

ZIM INTEGRATED SHIPPING SERVICES LTD
CONDENSED CONSOLIDATED UNAUDITED INTERIM
FINANCIAL STATEMENTS
JUNE 30, 2021

ZIM INTEGRATED SHIPPING SERVICES LTD.

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ZIM INTEGRATED SHIPPING SERVICES LTD.

CONDENSED CONSOLIDATED UNAUDITED INTERIM STATEMENTS OF FINANCIAL POSITION

| | Note | June 30 | | December 31 |
|---|------|------------------|------------------|------------------|
| | | 2021 | 2020 | 2020 |
| | | US \$'000 | | |
| Assets | | | | |
| Vessels | 6 | 1,768,298 | 714,195 | 948,004 |
| Containers and handling equipment | 6 | 1,019,343 | 437,660 | 520,887 |
| Other tangible assets | 6 | 66,957 | 70,494 | 67,133 |
| Intangible assets | | 67,374 | 64,737 | 66,465 |
| Investments in associates | | 12,418 | 8,436 | 8,441 |
| Other investments | | 5,421 | 2,810 | 4,888 |
| Trade and other receivables | | 6,067 | 5,736 | 5,293 |
| Deferred tax assets | | 1,537 | 1,153 | 1,502 |
| Total non-current assets | | 2,947,415 | 1,305,221 | 1,622,613 |
| Assets classified as held for sale | | | 8,071 | |
| Inventories | | 99,750 | 43,513 | 52,237 |
| Trade and other receivables | | 963,291 | 279,464 | 520,001 |
| Other investments | | 46,760 | 61,436 | 58,976 |
| Cash and cash equivalents | | 1,545,282 | 202,848 | 570,414 |
| Total current assets | | 2,655,083 | 595,332 | 1,201,628 |
| Total assets | | 5,602,498 | 1,900,553 | 2,824,241 |
| Equity | | | | |
| Share capital and reserves | 5(a) | 1,992,895 | 1,785,115 | 1,790,794 |
| Accumulated deficit | | (279,523) | (2,029,311) | (1,523,528) |
| Equity attributable to owners of the Company | | 1,713,372 | (244,196) | 267,266 |
| Non-controlling interests | | 5,016 | 4,156 | 7,189 |
| Total equity | | 1,718,388 | (240,040) | 274,455 |
| Liabilities | | | | |
| Lease liabilities | | 1,427,773 | 654,061 | 811,840 |
| Loans and other liabilities | 4(d) | 130,066 | 553,458 | 519,471 |
| Employee benefits | | 64,105 | 59,974 | 66,626 |
| Deferred tax liabilities | | 42,491 | 325 | 339 |
| Total non-current liabilities | | 1,664,435 | 1,267,818 | 1,398,276 |
| Trade and other payables | | 944,776 | 375,319 | 398,876 |
| Provisions | | 28,189 | 16,737 | 21,420 |
| Contract liabilities | | 453,045 | 120,910 | 230,469 |
| Lease liabilities | | 658,366 | 228,333 | 362,176 |
| Loans and other liabilities | | 135,299 | 131,476 | 138,569 |
| Total current liabilities | | 2,219,675 | 872,775 | 1,151,510 |
| Total liabilities | | 3,884,110 | 2,140,593 | 2,549,786 |
| Total equity and liabilities | | 5,602,498 | 1,900,553 | 2,824,241 |

/s/ Yair Seroussi

Yair Seroussi
Chairman of the Board of Directors

/s/ Eli Glickman

Eli Glickman
President & Chief Executive
Officer

/s/ Xavier Destriau

Xavier Destriau
Chief Financial Officer

Date of approval of the Financial Statements: August 18, 2021.

The accompanying Notes are an integral part of these condensed consolidated unaudited interim Financial Statements.

ZIM INTEGRATED SHIPPING SERVICES LTD.

CONDENSED CONSOLIDATED UNAUDITED INTERIM INCOME STATEMENTS

| | Six months ended June 30 | | Three months ended June 30 | | Year ended December 31 |
|--|-----------------------------|-----------------|-------------------------------|-----------------|---------------------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| | | | US \$'000 | | |
| Income from voyages and related services | 4,126,346 | 1,618,345 | 2,382,011 | 795,130 | 3,991,696 |
| Cost of voyages and related services | | | | | |
| Operating expenses and cost of services | (1,869,541) | (1,322,213) | (988,914) | (623,825) | (2,835,112) |
| Depreciation | (298,735) | (135,811) | (170,606) | (68,748) | (291,559) |
| Gross profit | 1,958,070 | 160,321 | 1,222,491 | 102,557 | 865,025 |
| Other operating income | 4,165 | 5,512 | 1,852 | 3,496 | 12,621 |
| Other operating expenses | (459) | (1,706) | (375) | (1,702) | 4,272 |
| General and administrative expenses | (123,535) | (72,039) | (67,637) | (36,662) | (163,210) |
| Share of profit of associates | 2,281 | 1,655 | 736 | 1,158 | 3,341 |
| Results from operating activities | 1,840,522 | 93,743 | 1,157,067 | 68,847 | 722,049 |
| Finance income | 5,699 | 1,730 | (1,116) | (2,998) | 8,103 |
| Finance expenses | (90,196) | (74,577) | (43,936) | (36,122) | (189,363) |
| Net finance expenses | (84,497) | (72,847) | (45,052) | (39,120) | (181,260) |
| Profit before income taxes | 1,756,025 | 20,896 | 1,112,015 | 29,727 | 540,789 |
| Income taxes | (278,217) | (7,499) | (223,795) | (4,413) | (16,599) |
| Profit for the period | 1,477,808 | 13,397 | 888,220 | 25,314 | 524,190 |
| Attributable to: | | | | | |
| Owners of the Company | 1,474,055 | 10,491 | 886,456 | 24,040 | 517,961 |
| Non-controlling interest | 3,753 | 2,906 | 1,764 | 1,274 | 6,229 |
| Profit for the period | 1,477,808 | 13,397 | 888,220 | 25,314 | 524,190 |
| Earnings per share (USD) | | | | | |
| Basic earnings per 1 ordinary share (Note 9) | 13.11 | 0.10 (*) | 7.71 | 0.24 (*) | 5.18 |
| Diluted earnings per 1 ordinary share (Note 9) | 12.56 | 0.10 (*) | 7.38 | 0.23 (*) | 4.96 |

(*) Restated to reflect a share split of 1:10 that became effective in 2021 (see Note 5(a)).

The accompanying Notes are an integral part of these condensed consolidated unaudited interim Financial Statements.

ZIM INTEGRATED SHIPPING SERVICES LTD.

CONDENSED CONSOLIDATED UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

| | Six months ended June 30 | | Three months ended June 30 | | Year ended December 31 |
|--|-------------------------------------|-------------|---------------------------------------|-------------|-----------------------------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| | | | US \$'000 | | |
| Profit for the period | 1,477,808 | 13,397 | 888,220 | 25,314 | 524,190 |
| Other components of Comprehensive Income | | | | | |
| Items of other comprehensive income that were or will be reclassified to profit and loss: | | | | | |
| Foreign currency translation differences for foreign operations | (3,450) | (968) | (148) | 1,239 | 4,019 |
| Items of other comprehensive income that would never be reclassified to profit and loss: | | | | | |
| Net change in fair value of investments in equity instruments at fair value through other comprehensive income, net of tax | (50) | (370) | 122 | (73) | 563 |
| Defined benefit pension plans actuarial gains (losses), net of tax | | 2,794 | | (268) | 174 |
| Other comprehensive income for the period, net of tax | (3,500) | 1,456 | (26) | 898 | 4,756 |
| Total comprehensive income for the period | 1,474,308 | 14,853 | 888,194 | 26,212 | 528,946 |
| Attributable to: | | | | | |
| Owners of the Company | 1,471,779 | 12,755 | 886,612 | 24,978 | 523,815 |
| Non- controlling interests | 2,529 | 2,098 | 1,582 | 1,234 | 5,131 |
| Total comprehensive income for the period | 1,474,308 | 14,853 | 888,194 | 26,212 | 528,946 |

The accompanying Notes are an integral part of these condensed consolidated unaudited interim Financial Statements.

ZIM INTEGRATED SHIPPING SERVICES LTD.

CONDENSED CONSOLIDATED UNAUDITED INTERIM STATEMENTS OF CHANGES IN EQUITY

| | Attribute to the owners of the Company | | | | | Non- controlling Interests | Total equity |
|---|--|--------------------------|------------------------|------------------------|-----------|----------------------------------|-----------------|
| | Share capital (*) | General reserves (**) | Translation reserve | Accumulated deficit | Total | | |
| | US \$'000 | | | | | | |
| For the Six months period ended June 30, 2021 | | | | | | | |
| Balance at January 1, 2021 | 700,310 | 1,106,470 | (15,986) | (1,523,528) | 267,266 | 7,189 | 274,455 |
| Profit for the period | | | | 1,474,055 | 1,474,055 | 3,753 | 1,477,808 |
| Other comprehensive income for the period, net of tax | | | (2,226) | (50) | (2,276) | (1,224) | (3,500) |
| Issuance of share capital, net of issuance costs | 203,513 | | | | 203,513 | | 203,513 |
| Share-based compensation | | 814 | | | 814 | | 814 |
| Dividend to owners of the Company | | | | (230,000) | (230,000) | | (230,000) |
| Dividend to non-controlling interests in subsidiaries | | | | | | (4,702) | (4,702) |
| Balance at June 30, 2021 | 903,823 | 1,107,284 | (18,212) | (279,523) | 1,713,372 | 5,016 | 1,718,388 |
| For the three months period ended June 30, 2021 | | | | | | | |
| Balance at March 31, 2021 | 903,823 | 1,106,801 | (18,246) | (936,101) | 1,056,277 | 3,841 | 1,060,118 |
| Profit for the period | | | | 886,456 | 886,456 | 1,764 | 888,220 |
| Other comprehensive income for the period, net of tax | | | 34 | 122 | 156 | (182) | (26) |
| Share-based compensation | | 483 | | | 483 | | 483 |
| Dividend to owners of the Company | | | | (230,000) | (230,000) | | (230,000) |
| Dividend to non-controlling interests in subsidiaries | | | | | | (407) | (407) |
| Balance at June 30, 2021 | 903,823 | 1,107,284 | (18,212) | (279,523) | 1,713,372 | 5,016 | 1,718,388 |

(*) See Note 5(a).

(**) Include reserves related to transactions with an interested party and share-based compensation.

The accompanying Notes are an integral part of these condensed consolidated interim Financial Statements.

ZIM INTEGRATED SHIPPING SERVICES LTD.

CONDENSED CONSOLIDATED UNAUDITED INTERIM STATEMENTS OF CHANGES IN EQUITY

| | Attribute to the owners of the Company | | | | | Non- controlling Interests | Total equity |
|--|--|--------------------------|------------------------|------------------------|------------------|----------------------------------|------------------|
| | Share capital (*) | General reserves (**) | Translation reserve | Accumulated deficit | Total | | |
| | US \$'000 | | | | | | |
| For the Six months period ended June 30, 2020 | | | | | | | |
| Balance at January 1, 2020 | 700,310 | 1,105,350 | (21,103) | (2,042,226) | (257,669) | 5,402 | (252,267) |
| Profit for the period | | | | 10,491 | 10,491 | 2,906 | 13,397 |
| Other comprehensive income for the period, net of tax | | | (160) | 2,424 | 2,264 | (808) | 1,456 |
| Transaction with an interested party | | 361 | | | 361 | | 361 |
| Share-based compensation | | 357 | | | 357 | | 357 |
| Dividend to non-controlling interests in subsidiaries | | | | | | (3,344) | (3,344) |
| Balance at June 30, 2020 | <u>700,310</u> | <u>1,106,068</u> | <u>(21,263)</u> | <u>(2,029,311)</u> | <u>(244,196)</u> | <u>4,156</u> | <u>(240,040)</u> |
| For the three months period ended June 30, 2020 | | | | | | | |
| Balance at March 31, 2020 | 700,310 | 1,105,711 | (22,542) | (2,053,010) | (269,531) | 4,327 | (265,204) |
| Profit for the period | | | | 24,040 | 24,040 | 1,274 | 25,314 |
| Other comprehensive income for the period, net of tax | | | 1,279 | (341) | 938 | (40) | 898 |
| Transaction with an interested party, net of tax | | 179 | | | 179 | | 179 |
| Share-based compensation | | 178 | | | 178 | | 178 |
| Dividend to non-controlling interests in subsidiaries | | | | | | (1,405) | (1,405) |
| Balance at June 30, 2020 | <u>700,310</u> | <u>1,106,068</u> | <u>(21,263)</u> | <u>(2,029,311)</u> | <u>(244,196)</u> | <u>4,156</u> | <u>(240,040)</u> |
| For the year ended December 31, 2020 | | | | | | | |
| Balance at January 1, 2020 | 700,310 | 1,105,350 | (21,103) | (2,042,226) | (257,669) | 5,402 | (252,267) |
| Profit for the year | | | | 517,961 | 517,961 | 6,229 | 524,190 |
| Other comprehensive income for the year | | | 5,117 | 737 | 5,854 | (1,098) | 4,756 |
| Transaction with an interested party, net of tax | | 630 | | | 630 | | 630 |
| Share-based compensation | | 490 | | | 490 | | 490 |
| Dividend to non-controlling interests in subsidiaries | | | | | | (3,344) | (3,344) |
| Balance at December 31, 2020 | <u>700,310</u> | <u>1,106,470</u> | <u>(15,986)</u> | <u>(1,523,528)</u> | <u>267,266</u> | <u>7,189</u> | <u>274,455</u> |

(*) See Note 5(a).

(**) Include reserves related to transactions with an interested party and share-based compensation.

The accompanying Notes are an integral part of these condensed consolidated interim Financial Statements.

ZIM INTEGRATED SHIPPING SERVICES LTD.
CONDENSED CONSOLIDATED UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

| | Six months ended June 30 | | Three months ended June 30 | | Year ended December 31 |
|--|-------------------------------------|-------------|---------------------------------------|-------------|-----------------------------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| | | | US \$'000 | | |
| Cash flows from operating activities | | | | | |
| Profit for the period | 1,477,808 | 13,397 | 888,220 | 25,314 | 524,190 |
| Adjustments for: | | | | | |
| Depreciation and amortisation | 309,718 | 146,604 | 176,133 | 74,471 | 314,185 |
| Impairment losses (recoveries) of tangible assets | | 1,700 | | 1,700 | (4,329) |
| Net finance expenses | 84,497 | 72,847 | 45,052 | 39,120 | 181,260 |
| Share of profits and change in fair value of investees | (3,184) | (1,655) | (752) | (1,158) | (4,143) |
| Capital gain | (1,135) | (4,281) | (704) | (2,971) | (8,814) |
| Income taxes | 278,217 | 7,499 | 223,795 | 4,413 | 16,599 |
| | 2,145,921 | 236,111 | 1,331,744 | 140,889 | 1,018,948 |
| Change in inventories | (47,513) | 16,829 | (13,494) | 13,186 | 8,105 |
| Change in trade and other receivables | (434,054) | 29,943 | (259,756) | 27,700 | (204,469) |
| Change in trade and other payables including contract liabilities | 300,271 | (51,946) | 124,573 | (61,149) | 68,670 |
| Change in provisions and employee benefits | 4,825 | (6,352) | 5,553 | 780 | (2,152) |
| | (176,471) | (11,526) | (143,124) | (19,483) | (129,846) |
| Dividends received from associates | 1,871 | 2,137 | 1,160 | 2,122 | 4,360 |
| Interest received | 2,213 | 1,880 | 1,444 | 1,004 | 2,317 |
| Income taxes paid | (15,534) | (7,263) | (10,625) | (4,768) | (14,983) |
| Net cash generated from operating activities | 1,958,000 | 221,339 | 1,180,599 | 119,764 | 880,796 |
| Cash flows from investing activities | | | | | |
| Proceeds from sale of tangible and intangible assets, investments and affiliates | 2,287 | 2,994 | 1,783 | 1,645 | 6,717 |
| Acquisition of tangible assets, intangible assets and investments | (464,487) | (7,480) | (331,489) | (3,919) | (42,641) |
| Change in other investments and other receivables | 14,326 | (3,235) | 16,387 | (1,994) | 763 |
| Net cash used in investing activities | (447,874) | (7,721) | (313,319) | (4,268) | (35,161) |

The accompanying Notes are an integral part of these condensed consolidated unaudited interim Financial Statements.

ZIM INTEGRATED SHIPPING SERVICES LTD.
CONDENSED CONSOLIDATED UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

| | Six months ended June 30 | | Three months ended June 30 | | Year ended December 31 |
|--|-------------------------------------|-------------|---------------------------------------|-------------|-----------------------------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| | | | US \$'000 | | |
| Cash flows from financing activities | | | | | |
| Receipt of long-term loans and other long-term liabilities | 50,000 | | 50,000 | | |
| Issuance of share capital, net of issuance costs (see Note 5(a)) | 205,394 | | | | |
| Sale and lease back transactions | | 9,052 | | 652 | 9,052 |
| Repayment of borrowings and lease liabilities | (692,426) | (141,031) | (502,023) | (77,474) | (336,225) |
| Change in short term loans | (15,995) | 4,671 | (15,020) | 1,100 | 6,071 |
| Dividend paid to non-controlling interests | (4,702) | (3,344) | (1,894) | (3,344) | (3,344) |
| Interest and other financial expenses paid | (77,258) | (61,395) | (42,407) | (30,928) | (135,952) |
| Net cash used in financing activities | (534,987) | (192,047) | (511,344) | (109,994) | (460,398) |
| Net change in cash and cash equivalents | 975,139 | 21,571 | 355,936 | 5,502 | 385,237 |
| Cash and cash equivalents at beginning of the period | 570,414 | 182,786 | 1,188,408 | 196,741 | 182,786 |
| Effect of exchange rate fluctuation on cash held | (271) | (1,509) | 938 | 605 | 2,391 |
| Cash and cash equivalents at the end of the period | 1,545,282 | 202,848 | 1,545,282 | 202,848 | 570,414 |

The accompanying Notes are an integral part of these condensed consolidated unaudited interim Financial Statements.

ZIM INTEGRATED SHIPPING SERVICES LTD.

NOTES TO THE CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS

1 Reporting entity

ZIM Integrated Shipping Services Ltd. (hereinafter - the "Company" or "Zim") and its subsidiaries (hereinafter – "the Group" or "the Companies") and the Group's interests in associates, operate in the field of container shipping and related services.

ZIM is a company incorporated in Israel, with limited liability. ZIM's ordinary shares have been listed on the New York Stock Exchange (the "NYSE") under the symbol "ZIM" on January 28, 2021. The address of the Company's registered office is 9 Andrei Sakharov Street, Haifa, Israel.

2 Basis of compliance

(a) Statement of compliance

These condensed consolidated interim unaudited financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2020 (hereafter – the "annual Financial Statements"). These condensed consolidated unaudited interim Financial Statements were approved by the Board of Directors on August 18, 2021.

(b) Estimates

The preparation of Financial Statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the principal assumptions used in the estimation of uncertainty were the same as those applied to the annual financial statements.

3 Significant accounting policies

The accounting policies applied by the Group in these unaudited condensed consolidated interim Financial Statements are the same as those applied by the Group in its annual Financial Statements.

4 Financial position

- (a) The container shipping industry is characterized in recent years by volatility in freight rates, charter rates and bunker prices, accompanied by significant uncertainties in the global trade (including further implications that might derive from the Covid-19 pandemic). Current market conditions impact positively, resulting in improved results of the Company, mainly driven by increased freight rates and volumes of trades, partially offset by the impact of increased charter hire rates.

In view of the aforementioned business environment and in order to constantly improve the Group's results of operations and liquidity position, Management continues to optimize its network by entering into and/or expanding partnerships and cooperation agreements and by upgrading its customer's offerings, whilst seeking operational excellence and cost efficiencies.

In addition, the Company continues to explore options which may contribute to strengthen its capital and operational structure. In respect of the Company's initial public offering, completed in February 2021, see Note 5(a).

During 2021, the Company has entered into multiple agreements for the purchase of containers (mostly new-build units) in an aggregate amount of US\$ 763 million. During the first six months of 2021, the Company recognized additions in an aggregated cost of US\$ 406 million in respect of delivered containers, out of such purchases.

In addition, the Company chartered additional vessels and extended vessel charter periods, as part of its ongoing operational needs. Regarding long-term charter agreements, see (b) below.

4 Financial position (Cont'd)

As at June 30, 2021, the Company complies with its financial covenants. The Company's liquidity amounts to US\$ 1,547 million (Minimum Liquidity required is US\$ 125 million) - see also Note 12(c) to the 2020 annual financial statements.

(b) Long-term charter agreements:

In February 2021, the Company entered into a strategic agreement with Seaspam, for the long-term charter of ten 15,000 TEU liquefied natural gas (LNG) dual-fuel container vessels, intended to be delivered between February 2023 and January 2024. The Company intends to deploy these vessels on its Asia-US East Coast Trade, as an enhancement to its service on this strategic trade.

In July 2021, the Company entered into an additional strategic agreement with Seaspam, for the long-term charter of ten 7,000 TEU liquefied natural gas (LNG) dual-fuel container vessels (with an option for additional five of such vessels), intended to be delivered between the fourth quarter of 2023 and July 2024 and to be deployed across the Company's various global-niche trades.

Pursuant to each of the agreements, the Company will charter the vessels for a period of 12 years and has secured an option to later elect a total charter period of 15 years. The Company was further granted by Seaspam a right of first refusal to purchase the chartered vessels should Seaspam choose to sell them during the charter period, and an option to purchase the vessels at the end of the charter term. The Company expects to incur, in annualized charter hire costs per vessel, approximately US\$ 17 million in respect of the abovementioned 15,000 TEU vessels, and approximately US\$ 13 million in respect of the abovementioned 7,000 TEU vessels, over the term of the agreements, depending on the charter period elected.

(c) In accordance with IAS 34 (Interim financial reporting), the Company records its tax expenses based on the estimated annual effective tax rate. In light of its current results (see also Note 4(a)), the Company expects to utilize its carry-forward tax losses and therefore considers utilization of carry-forward tax losses in its estimated annual effective tax rate.

(d) In March 2021, the Company made an early repayment of US\$ 85 million of its Series 1 notes (Tranche C), in accordance with the related excess cash mechanism (see also Note 12(b) to the 2020 annual financial statements).

In June 2021, the Company made an additional early repayment under such mechanism, in respect of its Series 1 and Series 2 notes (Tranches C and D), in a total amount of US\$ 349 million. This payment reflects a full settlement of the indebtedness related to such notes and resulted in the removal of all related provisions and limitations.

(e) During the reporting period, the Company was served with a claim for an alleged patents infringement filed against it in the US. Management, based on legal advice, believes that it has good defense arguments against the claim and filed a motion to dismiss the claim. See also Note 27 to the Company's 2020 annual financial statements, in respect of contingencies.

(f) In May 2021 (further to the expected full repayment of Series 1 and Series 2 notes, as later executed - see above) the Company's Board of Directors approved a distribution of dividend of approximately US\$ 2.00 per ordinary share (US\$ 230 million, as included in these financial statements in respect of the shares outstanding as of June 30, 2021, or approximately US\$ 238 million, assuming that by the record date, all options to purchase the Company's ordinary shares that will be exercisable on or before the record date, will be exercised by their respective option holders). The dividend is scheduled to be paid on September 15, 2021, to all holders of ordinary shares on record as at August 25, 2021.

5 Capital and reserves

(a) Share capital

In February 2021, the Company completed its initial public offering (IPO) of 15,000,000 ordinary shares (including shares issued upon the exercise of the underwriters' option), at an offering price of \$15.00 per share, for gross consideration of \$225 million (\$204 million, after deducting underwriting discounts and commissions and other offering costs). The Company's ordinary shares began trading on The New York Stock Exchange (the "NYSE") under the symbol "ZIM" on January 28, 2021. Further to the approval of the Company's General meeting in December 2020 and the completion of the Company's IPO, the Company's ordinary shares were amended to have no par value, as well as to reflect a share split of 1:10, in the form of issuing benefit shares (nine ordinary shares issued for each existing ordinary share). Accordingly, for earnings per share, these financial statements reflect the abovementioned share split retrospectively, in all presented periods.

(b) Share-Based payment arrangements

During the first quarter of 2021, further to prior approvals of the Company's Compensation committee, Audit committee and Board of Directors, and concurrently with the consummation of the Company's initial public offering, the Company granted a senior member of the Company's Management with options exercisable to its ordinary shares, according to the below terms (which also reflects the above-mentioned share split):

| Grant date | Instrument terms | Number of instruments | Vesting Terms | Contractual life |
|-------------------|---|------------------------------|--|-------------------------|
| January 27, 2021 | Each option is exercisable into one ordinary share, at the exercise price per the offering price of \$15.00 | 546,822 | 25% of the options shall vest upon the first anniversary of the grant date with the remaining options vesting in equal quarterly portions over the following three years period. | 5 years |

Information on fair value measurement

The weighted average fair value of the options on grant date was \$5.32, measured using the Black & Scholes model, based on the following measurement inputs:

| | |
|---------------------------|-----------|
| Share price on grant date | USD 15.00 |
| Exercise price | USD 15.00 |
| Expected volatility | 40.2% |
| Expected life | 5 years |
| Expected dividends | 0% |
| Risk-free interest rate | 0.46% |

ZIM INTEGRATED SHIPPING SERVICES LTD.

NOTES TO THE CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS

6 Right-of-use assets

| | Balance at June 30 | | Balance at December 31 |
|-----------------------------------|-----------------------|------------------|---------------------------|
| | 2021 | 2020 | 2020 |
| | US \$'000 | | |
| Vessels | 1,651,495 | 600,922 | 826,678 |
| Containers and handling equipment | 522,288 | 400,746 | 466,070 |
| Other tangible assets | 47,274 | 52,250 | 47,911 |
| | <u>2,221,057</u> | <u>1,053,918</u> | <u>1,340,659</u> |

7 Segment information

ZIM is managed as one operating unit, generating revenues from operating a global liner service network of container shipping and related services, in which lines share the use of its resources and their performance are co-dependent. Accordingly, the chief operating decision maker manages and allocates resources to the entire liner network. As there is no appropriate allocation for the Group's results, assets and liabilities, these are all attributed to the Group's sole operating segment.

Freight revenues are disaggregated geographically by trade zone, as follows:

| | Six months ended June 30 | | Three months ended June 30 | | Year ended December 31 |
|--|-----------------------------|------------------|-------------------------------|----------------|---------------------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| | US \$'000 | | | | |
| Freight Revenues from containerized cargo: | | | | | |
| Pacific | 1,994,747 | 665,579 | 1,182,583 | 351,374 | 1,860,554 |
| Cross-Suez | 489,666 | 177,815 | 287,152 | 85,086 | 392,679 |
| Atlantic | 391,423 | 290,817 | 231,874 | 137,873 | 577,443 |
| Intra-Asia | 670,374 | 158,942 | 358,352 | 72,064 | 453,127 |
| Latin America | 184,347 | 90,476 | 96,917 | 40,763 | 208,374 |
| | <u>3,730,557</u> | <u>1,383,629</u> | <u>2,156,878</u> | <u>687,160</u> | <u>3,492,177</u> |
| Other Revenues (*) | 395,789 | 234,716 | 225,133 | 107,970 | 499,519 |
| | <u>4,126,346</u> | <u>1,618,345</u> | <u>2,382,011</u> | <u>795,130</u> | <u>3,991,696</u> |

(*) Mainly related to demurrage, value-added services and non-containerized cargo.

8 Financial instruments

Financial instruments not measured at fair value

The carrying amounts of the Group's financial assets and liabilities, including cash and cash equivalents, trade and other receivables, other investments, trade and other payables and loans and other liabilities, reflect reasonable approximation of their fair value.

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9 Earnings per share

Basic and diluted earnings per share

| | Six months ended June 30 | | Three months ended June 30 | | Year ended December 31 |
|---|-----------------------------|-------------|-------------------------------|-------------|---------------------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| | | | US \$'000 | | |
| Profit attributable to ordinary shareholders used to calculate basic and diluted earnings per share | 1,474,055 | 10,491 | 886,456 | 24,040 | 517,961 |
| Weighted average number of ordinary shares used to calculate basic earnings per share | 112,403,315 | 100,000,000 | 115,000,000 | 100,000,000 | 100,000,000 |
| Effect of share options (*) | 4,988,241 | 3,977,419 | 5,133,808 | 4,375,730 | 4,530,892 |
| Weighted average number of ordinary shares used to calculate diluted earnings per share | 117,391,556 | 103,977,419 | 120,133,808 | 104,375,730 | 104,530,892 |

(*) The Company's ordinary shares began trading on January 28, 2021. Due to the absence of a trading market for the Company's ordinary shares prior to this date, the fair value of these shares during such periods, for purposes of calculating the dilutive impact of share options, was determined by Company's management and approved by the Company's Board of Directors.

10 Related parties

During the first half of 2021, the total balance of loans and lease liabilities attributed to related parties, increased by a net amount of US\$ 64 million, mainly due to charter hire of vessels - see also Note 28 to the 2020 annual financial statements.