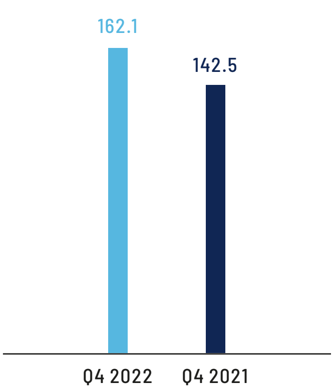
FINANCIAL REPORT
Q4 2022

HIGHLIGHTS

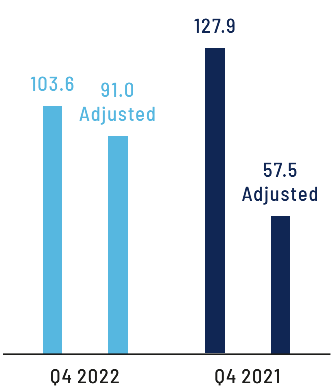
Fourth quarter 2022

- Continued strong financial and operational performance driven by increased average time charter equivalent (TCE) and continued high utilization
- Low leverage ratio of 16.1%, down from 22.4% as at December 31, 2021
- In December 2022, the Group announced commercial agreements for the option for early redelivery of two vessels as well as the sale of two joint venture vessels, for total gross proceeds of USD 51.5 million
- In January 2023, the Company announced the sale of a joint venture vessel for USD 7.6 million and the acquisition of two vessels for a total USD 33.9 million.
- In January 2023, the Board of Directors declared an event-driven dividend of USD 0.07 per share based on the commercial agreements and sales announced in December, payable on February 28, 2023
- The Board of Directors has declared a recurring dividend of USD 0.15 per share for the fourth quarter of 2022, payable on March 30, 2023

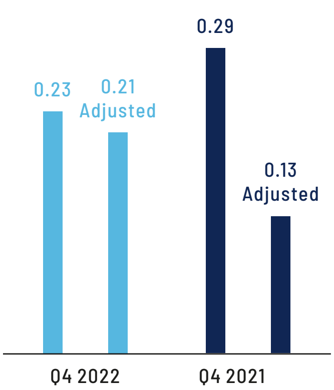
Operating revenues in USD m



Profit for the period in USD m



EPS in USD



KEY FIGURES

		Q4 2022 (unaudited)	Q4 2021 (unaudited)	FY 2022 (unaudited)	FY 2021 (audited)
Operating revenues	USD m	162.1	142.5	616.8	384.7
EBITDA	USD m	127.0	162.7	522.7	290.4
Adjusted EBITDA	USD m	114.3	92.3	451.5	218.3
Profit for the period	USD m	103.6	127.9	435.0	189.9
Adjusted profit for the period	USD m	91.0	57.5	364.3	115.4
Operating cash flow	USD m	125.4	98.6	436.5	212.2
EPS	USD	0.23	0.29	0.98	0.46
Adjusted EPS	USD	0.21	0.13	0.82	0.26
DPS*	USD	0.15	0.11	1.03	0.11
Total ownership days		5,336	5,904	21,671	21,942
Total trading days		5,079	5,507	20,590	20,904
Utilization		97.8%	97.6%	97.9%	97.9%
Average TCE	per day	31,279	23,103	28,625	16,887
Average OPEX	per day	6,937	5,548	6,363	5,379
Leverage ratio		16.1%	22.4%	16.1%	22.4%

* DPS is the declared recurring dividend per share and the event-driven dividend per share declared for the period.

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CEO LETTER

Constantin Baack
CEO

Dear shareholders, customers, and partners,
We are pleased to report another strong quarterly result, rounding off the best financial year in MPC Container Ships' history. This past year has brought a variety of challenges and opportunities. In the first half of the year, we experienced the highest charter rates in the history of container shipping. But, as the global economy was faced with a variety of issues, such as Russia's invasion of Ukraine, rapidly rising inflation and China's Covid-19 policy, freight rates and charter rates declined significantly over the second half of the year. At MPC Container Ships, we focus on being agile and well-equipped to adjust our operations and strategy to fit with the prevailing market conditions.

Strengthening the company and delivering significant shareholder returns
During the first half of 2022, we were able to capitalize on the strong markets by locking in long-term time charter contracts at very attractive rates. As a result, at the end of the year, we had contract coverage for 86% of operating days in 2023 and a charter backlog of USD 1.5 billion with an average remaining contract duration of 2.2 years. We also continued to deleverage the company and currently operate with a low leverage of 16.1% with more than 50% of the fleet unencumbered.

At the end of 2021, we announced a new distribution policy, including a commitment for quarterly recurring shareholder distributions, and paid out our first dividend in February 2022. In addition to strong operational earnings, we also divested a number of our vessels, some at close to peak market rates, generating additional shareholder returns. In total, we paid out USD 440 million in recurring and event-driven dividends to our investors in 2022. With the recently announced event-driven dividend paid out on February 28, 2023, and the recurring dividend for the fourth quarter, the total dividends paid out in just over 12 months will reach USD 537 million and USD 1.21 per share (NOK ~11.67), constituting an exceptional yield of approximately 47%. We are very proud to be able to reward our committed, long-term shareholders for their dedication and trust in MPCC.

Positioning for the future
Over the last few months, as part of our ongoing strategy for selective portfolio optimization, we have announced several new and accretive portfolio measures, which include continued divestments from our Bluewater joint venture with U.S. investor, TRF, and investments in younger, larger, scrubber-fitted vessels with existing charters contracts. These measures are not only earnings-accretive but represent an important effort to maintain the long-term competitive position of MPCC in prevailing market conditions and amid increasing environmental regulation.

Strategic approach to ESG
We are continuously increasing our strategic focus on ESG and believe that investing in crew wellbeing and emission reduction and decarbonization is a necessity, as is reflected in our purpose to pursue conscious change in the container shipping industry. We share a common responsibility to safeguard a sustainable future and to meet forthcoming regulations and we will work closely with our customers and partners to continuously evaluate new technologies and opportunities within decarbonization and invest in vessels and fuel-related infrastructure that will propel sustainable change in the maritime industry.

Over the course of 2022, we ordered four newbuildings, of which two are 5,500 TEU eco-design vessels with the latest engine technology and advanced hull design that allow for fuel consumption savings of up to 40% in comparison to conventional designs, and compliance with IMO emission regulations.

The other two vessels are 1,300 TEU, dual-fuel vessels powered by methanol that can be operated as carbon neutral, with 15-year time charters from North Sea Container Lines, backed by a contract of affreightment from the Norwegian industrial company Elkem ASA. We firmly believe that regional container trades, with predictable trading profiles and manageable fuel infrastructure investments, will become the first truly green shipping trades. By joining forces with likeminded partners, we are even better positioned to meet our ambitious environmental goals and we look forward to establishing one of the first green transportation corridors in Northern Europe.

In January 2023, we were proud to extend our relationship with the German e-fuel company INERATEC and sign the industry's first offtake agreement for synthetic marine diesel oil (MDO), which will be a key component to reducing CO_2 emissions and making climate neutrality possible.

In March, we look forward to publishing our most recent sustainability report, further outlining our efforts and commitment to decarbonization and ESG.

Strong competitive position and committed to shareholder returns
Due to the long-term nature of charter contracts entered into in 2021 and 2022, vessel availability in the market is significantly reduced compared to historical averages. In addition, general improvements in the outlook for the global economy over recent months give reason for optimism in the medium-term outlook for container markets, particularly for intra-regional trades, for which the supply-demand balance appears considerably more encouraging than for the long-haul market.

With industry-low leverage and a robust charter backlog providing strong earnings visibility for the coming year and beyond, MPCC remains in a very strong competitive position. In 2023, we will utilize our agile business model and financial flexibility to seize opportunities as they arise and will continue our focus on continuous fleet optimization while remaining highly committed to our policy for returning capital to our shareholders.

FOURTH QUARTER RESULTS

Financial performance

The Group's vessels are chartered out on time charter contracts to global and regional liner shipping companies. Operating revenues for the fourth quarter were USD 162.1 million (Q3 2022: USD 160.1 million), compared with USD 142.6 million for the same quarter in 2021. Gross profit from vessel operations was USD 132.4 million (Q3 2022: USD 118.7 million), compared with USD 117.0 million in the same quarter of 2021. The increase in operating revenues and gross profit compared with the same quarter in 2021 was driven by higher charter rates for the Group's fleet. Accordingly, the average TCE (per trading day) for the fourth quarter of 2022 increased to USD 31,279 from USD 23,103 in the corresponding quarter in 2021 (Q3 2022: USD 30,476).

In December 2022, the Group entered into a commercial agreement for the option for early redelivery of the joint venture vessel, Carpathia and the wholly owned vessel, AS Carlotta from their charter contracts as well as the sale of joint venture vessels, Carpathia and AS Cleopatra, as part of the Group's continuous portfolio optimization efforts. The option exercised for early redelivery and the subsequent sale of Carpathia were both completed in December 2022, while the option exercised for early redelivery of AS Carlotta and the sale of AS Cleopatra were completed in January 2023. USD 12.7 million related to the early redelivery and sale of Carpathia was recognized in the share of profit or loss from joint venture. See Note 6 and 13 for further details.

The Group reported a profit for the period of USD 103.6 million (Q3 2022: USD 124.5 million, Q4 2021: USD 127.9 million).

Financial position

The Group's total assets amounted to USD 956.3 million as at December 31, 2022 compared to USD 1,034.6 million as at December 31, 2021. Total non-current assets of USD 799.8 million (USD 803.0 million as at December 31, 2021) reflected the carrying amounts of the vessels operated by the Group, including the equity investment in joint venture. The decrease in the carrying amounts of the vessels in 2022 is primarily due to the sale of three wholly-owned vessels (AS Palatia, AS Serafina and AS Laetitia) in the first three quarters of 2022 and regular depreciation of the remaining fleet. This is offset by CAPEX and other vessel upgrades. As at December 31, 2022, an aggregate amount of USD 32.8 million installments was paid for the Group's four newbuilding contracts. The decrease in the investment in joint venture in 2022 is the result of USD 51.8 million in the share of profit from the joint venture offset by dividends received of USD 60.4 million.

Total equity was USD 721.4 million as at December 31, 2022 down from USD 727.6 million as at December 31, 2021, and included a non-controlling interest of USD 2.6 million (USD 0.9 million as at December, 31 2021). The change in equity was mainly due to dividend payments of USD 441.0 million during the year, in addition to profit for the twelve-month period of USD 434.8 million and the settlement of warrants of USD 2.2 million.

As at December 31, 2022, the Group had total interest-bearing debt of USD 153.6 million (USD 231.9 million as at December 31, 2021).

Cash flows

For the full year, the Group generated a positive cash flow from operating activities of USD 436.5 million, up from USD 212.2 million in 2021 due to the strong development in the charter market compared to the prior year. Cash flow from investing activities was positive at USD 44.4 million (2021: USD 43.2million), mainly due to the net proceeds of USD 83.9 million from the sale of three wholly-owned vessels and USD 60.4 million in dividends received from the Group's investment in joint venture. This is partly offset by dry-dockings and other vessel upgrades amounting to USD 66.3 million and installments paid for the four newbuildings of USD 32.8 million. Cash flow from financing activities in 2022 was negative USD 535.6 million (2021: negative USD 114.3 million), primarily due to USD 441.0 million in dividend payments and the repayment of existing loan facilities of USD 80.0 million.

Cash and cash equivalents as at December 31, 2022 amounted to USD 125.5 million compared with USD 180.3 million as at December 31, 2021. Total restricted cash as at December 31, 2022 was USD 30.9 million, compared with USD 23.6 million as at December 31, 2021.

The fleet

As at December 31, 2022, the Group's fleet consisted of 62 vessels, with an aggregate capacity of approximately 134,270 TEU.

In December 2022, the Group entered into a Memorandum of Agreement (MOA) to sell its 2006-built vessel AS Cleopatra for an agreed sale price of USD 20.9 million to an unrelated party. The vessel was delivered to its new owner in January 2023.

In January 2023, the Group entered into an MOA to sell its 2003-built vessel Carinthia for an agreed sale price of USD 7.6 million to an unrelated party.

In January 2023, the Group entered into agreements to acquire the 2010-built Rio Centaurus and the 2007-built TRF Kaya for a total of USD 33.9 million. Both vessels are scrubber-fitted, thus benefitting from the current high fuel price spread. Moreover, both vessels come with existing charters attached with renewals in the third quarter of 2023 and the first quarter of 2024, respectively.

See Note 13 for more information on subsequent events.

Newbuilding program

As at December 31, 2022, the Group's newbuilding program consisted of four vessels, of which two 5,500 TEU eco-design vessels with a contract price of USD 72.2 million per vessel. The vessels have 7-year time charter contracts in place with a Tier 1 counterparty and are expected to be delivered in the first half of 2024. The other two vessels are carbon-neutral, dual-fuel, 1,300 TEU vessels with 15-year time charters to North Sea Container Line AS with an aggregate price of USD 78.0 million, and are expected to be delivered in July and November 2024, respectively.

In the twelve-month period ended December 31, 2022, total installments for the four vessels of USD 32.8 million had been paid to the shipyards. Remaining commitments amounted to USD 189.4 million, of which USD 50.3 million is expected to be paid in 2023 and USD 139.2 million in 2024.

Corporate update

Pursuant to the Company's stated distribution policy, the Board of Directors has declared a recurring dividend of USD 0.15 per share for the fourth quarter of 2022, as well as an event distribution of USD 0.07 based on the successful sale of Carpathia and AS Cleopatra as well as the settlement of the early redelivery of the vessels Carpathia and AS Carlotta. The record date for the event-driven dividend was February 21 ,2023 with the payment date set on or about February 28, 2023.

The record date for the recurring dividend will be March 24, 2023. The ex dividend date is expected to be March 23, 2023 and the dividend will be paid on or about March 30, 2023.

The Group had 443,700,279 ordinary shares outstanding as at December 31, 2022. The weighted average number of shares outstanding for the purpose of calculating basic and diluted earnings per share for the fourth quarter of 2022 was 443,700,279.

Financing update

In December 2022, the Group repaid USD 20.0 million of the USD 180.0 million five-year senior secured credit facility with Hamburg Commercial Bank (HCOB). As at December 31, 2022, the Group's total interest-bearing debt outstanding amounted to USD 153.6 million.

In December 2022, the Group obtained an approval from Credit Agricole Corporate & Investment Bank (Credit Agricole) together with an Export Credit Agency for a senior secured Pre-Delivery loan facility in the amount of up to USD 15.8 million and a senior secured Post-Delivery loan facility in an amount of up to USD 102.4 million. The loan facilities will be used to finance the two 5,500 TEU eco-design newbuildings and are subject to the execution of final transaction documents to both parties' satisfaction.

In February 2023, the Group signed a senior secured term loan facility in the amount up to USD 8.3 million with Ostfriesische Volksbank eG (OVB). The loan facility matures four years after delivery of 2007-built TRF Kaya and carries an interest equivalent to the Secured Overnight Financing Rate (SOFR) plus a margin of 350 basis points. The facility will be used to partially finance the acquisition of the vessel.

In February 2023, the Group postponed the USD 15.0 million repayment of its USD 70.0 million three-year revolving credit facility agreement with CIT Group by six months to July 2023.

CONTAINER MARKET UPDATE

Restrained growth forecast amidst peaking inflation and a less gloomy outlook

February 2022 marked a turning point for the global economy with Russia's invasion of Ukraine. Additionally, the last year has seen the global economy having to contend with decades-high inflation rates and China's Covid-19 policy. Central banks started tightening their monetary policies to combat inflation and GDP growth forecasts were revised downward continuously. Fears of recession loomed, especially for the U.S. and European economies. However, despite those headwinds, economies showed signs of resilience with higher-than-expected levels of consumption and savings, tight labor markets with low unemployment rates and rapidly adjusting energy markets in Europe. Looking forward to 2023, the International Monetary Fund's January 2023 World Economic Outlook projects that the global economy will be less gloomy than forecast in its October 2022 Update. The global GDP growth forecast for the full year 2023 was adjusted upward by 0.2 percentage points to 2.9%. Global international trade is expected to fall to 2.4% in 2023 before rebounding to 3.4% in 2024.[1] The upward trend is based on the reopening of China's economy, but the recovery depends on progress made in the roll-out of vaccinations as severe health issues could dampen the economic rebound. Inflation currently appears to have peaked in several economies and is expected to fall throughout 2023 and 2024. This means that central bank rate hikes are forecast to peak in 2023, too. Despite these positive

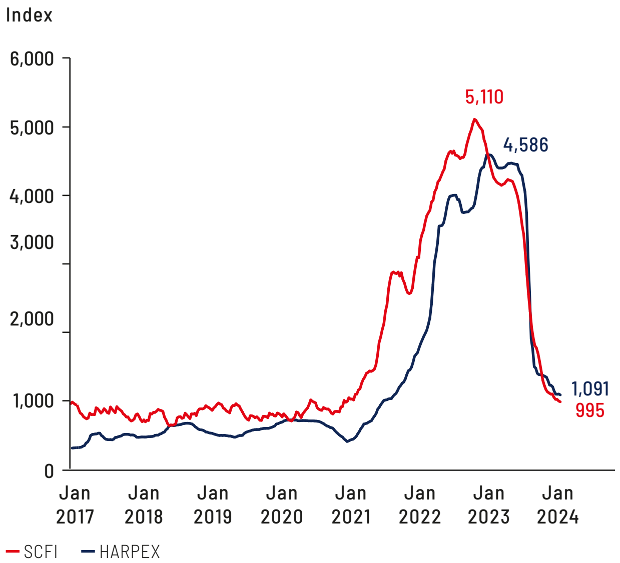
[1] IMF, World Economic Outlook, January 2023.

signs, downside risks to the outlook remain, including developments concerning the war in Ukraine, China's recovery as well as persistently elevated ("sticky") inflation rates.

The significant decline in freight rates, time-charter rates and asset prices in 2022 has tapered off recently

Declining spot freight rates, contract rates and time-charter rates as well as second-hand prices for container vessels created a lag effect in the course of last year. Spot freight rates were the first to fall from record highs in January 2022 due to shrinking consumer demand and associated container trade volumes. As shown in Figure 1, the SCFI fell from a record high of 5,110 points at the beginning of January 2022 to 995 points (-81%) currently. However, this figure continues to be higher than the long-term pre-Covid average. The index fell to as low as 400 index points during the price war in 2016. Contract rates fell subsequently, as did charter rates. The time-charter market experienced significant declines in time-charter rates only as of the second half of 2022. The HARPEX Time-Charter Rate Index peaked in March when it reached 4,586 points. The index currently stands at 1,091 points (-76%). But compared to historical averages of around 500 index points (2010-2019), the HARPEX is also still relatively high. Since the start of 2023, time-charter rates have not been falling as sharply and a sideways trend can already be seen in a number of indices such as Howe Robinson's HRCI or Braemar's BOXi The HARPEX even recorded its first slight increase for the first time this year at the beginning of February. The current 6- to 12-month time-charter rates (as at 10 February) stand at USD 12.5k/day for a 1.1k TEU vessel, USD 14k/day for a 1.7k TEU vessel, USD 17.5k/day for a 2.7k TEU vessel and USD 20k/day for a 4.3k TEU container vessel. [2]

Fig. 1: SCFI Comprehensive and HARPEX – Time-Charter Rate Development, 6–12 Months



[2] Clarksons Research, Shipping Intelligence Network, February 2023; Harper Petersen, February 2023.

Falling time-charter rates in the second half of 2022 were accompanied by sharp declines in asset prices. The second-hand price index from Clarksons Research fell from a high of 128.5 index points in April 2022 to currently 59.5 index points (-54%). However, as with the time-charter rates, second-hand prices have also started to stabilize and trend sideways since December 2022. S&P activity slowed significantly in 2022 with a total of 222 deals, compared to a total of 498 deals in 2021. As at February 2023, second-hand prices are at USD 7.5m for a 1k TEU vessel, USD 9.5m for a 1.7k TEU vessel, USD 14m for a 2.8k TEU vessel and USD 23m for a 4.5k TEU vessel. Despite the drop in second-hand prices, these values also continue to be higher than historic averages, whereas Clarksons' second-hand price index has moved only within a 45 index-point range (2010-2019). Although newbuild prices did not undergo the same percentage drop, they remained elevated during all of 2022 as a result of the pressure from the currently large orderbook on container yard forward capacity. At present, newbuild prices remain around USD 29m for a 1.8k TEU vessel, USD 42m for a 2.8k TEU vessel and USD 73m for a 5.3k TEU vessel. [3]

Time-charter market fundamentals return to pre-Covid levels, however, a number of strong characteristics persist

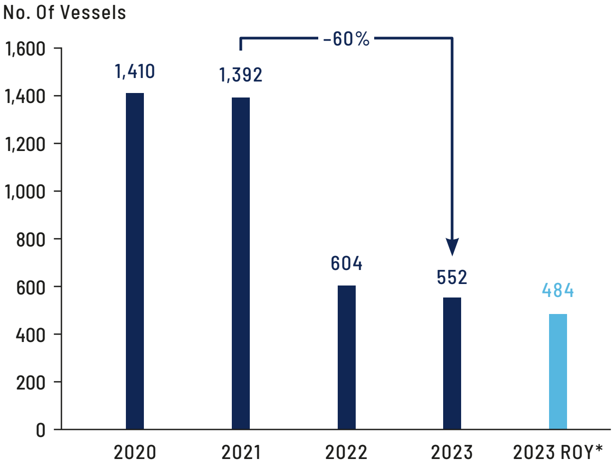
The fundamentals of the time-charter market also returned to pre-Covid charter market levels during the second half of 2022. With time-charter rates starting to decrease in Q3 2022, charter periods have become shorter, and the forward-fixing market has reverted to a spot market. Average charter periods for vessels of 1k to 5.1k TEU were 26 to 27 months in the period between the market peak in 2021 and the beginning of 2022. Pre-Covid charter periods averaged around 6 to 9 months and the market is now seeing these levels once again. In addition, forward fixing levels began to decrease in Q3 2022. Pre-Covid, only 5% to 10% of charter fixtures were concluded more than 30 days in advance. As the market peaked, this figure reached levels of around 60% in Q1 2022. Forward fixing became less relevant at the end of 2022, reverting back to 9% of charter fixtures that were concluded more than 30 days in advance. [4]

However, given that they are medium to long-term in nature, some characteristics of the market boom continue to persist. One of these is vessel availability which dropped significantly because vessels were charted out for extensive periods of two or more years, reducing the number of vessels available for charter for quite some time in the future. Figure 2a shows that, compared to prior years, vessel availability has reduced substantially. At the start of 2023, availability was 60% lower than at the beginning of 2021. [5] Another fundamental which has remained relatively steady since the market boom are idle statistics. Figure 2b also displays the number of vessels between 1k to 5.1k TEU that have become commercially idle. Current figures (January 30, 2023) show that when the entire containership fleet is considered, a total of 149 vessels

[3] Clarksons Research, Shipping Intelligence Network, February 2023.
[4] Ibid.
[5] Harper Petersen, February 2023.

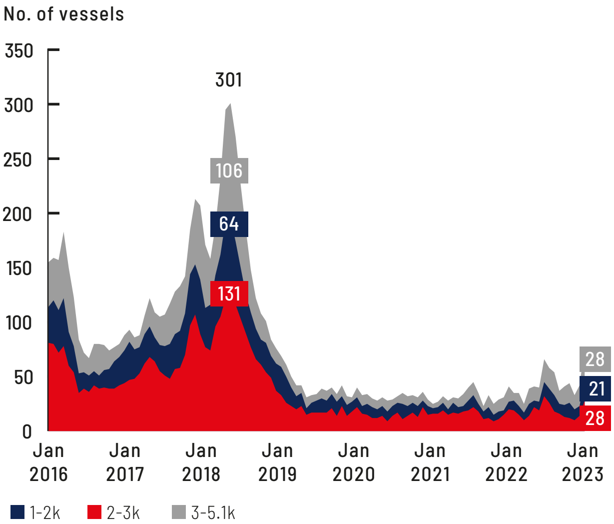
(736k TEU) are commercially idle which corresponds to 2.8% of the total fleet. This is a slight increase of 0.2 percentage points since the start of the year when a total of 97 vessels (663k TEU) were commercially idle. Nevertheless, of the total 77 idle vessels in the 1k to 5.1k TEU size segment, the larger share of idle vessels accounts for carriers (total units of 53), whereas non-operating owners account for only 24 vessels being commercially idle in this size segment. Furthermore, the idle fleet remains historically low compared to pre-Covid levels as Figure 2b illustrates.[6]

Fig. 2a: Start-of-the-year Charter Vessel Availability



* Availability for the remainder of 2023 as of February 14, 2023, including newbuild-deliveries

Fig. 2b: Total idle fleet as of statistic

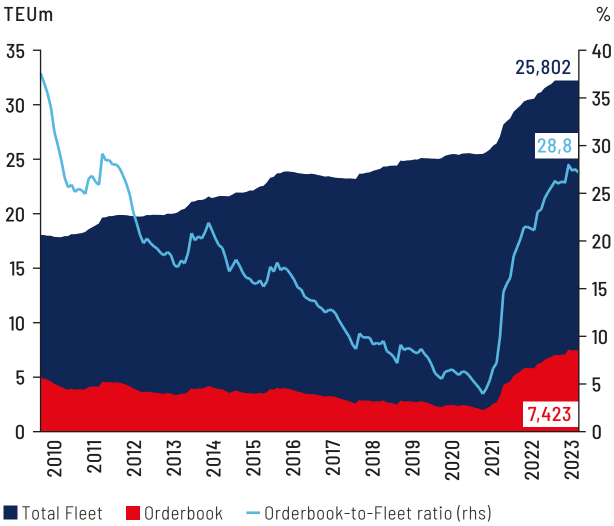


[6] Alphaliner, February 2023.

Supply-demand balance: encouraging intra-regional trades despite ordering spree during market boom

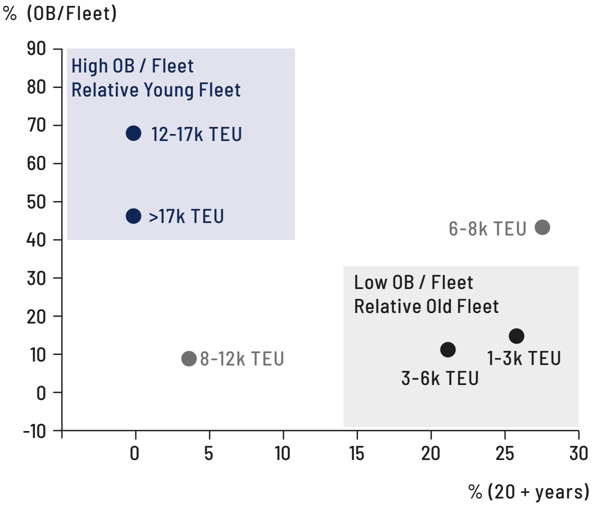
The surge in the container market triggered an ordering spree with newbuild contracting reaching levels totaling 4.4 mTEU in 2021, which was significantly higher than levels recorded in prior years. In 2022, newbuild contracting slowed to a total of 2.7 mTEU. This meant that the orderbook also increased from 8.5% of the fleet in October 2020 to 28.8% of the fleet as of February 2023. Newbuild deliveries are expected to enter the market mainly over the next three years, comprising around 2.1 mTEU in 2023, 2.8 mTEU in 2024, followed by 2.5 mTEU in 2025. Supply is expected to outstrip demand during this three-year period. Figure 3a illustrates the development of the orderbook and the surge in the orderbook-to-fleet ratio. Nevertheless, when looking at the orderbook-to-fleet ratios on a more granular basis, Figure 3b shows that orders were significantly biased towards vessel sizes in excess of 12k TEU. Consequently, supply is expected to grow more strongly for larger vessels. The orderbook-to-fleet ratio is currently around 68% for vessels of between 12k and 17k TEU and only 15% for feeder vessels ranging between 1k and 3k TEU. On top of the relatively low orderbook compared to total fleet for smaller vessels, the average age of these smaller feeder and panamax vessels is significantly higher than for larger vessel sizes as Figure 3b also shows. Demolition is expected to increase significantly as of this year and a total of 11 vessels has already been scrapped since the beginning of the year (for comparison: a total of only 11 vessels were scrapped during all of 2022). Demolition is expected to be relatively high in the smaller size segments due to the relatively large number of vessels that are older than 20+ years. The demolition of vessels smaller than 5.2k TEU is expected to reach around one million TEU overall in 2023, 2024 and 2025 combined. All of this results in weaker net fleet growth for smaller vessels. Supply is expected to grow by 7% in 2023 and 2024 for the total fleet, whereas vessels smaller than 5.2k TEU are expected to grow by only 3.5% in 2023 and only 0.3% in 2024.[7]

Fig. 3a: Orderbook Development



[7] Clarksons Research, Shipping Intelligence Network, February 2023; Maritime Strategies International Horizon, February 2023.

Fig. 3b: Orderbook across size segments compared to fleet age



On the demand side, intra-regional trades (main deployment trades for vessels smaller than 5.2k TEU) are expected to rebound in 2023 and to outstrip supply until at least 2026. The demand for intra-regional trades is driven by high volumes in Intra-Asia. The ASEAN region is also more economically integrated since the Regional Comprehensive Economic Partnership (RCEP), the world's largest free trade agreement, entered into force in 2022. Intra-regional demand is expected to recover strongly from -1.1% annual growth in 2022 to 3.2% annual growth in 2023 and 7% annual growth in 2024. Regarding the total market, demand is projected to fall behind total supply until at least 2025, with annual growth recovering from -1.1% annual growth in 2022 to a more moderate 2.2% annual growth in 2023 and 6.6% annual growth in 2024. [8]

Summing up the supply-demand picture, the market balance appears more encouraging for intra-regional trades than for the total market. As shown in Figure 4, an excess supply situation is expected until at least 2025 for the total market, with strong annual container fleet growth figures of 7% in 2023 and 2024. The excess supply situation in the total market is expected to ease in 2024 since demand is expected to rebound to annual growth of 6.6%. For intra-regional trades, supply growth (3.5%) is expected to be only slightly above demand growth (3.2%) this year. As of 2024 onwards, significant excess demand can be expected with annual demand growth figures of 7% in 2024 and 5.5% in 2025. [9]

Fig. 4a: Supply-Demand Balance – Total Market

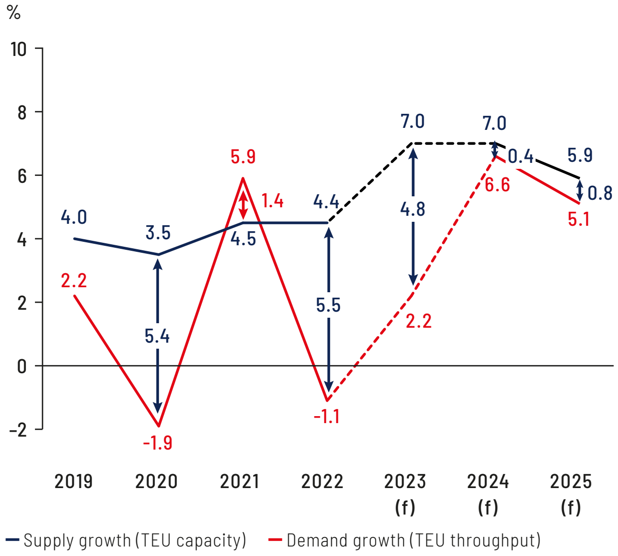
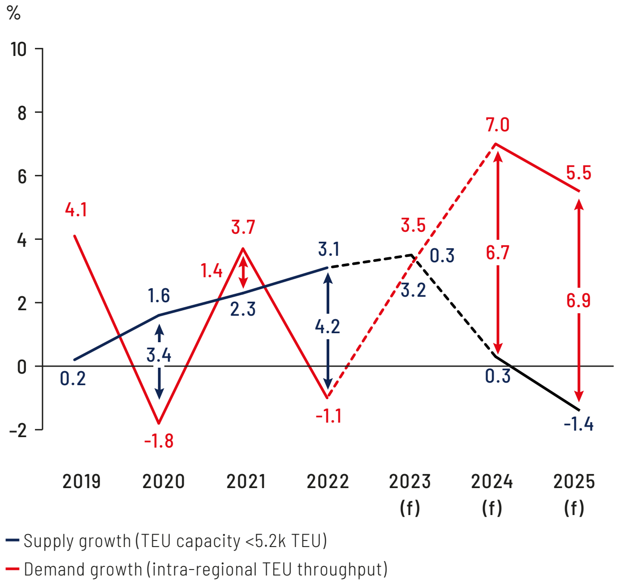


Fig. 4b: Supply-Demand Balance – Intra-Regional Trades



The dual-fuel orderbook continues to pick up especially for methanol

The spike in orders during the market boom has resulted in a significant increase in dual-fuel ordering in the container shipping segment. Decarbonization efforts by the industry coupled with environmental regulations introduced by the IMO (CII, EEXI) and the EU (EU ETS) are the main factors driving this development. As shown in Figure 5a, around 27% of the current orderbook in terms of number of vessels (41% in terms of TEU capacity) consists of dual-fuel vessels compared to conventional fuel orders. LNG still dominates the current dual-fuel orderbook with 77% in terms of number of vessels (73% in terms of TEU capacity), but as Figure 5b shows, methanol dual-fuel ordering, which was basically non-existent before 2021, has gained significant traction over

[8] Maritime Strategies International, Horizon, February 2023.
[9] Ibid.

the past year. Liner carriers such as Maersk, and more recently CMA CGM, have decided to use methanol as a dual-fuel option. The current orderbook illustrates that already 23% of dual-fuel ordering accounts for methanol in terms of number of vessels (27% in terms of TEU capacity). It remains to be seen how the production, supply and infrastructure of alternative green fuels develop over the decades ahead since sourcing adequate levels of green fuels is a main concern for the shipping industry. [10]

Fig. 5a: Current dual-fuel orderbook

No. of vessels

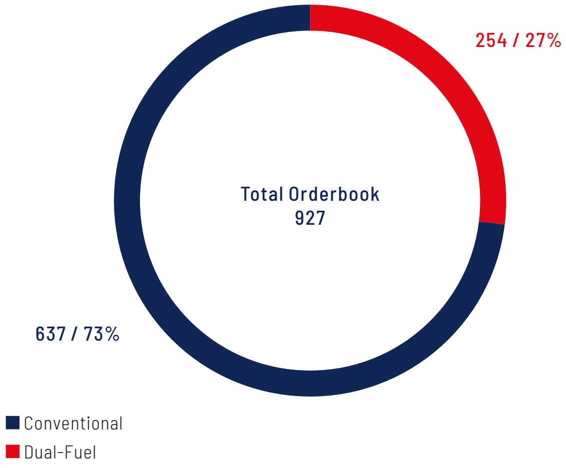


Fig. 5b: Current dual-fuel types orderbook

No. of vessels

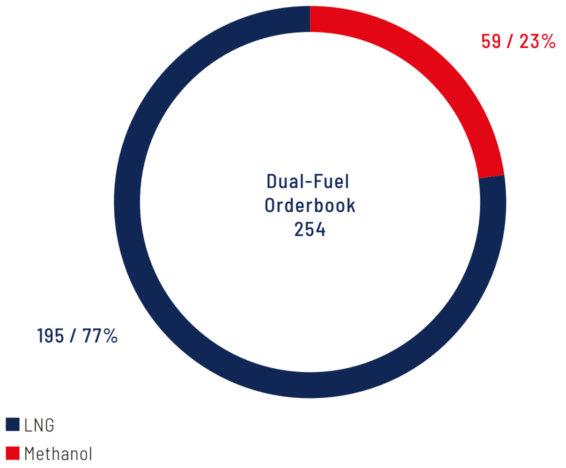
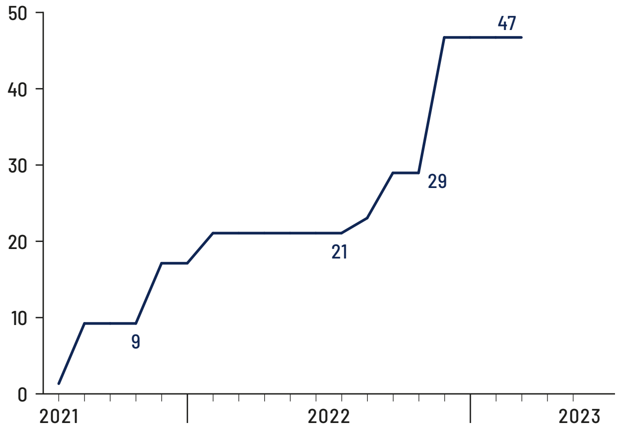


Fig. 5c: Methanol Dual-Fuel Orderbook Development



Summarizing the current container market update, the improvement in the outlook for the global economy compared to only a few months ago provides reason for optimism that container markets will rebound in the second half of 2023 and into 2024. This is backed up by an encouraging outlook with regard to demand for intra-regional trades in particular. Nevertheless, the substantial number of newbuild deliveries entering the market in the years ahead is not inconsiderable and potential cascading effects need to be monitored closely. With regard to freight rates, time-charter rates, and asset prices, it remains to be seen if these will stay at current levels and trend sideways over the next years. Finally, environmental regulations are expected to have impact on effective capacity as indicated by increasing demolition levels and slower trading speeds, particularly for smaller vessels in niche trades.

[10] Clarksons Research, Shipping Intelligence Network, February 2023.

Forward-looking statements

The forward-looking statements presented in this report are based on various assumptions. These assumptions are subject to uncertainties and contingencies that are difficult or impossible to predict. MPC Container Ships ASA cannot give assurances that expectations regarding the outlook will be achieved or accomplished.

Oslo, February 28, 2023

The Board of Directors and CEO
of MPC Container Ships ASA

Ulf Holländer (Chairman)

Dr. Axel Schroeder

Pia Meling

Peter Frederiksen

Ellen Hanetho

Constantin Baack (CEO)

CONSOLIDATED FINANCIAL STATEMENTS

Condensed statement of profit or loss

in USD thousands	Notes	Q4 2022 (unaudited)	Q4 2021 (unaudited)	FY 2022 (unaudited)	FY 2021 (audited)
Operating revenues	5	162,059	142,548	616,768	384,710
Commissions		(4,819)	(3,903)	(17,127)	(11,741)
Vessel voyage expenditures		(3,648)	(4,135)	(13,765)	(11,982)
Vessel operation expenditures		(36,799)	(33,469)	(139,988)	(121,766)
Ship management fees	10	(2,248)	(2,672)	(9,023)	(9,263)
Share of profit or loss from joint venture	6	17,895	18,600	51,761	24,794
Gross profit		**132,440**	**116,969**	**488,626**	**254,753**
Administrative expenses		(4,368)	(8,967)	(13,862)	(19,519)
Other expenses		(1,417)	(1,629)	(3,344)	(3,771)
Other income		305	56,317	1,788	58,974
Gain (loss) from sale of vessels	7	-	-	49,042	-
EBITDA		**126,960**	**162,690**	**522,250**	**290,436**
Depreciation	7	(20,090)	(18,138)	(75,392)	(62,049)
Bargain gain business combination		-	-	-	2,312
Operating result (EBIT)		**106,870**	**144,552**	**446,858**	**230,699**
Finance income		993	51	3,742	155
Finance costs	9	(3,566)	(16,195)	(14,480)	(40,325)
Profit (loss) before income tax (EBT)		**104,297**	**128,408**	**436,120**	**190,530**
Income tax expenses		(672)	(480)	(1,071)	(676)
Profit (loss) for the period		**103,625**	**127,928**	**435,049**	**189,854**
Attributable to:					
Equity holders of the Company		103,642	127,845	434,832	189,725
Minority interest		24	83	215	129
Basic earnings per share – in USD		**0.23**	**0.29**	**0.98**	**0.46**
Diluted earnings per share – in USD		**0.23**	**0.29**	**0.98**	**0.46**

Consolidated statement of comprehensive income

in USD thousands	Notes	Q4 2022 (unaudited)	Q4 2021 (unaudited)	FY 2022 (unaudited)	FY 2021 (audited)
Profit (loss) for the period		103,625	127,928	435,047	189,854
Items which may subsequently be transferred to profit or loss		**405**	**(6,350)**	**634**	**8,769**
Foreign currency effects, net of taxes		(215)	(100)	-	(297)
Change in hedging reserves, net of taxes	11	620	6,250	634	9,066
Items which will not subsequently be transferred to profit or loss		**-**	**-**	**-**	**-**
Other comprehensive profit (loss), net of taxes		-	-	-	-
Other comprehensive profit (loss) from joint ventures and affiliates		-	-	-	-
Total comprehensive profit (loss)		**104,030**	**121,578**	**435,681**	**198,623**
Attributable to:					
Equity holders of the Company		104,006	121,495	435,466	198,494
Non-controlling interest		24	83	215	129

Consolidated statement of financial position

in USD thousands	Notes	December 31, 2022 (unaudited)	December 31, 2021 (audited)
ASSETS			
Non-current assets			
Vessels	7	745,873	774,362
Newbuildings	8	32,770	-
Right-of-use asset		266	-
Investment in joint venture	6	20,893	28,656
Total non-current assets		**799,802**	**803,018**
Current assets			
Vessel held for sale		-	16,304
Inventories		6,340	4,820
Trade and other receivables		22,922	30,142
Financial instruments at fair value	11	1,740	-
Cash and cash equivalents		125,517	180,329
Unrestricted cash		94,603	156,767
Restricted cash		30,914	23,562
Total non-current assets		**156,519**	**231,595**
Total assets		**956,321**	**1,034,613**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	48,589	48,630
Share premium		152,737	597,080
Treasury shares		-	(1,143)
Retained earnings		517,045	82,212
Other reserves		525	(109)
Non-controlling interests		2,551	919
Total equity		**721,447**	**727,589**
Non-current liabilities			
Non current portion of interest-bearing debt	9	74,462	148,083
Lease liabilities – long-term		114	-
Acquired TC contracts, non-current		1,480	3,728
Deferred tax liabilities		803	-
Total non-current liabilities		**76,859**	**151,811**
Current liabilities			
Current portion of interest-bearing debt	9	79,112	83,743
Acquired TC contracts, current		2,248	18,083
Trade and other payables		17,282	17,628
Income tax payable		378	-
Deferred revenue		40,133	15,146
Other liabilities		18,863	20,613
Total current liabilities		**158,015**	**155,213**
Total equity and liabilities		**956,321**	**1,034,613**

Consolidated statement of changes in equity

in USD thousands	Share capital (unaudited)	Share premium (unaudited)	Treasury shares (unaudited)	Retained earnings (unaudited)	Other reserves (unaudited)	Total equity attributable to the equity holders of the Company (unaudited)	Non-controlling interest (unaudited)	Total equity (unaudited)
Equity as at January 1, 2022	48,630	597,080	(1,143)	82,212	(109)	726,670	919	727,589
Result of the period	-	-	-	434,833	-	434,833	215	435,047
Other comprehensive income	-	-	-	-	634	634	-	634
Total comprehensive income	**-**	**-**	**-**	**434,833**	**634**	**435,466**	**215**	**435,681**
Contributions of equity, net of transaction costs	-	-	-	-	-	-	-	-
Dividends provided for or paid	-	(441,022)	-	-	-	(441,022)	-	(441,022)
Cancellation of treasury shares	(41)	(1,102)	1,143.00	-	-	-	-	-
Settlement of warrants	-	(2,219)	-	-	-	(2,219)	-	(2,219)
Addition from non-controlling interest	-	-	-	-	-	-	1,417	1,417
Equity as at December 31, 2022	**48,589**	**152,737**	**-**	**517,045**	**525**	**718,895**	**2,551**	**721,447**
Equity as at January 1, 2021	43,047	456,764	(1,143)	(108,413)	(8,877)	381,377	1,655	383,032
Result of the period	-	-	-	189,725	-	189,725	129	189,854
Other comprehensive income	-	-	-	-	8,769	8,769	-	8,769
Total comprehensive income	**-**	**-**	**-**	**189,725**	**8,769**	**198,494**	**129**	**198,623**
Change in non-controlling interest	-	-	-	900	-	900	(865)	35
Contributions of equity, net of transaction costs	5,583	143,870	-	-	-	149,453	-	149,453
Change in non-controlling interest	-	-	-	-	-	-	-	-
Cancelation of treasury shares	-	-	-	-	-	-	-	-
Settlement of warrants	-	(3,554)	-	-	-	(3,554)	-	(3,554)
Addition from non-controlling interest	-	-	-	-	-	-	-	-
Equity as at December 31, 2021	**48,630**	**597,080**	**(1,143)**	**82,212**	**(109)**	**726,670**	**919**	**727,589**

Consolidated statement of cash flows

in USD thousands	Notes	Q4 2022 (unaudited)	Q4 2021 (unaudited)	FY 2022 (unaudited)	FY 2021 (audited)
Profit (loss) before income tax		104,299	128,408	436,120	190,530
Income tax expenses paid		-	-	-	-
Net change inventory and trade and other receivables		11,252	9,686	6,655	(3,588)
Net change in trade and other payables and other liabilities		(18,564)	13,043	1,398	26,569
Net change in deferred revenue		24,987	-	24,987	-
Depreciation		20,090	18,138	75,392	62,049
Finance costs (net)		2,626	16,144	10,791	40,169
Fair value changes financial instruments		-	(554)	-	
Share of profit from joint venture	6	(17,896)	(18,600)	(51,761)	(24,794)
Gain from sale of vessels	7	(312)	(54,774)	(49,042)	(54,774)
Amortization of TC contracts		(1,071)	(12,851)	(18,083)	(21,662)
Bargain gain business combination		-	-	-	(2,312)
Other working capital changes		-	-	-	-
Cash flow from operating activities		**125,411**	**98,640**	**436,457**	**212,187**
Proceeds from sale of vessels	7	-	132,938	83,916	141,444
Scrubbers, dry dockings and other vessel upgrades		(19,023)	(15,395)	(66,301)	(41,084)
Purchase of new vessel/new buildings	8	(14,440)	-	(32,770)	(9,000)
Interest received		-	27	-	65
Investment in derivatives		-	-	-	-
Dividend received from joint venture investment		16,400	22,500	60,350	24,500
Investment in associates		-	-	(826)	-
Cash acquired in acquisition		-	-	-	11,918
Cash consideration acquisition		-	-	-	(84,611)
Cash flow from investing activities		**(17,063)**	**140,070**	**44,369**	**43,232**
Share issuance costs		-	-	-	(190)
Dividend paid		(84,289)	-	(441,022)	-
Addition of non-controlling interest		-	-	1,417	-
Proceeds from debt financing		-	180,047	-	368,547
Repayment of debt	9	(20,000)	(307,228)	(80,000)	(421,823)
Repayment of acquired debt		-	-	-	(34,071)
Payment of principal of leases		(44)	-	(118)	-
Repurchase of warrants		-	-	(3,554)	-
Repurchase of warrants		-	-	(2,219)	-
Interest paid		(2,295)	(3,540)	(8,718)	(14,082)
Debt issuance costs		-	(2,699)	-	(7,939)
Other finance paid		(1,544)	1,896	(2,030)	(1,437)
Cash from /(to) financial derivatives		607	-	607	-
Repayment of hedging instrument		-	(3,353)	-	(3,351)
Cash flow from financing activities		**(107,565)**	**(134,877)**	**(535,637)**	**(114,345)**
Net change in cash and cash equivalents		783	103,833	(54,811)	141,074
Cash and cash equivalents at the beginning of the period		124,734	76,495	180,328	39,254
Cash and cash equivalents at the end of the period		**125,517**	**180,328**	**125,517**	**180,328**

NOTES

Note 1 – General information

MPC Container Ships ASA (the "Company") is a public limited liability company (Norwegian: allmennaksjeselskap) incorporated and domiciled in Norway, with its registered address at Ruseløkkveien 34, 0251 Oslo, Norway, and Norwegian registered enterprise number 918 494 316. The Company was incorporated on January 9, 2017 and commenced operations 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 to invest in and to operate maritime assets in the container shipping segment.

The shares of the Company 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 December 31, 2022 have been 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 subjected to audit. The statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at December 31, 2021. The consolidated financial statements are presented in USD thousands unless otherwise stated.

Only standards and interpretations that are applicable to the Group have been included, and the Group reviews the impact of these changes in its financial statements. The Group will adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued.

Note 3 – Significant accounting policies

The accounting policies adopted in preparing the condensed consolidated interim financial reporting are consistent with those applied in the preparation of the Group's consolidated financial statements for the period ended December 31, 2021. No new standards were effective as at January 1, 2022 with a significant impact on the Group.

Note 4 – Segment information

All of the Group's vessels earn revenues from seaborne container transportation globally. The vessels exhibit similar economic, trading and financial characteristics. The Group is organized in one operating segment, i.e., the container shipping segment.

Note 5 – Operating revenues

in USD thousands	Q4 2022 (unaudited)	Q4 2021 (unaudited)
Time charter revenues	158,867	113,959
Amortization of time charter contracts	1,071	-
Pool charter revenues	-	13,261
Other revenues	2,121	15,328
Total operating revenues	**162,059**	**142,548**

The Group's time charter contracts are divided into a lease element and a service element. The lease element of the vessel represents the use of the vessel without any associated performance obligations and is accounted for in accordance with the lease standard. Revenues from time charter services (service element) and other revenue (e.g., bunkers and other services) are accounted for in accordance with IFRS 15. The Group's performance obligation is to provide time charter services to its charterers.

in USD thousands	Q4 2022 (unaudited)	Q4 2021 (unaudited)
Service element	36,289	99,660
Other revenues	2,121	15,328
Total revenue from customer contracts	**38,409**	**114,988**
Lease element	122,579	27,561
Amortization of time charter contracts	1,071	-
Total operating revenues	**162,059**	**142,549**

Other revenues relates to reimbursements of bunkers and other services, including amortization of the acquired value of time charter contracts. In Q4 2022, the amortization of acquired time charter contracts amounted to USD 1.1 million.

Note 6 – Share of profit or loss from joint venture

in USD thousands	Q4 2022 (unaudited)	Q4 2021 (unaudited)
Operating revenues	37,178	12,089
Operating costs	(5,200)	(5,236)
Other income	4,735	31,722
Depreciation	(760)	(1,233)
Net financial income/expense	(157)	(143)
Income tax	(5)	-
Profit after tax for the period	**35,791**	**37,200**
Total comprehensive income for the period	**35,791**	**37,200**
Group's share of profit or loss for the period	**17,895**	**18,600**
Dividends received	**16,400**	**-**

The Group has a 50% interest in 2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG, Hamburg, Germany, a company that owns four container vessels through respective wholly-owned subsidiaries (as at December 31, 2022). The interest in 2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG is considered to be an investment in a joint venture and is accounted for using the equity method.

In January 2022, the Group's joint venture, Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG, delivered the 2008-built AS Petulia to an unrelated party for a consideration of USD 35.8 million, resulting in a gain of USD 20.1 million in the joint venture.

In March 2022, the Group's joint venture, Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG, delivered the 2006-built AS Patricia to an unrelated party for a consideration of USD 34.3 million, resulting in a gain of USD 22.2 million in the joint venture.

In December 2022, as part of the Group's continuous portfolio optimization efforts, the Group's joint venture, Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG, entered into a commercial agreement for the option for the early redelivery of the 2003-built vessel Carpathia against a cash compensation of USD 24.1 million. The option was exercised in December 2022 and the vessel was subsequently sold to an unrelated party. The share of profit of USD 12.7 million relating to the early redelivery and the gain from the sale of the vessel was recognized in the joint venture.

In December 2022, the Group's joint venture, Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG, delivered the 2003-built Carpathia to an unrelated party for a consideration of USD 7.5 million, resulting in a gain of USD 1.2 million in the joint venture.

In December 2022, the Group's joint venture, Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG, entered into an MOA to sell its 2006-built AS Cleopatra for an agreed sale price of USD 20.9 million to an unrelated party. The vessel was delivered to its new owner in January 2023.

Note 7 – Vessels

in USD thousands	December 31, 2022 (unaudited)	December 31, 2021 (audited)
Acquisition cost at January 1	**937,841**	**707,924**
Acquisition of vessels	-	10,000
Acquisition of Songa Container Group	-	296,584
Prepayments	-	(1,000)
Capitalized dry-docking and other expenses	66,301	41,084
Sale of vessels	(47,846)	(95,836)
Disposal of other items of property, plant, and equipment	(1,040)	-
Vessel held for sale	20,914	(20,914)
Acquisition cost	**976,170**	**937,841**
Accumulated depreciations and impairment 1 January	(163,480)	(119,107)
Depreciation for the year-to-date	(75,270)	(62,049)
Sale of vessels	13,063	13,066
Accumulated depreciations and impairment at end of period	**(230,298)**	**(163,480)**
Closing balance at end of period	**745,873**	**774,363**

In January 2022, the 2006-built AS Palatia was sold to an unrelated party for a consideration of USD 35.8 million, resulting in a gain of USD 18.6 million.

In July 2022, the 2010-built AS Serafina was sold to an unrelated party for a consideration of USD 34.0 million, resulting in a gain of USD 19.9 million.

In September 2022, the 2007-built AS Laetitia was sold to an unrelated party for a consideration of USD 15.9 million, resulting in a gain of USD 10.3 million.

At each reporting date, the Group evaluates whether there is an indication that an asset may be impaired. If such indicator exists, an impairment test is performed. Such indicators may include depressed spot rate and depressed second-hand containerships values. As the market began to return to normal, the market values of our vessels have declined when compared to record high values reached in 2021 and early 2022. Hence, an impairment test has been performed for the Group's vessels. In accordance with the Group's methodology as set out in the Group's annual financial statements as at December 31, 2021, the key assumptions have been updated, considering the current market and the Group's updated long-term assumptions. As the recoverable amounts exceed the carrying amounts for all vessels, no impairment charges have been included in the financial results for the fourth quarter of 2022.

Note 8 – Newbuilding

in USD thousands	December 31, 2022 (unaudited)
Acquisition cost at January 1, 2022	**-**
Additions, net	32,770
Balance at December 31, 2022	**32,770**

As at December 31, 2022, the Group's newbuilding program consisted of two 5,500 TEU eco-design vessel and two carbon-neutral 1,300 TEU vessels, which are expected to be delivered in 2024. In the twelve-month ended December 31, 2022, total installments of USD 32.8 million had been paid to the shipyards. Remaining commitments amounted to USD 189.4 million, of which USD 50.3 million is expected to be paid in 2023 and USD 139.2 million in 2024.

Note 9 – Non-current and current interest-bearing debt

in USD thousands	Currency	Facility amount	Interest	Maturity	December 31, 2022 (unaudited)	December 31, 2021 (audited)
Loan & credit facility	USD	180,000	1 month LIBOR + 3.35%	November 2026	100,000	180,000
Senior secured credit facility USD 70 million	USD	70,000	Floating + 3.25%	June 2024	55,000	55,000
Other current liabilities incl. accrued interest					403	271
Total outstanding					**155,403**	**235,271**
Debt issuance costs					(1,829)	(3,446)
Total interest-bearing debt outstanding					**153,574**	**231,825**
Classified as:						
Non-current					74,462	148,083
Current					79,112	83,743
Total					**153,574**	**231,825**

In July 2021, the Group entered into a USD 70.0 million three-year revolving credit facility agreement with CIT Group, where MPCC Second Financing GmbH & Co. KG, a subsidiary of the Company, is the borrower. The initial drawdown of USD 55.0 million was made to refinance the existing debt. The credit line's maturity date is in June 2024.

In October 2021, the Group entered into an agreement for a USD 180.0 million five-year senior secured credit facility with HCOB. The credit facility consists of a USD 130.0 million term loan and a revolving credit facility of USD 50.0 million. The loan and credit facility will mature in November 2026. In Q4 2022, the Group repaid USD 20.0 million of the facility.

Note 10 – Related party disclosure

The following table shows the total amount of service transactions that have been entered into with related parties in Q4 2022:

in USD thousands	Type of services	Group	2. Bluewater Holding Schifffahrts-gesellschaft GmbH & Co. KG
Wilhelmsen Ahrenkiel Ship Man. GmbH & Co. KG / B.V.	Technical	1,814	338
Harper Petersen & Co. GmbH	Commercial	2,295	461
MPC Münchmeyer Petersen Capital AG	Corporate	456	-
Total		**4,611**	**799**

Amounts due to or from related company represent net disbursements and collections made on behalf of the vessel-owning companies by the Group during the normal course of operations for which a right of offset exists. As of December 31, 2021, and December 31, 2022, the amount due to related companies was USD 0.4 million and USD 0.7 million respectively. All related party transactions are carried out at market terms. Please see the Company's 2021 Annual Report for additional details.

Note 11 – Financial instruments

The following table represents the Group's financial assets and financial liabilities measured and recognized at fair value as at December 31, 2022 and December 31, 2021. The estimated fair value amount of the financial instruments has been determined using appropriate market information and valuation techniques.

in USD thousands	December 31, 2022 (unaudited)		December 31, 2021 (audited)	
Financial assets	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Trade and other receivables at amortized cost	22,922	22,922	30,142	30,142
Financial instruments at fair value	1,740	1,740	-	-
Cash and cash equivalents	125,517	125,517	180,329	180,329
Total financial assets	**150,179**	**150,179**	**210,471**	**210,471**
Financial liabilities at amortized cost	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Non-current Interest-bearing debt	74,462	74,462	148,083	148,083
Current interest-bearing debt	79,112	79,112	83,743	83,743
Trade and other payables	17,282	17,282	17,628	17,628
Other liabilities	18,863	18,863	19,547	19,547
Total financial liabilities	**189,719**	**189,719**	**269,001**	**269,001**

The carrying amount of cash and cash equivalents, trade and other receivables, trade and other payables, and other liabilities are a reasonable estimate of their fair value, due to their short maturity. The estimated value of the Group's long-term interest-bearing debt equals the carrying value as at December 31, 2022 and December 31, 2021, as it is variable-rated.

In May 2022, the Group entered into an interest rate cap with a notional amount of USD 45.0 million effective for the period January 1, 2024 to December 31, 2026. The derivative provides a cap of 4% on the risk-free US interest rate (SOFR) for the period. The fair value (level 2) of the Group's interest rate cap is the estimated amount that the Group would receive or pay to terminate the agreements as at the reporting date, considering, as applicable, the forward interest rate curves. The estimated amount is the present value of future cash flows. Fair value adjustment of the interest rate cap as at December 31, 2022 is recognized in the statement of other comprehensive income.

In October 2022, the Group entered into foreign currency forward contracts to hedge against fluctuations in EUR. Hedge accounting has not been applied for these forward contracts as no hedge relationships were designated at inception. Currency derivatives that are not hedging instruments are valued at fair value, and any changes in value are entered in the condensed consolidated statement of profit or loss as finance income or finance costs. In Q4 2022, the Group recognized USD 0.2 million relating to the foreign currency forward contracts.

The financial instruments analyses are carried at fair value. The different levels have been defined as follows:

Level 1: The fair value of financial instruments traded in active markets (e.g., publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g., over-the-counter derivatives) is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group has no financial assets that would otherwise have been past due or impaired and renegotiated.

Note 12 – Share capital

The share capital of the Company consisted of 443,700,279 shares as at December 31, 2022 after the cancellation of 351,098 treasury shares held by the Company on May 18, 2022. The nominal value per share is NOK 1.00. All issued shares shown in the table below carry equal rights and are fully paid up.

	Number of shares	Share capital (USD thousands)
December 31, 2021	**444,051,377**	**48,630**
Cancellation of treasury shares	(351,098)	(41)
December 31, 2022	**443,700,279**	**48,589**

Note 13 – Subsequent events

In December 2022, as part of the Group's measures for continuous portfolio optimization, the Group entered into a commercial agreement for the option for early redelivery of the vessel AS Carlotta against a cash compensation of USD 25.2 million. The option was subsequently exercised in January 2023 and the vessel was redelivered in January 2023.

In December 2022, the Group entered into an MOA to sell its 2006-built vessel AS Cleopatra for an agreed sale price of USD 20.9 million to an unrelated party. The vessel was delivered to its new owner in January 2023.

In December 2022, the Group obtained an approval from Credit Agricole together with an Export Credit Agency for a senior secured Pre-Delivery loan facility in the amount of up to USD 15.8 million and a senior secured Post-Delivery loan facility in an amount of up to USD 102.4 million. The loan facilities will be used to finance the two 5,500 TEU eco-design newbuildings and are subject to the execution of final transaction documents to both parties' satisfaction.

In January 2023, the Group entered into an MOA to sell its 2003-built vessel Carinthia for an agreed sale price of USD 7.6 million to an unrelated party.

In January 2023, the Group entered into agreements to acquire the 2010-built vessel Rio Centaurus and the 2007-built vessel TRF Kaya for a total consideration of USD 33.9 million. Both vessels are scrubber-fitted, benefitting from the current high fuel price spread. Moreover, both vessels come with existing charters attached with renewals in the third quarter of 2023 and the first quarter of 2024, respectively.

In February 2023, the Group signed a senior secured term loan facility in an amount up to USD 8.3 million with OVB. The loan facility matures four years after delivery of 2007-built TRF Kaya and carries an interest equivalent to the SOFR plus a margin of 350 basis points. The facility will be used to partially finance the acquisition of the vessel.

In February 2023, the Group postponed the USD 15.0 million repayment of its USD 70.0 million three-year revolving credit facility agreement with CIT Group by six months to July 2023.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ALTERNATIVE PERFORMANCE MEASURES

The Group's financial information is prepared in accordance with the International Financial Reporting Standards (IFRS). In addition, it is the management's intention to provide alternative performance measures that are regularly reviewed by management to enhance the understanding of the Group's performance but are not intended as a replacement of the financial statements prepared in accordance with the IFRS. The alternative performance measures presented may be determined or calculated differently by other companies. The alternative performance measures are intended to enhance comparability of the results and to give supplemental information to the users of the Group's external reporting.

Gross profit

Gross profit is a key financial metric for the Group and is derived directly from the income statement by deducting cost of sales (vessel voyage expenditures, ship management fees, vessel operating expenditures and commissions) from operating revenues.

EBITDA

Earnings before interest, tax, depreciations and amortization (EBITDA) is a key financial metric for the Group and is derived directly from the condensed consolidated statement of profit or loss adding back depreciation and impairment of vessels to the operating profit (EBIT).

in USD thousands	Q4 2022 (unaudited)	Q4 2021 (unaudited)	FY 2022 (unaudited)	FY 2021 (audited)
Operating result (EBIT)	106,870	144,552	446,858	230,699
Depreciation	(20,090)	(18,138)	(75,392)	(62,049)
EBITDA	**126,960**	**162,690**	**522,250**	**292,748**

Adjusted EBITDA

Adjusted EBITDA is a financial metric that includes the deduction of various of one-time, irregular and non-recurring items from EBITDA.

in USD thousands	Q4 2022 (unaudited)	Q4 2021 (unaudited)	FY 2022 (unaudited)	FY 2021 (audited)
EBITDA	**126,960**	**162,690**	**522,250**	**292,748**
Gain (loss) from disposal of vessels	-	54,716	49,042	56,439
Share of profit or loss from joint venture	12,625	15,684	21,741	15,684
Bargain gain business combination	-	-	-	2,312
Adjusted EBITDA	**114,335**	**92,290**	**451,467**	**218,313**

Adjusted profit (loss)

Adjusted profit (loss) is the profit (loss) for the period excluding one-time, irregular, and non-recurring items, such as gain (loss) from sale of vessels.

in USD thousands	Q4 2022 (unaudited)	Q4 2021 (unaudited)	FY 2022 (unaudited)	FY 2021 (audited)
Profit (loss) for the period	103,625	127,928	435,049	189,854
Gain (loss) from sale of vessels	-	54,716	49,042	56,439
Share of profit or loss from joint venture	12,625	15,684	21,741	15,684
Bargain gain business combination	-	-	-	2,312
Adjusted profit (loss) for the period	**91,000**	**57,528**	**364,266**	**115,419**

Adjusted earnings per share (EPS)

Adjusted EPS is derived from the adjusted profit (loss) divided by the number of shares outstanding at the end of the period.

Average time charter equivalent (TCE)

Average TCE is a commonly used key performance indicator (KPI) in the shipping industry. It represents time charter revenue and pool revenue divided by the number of trading days for the consolidated vessels during the reporting period. Trading days are ownership days minus days without revenue, including commercial, uninsured technical and dry-docking-related off-hire days.

Average operating expenses (OPEX) per day

Average OPEX per day is a commonly used KPI in the shipping industry. OPEX per day is calculated as operating expenses excluding tonnage taxes and operating expenses reimbursed by the charterers divided by the number of ownership days for consolidated vessels during the reporting period.

Utilization

Utilization in percentage is a commonly used KPI in the shipping industry. It represents total trading days including off-hire days related to dry dockings divided by the total number of ownership days during the period.

Leverage ratio

Total interest-bearing debt divided by total assets.

Equity ratio

Total book equity divided by total assets.

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