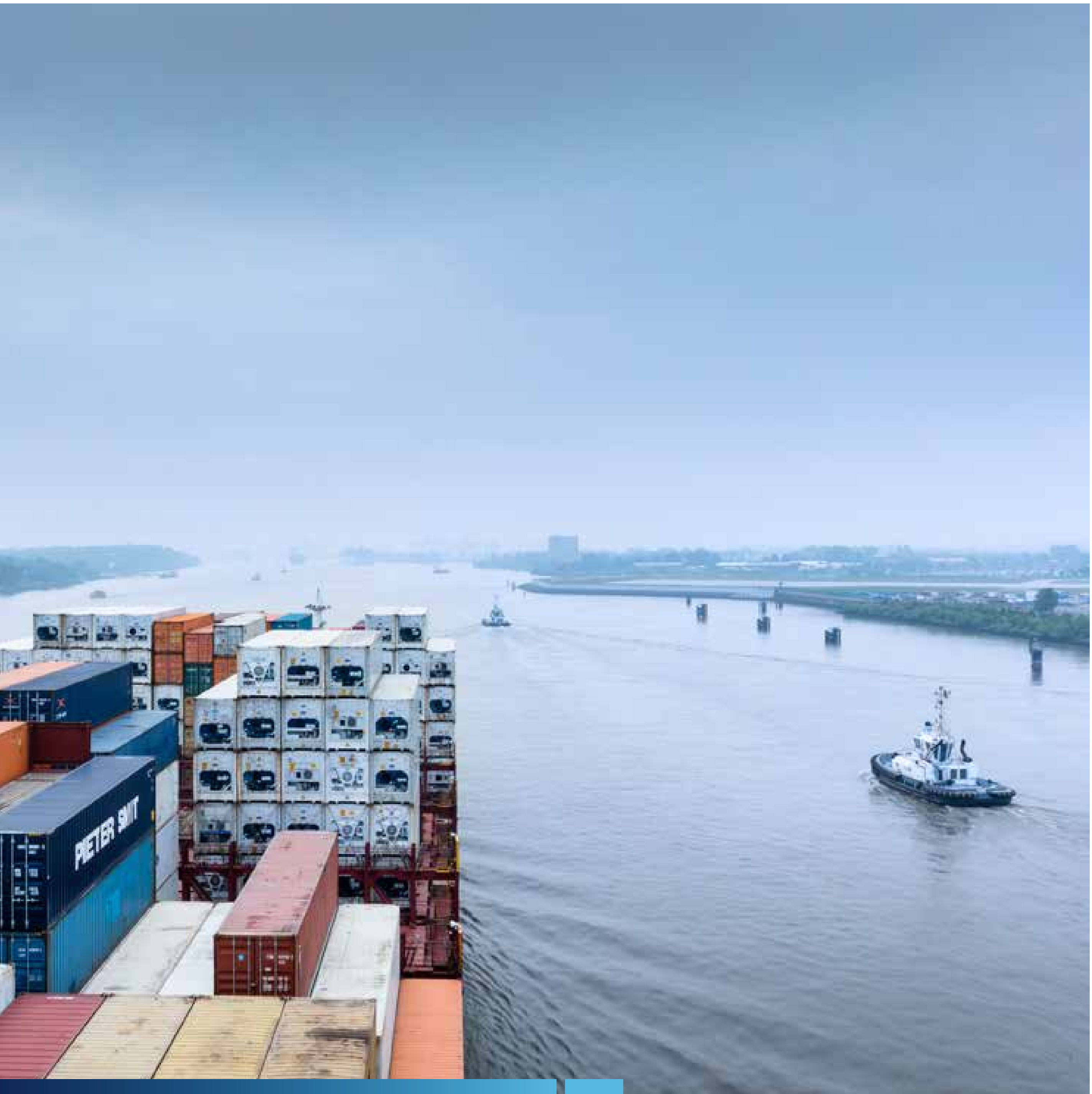
MPC CONTAINER SHIPS



ANNUAL REPORT 2022

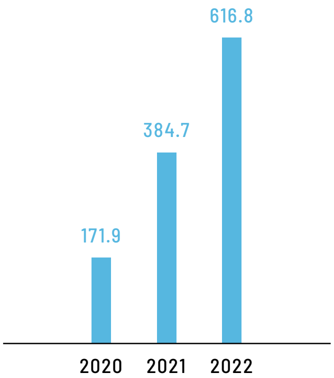
We pursue conscious change in the container shipping industry

KEY FIGURES

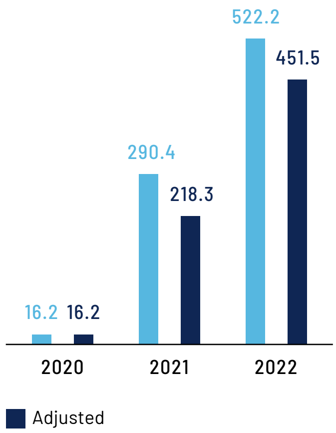
		2022	2021	2020
Number of container vessels[1]		62	68	57
Transport capacity of container ship fleet	TEU	134,270	147,286	109,240
Operating revenues	USD m	616.8	384.7	171.9
EBITDA	USD m	522.2	290.4	16.2
Adjusted EBITDA[2]	USD m	451.5	218.3	16.2
Profit (loss) for the period	USD m	435.0	189.9	(64.5)
Adjusted profit (loss) for the period[2]	USD m	364.3	115.4	(64.5)
Cash flow from operating activities	USD m	436.5	212.2	16.5
Cash and cash equivalents	USD m	125.5	180.3	39.3
Interest-bearing debt	USD m	153.6	231.8	276.9
Total equity	USD m	721.4	727.6	383.0
EPS	USD	0.98	0.46	(0.27)
Adjusted EPS[2]	USD	0.82	0.26	(0.27)
Total ownership days	days	21,671	21,942	21,616
Total trading days	days	20,590	20,904	19,377
Utilization		97.9%	97.9%	91.6%
Average TCE	USD	28,625	16,887	8,102
Average OPEX	USD	6,363	5,379	4,918
Leverage ratio		16.1%	22.4%	40.8%

[1] Includes vessels from investment in joint venture
[2] For further details, see Alternative Performance Measures on page 96

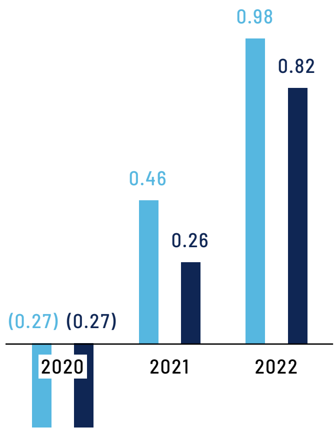
Operating revenues in USD m



EBITDA and Adj. EBITDA in USD m



EPS and Adj. EPS in USD



HIGHLIGHTS

+ Successful business year with substantial increase in revenues and earnings driven by strong time charter rates with long contract durations
+ Several accretive vessel sales realized, many at close to peak market rates, which facilitated continued deleveraging and significant shareholder distributions
+ Operating revenues were USD 616.8 million, an increase of 60.3% from USD 384.7 million in 2021
+ Strong balance sheet with total interest-bearing debt of USD 153.6m as at December 31, 2022 (2021: USD 231.8 million) corresponding to an industry-low leverage ratio of 16.1% (2021: 22.4%)
+ Utilization rate stable at a high 97.9% (2021: 97.9%)
+ Average Time Charter Equivalent (TCE) per day increased to USD 28,625 from USD 16,887 in 2021
+ The Board declared dividends amounting to a total USD 458 million for the 2022 financial year, of which USD 262 million recurring and USD 196 million event-driven dividends

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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 we distributed 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 prices, generating additional shareholder returns. In total, the Board declared USD 458 million in recurring and event-driven dividends for 2022. With the recently announced event-driven dividend, which was paid on February 28, 2023, and the recurring dividend for the fourth quarter, the total dividends paid in just over 12 months will reach USD 537 million, corresponding to 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 well-being as well as 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. 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, which can be powered by methanol and operated as carbon neutral. Both vessles have 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 to focus on continuous fleet optimization while remaining highly committed to our policy of returning capital to our shareholders.

Sincerely,

Constantin Baack (CEO)

ABOUT MPC CONTAINER SHIPS

Founded in 2017, MPC Container Ships has become a market-leading container tonnage provider, that owns and operates small- to mid-size container ships serving intra-regional trade lanes on fixed-rate charters. Intra-regional services support main trade lanes by connecting ports on intercontinental shipping lanes with one or more smaller ports.

Our values

DETERMINED

Our determination arises from our passion and commitment for what we do.

+ We develop new and innovative ideas and are always ready to break new ground to achieve our goals.
+ We take ownership of our tasks and we do not give up.
+ We grow with new challenges, assume responsibility, and have the courage to make decisions.
+ We accept failures and use the knowledge gained for continuous improvement.

Guided by our values and our **purpose to pursue conscious change in the container shipping industry**, our mission is to seize opportunities to create long-term value and propel change in the maritime industry with our own capital, new ideas, analytical skills, and a broad network. Together, we envision sustainable container shipping connecting the worlds' ports to serve peoples' need.

MINDFUL

Mindful stands for respectful and conscious actions.

+ We act with respect for the world we are living in, carefully selecting projects and partners.
+ We place sustainability at the core of our business decisions, while consciously dealing with and actively managing risk.
+ We are considerate, we make time for and treat each other and our partners with mutual respect and appreciation.
+ For us, trust and transparency are vital factors for a successful internal and external cooperation.

ENTHUSIASTIC

Enthusiasm for us means inspiration and motivation.

+ We inspire each other and our partners to take on challenging topics and projects.
+ Approaching every task with drive and optimism creates a unique spirit that leads us to success.
+ We firmly believe enjoying what we do is the key to job satisfaction.

BOARD OF DIRECTORS' REPORT

Business Overview and Corporate Development

MPC Container Ships ASA (the "Company" or "MPCC" together with its subsidiaries the "Group") was incorporated on January 9, 2017, as a private limited liability company under the laws of Norway and converted to a Norwegian public limited liability company on January 16, 2018. 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 small- to mid-size vessels that are chartered out on time-charter contracts to global and regional liner shipping companies serving intra-regional trade lanes.

With the economic recovery from the COVID-19 pandemic that began in the second half of 2020, especially US imports increased significantly in absolute and relative terms and triggered a historic and unprecedented container market boom. The year 2022 started strongly but February 2022 marked a turning point for the global economy. Subsequently the world was faced with a variety of issues, beginning with Russia's invasion of Ukraine and the economic and financial sanctions placed on Russia by Western nations. With overall increased geopolitical uncertainty, rapidly rising inflation, and China's Covid-19 policy, central banks began tightening their monetary policies to combat inflation, and GDP growth forecasts were repeatedly revised downward. Fears of recession loomed, especially for the U.S. and European economies.

At the same time, a strong container market persisted through the first half of 2022, and during this period, MPC Container Ships ASA was able to capitalize on the strong markets by locking in long-term time charter contracts at very attractive rates, building up a strong contract backlog for its fleet both for 2022 and for coming years.

However, throughout the second half of 2022 the macro-economic headwinds and negative sentiment resulted in lower consumer demand, putting pressure on the container shipping industry. The market began to normalize, and freight- and time-charter rates declined significantly during the second half of the year. Despite this, MPC Container Ships has maintained its high backlog with strong counterparties, which provides significant earnings visibility for 2023 and beyond.

Financing and Capital Allocation

MPCC follows a long-term strategy for prudent and rational capital allocation, with an ambition to deliver attractive shareholder returns over time through value accretive operations and capital allocation. The Board and the management place emphasis on maintaining sensible capital allocation between cycles, balancing investments between the primary capital uses, which includes fleet optimization and renewals, balance sheet improvements, and providing attractive shareholder returns.

On the back of very strong container markets in 2021 and well into 2022, MPC Container Ships has consistently deleveraged its balance sheet and had total interest-bearing debt of USD 153.6m as at December 31, 2022, which corresponds to an industry-low leverage ratio of 16.1%, compared with USD 231.8 million and a leverage of 22.4% at the end of 2021.

Furthermore, in January 2022, the Group introduced a new shareholder distribution policy, by which the intention is pay quarterly dividends of 75% of the profit for the period after considering CAPEX and working capital requirements, including liquidity reserves, and non-recurring items. In addition, the Company may make additional event-driven distributions based on non-recurring proceeds, such as vessel sales, at the Board's discretion.

Subsequently, the Board declared dividends amounting to approximately USD 458 million for the 2022 financial year, of which USD 262 million in quarterly recurring dividends and USD 196 million in event-driven dividends. In January 2023, the Board declared an additional event-driven dividend of USD 31.1 million.

ESG topics and issues make up a core aspect of MPCC's strategy and operations. We recognize that the shipping industry is responsible for a significant portion of global emissions, and we are determined to do our part to address this issue. The Group has actively prepared for implementation of the International Maritime Organization's Carbon Intensity Indicator (CII) and the inclusion of maritime shipping in the EU's Emission Trading System. In 2022, the Group undertook a significant amount of work to understand its greenhouse gas (GHG) emissions profile, identify opportunities for reductions, and implement a plan to reduce our aggregate and intensity-based emissions. Together with our customers and partners we are investing in research and development and have already executed seven projects to reduce emissions. These include new dual-fuel vessels, the use of alternative fuels and the installation of energy-efficient technologies. We estimate that these investments will eliminate significant amounts of CO_2 emissions over the life of the vessels. For more information, please refer to our 2022 ESG Report, which is available on the Company's website.

Fleet Update

As part of a strategy for continuous fleet optimization and in light of high second-hand prices during the first half of the year, the Group sold six vessels during 2022, of which three were wholly owned and three were owned 50% through the Bluewater joint venture. The accretive portfolio measures contributed to significant non-recurring shareholder distributions in the form of event-driven dividends and further simplified and strengthened the corporate structure through a reduction of the total joint venture investment.

Over the course of 2022, MPCC also ordered four newbuildings, including two 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.

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

In December 2021, the Group entered into a Memorandum of Agreement (MOA) for the sale of AS Palatia for USD 35.8 million. The vessel was handed over to its new owner on January 10, 2022, resulting in a gain of USD 18.8 million.

In January 2022, the Group's joint venture, 2. 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, 2. 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 July 2022, the Group sold the vessel AS Serafina for a total consideration of USD 34.0 million, resulting in a gain of USD 19.9 million.

In September 2022, the Group sold the vessel AS Laetitia for a total consideration of USD 16.2 million, resulting in a gain of USD 10.3 million.

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 subsequent sale of the Carpathia. The early redelivery and subsequent sale of the Carpathia were both completed in December 2022, resulting in a total USD 12.6 million recognized in the share of profit or loss from joint venture. The option for early redelivery of AS Carlotta was exercised in January 2023.

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

Going forward, the Group will continue to pursue selective growth opportunities, such as second-hand vessel acquisitions, M&A, and newbuildings. Investment decisions shall be value accretive on a per share basis and follow strict investment criteria including the long-term mitigation of residual value risk.

Corporate Changes

On February 25, 2022, Peter Frederiksen was elected as a new board member by an extraordinary general meeting of the Company to replace previous board member, Darren Maupin.

On January 28, 2022, an extraordinary general meeting of the Company was held. The general meeting passed the resolution to reduce the Company's share capital from NOK 444,051,377 to NOK 443,700,279 by cancelling the Company's treasury shares of in total 351,098 shares. The share capital reduction amounting to NOK 351,098 was transferred to other equity. This resolution entailed no payments made by the Company. The share capital reduction was carried out on May 18, 2022.

On November 30, 2022, Board Member, Laura Carballo, and Board Observer, Paul Gough, resigned their respective positions. On December 21, 2022, Pia Meling was elected as a new board member by an extraordinary general meeting of the Company for a period starting from the extraordinary general meeting until the Company's Annual General Meeting in 2024.

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 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 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 January 2023, the Board declared an event-driven dividend of USD 0.07 per share based on the commercial agreements for the redelivery of vessels Carpathia and AS Carlotta and the sale of joint venture vessels Carpathia and AS Cleopatra. The dividend was paid on February 28, 2022.

In February 2023, in conjunction with the publication of the Group's fourth quarter results for 2022, the Board declared a recurring dividend of USD 0.15 per share, to be paid on March 30, 2023.

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.

In March 2023, the recently acquired vessel, AS Claudia (formerly known as TRF Kaya) was delivered to MPCC from the seller and a loan facility of USD 8.3 million with OVB was drawn down.

Consolidated Financial Statements

Income Statement

For the full year 2022, the Group reported operating revenues of USD 616.8 million (2021: 384.7 million) and gross profit of USD 488.6 million (2021: USD 254.8million). The increase in operating revenues and gross profit compared to the previous year is driven by higher charter rates for the Group's fleet. The Group reported a net profit of USD 435.0 million (2021: 189.9 million).

Earnings per Share

Both basic and diluted earnings per share for the year were USD 0.98 (2021: USD 0.46).

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) and three joint venture vessels (AS Petulia, AS Patricia and Carpathia) in 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 investment in joint venture as at December 31, 2022, decreased to USD 20.9 million from USD 28.7 million as at December 31, 2022, as a 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 as at December 31, 2022, was USD 721.4 million, down from USD 727.6 million as at December 31, 2021, and included a non-controlling interest of USD 2.6 million. The decrease in total equity was mainly due to dividend payments of USD 441.0 million during the year 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 Flow

The Group generated 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 previous year.

Cash flow from investing activities was positive at USD 44.4 million (2021: USD 43.2 million), mainly due to 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 joint venture investment. This is partly offset by dry-dockings and other vessel upgrades amounting to USD 66.3 million and USD 32.8 million in installments paid for the four newbuildings.

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.

Allocation of Earnings

In support of the objective to maximize shareholder returns, MPC Container Ships' intention is to pay regular dividends by way of distributing 75% of the profit for the period after considering CAPEX and working capital requirements, including liquidity reserves, and non-recurring items. Dividends will be declared or proposed at the sole discretion of the Board and will depend upon the financial position, earnings, debt covenants, distribution restrictions, capital requirements and other factors related to MPC Container Ships and its subsidiaries. The Company cannot guarantee that its Board will declare or propose dividends in the future. Furthermore, MPC Container Ships may make event-driven distributions based on non-recurring proceeds, such as vessel sales, by way of extraordinary dividends or share buybacks, at the Board's discretion.

In accordance with the Company's distribution policy, the Board has in 2022 declared quarterly recurring dividends approximately USD 262 million, equal to USD 0.59 per share, as well as event-driven dividends amounting to approximately USD 196 million, equal to USD 0.44 per share, for a total amount of USD 458 million or USD 1.03 per share.

Parent Financial Statements

Statement of Profit or Loss

Revenues for 2022 were USD 14.8 million (2021: USD 14.8 million). Payroll and other operating expenses were USD 20.3 million (2021: USD 24.2 million), resulting in a negative operating result of USD 5.6million (2021: negative by USD 9.4 million). Net financial income/expense was positive USD 117.1 million (2021: positive USD 22.0 million).

Profit before tax was USD 111.5 million (2021: USD 12.6 million), resulting in a profit for the period of USD 111.5 million (2021: USD 12.7 million). The Board of Directors has proposed that the profit for the period is allocated to retained earnings.

Financial Position

The Company's total assets amounted to USD 318.6 million as at December 31, 2022 (699.5 million as at December 31, 2021). Non-current assets in the amount of USD 275.5 million (2021: 516.9 million) comprise mainly equity investments in subsidiaries.

Total equity was USD 250.3 million as at December 31, 2022 (2021: USD 447.8 million). Total liabilities were USD 68.3 million as at December 31, 2022 (2021: USD 251.8 million). The decrease in equity is mainly explained by dividend distributions in 2022 which is offset by profit for the twelve-month period of USD 11.5 million.

Cash Flow

During 2022, the Company generated a positive cash flow from operating activities of USD 13.1 million (2021: negative USD 0.7 million). This is mainly driven by the higher charter rates employed by the Company which is offset by net of finance income of USD 117.1 million. The cash flow from investing activities into vessels and joint venture investments was positive USD 358.8 million (2021: USD 127.8 million), reflected by dividends received from both subsidiaries and joint venture investments. The negative cash flow from financing activities of USD 441.1 million (2021: negative USD 28.4 million) is due the dividend distribution made in the year.

The total net change in cash and cash equivalents in 2021 was USD 69.3 million (2021: negative USD 98.8 million).

Cash and cash equivalents as at December 31,2022 were USD 32.5 million (December 31, 2021: USD 101.8 million).

Going Concern

In accordance with the Norwegian Accounting Act § 3-3a, the Board of Directors confirms that the going concern assumption on which the financial statements have been prepared, is appropriate. This assumption is based on the current market perception, contracted charter backlog as well as respective budgeted future cash flows for 2023 and 2024.

Work Environment and Equal Opportunities

As at December 31, 2022, the Group had 29 employees, of which 22 men and 7 women. The Group strives for diversity on a broad basis, including gender, age, ethnicity, personal beliefs, background, education, sexual orientation, and nationality. The ESG report includes key metrics related to diversity and information regarding the Group's efforts to promote diversity. Offshore personnel operating the Group's vessels are not employed by the Group, but we have high focus on health and safety on board on our vessels.

The working environment onshore is considered to be good, and efforts for improvements are made on an ongoing basis through, among others, employee development review and feedback sessions with the individual persons. No leave of absence, incidences or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year.

The Norwegian Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights and prevent discrimination due to ethnicity, national origin, descent, language, religion and faith. The Group is working in an active, determined and systematic way to encourage the act's purpose within our business and aims to be a workplace with equal opportunities. This is reflected in the Company's Code of Conduct, applicable to all entities controlled by the Company and all employees, directors, officers and agents.

As at December 31, 2022, the Board of Directors consisted of two women and three men. The executive management consisted of two men.

Internal Controls and Risk Management

In accordance with the principles underlying value-based management, the Board of Directors places great importance on systematic risk management. This is done not only to satisfy the requirements set out by law, but also to ensure the Company's governance in a highly dynamic market environment by identifying existing and potential risk exposures.

Through (i) quarterly reviews of the Company's most prominent areas of risk exposure and its internal control arrangements, (ii) management guidelines and (iii) the appointment of a dedicated risk management unit to perform risk monitoring and provide regular risk management updates to the Risk & Audit Committee, the Board of Directors aims to ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities.

In July 2021, the Company contracted an experienced German lawyer as External Compliance Officer to support the Chief Compliance Officer in defining and setting up a comprehensive Compliance Management System (CMS) and heading the daily operative routines. Since August 2021, Mrs. Sunniva Nising Sandvold of the Norwegian law firm CMS Kluge Advokatfirma AS has been contracted to serve as the Company's External Data Protection Officer.

Corporate Governance and Corporate Social Responsibility

Good corporate governance is a prerequisite for cooperation based on trust between the owners, the Board of Directors, and the executive management of the Group. Of equal importance is the Company's corporate social responsibility, which shall be reflected in our core values, the quality of our work and services, and in our entire range of activities.

The Board of Directors actively adheres to good corporate governance standards and will ensure that the Company either complies with or explains possible deviations from the Norwegian Code of Practice for Corporate Governance (the "Code"). As at December 31, 2022, there were no significant deviations between the Code and how the Company complies with the Code. The corporate governance principles of the Company are adopted and overseen by the Board of Directors.

For more details on corporate governance please see the Corporate Governance Report on page 24 of this report. For more information on corporate social responsibility, health and safety, and environmental impacts, please see the 2022 ESG Report published on the Company's website.

Transparency Act

According to the Norwegian Transparency Act, which entered into force July 1, 2022, the Group has a duty to carry out a due diligence assessments related to fundamental human rights and decent working conditions in its own businesses and supply chains. The Group will publish a Transparency statement on it's website before June 30, 2023 and has a process in place to be able to publish a Transparency statement together with its Annual Report for 2023.

Container Market Update

Restrained growth forecast amidst peaking inflation and a less gloomy outlook

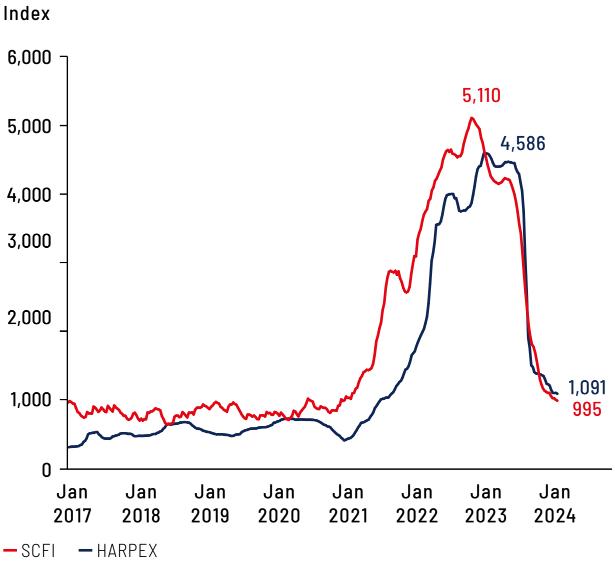
February 2022 marked a turning point for the global economy with Russia's invasion of Ukraine. Additionally, the last year has seen the global economy having to contend with decades-high inflation rates and China's Covid-19 policy. Central banks started tightening their monetary policies to combat inflation 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 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.

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

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



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]

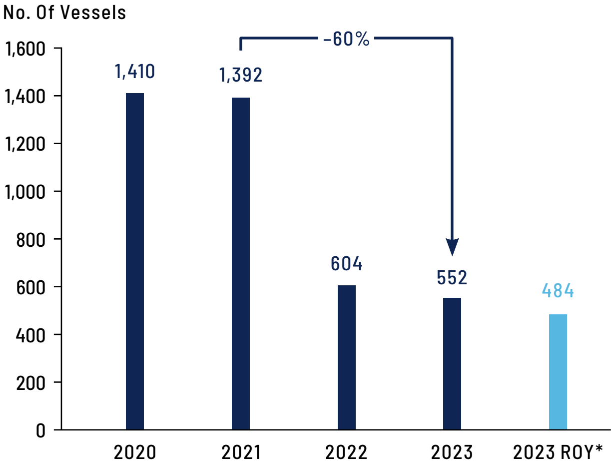
However, given that they are medium to long-term in nature, some characteristics of the market boom continue to persist. One of these is vessel availability which dropped significantly because vessels were charted out for extensive periods of two or more years, reducing the number of vessels available for charter for quite some time in the future. Figure 2 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 2 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

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

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

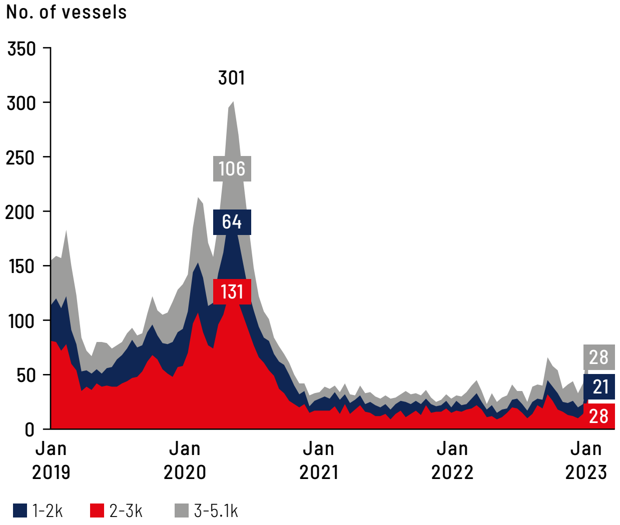
containership fleet is considered, a total of 149 vessels (736k TEU) are commercially idle which corresponds to 2.8% of the total fleet. This is a slight increase of 0.2 percentage points since the start of the year when a total of 97 vessels (663k TEU) were commercially idle. Nevertheless, of the total 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 2 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 3 (left) 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 3 (right) 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 3 (right) 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]

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

Fig. 3a: Orderbook Development

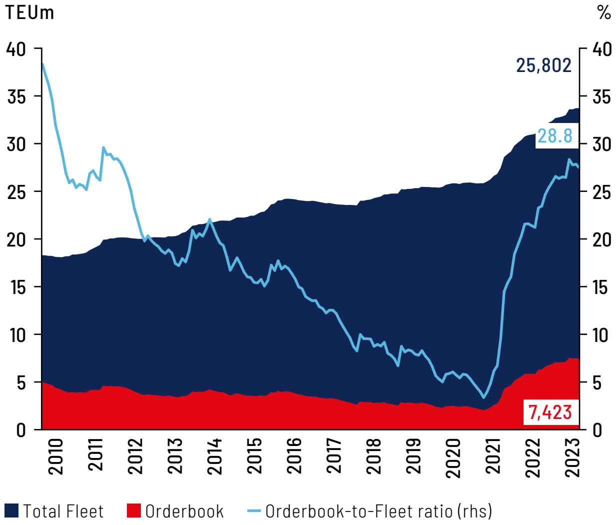
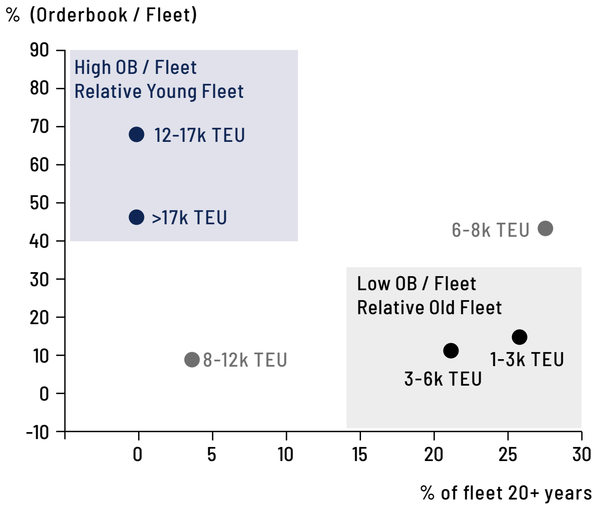


Fig. 3b: Orderbook across size segments compared to fleet age



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

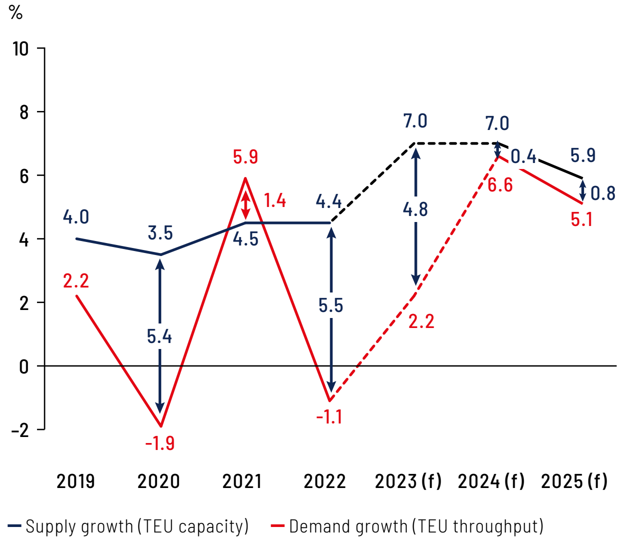
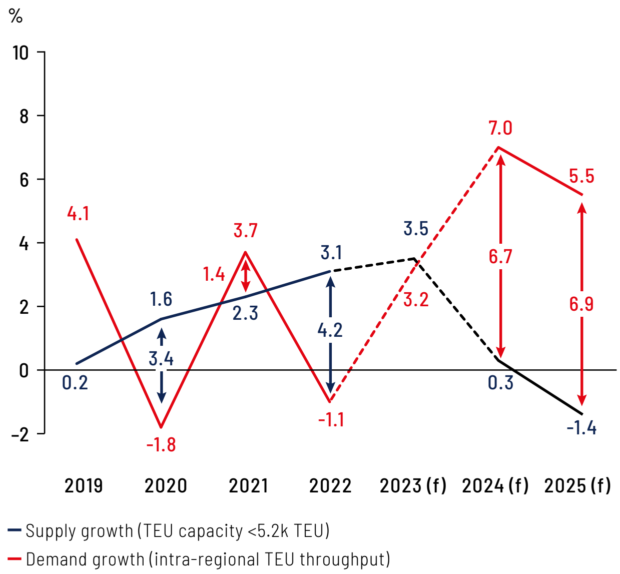


Fig. 4b: Supply-Demand Balance – Intra-Regional Trades



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

[9] Ibid.

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 5 (left), 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 5 (right) shows, methanol dual-fuel ordering, which was basically non-existent before 2021, has gained significant traction over 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). [10]

Fig. 5a: Current dual-fuel orderbook

No. of vessels

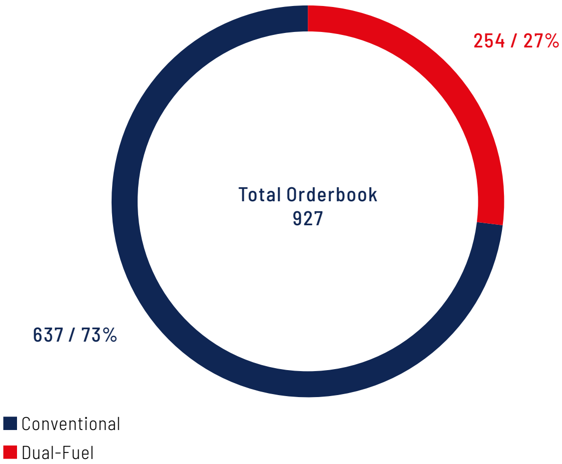


Fig. 5b: Current dual-fuel types orderbook

No. of vessels

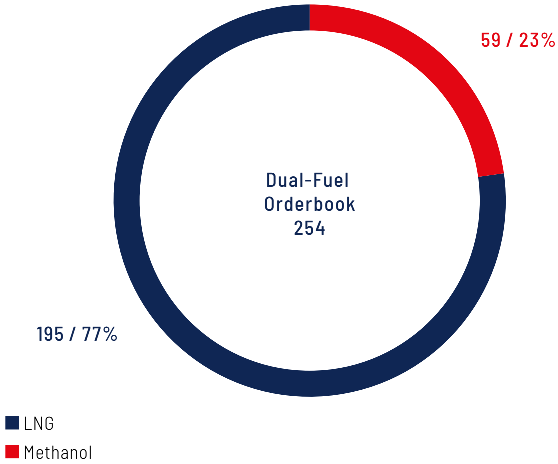
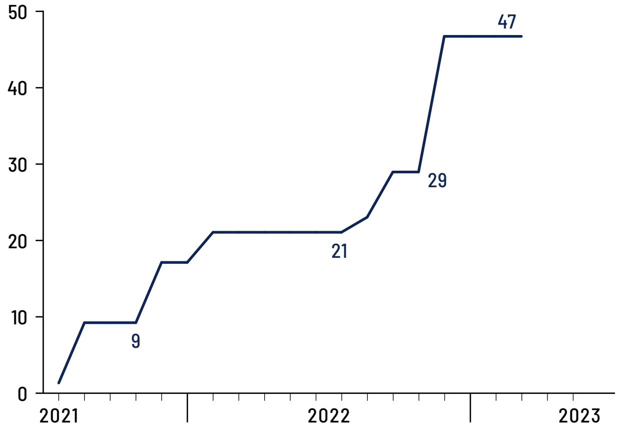


Fig. 5c: Methanol Dual-Fuel Orderbook Development



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. 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.

Outlook and Strategy

At the end of 2022, the Group had fixed 86% of operating days in 2023, reflecting an approximate USD 576 million in contracted charter revenue. The charter contract for the fleet, including newbuildings, had an average remaining contract duration of 2.2 years and constituted USD 1.5 billion in contracted revenue. Throughout 2021 and 2022, the Group has continued to deleverage and as at December 31, 2022, leverage ratio was 16.1%, down from 22.4% at December 31, 2021.

Following a period of market normalization in the second half of 2022, at the end of the year and in the beginning of 2023, rates seem to have stabilized somewhat at a level above historical averages. Vessel availability in the market remains limited and, despite a high order book for new vessels within larger tonnage, the supply-demand balance appears more favorable within MPCC's market segment of small- to mid-size vessels serving intra-regional trade lanes. Together with recent improvements in the general outlook for the global economy, the outlook for container shipping is increasingly encouraging.

There are also opportunities to gain from increasing our focus on and investments in green technology, and MPCC will work closely with 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.

Going forward, regardless of market developments, MPCC remains in a very strong financial position with significant earnings visibility and thus in a strong competitive position. For the coming year, the Group will continue its strategy for fleet optimization and continue to pursue selective growth opportunities. The Board also remains committed to the Company's dividend policy to ensure reliable quarterly shareholder distributions also for the coming years.

Risk Factors

The Board of Directors aims to ensure that the Company has sound internal controls and systems for risk management that are appropriate in relation to the extent and nature of the Company's objectives and activities. Together with the executive management, the Board has identified approximately 57 risk factors divided into eight categories.

The Risk Inventory is quantified and monitored taking a probability-impact approach. Each risk is assigned a Risk Owner within the Company's organization and a defined set of countermeasures and control frequencies.

A summary of the Company's risk categories is outlined below. Descriptions are not exhaustive, and the sequence of risk categories is not set out according to importance or priority.

Market and Industry Risks

As a supplier of ocean-going container vessels to the international sea trade, the Company is exposed to changes in trade patterns and the supply-demand for containerized goods caused by macroeconomic and geopolitical events. Such events include the trade tensions between the U.S. and China in 2018-2019, the outbreak of the COVID-19 pandemic in 2020, and the Russian invasion of Ukraine. This in turn necessitates risk surveillance and mitigation procedures related to the charter market, fluctuation in vessel values and competitors, among others. The Company strives to maintain a dynamic chartering strategy, a reliable fleet, and a close dialogue with the shipping market intelligence community to proactively adjust operations according to prevailing and future market environments.

The conflict between Russia and Ukraine as well as the economic and financial sanctions placed on Russia to end the conflict receives special attention by the Company. The conflict and the ensuing international response have generated significant disruption to the geopolitical landscape. The Company has assessed all relevant areas, including operations, contracts, and charter parties, in order to identify risks and define specific countermeasures. Regarding the commercial risks from vessels trading in the critical area, four vessels have stopped calling ports in Ukraine and Russia, and no dockings are scheduled in the region. Operational risks might arise on the crewing side, as MPCC`s crew manager is hiring Ukrainian and Russian seafarers. The Company is taking direct countermeasures with its crewing manager to mitigate potential crewing scarcities. Besides these existing risk factors, our risk assessment concludes that there is no immediate holistic impact on MPCC expected. We remain confident that if there is no complete disruption of the global supply chain, MPCC's business and operations should be able to continue.

Regarding the World Economy, inflation increased to 9% in the U.S. and 10% in the Euro Area at the end of 2022. Central banks reacted promptly by increasing interest rates, which put negative pressure on investments. The global economy is currently struggling with a slowdown of economic activity. However, economists already expect a relaxation in the second half of 2023, with inflation and interest rates leveling out and increasing consumer demand. First signs of a positive change in momentum are already visible.

Environmental, Social, and Governance Risks

Risks related to ESG include climate change impacts, mitigation and adaptation, environmental management practices and duty of care, working and safety conditions, respect for human rights, gender diversity, anti-bribery and corruption practices, and compliance with relevant laws, regulations, and best practices. Responsible business operations should also consider the impacts of megatrends, such as climate change, emerging regulations, voluntary guidelines as well as the transparency requirements of wider stakeholders.

Sustainability-related topics are gaining foothold among stakeholders not due to specific laws or regulations mandating a new level of disclosure but as the result of a broader understanding of the reputational and financial impact of poorly handling such issues. While developments in the ESG ("Environmental, Social and Governance") reporting and regulatory environment are outside the control of the Company, our attentiveness and adherence to ESG initiatives and reporting standards is of strategic relevance within the Company's scope of business.

Performance Risks

The Company's performance depends heavily on technical, operational, environmental, and reputational factors that carry both risks and opportunities. The Company addresses these risk and opportunities by assigning responsibilities, and monitoring and reporting routines to dedicated teams within its organization, such as asset management, treasury ,and controlling, utilizing. The Company continuously develops portfolio management tools and engages subject matter consultants to conduct routine compliance and quality management assessments.

The Company's vessels have insurance covering, among other things, P&I, hull and machinery, loss of hire, war risks, and crew negligence. However, risks remain as to whether the vessels are covered under all conditions. Vessels carry loss prevention, safety, and quality manuals to ensure sound HSE routines. Third-party contracting related to the Company's performance shall comply with applicable laws and regulations, for instance, and where applicable, with the International Maritime Organization's ISM Code and the SOLAS, STCW and Maritime Labor conventions.

Legal Risks

The Company is exposed to changes in legal, tax, and regulatory regimes within relevant jurisdictions as well as potential private litigation and public prosecution. The Company seeks to mitigate legal risks by maintaining a well-functioning risk management system, management guidelines and dedicated compliance and legal functions.

Especially in the current geopolitical situation with newly introduced and further strengthened sanction regimes for example, legal risk exposure is elevated. The Company mitigates this situation by a) even closer monitoring current business activities and all involved parties, b) the introduction of a comprehensive Sanctions Compliance Policy and c) seeking advice from seasoned sanction experts.

Personnel Risks

The continued progress of the Company depends heavily on the knowledge and network of key personnel as well as on access to new talent. Personnel risk mitigation procedures include pre- and post-hire preparations, regular employee development reviews, jour fixes and a methodical expansion of internal resources on business-critical processes.

IT Risks

IT and cyber risks make up an increasing share of the Company's risk universe. The Company purchases IT services from third parties that offer comprehensive security strategies which closely match the Company's business objectives. All data and applications are hosted multi-redundantly in European cloud storage and secured multiply against data loss and third-party access. Security checks and staff training are carried out on a regular basis.

Financial Risks

The Company seeks to actively manage its financial risk exposures through the use of dedicated finance, treasury and owner controlling teams within its organization. Liquidity and covenant risks are monitored on an ongoing basis, also considering latest macroeconomic events such as the COVID-19 pandemic and its implications for container shipping. Currency and interest rate risks are mitigated via financial instruments when deemed appropriate. The compliance with certain debt covenants, including covenants in relation to the market value of the Group's fleet, may be beyond the control of the Group. As at December 31, 2022, outstanding interest-bearing debt was USD 153.6 million, net of debt issuance costs, which will be repaid through the cash flow generated from the vessels or through refinancing. As at December 31, 2022, the Group has an outstanding of capital commitments of USD 189.4 million relating to the four newbuildings contracted in 2022.

Climate Risks

The Company has divided climate-related risks into two major categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change.

Transitioning to a lower-carbon economy implies extensive changes in the political, legal, technological and market environment. It is the goal of the MPCC Risk Management to identify the specific risks for our business model and to address mitigation and adaptation requirements related to climate change. Depending on the speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to our organization. Physical risks resulting from climate change can be event-driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for the company, such as direct damage to assets and indirect impacts from disrupted operations.

Other Risks

From time to time, the Company will be required to consider major business initiatives, which, if implemented, entail a considerable amount of costs and resources. Moreover, if executed without due care and planning, such strategic initiatives may have a material adverse impact on the Company. The need to consider major initiatives may arise from strategic considerations, from shifts in market dynamics or from regulatory changes outside the Company's control. The Company will seek to mitigate risks arising from such initiatives, as well as all other risks not assorted into the above-mentioned six risk categories, on a case-by-case basis by implementing project steering committees comprising relevant stakeholders and expertise, be it internal or external.

Members of the Board and the executive management team are covered by insurance policies (D&O) against potential liability towards the Company and third parties.

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. MPC Container Ships ASA cannot give assurances that expectations regarding the outlook will be achieved or accomplished.

Oslo, March 23, 2023

The Board of Directors of
MPC Container Ships ASA

Ulf Holländer (Chairman) | Dr. Axel Schroeder | Pia Meling

Peter Frederiksen | Ellen Hanetho | Constantin Baack (CEO)

BOARD OF DIRECTORS

Ulf Holländer (1958)

Chairman

Term of office: Re-elected on April 27, 2022, for a period of two years. First elected on April 2, 2017.

Independent: No

Committee Membership: Chairman of the Risk and Audit Committee and the Remuneration Committee.

Experience: Ulf Holländer commenced his career as an audit assistant and auditor at Dr. W Schlage & Co Wirtschaftsprüfungs und Steuerberatungsgesellschaft in Hamburg, after which he worked at the shipping group Hamburg Süd and affiliated companies in Australia and the U.S. Positions included financial controller, commercial director, and head of Hamburg Süd's finance and accounting department. Mr. Holländer was CFO of MPC Münchmeyer Petersen Capital AG before being appointed as CEO in 2015.

Education: Commerce degree from the University of Hamburg.

Shareholding: 165,637 shares

Board meetings attended in 2022: 26

Dr. Axel Schroeder (1965)

Board Member

Term of office: Re-elected on April 27, 2022, for a period of two years. First elected on May 18, 2017.

Independent: No

Committee Membership: None

Experience: Dr. Axel Schroeder has held various positions within the MPC Group since 1990, including engagements in MPC Münchmeyer Petersen Capital AG ("MPC Capital") from its infancy in 1994 and as CEO from 1999 to 2015, during which period MPC Capital was listed at the Frankfurt Stock Exchange (2000). Since 2015, Dr. Schroeder has chaired MPC Capital's Supervisory Board. Moreover, he is managing partner of MPC Münchmeyer Petersen & Co. GmbH.

Education: Economics and Social Science at the University of Hamburg followed by a doctorate.

Shareholding: 2,536,511 shares

Board meetings attended in 2022: 26

Pia Meling (1975)

Board Member

Term of office: Elected on December 21, 2022, for a period until the 2024 Annual General Meeting

Independent: Yes

Committee Membership: Risk and Audit Committee and ESG Committee

Experience: Pia Meling has significant financial, ESG, and managerial experience within the shipping and maritime sectors. Her experience includes senior positions with Klaveness Group, Clean Marine AS, Wilhelmsen Ships Service, and Massterly AS. Mrs. Meling is currently the Managing Director of Grieg Green AS. She is also a member of the Ocean Portfolio Board at the Research Council of Norway and serves on the Board of Directors of port operator Westport AS, as well as the listed Norwegian cleantech company TECO 2030 ASA.

Education: MBA from the Norwegian School of Economics.**Shareholding:** 0 shares

Board meetings attended in 2022: 1

Ellen Hanetho (1964)

Board Member

Term of office: Re-elected on April 27, 2022, for a period of two years. First elected on January 16, 2018.

Independent: Yes

Committee Membership: Risk and Audit Committee, Remuneration Committee, and ESG Committee

Experience: Ellen Hanetho started her career in the Investment Banking Division of Goldman Sachs International Ltd in London and New York (1997-2002). Subsequently, she was investment manager and partner at Credo Partners AS (2003-2012) and then CEO of Frigaard Invest AS (2013-2019). At present, she is an independent investor and business developer, and holds several board positions including chair of the board of HydrogenPro ASA and directorships in Stokke Industri AS, Kristian Gerhard Jebsen Group Limited, Kongsberg Automotive ASA and EQVA ASA.

Education: BSBA in Business Administration from Boston University and an MBA from Solvay Business School.

Shareholding: 60,000 shares

Board meetings attended in 2022: 26

Peter Frederiksen (1963)

Board Member

Term of office: Re-elected on April 27, 2022, for a period of two years. First elected on February 25, 2022.

Independent: Yes

Committee Membership: Remuneration Committee

Experience: Peter Frederiksen held management and board positions at Hamburg Süd for 9 years and at Maersk Line for 25 years. He has extensive experience in the shipping industry and currently serves on the board of several shipping and maritime companies, including Uni-Tankers A/S and Bunker Holding A/S.

Education: A.P. Møller Maersk Shipping Education. Executive Development Programs at INSEAD and Cornell Johnson Graduate School of Management.

Shareholding: 200,000 shares

Board meetings attended in 2022: 19

CORPORATE GOVERNANCE REPORT

Good corporate governance is a prerequisite for cooperation based on trust between the owners, the Board of Directors ("the Board") and the management of MPC Container Ships ASA ("the Company", together with its subsidiaries "the Group"), with a view to achieving long-term growth.

The Board actively adheres to good corporate governance standards and will ensure that the Company either complies with or explains possible deviations from the Norwegian Code of Practice for Corporate Governance ("the Code"). The Code can be found at www.nues.no.

As at December 31, 2022, there are no significant deviations between the Code and how the Company complies with the Code. Two minor deviations under Section 5 on general meetings and one deviation under Section 6 on the nomination committee have been justified and disclosed.

Business

The business activity of the Company is set out in article 3 of its articles of association: "The Company's business activity is to (i) invest in maritime assets (vessels, shares in ship-owning companies, loans secured by vessels, and/or shares in ship-owning companies) with a main focus on small- to mid-size container ships, (ii) chartering out the vessels via time-charter agreements, operate and sell them as well as (iii) working out the acquired maritime loans in order to take over the securing assets."

As a globally active shipping company, MPC Container Ships considers the creation of shareholder and stakeholder value as the core purpose of our business activities. Yet, we believe that the ability to create long-term sustainable value lies in linking economic and financial advancements with environmental, social and governance propositions and thus following the principles of Corporate Social Responsibility.

Adapting to the future and changing environment of our business and the general market as well as preparing for the challenges that those developments imply, is the key element of our long-term business strategy. Our mission is to future-proof our business and create stakeholder value through:

+ Being a professional and positive workplace with an inclusive working environment. Health and safety of our employees are always the main priority.
+ Supporting collective climate ambitions and leverage industry networks to accelerate change.
+ Valuing professional, transparent, and fair business relationships by acting as a transparent and trustworthy business partner.
+ Adopting a long-term perspective in our business strategy and decision making, that is taking economic and ecological aspects equally into account

The Company is listed on the Oslo Stock Exchange under the ticker symbol "MPCC".

As set out in the risk factors section in the Board of Director's report in the Annual Report for 2022, the Board has defined clear objectives, strategies, and risk profiles for the Company's business activities to ensure shareholder value creation. The Board will evaluate these objectives, strategies, and risk profiles on a regular basis, and routinely monitors risk exposure vis-à-vis its business objectives.

Deviations from the Code: none

Equity and Dividends

Share Capital

All shares issued in the Company are equal in all respects. The Company has one class of shares, each carrying one vote and an equal right to dividend. All shares are validly issued and fully paid. The shares are issued in accordance with the laws of Norway and registered in the Norwegian Central Securities Depository (VPS) with ISIN NO0010791353. As at December 31, 2022, the Company's share capital is NOK 443,700,279 divided into 443,700,279 shares, each with a nominal value of NOK 1.00.

Any increase of the Company's share capital must be mandated by the general meeting. If a mandate is to be granted to the Board to increase the Company's share capital, such mandate will be restricted to a defined purpose. If the general meeting is to consider mandates to the Board for the issuance of shares for different purposes, each mandate will be considered separately by the general meeting.

At the Company's annual general meeting held April 27, 2022, the Board was authorized to increase the Company's share capital by up to NOK 110,925,070. Subject to this aggregate amount limitation, the Board's authority may be used on more than one occasion and for such purposes as the Board finds to be in the interest of the Company. No new shares were issued in 2022.

The Board's authority shall remain in force until the annual general meeting in 2023, but not later than June 30, 2023. Pre-emptive rights of existing shareholders may be set aside. The authority covers (i) capital increases against contributions in cash and non-cash, (ii) the right to incur special obligations for the Company, (iii) resolutions on mergers and (iv) takeover situations.

Capital Structure

The Board regards its capital structure and equity ratio as appropriate considering the Group's objectives, strategy, and risk profile.

Dividend Policy

In support of its objective of maximizing returns to shareholders, MPC Container Ships' intention is to pay regular dividends by way of distributing 75% of the profit for the period after considering CAPEX and working capital requirements, including liquidity reserves and one-off effects. Dividends will be declared or proposed by the Board at the sole discretion of the Board and will depend on the financial position, earnings, debt covenants, distribution restrictions, capital requirements and other factors related to MPC Container Ships and its subsidiaries. The Company cannot guarantee that its Board will declare or propose dividends in the future. Furthermore, the Company may make event-driven distributions based on non-recurring proceeds, such as vessel sales, by way of extraordinary dividends or share buybacks, to be applied according to the Board's discretion.

Purchase of Own Shares

On January 28, 2022, an extraordinary general meeting of the Company was held. The general meeting passed the resolution to reduce the Company's share capital from NOK 444,051,377 to NOK 443,700,279 by cancelling the Company's treasury shares of in total 351,098 shares. The share capital reduction amounting to NOK 351,098 was transferred to other equity. This resolution entailed no payments made by the Company. The share capital reduction was carried out on May 18, 2022, after which the Company had no remaining treasury shares.

At the extraordinary general meeting held on January 28, 2022, the Board was granted an authorization to acquire shares in the Company on behalf of the Company with an aggregate nominal value of up to NOK 44,370,027 and with a consideration per share of no less than NOK 1.00 and no more than NOK 200.00. The Board's authority is valid until the annual general meeting in 2023, but not later than June 30, 2023.

Deviations from the Code: none

Equal Treatment of Shareholders

Equal Treatment

Equal treatment of all shareholders is a core governance principle of the Company. The Company has one class of shares, and each share confers one vote at the general meeting. The articles of association contain no restrictions on voting rights and all shares have equal rights.

Transactions in Own Shares

The Company's transactions in own shares are carried out over the stock exchange or by other means at market price. Should there be an increase in capital which involves a waiver of the existing shareholders' pre-emptive rights, and the Board resolves to carry out such an increase on the basis of a mandate granted by the general meeting, the Board will explain the justification for waiving the pre-emptive rights in the stock exchange announcement.

Deviations from the Code: none

Shares and Negotiability

The Company's shares are listed on the Oslo Stock Exchange and are freely negotiable. The Company has one class of shares, each carrying one vote at the general meeting. The shares have no trading restrictions in the form of Board consent or ownership limitation, and the Company does not limit any party's ability to own, trade or vote for shares in the Company.

Deviations from the Code: none

General Meetings

The general meeting of shareholders is the Company's supreme corporate body. It serves as a democratic and effective forum for interaction between the Company's shareholders, Board, and management.

According to the Company's articles of association, the annual general meeting shall be held once a year before the end of June. Furthermore, extraordinary general meetings may be convened either by the Board, the auditor or shareholders representing at least 5% of the Company's share capital.

Notice of Meeting

Notice of the general meeting is sent at the latest 21 days before the meeting. All shareholders registered in the Norwegian Central Securities Depository (VPS) will receive a notice of meeting and are entitled to submit proposals and vote directly or via proxy. Agenda papers will also be published on the Company's website.

Pursuant to the Company's articles of association, when documents concerning matters to be discussed at general meetings have been made available to the shareholders on the Company's website, the Board may decide that the documents shall not be sent to the shareholders. If so, a shareholder may request that documents concerning matters to be discussed at the general meeting be sent to him or her. The Company will not charge any form of compensation for sending the documents to the shareholders.

The agenda papers must contain all necessary information so that the shareholders can decide on the issues to be addressed. The notice of general meeting may state that shareholders wanting to attend the general meeting must notify the company thereof within a certain period. This period cannot expire sooner than five days before the meeting, as proposed amended.

Registration and Proxy

Registration should be made in writing, either via mail or e-mail. The Board will ensure so that as many shareholders as possible are able to participate. Shareholders who are unable to attend in person, are encouraged to appoint a proxy. A special proxy form is available which facilitates separate voting instructions for each issue to be considered by the general meeting and for each of the candidates nominated for election. The Company will nominate one or more persons to vote as proxy for shareholders. Representatives from the Board, management and/or the auditor will participate in the general meeting.

If shares are registered by a nominee in the Norwegian Central Securities Depository (VPS) and the beneficial shareholder wants to vote for their shares, the beneficial shareholder must re-register the shares in a separate VPS account in their own name prior to the general meeting. If the holder can prove that such steps have been taken and that the holder has a de facto shareholder interest in the Company, the shareholder will be allowed to vote for the shares. Decisions regarding voting rights for shareholders and proxy holders are made by the person opening the meeting, whose decisions may be reversed by the general meeting by simple majority vote.

Minutes

The minutes of the general meetings are made available on the Company's website immediately after the meeting.

Deviations from the Code: The Board might not make arrangements for an independent chairperson for general meetings as the Company believes that the Chairman of the Board can act independently and in the interests of shareholders. Similarly, the Board may not deem it appropriate for all Board members and the auditor to participate in all general meetings.

Nomination Committee

Considering the scope of the Company's operations, the Board considers it reasonable and appropriate that the Company should have three Board sub-committees: the Risk & Audit Committee, the Remuneration Committee, and the ESG Committee. The Risk & Audit Committee is made up of Ulf Holländer (Chairman), Pia Meling and Ellen Hanetho. The Remuneration Committee is made up of Ulf Holländer (Chairman), Ellen Hanetho, Peter Frederiksen. The ESG Committee is made up of Pia Meling and Ellen Hanetho.

Deviations from the Code: Contrary to the recommendations of the Code, the Company presently does not have a dedicated Nomination Committee due to the above considerations. Regardless, the Company shall account for the interests of the shareholders when considering the composition of the Board. This is done by (i) seeking a diverse and highly qualified pool of Board candidates with relevant competence and industry expertise and (ii) ensuring that shareholder input on Board member nomination, election and evaluation are properly addressed. The Board must take appropriate measures to avoid self-perpetuation.

Board of Directors: Composition and Independence

Pursuant to the Company's articles of association, the Board shall consist of between three to seven members who are elected by the general meeting for up to four years at a time. MPC Capital has the right to elect 40% of the members of the Board (rounded down). If the aggregate share ownership of MPC Capital and affiliates falls below 20% of the total number of shares in the Company, MPC Capital shall only have the right to elect one board member. If neither MPC Capital nor any affiliates own any shares in the Company, MPC Capital shall not have the right to elect a board member.

Board appointments are communicated through the notice of general meetings and the members are elected by majority vote.

The Board considers its composition to be diverse and competent with respect to the expertise, capacity, and diversity appropriate to attend to the Company's objectives, main risks and challenges, and the common interest of all shareholders. The Board composition adheres to the requirement regarding gender equality and representation of both sexes on the board of directors of Norwegian public entities, as set forth in the Norwegian Public Limited Liability Companies Act Section 6-11a. Further, the Board deems its composition to be made up of individuals who are willing and able to work as a team, resulting in the Board working effectively as a collegiate body. The Board does not include executive personnel of the Company.

The Work of the Board of Directors

Duties of the Board

The Board has overall responsibility for the management of the Company and for supervising the day-to-day management and the Company's operations. This involves defining the Company's objectives, strategies, and risk profiles to ensure value creation for its shareholders. The Board is also responsible for following-up on the implementation of objectives and strategies, as well as for control functions to ensure that the Company has proper operations as well as asset and risk management.

Instructions for the Board

Pursuant to the provisions of the Norwegian Public Limited Liability Companies Act, the Board has established rules of procedure that provide detailed regulations and guidelines for the Board's work and administrative procedures and define the functions and duties of the CEO towards the Board.

Agreements with Related Parties

The Board and the management are committed to promoting equal treatment of all shareholders.

In relation to its ordinary business, the Group may enter into transactions with certain entities in which the Group has ownership interests or with entities otherwise deemed related parties of the Group, its shareholders, Board, or executive personnel. Such transactions are carried out on an arm's length basis and disclosed in Note 25 of the Company's Annual Report for 2022.

Guidelines regulating loyalty, ethics, impartiality, and conflict of interests are stipulated in the Company's Code of Conduct, applicable to all entities controlled by the Company and all employees, directors, officers, and agents.

The Code of Conduct is made available on the Company's website.

Deviations from the Code: none

Conflicts of Interest and Disqualification

Members of the Board and executive management cannot consider matters in which they may hold a special interest. In order to ensure that items brought to the Board's attention can be considered in an unbiased and satisfactory way, Board members and executive management have a duty to inform the Board of any potential special interest in Board matters, and the Board must account for the individual's interest in its consideration of the item.

Instructions for the CEO

A clear division of responsibilities and tasks has been established between the Board and executive management. The CEO, appointed by the Board, has a particular responsibility to ensure that the Board receives accurate, relevant, and timely information that is sufficient to allow the Board to carry out its duties.

Financial Reporting

The Board receives periodic reports with comments on the Company's financial status. In terms of the annual accounts which the Board is asked to adopt, the Board may ask the executive management to confirm that accounts have been prepared in accordance with EU IFRS (Group level) and Norwegian GAAP (parent level), that all the information included is in accordance with the actual situation of the Company and that nothing of material importance has been omitted.

Chairman of the Board

The principal duty of the Chairman is to ensure that the Board operates well and carries out its duties. In addition, the Chairman has certain specific duties in respect of the general meetings. Matters to be considered by the Board are prepared by the CEO in collaboration with the Chairman, who chairs the board meetings.

In order to ensure an independent approach by the Board, another member should take the chair when the Board considers matters of a material nature in which the Chairman has, or has had, an active involvement.

Meeting Structure

The Board intends to meet at least five times each year and routinely receives reports on the Company's operational and financial performance, market updates, etc. Furthermore, the Board is consulted on or informed about matters of special importance.

Risk & Audit Committee

The Risk & Audit Committee shall act as a preparatory and advisory body for the Board and support the Board in the exercise of its responsibility for financial reporting, internal control and risk management. Furthermore, the Risk & Audit Committee shall review and discuss with the Company's management and statutory auditor the Company's annual and quarterly financial statements and assess and monitor the independence of the statutory auditor.

The Risk & Audit Committee shall meet at least four times a year and at such other times as the Chairman of the committee deems appropriate.

A Risk & Audit Committee consisting of three members, one of them independent of the Company's business activities and main shareholders, was established in January 2018.

Remuneration Committee

The Remuneration Committee shall act as a preparatory and advisory body for the Board and shall assist the Board in its work in relation to the Company's remuneration policies and terms of employment for the CEO.

A Remuneration Committee consisting of three members, one of them independent of the Company's business activities and main shareholders, was established in March 2018.

The Board's Self-Evaluation

The Board conducts an annual evaluation of its performance, way of working and expertise.

Deviations from the Code: none

Risk Management and Internal Control

In accordance with the principles underlying value-based management, the Board places great importance on systematic risk management. This is done not only to satisfy the requirements set out by law, but also to ensure the Company's governance in a highly dynamic market environment by identifying existing and potential risk exposures.

Through (i) quarterly reviews of the Company's most prominent areas of risk exposure and its internal control arrangements, (ii) management guidelines and (iii) the appointment of a dedicated risk management unit to perform risk monitoring and provide regular risk management updates to the Risk & Audit Committee, the Board aims to ensure that the Company has sound internal controls and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities.

In view of the extent and nature of the Company's activities, the Board considers the Company's internal control and risk management to be sound and appropriate. It is composed of the majority shareholder's governing elements, such as the code of conduct, business standards, whistleblowing system and other relevant policies and procedures.

The Board reviews the Company's risk matrix regularly, as well as the internal control arrangements at least annually.

MPC Container Ships ASA reports to the financial market on a quarterly basis. The Board performs an internal financial audit review prior to the release of quarterly results, and when otherwise required.

Deviations from the Code: none

Remuneration of the Board of Directors

For the financial year 2022, each Board member received NOK 400,000 in remuneration, covering work related to both Board representation and committee participation, and the Chairman received NOK 600,000 as approved by the annual general meeting on April 27, 2022. The Company considers the remuneration for the Board to reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

The remuneration of the Board is not linked to Company performance. Board members have no options to buy shares in the Company, nor do they receive compensation other than the Board remuneration. Board remuneration is considered to be on market terms.

Deviations from the Code: none

Remuneration of Executive Personnel

Pursuant to the Norwegian Public Limited Liability Companies Act, the Board prepares guidelines for the remuneration of the Company's CEO and other executive personnel. The guidelines set out the main principles applied in determining the salary and other remuneration of the executive personnel considered to reflect market conditions and help to ensure convergence of the financial interests of the executive personnel and shareholders.

The Board's statement on executive personnel remuneration is communicated to the annual general meeting in a separate appendix, highlighting which guidelines are advisory and which, if any, are binding.

Any performance-related remuneration such as incentive programs, share option schemes or similar shall be linked to value creation for shareholders and results delivered in the Group over time. Such arrangements aim to drive performance and be based on financial, operational, and other quantifiable measures over which the employee in question can impact. Performance-related remuneration is subject to limits.

For information about remuneration of the Company's CEO and other executive personnel, see the Remuneration Report and Note 25 of the Company's Annual Report for 2022.

Deviations from the Code: None

Information and Communications

The Company seeks to treat all participants in the securities market equally through publishing interim reports, annual reports, press releases and all relevant information for the market in a timely, efficient, and non-discriminating manner. All reports will be available on the Company's website www.mpc-container.com and through regulatory and non-regulatory disseminations at the Oslo Stock Exchange.

The Board has adapted an Investor Relations Policy to ensure that the Company's investor relations are carried out in compliance with applicable rules, regulations, and recommended practices. The policy shall also ensure awareness of investor relations amongst the management and the Board.

The Company's current financial calendar with dates of important events including the annual general meeting, publishing of quarterly reports and its presentations, etc. is publicly accessible on the Company's website www.mpc-container.com and through regulatory and non-regulatory disseminations at the Oslo Stock Exchange.

Deviations from the Code: none

Takeovers

The Company has implemented guidelines on how to act in the event of a takeover bid.

In the event of a takeover bid being made for the Company, the Board will follow the overriding principle of equal treatment for all shareholders and will seek to ensure that the Company's business activities are not disrupted unnecessarily. The Board will strive to ensure that shareholders are given sufficient information and time to evaluate an offer the Board considers attractive for the shareholders.

The Board will not seek to prevent any takeover bid unless it believes that the interests of the Company and the shareholders justify such actions.

If a takeover bid is made, the Board will issue a statement with a recommendation on whether such bid should be accepted or not by the shareholders. Such statement shall, inter alia, include information on whether the assessment of the bid is unanimous and, if not, on which basis individual Board members have made reservations regarding the Board's statement.

In the event of a takeover bid, the Board will consider obtaining a valuation from independent experts. If a major shareholder, any member of the Board or executive management, related parties or close associates of such individuals or anyone who has recently held such a position is either the bidder or has a particular personal interest in a takeover bid, the Board will arrange for an independent valuation.

Deviations from the Code: none

Auditor

Under Norwegian law the auditor of the Company is elected by the general meeting. Ernst & Young AS (org. no. 976 389 387) was elected as the Company's auditor on May 18, 2017.

The auditor participates in meetings of the Risk & Audit Committee that cover interim, quarterly, and annual financial reporting, board meetings that deal with the annual accounts as well as the annual general meeting. At these meetings, the auditor reviews any deviations in the accounting principles applied and comments on key aspects of the audit, material accounting estimates and issues of special interest to the auditor, including possible disagreements between the auditor and the management.

At least once a year the auditor and the Board meet without the members of the executive management present.

The auditor presents and discusses annually with the Risk & Audit Committee the main features of their plan for the audit of the Company as well as a review of the Company's internal control procedures.

The auditor shall annually submit a written confirmation that the auditor continues to satisfy the requirements for independence and a summary of all services in addition to audit work that has been undertaken for the Company.

Deviations from the Code: none

REMUNERATION REPORT

Report on salaries and other remuneration to leading personnel in MPC Container Ships ASA for 2022

This report on salaries and other remuneration to leading personnel ("the Report") of MPC Container Ships ASA ("the Company") is based on the guidelines for the determination of salaries and other remuneration of leading personnel in the Company which were approved by the Company's general meeting on April 27, 2022 ("Guidelines"). The statement regarding remuneration for executive management was passed by 81.4% of the shares represented at the shareholders' meeting.

The report is based on the requirements set out in the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "Companies Act") section 6-16 a and 6-16 b, as well as Regulation on guidelines and report on remuneration for leading personnel of December 11, 2021 No. 2730 (the "Regulation"). The report is formulated in line with the European Commission's template for remuneration reports.

Information required by the Norwegian Act relating to Annual Accounts of July 17, 1998 no. 56 ("Accounting Act") section 7-31 b is included in the Company's Annual Report for 2022 in Note 25.

Remuneration to board members is not covered by this Report. Any remuneration to board members is determined by the general meeting in accordance with the Companies Act section § 6-10 and is available in Note 25 in the Annual Report for 2022.

The guidelines for remuneration that the Company has adopted in 2022

The overall objective of the management remuneration policy of the Company is to attract, retain and motivate employees with the skills, qualifications and experience needed to maximize value creation for the Company and its shareholders. The Company shall offer competitive terms to executive management. Subject to this, the remuneration of the Company's executive management shall as far as possible be in line with the market level for remuneration of executive management in comparable companies.

The remuneration of executive management shall not be of a size or nature which is liable to harm the Company's reputation.

The remuneration of the Company's executive management may in addition to a fixed salary include customary benefits in kind such as car allowance or Company car, coverage of telephony and broadband costs, newspaper subscriptions etc. The remuneration may also include pension and insurance schemes as well as severance pay entitlements. The Board may establish bonus schemes for executive management. The purpose of any such variable bonus scheme shall be to give management an incentive to contribute to value creation in the Company and its subsidiaries.

There is currently no remuneration related to the share or developments in the share price.

The remuneration policy for executive management during 2022 has been in accordance with the principles described above. Information on remuneration to executive management during 2022 is included in Note 25 to the annual accounts.

Remuneration to leading personnel

Leading personnel currently hold contract within the MPC Container Ships ASA as well as in the German entity, MPC Container Ships GmbH & Co. KG. The tables below show total remuneration in USD to the Company's leading persons which have been earned or paid by the Company for the last 5 years.[1]

[1] The salaries are paid in EUR from MPC Container Ships ASA and MPC Container Ships GmbH & Co. KG

Remuneration from MPC Container Ships ASA

Name of Director (start/end)	Financial year	Fixed remuneration		Variable remuneration		Extra-ordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
		Base salary	Other benefits	One-year variable	Multi-year variable				
Constantin Baack (CEO)	2022	233,347		316,066				549,413	Fixed/variable: 42%/58%
	2021	170,585		768,562	4,711,598[2]			5,650,745	Fixed/variable: 3%/97%
	2020	179,773		158,244				338,018	Fixed/variable: 43%/57%
	2019	173,307		148,501				321,808	Fixed/variable: 56%/44%
	2018	297,554		148,777				446,332	Fixed/variable: 0%/100%
Moritz Fuhrmann (CFO from December 1, 2022)	2022	8,779						8,779	Fixed/variable: 100%/-
Dr. Benjamin Pfeifer (CFO until December 1, 2022)	2022	108,151		42,142				150,293	Fixed/variable: 72%/28%
	2021	106,100		90,598				196,698	Fixed/variable: 54%/46%

[2] Multi-year variable for the CEO based on a multi-year LTIP (Long-Term Incentive Plan) contract agreed with the Compensation Committee and signed in 2018 between the Company and the CEO. The basic driver (KPI) for the variable compensation is (among others) the equity per share development within a respective timeframe. The original intention of the LTIP was for the CEO to receive performance rights shares or equivalent in the Company. Beginning of FY 2022 the Compensation Committee and CEO negotiated a cash settlement of the contract as the LTIP plan terms have never been fully finalized. The cash payment was contractually fixed In February 2022.

Remuneration from MPC Container Ships GmbH & Co. KG

Name of Director (start/end)	Financial year	Fixed remuneration		Variable remuneration		Extra-ordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
		Base salary	Other benefits	One-year variable	Multi-year variable				
Constantin Baack (CEO)	2022	210,711	15,803					226,514	Fixed/variable: 100%/0%
	2021	144,754	17,126					161,879	Fixed/variable: 100%/0%
	2020	150,186	17,126					167,312	Fixed/variable: 100%/0%
	2019	152,931	17,126					170,056	Fixed/variable: 100%/0%
Moritz Fuhrmann (CFO from December 1, 2022)	2022	13,169	6,016					19,185	Fixed/variable: 100%/0%
Dr. Benjamin Pfeifer (CFO until December 1, 2022)	2022	158,033	6,287	63,213				227,533	Fixed/variable: 72%/28%
	2021	171,255	12,666	22,834				206,755	Fixed/variable: 83%/17%

Remuneration paid in relation to the Guidelines. See our guidelines in the section above.

Total remuneration paid compared to the Guidelines

A prerequisite for a successful implementation of the Company's business strategy and securing the Company's long-term interests, including sustainability, is that the Company is able to recruit and retain qualified personnel. To achieve this, it is necessary for the Company to offer competitive remuneration.

The Company's remuneration guidelines enable the Company to offer leading personnel a competitive total remuneration. Total remuneration to leading personnel during 2022 has complied with the Company's guidelines for remuneration.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RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the consolidated financial statements presented in this report have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole.

We also confirm that, to the best of our knowledge, the Board of Directors' report includes a fair review of the development and performance of the business and the position of the Group and a description of risks and uncertainties.

Oslo, March 23, 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

Consolidated Statement of Profit or Loss

in USD thousands	Notes	2022	2021
Operating revenues	5, 6	616,768	384,710
Commissions		(17,127)	(11,741)
Vessel voyage expenditures	7	(13,765)	(11,982)
Vessel operation expenditures	8	(139,988)	(121,772)
Ship management fees		(9,023)	(9,262)
Share of profit from joint venture	9	51,761	24,794
Gross profit		**488,626**	**254,747**
Administrative expenses	10	(13,862)	(19,513)
Other expenses		(3,347)	(3,773)
Other income		1,788	2,535
Gain (loss) from sale of vessels	11	49,042	56,439
EBITDA [1]		**522,247**	**290,436**
Depreciation	11	(75,392)	(62,049)
Bargain gain business combination	12	-	2,312
Operating profit (EBIT)		**446,855**	**230,700**
Finance income	13	3,742	156
Finance costs	13, 17	(14,480)	(40,325)
Profit (loss) before income tax (EBT)		**436,118**	**190,530**
Income tax expenses	15	(1,071)	(676)
Profit (loss) for the period		**435,047**	**189,854**
Attributable to:			
Equity holders of the Company		434,832	189,725
Non-controlling interest		215	129
Basic earnings per share – in USD	16	**0.98**	**0.46**
Diluted earnings per share – in USD	16	**0.98**	**0.46**

[1] See separate section on Alternative Performance Measures (APM) for a description of the APM's applied in this Annual Report

Consolidated Statement of Comprehensive Income

in USD thousands	Notes	2022	2021
Profit (loss) for the period		435,047	189,854
Items that may be subsequently transferred to profit (loss)		**634**	**8,769**
Foreign currency effects, net of taxes		-	(297)
Change in hedging reserves, net of taxes	20	634	9,066
Total comprehensive profit (loss)		**435,681**	**198,623**
Attributable to:			
Equity holders of the Company		435,466	198,494
Non-controlling interest		215	129

Consolidated Statement of Financial Position

in USD thousands	Notes	December 31, 2022	December 31, 2021
ASSETS			
Non-current Assets			
Vessels	11	745,873	774,362
Newbuildings	11, 23	32,770	-
Right-of-use asset		266	-
Investment in associates and joint venture	9	20,893	28,656
Total non-current assets		**799,802**	**803,018**
Current assets			
Vessel held-for-sale	11	-	16,304
Inventories		6,340	4,820
Trade and other receivables	18	22,922	30,141
Financial instruments at fair value	17	1,740	-
Cash and cash equivalents	19	125,517	180,329
Unrestricted cash		94,603	156,767
Restricted cash		30,914	23,562
Total current assets		**156,519**	**231,594**
TOTAL ASSETS		**956,321**	**1,034,613**

in USD thousands	Notes	December 31, 2022	December 31, 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	20, 22	48,589	48,630
Share premium	20, 22	152,737	597,080
Treasury shares	20, 22	-	(1,143)
Retained earnings		517,044	82,212
Other reserves		525	(109)
Non-controlling interest	20	2,551	919
Total equity		**721,447**	**727,589**
Non-current Liabilities			
Non-current Interest-bearing debt	14	74,462	148,083
Lease liabilities - long-term		114	-
Acquired TC contracts, non-current	12	1,480	3,728
Deferred tax liabilities	15	803	-
Total non-current liabilities		**76,859**	**151,811**
Current Liabilities			
Interest bearing loans and borrowings	14	79,112	83,743
Acquired TC contracts, current	12	2,248	18,083
Trade and other payables		17,282	17,628
Income tax payable	15	378	-
Deferred revenue		40,133	15,146
Other liabilities	24	18,863	20,613
Total current liabilities		**158,015**	**155,213**
TOTAL EQUITY AND LIABILITIES		**956,321**	**1,034,613**

Oslo, March 23, 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 statement of changes in equity

in USD thousands	Share capital	Share premium	Treasury shares	Retained earnings	Other reserves	Total equity attributable to the equity holders of the Company	Non-con-trolling interest	Total equity
Equity as at January 1, 2022	48,630	597,080	(1,143)	82,212	(109)	726,670	919	727,589
Result of the period	-	-	-	434,832	-	434,832	215	435,047
Other comprehensive income	-	-	-	-	634	634	-	634
Total comprehensive income	**-**	**-**	**-**	**434,832**	**634**	**435,466**	**215**	**435,681**
Change in non-controlling interest	-	-	-	-	-	-		-
Contributions of equity, net of transaction costs	-	-	-	-	-	-		-
Dividends provided for or paid	-	(441,022)	-	-	-	(441,022)	-	(441,022)
Cancelation of treasury shares	(41)	(1,102)	1,143	-	-	-	-	-
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**	**-**	**517,044**	**525**	**718,895**	**2,551**	**721,447**
Equity as at January 1, 2021	43,047	456,764	(1,143)	(108,413)	(8,877)	381,378	1,655	383,033
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
Dividends provided for or paid	-	-	-	-	-	-	-	-
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 flow

in USD thousands	Notes	2022	2021
Profit/ (loss) before income tax		436,118	190,530
Income tax expenses paid		-	-
Net change Inventory and Trade and Other receivables		6,655	(3,588)
Net change other current and Trade and other payables		1,398	26,569
Net change in deferred revenue		24,987	-
Depreciation	11	75,392	62,049
Finance costs (net)	13	10,791	40,169
Share of profit from joint venture	9	(51,761)	(24,794)
Gain from sale of vessels	11	(49,042)	(54,774)
Amortization of TC contracts	12	(18,083)	(21,662)
Bargain gain business combination		-	(2,312)
Cash flow from operating activities		**436,455**	**212,187**
Proceeds from disposal of vessels	11	83,916	141,444
Scrubbers, dry dockings and other vessel upgrades	11	(66,301)	(41,084)
Purchase of new vessel	11	(32,770)	(9,000)
Interest received		-	65
Dividend received from joint venture investment	9	60,350	24,500
Acquisition of shares in associate		(826)	-
Cash acquired entities acquired		-	11,918
Cash consideration acquisition		-	(84,611)
Cash flow from investing activities		**44,369**	**43,232**
Share issuance costs	20	-	(190)
Dividend paid		(441,022)	-
Addition of non-controlling interest	20	1,417	-
Proceeds from debt financing	14, 17	-	368,548
Repayment of debt	14, 17	(80,000)	(421,823)
Repayment of acquired debt	14, 17	-	(34,071)
Payment of principal of leases		(118)	-
Repayment of warrants	24	(3,554)	-
Repurchase of warrants	24	(2,219)	-
Interest paid	13, 17	(8,716)	(14,082)
Debt issuance costs	17	-	(7,939)
Other finance paid		(2,030)	(1,437)
Cash from financial derivatives	17	607	-
Repayment of hedging instrument	18	-	(3,351)
Cash flow from financing activities		**(535,635)**	**(114,345)**
Net change in cash and cash equivalents		(54,812)	141,074
Cash and cash equivalents at the beginning of the period		180,329	39,255
Cash and cash equivalents at the end of the period		**125,517**	**180,329**

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 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 at the Oslo Stock Exchange under the ticker symbol MPCC. MPC Container Ships ASA is the parent company in the Group.

The financial statements were approved by the Company's Board of Directors on March 23, 2023.

Note 2 – Basis of preparation

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Going concern assumption
The financial statements are prepared based on the going concern assumption.

Financial statement classification
The Group presents assets and liabilities in the statement of financial position based on the current or non-current classification.

Current assets are assets that are:

+ expected to be realized in the entity's normal operating cycle;
+ held primarily for the purpose of trading;
+ expected to be realized within twelve months after the reporting period; or
+ cash and cash equivalents (unless restricted).

The current share of long-term assets or liabilities will be classified as current. All other assets are non-current.

Current liabilities are those that are:

+ expected to be settled within the entity's normal operating cycle;
+ held for purpose of trading; or
+ due to be settled within twelve months; or
+ for which the entity does not have an unconditional right to defer settlement beyond twelve months.

All other liabilities are non-current. If a liability has become payable given a breach of an undertaking under a long-term loan agreement, the liability is classified as current.

The income statement of the Group is presented using the cost of sales method.

The cash flow statement of the Group is prepared using the indirect method.

Basis of measurement
The consolidated financial statements were prepared on the basis of historical cost, except for assets and liabilities measured at fair value from financial instruments, including derivatives.

The Group's financial year corresponds to the calendar year.

Basis of consolidation
The consolidated financial statements comprise the financial statements of MPC Container Ship ASA and its subsidiaries as at December 31, 2022. The assets and liabilities, expenditure and income may only be included in the consolidated financial statements for subsidiaries over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In general, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has control over an investee, including:

+ the contractual arrangement with the other vote holders of the investee;
+ rights arising from other contractual arrangements; and
+ the Group's voting rights and potential voting rights.

The consolidation of subsidiaries is carried out from the date on which the Group obtains the control over such companies and subsidiaries continue to be consolidated until the date that such control ceases. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, non-controlling interest and other components of equity while any resulting gain is recognized in profit or loss. Any investment retained is recognized at fair value.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intercompany balances, income and expenses, unrealized gains and losses as well as cash flows resulting from intercompany transactions are eliminated in full.

Non-controlling interests represent the portion of comprehensive income and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the Company's shareholders' equity.

The Group has included the subsidiaries listed in Note 27 in the consolidated financial statements.

Functional and presentation currency
The consolidated financial statements are presented in US Dollar (USD), which is the functional currency of the parent company of the Group. All financial information presented in USD has been rounded to the nearest thousand USD, except otherwise indicated.

Climate-related risks
When preparing the consolidated financial statements, the Group considers climate-related risk, where these could potentially impact reported amounts materially. The areas in which the Group has assessed climate-related risks at the end of 2022 are included in Note 4.

New and amended standards and interpretations
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.

No new standards or interpretations implemented in 2022 had a material impact on the consolidated financial statements.

Standards issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IFRS 17 – Insurance Contracts
In May 2017, the IASB issued IFRS 17 insurance Contracts (FRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. This standard is not applicable to the Group.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

+ What is meant by right to defer settlement
+ That a right to defer must exist at the end of the reporting period
+ That classification is unaffected by the likelihood that an entity will exercise its deferral right
+ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is currently assessing the impact of the amendments will have on current practice and our existing loan agreements.

Amendments to IAS 8 – Accounting Estimates
In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2- Disclosure of Accounting Policies
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Note 3 – Significant accounting policies

Foreign currency translation
In accordance with IAS 21, foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transaction.

For those subsidiaries with functional currencies other than USD, financial position items are translated at the rate of exchange at the balance sheet date, and income statements are translated at the exchange rate prevailing at the date of the transaction. Exchange differences arising on the translation are recognized in other comprehensive income as foreign currency differences.

Vessels and other property, plant and equipment
Fixed assets are stated at historical cost, less subsequent depreciation and impairment. For vessels purchased, these costs include capitalizable expenditures that are directly attributable to the acquisition of the vessels. Upon acquisition, each component of the vessels, with a cost significant to the total acquisition costs, is separately identified and depreciated over that component's useful life on a straight-line basis.

Depreciation is calculated on a straight-line basis over the useful life of the assets, taking residual values into consideration, and adjusted for impairment charges, if any. Residual values of the vessels are estimated as the lightweight tonnage of each vessel multiplied by scrap value per ton. Expected useful lives of assets and residual values are reviewed at each balance sheet date and, where they differ significantly from previous estimates, depreciation calculations are altered accordingly.

Ordinary repairs and maintenance expenses are charged to the income statement as incurred. Costs related to dry-docking or other major overhauls are recognized in the carrying amount of the vessels. The recognition is made when the dry-docking has been performed and is depreciated based on estimated time to the next class renewal. The remaining costs that do not meet the recognition criteria are expensed as repairs and maintenance.

The scrubber installations are recognized in the carrying amount of the vessels, and depreciated over the remaining useful life of the vessels.

Vessels and other property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognized.

Newbuildings
Instalments on newbuilding contracts are capitalized as "Newbuildings" when they are paid. Upon delivery, newbuildings are reclassified to vessels and are subject to depreciation. The acquisition cost includes direct investments, cost incurred during the construction period and borrowing cost. Borrowing costs are capitalized during the construction period. When the newbuilding contracts are financed, the amount of interest capitalized during the construction period will be based on the effective interest of the Group's loan facilities.

Impairment of vessels
Vessels and other fixed assets are assessed for impairment indicators each reporting period. If impairment indicators are identified, the recoverable amount is estimated; and if the carrying amount exceeds its recoverable amount an impairment loss is recognized, i.e. the asset is written down to its recoverable amount. An asset's recoverable amount is calculated as the higher of the fair value less cost of sale and its value in use. The net realisable value is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of sale, and the value in use is the present value of estimated future cash flows expected from the continued use of an asset.

Assets are grouped at the lowest level where there are separately identifiable independent cash flows.

The following assumptions have been made when calculating the value in use for container vessels:

+ Each vessel is considered to be a separate cash-generating unit.

+ Future cash flows are based on an assessment of expected development in charter rates and estimated level of administrative and operating expenses (including maintenance and repair) and dry-docking over the remaining useful life of the vessel plus any residual value.

+ The net present value of future estimated cash flows of each cash-generating unit is based on a discount rate according to a pre-tax weighted average cost of capital (see Note 11). The weighted average cost of capital is calculated based on the expected long-term borrowing rate and risk-free USD LIBOR rate plus an equity risk premium.

An impairment loss recognized in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

Investment in associates and joint ventures
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are accounted for using the equity method. The investment in an associate or a joint venture is initially recognized at cost and thereafter adjusted for the Group's share of post-acquisition profits or losses, movements in other comprehensive income or dividends received. The financial statements of the associate and joint venture are prepared for the same reporting period as the Group.

Provisions
Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is recognized through profit and loss net of any reimbursement.

Trade and other payables
Trade and other payables represent non-interest-bearing liabilities for goods and services provided to the Group prior to the reporting date. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other receivables
Trade receivables and other short-term receivables are measured at transaction price upon initial recognition and subsequently measured at amortised cost less expected credit losses.

Inventories
The Group values its inventories, which comprise mainly of lube oils and bunkers on board the vessels, at the lower of cost and net realisable value. They are accounted for on a first-in/first-out basis.

Cash and cash equivalents
Cash and short-term deposits in the statement of financial position comprise cash at banks, on hand and short-term deposits with a maturity of three months or less. Cash equivalents represent short-term, liquid investments which are readily convertible into known amounts of cash with original maturities of three months or less.

Cash and cash equivalents are recorded at their nominal values. Liquid funds denominated in foreign currencies are translated at the exchange rate on the balance sheet date.

Cash not available for general use by the Group due to minimum liquidity requirements in the loan agreements and required class are classified as restricted cash.

Share issuance
Costs related to share issuances are recognized directly in equity.

Warrants
The warrants issued by the Company are classified as equity instruments in accordance with IFRS 2. Accordingly, the subscription rights are not recognized in the Group's financial statements at the time they are granted. At the time of the execution, the Company issues shares and receives a cash contribution. The cash contribution is accounted for in share capital and capital reserves (in the amount a premium or discount to the shares' par value). The fair value of these common share warrants was re-measured at each financial reporting period and immediately before exercise, with any changes in fair value being recognized as a component of other income (expense) in our consolidated statements of operations.

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 amortised 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.

Derivative financial instruments and hedging
The Group may use certain hedging instruments, such as forward contracts or options, to manage foreign exchange or interest rate risk, for instance. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally documents the relationship between the hedge instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship.

The Group makes an assessment at inception and on an ongoing basis according to IFRS 9, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that ultimately could affect profit or loss.

For the purpose of hedge accounting, hedges are classified as:

+ fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment (except for foreign currency risk); or

+ cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable transactions.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income (OCI) in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit or loss. Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognized in equity are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in equity remain in equity until the forecast transaction or firm commitment occurs.

Fair value estimation
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, using assumptions that market participants would use when pricing the asset or liability.

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: :

+ Level 1: Quoted market prices in active markets for identical assets or liabilities.

+ Level 2: Inputs other than quoted market prices included in Level 1 are directly or indirectly observable.

+ Level 3: Inputs are unobservable.

Additional explanations of fair values can be found in Note 18 – Financial instruments.

Leases as lessor
The determination of whether an arrangement contains a lease element is based on the substance of the arrangement at the inception of the lease. Leases are classified as finance leases if the terms of the lease agreement transfer substantially all the risks and benefits related to ownership of the leased item. All other leases are classified as operating leases.

The Group leases its assets to liner shipping companies through time charter contracts. Payments made under operating leases are charged to the profit and loss on a straight-line basis over the period of the time charter contract.

Revenue recognition
The Group's time charter contract revenues are separated into a lease element accounted for in accordance with IFRS 16 Leases (see above under leases as lessor) and a service element which is accounted for in accordance with IFRS 15 Revenue from Contracts with Customers.

Time charter, pool revenue and other revenue from contracts with customers is recognized when control of goods or services are transferred to the customer and when each separate performance obligation in the customer contract is fulfilled following the "over-time principle". It is recognized at an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services. Revenues are presented net of indirect sales taxes.

The Group acts as a participant in the pool arrangements. The performance obligation under the pool arrangements are equal as set under the time charter contracts. Revenues for the vessels employed in the pool are based on average revenues across the pool the vessels are employed in, i.e. the vessels earn the average charter rate of the pool for the respective month.

The service element from the Group's time charter contracts are recognized over time, as the performance obligation is satisfied over time. This since the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Revenue from bunkers and other goods and services from customers are recognized in the period the goods or services are transferred to the customer, following the "point in time principle".

Operating expenses
Operating expenses are accounted for on an accruals basis. Expenses are charged to the income statement, except for those incurred in the acquisition of an investment, which are capitalized as part of the cost of the investment. Expenses arising on the disposal of investments are deducted from the disposal proceeds.

Operating expenses of the Group are expenses related to the operation of vessels, such as (but not limited to) crewing expenses, expenses for maintenance and repair, insurance and lube oil.

Interest income
Interest income is recognized as accrued and is presented in financial income in the statement of comprehensive income.

Earnings per share
The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic earnings per share are calculated by dividing the profit for the reporting period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share are calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Taxes
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the relevant taxation authorities.

The Company is subject to tax on its income in accordance with the general tax rules pertaining to companies that are tax resident in Norway.

The Company's vessel-owning subsidiaries are subject to the Norwegian, German or Dutch tonnage tax regime, i.e. taxable income is calculated as a lump sum depending on the net tonnage of the respective vessels, independent of the realized earnings. Income not derived from the operation of the vessels in international waters, such as financial income, is usually taxed according the ordinary taxation rules applicable in the resident country of each respective company. Tonnage taxes are classified as "Vessel operating expenditures".

Deferred tax liabilities are classified as non-current liabilities and are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary difference can be utilised.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers in the Group. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors of the Company. The Group has identified one operating segment as it employs one type of vessels: "Container vessels".

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 on-going 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:

+ Joint arrangements: The Group holds a 50% ownership interest in 2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG; the Group has determined that it has joint control over the investee based on terms and conditions in the shareholder agreement and the ownership is shared with the joint venture partner.

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:

+ Climate risk: Future climate change measures may affect the shipping industry regarding fuel regulation, port fees, useful life and the scrap values of the vessels. Potential future fuel taxes or development of new more climate friendly fuel may increase the future operating expenses or capex of the Group that may be only partly offset by higher time charter rates. Technological developments enabling more climate friendly container vessels may affect the ability to obtain new charters in the future, the potential useful life of the vessels and the scrap values of the vessels. Management has considered the impact of decarbonization and climate-related risks on useful lives of existing vessels. Such risk including new climate-related legislation restricting the recycling of EU flagged vessels outside of EU approved yard.

+ Depreciation of vessels (including scrubbers): 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. In 2022 the Group identified impairment indicators (see Note 11 for further description). The impairment testing demand a considerable degree of estimation. Changes in circumstances and assumptions may significantly affect the estimated recoverable amounts. 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, utilization rate, drydocking expenditures and requirements, operational expenses, residual values, climate risk and discount rates. These assumptions are based on a combination of historical trends and current market conditions as well as future expectations. Estimated outflows for operating expenses and drydocking expenditures as well as requirement are based on a combination of historical and budgeted costs and are adjusted for assumed inflation. Finally, utilization is based on historical levels achieved and estimates of a residual value are consistent with the pattern of scrap rates used in management's evaluation of salvage value. The more significant factors that could impact management's assumption regarding time charter rates include (i) regional and global economic environment, (ii) trade patterns, (iii) by industry-specific trends in respect of capacity supply and demand, and (iv) changes in rules and regulation applicable to the container market, which includes legislation adopted by the international organization such as IMO and the EU or by individual countries. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate at the time they were made, such assumptions are highly subjective and likely to change, possibly materially in the future.

Note 5 – Segment information

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

The chief operating decision makers measure the financial performance based on the consolidated results for the Group's vessels. Further, the assets and liabilities are reviewed at a consolidated basis in a consistent manner with the statement of financial position.

For the year ended December 31, 2022, the Group had two customers (2021: one) that accounted for 10% or more for our consolidated chartered revenues in the amount of USD 123.3 million and USD 121.7 million, respectively.

The following customers of the Group represented more than 10% of the Group's consolidated charter revenues in 2022: ZIM Integrated Shipping Services Ltd and Maersk Line, Denmark.

The Group's vessels trade globally and are suitable to be deployed in various global trading patterns. Therefore, there is no particular focus on a geographic region. The Company provides geographical data for revenue only, as the Group's revenue predominantly stems from vessels that may be employed globally. Gross revenue specific foreign countries which contribute significantly to total revenue are disclosed below.

in USD thousands	2022	2021
South America	159,398	87,787
Intra-Asia	158,968	129,910
Middle East	129,437	47,915
Other geographical locations (worldwide trades)	55,245	37,179
Europe	54,249	29,190
Africa	32,084	20,946
Total time charter and pool revenue	**589,380**	**352,926**

Note 6 – Operating revenues

in USD thousands	2022	2021
Time charter revenues	587,868	308,516
Pool charter revenues	1,512	44,410
Total charter revenues	**589,380**	**352,926**
Amortization of time charter contracts	18,083	21,663
Other revenues	9,304	10,121
Total operating revenues	**616,768**	**384,710**

The Group's time charter contracts and pool charter revenues are separated into a lease element and 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 IFRS 16 Leases. Revenues from time charter services (service element) and other revenue (e.g. bunkers and other services) are accounted for in accordance IFRS 15. In accordance with IFRS 15, for each contract with a customer, the Group identifies the performance obligations, determines the transaction price, allocates the transaction price to performance obligations to the extent that the contract covers more than one performance obligation, determines whether revenue should be recognized over time or at a point in time and recognizes revenue when or as performance obligations are fulfilled. The Groups' voyage charters and time charter contracts qualify for recognition over time. Revenue from shipping activities is recognized over time as the performance obligation is satisfied, including a share of revenue from incomplete voyages at the balance sheet date. Invoiced revenue related to an estimated proportion of remaining voyage time and activities at the destination port is deferred. Number of days of a voyage, as a percentage of the total number of days a voyage is estimated to last, is considered as a close approximation of percentage of completion.

The lease and non-lease components of our revenues in the year ended December 31, 2022 and December 31, 2021 were as follows:

in USD thousands	2022	2021
Service element	134,936	115,833
Other revenue	9,304	10,121
Total revenue from customer contracts	**144,240**	**125,953**
Lease element	454,444	237,094
Amortization of time charter contracts	18,083	21,663
Total operating revenues	**616,768**	**384,710**

Contracted revenues based on fixed time charter contracts and full employment as at December 31, 2022 are set out below, based on minimum contract periods of vessels held in subsidiaries:

in USD thousands	< 1 year	1 - 3 years	4 - 5 years	> 5 years	Total
Time charter revenues	573,893	666,181	164,249	220,900	**1,625,224**

Contracted revenues based on fixed time charter contracts and full employment as at December 31, 2021 are set out below, based on minimum contract periods of vessels held in subsidiaries:

in USD thousands	< 1 year	1 - 3 years	4 - 5 years	> 5 years	Total
Time charter revenues	414,419	438,564	-	-	**852,983**

Note 7 – Vessel voyage expenditures

in USD thousands	2022	2021
Bunker consumption	(11,396)	(9,968)
Other voyage expenses	(2,368)	(2,014)
Total voyage expenses	**(13,765)**	**(11,982)**

In a time charter contract, the charterer bears the voyage related cost such as bunker expenses and port charges during the hire period. The Group recognized commissions on time charter revenue, to both the charterer and to brokers as well as bunker expenses incurred during periods where the vessels have been idle, repositioning or under maintenance and repair. Bunker expenses are partially compensated by income from sale of bunkers upon delivery into a time charter.

Note 8 – Vessel operation expenditures

in USD thousands	2022	2021
Crew	(71,331)	(63,597)
Lube oil	(8,646)	(6,593)
Maintenance and repair	(39,227)	(28,000)
Insurances	(17,178)	(12,998)
Operating expenditures	(3,605)	(10,583)
Total operating expenses	**(139,988)**	**(121,771)**

Vessel operating expenditures are partially compensated by income from reimbursements from the charterer and are being recognized as other revenue. General operating expenses are costs related to navigation and communication, power supply, cargo handling, other consumables and tonnage tax.

Note 9 – Investment in associates and joint venture

Investment in Joint venture:
The Group has a 50% interest in 2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG (Bluewater), Hamburg (Germany), a company owning four container vessels between 2,500 - 2,800 TEU through respective fully owned subsidiaries.

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

Bluewater cannot distribute dividends without the approval of both joint venture partners.

The following tables shows the summarized financial information of the Group's investment in Bluewater:

in USD thousands	December 31, 2022	December 31, 2021
Non-current assets	28,323	60,961
Cash and cash equivalents	13,211	11,358
Other current assets	1,328	1,526
Non-current liabilities	-	13,631
Current liabilities	2,728	2,947
Equity	**40,133**	**57,267**
Group's carrying amount of the investment	**20,067**	**28,656**

in USD thousands	2022	2021
Revenue	82,328	44,361
Cost of sales	(18,227)	(19,511)
Administrative expenses	(585)	(777)
Other income	43,740	31,746
Other expenses	(218)	(407)
Depreciation	(3,187)	(5,166)
Interest income	8	3
Interest expenses	(315)	(628)
Income tax	(22)	(34)
Profit after tax for the period	**103,522**	**49,587**
Total comprehensive income for the period	**103,522**	**49,587**
Group's share of profit for the period	**51,761**	**24,794**
Dividends received	**60,350**	**24,500**

The joint venture had no contingent liabilities or capital commitments at December 31, 2022 and 2021.

Investment in associate:
In 2022, the Group invested USD 826 thousand million in Siemssen KG for a 24.5% ownership.

Note 10 – Administrative expenses

in USD thousands	2022	2021
Legal and advisory services	(2,725)	(5,211)
Auditor services	(1,104)	(1,018)
Salary and employee expenses	(5,266)	(9,710)
Other administrative expenses	(4,766)	(3,574)
Total administrative expenses	**(13,862)**	**(19,513)**

Other administrative expenses include remuneration to the Board of Directors and executive management, and fees paid for corporate management services from MPC Maritime Investments GmbH and MPC Münchmeyer Petersen Capital AG which are part of the Group's related parties. Further information on transactions between related parties can be found in Note 25. The Group employs 29 people as at December 31, 2022. The Group has defined contributions plan for all employees in line with established market practices and regulations.

The following table details the administrative expenses incurred in relation to audit and related services.

in USD thousands	2022	2021
Audit fee (EY)	(781)	(701)
Attestation services	(9)	(44)
Tax services	-	-
Other non-audit services	-	-
Total auditor services	**(790)**	**(745)**

Note 11 – Vessels and prepayments

in USD thousands	Vessels	Newbuilds, payment on account	Total property, plant & equipment	Vessels held-for-sale	Total
Cost:					
At January 1, 2021	706,924	1,000	707,924	-	**707,924**
Acquisitions	9,000	-	9,000	-	**9,000**
Acquisition of Songa Container Group	296,584	-	296,584	-	**296,584**
Capitalized dry-docking, scrubbers and other expenses	41,084	-	41,084	-	**41,084**
Transfers	1,000	(1,000)	-	-	**-**
Disposals of vessels	(95,836)	-	(95,836)	-	**(95,836)**
Vessel held for sale	(20,914)	-	(20,914)	20,914	**-**
At December 31, 2021	**937,842**	**-**	**937,842**	**20,914**	**958,756**
Acquisitions			-		**-**
Capitalized dry-docking, scrubbers and other expenses	66,301	32,770	99,071		**99,071**
Transfers	(1,041)	-	(1,041)	-	**(1,041)**
Disposals of vessels	(26,932)	-	(26,932)	(20,914)	**(47,846)**
Vessel held for sale	-	-	-	-	**-**
At December 31, 2022	**976,170**	**32,770**	**1,008,940**	**-**	**1,008,940**
Accumulated depreciation:					
At January 1, 2021	(119,107)	-	(119,107)	-	**(119,107)**
Depreciation for the year	(62,049)	-	(62,049)	-	**(62,049)**
Disposal of vessels	13,066	-	13,066	-	**13,066**
Transfers	4,611	-	4,611	(4,611)	**-**
At December 31, 2021	**(163,479)**	**-**	**(163,479)**	**(4,611)**	**(168,090)**
Depreciation for the year	(75,270)	-	(75,270)	-	**(75,270)**
Impairment	-	-	-	-	**-**
Disposal of vessels	8,452	-	8,452	4,611	**13,063**
Transfers	-	-	-	-	**-**
At December 31, 2022	**(230,297)**	**-**	**(230,297)**	**-**	**(230,297)**

Accumulated depreciation:					
At December 31, 2022	745,873	32,770	778,643	-	778,643
At December 31, 2021	774,363	-	774,363	16,303	790,666

In 2022, three wholly-owned vessels (2021: six) were sold to unrelated parties and resulted a gain of USD 49.0 million (2021: USD 56.4 million). After the sale, the Group owns and operates 58 vessels. As at December 31, 2022, the joint venture Bluewater owned an additional four vessels.

Vessels with a carrying amount of USD 414.9 million (2021: USD 442.0 million) have been pledged as security for the Group's two long-term loans. See Note 14.

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. However, most of the vessels have locked in a high charter rate in long-term contracts, no impairment charges have been included in the financial results for 2022 as the recoverable amounts exceed the carrying amounts for all vessels. See also in Note 4.

Note 12 – Business combination

On June 22, 2021, the Group entered into a share purchase agreement to acquire Songa Container AS ("Songa") for an aggregate purchase price of USD 210.3 million ("the Transaction"). The Transaction, covering 100% of the shares in Songa, including a minority interest in a Songa subsidiary, was completed on August 9, 2021 ("the Transaction date"). The consideration consisted of (i) cash consideration of USD 84.6 million payable upon closing of the Transaction and (ii) 49,795,250 ordinary shares of the Company at and agreed price of NOK 17.34 that were issued under the Transaction.

The preliminary purchase price paid at closing on August 9, 2021 for the shares in Songa was USD 236.4 million. Out of the preliminary purchase price, a total of USD 84.6 million was paid in cash at the transaction date based on preliminary cash and working capital of Songa. The remaining portion was settled through issuing 49,795,250 consideration shares in the Company and the fair value of the subscription price was set at USD 3.01 (NOK 26.80) per share based on the closing price of the share of the Company at the transaction date with a USD/NOK exchange rate of 8.918. The preliminary purchase price and the cash consideration were subject to customary post-closing adjustments. Based on the preliminary purchase price, the fair value of Songa's net assets and liabilities for the Group was as follows:

in USD thousands	
Total fair value of net identifiable assets	**236,566**
Estimated fair value of share consideration	149,643
Cash consideration	84,612
Bargain purchase gain	**2,312**

The bargain purchase gain of USD 2.3 million is considered as a forecast effect of the continued positive developments in assets prices and charter rates on the fair value of the net identifiable assets acquired. These were expected to exceed the impacts on the total consideration since only a portion of the total consideration was taken the form of consideration shares.

Estimated total transaction costs related to the acquisition and the acquisition facility are USD 5.9 million, whereof the majority of the cost is related to fees for the new (acquisition) financing.

The 11 vessels were acquired with an ongoing time charter contract with contracted duration from October 2021 at the earliest to July 2024 at the latest which were all fixed when the container shipping market faced less favourable time charter rates compared to when the acquisition took place. Accordingly, since the time charter contracts have a different useful life than the vessels and considered as a separable asset/liability, the estimated lower value of these contracts has been recognized and estimated separately as a liability in accordance with IFRS 3 Business Combinations and IFRS 13 Fair Value Measurement. The total negative time charter contract liability was USD 43.5 million at the acquisition date and is amortized over the remaining period of the acquired time charter contracts where the Group recognized USD 18.7 million that was included in revenue in 2022 (2021: USD 21.7 million). As at December 31, 2022, the remaining balance of the acquired time charter liability was USD 3.7 million (2021: 21.8 million).

The following tables summarise the assumed fair value of the asset and liabilities acquired at the date of the acquisition:

in USD thousands	Book value Songa at 9 August 2021	Adjustments	PPA Songa at 9 August 2021
ASSETS	**141,436**	**176,738**	**318,174**
Non-current Assets	**119,846**	**176,738**	**296,584**
Vessels	119,846	176,738	296,584
Current Assets	**21,590**	**-**	**21,590**
Inventories	1,066	-	1,066
Trade and other receivables	8,605	-	8,605
Cash and cash equivalents	11,919	-	11,919
EQUITY AND LIABILITIES	**141,437**	**(59,828)**	**81,608**
Equity	**103,301**	**(103,301)**	**-**
Share capital	8,925	(8,925)	-
Share premium	66,065	(66,065)	-
Retained earnings	27,303	(27,303)	-
Non-controlling interest	1,008	(1,008)	-
Non-current Liabilities	**34,071**	**7,417**	**41,488**
Interest bearing loans	34,071	-	34,071
Acquired TC contracts, non-current	-	7,417	7,417
Current Liabilities	**4,063**	**36,056**	**40,120**
Acquired TC contracts, current	-	36,056	36,056
Trade and other payables	2,362	-	2,362
Other liabilities	1,701	-	1,701
Total net identifiable assets acquired	**-**	**236,566**	**236,566**

Note 13 – Finance income and expenses

in USD thousands	2022	2021
Interest income	631	22
Other financial income	3,110	134
Total financial income	**3,741**	**155**
Interest expenses	(10,918)	(24,810)
Bank fees on early repayment of debt	-	(5,396)
Result on derivative contracts reclassified from equity	(300)	(9,066)
Other	(3,262)	(1,053)
Total financial expenses	**(14,480)**	**(40,325)**

Note 14 – Interest-bearing debt

in USD thousands	Currency	Facility amount	Interest	Maturity	December 31, 2022	December 31, 2021
Loan and 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 long-term debt 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 the fourth quarter of 2021, the Group repaid in full of the bridge financing provided by DNB Bank of a USD 127.5 million acquisition facility in connection with the acquisition Songa in August 2021.

In 2021, the bond loan of USD 204 million (issued by MPC Container Invest BV, a wholly-owned subsidiary of the Group) was repaid at 102% of the outstanding notional amount in the fourth quarter of 2021. The related derivatives utilized to hedge the loan were similarly terminated in the December 2021.

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 million was made to refinance the existing debt. The credit facility is secured by 8 vessels with a carrying amount of USD 95.7 million as at December 31, 2022. The credit line's maturity date is in June 2024.

The following main financial covenants are defined in the terms of the revolving credit facility agreement with CIT:

+ The consolidated liquidity in the Group shall equal the greater of 5% of the total interest-bearing debt or USD 250.000 per consolidated vessel

+ Total debt in the Group shall not exceed 60% of the total book capitalization

+ Vessel loan-to-value ratio shall not exceed:
  – 65% after within the 12 first months
  – 62.5% after 12 months until 24 months
  – 60% after 24 months

In October 2021, the Group entered into an agreement for a USD 180 million five-year senior secured loan and revolving credit facility with Hamburg Commercial Bank ("HCOB"). It consists of a USD 130 million term loan and a revolving credit facility of USD 50 million. The loan and credit facility is secured by 17 vessels with a carrying amount of USD 369.0 million as at December 31, 2022. The term loan matures in November 2023 and the revolving credit facility matures in November 2026.

The following main financial covenants are defined in the terms of the credit facility agreement with HCOB:

+ The Parent company (MPC Container Ships ASA) shall maintain a minimum equity ratio of 40%

+ The consolidated liquidity in the Group shall maintain a minimum liquidity of USD 250.000 per consolidated vessel

The Group is in compliance with all loan and credit facility covenants as at December 31, 2022.

Note 15 – Income tax

The Company's subsidiaries in which the vessels are held are subject to German, Dutch, or Norwegian tonnage tax, as applicable. Companies subject to tonnage tax are exempt from ordinary tax on income derived from operations in international waters. The subsidiaries within the tonnage tax system pay a tonnage tax based on the size of the vessels. The fee is recognized as an operating expense.

The parent company (MPC Container Ships ASA) is under ordinary taxation rules in Norway. The ordinary rate of corporation tax in Norway is 22% for 2022 (2021: 22%). The parent company is a holding company with taxable income as per December 31, 2022. Deferred tax assets are only recognized to the extent that the future utilization within the Group can be justified as at December 31, 2022. As a consequence, a tax position of USD 18.7 million has not been recognized in the balance sheet.

in USD thousands	2022	2021
Corporate income tax	(260)	(387)
Change in deferred tax asset	(803)	-
Other corporate tax on foreign controlled entities	(8)	(289)
Income tax expense reported in the statement of profit (loss)	**(1,071)**	**(676)**
Specification of corporate income tax expense:		
Basis for ordinary corporation tax expense		
Profit(loss) before taxes	436,118	190,530
Income from shipping activity, tonnage tax system	(446,857)	(230,698)
Change in temporary differences and tax losses carried forward not recognised	(10,738)	40,169
Change in temporary differences recognised	(7,370)	-
Exchange rate differences / Other permanent differences applicable for corporate tax	-	1,758
Corporate income tax	**(260)**	**(387)**
Effective tax rate	0.2%	0.4%
Income tax in the balance sheet:		
Corporate tax expense during the period recognized in profit (loss)	(260)	-
Tonnage tax during the period recognized in profit (loss)	(292)	(332)
Paid tonnage tax during the period	174	-
Tax payable as at December 31	**(378)**	**(332)**
Temporary differences		
Foreign exchange differences from translation to presentation currency in Local GAAP	(3,649)	-
Net basis for deferred tax liabilites:	**(3,649)**	**-**
Deferred tax asets	-	-
Deferred tax liabilities	(803)	-
Deferred tax liabilities, net	**(803)**	**-**

Note 16 – Earnings per share

in USD thousands	2022	2021
Profit (loss) for year attributable to ordinary equity holders – in USD thousands	434,832	189,725
Weighted average number of shares outstanding, basic	443,826,290	414,653,050
Weighted average number of shares outstanding, diluted	443,868,078	419,017,088
Basic earnings per share – in USD	**0.98**	**0.46**
Diluted earnings per share – in USD	**0.98**	**0.46**

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. In the event of a loss, no dilution effect is calculated.

Note 17 – 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	December 31, 2022		December 31, 2021	
Financial assets	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Trade and other receivables	22,922	22,922	30,141	30,141
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**	**210,470**	**210,470**
Financial liabilities at amortized cost				
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	20,613	20,613
Total financial liabilities	**189,719**	**189,719**	**270,067**	**270,067**

Fair value of trade receivables, cash and cash equivalents and trade payables approximate their carrying amounts measured at amortized cost due to the short-term maturities of these instruments.

The fair value of interest-bearing debt is estimated by discounting future cash flows using rates for debt on similar terms, credit risk and remaining maturities. Fair value of interest-bearing debt approximates the carrying amounts as there have been no significant changes in the market rates for similar debt financing between the date of securing the debt financing and the reporting date.

Fair value hierarchy

The Group uses a hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques. The table below shows the fair value measurements for both the Group's assets and liabilities as at December 31, 2022.

in USD thousands	Level 1	Level 2	Level 3	Total fair value
Liabilities:				
Floating rate debt	-	153,574	-	153,574
Assets:				
Financial instruments	1,740	-	-	1,740

The table below shows the fair value measurements for both the Group's assets and liabilities as at December 31, 2021.

in USD thousands	Level 1	Level 2	Level 3	Total fair value
Liabilities:				
Floating rate debt	-	231,826	-	231,826
Assets:				
Financial instruments	-	-	-	-

Cash Flow Hedges

The Group uses interest rate swaps, caps and collars as hedges of its exposure to interest rate fluctuations in connection with its debt and bond financing.

In January 2022, the Group entered into an interest rate cap with notional amount of USD 50.0 million effective for the period February 1, 2022 to November 30, 2023. The derivative provides of a cap of 2% on the risk-free 3 month LIBOR. 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 (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 2022, the Group recorded USD 0.2 million relating to the foreign currency forward contracts.

in USD thousands	December 31, 2022	December 31, 2021
Interest swap	1,493	-
Currency derivatives	247	-
Total Derivatives	**1,740**	**-**

Note 18 – Trade and other receivables

in USD thousands	December 31, 2022	December 31, 2021
Trade receivables	7,903	10,377
Receivables to affiliated companies	34	345
Claims related to insurance cases	9,829	4,737
Other receivables and prepayments	5,156	14,682
Total Trade and other receivables	**22,922**	**30,141**

Trade receivables relate to receivables against the charterers for the Group's time charter contracts. Insurance claims are the Group's claims covered by insurance agreements where the virtually certain threshold are met.

The Group had outstanding receivables per year end amounting to USD 7.9 million. Historically, the Group have not had any credit losses of significance. A significant part of the outstanding receivables is against larger liner companies, of which the Group have had a long business relationship with, which reduces the risk further. The Group applies the simplified approach to provide for lifetime Expected Credit Losses in accordance with IFRS 9. The invoiced amount is considered to be approximately equal to the value which would be derived under the amortized cost method. In 2022, the Group recognized USD 0.6 million as impairment losses, compared to USD 1.1 million in 2021.

Note 19 - Cash and cash equivalents

in USD thousands	December 31, 2022	December 31, 2021
Bank deposits denominated in USD	121,245	178,108
Bank deposits denominated in EUR	2,521	1,893
Bank deposits denominated in NOK	1,751	328
Total cash and cash equivalents	**125,517**	**180,329**

The fair value of cash and cash equivalents at December 31, 2022 is USD 125.5 million (USD 180.3 million at December 31, 2021). Restricted cash as at December 31, 2022 was USD 30.2 million compared to USD 23.6 million as at December 31, 2021. USD 10.8 million under the senior secured credit facility is restricted cash for the solely use for required class-related maintenance on the vessels, compared to USD 1.0 million at December 31, 2021. Further, the group have USD 5.6 million in a retention account, related to repayment on the term loan facility, and USD 14.5 million is kept as minimum liquidity as required by the loan agreements described in Note 14.

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 20 - Issued capital and reserves

	Number of shares	Share capital (USD thousands)	Share premium (USD thousands)
At January 1, 2022	**444,051,377**	**48,630**	**597,080**
Cancellation of treasury shares	(351,098)	(41)	(1,102)
Dividend paid from share premium	-	-	(441,022)
Settlement of warrants	-	-	(2,219)
At December 31, 2022	**443,700,279**	**48,589**	**152,737**

	Number of shares	Share capital (USD thousands)	Share premium (USD thousands)
January 1, 2021	**394,256,127**	**43,047**	**456,764**
Capital increase from equity private placement announced 9 August 2021	49,795,250	5,584	143,870
Settelment of warrants	-	-	(3,554)
At December 31, 2021	**444,051,377**	**48,630**	**597,080**

On August 9, 2021 the Group completed the acquisition of Songa Container AS, with a total of 49,795,250 new shares were issued as part of the consideration paid. See Note 12 for further details regarding the acquisition.

The share capital of the Company consists of 443,700,279 (2021: 444,051,377) shares as at December 31, 2022, with nominal value per share of NOK 1. All issued shares are of equal rights and are fully paid up.

As at December 31, 2022 the Company held 0 treasury shares, compared to 351,098 treasury shares as at December 31, 2021. The 351,098 outstanding treasury shares at December 31, 2021 was cancelled in 2022, as resolved by an extraordinary general meeting held January 13, 2022. The cancellation of treasury shares was recognized to share capital and share premium, and had no cash effect.

In July 2022 the Group entered a contract to purchase two new carbon-neutral 1300 TEU newbuildings, together with Topeka MPC Maritime AS, a joint venture between Topeka Holding AS (zero emission shipping company owned by Wilhelmsen Group) and MPC Capital AG. Topeka MPC Maritime AS purchased their 9.9% non-controlling interest for USD 1.4 million.

Furthermore, non-controlling interests as of December 31, 2022 consists of the 0.1% shares the ship managers hold in the ship-owning entities under the MPC Container Ships Invest B.V. Group. As of December 31, 2022, the non-controlling interest also includes the minority interest's share of result within these ship-owning entities, see Note 27 – Group Companies.

The table below summarizes the changes in components in other reserves.

	Cash flow hedging	Currency translation adjustment	Change in Other comprehensive income
At January 1, 2022	**-**	**(109)**	**(109)**
Change during year	634	-	634
At December 31, 2022	**634**	**(109)**	**525**

	Cash flow hedging	Currency translation adjustment	Change in Other comprehensive income
At January 1, 2021	**(9,065)**	**188**	**(8,877)**
Change during year	445	(297)	148
Reclassified to profit and loss	8,620	-	8,620
At December 31, 2021	**-**	**(109)**	**(109)**

Overview of the 20 largest shareholders as at December 31, 2022:

Shareholder	Number of shares	in %	Type
MPC CSI GmbH	70,302,796	15.8%	Ordinary
SONGA CAPITAL AS	20,001,927	4.5%	Ordinary
CLEARSTREAM BANKING S.A.	16,982,612	3.8%	Nominee
FOLKETRYGDFONDET	15,408,275	3.5%	Ordinary
State Street Bank and Trust Comp	15,269,834	3.4%	Nominee
J.P. Morgan SE	13,994,742	3.2%	Nominee
The Bank of New York Mellon	12,402,665	2.8%	Nominee
JPMorgan Chase Bank	6,948,288	1.6%	Nominee
Euroclear Bank S.A./N.V.	6,398,062	1.4%	Nominee
DZ Privatbank S.A.	6,180,000	1.4%	Nominee
NORDNET LIVSFORSIKRING AS	5,967,207	1.3%	Ordinary
The Bank of New York Mellon	4,421,406	1.0%	Nominee
Deutsche Bank Aktiengesellschaft	3,640,240	0.8%	Nominee
The Bank of New York Mellon SA/NV	3,529,901	0.8%	Nominee
State Street Bank and Trust Comp	3,522,889	0.8%	Nominee
SIX SIS AG	3,501,059	0.8%	Nominee
VERDIPAPIRFONDET KLP AKSJENORGE IN	3,326,517	0.7%	Ordinary
SUNDT AS	3,300,000	0.7%	Ordinary
UBS Europe SE	2,527,883	0.6%	Nominee
State Street Bank and Trust Comp	2,492,045	0.6%	Nominee
Total	**220,118,348**	**49.6%**	

As at December 31, 2022, Chairman of the Board Ulf Holländer and board member Dr. Axel Schroeder held indirect ownership interest in the Company through an indirect minority interest in MPC CSI GmbH. Board members Peter Frederiksen and Ellen Hanetho held direct ownership in the Company, while board member Pia Meling held no shares in the Company. CEO Constantin Back held shares directly in the in the Company and did not have any indirect ownership. Refer to Note 25 for further information on the Board's and executive management's compensation and shareholding.

Note 21 – Capital management

A key objective of the Group's capital management is to ensure that the Group maintains a capital structure in order to support its business activities and maximise the shareholder value. The Group evaluates its capital structure in light of current and projected cash flows, the state of the shipping markets, new business opportunities and the Group's financial commitments. Capital is primarily managed on Group level.

The Group monitors its capital structure using the book-equity ratio, which stands at 75.4% as at December 31, 2022. The Group's debt facilities contain certain financial covenants which require the Company or the subsidiaries to maintain the following financial covenants, minimum value of vessels, and a certain level of free cash and equity ratio. The Group aims at maintaining an equity ratio with adequate headroom to the respective covenant requirements (refer to Note 14).

in USD thousands	December 31, 2022	December 31, 2021
Book equity	721,447	727,589
Total assets	956,321	1,034,613
Book-equity ratio	**75.4%**	**70.3%**

In support of the Group's objective of maximizing returns to shareholders, the Group's intention is to pay regular dividends by way of distributing 75% of profits (loss) for the period after considering CAPEX and working capital requirements, including liquidity reserves and one-off effects. Dividends will be declared or proposed by the Board at the sole discretion of the Board and will depend upon the financial position, earnings, debt covenants, distribution restrictions, capital requirements and other factors related to the Group. The Company cannot guarantee that its Board will declare or propose dividends in the future. Furthermore, the Board may make event driven distributions based on non-recurring proceeds, such as vessel sales, by way of extraordinary dividends or share buybacks, to be applied according to the Board's discretion.

During 2022 the company distributed dividends from its share premium, for a total of USD 441.0 million. These include both recurring and event-driven dividends :

Announcement date	Type	Cash distribution per share	Ex-dividend	Record	Payment
02.02.2022	Event-driven	USD 0.34 / NOK 3.00	07.02.2022	08.02.2022	10.02.2022
24.02.2022	Recurring	USD 0.11 / NOK 0.9489	24.03.2022	25.03.2022	30.03.2022
19.05.2022	Recurring	USD 0.13 / NOK 1.2960	23.06.2022	24.06.2022	29.06.2022
19.05.2022	Event-driven	USD 0.03 / NOK 0.2991	23.06.2022	24.06.2022	29.06.2022
18.08.2022	Recurring	USD 0.15 / NOK 1.5650	22.09.2022	23.09.2022	29.09.2022
18.08.2022	Event-driven	USD 0.04 / NOK 0.4173	22.09.2022	23.09.2022	29.09.2022
17.11.2022	Recurring	USD 0.16 / NOK 1.5766	20.12.2022	21.12.2022	23.12.2022
17.11.2022	Event-driven	USD 0.03 / NOK 0.2956	20.12.2022	21.12.2022	23.12.2022

Note 22 – Warrants

In 2017 the company issued 2,121,046 warrants to MPC Capital Beteiligungsgesellschaft mbH & Co. KG, and additional 3,489,860 warrants were issued in 2020. Each warrant gave the right, but no obligation, to subscribe for one share in the Company. The warrants were valid for a period of five years from April 20, 2017.

The Company entered into an agreement on September 3, 2021 with the warrant holder to settle 3,740,604 warrants for a cash consideration of USD 3.5 million which was recognized in 2021 in other paid capital. Since the cash consideration was due by June 30, 2022, the provision was included under current liabilities as at December 31, 2021. As at December 31, 2021 the warrant holder holds 1,870,302 which have an exercise price of USD 1.89 conditional on that the vesting criteria are met. The remaining 1,870,302 warrants held at year-end 2021 were settled for a cash consideration of USD 2.2 million on January 22, 2022. Following the settlement agreement, there were no longer any warrants outstanding relating to the Company from this date onwards.

The warrants issued to the founding shareholder were recognized as equity instruments in accordance with IAS 2 Financial Instruments.

Note 23 – Commitments

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.

In December 2022, the Company had entered into a put/call option with INERATEC GmbH through its investment in associates for the delivery of 1,500MT green physical marine diesel oil between 2024 and 2026. The option would oblige the Company to purchase and take delivery of the at a maximum price of 2,500 USD/MT.

As at December 31, 2022, the Group guaranteed as performance guarantor the payment obligations under the newbuilding contracts for the two 5,500 TEU eco-design vessels of up to USD 72.2 million each towards the yard.

Note 24 – Other liabilities

The following table shows the components of other liabilities as at period end.

in USD thousands	December 31, 2022	December 31, 2021
Accrued expenses	15,989	12,655
Taxes payable	-	574
Accrued salaries	1,034	6,007
VAT, social security, etc	217	492
Other short-term liabilities	1,623	885
Total Other liabilities	**18,863**	**20,613**

Note 25 – Related party disclosure

The Group has entered into a corporate service agreement to purchase administrative and corporate services from MPC Münchmeyer Petersen 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 Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG and Wilhelmsen Ahrenkiel Ship Management B.V., joint ventures of MPC Münchmeyer Petersen Capital AG, for 51 of the 58 vessels owned by the Group at December 31, 2022.

Commercial ship management of the vessels owned by the Group and associated joint ventures is contracted to Contchart GmbH & Co. KG and Harper Petersen B.V., which are joint ventures of MPC Münchmeyer Petersen Capital AG.

The following table provides the total amount of service transactions that have been entered into with related parties for the relevant period:

in USD thousands / 2022	Group	2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG
Wilhelmsen Ahrenkiel Ship Man. GmbH & Co. KG / B.V.	8,653	765
Harper Petersen & Co. GmbH	5,670	948
MPC Maritime Investments GmbH	3	-
MPC Capital GmbH	126	-
MPC Münchmeyer Petersen Capital AG	1,051	-
Total	**15,503**	**1,713**

in USD thousands / 2021	Group	2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG
Wilhelmsen Ahrenkiel Ship Man. GmbH & Co. KG / B.V.	8,831	975
Contchart GmbH & Co. KG / Harper Petersen B.V. [1]	5,352	541
MPC Maritime Investments GmbH	58	-
MPC Capital GmbH	76	-
MPC Münchmeyer Petersen Capital AG	775	-
Total	**15,092**	**1,516**

Directors' and executive management's compensation and shareholding [2]

	Shares at December 31, 2022	Warrants	2022 remuneration
Ulf Holländer (Chairman)	165,637	-	NOK 600,000
Dr. Axel Schroeder [3]	2,536,511	-	NOK 400,000
Pia Meling	-	-	NOK 400,000
Peter Fredriksen	200,000	-	NOK 400,000
Ellen Hanetho	60,000	-	NOK 400,000
Constantin Baack (CEO)	66,000	-	NOK 7,848,515
Dr. Benjamin Pfeifer (former CFO)	7,300	-	NOK 3,820,956
Moritz Fuhrmann (CFO)	-	-	NOK 285,807

1 Included in the USD 5.4 million is also commission related to vessel sales in total of USD 0.8 million.
2 Several of the board members hold further share through indirect shareholdings in the Company. Please refer to Note 20 for further details
3 In November 2022, 4,9 million shares were transferred from a company controlled by Dr. Axel Schroeder to MPC CSI GmbH (being the designated investment vehicle of the MPC group in MPC) as contribution in kind.

	Shares at December 31, 2021	Warrants	2021 remuneration
Ulf Holländer (Chairman)	12,217	-	NOK 200,000
Dr. Axel Schroeder	7,294,635	-	NOK 200,000
Darren Maupin	1,129,083	-	NOK 200,000
Laura Carballo	-	-	NOK 200,000
Ellen Hanetho	60,000	-	NOK 200,000
Constantin Baack (CEO)[4]	-	-	NOK 50,937,406
Dr. Benjamin Pfeifer (CFO)	-	-	NOK 3,464,795

in USD thousands 2022	Base salary	Variable pay	Total
Constantin Baack (CEO)	460	316	776
Dr. Benjamin Pfeifer (former CFO)	272	105	377
Moritz Fuhrmann (CFO)	28	-	28

in USD thousands 2021	Base salary	Variable pay	Total
Constantin Baack (CEO)	332	5,483	5,816
Dr. Benjamin Pfeifer (CFO)	281	115	396

On April 27, 2022, the Company's general meeting unanimously resolved that each member of the Board of Directors shall receive NOK 400,000 (NOK 600,000 for the Chairman of the Board) in remuneration for the financial year 2022. The Board fees resolved for the year are paid out in the subsequent year. The total remuneration to the Board of Directors and executive management in 2022 was USD 1.2 million (2021: USD 6.3 million).

Guidelines for compensation to the CEO and CFO

The main purpose of the compensation to the executive management is to attract, retain and motivate employees with the skills, qualifications and experience needed to maximise value creation for the Company and its shareholders.

The total compensation to the CEO and CFO consists of base salary, bonus and other benefits. The Company practices standard employment contracts, with standard terms and conditions regarding notice period and severance pay for the executive management. The executive management participates in a variable bonus scheme where the purpose is to provide incentive to contribute to the value creation of the Company and its shareholders.

[4] The CEO multi-year bonus of 4,711,598 recognized in the statement of profit or loss in 2021 and included in the disclosure of management compensation in the table above was paid out and reported as salary for tax purposes in 2022.

Note 26 – Financial risk management

This section provides additional information about the Group's policies that are considered most relevant in understanding the operations and management of the Group, in particular objectives and policies of how the Group manages its financial risks, liquidity positions and capital structure.

The Group owns and operates vessels for worldwide transportation of containerised cargo. Through its operation, the Group is exposed to market risk, credit risk, liquidity risk and other risks that may negatively influence the value of assets, liability and future cash flows.

Market risk from financial instruments is the risk that future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise four types of risk: interest rate risk, foreign currency risk, credit risk and price risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates, i.e. interest payable on the bond issued and the non-recourse senior secured term loan depends on the short-term LIBOR. An increase of the short-term LIBOR rate by 100 basis points would cause the Group's annualized interest expenses to increase by USD 2.8 million.

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The functional currency of most of the entities in the Group is USD, and the Group has only minor currency risk from its operations since all income and all major vessel costs are in USD. However, the Group has exposure to EUR and NOK as parts of administration and vessel operating expenses and a portion of cash and cash equivalents, other short-term assets, trade payables and provisions and accruals are denominated in EUR and NOK. Currently, no financial instruments have been entered into to mitigate this risk.

The Group is subject to price risk related to the charter market for feeder container vessel which is uncertain and volatile and will depend upon, among other things, the global and regional macroeconomic developments. In addition, the future financial position of the Group depends on valuations of the vessels owned by the Group. Currently, no financial instruments have been entered into to reduce this shipping market risk. The Group will normally have limited exposure to risks associated with bunker price fluctuations as the bunkers are for the charterers account when the vessels are on time charter contracts. See Board of Directors' report for further description.

Credit risk
Credit risk refers to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The maximum credit risk exposure is related to the Group's trade receivables of USD 7.9 million as at December 31, 2022.

It is the aim of the Group to enter into contracts with creditworthy counterparties only. Prior to concluding a charter party, the Group evaluates the credit quality of the customer, assessing its financial position, past experience and other factors. Charter hire is paid in advance, effectively reducing the potential exposure to credit risk. Bank deposits are only deposited with internationally recognized financial institutions.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity and/or undrawn committed credit facilities at all times to meet its obligations. See Board of Directors' report for further description with respect to liquidity risk. To ensure this, the Group continuously monitors projected cash flows using a liquidity planning tool. This includes furnishing management with weekly cash reporting, monthly liquidity forecasts and furnishing management and the Board of Directors with rolling 12-24 months liquidity forecasts.

The following table summarises the contractual maturities of financial liabilities on an undiscounted basis as at December 31, 2022:

in USD thousands	< 1 year	1 - 3 years	4 - 5 years	> 5 years	Total
Interest-bearing debt	80,000	48,333	26,667	-	155,000
Interest payments	9,825	6,862	1,938	-	18,625
Trade and other payables	17,282	-	-	-	17,282
Other liabilities	18,863	-	-	-	18,863
Total	**125,970**	**55,195**	**28,605**	**-**	**209,770**

The following table summarises the contractual maturities of financial liabilities on an undiscounted basis as at December 31, 2021:

in USD thousands	< 1 year	1 - 3 years	4 - 5 years	> 5 years	Total
Interest bearing loans and borrowings	85,000	81,667	41,667	26,666	235,000
Interest payments	6,813	5,871	1,086	851	14,621
Trade and other payables	17,628	-	-	-	17,628
Other liabilities	19,547	-	-	-	19,547
Total	**128,988**	**87,538**	**42,753**	**27,517**	**286,796**

Note 27 - Group companies

The Group's consolidated financial statements include the financial statements of the Company and its subsidiaries listed in the table below. The table excludes all general partner companies and non-operating companies.

in USD thousands	Country	Principal activity	Ownership
"AS SAMANTA" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS SABRINA" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS FREYA" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS FENJA" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS PAOLA" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS PAULINE" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS PENELOPE" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
MPC Container Ships GmbH & Co. KG	Germany	Management Company	100.00%
MPCC Second Financing GmbH & Co. KG	Germany	Holding company	100.00%
Zweite "AS PALINA" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
Zweite "AS PETRA" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Camellia" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Carlotta" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Carolina" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Christiana" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Constantina" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Franziska" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Roberta" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Serena" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Susanna" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Svenja" Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Nadia Schifffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
MPC Container Ships Invest B.V.	Netherlands	Holding company	100.00%
"AS Angelina" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS California" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Carelia" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Clara" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Clarita" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Clementina CV" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Columbia" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Cypria" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Fabiana" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Fabrizia" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Fatima" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%

in USD thousands	Country	Principal activity	Ownership
"AS Felicia" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Filippa" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Fiorella" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Flora" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Floretta" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Floriana" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Patria" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Paulina" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Petronia" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS RAFAELA" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Ragna" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Romina" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Rosalia" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Sara" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Savanna" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS SELINA" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Sevillia" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Sicilia" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
"AS Sophia" ShipCo C.V.	Netherlands	Ship-owning entity	99,90%
MPCC Third Financing AS	Norway	Holding company	100.00%
MPCC Box AS	Norway	Holding company	100.00%
MPCC Mipo AS	Norway	Ship-owning entity	100.00%
MPCC City AS	Norway	Ship-owning entity	100.00%
MPCC Nora AS	Norway	Ship-owning entity	100.00%
MPCC Emma AS	Norway	Ship-owning entity	100.00%
MPCC Caspria AS	Norway	Ship-owning entity	100.00%
MPCC Alva AS	Norway	Ship-owning entity	100.00%
MPC ECOBOX OPCO 5 GmbH & Co. KG	Germany	Ship-owning entity	100.00%
MPC ECOBOX OPCO 6 GmbH & Co. KG	Germany	Ship-owning entity	100.00%
MPCC GREENBOX AS	Norway	Holding company	90.1%
MPCC NORDLAND AS	Norway	Ship-owning entity	90.1%
MPCC VESTLAND AS	Norway	Ship-owning entity	90.1%

Note 28 – 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 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 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.

On February 28, the Company paid an event-driven dividend of USD 0.07 per share based on the commercial agreements for the redelivery of vessels Carpathia and AS Carlotta and the sale of joint venture vessels Carpathia and AS Cleopatra. The Board of Directors also declared a recurring dividend of USD 0.15 per share for the fourth quarter of 2022.

In March 2023, AS Claudia (formerly known as TRF Kaya) was delivered from the seller and the loan facility of USD 8.3 million with OVB was drawn down.


CSAV

PARENT FINANCIAL STATEMENTS

Statement of Profit or Loss

in USD thousands	Notes	2022	2021
Revenues	2,3	14,775	14,780
Revenues		**14,775**	**14,780**
Payroll	4	(3,079)	(7,181)
Other operating expenses	5	(17,320)	(17,025)
Operating profit (loss) (EBIT)		**(5,625)**	**(9,426)**
Finance income	5	121,373	24,673
Finance expense	5	(4,292)	(2,628)
Profit (loss) before income tax (EBT)		**111,456**	**12,620**
Income tax	6	-	46
Profit (loss) for the period		**111,456**	**12,666**
Transfer of profit to retained earnings	**7**	**111,456**	**12,666**
Dividend proposed		66,555	-
Earnings per share	**7**	**0.25**	**0.03**
Basic earnings per share – in USD	**7**	**0.25**	**0.03**
Diluted earnings per share – in USD	**7**	**0.25**	**0.03**

Statement of Financial Position

in USD thousands	Notes	2022	2021
Non-current assets			
Investments in subsidiaries	8	247,560	489,855
Investments in affiliated companies	8	27,894	27,068
Other non-current assets		3	3
Total non-current assets		**275,457**	**516,926**
Current assets			
Short-term receivables group	3	9,768	80,192
Other short-term receivables		810	561
Cash and cash equivalents	9	32,546	101,833
Total current assets		**43,124**	**182,587**
Total assets		**318,580**	**699,513**
EQUITY AND LIABILITIES			
Equity			
Share capital	7,10	48,589	48,629
Share premium	7	86,229	396,316
Treasury shares	7	-	(1,143)
Retained earnings	7	115,460	4,004
Total equity		**250,278**	**447,807**
Current liabilities			
Dividend accrual	7	66,555	200,764
Accounts payable		573	846
Accounts payable Group		11	40,278
Social security, VAT, etc.		186	151
Other short-term liabilities		976	9,667
Total current liabilities		**68,302**	**251,707**
Total equity and liabilities		**318,580**	**699,513**

Statement of Cash Flow

in USD thousands	Notes	2022	2021
Profit (loss) before income tax		111,456	12,620
Tax refund from previous year's paid corporate tax		-	46
Net change in current assets		70,178	2,530
Net change in current liabilities		(51,415)	5,662
Depreciation and impairment		-	508
Finance income (net)		(117,081)	(22,045)
Cash flow from operating activities		**13,138**	**(678)**
Loan proceeds from subsidiaries		-	60,000
Interest income		459	-
Investment in subsidiaries		(42,005)	(4,168)
Investment in affiliates		(826)	-
Purchase of other non-current assets		-	-
Dividends received from subsidiaries		340,745	47,470
Dividends received from joint ventures		60,350	24,500
Cash flow from investing activities		**358,723**	**127,802**
Repayment of debt		-	(25,700)
Other paid financial items		(145)	(610)
Repayment of hedging instruments		-	(1,918)
Paid dividends	7	(441,002)	-
Share issuance costs		-	(190)
Cash flow from financing activities		**(441,147)**	**(28,418)**
Net change in cash and cash equivalents		(69,286)	98,706
Cash and cash equivalents at beginning of period		**101,832**	3,126
Cash and cash equivalents at the end of period		32,546	**101,832**

Oslo, March 23, 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)

Notes

Note 1 – Significant accounting policies

MPC Container Ships ASA ("the Company") was incorporated on January 9, 2017 as a private limited liability company under the laws of Norway, and converted to a Norwegian public limited liability company (Norwegian: allmennaksjeselskap) on January 16, 2018.

The financial statements are prepared in accordance with Norwegian Standards (NGAAP) for public limited liability companies.

Current assets are assets that are expected to be realized in the Company's normal circle, held primarily for the purpose of trading and that are expected to be realized within twelve months after the reporting period. Current liabilities are liabilities that are expected to be settled within the Company's normal operating cycle. Other assets are classified as non-current assets and other liabilities are classified as non-current liabilities.

Accounts receivables are recognized at fair value after provisions for bad debts.

Long-term investments in shares in subsidiaries including affiliated companies are recognized at original cost, but are reduced to fair value if the decrease in value is not temporary.

Revenues and expenses from operations are booked in the same period as they occur.

The financial statements are presented in US Dollar (USD), which is the functional currency of the Company. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transaction.

All financial information presented in USD has been rounded to the nearest thousand USD, except otherwise indicated. Differences from currency translations are classified as financial income.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax liabilities are classified as non-current assets and are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary difference can be utilised.

Dividends are reflected as Dividends payable within current liabilities. Group contributions for the year to other entities within MPCC's Norwegian tax group are reflected in the balance sheet as current liabilities within Liabilities to group companies. Under NGAAP the presentation of dividends payable and payable group contributions differs from the presentation under IFRS, as it also includes dividends and group contributions payable which at the date of the balance sheet is subject to a future annual general meeting approval before distribution. A corresponding amount is recognised directly in equity.

Note 2 – Operating revenues

in USD thousands	2022	2021
Ship management fees	9,065	9,003
Corporate management fees	3,569	3,049
Reimbursement	2,141	2,728
Total operating revenues	**14,775**	**14,780**

Note 3 – Group transactions

in USD thousands	Receivables at December 31, 2022	Payables at December 31, 2022	Revenues in 2022	Expenses in 2022
Intercompany balances/transactions	9,768	-	14,775	(4,622)

In USD thousands	Receivables at December 31, 2021	Payables at December 31, 2021	Revenues in 2021	Expenses in 2021
Intercompany balances/transactions	80,192	-	14,780	(3,173)

Revenue is related to invoiced ship management fees and corporate management fees including other reimbursements.

Note 4 – Payroll expenses, Board of Directors remuneration, compensations

in USD thousands	2022	2021
Payroll	1,621	6,826
Social security	98	131
Other personnel expenses	1,133	67
Accrued Board of Directors remuneration	227	156
Total payroll expenses	**3,079**	**7,181**

In accordance with Norwegian law, the Company is required to have an occupational pension scheme.

The Company's pension scheme was in compliance with Norwegian law as at December 31, 2022.

Please refer to Note 25 of the consolidated financial statements for the remuneration of the Board of Directors and key management.

in USD thousands	2022	2021
Fees related to audit services	167	145
Fees related to other services	12	5
Fees recorded towards equity	-	-
Total auditor compensation	**179**	**150**

Note 5 – Specification of P/L records

in USD thousands	2022	2021
Other operating expenses		
Fees from auditors	(134)	(208)
Ship management fees	(8,481)	(8,527)
Legal fees	(3,170)	(4,117)
Other fees	(4,622)	(3,173)
Other operating expenses	(751)	(1,001)
Total operating expenses	**(17,157)**	**(17,025)**

Finance income		
Interest income	458	1
Income from exchange	4,069	90
Dividend from subsidiaries	56,445	-
Dividend from joint venture investments	60,350	24,500
Interest income from subsidiaries	-	82
Profit from shares sold	50	-
Total finance income	**121,373**	**24,673**

Finance expense		
Interest expense	(1,150)	(725)
Expense from exchange	(3,142)	(199)
Other financial expenses	-	(1,704)
Total finance expense	**(4,292)**	**(2,628)**

Note 6 – Income tax

The Company is subject to ordinary corporation tax in Norway:

in USD thousands	2022	2021
Basis for ordinary corporation tax expense		
Profit(loss) before taxes	111,456	12,620
Non-taxable income (dividend)	116,795	23,765
Non-taxable cost	(3,770)	-
Net taxable income	(1,569)	(11,145)
Expected income tax at statutory rate (22%)	345	2,452
Change in temporary differences and tax losses carried forward not recognized	(345)	(2,452)

In Norway, the Company has an estimated tax loss carried forward amounting to USD 16.3 million. The tax loss relates mainly to transaction cost on capital increase and can be carried forward indefinitely. Currently, no convincing evidence of using the tax loss exists. Accordingly, the criteria for recognition of deferred tax assets are not met.

Note 7 – Equity

in USD thousands	Share capital	Treasury shares	Share premium	Retained earnings/ losses	Total
Total equity as at January 1, 2022	48,630	(1,143)	396,316	4,004	447,807
Cancellation of treasury shares	(41)	1,143	(1,102)	-	-
Settlement of warrants	-	-	(2,219)	-	(2,219)
Dividends	-	-	(240,211)	-	(240,211)
Dividend proposed	-	-	(66,555)	-	(66,555)
Profit (loss)	-	-	-	111,456	111,456
Total equity at December 31, 2022	**48,589**	**(0)**	**86,229**	**115,460**	**250,278**

As at December 31, 2022, the total number of outstanding shares was 443,700,279 (2021: 444,051,377). See Note 10.

The proposed dividend consisted of the resolved dividends by the Board of Director's on February 27, 2023 where the Company will distribute USD 0.15 per share, amounting to USD 66.6 million, based on the financial results of the fourth quarter of 2022.

in USD thousands	Share capital	Treasury shares	Share premium	Retained earnings/ losses	Total
Total equity as at January 1, 2021	43,046	(1,143)	456,764	(8,662)	490,005
Capital increase August 9, 2021	5,583	-	143,870	-	149,453
Settlement of warrants	-	-	(3,554)	-	(3,554)
Dividend proposed	-	-	(200,764)	-	(200,764)
Profit (loss)	-	-	-	12,666	12,666
Total equity at December 31, 2021	**48,629**	**(1,143)**	**396,316**	**4,004**	**447,807**

in USD thousands	2022	2021
Profit (loss) for year attributable to ordinary equity holders – in USD thousands	111,456	12,666
Weighted average number of shares outstanding, basic	443,826,290	414,653,050
Weighted average number of shares outstanding, diluted	443,868,078	419,017,088
Basic earnings per share – in USD	**0.25**	**0.03**
Basic earnings per share – in USD	**0.25**	**0.03**

Note 8 – Investments in subsidiaries and affiliated companies

Investments in subsidiaries

in USD thousands	Country	Equity	Profit (loss)	Book value	Ownership
MPC Container Ships Invest B.V.	Netherlands	32,415	(533)	47,432	100.00%
MPCC Second Financing GmbH & Co KG	Germany	49,306	21,938	0	100.00%
MPCC First Financing OpCo KG	Germany	105	23	29	100.00%
MPCC First Financing Verwaltungs GmbH	Germany	31	(0)	29	100.00%
MPC Container Ships GmbH & Co. KG	Germany	268	104	733	100.00%
MPC Container Ships Verwaltungs GmbH	Germany	30	2	29	100.00%
MPC Container Ships Sourcing GmbH	Germany	313	(170)	122	100.00%
MPCC Greenbox AS	Norway	14,205	(120)	12,922	90.10%
MPCC ECOBOX GmbH	Germany	25	(2)	31	100.00%
MPC ECOBOX 6 GmbH	Germany	27	0	31	100.00%
MPC ECOBOX 7 GmbH	Germany	27	0	31	100.00%
MPC ECOBOX OPCO 6 GMBH CO. KG	Germany	14,486	(14)	14,500	100.00%
MPC ECOBOX OPCO 5 GMBH CO. KG	Germany	14,485	(15)	14,500	100.00%
AS Shipping OpCo 1 GmbH	Germany	80	14	59	100.00%
AS Shipping OpCo 2 GmbH	Germany	33	7	–	100.00%
Sao Paulo Project Holding Verwaltungs GmbH	Germany	63	–	–	100.00%
MPCC Third Financing AS	Norway	199,716	(8,501)	149,832	100.00%
AS Carolina Schiff. Mbh & Co. KG	Germany	9,262	8,027	966	100.00%
AS Franziska Schiff. Mbh & Co. KG	Germany	6,202	3,106	1,760	100.00%
AS Roberta Schiff. Mbh & CO. KG	Germany	8,685	4,611	4,557	100.00%
Total		**349,765**		**247,560**	

The major investment in subsidiaries of the Company are direct or indirect investments in container vessels where the fair values of the vessels exceed the book values. Accordingly, there is no identified need for impairment on the Company's investments in subsidiaries in 2022 (2021: USD 0.5 million).

Investments in affiliated companies

in USD thousands	Country	Equity	Profit/loss (+/-)	Book value	Ownership
2. Bluewater Holding Schiff. GmbH & Co. KG	Germany	31,562	118,512	24,063	50%
2. Bluewater Holding SFG	Germany	33	2	3,004	50%
Siemssen GmbH & Co. KG	Germany	–	–	827	25%
Total		**31,595**		**27,067**	

Note 9 – Cash and cash equivalents

in USD thousands	2022	2021
Bank deposits denominated in USD	31,127	101,521
Bank deposits denominated in EUR	126	161
Bank deposits denominated in NOK	1,292	151
Total cash and cash equivalents	**32,546**	**101,833**

Bank deposits in NOK consisted of in total USD 67 thousand in funds held for employee taxes withheld, payable to the Norwegian government.

Note 10 – Shareholders

As at December 31, 2022, the share capital of the Company consisted of 443,700,279 (2021: 444,051,377) shares with nominal value per share of NOK 1.00. All issued shares are of equal rights and are fully paid up.

Please refer to Note 20 of the consolidated financial statements for an overview of the 20 largest shareholders of the Company as at December 31, 2022. Please also refer to Note 22 of the consolidated financial statements for information about the Group's issued warrants.

Note 11 - Guarantees

The Company has guaranteed for the recourse term loan of MPCC Second Financing GmbH & Co. KG., together with the subsidiaries of MPCC Second Financing GmbH & Co. KG. Additionally, the Company has guaranteed for the senior secured term loan and revolving credit facility of MPCC Third Financing AS, together with the subsidiaries of MPCC Third Financing AS.

Note 12 – Financial risk management

Foreign Exchange

The risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Company has exposure in EUR and NOK as part of administrative and operating expenses and a portion of cash and cash equivalents and trade payables are denominated in EUR and NOK. The Company do not have financial instruments in place to mitigate this risk.

Credit Risk

Credit risk relates to loans to subsidiaries and affiliated companies, guarantees to subsidiaries, deposits with external banks and receivables against related parties. Loss provisions are provided in situations of negative equity and where the companies are not expected to be able to fulfil their loan obligations from future earnings.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations when they fall due and is managed through maintaining sufficient cash. Development in the Group's and thereby the Company's available liquidity, is continuously monitored through a liquidity planning tool which includes weekly cash reporting and monthly cash flow forecasts.

AUDITOR'S REPORT

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Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of MPC Container Ships ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MPC Container Ships ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as of 31 December 2022, the statement of profit or loss and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as of 31 December 2022, the statement of profit or loss, the statement of comprehensive income, the statement of cash flow, and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as of 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the risk and audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 6 years from the election by the general meeting of the shareholders on 23 May 2017 for the accounting year 2017.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Impairment evaluation of vessels

Basis for the key audit matter
The value of vessels as at 31 December 2022 amounted to USD $745,873,000, which represented 78% of total assets for the group. Due to significant decline in charter fee broker values as well as decline in charter contracts, underpinned by increase in OPEX, management identified impairment indicators. Management proceeded with the estimation of the recoverable amount of each vessel through value in use models, and compared this against the carrying amount of each vessel to assess (any) need for impairment charges. The value in use impairment testing is dependent on several assumptions such as future charter rates, utilization, operating expenses and discount rates (weighted average cost of capital), all impacted by future market developments and economic conditions. The estimation of future uncontracted cash flows requires significant judgement related to if or when a new contract will be signed, at what charter rates and what the associated operating expenses will be. We consider the impairment evaluation a key audit matter due to the uncertainty of estimates and judgement involved in establishing the assumptions.

Our audit response
Our audit procedures included evaluating management's assessment of impairment indicators for vessels and the assumptions applied in the value in use calculations. We assessed the accuracy of prior years' forecasts, compared expected revenue and operating expenses to approved budgets, current contracts, historical data and long-term market expectations. We involved an internal valuation specialist in the assessment of the discount rates applied. Furthermore, we tested the mathematical accuracy of the value in use calculations and assessed management's sensitivity analyses. Refer to Note 3 - Significant accounting policies 'impairment of vessels', Note 4 – Significant judgements, estimates, and assumptions and Note 11: Vessels and prepayments.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

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We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the risk and audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of MPC Container Ships ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name MPCContainerShipsASA-2022-12-31-EN.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of an annual report and iXBRL tagging of the consolidated financial statements that complies with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary to enable the preparation of an annual report and iXBRL tagging of the consolidated financial statements that is compliant with the ESEF Regulation.

Auditor's responsibilities

Our responsibility is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

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As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 23 March 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

"By my signature I confirm all dates and content in this document."

Jon-Michael Grefsrød
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INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

To the General Meeting of MPC Container Ships ASA

Opinion

We have performed an assurance engagement to obtain reasonable assurance that MPC Container Ships ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2022 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 23 March 2023
ERNST & YOUNG AS

The auditor's assurance report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

Jon-Michael Grefsrød
Statsautorisert revisor
Serial number: 9578-5992-4-3016511
IP: 145.62.xxx.xxx
2023-03-23 13:15:15 UTC

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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 parameter 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 parameter 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	2022	2021
Operating profit (EBIT)	446,858	230,699
Depreciation	(75,392)	(62,049)
EBITDA	**522,250**	**292,749**

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	2022	2021
EBITDA	**522,250**	**292,749**
Gain (loss) from sale of vessels	49,042	56,439
Share of profit or loss from joint venture	51,761	15,684
Bargain gain business combination	-	2,312
Adjusted EBITDA	**421,447**	**218,314**

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	2022	2021
Profit (loss) for the period	435,049	189,854
Gain (loss) from sale of vessels	49,042	56,439
Share of profit or loss from joint venture	51,761	15,684
Bargain gain business combination	-	2,312
Adjusted profit (loss) for the period	**334,247**	**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

Interest-bearing long-term debt and interest-bearing short-term debt divided by total assets.

Equity Ratio

Total book equity divided by total assets.

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