NEWS RELEASE

ZIM 2018 Annual Reports

3/21/2019

Haifa, March 21, 2019

- Total revenues in 2018 were $3,247.9 million, the highest in the last 4 years, reflecting an increase of 9.1% compared to $2,978.3 million in 2017
- Total revenues in Q4 2018 were $852.6 million, the highest in the last 4 years, reflecting an increase of 12.1% compared to $760.9 million in Q4 2017
- During 2018, ZIM carried 2,914 thousand TEUs, an all-time record of containers carried (reflecting an increase of 10.8% compared to 2017)
- Operating cash flow was $225 million in 2018, compared to $230.9 million in 2017
- Adjusted EBITDA of $145.3 million in 2018, compared to $270.1 million in 2017
- Net loss was $119.9 million (including an impairment loss of $38.0 million with respect to vessels classified as held-for-sale), compared to net profit of $11.4 million in 2017

The container shipping industry is dynamic and volatile and has been marked in recent years by instability, as a result of continued deterioration of market environment. Furthermore, the shipping liner industry went through major developments and structural changes which include reshaping of the alliances and M&A activities that took place over recent years. The instability and volatility in the market, including significant uncertainties in the global trade, continue to affect the market environment.

Since the fourth quarter of 2017 and until the second quarter of 2018, freight rates have decreased while bunker prices, as well as charter rates, increased, negatively affecting the industry as a whole. In the second half of 2018, freight rates started to recover, while bunker prices remained highly volatile, though overall decreased.

Confronted with tough business environment, ZIM continued to record improvements and to introduce new

services to its customers.

In September 2018, the Company launched its strategic operational cooperation with the 2M Alliance. According to this cooperation, the Company and the parties of the 2M Alliance (Maersk and MSC) operate together several lines between Asia and the US East-Coast. In January 2019, The Company and the members of the 2M Alliance announced a second strategic cooperation agreement in two additional trades: Asia - East Mediterranean and Asia - American Pacific Northwest. Such cooperation agreements enable ZIM to provide its customers with improved product portfolio, larger port coverage and better transit time, while generating cost efficiencies.

Eli Glickman, ZIM President & CEO, said: “During 2018, we have commenced the first phase of our strategic operational cooperation with the 2M Alliance, recently expanded to two additional trades. The agreement enables ZIM to offer better product and service portfolio to our customers, and cope with the volatile freight rates and fuel prices. We were able to achieve improved cost efficiencies while significantly increasing the transported volumes. At the same time, we continue to put our customer service at the center, introducing new services and investing in innovative digital solutions"

Financial and Operating Highlights for the Year Ended December 31, 2018

- Total revenues were $3,247.9 million compared to $2,978.3 million in 2017, a 9.1% increase
- ZIM carried 2,914 thousand TEUs, compared to 2,629 thousand TEUs in 2017, a 10.8% increase
- The average freight rate per TEU was $973, compared to $995 in 2017, a 2.2% decrease
- Adjusted EBITDA was $145.3 million, compared to $270.1 million in 2017
- EBITDA was $121.0 million, compared to $245.8 million in 2017
- Adjusted EBIT was $33.7 million, compared to adjusted EBIT of $161.7 million in 2017
- EBIT was negative $28.6 million, compared to EBIT of $135.1 million in 2017
- Adjusted net loss was $44.6 million, compared to adjusted net profit of $50.0 million in 2017
- Net loss was $119.9 million (including an impairment loss of $38.0 million with respect to vessels classified as held-for-sale), compared to net profit of $11.4 million in 2017
- Operating cash flow was $225.0 million, compared to $230.9 million in 2017

Financial and Operating Highlights for the Three Months Ended December 31, 2018

- Total revenues were $852.6 million compared to $760.9 million in Q4 2017, a 12.1% increase
- ZIM carried 714 thousand TEUs, compared to 685 thousand TEUs in Q4 2017, a 4.2% increase

- The average freight rate per TEU was $1,045, compared to $959 in Q4 2017, a 9.0% increase
- Adjusted EBITDA was $47.8 million compared to $53.4 million in Q4 2017
- EBITDA was $42.4 million compared to $48.1 million in Q4 2017
- Adjusted EBIT was $19.6 million, compared to adjusted EBIT of $25.5 million in Q4 2017
- EBIT was negative $23.8 million, compared to EBIT of $20.3 million in Q4 2017
- Adjusted net profit was $0.8 million, compared to adjusted net loss of $1.3 million in Q4 2017
- Net loss was $46.0 million (including an impairment loss of $38.0 million with respect to vessels classified as held-for-sale), compared to net loss of $9.7 million in Q4 2017
- Operating cash flow was $60.4 million, compared to $61.7 million in Q4 2017