



ERNST RUSS AG
NINE-MONTH REPORT
2021

KEY FIGURES AS OF 30/9/2021

EARNINGS	UNIT	1/1 – 30/9/2021	1/1 – 30/9/2020
Revenue	EUR million	63.8	41.8
Operating earnings (EBIT)*	EUR million	19.2	3.5
Earnings before taxes (EBT)	EUR million	16.8	4.8
Consolidated net income for the period after non-controlling interests	EUR million	10.7	3.7
BALANCE SHEET			
	UNIT	30/9/2021	31/12/2020
Total equity and liabilities	EUR million	174.0	163.4
Ship assets shown on the balance sheet**	EUR million	126.6	119.7
Equity	EUR million	95.9	80.1
Equity ratio	%	55.1	49.0
Cash at hand and bank balances	EUR million	22.9	9.2
EMPLOYEES			
	UNIT	1/1 – 30/9/2021	1/1 – 30/9/2020
Average employee capacity	Full-time equivalent	43	65
Personnel expenses	EUR million	3.8	5.4
Personnel expense ratio	%	6.0	12.9
KEY FIGURES SPECIFIC TO VESSELS			
	UNIT	30/9/2021	31/12/2020
Number of fully consolidated vessels		18	16
Capacity	TEU	37,173	37,173
Capacity	DWT	553,813	528,813
	UNIT	1/1 – 30/9/2021	1/1 – 30/9/2020
Average charter rate	USD/day	13,948	8,473
Technical availability	%	97.7	97.8
Employment ratio	%	97.7	96.0

* Determined in accordance with economic criteria.

** Includes down payments made on assets in the course of construction.

SHARE AND INVESTOR RELATIONS

PERFORMANCE OF THE SHARE IN THE FIRST NINE MONTHS OF 2021

The DAX recovered from the coronavirus-induced low of 18 March 2020 (just over 8,400 points) and has risen steadily since the beginning of 2021. In March 2021, the DAX jumped the 15,000 points hurdle for the first time. The German benchmark index ended August 2021 at a high of 15,835.09 points. It had fallen back slightly by the end of September 2021 closing Q3 at 15,260.69 points.

The Ernst Russ AG share price has shown very positive trends since the end of 2020. This trend continued in the first three quarters of 2021. The opening price of the Ernst Russ share in 2021 was EUR 1.31. The share price reached a high of EUR 4.38 at the beginning of September

and closed the quarter at EUR 3.72. The average price of the Ernst Russ share in the first nine months of 2021 was EUR 2.81. Our aim is still to increase the value of the Ernst Russ share on a permanent basis and thus sustain strong investments in Ernst Russ AG moving forward..

SHARE PRICE IN THE FIRST NINE MONTHS OF 2021



CLOSING PRICE IN EUR

AVERAGE PRICE (EUR 2.81)

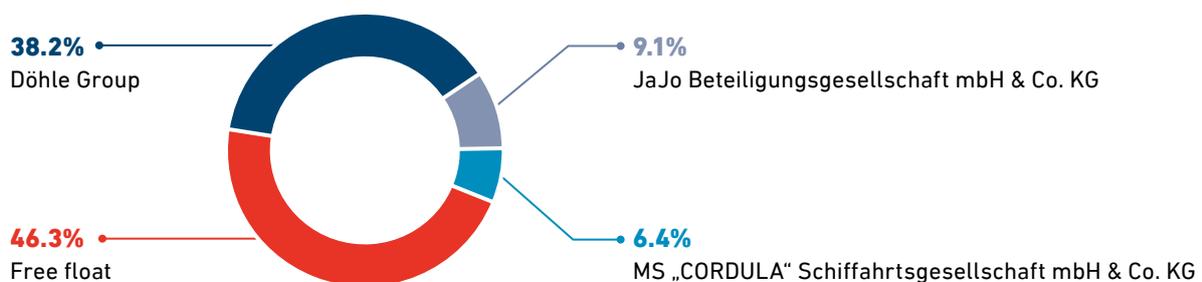
Source: vwd group / EQS Group AG; 2021

KEY DATA FOR THE ERNST RUSS SHARE

	30/9/2021	31/12/2020
Number of shares	32,434,030	32,434,030
Share capital in EUR	32,434,030	32,434,030
Market capitalisation in EUR million	120.7	43.8
	1/1 – 30/9/2021	1/1 – 30/9/2020
High in EUR	4.38	0.83
Low in EUR	1.25	0.45
Earnings per share (undiluted) in EUR	0.33	0.12
Earnings per share (diluted) in EUR	0.33	0.12

BASIC DATA FOR THE ERNST RUSS SHARE

Share type	No-par value shares
Market segment	Scale (Frankfurt Stock Exchange), Mittelstandsbörse Deutschland (Hanseatic Stock Exchange Hamburg)
ISIN / WKN	DE000A161077 / A16107
Stock exchange code	HXCK

SHAREHOLDER STRUCTURE OF ERNST RUSS AG AS AT 30/9/2021

In the third quarter of 2021, Hamburg Commercial Bank AG sold its shares in Ernst Russ AG on the market. As a result, the free float increased by 16.1% to 46.3%.

DATES***8 DECEMBER 2021**

Attendance at MKK – Munich
Capital Market Conference

* Ernst Russ AG reserves the right to change or add dates where appropriate.



COURSE OF BUSINESS

The Ernst Russ Group had a majority holding in 18 vessels as of 30 September 2021. The ER Group also holds significant interests in twelve other vessels. The ship portfolio mainly consists of container ships in the 700 to 6,600 TEU classes, plus a handysize bulker with a capacity of 38,000 DWT and two multi-purpose vessels.

In Q3 2021, one ship from the ER Group's fleet underwent regular class renewal – without any objections. We regularly carry out the major maintenance of technical equipment required in accordance with the manufacturer's specifications for our ships under management. In Q3 2021, other ship operations ran smoothly without any specific incidents in close and excellent cooperation with the commissioned ship management companies and chartering brokers.

The employment concept developed for the fully consolidated fleet of 18 vessels as at 30 September 2021 is geared to the sustainable securing of income in the long term. In a market environment that remained very positive, we were able to increase the average charter rate from around USD 14,700 per day in Q2 to around USD 15,900 per day in Q3. In addition to a new char-

ter agreement for one vessel, the particular reason for this was an increase in revenue from our pool ships. All charter agreements expiring in Q4 have since been extended at current market level and consequently just four vessels in total are now chartered for periods of up to 12 months. Three vessels are still operating in charter income pools. All other vessels are in medium to long term operation.

Of the 4,852 possible operating days, the ER Group's fleet of fully consolidated vessels was operational on 4,739 days (97.7%, previous year: 97.8%). Technical downtime of 2.3% (previous year: 2.2%) was essentially due to dry dock overhauls of two vessels as well as normal operational disruptions and the time needed to carry out necessary repairs. In addition, there were no demurrage periods and consequently the actual total number of operating days was also 4,739 (equivalent period in the previous year: 3,681). This corresponds to fleet capacity utilisation of 97.7% (equivalent period in the previous year: 96.0%).

MARKET TRENDS

Market trends in the shipping segments that are relevant to the Ernst Russ Group (container and bulk shipping) developed positively in Q3 2021 as in the previous quarters. Charter rates in **container shipping** have risen again following an upturn in the second half of 2020 and in the first half of 2021. The Shanghai Containerized Freight Index (SCFI) recorded 4,648 points on 8 October thus rising 60% since the beginning of 2021. The charter market reached new benchmarks at great speed recording charter periods that were negotiated for comparatively longer terms. The New ConTex for the segments between 1,100 and 4,250 TEU was up 81%, and the market for larger post-Panamax vessels increased by around 40%. Global trade is still under the spell of serious congestion. Around 9% of global freight capacity is tied up in queues, with more than half stuck in logjams outside US ports. The economic setbacks caused by the pandemic have now, however, been overcome.

Bulker shipping also saw increases in Q3 2021. Capesize, Supramax and handysize cargo vessels sailed in a strong market that increasingly gained in strength thanks to a broad upswing in all cargo segments. As in container shipping, ship congestion and extended waiting times for ships at ports supported the increase in charter rates.

The outlook for Q4 and 2022 is positive. The IMF's forecast for global economic growth in the coming year is +4.9%. Growth will be distributed very differently. The USA can expect growth of 6% according to the IMF forecast. Germany is expected to fare slightly worse this year at 3.1%. Global maritime trade is expected to grow by 3.9% in 2021, according to Clarksons' analysis. A more moderate increase of around 3.4% is forecast for 2022. Freight rates are forecast to remain at a high level in the coming months, although there are signs that the spot rates on some routes have come down slightly since the end of September 2021. Overall, demand remains stable. The severe port congestion and logistical disruptions are expected to continue for some time. The issues that will occupy container and bulk shipping in the coming months are the COVID-19 pandemic and the severe container congestion that will continue to tie up capacity. The charter rate boom could be countered by the current cooling down of the Chinese economy, possible bottlenecks in the supply chain and, in the medium to long term, new shipbuilding orders in the freight shipping sector.

ASSETS, FINANCIAL POSITION AND EARNINGS

The assets, financial position and earnings of the ER Group showed very positive trends in the period from 1 January to 30 September, 2021. Revenue was up EUR 22.0 million or 53% compared with the previous year's figure to EUR 63.8 million. In addition to the increase in charter rates and the good capacity utilisation, the expansion of our fleet by two vessels in Q4 2020 and by a further two vessels during the reporting period had a particular impact. Ernst Russ AG generated operating earnings (EBIT) of EUR 19.2 million (previous year:

EUR 3.5 million) and pre tax earnings of EUR 16.8 million (previous year: EUR 4.8 million). Consolidated net income after non-controlling interests amounted to EUR 10.7 million (previous year: EUR 3.7 million). Ship assets were up EUR 6.9 million to EUR 126.6 million due to the expansion of the fleet described. Equity of EUR 95.9 million (31/12/2020: EUR 80.1 million) produced an equity ratio of 55.1% (31/12/2020: 49.0%).

OUTLOOK

For the full year 2021, unchanged from the ad hoc release published on 22 October 2021, we expect revenue to be in a range of EUR 85 to 90 million and operating earnings (EBIT) between EUR 30 and 32 million.

DISCLAIMER

These documents include forward-looking statements and information about future developments that are based on the convictions of the Executive Board of Ernst Russ AG and on assumptions and information currently available to Ernst Russ AG. Words such as 'expect', 'estimate', 'assume', 'intend', 'plan', 'should', 'could', 'project' and similar terms referring to the company are intended to indicate forward-looking statements which are subject to uncertainties.

There are many contributing factors which may cause the actual results of the ER Group to be significantly different from the forecasts made in these forward-looking statements.

Ernst Russ AG accepts no responsibility towards the public to update or correct forward-looking statements. All forward-looking statements are subject to various risks and uncertainties, which may mean that the actual results differ numerically from expectations. The forward-looking statements reflect the views at the time at which they were made.

In accordance with Section 317 HGB (German Commercial Code), the Nine-month report has not been audited or reviewed by an auditor.

LEGAL INFORMATION

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