



**MPC CONTAINER SHIPS AS
FINANCIAL REPORT
Q3 2017**

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MPC CONTAINER SHIPS

BUSINESS OVERVIEW AND CORPORATE DEVELOPMENT

MPC Container Ships AS (the “Company”, together with its subsidiaries the “Group”) was incorporated on 9 January 2017 as a private limited liability company under the laws of Norway. The Group's principal business activity is to invest in and operate maritime assets in the container shipping segment. As a dedicated owner and operator of container ships, the Group has a focus on feeder vessels, mainly between 1,000 and 3,000 TEU, that are chartered out to liner shipping companies and regional carriers.

The Company issued 36,000,000 shares in two private placements during the first half of 2017, resulting in gross proceeds of USD 176 million in total. The shares of the Company are listed on Merkur Market at Oslo Stock Exchange under the ticker MPCC-ME.

On 8 September 2017, the Group 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 plus a margin of 4.75%. The bond was settled on 22 September 2017 with five years maturity.

After the balance sheet date, on 23 November 2017, the Company completed a private placement of 30.25 million new shares with gross proceeds of USD 175 million. The private placement was completed at a subscription price of NOK 47.50 per share. Settlement of the private placement is subject to approval by an extraordinary general meeting of the Company that will be held on 4 December 2017.

FLEET DEVELOPMENT

During the third quarter of 2017, the Group took over 10 feeder vessels. In addition, 4 feeder vessels have been acquired with expected takeover during the fourth quarter of 2017. The committed purchase price for these vessels is USD 30.5 million.

FLEET LIST

As of 30 September 2017, the fleet operated by the Group and joint ventures consists of 22 feeder vessels with an average age of 12.0 years. The fleet's total transportation capacity is 45,606 TEU.

Vessel Name	Stake	TEU	Built	Gear	Yard
AS LAETITIA	100%	966	2007	2	Yangfan Group Co Ltd
AS LAGUNA	100%	966	2008	2	Yangfan Group Co Ltd
AS FIONA	100%	1,200	2003	0	Peene-Werft GmbH
AS FATIMA	100%	1,284	2008	0	Zhejiang Ouhua Shipbuilding Co
AS FLORETTA	100%	1,284	2007	2	Zhejiang Ouhua Shipbuilding Co
AS FAUSTINA	100%	1,284	2007	2	Zhejiang Ouhua Shipbuilding Co
AS FABRIZIA	100%	1,284	2008	2	Zhejiang Ouhua Shipbuilding Co
AS FIORELLA	100%	1,296	2007	2	Zhejiang Ouhua Shipbuilding Co
AS FORTUNA	100%	1,345	2009	2	Jiangsu Yangzijiang Shbldg Co
AS ANGELINA	100%	2,127	2007	3	Aker MTW Werft GmbH
AS PAULINA	100%	2,556	2004	4	Hyundai Heavy Inds - Ulsan
AS PETRONIA	100%	2,556	2004	4	Hyundai Heavy Inds - Ulsan
AS CONSTANTINA	100%	2,742	2005	0	Aker MTW Werft GmbH
AS CLARA	100%	2,742	2006	0	Aker MTW Werft GmbH
AS COLUMBIA	100%	2,742	2006	0	Aker MTW Werft GmbH
AS PALINA	80%	2,556	2004	4	Hyundai Heavy Inds - Ulsan
AS PETRA	80%	2,556	2004	4	Hyundai Heavy Inds - Ulsan
AS CARINTHIA	50%	2,824	2003	0	Hyundai Mipo Dockyard Co Ltd
CARDONIA	50%	2,824	2003	0	Hyundai Mipo Dockyard Co Ltd
CARPATHIA	50%	2,824	2003	0	Hyundai Mipo Dockyard Co Ltd
CORDELIA	50%	2,824	2003	0	Hyundai Mipo Dockyard Co Ltd
CIMBRIA	50%	2,824	2002	0	Hyundai Mipo Dockyard Co Ltd

Q3 2017 RESULTS

FINANCIAL PERFORMANCE

The Group's vessels are chartered out on time charter contracts to global and regional liner shipping companies. Total revenues during Q3 2017 were USD 7.0 million, compared to USD 1.2 million in Q2 2017. The increase in revenues is primarily attributed to an increased number of operating days as a result of the growth of the Group's fleet. During the third quarter of 2017, the Group took delivery of a total of 10 vessels. The gross profit from vessel operations in Q3 2017 was USD 1.0 million (USD 0.2 million in Q2 2017).

For the three-month period ended 30 September 2017, the financial result was USD 0.4 million (USD 0.1 million in Q2 2017), mainly related to the equity result attributable from a joint venture that holds interest in five feeder container vessels.

The Group reports a profit before taxes of USD 0.2 million for Q3 2017, compared to a loss of USD -0.4 million in Q2 2017.

The present financial performance of the Group needs to be put in perspective, given that the Group is in the start-up phase of its operation. The first vessels were taken over by the Group in April 2017.

FINANCIAL POSITION

The Group's total assets amounted to USD 277.2 million at 30 September 2017, up from USD 172.7 million at 30 June 2017. Non-current assets in the amount of USD 149.9 million (USD 65.8 million at 30 June 2017) comprise of vessels operated by the Group as well as the equity investments into a joint venture.

Total equity was USD 175.0 million at 30 September 2017 (USD 170.5 million at 30 June 2017), with minority interest of USD 4.4 million. As at 30 September 2017, the Group had interest-bearing financial liabilities in the amount of USD 96.4 million (nil at 30 June 2017) resulting from the bond issue. The increase in financial liabilities meant that the equity ratio decreased from 99% (30 June 2017) to 63%.

CASH FLOW

During Q3 2017, the Group generated a positive cash flow from operating activities of USD 1.1 million (USD 0.5 million in Q2 2017). The cash flow from investing activities into vessels and joint venture investments was USD -85.1 million (USD -66.1 million in Q2 2017). The cash flow from financing activities of USD 101.0 million (USD 170.9 million in Q2 2017) is due to the net proceeds from the bond issuance completed in September 2017 and contributions by minority interest.

The total net change in cash and cash equivalents during Q3 2017 was USD 17.0 million.

Cash and cash equivalents as of 30 June 2017 were USD 122.3 million (USD 105.4 million at 30 June 2017).

MARKET

THE CONTAINER MARKET IN Q3 2017

After positive sentiment in the first half of 2017 as compared to 2016, container shipping markets have continued to send favorable signals in Q3 2017.

Container trade growth is expected to grow by 5.1% in 2017, compared to 3.8% growth in 2016. The Intra-Asian trade growth is particularly encouraging with 6.7% growth in containerized trade projected for 2017. On the supply side, the total containership fleet is expected to grow by 3.4% in 2017, compared to a 1.2% expansion in 2016. The main contributor to fleet growth are deliveries of Neo-Panamax and Post-Panamax vessels above 12,000 TEU, while the fleet capacity below 8,000 TEU is decreasing in 2017. The first nine months of 2017 have seen deliveries of about 0.9 million TEU, which equals the level of full year 2016, and full year 2017 deliveries are projected to reach 1.1 million TEU. After record demolitions of 0.65 million TEU in 2016, scrapping of 0.36 million TEU has been observed until end of Q3 2017, with another 0.1 million TEU expected until year end.

In Q3 2017, charter rates in the container feeder segment between 1,000 and 3,000 TEU moved sideways compared to the previous quarter, with a positive momentum after of the summer period. On average, standard 2,750 TEU vessels earned USD 9,000-9,500 per day for 6-12 month time charters, the 2,500 TEU benchmark was at 8,500-9,000 and 1,700 TEU feeder rates increased from USD 7,000 to USD 7,600 per day. The idle containership capacity fell below 2% of total feet capacity for the first time since August 2015 and stands at 1.9% at the end of Q3 2017.

Box freight rates remained volatile and decreased on some trade lanes in Q3 2017, while remaining above 2016 levels. The SCFI Comprehensive Index lost about 13% between June and September 2017.

On the back of stabilizing charter rates and positive sentiment, secondhand asset prices continued to increase in Q3 2017. For instance, secondhand prices for standard 10-year old 2,750 TEU vessels stood at USD 10.0 million in September, compared to USD 8.3 million in June and USD 5.8 million in January 2017, respectively.

Sources: Alphaliner, Clarksons

OUTLOOK AND STRATEGY

The Group has been able to acquire assets at attractive terms since its inception in April 2017. Despite observable increases in secondhand vessel prices, in the view of the Company, the current price level still offers an attractive entry point for further acquisitions. Therefore, the Group is focused on the strategy to pursue further fleet growth. The Group has taken on moderate leverage through the successful placement of a senior secured bond of USD 100 million in September for further acquisitions of secondhand feeder containerships.

The Group's chartering strategy is to have all vessels employed at fixed time charters with varying durations of between 1 and 24 months depending on market opportunities. [X] vessels are part of a 1,300 TEU High Reefer Pool to manage charter income risk. For a 12 months period from the end of the third quarter 2017, the Group has covered about 27% of its charter market exposure through pool membership and an additional 20% through the minimum duration of its fixed time charter contracts.

Trade development has been positive in 2017 and global container trade is expected to grow by 5.3% in 2018, which is a prerequisite for further re-balancing of the market. The feeder segment is benefitting from limits to the cascade of larger vessel onto intra-regional trades, which are the main driver of demand for feeder vessels.

FORWARD-LOOKING STATEMENTS

Forward-looking statements presented in this report are based on various assumptions. The assumptions are subject to uncertainties and contingencies that are difficult or impossible to predict. The Company cannot give assurances that expectations will be achieved or accomplished.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in USD thousands	Note	Q3 2017 (unaudited)	Q3 2017 YTD (unaudited)
Charter revenues		6,997	8,219
Commissions		-204	-251
Vessel voyage expenditures		-1,046	-1,329
Vessel operation expenditures		-4,445	-5,093
Ship management fees		-345	-421
Gross Revenue		956	1,125
Administrative expenses		-435	-850
Depreciation and impairment	8	-1,039	-1,295
Other expenses		-90	-90
Other income		393	395
Operating result (EBIT)		-215	-716
Finance income	6	436	684
Finance costs	10	-56	-240
Profit/Loss before income tax (EBT)		165	-272
Income tax expenses		-64	-64
Profit/Loss for the period		100	-336
Attributable to:			
Equity holders of the Company		99	-337
Minority interest		1	1
Diluted earnings per share – in USD		0.00	-0.01

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in USD thousands	Note	30 September 2017 (unaudited)	30 June 2017 (unaudited)
Assets		277,243	172,738
Non-current assets		149,926	65,822
Vessels	8	132,469	49,726
Intangible assets		987	0
Financial assets	6	16,470	16,096
Current assets		127,317	106,916
Inventories		966	322
Trade and other receivables		4,066	1,217
Cash and cash equivalents	9	122,284	105,377
Equity and liabilities		277,243	172,738
Equity		175,010	170,496
Ordinary shares	13,14	170,909	170,920
Share capital		40,836	40,836
Capital reserves		130,073	130,084
Retained earnings		-378	-436
Other comprehensive income		89	12
Minority interest in equity	7	4,391	0
Non-current liabilities		96,419	0
Interest bearing loans	10	96,419	0
Current liabilities		5,814	2,242
Interest bearing borrowings		133	0
Provisions		1,364	874
Trade and other payables		3,469	964
Payables to affiliated companies		254	0
Other liabilities		591	404

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in USD thousands	Share capital (unaudited)	Share premium (unaudited)	Other comprehensive income (unaudited)	Retained earnings (unaudited)	Minority interest (unaudited)	Total equity (unaudited)
Incorporation	3					3
Share issuance	40,832	130,084				170,916
Result of the period				-436		-436
Foreign currency effects			12			12
Equity as at 30 June 2017	40,836	130,084	12	-436	0	170,496
Share issuance		-11			4,389	4,378
Result of the period				100	1	101
Foreign currency effects			77	-42	1	36
Equity as at 30 Sept 2017	40,836	130,073	89	-378	4,391	175,010

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

in USD thousands	Note	Q3 2017 (unaudited)	Q3 2017 YTD (unaudited)
Net income		100	-336
Net change in provisions		490	1,364
Net change in current assets		-3,493	-5,033
Net change in current liabilities		2,946	4,314
Depreciation		1,039	1,295
Cash flow from operating activities		1,082	1,604
Purchase of vessels	8	-84,769	-134,751
Purchase of long-term financial assets	6	-374	-16,470
Cash flow from investing activities		-85,143	-151,220
Net proceeds from share issuance	7	4,442	175,362
Net proceeds debt financing	10	96,552	96,552
Cash flow from financing activities		100,994	271,914
Net change in cash and cash equivalents		16,905	122,282
Net foreign exchange differences		-28	-16
Cash and cash equivalents at beginning of period	9	105,377	0
Cash and cash equivalents at the end of period	9	122,284	122,284

NOTES

Note 1 - General information

MPC Container Ships AS (the "Company") is a private limited liability company (*Norwegian: aksjeselskap*) incorporated and domiciled in Norway, with registered address at Dronning Mauds gate 3, 0250 Oslo, Norway and Norwegian enterprise number 918494316. The Company was incorporated on 9 January 2017 and operating activity commenced in April 2017, when the first vessels were acquired. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The principal activity of the Group is the investment in and operation of container vessels.

The shares of the Company are listed at Merkur Market at Oslo Stock Exchange under the ticker MPCC-ME.

Note 2 - Basis of preparation

The unaudited interim financial statements are prepared in accordance with IAS 34 Interim Financial.

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

Note 3 - Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial reporting are consistent with those applied in the preparation of the Group's consolidated interim financial statements for the period ended 30 June 2017. New accounting policies include the following:

Financial liabilities

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs, and have not been designated as at fair value through profit or loss. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

Note 4 - Significant judgements, estimates and assumptions

The preparation of consolidated financial statements 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 statements. Estimates are management's best assessment based on information available at the date the financial statements 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 statements:

- **Asset 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. The current and completed vessel acquisitions of the Group are considered as asset acquisitions.
- **Consolidation and joint arrangements:** The Group has determined that it controls and consolidates its subsidiaries. The Group holds a 50% ownership interest in 2. Bluewater Holding Schiffahrtsgesellschaft GmbH & Co. KG; the Group has determined that it has joint control over the investee and the ownership is shared with the joint venture partner. In addition, the Group holds a 80% interest in Sao Paulo Project Holding GmbH & Co. KG; the Group has determined that it controls the venture and consolidates the entity as a subsidiary.

Assumptions and estimation uncertainties

The following assumptions and estimation uncertainties can have a significant risk of resulting 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 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.

Note 5 - Segment information

The Group is organized in one reportable segment, i.e. the container shipping segment.

Note 6 - Interest in joint ventures

The Group has a 50% interest in 2. Bluewater Holding Schiffahrtsgesellschaft GmbH & Co. KG, a company owning five 2,824 TEU container vessels through respective fully owned subsidiaries.

In view of the shared control structure in the joint venture, the Group's interest in 2. Bluewater Holding Schiffahrtsgesellschaft GmbH & Co. KG is accounted for using the equity method. Summarized financial information of the joint venture, based on its IFRS financial statements, are set out below:

in USD thousands	30 September 2017 / Q3 2017	30 June 2017 / Q2 2017
Non-current assets	29,347	28,757
Current asset	4,596	4,935
Non-current liabilities	-	-
Current liabilities	1,012	1,511
Equity	32,931	32,180
Group's carrying amount of the investment	16,470	16,096
Revenue	3,988	2,038
Profit after tax for the period	747	192
Total comprehensive income for the period	747	192
Group's share of profit for the period	373	96

The joint venture had no other contingent liabilities or capital commitments. 2. Bluewater Holding Schiffahrtsgesellschaft GmbH & Co. KG cannot distribute its profits without the consent from the two partner.

Note 7 - Non-controlling interests

in USD thousands	30 September 2017	30 June 2017
Aggregated information	108	-
Sao Paulo Project Holding GmbH & Co. KG	4,283	-
Total non-controlling interests	4,391	-

Note 8 - Vessels

in USD thousands	30 September 2017	30 June 2017
Closing balance previous period	49,726	0
Acquisition of fixed assets	81,863	48,050
Capitalized dry-docking and other expenses	1,920	1,931
Disposal of fixed assets	-	-
Acquisition cost	83,783	49,981
Depreciation	-1,039	-256
Impairment	-	-
Depreciation and impairment	-1,039	-256
Closing balance	132,469	49,726
<i>Depreciation method</i>	<i>Straight-line</i>	<i>Straight-line</i>
<i>Useful life (vessels)</i>	<i>25 years</i>	<i>25 years</i>
<i>Useful life (dry docks)</i>	<i>5 years</i>	<i>5 years</i>

As of 30 September 2017, the Group operates 17 vessels in consolidated subsidiaries and 5 vessels through a joint venture arrangement.

Vessel acquisitions: The transaction to acquire the Group's vessels are accounted for as asset acquisitions.

Impairment: The Management has assessed indicators of impairment as of 30 September 2017. This assessment did not lead to any impairment charges.

Note 9 - Cash and cash equivalents

in USD thousands	30 September 2017	30 June 2017
Bank deposits denominated in USD	121,634	104,933
Bank deposits denominated in EUR	594	315
Bank deposits denominated in NOK	56	129
Total cash and cash equivalents	122,284	105,377

The fair value of cash and cash equivalents at 30 September 2017 is USD 122.3 million (USD 105.4 million at 30 June 2017). USD 96.9 million in cash are restricted bank balance held in an escrow account.

Bank deposits earn interest at floating rates based on applicable bank deposit rates. Short-term deposits are made for varying periods, depending on the cash requirements of the Group.

Note 10 - Interest-bearing debt

On 8 September 2017, via its wholly owned subsidiary MPC Container Ships Invest B.V., the Group 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. Settlement of the bond was 22 September 2017 and the bond shall be repaid in full on the maturity date (22 September 2022).

in USD thousands	30 September 2017	30 June 2017
Nominal value of issued bonds	100,000	-
Debt issuance costs	-3,581	-
Book value of issued bonds	96,419	-

The following main financial covenants are defined in the bond terms:

- Vessel loan to value ratio of MPC Container Ships Invest BV and its subsidiaries shall not exceed 75%;
- MPC Container Ships Invest BV, together with its subsidiaries, shall maintain a minimum liquidity of 5% of the financial indebtedness of MPC Container Ships Invest BV and its subsidiaries; and
- the book equity ratio of the Group shall at all times be higher than 40%.

Note 11 - Financial instruments

Set out below is a comparison by category for carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements. The estimated fair value amounts of the financial instruments have been determined using appropriate market information and valuation techniques.

in USD thousands	Carrying value		Fair value	
	30 September 2017	30 June 2017	30 September 2017	30 June 2017
Trade and other receivables	4,066	1,217	4,066	1,217
Cash and cash equivalents	122,284	105,377	122,284	105,377
Financial asset	126,350	106,594	126,350	106,594
Interest-bearing debt	96,419	0	96,419	0
Trade and other current payables	4,449	1,368	4,449	1,368
Financial liabilities	100,868	1,368	100,868	1,368

Note 12 - Related party disclosure

The Group has entered into a corporate service agreement to purchase administrative and corporate services from MPC Capital AG and its subsidiaries.

The Company is responsible for the technical ship management of the vessels owned by the Group. Performance of technical ship management services is sub-contracted to Ahrenkiel Steamship GmbH & Co. KG, a subsidiary of MPC Capital AG, for 19 of the vessels owned by the Group and joint venture entities.

Commercial ship management of the vessels owned by the Group and associated joint ventures is contracted to Contchart Hamburg Leer GmbH & Co.KG, a subsidiary of MPC Capital AG.

In order to secure vessel acquisitions prior to the final establishment of the Company, MPC Capital Beteiligungsgesellschaft mbH & Co. KG, a subsidiary of MPC Capital AG, temporarily warehoused AS LAETITIA, AS LAGUNA and AS PAULINA and the shares in 2. Bluewater Holding Schiffahrtsgesellschaft GmbH & Co. KG prior to the final establishment of the Company.

All transactions with related parties are carried out at market terms.

Note 13 - Share capital

	Number of shares	Share capital (USD thousands)	Share premium (USD thousands)
9 January 2017	300	3	-
20 April 2017	3,000	3	-
20 April 2017	20,003,000	23,132	73,872
19 June 2017	35,003,000	40,836	130,084
30 September 2017	35,003,000	40,836	130,073

The share capital of the Company consists of 35,003,000 shares at 30 September 2017, with nominal value per share of NOK 10. All issued shares are of equal rights and are fully paid up.

Note 14 - Warrants

On 20 April 2017, the Company has issued 1,700,000 warrants to MPC Capital Beteiligungsgesellschaft mbH & Co. KG as the founding shareholder, corresponding to 8.5% of the shares issued in the private placement in April 2017. Under the same warrant agreement, on 19 June 2017, the Company has issued 421,046 additional warrants to MPC Capital Beteiligungsgesellschaft mbH & Co. KG considering the equity private placement in June 2017. The total number of independent subscription rights granted to founding shareholders is 2,121,046.

Each warrant gives the holders the right, but no obligation, to subscribe for one share in the Company at the

exercise price of the NOK equivalent of USD 5.00 per share, given that the vesting conditions are met. Conditions for exercise are structured in three tranches: 1/3 of the warrants may be exercised at any time after the Company's share price has exceeded the NOK equivalent of USD 6.25, the next 1/3 of the warrants may be exercised at any time after the share price has exceeded the NOK equivalent of USD 7.25 and the last 1/3 of the warrants may be exercised at any time after the share price has exceeded the NOK equivalent of USD 8.25. The warrants are valid for a period of 5 years from 20 April 2017.

The warrants issued to the founding shareholder are recognized as equity instruments in accordance with IAS 32. For that reason, treatment in accordance with IAS 39 is not applicable.

Note 15 - Commitments

The Group has entered into agreements for the acquisition of [4] secondhand container vessels. The Group is committed to pay the purchase prices upon takeover of these vessels, which is expected for Q4 2017. Total commitments are USD 30.5 million.

See Note 16.

Note 16 - Subsequent events

On 20 October 2017, the Group took over "HS ONORE" tbn "AS CLARITA", a 2006 built 2,846 TEU vessel. The purchase price was USD 8.9 million.

On 27 October 2017, the Group announced that it entered into an agreement to acquire "WUHAN TRADE" tbn "AS PETULIA", a 2008 built 2,564 TEU vessel, and "FSL SANTOS" tbn "AS FRIDA", a 2003 built 1,200 TEU vessel. The total purchase price is USD 15.4 million.

On 2 November 2017, the Group announced that it entered into an agreement to acquire "HS LISZT" tbn "AS FILIPPA", a 2008 built 1,350 TEU vessel. The purchase price is USD 6.2 million.

On 23 November 2017, the Group took over "WUHAN TRADER" tbn "AS PETULIA, a 2008 built 2,564 TEU vessel. The purchase price was USD 9.3 million.

On 23 November 2017, the Company completed a private placement of 30.25 million new shares with gross proceeds of USD 175 million. The private placement was completed at a subscription price of NOK 47.50 per share. Settlement of the private placement is subject to approval by an extraordinary general meeting of the Company that will be held on 4 December 2017.

On 24 November 2017, the Company announced that it entered into a commitment to acquire a fleet of feeder container vessels with a total purchase price of USD 130 million.