

Report of the Audit and Risk Committee



Dear shareholder,

I am pleased to present the Report of the Audit and Risk Committee (the Committee) for the year ended 31 December 2025. I have served on the Committee since August 2022 and was appointed as Chair in November 2022.

The Committee plays an important role in ensuring the Group's financial integrity for shareholders through oversight of the financial reporting process, including the risk and control systems which underlie that process. This report sets out how the Committee fulfilled its duties under its Terms of Reference, the UK Corporate Governance Code and relevant legislation.

Composition

The Committee membership during the year is set out in the table below which also details attendance and tenure.

| Member | Appointed to Committee | Meetings Held | Meetings Attended | Tenure |
|---|------------------------|---------------|-------------------|-----------|
| E. Moloney – Chair (appointed: Nov-22) | Aug-22 | 5 | 5 | 3.5 years |
| L. Williams | May-21 | 5 | 5 | 4.7 years |
| D. Clague | Aug-21 | 5 | 5 | 4.5 years |

At 31 December 2025, the Committee comprised of three non-executive Directors, all of whom have been determined by the Board to be independent. The members bring significant professional expertise to their roles gained from a broad level of experience gained outside of the Group. This, together with their experience as Directors of the Company, assures that the Committee as a whole has competence relevant to the sector in which the Group operates. The members' biographies are set out under Director Biographies (pages 70-71). The Board has determined that Éimear Moloney has recent and relevant financial experience. Éimear is a qualified chartered accountant and has experience of audit committee membership at other listed companies. The other members of the Committee have wide experience of corporate financial and risk matters. Overall, the Committee is independent and possesses the skills and knowledge to effectively discharge its duties under the Committee's Terms of Reference. The Company Secretary acts as secretary to the Committee.

There were five scheduled meetings during the year at which all members attended. In addition, where requested, the Chief Executive Officer, the Chief Financial Officer, Board Chair, the Internal Auditor, The Group Director of Information Technology and representatives of the Risk Management Committee also attended. The scheduled meetings normally take place on the same day as Board meetings. The Chairman provides updates to the Board on key matters discussed and minutes are circulated to the Board.

Role and Responsibilities

The role, responsibilities and duties of the Committee are set out in written terms of reference which are reviewed annually. The Terms of Reference are available on the Group's website www.icg.ie.

The principal responsibilities of the Committee cover the following areas:

- Supporting the Board in fulfilling its responsibilities in relation to the integrity of the financial reporting process including assessment of key estimates, critical accounting judgements, going concern and viability statements.
- Advise whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provide the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.
- Overseeing the functioning of the internal audit function.
- Monitor the effectiveness of the Group's internal controls and risk management systems, including the functioning of the Executive Risk Management Committee and the structures and arrangements supporting the Directors' Compliance Statement.
- Monitor the adequacy and effectiveness of the Company's processes for the identification of climate related risks and opportunities and the setting of environmental targets.

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- Review and approval of the content of disclosures to be included in the Annual Report concerning climate and sustainability having regard to required regulatory disclosure and best practice.
- Managing the relationships with external financial regulatory authorities.

Work Performed

The principal work undertaken by the Committee during the period under review was focused on the following areas:

Financial Reporting

The Committee reviewed the Group's Half Yearly Financial Report for the six months ended 30 June 2025, the Preliminary Statement of Results and Annual Report and Financial Statements for the financial year ended 31 December 2025 and the two Trading Statements issued during the year. These reviews considered:

- Assessment of the effects of new standards effective for reporting in financial year 2025;
- Other than for any new standards, the consistency, appropriateness and application of the Group's accounting policies;
- The clarity and completeness of disclosures and compliance with financial reporting standards, legislative and regulatory requirements;
- Whether these reports, taken as a whole, were fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- A comparison of these results with management accounts; and
- The critical accounting judgements and key sources of estimation applied in the preparation of the Financial Statements.

In assessing if the Financial Statements have dealt appropriately with each area of judgement, the Committee challenged the key assumptions and methodologies used by management in formulating estimates. The key sources of estimation uncertainty and critical accounting judgements applied in the preparation of the Financial Statements for the financial year ended 31 December 2025 are set out below with further details at Note 3 to the Financial Statements.

Key Estimates

Post-employment benefits

The Group operates a number of Group sponsored pension schemes and is also a participating employer in the Merchant Navy Officers Pension Fund, a multi-employer scheme. Details of these schemes are set out in note 31 to the Financial Statements. The size of the pension obligations at €70.1 million (2024: €80.2 million) are material to the Group and sensitive to actuarial assumptions. The Committee has reviewed the advice received from an actuary independent of the schemes on the setting of actuarial assumptions used by the scheme actuaries in estimating the outstanding pension obligations at the year end. The Committee was satisfied that the assumptions used were reasonable and that the obligations set out in the Financial Statements are consistent with the assumptions and fairly presented.

The Committee also noted that for certain schemes, assets exceeded liabilities resulting in a net pension surplus at 31 December 2025 of €63.6 million (2024: €52.3 million). The Committee made inquiries of management to ensure that this amount represented a fair estimate of the unconditional right of a refund the Group may expect in the future.

Useful economic lives for property, plant and equipment and intangible assets

Long-lived assets comprising primarily property, plant and equipment and intangible assets represent a significant portion of total assets. Changes in estimated useful economic lives may have a material impact on the annual depreciation and amortisation charge.

The Committee reviewed management's assessment of the useful economic lives of significant assets, taking into account technological developments, regulatory requirements, operating performance, maintenance programmes and industry scrapping cycles. The Committee was satisfied that the estimates applied across the asset base were reasonable and supportable.

During the year, management revised the remaining estimated useful life of one conventional steel-hulled vessel from 5.2 years (based on an original 30-year life from date of construction) to 10.2 years. The Committee considered the commercial, technical and regulatory factors underpinning this reassessment, including the vessel's condition, expected deployment profile and market outlook. The Committee challenged management on the robustness of the assumptions supporting the extension and considered the consistency of the approach with the Group's accounting policy and past practice. Following this review, the Committee was satisfied that the change represents an appropriate revision of an accounting estimate.

Critical Accounting Judgements Impairment

The Group does not hold assets that require annual impairment testing. The Committee discussed with management the annual assessment of impairment indicators at 31 December 2025 in accordance with

IAS 36. In particular, the Committee discussed management's approach to identifying indicators of impairment, including consideration of:

- Operational performance during the year compared with expectations;
- Developments in charter and freight markets;
- Macroeconomic conditions in the Group's core geographies;
- Technological developments and regulatory changes, including environmental regulation;
- Shipbuilding costs and replacement economics; and
- The relationship between carrying value and market capitalisation; and
- External Valuation of vessels received.

Ferry Fleet

The Committee discussed with management the independent broker valuations obtained from Simsonship AB and the additional discounted cash flow analysis prepared to corroborate carrying values. The Committee considered trading performance across routes, vessel utilisation, fleet condition and regulatory developments. On the basis of these discussions, the Committee concurred with management's assessment that no indicators of impairment were present in respect of the ferry fleet at 31 December 2025.

Container Fleet

The Committee discussed with management developments in the container vessel market, including the stabilisation and improvement in charter rates during 2025 following prior volatility. Independent broker valuations obtained at 31 December 2025 indicated that market values for two vessels were below their carrying values. The Committee discussed with management whether this, together with the sensitivity of long-term charter rate assumptions, constituted indicators of impairment and agreed that asset-level indicators were present for those two vessels.

The Committee discussed management's recoverable amount assessments for these vessels, including:

- The approach to determining fair value less costs of disposal;
 - The key assumptions underpinning the value in use calculations, including long-term charter rates, discount rate and terminal values; and
 - The sensitivity of the results to changes in those assumptions.
- The Committee also discussed management's assessment of environmental regulation and potential obsolescence risk.

Following these discussions, the Committee concurred with management's conclusion that the recoverable amount of each vessel exceeded its carrying value at 31 December 2025 and that no impairment charge was required.

Going concern

The Committee discussed with management the appropriateness of the going concern basis in the preparation of the Group Financial Statements. The Committee considered management's going concern assessment, which covered a period of at least 12 months from the date of approval of the Financial Statements. In particular, the Committee discussed:

- The Group's 2025 operating performance and cash generation;
- The level of net current liabilities at 31 December 2025;
- Forecast cash flows under the approved 2026 budget and medium-term plan;
- The capital investment programme, including the final €75 million bullet payment in respect of Oscar Wilde;
- Available committed bank facilities and liquidity headroom; and
- Compliance with financial covenants.

The Committee discussed the assumptions underpinning the cash flow forecasts and the sensitivities applied in a number of trading scenarios. These included a downside case reflecting reduced activity levels across the Group's businesses, having regard to macroeconomic risks, inflationary pressures and geopolitical uncertainties, while maintaining a full service schedule. The Committee also discussed the funding strategy for the Oscar Wilde bullet payment and the availability of facilities on normal market terms.

The Committee noted that the Group generated strong operating cash flows during 2025 and remained comfortably within its leverage covenant at the reporting date. Following these discussions, the Committee was satisfied that the Group has adequate financial resources to continue in operational existence for the foreseeable future and that the going concern basis of preparation remained appropriate. The Going Concern Statement is set out at Note 3 to the Consolidated Financial Statements.

Viability Statement

The Committee reviewed and challenged management's assumptions and scenarios together with the calculations supporting the Viability Statement set out the Report of the Directors. The Committee also considered the appropriateness of the five-year assessment time frame and that the Group's principal and emerging risks had been appropriately considered. The Committee was satisfied that a robust assessment had been completed and reported this to the Board.

Fair, balanced and understandable

The Committee reviewed the 2025 Annual Report and Financial Statements to ensure that in its opinion taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

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Recommendations to the Board

Based on the work undertaken, the Committee reported to the Board that the Annual Report and Financial Statements for the year ended 31 December 2025 taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy and recommended that the Annual Report and Financial Statements be approved by the Board.

The Committee had also recommended the approval of the Half Yearly Financial Report for the six months ended 30 June 2025 and the Trading Statements issued during 2025.

Risk Management and Internal Control

The Board is responsible for the Group's risk management and system of internal control. The Board's approach to risk management is set out in the Risk Management Report. The Committee, on behalf of the Board, reviews the effectiveness of the Group's control environment including internal controls and risk identification and risk management systems. The Committee also oversees the Internal Audit programme.

The Risk Management Report describes the principal risks and uncertainties identified by the Group. Risks are grouped under strategic, operational, IT systems and cyber and financial risks. The risk management system is dynamic and monitors for signals of new emerging risks which during 2025 included proposed additional regulations over seafarer working conditions by local governments, macro-economic, geopolitical and supply chain risk, cyber-security risks (including those posed by the emergence of artificial intelligence) and increased documentation requirements for travel between the UK and EU. Further details on these are set out in the Risk Management Report (pages 58-66).

The Committee oversees the work of the Risk Management Committee (RMC) which coordinates a unified system of ongoing identification, monitoring and reporting of risks throughout the Group. The activities of the RMC are undertaken alongside the activities of Internal Audit.

The Key elements of the Group's system of internal controls include:

- Clearly defined structures and lines of authority covering finance, IT and cyber security, operations, health and safety and governance;
- Approval by the Board on an annual basis of Group risk appetite;
- Risk identification, assessment and assignment;
- Monitoring of KRIs;
- Annual approval of activities giving rise to highest risk exposures.

During the year, the Committee met with members of the RMC and presentations were made outlining the work undertaken in managing risk monitoring systems, the categorisation of risks, procedures for ensuring the Group Risk Register is being updated for new and emerging risks and the management of exposure to principal risks. The work of the RMC is also central in putting consideration of risk to the fore in business decision making throughout the Group. In this respect the RMC conducted risk awareness workshops with employees from throughout the Group. The Committee reviewed with the RMC those activities assessed as creating the highest risk exposures and formulated a recommendation to the Board to continue those activities as being necessary to the Group's operations. The Committee also received regular reports throughout the year including internal audit reviews, operational and safety risk reviews including information technology and cyber security. In addition, the Chair meets regularly with Group Internal Audit and the Committee approved the 2026 Internal Audit Plan.

The Committee reviewed the effectiveness and resourcing of the RMC and Internal Audit activities. The Committee was satisfied that all agreed risk management and internal control systems had been in place throughout the financial year. In conducting the review, the Committee acknowledges that the risk management and internal control system is designed to manage and mitigate rather than eliminate risk. The Committee was satisfied that the RMC and Internal Audit were achieving their objectives and that the Group control environment remains appropriate and effective. This assessment has been reported to the Board.

The Committee also reviewed the effectiveness of the arrangements and structures which the Company has designed and put in place to secure material compliance with its Relevant Obligations as defined under Companies Act 2014. Relevant obligations comprise compliance with certain company law and tax obligations. The Committee reported to the Board that the arrangements and structures were sufficient to secure material compliance with its Relevant Obligations.

External Audit

The Committee is responsible for managing the relationship with the Group's external auditor and monitoring their performance, objectivity and independence. The Committee evaluates on an annual basis, at the conclusion of the audit, the effectiveness of the external audit process.

2025 External Audit Process

The Committee met with KPMG prior to the commencement of the audit of the Financial Statements for the financial year ended 31 December 2025. The Committee considered KPMG's internal policies and procedures for maintaining independence and objectivity and their approach to audit quality. The Committee assessed the quality of the external audit plan as presented by KPMG and satisfied itself

as to the expertise and resources being made available. The Committee also reviewed the terms of the Letter of Engagement and approved the level of remuneration.

KPMG reported their key audit findings to the Committee prior to the finalisation of the Financial Statements. This report, which included a schedule of non-material adjusted misstatements, significant judgements and estimations and key areas of risk, was considered by the Committee in forming their recommendation to the Board. The Committee also considered the representations sought by KPMG from the Directors.

KPMG's key audit findings report included control weaknesses noted during their audit, none of which were considered significant deficiencies so as to cause KPMG to amend the scope of their original audit plan. The Committee has considered these and, having discussed with management, have directed remedial action be taken where considered appropriate. The Committee has also considered feedback from management involved in the audit process regarding interaction with and level of preparedness of the audit team. The Committee also meet with the audit team without the presence of management.

The Committee evaluated KPMG's performance which included an assessment of KPMG's communication process with the Committee and senior management, knowledge of the Group and industry sector and resource commitment to the external audit and the Committee is satisfied that in conducting the audit of the 2025 Financial Statements, KPMG were effective, objective and independent.

As auditor, KPMG confirmed to the Company that they comply with the Ethical Standards for Auditors (Ireland) 2020 as issued by IAASA and that, in their professional judgement, they and, where applicable, all KPMG network firms are independent and their objectivity is not compromised.

KPMG confirmed to the Company that the lead partner will be rotated every five years to ensure continued objectivity and independence. Mr. Colm O'Sé (who was appointed in 2021) has acted as lead partner for the audit of the 2025 Financial Statements.

Auditor Independence

The Committee permits the external auditor to provide non-audit services where they are permitted under Part 27 of the Statutory Audits of Companies Act 2014 and are satisfied that they do not conflict with auditor independence. The Committee's policy on the provision of non-audit services requires that each engagement for the provision of non-audit services requires approval of the Committee. The Committee approved the engagement of the external auditor to provide certain tax compliance and advisory services, and reporting accountant services in respect of certain pension schemes in respect of the 2025 financial year. This approval was granted on the basis of procedural efficiency. The Committee must also give approval for the employment of any person who was previously employed by the external auditor within the previous two years of proposed employment by the Group.

The Audit and Risk Committee has considered all relationships between the Company and the external audit firm, KPMG, including the provision of non-audit services as disclosed in note 9 to the financial statements which are within the thresholds set out in Part 27 of the Statutory Audits of Companies Act 2014. The Committee does not consider that those relationships or the level of non-audit fees impair the auditor's judgement or independence.

Based on consideration of the above the Committee concluded that it was satisfied with the performance, objectivity and independence of the external auditor.

Éimear Moloney

Chair of the Audit and Risk Committee

4 March 2026