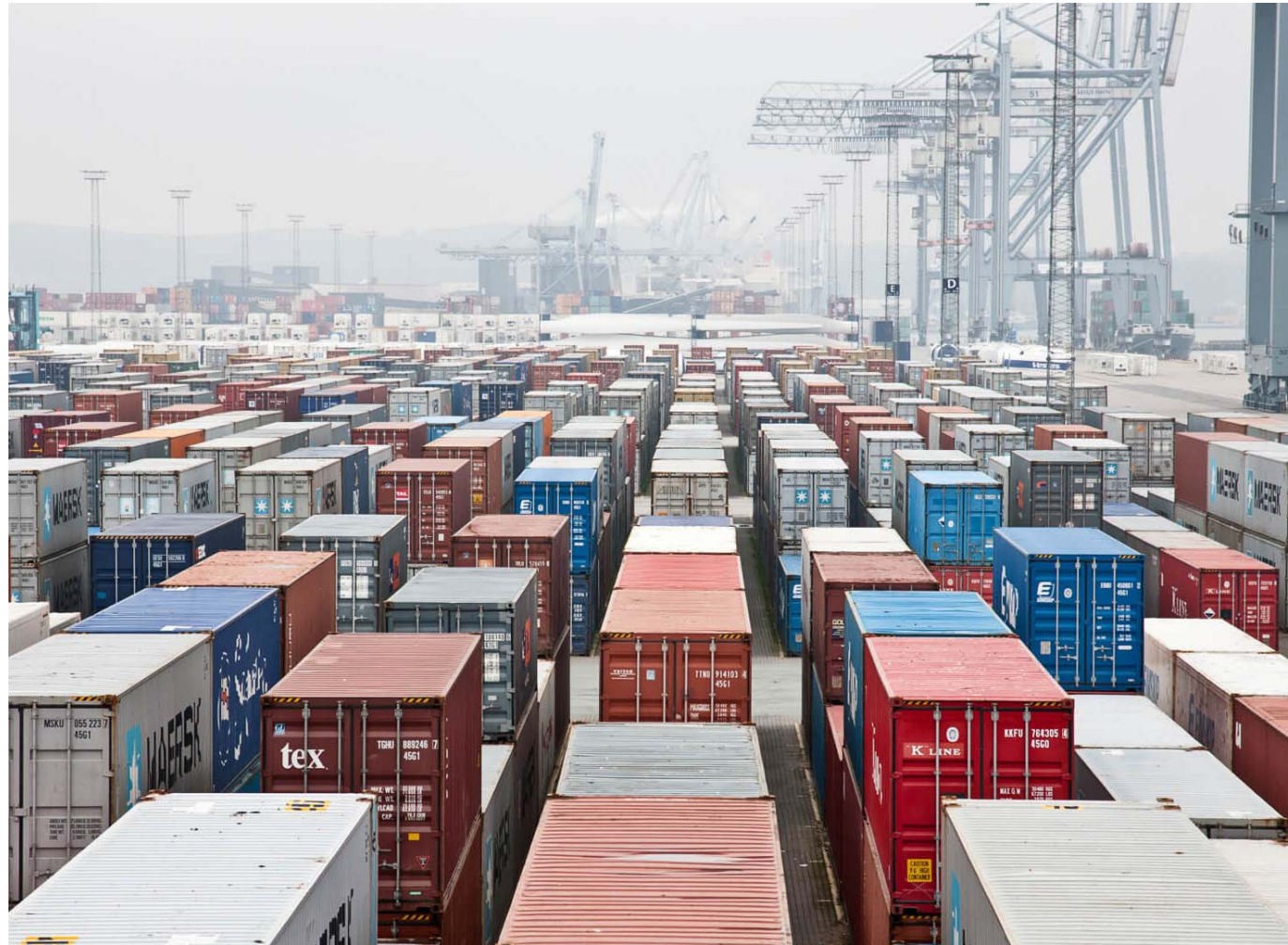
- A third vessel was added to the Green Line in November 2017 to provide weekly service
- Weekly service has been well received by the market
 - Shorter transit time
 - Only liner service that provides weekly connection between US and Canada East Coast
 - Only carrier offering weekly services between Newfoundland and Europe
- Increased revenue will come from
 - More volume from existing customers due to added frequency
 - New customers demanding weekly services
 - CMA CGM contract for short-sea services between Halifax, Nova Scotia to Portland, Maine
- Enlarging and diversifying customer base
- Strategic niche route with high growth potential



ACQUISITIONS

Ongoing in 2018

- Eimskip continues to work on strategic accretive acquisitions to increase shareholder value
- The company is currently working on potential acquisitions in its core markets



EIMSKIP AND ROYAL ARCTIC LINE

The cooperation regarding the vessel sharing agreement estimated to begin in the middle of 2019

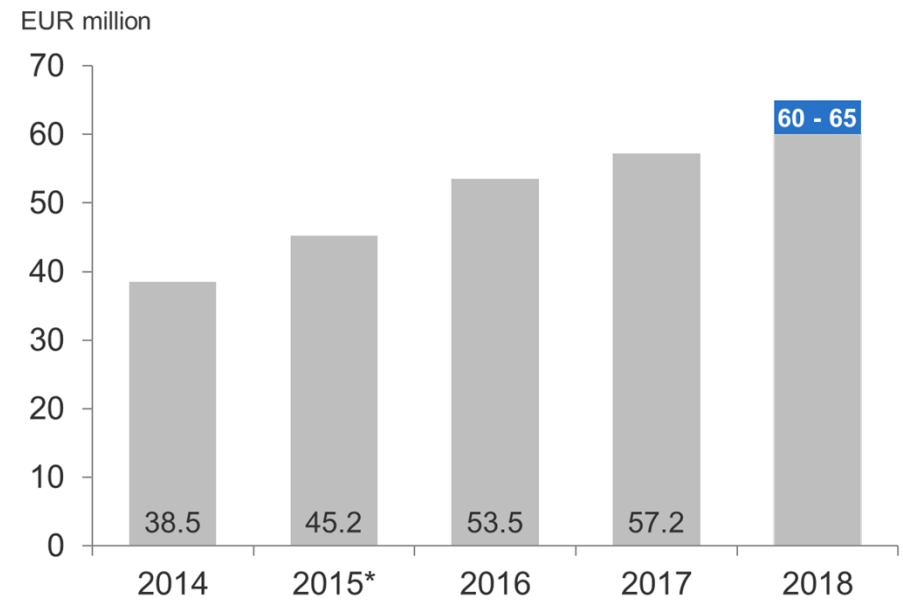
- Eimskip has ordered two 2,150 TEU vessels at a cost of USD 32 million each, for delivery from a reputable Chinese shipyard in the middle of 2019
- The vessels will become Eimskip's new flagship vessels, replacing Godafoss and Dettifoss and are a part of Eimskip's fleet renewal program
 - The new vessels are being built to fulfill Polar code, are more fuel efficient with lower emissions and will lower Eimskip's cost per TEU due to their size
- Eimskip has secured an attractive long-term financing with a German bank, with a Chinese export guarantee
- This matching of a long-term strategic core shipping infrastructure asset with long-term funding increases shareholder value
- Also provides Eimskip's customers and crew members with the best equipped vessels to provide mission critical reliable services in the North Atlantic



EBITDA FORECAST FOR 2018

EBITDA in the range of EUR 60 to 65 million

- The outlook for liner services and forwarding for 2018 is positive
- Liner services
 - Weekly services in all routes
 - Growth expected in import and export volumes in Iceland
 - Focus on Trans-Atlantic sales
 - Operations in the Faroe Islands and Norway are expected to be stable
- Forwarding services
 - Organic growth expected to continue
 - New acquisitions will remain strong and generate further opportunities for new trade lanes and commodities
 - Ongoing evaluation of M&A targets in the forwarding sector
- External risk factors
 - General wage agreements in Iceland, global economic conditions, competition, fuel prices, currency exchange rate fluctuations and available resources of employees



* EUR 2.0 million gain on disposal of a vessel under construction included in 2015 EBITDA



QUESTIONS

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