



MPC CONTAINER SHIPS INVEST B.V.

FINANCIAL REPORT

Q1 2018

FINANCIAL INFORMATION ¹⁾

CONSOLIDATED INCOME STATEMENT

in USD thousands	Notes	Q1 2018 (unaudited)	2017 (audited)
Operating revenue		19,581	10,540
Commissions		-791	-417
Vessel voyage expenditures		-1,191	-1,489
Vessel operation expenditures		-11,631	-7,436
Ship management fees		-944	-607
Gross profit		5,024	591
Administrative expenses		-289	-146
Depreciation		-3,227	-1,646
Other income		-172	-77
Other expenses		219	18
Operating result		1,555	-1,260
Finance income	3	117	179
Finance costs	3, 6	-2,722	-1,849
Profit/Loss before income tax (EBT)		-1,049	-2,930
Income tax expenses		0	-22
Profit/Loss for the period		-1,049	-2,952
Attributable to:			
Equity holders of the Company		-1,051	-2,951
Non-controlling interest		1	-1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in USD thousands	Notes	Q1 2018 (unaudited)	2017 (audited)
Profit/Loss for the period		-1,049	-2,952
Items that may be subsequently transferred to profit or loss		1,379	157
Cash flow hedge reserve		1,379	157
Items that will not be subsequently transferred to profit or loss		0	0
Total comprehensive profit/loss		330	-2,795
Attributable to:			
Equity holders of the Company		329	-2,794
Non-controlling interest		1	-1

¹⁾ Seeing as MPC Container Ships Invest B.V. commenced operations in September 2017, Q1 2017 financial figures are inexpedient. For comparison purposes, the company uses audited financial figures as at 31 December 2017.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in USD thousands	Notes	31 March 2018 (unaudited)	31 December 2017 (audited)
Assets		400,001	225,673
Non-current assets	4	351,650	162,368
Vessels		351,116	148,386
Prepayment on vessels		0	13,419
Other assets		534	563
Current assets		48,352	63,305
Inventories		1,905	1,051
Trade and other receivables		6,809	2,706
Cash and cash equivalents		39,638	59,548
Unrestricted cash		32,526	18,694
Restricted cash		7,113	40,854
Equity and liabilities		400,001	225,673
Equity		196,917	123,490
Capital		199,123	126,150
Share capital	5	0	0
Share premium		199,123	126,150
Retained losses		-4,102	-2,970
Other comprehensive income		1,536	157
Minority interest		361	153
Non-current liabilities		193,766	96,242
Interest bearing loans	6	193,766	96,242
Current liabilities		9,318	5,941
Trade and other payables		6,412	4,678
Payables to affiliated companies		1,402	529
Other liabilities		1,496	734

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in USD thousands	Share capital	Share premium	Retained earnings	OCI	Minority interest	Total equity
Incorporation	0					0
Additional capital contribution		126,150			153	126,303
Result for the period			-2,952			-2,952
Cash flow hedge reserve				157		157
Other effects			-18			-18
Equity as at 31 Dec. 2017	0	126,150	-2,970	157	153	123,490
Equity as at 1 Jan. 2018	0	126,150	-2,970	157	153	123,490
Additional capital contribution		72,973			208	73,181
Result of the period			-1,051		1	-1,049
Cash flow hedge reserve				1,379		1,379
Other effects			-82			0
Equity as at 31 Mar. 2018	0	199,123	-4,102	1,536	361	196,917

CONSOLIDATED STATEMENT OF CASH FLOW

in USD thousands	Notes	Q1 2018 (unaudited)	2017 (audited)
Profit/Loss before taxes		-1,049	-2,930
Income tax paid		0	0
Finance expenses, net		2,604	1,670
Interest paid		-2,722	-1,535
Interest received		117	178
Other finance costs		0	-129
Net change in current assets		-3,548	-3,757
Net change in current liabilities		3,262	5,919
Cash upfront payment for hedge instruments		0	-566
Depreciation		3,227	1,646
Cash flow from operating activities		1,892	496
Purchase of vessels	4	-184,770	-27,537
Dry-docking and other investments		-7,769	-4,989
Prepayment on vessels		0	-13,419
Cash flow from investing activities		-192,538	-45,945
Proceeds from shareholder's contribution		73,097	8,937
Gross proceeds debt financing		100,000	100,000
Bond issuing costs	6	-2,369	-3,940
Cash flow from financing activities		170,728	104,997
Net change in cash and cash equivalents		-19,919	59,548
Net foreign exchange differences		9	0
Cash and cash equivalents at beginning of period		59,548	0
Cash and cash equivalents at the end of period		39,638	59,548

NOTES

Note 1 - General information

MPC Container Ships Invest B.V. (the “Company”, together with its subsidiaries the “Group”) is a private limited liability company incorporated and domiciled in the Netherlands, with registered address at Strawinskyiaan 835, World Trade Center, Tower B, 8th floor, Amsterdam NL1077, Netherlands and Dutch enterprise number 69545103. The Company was incorporated on 6 September 2017 and operating activity commenced in September 2017. This consolidated financial report comprises the Company and its subsidiaries. The principal activity of the Group is the investment in as well as operating and financing of container vessels.

The Company is controlled by MPC Container Ships ASA (the “Parent”), a public limited liability company incorporated and domiciled in Norway, with registered address at Dronning Mauds gate 3, 0250 Oslo, Norway and Norwegian enterprise number 918 494 316. The Group is included in the consolidated financial statements of the Parent. The shares of the Parent are listed on the Oslo Stock Exchange under the ticker “MPCC”.

Note 2 - Basis of preparation

The unaudited interim financial statements for the period ended 31 March 2018 are prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The statements have not been subject to audit. The Statements do not include all of the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements.

Standards and interpretations that are issued but not yet effective are disclosed below. Only standards and interpretations that are applicable to the Group have been included and the Group reviews the impact of these changes on its financial statements. The Group’s intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued.

- IFRS 16 – Leases

Note 3 - Finance income and expenses

in USD thousands	Q1 2018 (unaudited)	2017 (audited)
Interest income	117	179
Total financial income	117	179
Interest expenses	-2,468	-1,664
Other financial expenses	-254	-185
Total financial expenses	-2,722	-1,849

Interest paid under the bond agreement as at 31 March 2018 amounts to USD 2.5 million.

Note 4 - Vessels

in USD thousands		Q1 2018
Book value as at 31 December 2017		148,386
Contributions of fixed assets and capitalized investments		13,419
Acquired vessels		184,773
Capitalized dry-dockings and other expenses		7,765
Gross balance		354,343
Depreciation		-3,227
Depreciation and impairment		-3,227
Net book value		351,116
<i>Depreciation method</i>		<i>Straight-line</i>
<i>Useful life (vessels)</i>		<i>25 years</i>
<i>Average remaining useful life (vessels)</i>		<i>15 years</i>
<i>Useful life (dry docks)</i>		<i>5 years</i>

As at 31 March 2018, the Group owns and operates 38 vessels through consolidated subsidiaries.

Vessel contributions: as of 31 March 2017, 15 vessels were contributed from the Parent. The original transactions to acquire the vessels were accounted for as asset acquisitions in the Parent's consolidated financial report.

Impairment: management has assessed that there are no indicators of impairment as of 31 March 2018.

Note 5 - Share capital

	Number of shares	Share capital (USD)	Share premium (USD) (unaudited)
6 September 2017	1	1	-
31 December 2017	1	1	126,150,341
Equity injections in Q1 2018	0	0	72,972,420
31 March 2018	1	1	199,122,761

The share capital of the Company consists of 1 share at 31 March 2018, with nominal value per share of EUR 1, paid on 13 October, 2017. Share premium represents the additional contributions made by the Parent (substantially through vessels and cash).

Note 6 - Interest-bearing loans

On 8 September 2017, the Company issued a USD 100 million senior secured bond with a total borrowing limit of USD 200 million. The bond has a floating interest rate of LIBOR + 4.75% and a 5-year maturity. The effective interest rate (excluding the effect of interest rate derivatives) as of December 31, 2017, was approximately 7%. Settlement of the bond was 22 September 2017 and the bond shall be repaid in full on the maturity date (22 September 2022).

On 2 February 2018, a USD 100 million tap issue on the above-mentioned bond was completed. As such, the total nominal amount of bonds outstanding is USD 200 million as of February 2018.

On 22 May 2018, the Company announced that all USD 200 million bond proceeds had been successfully invested in accordance with the bond terms.

in USD thousands	31 March 2018 (unaudited)	31 December 2017 (audited)
Nominal value of issued bonds	200,000	100,000
Debt issuance costs	-6,234	-3,758
Book value of issued bonds	193,766	96,242

In addition to customary protection rights for the benefit of the bondholders, the following financial covenants, as defined in the bond terms, are applicable at the level of the Parent's consolidated figures:

- The Group shall maintain a minimum liquidity of 5% of the consolidated financial indebtedness; and
- The consolidated book equity ratio of the Parent shall at all times be higher than 40%.

The following financial covenant, as defined in the bond terms, is applicable at the level of the Company's consolidated figures:

- Vessel loan to value ratio of the Company and its subsidiaries shall not exceed 75%;

The Group is in compliance with all covenants as at 31 March 2018.

The bond is guaranteed by the Parent and all subsidiaries of the Company.

The bond terms contain voluntary call options to early redeem the bonds, which is currently not expected. In addition, there is also a mandatory put option upon change in controlling shareholder.

Note 7 - Commitments

As at 31 March 2018, the Group has entered into agreements for the acquisition of one second-hand container vessel. The Group is committed to pay the purchase price upon takeover of the vessel in Q2 2018.

Including prepayments on purchase prices, the respective commitment totals USD 7.95 million as of 31 March 2018.

See Note 9 – Subsequent events for additional vessel acquisitions after the balance sheet date.

Note 8 - Group companies

The Group's consolidated financial statements include the financial reports of the Company and its subsidiaries listed in the table below:

Name	Principal activity	Country of incorporation	Equity interest	Initial consolidation
"AS LAETITIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS LAGUNA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS PAULINA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS PETRONIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS CLARA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS ANGELINA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FATIMA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FLORETTA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FAUSTINA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FABRIZIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FIORELLA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS COLUMBIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS CLARITA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FRIDA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS CALIFORNIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FIONA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS CONSTANTINA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FORTUNA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS LAURETTA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS SAVANNA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017

"AS FILIPPA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS SOPHIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS SERENA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS CLEMENTINA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS SICILIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS SEVILLIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS PATRIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS PALATIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS CYPRIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS CARELIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS FABIANA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS FEDERICA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS FLORIANA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS RICCARDA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS RICCARDA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS RAGNA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS ROMINA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS ROSALIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS LAETITIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS LAGUNA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS PAULINA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS PETRONIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS CLARA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS ANGELINA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FATIMA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FLORETTA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FAUSTINA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FABRIZIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FIORELLA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS COLUMBIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017

"AS CLARITA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FRIDA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS CALIFORNIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FIONA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS CONSTANTINA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FORTUNA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS LAURETTA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS SAVANNA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FILIPPA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS SOPHIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS SERENA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS CLEMENTINA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS SICILIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS SEVILLIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS PATRIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS PALATIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS CYPRIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS CARELIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS FABIANA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS FEDERICA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS FLORIANA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS RICCARDA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS RICCARDA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS RAGNA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS ROMINA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS ROSALIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018

Ownership rights equal voting rights in all subsidiaries.

Note 9 - Subsequent events

On 3 April 2018, the Parent contributed one feeder container vessel to the Company and its subsidiaries.

On 4 April 2018, the Parent entered into a purchase agreement for the acquisition of a 2,496 TEU feeder container vessel with a purchase price of USD 9.9 million, increasing the fleet of the Group to 65 vessels.

On 19 April 2018, the Financial Supervisory Authority of Norway approved a prospectus for (i) the listing of the Parent's 11,750,000 shares temporarily listed on the Merkur Market on Oslo Axess, (ii) the subsequent listing of all of the Parent's shares on the Mainboard of the Oslo Børs and (iii) the offering of up to 75,000 existing shares in the Parent to the public in Norway.

On 18 April 2018, the Company assumed ownership of a 1,223 TEU feeder container vessel with a purchase price of USD 7.95 million, increasing the fleet of the Company to 40 vessels.

On 30 April 2018, the Parent as the Company's sole shareholder resolved to adopt the Company's annual accounts for the financial year ended on 31 December 2017.

As of 3 May 2018, the shares of the Parent are listed at the Mainboard of the Oslo Stock Exchange.

On 22 May 2018, the Company announced that the USD 200 million proceeds from the bond issue had successfully been disbursed and fully invested in accordance with the bond terms.