



MPC CONTAINER SHIPS INVEST B.V.

FINANCIAL REPORT

Q4 2017

FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

in USD thousands	Notes	2017 (unaudited)
Operating revenue		10,540
Commissions		-417
Vessel voyage expenditures		-1,489
Vessel operation expenditures		-7,435
Ship management fees		-607
Gross profit		591
Administrative expenses		-146
Depreciation and impairment		-1,646
Other expenses		-77
Other income		18
Operating result (EBIT)		-1,260
Other finance income		179
Finance costs		-1,849
Profit/Loss before income tax (EBT)		-2,930
Income tax expenses		-22
Profit/Loss for the period		-2,952
Attributable to:		
Equity holders of the Company		-2,951
Minority interest		-1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in USD thousands	Notes	2017 (unaudited)
Profit/loss for the period		-2,952
Items that may be subsequently transferred to profit or loss		157
Foreign currency effects, net of taxes		0
Other comprehensive profit/loss, net of taxes		157
Items that will not be subsequently transferred to profit or loss		0
Other comprehensive profit/loss, net of taxes		0
Other comprehensive profit/loss from joint ventures and affiliates		0
Total comprehensive profit/loss		-2,795
Attributable to:		
Equity holders of the Company		-2,767
Non-controlling interest		-28

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in USD thousands	Notes	31 December 2017 (unaudited)
Assets		225,673
Non-current assets		161,805
Vessels		161,805
Current assets		63,869
Inventories		1,051
Trade and other receivables		3,269
Cash and cash equivalents		59,548
Unrestricted cash		15,985
Restricted cash		43,563
Equity and liabilities		225,673
Equity		123,141
Capital	4	125,800
Share capital		0
Share premium		125,800
Retained losses		-2,970
Other comprehensive income		157
Non-controlling interest		153
Non-current liabilities		96,242
Interest bearing loans		96,242
Current liabilities		6,291
Interest bearing loans and borrowings		129
Provisions		2,877
Trade and other payables		1,801
Payables to affiliated companies		879
Other liabilities		606

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in USD thousands	Share capital (unaudited)	Share premium (unaudited)	Retained earnings (unaudited)	Other reserves (unaudited)	Minority interest (unaudited)	Total equity (unaudited)
Incorporation (6 Sept. 2017)	0	0	0		0	0
Additional capital contribution		125,800			153	125,953
Result of the period			-2,970			-2,970
Other comprehensive income				157		157
Equity as at 31 Dec. 2017	0	125,800	-2,970	157	153	123,141

CONSOLIDATED STATEMENT OF CASH FLOW

in USD thousands	Notes	2017 (unaudited)
Profit/Loss before income tax		-2,930
Income tax expenses		-22
Net change in provisions		2,877
Net change in current assets		-4,321
Net change in current liabilities		3,285
Depreciation		1,646
Cash flow from operating activities		535
Purchase of vessels		-163,451
Cash flow from investing activities		-163,451
Net proceeds from share issuance	4	126,093
Net proceeds debt financing		96,371
Cash flow from financing activities		222,464
Net change in cash and cash equivalents		59,548
Net foreign exchange differences		0
Cash and cash equivalents at beginning of period		0
Cash and cash equivalents at the end of period		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 at Oslo Axess, Oslo Stock Exchange under the ticker “MPCC”.

Note 2 - Basis of preparation

The unaudited interim financial statements for the period ended 31 December 2017 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. Management reviews the impact of these changes on the Group’s consolidated financial statements regularly. The Group’s intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU endorsement before the consolidated financial statements are issued.

- IFRS 9 – Financial instruments
- IFRS 15 – Revenue from contracts with customers
- IFRS 16 – Leases

Note 3 - Significant judgements, estimates and assumptions

The preparation of consolidated financial reports conforming to IFRS requires management to make judgments, estimates and assumptions that may affect assets, liabilities, revenues, expenses and information in notes to these financial reports. Estimates are management’s best assessment based on information available at the date the financial reports are authorized for issue. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, which have significant effect on the amounts recognized in the consolidated financial report:

- Assets contributions and acquisitions: judgement is required to determine if a transaction qualifies as a business combination or an asset acquisition, depending on the nature of the transaction. Management makes this determination based on whether the Group has acquired an “integrated set of activities and assets”, as defined in IFRS 3 Business Combination, by relevance to the acquisition of underlying inputs, processes

applied to those inputs, and resulting outputs. Certain vessels reported as of December 31 represent contributions from the Parent, and are accounted for in the Parent's consolidated financial report as assets acquisitions. The carrying value in the Parent's consolidated financial report has been deemed representative of related fair value.

Assumptions and estimation uncertainties

The following assumptions and estimation uncertainties can result in a material adjustment to the carrying amounts of assets:

- Depreciation of vessels: depreciation is based on estimates of the vessels' useful lives, residual values less scrapping costs and the depreciation method, which are reviewed by the management at each balance sheet date. Any changes in estimated useful lives and/or residual values impact the depreciation of the vessels prospectively.
- Impairment of vessels: indicators of impairment of assets are assessed at each reporting date. The impairment assessments demand a considerable degree of estimation. Changes in circumstances and assumptions may significantly affect the estimated recoverable amounts, and a prolonged weak market may result in future impairment losses. The Group's impairment test for operating vessels is based on the value in use as assessed by performing discounted cash flow calculations. Value in use calculations involve a high degree of estimation and a number of critical assumptions such as time charter rates, operational expenses, residual values and discount rates.
- Upon acquisition of each vessel, the management makes an assumption regarding the allocation of vessel purchase prices to residual values of existing time charter contracts and dry dockings.

Note 4 - Share capital

	Number of shares	Share capital (USD)	Share premium (USD) (unaudited)
6 September 2017	1	1	-
31 December 2017	1	1	125,800

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

Note 5 - Subsequent events

As of 29 January 2018, the shares of the Parent are listed at Oslo Axess at Oslo Stock Exchange.

On 30 January 2018, the Parent group entered into purchase agreements for the acquisition of two feeder container vessels with a total purchase price of USD 21.8 million.

On 31 January 2018, the Parent group entered into a purchase agreement for the acquisition of a feeder container vessel with a purchase price of USD 10.5 million.

On 2 February 2018, the Company completed a tap issue of USD 100 million in its senior secured bond facility.

On 16 February 2018, the Parent issued 11,750,000 new shares at a subscription price of NOK 50.00 per share in a private placement, resulting in gross proceeds of USD 75 million. Shares issued following the private placement in February 2018 are temporarily listed on the Merkur Market at the Oslo Stock Exchange.

On 20 February 2018, the Parent group entered into purchase agreements for the acquisition of 14 feeder container vessels with a total purchase price of USD 139.5 million.