MPC CONTAINER SHIPS

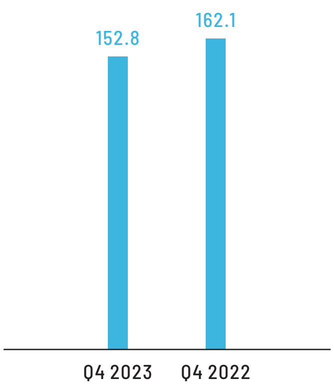
FINANCIAL REPORT
Q4 2023

HIGHLIGHTS

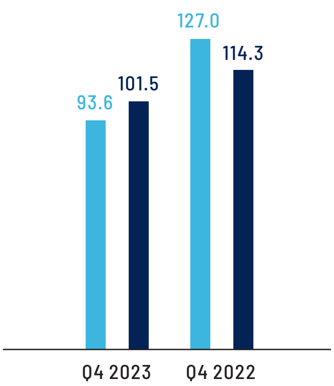
Fourth Quarter 2023

- Continued strong financial and operational performance
- High utilization and continuation of low-leverage strategy
- Successfully delivered six wholly-owned vessels to new owners generating gross proceeds of USD 56.3 million
- Non-recurring impairment charges of USD 34.9 million and USD 6.5 million in loss of disposal recorded in the period (both non cash-effective)
- The Board of Directors has declared a recurring dividend of USD 0.13 per share for the fourth quarter of 2023 payable on or about March 26, 2024

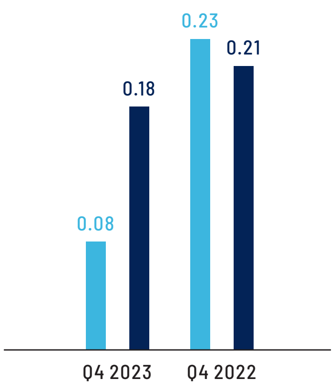
Operating revenues in USD m



EBITDA and Adj. EBITDA in USD m



EPS and Adj. EPS in USD



Adjusted

KEY FIGURES

		Q4 2023 (unaudited)	Q4 2022 (unaudited)	FY 2023 (unaudited)	FY 2022 (audited)
Operating revenues	USD m	152.8	162.1	711.3	616.8
EBITDA	USD m	93.6	127.0	518.4	522.3
Adjusted EBITDA [1]	USD m	101.5	114.3	428.5	451.5
Profit (loss) for the period	USD m	35.7	103.6	325.1	435.0
Adjusted profit for the period [1]	USD m	78.5	91.0	336.7	364.3
Operating cash flow	USD m	96.8	125.4	484.6	436.5
EPS	USD m	0.08	0.23	0.73	0.98
Adjusted EPS [1]	USD	0.18	0.21	0.76	0.82
DPS [2]	USD	0.13	0.15	0.64	1.03
Total ownership days	days	5,675	5,336	22,236	21,671
Total trading days	days	5,527	5,079	21,553	20,590
Utilization [1]		98.2%	97.8%	98.1%	97.9%
Adjusted average TCE [1]	per day	27,405	31,279	28,816	28,625
Average Opex [1]	per day	6,941	6,937	6,887	6,363
Leverage ratio [1]		13.3%	16.1%	13.3%	16.1%

[1] Key figures include Alternative Performance Measures (APM). Refer to the APM section for definitions, explanations, and reconciliations of the APM's.

[2] Dividends per share (DPS) comprises the recurring dividend per share and any event-driven dividends per share declared for the period.

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CEO LETTER

Constantin Baack
Chief Executive Officer

Dear Shareholders,

As we reflect on the close of 2023, I'm pleased to share with you the continued resilience and progress of MPC Container Ships. Throughout the year, we've remained committed to delivering value to our shareholders, maintaining operational excellence, and navigating the evolving landscape of the maritime industry.

2023 served as a transition year between the Covid-impacted period and the return to a more familiar demand pattern in 2024. Throughout the year, we experienced falling box rates on most trades, supported only by modest volume growth, and vessel demand bottomed out in the third quarter. The latter part of 2023 was marked, in particular, by the onset of the war on Gaza and the subsequent Red Sea Crisis, during which vessel attacks were carried out by the Houthi movement. These events have had significant repercussions on the shipping industry, leading carriers to avoid transiting the Red Sea.

Since the beginning of 2024, liner companies have been actively looking for charter tonnage to compensate for the longer voyages around the Cape of Good Hope, and in the Mediterranean and Middle East, particularly, container markets are busier than expected. As a result, we have seen significant increases in freight and charter rates as well as extended contract durations in 2024.

Financial Performance and Operational Strength
Our performance in the fourth quarter further underscores our consistent track record of success. With a strong quarterly result, we cap off yet another robust year both financially and operationally. Our utilization rate remained high at 98.2% and we continue to adhere to our strategy of operating at a low leverage, with our leverage standing at 13.3% as of December 31, 2023.

A key highlight of our financial performance is our commitment to shareholder returns. In 2023, we distributed approximately USD 293 million in dividends, corresponding to a dividend yield of 43% for the year. Including the dividend declared for the fourth quarter, our total dividends distributed and declared over the last twelve months amount to approximately USD 350 million, representing more than 50% of the company's market cap at the beginning of 2023.

Furthermore, our backlog remains robust, with contracted revenues of USD 1 billion and 78% of available trading days covered for 2024. This provides us with significant earnings visibility and reinforces our confidence in the year ahead.

Emphasizing Sustainability Initiatives
At MPCC, we recognize the importance of integrating Environmental, Social, and Governance (ESG) considerations into our strategic objectives. Our commitment to sustainability and responsible business practices is unwavering, and we are proud to highlight several key ESG efforts from the past year.

As part of our fleet renewal program, we have also implemented an extensive retrofit investment program aimed at enhancing the efficiency of our existing fleet. Several of these retrofits are being undertaken in partnership with charter customers, which exemplifies our dedication to collaboration and innovation. Under these agreements, we will share the costs of retrofit investments and extend of the vessels' time-charter contracts. These collaborative efforts have contributed to reducing our open charter positions and increasing contract coverage for 2025 and beyond.

Lastly, we recently partnered with Unifeeder in a joint investment for the construction of a 1,300 TEU dual-fuel methanol newbuilding. Scheduled for delivery in late 2026, this vessel will be under a 7-year time-charter agreement with Unifeeder post-delivery, significantly mitigating residual value risks.

This most recent initiative, together with our two 1,300 TEU dual-fuel methanol vessels and two 5,500 TEU eco-design newbuildings, all being delivered in 2024, underscores our dedication to protecting long-term shareholder value while reducing carbon emissions.

Our newbuilding and retrofit investment program in 2023 and 2024 totals approximately USD 400 million, reflecting our strong commitment to improving the efficiency of our fleet in collaboration with our partners, enhancing competitiveness, and contributing to decreased GHG emissions.

Our ESG efforts are pivotal to our future trajectory and consistent with our most recent greenhouse gas (GHG) emissions intensity reduction targets, with which we are aiming to reduce our well-to-wake emissions intensity by 35.5% by 2030 from a 2022 baseline and to net-zero by 2050. These ambitious targets are aligned with the International Maritime Organization's industry carbon intensity targets and underscore the importance of remaining persistent in our fleet renewal strategy, while positioning MPCC as a strong industry partner to our customers and enhancing the long-term competitiveness of our fleet.

Looking Ahead
Looking ahead, we remain optimistic about the medium-term outlook for container markets, especially for intra-regional trades. With industry-low leverage and a robust charter backlog, MPCC is well-positioned to selectively capitalize on emerging opportunities and create value for our shareholders.

In closing, I want to express my gratitude to our shareholders, customers, and partners for their continued support and trust in MPCC. I also want to proudly pay homage to the approximately 1,400 seafarers aboard our ships who make our operations possible. As we embark on the journey ahead, we are committed to deliver on our strategic direction while remaining committed to our core purpose to pursue conscious change in the container shipping industry.

Sincerely,

Constantin Baack
Chief Executive Officer
MPC Container Ships ASA

FINANCIAL REVIEW

Financial Performance

The Group's vessels are chartered out on time charter contracts to global and regional liner shipping companies. Operating revenues for the fourth quarter were USD 152.8 million (Q3 2023: USD 184.0 million), compared with USD 162.1 million for the same quarter in 2022. Gross profit from vessel operations was USD 105.2 million (Q3 2023: USD 144.7 million), compared with USD 132.4 million in the same quarter of 2022. The adjusted and non-adjusted average TCE per trading day for the fourth quarter of 2023, was USD 27,405 (Q3 2023 adjusted: USD 27,531) as compared to USD 31,279 in the corresponding quarter in 2022. In the fourth quarter of 2023, the Group completed the sale of six wholly-owned vessels that were previously classified as "Vessels held for sale". The Group recorded USD 6.5 million loss from disposal of other fixed assets due to CAPEX write-off. In the fourth quarter of 2023, the Group further recorded an impairment charge of USD 34.9 million (Q3: USD 26.0 million including held for sale loss) for fifteen of its wholly-owned vessels. The impairment was recorded to reduce the carrying amount of containerships to its recoverable amount, which was based on the higher of the estimated fair value less cost of sale or its estimated value in use See Note 7- Vessels for further details.

The Group reported a profit for the period of USD 35.7 million as compared to USD 103.6 million for the same quarter in 2022. Adjusted profit for the fourth quarter of 2023 was USD 78.5 million (Q3 2023: 81.6 million), compared to USD 91.0 million for the fourth quarter of 2022. For more details, see section Alternative Performance Measures section of this report.

Financial Position

The Group's total assets amounted to USD 954.7 million as at December 31, 2023 compared to USD 956.3 million as at December 31, 2022. Total non-current assets of USD 773.3 million as at December 31, 2023 (USD 799.8 million as at December 31, 2022) reflected the carrying amounts of the vessels operated by the Group, and newbuildings. The increase in the carrying amounts of vessels is primarily due to the purchase of seven wholly-owned vessels (AS Claudia, AS Nina, AS Anne, AS Simone, AS Stine, AS Silje, and AS Sabine) during the first nine months of 2023, and CAPEX and other vessel upgrades. This is offset by regular depreciation of the remaining on-going fleet, delivery of six wholly-owned vessels and three vessels that remained held for sale from the third quarter of 2023. The Group also recorded an impairment loss of various vessels in the fourth quarter of 2023 due to certain vessels' carry values being not recoverable. See further in Note 7 - Vessels. In 2023, the Group recognized USD 46.2 million additions for its newbuilding program. See further in Note 8 - Newbuildings. The decrease in the investments in associate and joint venture in 2023 is mainly due to the result of USD 22.6 million in the Group's share of profit from the joint venture offset by dividends received of USD 41.0 million. In 2022, the Group signed an agreement with INERATEC for the supply of synthetic Marine Diesel Oil (MDO) made from biogenic CO_2 and renewable hydrogen, with delivery set to start in 2024. As at December 31, 2023, the group recorded its initial investment at a cost of USD 1.2 million. See further in Note 6 - Investments in associate and joint venture.

Total equity was USD 753.5 million as at December, 2023, up from USD 721.4 million as at December 31, 2022, and included a non-controlling interest of USD 3.8 million (USD 2.6 million as at December 31, 2022). The change in equity was mainly due to profit for the full year of 2023 of USD 325.1 million, offset by the dividend payments of USD 293.1 million for the full year of 2023, of which USD 150.9 million was paid from the Group's share premium.

As at December 31, 2023, the Group had total interest-bearing debt of USD 126.5 million (USD 153.6 million as at December 31, 2022). See further in Note 10 - Non-current and current interest-bearing debt.

Cash Flows

In the fourth quarter of 2023, the Group generated a positive cash flow from operating activities of USD 96.8 million, down from USD 125.4 million for the corresponding period in 2022 due to lower charter rate of the vessels employed. In the fourth quarter 2023, the Group received progress billing of USD 11.1 million for the newbuilding program and subsequently paid the amount in January 2024. Cash flow from investing activities was positive at USD 37.3 million (Q4 2022: negative USD 17.1 million), mainly due net cash proceeds of USD 55.6 million received from the sale of six wholly-owned vessels that were previously classified as "Vessels held for sale". This is further offset by dry dockings and vessel upgrades of USD 12.6 million, and total installments and other newbuilding cost of USD 8.0 million that was paid for our newbuilding program. Cash flow from financing activities in the fourth quarter of 2023 was negative USD 113.3 million (Q4 2022: negative USD 107.6 million). In the fourth quarter, the Group paid dividends of USD 62.1 million and repaid USD 62.8 million of its outstanding loan of which the Group repaid in full of the remaining outstanding loan facilities of USD 55.0 million with both HCOB and CIT respectively. This was then offset by the proceeds of USD 8.0 million from the sale and leaseback transaction with BoComm Leasing and USD 8.7 million loan drawdown from Crédit Agricole.

Cash and cash equivalents as at December 31, 2023 amounted to USD 122.6 million including restricted cash compared with USD 125.5 million as at December 31, 2022. Total restricted cash as at December 31, 2023 was 5.0 million, compared with USD 30.9 million as at December 31, 2022.

The Fleet

As at December 31, 2023, the Group's fleet consisted of 59 vessels, with an aggregate capacity of approximately 126,943 TEU.

+ 56 operating vessels owned by the Group
+ Three owned vessels were held for sale (AS Petra, AS Paulina, AS Pauline)

In October 2023, the Group entered into an agreement to sell its 2004-built vessels, AS Petra and AS Paulina, and its 2006-built AS Pauline to an unrelated party for a total of USD 25.5 million. Consequently, the three vessels were classified as "Vessels held for sale" in the third quarter of 2023. The sale of AS Paulina was finalized in January 2024. See Note 15- Subseqeuent events for further details.

Corporate Update

Pursuant to the Company's stated distribution policy, the Board of Directors has declared a recurring dividend of USD 0.13 per share for the fourth quarter of 2023, corresponding to a total dividend payment of approximately USD 57.7 million, depending on prevailing FX rates. The dividend payment will be made in NOK.

The record date for the recurring dividend will be March 20,2024. The ex-dividend date is expected to be March 19,2024, and the dividend will be paid on or about March 26, 2024.

The Group had 443,700,279 ordinary shares outstanding as at December 31, 2023. The weighted average number of shares outstanding for the purpose of calculating basic and diluted earnings per share for the fourth quarter of 2023 was 443,700,279.

Newbuilding Program

As at December 31, 2023, the Group's newbuilding program consisted of four vessels, of which two 5,500 TEU eco-design vessels are expected to be delivered in the second and third quarter of 2024. The other two vessels are 1,300 TEU container vessels equipped with dual-fuel engines that are able to operate on green methanol. They are expected to be delivered in late 2024. See Note 8- Newbuildings for further details.

As at December 31, 2023, total additions to Group's newbuilding program was of USD 79.0 million of which USD 77.2 million was related to yard installments. Remaining commitments amounted to USD 156.1 million which are due in 2024. In January 2024, the Group repaid USD 11.1 million of the yard progress billing that were recorded in December 2023.

In January 2024, the Group partnered with Unifeeder A/S (Unifeeder) in a joint investment for the construction of a 1,250 TEU container vessel at Chinese-based shipyard Wenchong shipbuilding. The vessel is equipped with a dual-fuel engines that are able to operate on green methanol. The contract price is USD 39.0 million and the equity will be contributed 50% by the Group and the remaining half by Unifeeder. The newbuilding shall be scheduled for delivery in late 2026, and will be under a 7-year time-charter agreement with Unifeeder post-delivery.

Financing Update

As at December 31, 2023, the Group's total interest-bearing debt outstanding amounted to USD 126.5 million. In October 2023, the Group delivered the last vessel relating to Bank of Communications Financial Leasing Co, Ltd (BoComm Leasing) and received gross proceed of USD 8.0 million. In November 2023, the Group fully paid down and cancelled its USD 180.0 million loan facility with Hamburg Commercial Bank (HCOB). In December 2023, the Group entered into a senior secured reducing credit facility of up to USD 100.0 million with HCOB. The facility remains undrawn and replaces the former CIT Group (CIT) and the USD 180.0 million loan facility with HCOB. See further details in Note 10- Non-current and current interest-bearing debt.

In January 2024, the Group drew down USD 7.2 million from its Crédit Agricole Corporate and Investment Bank ("Crédit Agricole") pre-delivery term loan facility to pay a progress billing for one of its 5,500 TEU eco-design newbuilding.

CONTAINER MARKET UPDATE

Red Sea crisis impacting international shipping, but soft landing of the global economy a likely scenario

The turn of the year was marked by severe geopolitical risks arising from the escalation of the Middle East conflict in Israel which has also emerged as a direct threat to shipping since mid-December last year. Downside risks to the macroeconomy arising from such geopolitical shocks include new, sharply rising commodity prices and supply chain disruptions leading to inflationary pressure. The Red Sea, connected via with the Gulf of Aden the Bab al-Mandab Strait, is currently facing various missile and drone attacks from Iranian backed Yemeni Houthis. The first attack was recorded in November on a car carrier with Israeli roots, followed by a series of arbitrary attacks in the following weeks. Over the past few months, the Yemeni Houthis have targeted a few dozen merchant ships with drones and missiles. With the launch of Operation Prosperity Guardian, a US-led multinational coalition, a military presence was established in the region in response to the Houthi-led attacks on international shipping. At the time of writing, however, the Red Sea crisis remains far from under control. To avoid being attacked, liner companies have decided to discontinue their services through the Suez Canal and instead bypass the Cape of Good Hope, resulting in additional mileage and prolonged transit times.

The macroeconomic environment continues to be characterized by high interest rates. At its latest meeting in January, the European Central Bank (ECB) decided to keep interest rates constant and has not yet given any indication that it intends to discuss interest rate cuts. Euro zone inflation rose slightly to 2.9% in December from 2.4% in the previous month. However, the pressure on the ECB is increasing as the eurozone only narrowly avoided a technical recession in the last quarter. The latest official figures published by Eurostat show stagnation with zero GDP growth. [1]

A similar picture emerged from the latest Federal Open Market Committee (FOMC) meeting at the end of January, in which the Federal Reserve (Fed) decided to maintain its federal funds rate at 5.25% – 5.5%. The FOMC announced that hasty rate cuts would be inappropriate, if inflation is not sustainably moving towards the 2% target.[2] The core personal consumption expenditures (PCE) price index, which is an important inflation indicator for the Fed, increased to 2.9% in December from 2.7% in November. However, the annual core inflation rate fell in December compared to the previous year's figure of 3.2%. The core PCE excludes volatile food and energy prices. Headline inflation also increased by 0.2% in December compared to the previous month and held steady at 2.6% annually.[3]

As expected, China's GDP growth is estimated to be just 5.2% in 2023, which is below the long-term average of 7% over the last 15 years, raising a need for economic stimulus.[4] Deflationary pressures are still weighing on the economy, with consumer price inflation (CPI) falling dramatically in 2023. In December, the CPI fell by 0.3% year-on-year, which is well below the monetary policy inflation rate target of around 3%.[5] The latest development in China's real estate crisis is the liquidation of the indebted Chinese property giant Evergrande, which was ordered by a Hong Kong court.[6]

The short- and medium-term global economic outlook indicates that a soft landing is a likely scenario, due to disinflation and steady growth. Growth prospects for individual economies, including the United States, are more optimistic than originally assumed. According to the latest World Economic Outlook (WEO) from the International Monetary fund, published in January 2024, global GDP growth is expected to be 3.1% in 2024 and 3.2% in 2025. This represents a 0.2 percentage point increase in 2024 compared to the last forecast from October 2023, driven by greater-than-expected resilience in the US and several large emerging market and developing economies, as well as fiscal support in China. Nevertheless, the global growth outlook is below the historical average of 3.8% from 2000 to 2019.[7]

Charting the year's end: surging freight rates amidst global turbulence

Geopolitical tensions in the Red Sea are threatening shipping operations and forcing carriers to divert ships around the Cape of Good Hope, leading to a massive increase in freight rates. Carriers have responded by introducing additional surcharges, including peak season, war risk and emergency contingency surcharges, on top of doubled base rates. Between the end of November and mid-December, shipments from Asia to Northern Europe increased by 21%, while those to the Mediterranean rose by 62%.[8] However, industry consensus is that freight rates have hit a ceiling at the current exaggerated levels.

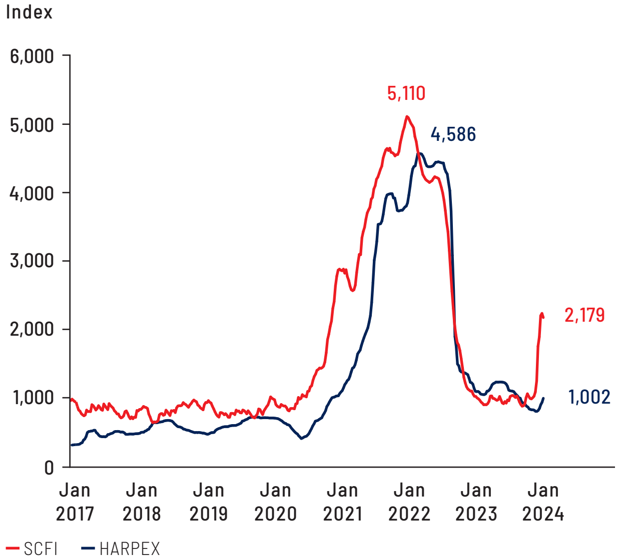
1 Eurostat, January 2024.

2 Federal Reserve, January 2024.
3 U.S. Bureau of Economic Analysis (BEA), January 2024.
4 International Momentary Fund (IMF), World Economic Outlook (WEO), January 2024.
5 National Bureau of Statistics (NBS) of China, January 2024.
6 Reuters, January 2024.
7 International Monetary Fund (World Economic Outlook), January 2024.
8 Freightos FBX, December 2023.

The impact of the Red Sea crisis is also reflected in bunker demand, especially due to the rerouting of vessels around the Cape of Good Hope. A greater need for bunkers can be seen in West African ports, resulting in 2% higher demand globally. Bunker prices fluctuated, while oil prices rose towards the end of the year following Angola's decision to leave the OPEC.

On the other side of the world, the situation in the Panama Canal remained challenging, with new surcharges to be imposed and elevated freight levels.

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



Time-charter market: a resilient rebound in the fourth quarter

Throughout October and November, the charter market displayed minimal movement, with subdued demand, especially in the smaller size segments. The HARPEX index declined to 833 points at the end of November. However, while rates for classic Panamax units and above remained stable due to limited tonnage availability, vessels below 2,000 TEU faced intensified pressure, due to diminishing rate levels amidst insufficient demand. In previous years, fewer deals have been concluded in December in most segments as the holiday season approached. However, December 2023 saw unusually high activity, as the Red Sea conflict and subsequent rerouting efforts prompted many carriers to take on more tonnage to compensate for longer voyages around the Cape of Good Hope. The HARPEX index kept declining towards the end of the year and stood at 823 points on December 29, 2023.[9]

Demand is currently increasing in the larger segments due to the need for additional tonnage as a result of the Red Sea bypass. In the feeder sizes, a two-tier market is emerging in which vessels willing and able to transit the Red Sea can achieve rate premiums. The Mediterranean and Middle East markets are busier than usual, and several liner companies are actively looking for charter tonnage Furthermore, demand for tonnage is expected to increase after Chinese New Year, particularly in the Far East.

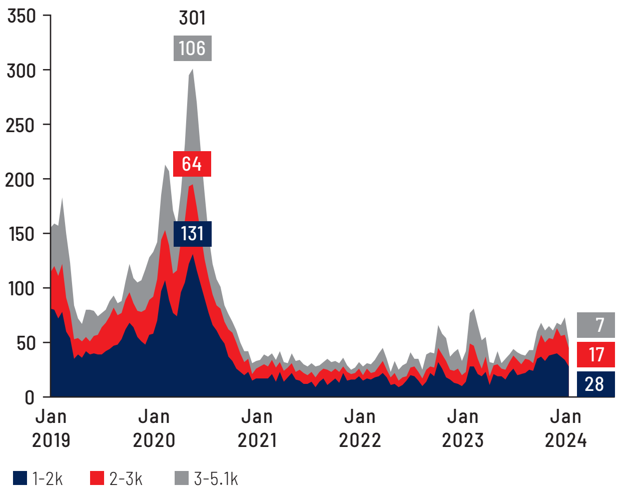
Sale and purchase (S&P) activity decreased from a record volume of 498 deals in 2021 to 226 deals in 2022 and 244 deals in 2023. In the last quarter of 2023, 31 transactions were carried out (down 42% compared to the previous quarter). Despite the continued upward trajectory in newbuild prices, we observed some new orders during the fourth quarter of 2023. Shipyards remain largely fully booked until 2026, and newly placed orders are not expected to be delivered before 2027.[10]

[9] Harper Petersen, January 2024.
[10] Clarksons Research, Shipping Intelligence Network, January 2024.

Following a peak 4.7% vessel inactivity in October, the proportion of inactive vessels steadily decreased. The Red Sea situation played a role in boosting rates, while Suez diversions heightened demand for additional trading capacity. Inactivity at the end of December fell to 3%, while the idling fleet shrank to 1% (1.6% at the beginning of November). Driven by the rush to transport cargo from the Far East ahead of Chinese New Year, the share of the idle fleet fell further below the one percent mark to 0.9%.[11]

Fig. 2: Total idle fleet as of statistic

No. of vessels



Orderbook in the larger segments will contribute most to overall fleet growth compared to smaller segments

The orderbook spree was driven by the market boom in 2021 and 2022. Newbuild contracting reached a historical high of 4.5m TEU in 2021 and 2.8m TEU in 2022 but slowed down to 1.6m TEU in 2023. Over the course of the past year, the orderbook-to-fleet ratio fell from 29% to currently 25%, which is the lowest level since the end of 2021.

Ordering was mainly biased towards larger size segments. Whereas the orderbook-to-fleet ratio for vessels between 12,000 – 17,000 TEU is 60%, the ratio for feeder vessels between 1,000 – 3,000 TEU is only 10%. The classic Panamax segment between 3,000 – 6,000 TEU in particular has the lowest ratio at 9%. When combining the orderbook-to-fleet ratios of certain segments with the percentage share of vessels older than 20 years, it becomes obvious that the smaller size segments not only have the smallest orderbook ratios, but also the highest share of vessels older than 20 years. Hence, fleet growth is expected to be weighted toward the larger fleet segments where demolition prospects are likely to be more limited compared to the smaller and older fleet segments.

Total deliveries in 2023 amounted to 2.2m TEU, which represents a significant increase compared to previous years, when only around 1m TEU per year were delivered by the shipyards. Total demolitions in 2023 have recovered from the almost non-existent demolition market in 2021 and 2022. A total amount of 156k TEU was sold to recycling yards in 2023. In the last quarter of 2023, 590k TEU of newbuild deliveries were added to the fleet. In contrast, demolitions in the last quarter of 2023 will only amount to 43k TEU. The development of the situation in the Red Sea will have a decisive impact on the total 2024 demolition turnout.

[11] Alphaliner, December 2023.

The trend towards dual-fuel orders was most pronounced over the course of 2023, particularly for methanol as an alternative fuel. At the beginning of 2023, only 49 dual-fuel methanol vessels had been ordered. Currently, this figure stands at around 140 orders – an impressive increase of 186%.12

Fig. 3a: Orderbook Development

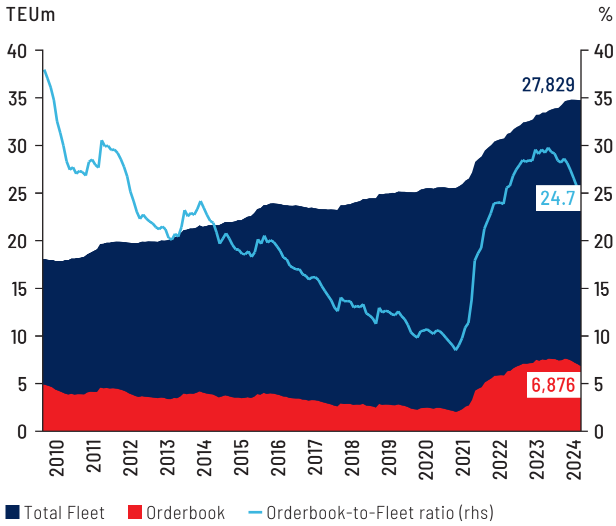
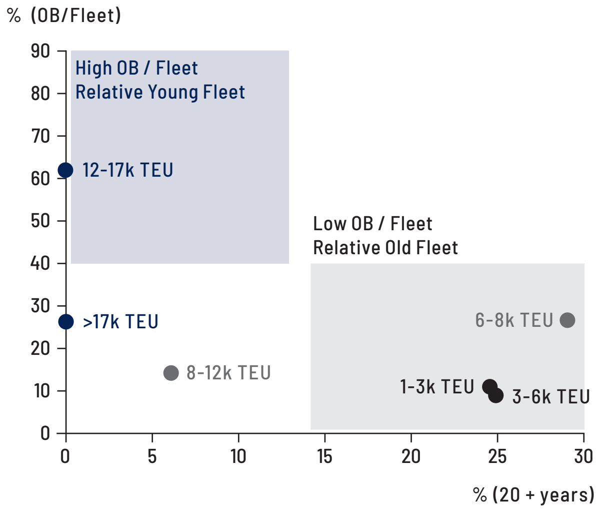


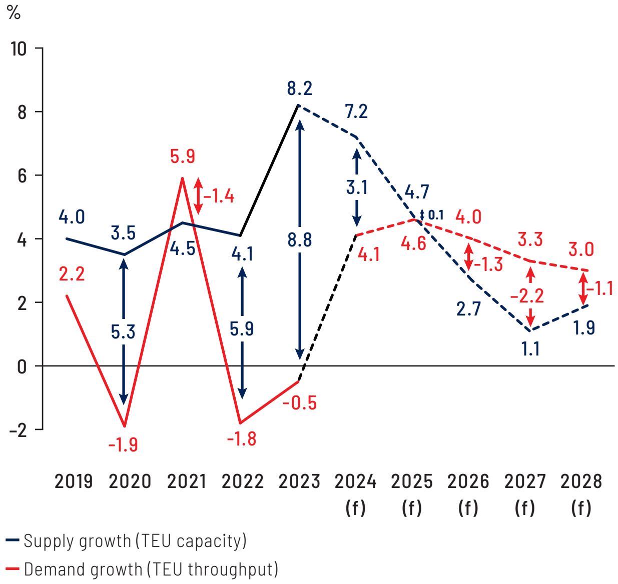
Fig. 3b: Orderbook Across Size Segments Compared to Fleet Age



Houthi attacks could upset market fundamentals

When combining net fleet growth projections with the growth prospects for container trade, it becomes obvious that the significant orderbook, as well as subdued demolitions and record deliveries, could lead to an oversupply in the market. Although total demand growth is expected to recover from 2024 onwards, it will most likely be offset by relatively strong fleet growth. Hence, the supply/demand gap could be relatively substantial this year. A wildcard in this context is the continuing Houthi attacks on merchant shipping. So far in 2024, the effects of the market disruptions caused by these attacks are already quite evident and should merchant vessels be forced to divert around the Cape of Good Hope for a prolonged period in 2024, the market fundamentals could prove to be more balanced than initially expected.

Fig. 4: Supply/Demand Balance – Total Market



In summary, from 2024 to 2028, net fleet growth, after accounting for orderbook cancellations, slippage, deliveries, and demolitions, will be most pronounced in the size segments above 7,600 TEU while it is expected to be quite subdued or even negative for smaller size segments. Wildcard factors, which also influence the dynamics of supply and demand, are not yet taken into account in the figures shown in Figure 4.[13]

12 Clarksons Research, Shipping Intelligence Network, January 2024.

13 Maritime Strategies International, Horizon, January 2024.

Forward-looking statements

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

Oslo, February 26, 2024

The Board of Directors and CEO
of MPC Container Ships ASA

Ulf Holländer (Chairman)

Dr. Axel Schroeder

PME

Pia Meling

Peter Frederiksen

Peter Frederiksen

Ellen Hanetho

Ellen Hanetho

Constantin Baack (CEO)

CONSOLIDATED FINANCIAL STATEMENTS

Condensed consolidated statement of profit or loss

in USD thousands	Notes	Q4 2023 (unaudited)	Q4 2022 (unaudited)	FY 2023 (unaudited)	FY 2022 (audited)
Operating revenues	5	152,830	162,059	711,282	616,768
Commissions		(4,364)	(4,819)	(20,000)	(17,127)
Vessel voyage expenditures		(1,303)	(3,648)	(9,898)	(13,765)
Vessel operation expenditures		(39,380)	(36,799)	(153,390)	(139,988)
Ship management fees		(2,635)	(2,248)	(9,999)	(9,023)
Share of profit or loss from joint venture	6	4	17,895	22,637	51,761
Gross profit		**105,152**	**132,440**	**540,632**	**488,626**
Administrative expenses		(3,753)	(4,368)	(14,805)	(13,862)
Other expenses		(7,595)	(1,417)	(9,338)	(3,344)
Other income		1,013	305	3,089	1,788
Gain (loss) from sale of vessels		(1,208)	-	(1,208)	49,042
Depreciation	7	(19,963)	(20,090)	(102,706)	(75,392)
Impairment		(34,926)	-	(79,378)	-
Operating profit		**38,720**	**106,870**	**336,286**	**446,858**
Finance income		3,365	993	7,841	3,742
Finance costs	10	(5,906)	(3,566)	(18,373)	(14,480)
Profit (loss) before income tax		**36,179**	**104,297**	**325,754**	**436,120**
Income tax expenses		(451)	(672)	(638)	(1,071)
Profit (loss) for the period		**35,728**	**103,625**	**325,116**	**435,049**
Attributable to:					
Equity holders of the Company		35,706	103,642	324,961	434,834
Minority interest		22	24	155	215
Basic earnings per share – in USD	14	**0.08**	**0.23**	**0.73**	**0.98**
Diluted earnings per share – in USD	14	**0.08**	**0.23**	**0.73**	**0.98**

Consolidated statement of comprehensive income

in USD thousands	Notes	Q4 2023 (unaudited)	Q4 2022 (unaudited)	FY 2023 (unaudited)	FY 2022 (audited)
Profit (loss) for the period		35,728	103,625	325,116	435,047
Items which may subsequently be transferred to profit or loss		**(2,088)**	**405**	**(1,368)**	**634**
Foreign currency effects, net of taxes			(215)		-
Change in hedging reserves, net of taxes	12	(2,088)	620	(1,368)	634
Items which will not subsequently be transferred to profit or loss		**-**	**-**	**-**	**-**
Other comprehensive profit (loss), net of taxes		-	-	-	-
Other comprehensive profit(loss) from joint ventures and affiliates		-	-	-	-
Total comprehensive profit (loss)		**33,640**	**104,030**	**323,748**	**435,681**
Attributable to:					
Equity holders of the Company		33,618	104,006	323,593	435,466
Non-controlling interest		22	24	155	215

Consolidated statement of financial position

in USD thousands	Notes	December 31, 2023 (unaudited)	December 31, 2022 (audited)
ASSETS			
Non-current assets			
Vessels	7	691,291	745,873
Newbuildings	8	78,980	32,770
Right-of-use asset		84	266
Investments in associate and joint venture	6	2,934	20,893
Total non-current assets		**773,289**	**799,802**
Current assets			
Vessels held for sale	7	25,165	-
Inventories		8,088	6,340
Trade and other receivables		23,667	22,922
Financial instruments at fair value	12	1,951	1,740
Restricted cash	9	5,005	30,914
Cash and cash equivalents	9	117,579	94,603
Total current assets		**181,455**	**156,519**
Total assets		**954,744**	**956,321**
EQUITY AND LIABILITIES			
Equity			
Share capital	13	48,589	48,589
Share premium		1,879	152,737
Retained earnings		700,021	517,045
Other reserves		(843)	525
Non-controlling interest		3,835	2,551
Total equity		**753,481**	**721,447**
Non-current liabilities			
Non-current Interest-bearing debt	10	92,951	74,462
Lease liabilities - long-term		-	114
Acquired TC contracts, non-current		-	1,480
Deferred tax liabilities		748	803
Total non-current liabilities		**93,699**	**76,859**
Current liabilities			
Current interest-bearing debt	10	33,564	79,112
Trade and other payables		20,397	17,282
Related party payables		1,062	-
Income tax payable		289	378
Deferred revenues		35,230	40,133
Other liabilities		17,022	21,111
Total current liabilities		**107,564**	**158,015**
Total equity and liabilities		**954,744**	**956,321**

Consolidated statement of changes in equity

in USD thousands	Share capital (unaudited)	Share premium (unaudited)	Treasury shares (unaudited)	Retained earnings (unaudited)	Other reserves (unaudited)	Total equity attributable to the equity holders of the Company (unaudited)	Non-controlling interest (unaudited)	Total equity (unaudited)
Equity as at January 1, 2023	48,589	152,737	-	517,045	525	718,895	2,551	721,447
Result of the period	-	-	-	324,961	-	324,961	155	325,116
Other comprehensive income	-	-	-	-	(1,368)	(1,368)	-	(1,368)
Total comprehensive income	**-**	**-**	**-**	**324,961**	**(1,368)**	**323,593**	**155**	**323,748**
Contributions of equity, net of transaction costs	-	-	-	-	-	-	-	-
Dividends provided for or paid	-	(150,858)	-	(141,984)	-	(292,842)	(292)	(293,134)
Addition from non-controlling interest	-	-	-	-	-	-	1,421	1,421
Equity as at December 31, 2023	**48,589**	**1,879**	**-**	**700,021**	**(843)**	**749,646**	**3,835**	**753,481**
Equity as at January 1, 2022	48,630	597,080	(1,143)	82,212	(109)	726,670	919	727,589
Result of the period	-	-	-	434,833	-	434,833	215	435,047
Other comprehensive income	-	-	-	-	634	634	-	634
Total comprehensive income	**-**	**-**	**-**	**434,833**	**634**	**435,467**	**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 (audited)	**48,589**	**152,737**	**-**	**517,045**	**525**	**718,895**	**2,551**	**721,447**

Consolidated statement of cash flows

in USD thousands	Q4 2023 (unaudited)	Q4 2022 (unaudited)	FY 2023 (unaudited)	FY 2022 (audited)
Profit (loss) before income tax	36,179	104,299	325,754	436,118
Income tax expenses paid	(280)	-	(783)	-
Net change inventory and trade and other receivables	1,218	11,252	(1,171)	6,655
Net change in trade and other payables and other liabilities	(388)	(18,564)	(9,710)	1,398
Net change in deferred revenues	(4,971)	24,987	(4,903)	24,987
Depreciation	19,963	20,090	102,706	75,392
Finance costs (net)	2,540	2,626	10,532	10,791
Share of profit (loss) from joint venture	(5)	(17,896)	(22,637)	(51,761)
Impairment	34,927		79,378	-
(Gain) / loss from sale or disposal of vessels and fixed assets	8,185	(312)	8,185	(49,042)
Amortization of TC contracts	(569)	(1,071)	(2,717)	(18,083)
Cash flow from operating activities	**96,799**	**125,411**	**484,634**	**436,455**
Proceeds from disposal of vessels	55,653	-	55,653	83,916
Scrubbers, dry-dockings and other vessel upgrades	(12,561)	(19,023)	(48,254)	(66,301)
Newbuildings	(8,025)	(14,440)	(35,100)	
Acquisition of vessels	-	-	(169,376)	(32,770)
Interest received	1,768	-	3,938	-
Other financial income	484	-	484	-
Investment in derivatives	-	-	-	-
Dividend received from joint venture investment	-	16,400	41,000	60,350
Investment in associate	-	-	(404)	(826)
Cash flow from investing activities	**37,319**	**(17,063)**	**(152,059)**	**44,369**
Dividends paid	(62,118)	(84,289)	(293,134)	(441,022)
Addition of non-controlling interest	880	-	1,421	1,417
Proceeds from debt financing	16,710	-	142,013	
Repayment of long-term debt	(62,753)	(20,000)	(167,397)	(80,000)
Payment of principal of leases	(38)	(44)	(186)	(118)
Repayment of warrants	-	-	-	(3,554)
Repurchase of warrants	-	-	-	(2,219)
Interest paid	(4,478)	(2,295)	(13,661)	(8,716)
Debt issuance costs	(1,589)	-	(3,594)	
Other finance paid	-	(1,544)	-	(2,030)
Cash from / (to) financial derivatives	47	607	(970)	607
Cash flow from financing activities	**(113,339)**	**(107,565)**	**(335,508)**	**(535,635)**
Net change in cash and cash equivalents	20,779	783	(2,933)	(54,812)
Restricted cash. cash and cash equivalents at the beginning of the period	101,805	124,734	125,517	180,329
Restricted cash, cash and cash equivalents at the end of the period	**122,584**	**125,517**	**122,584**	**125,517**

NOTES

Note 1 – General information

MPC Container Ships ASA (the "Company") is a public limited liability company (Norwegian: allmennaksjeselskap) incorporated and domiciled in Norway, with its registered address at Ruseløkkveien 34, 0251 Oslo, Norway, and Norwegian registered enterprise number 918 494 316. The Company was incorporated on January 9, 2017 and commenced operations in April 2017 when the first vessels were acquired. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The principal activity of the Group is to invest in and to operate maritime assets in the container shipping segment.

The shares of the Company are listed on the Oslo Stock Exchange under the ticker "MPCC."

Note 2 – Basis of preparation

The unaudited interim financial statements for the period ended December 31, 2023, have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The statements have not been subjected to audit. The statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at December 31, 2022. The consolidated financial statements are presented in USD thousands unless otherwise stated.

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

Note 3 – Significant accounting policies

The accounting policies adopted in preparing the condensed consolidated interim financial reporting are consistent with those applied in the preparation of the Group's consolidated financial statements for the period ended December 31, 2022. No new standards were effective as at January 1, 2023 with a significant impact on the Group.

Note 4 – Segment information

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

Note 5 – Operating revenues

in USD thousands	Q4 2023 (unaudited)	Q4 2022 (unaudited)	FY 2023 (unaudited)	FY 2022 (audited)
Time charter revenues	151,466	158,867	700,710	587,868
Pool charter revenues				1,512
Amortization of time charter contracts	568	1,071	2,716	18,083
Other revenues	795	2,121	7,855	9,304
Total operating revenues	**152,830**	**162,059**	**711,282**	**616,768**

The Group's time charter contracts are divided into a lease element and a service element. The lease element of the vessel represents the use of the vessel without any associated performance obligations and is accounted for in accordance with the lease standard IFRS 16. Revenues from time charter services (service element) and other revenue (e. g., bunkers and other services) are accounted for in accordance with IFRS 15. The Group's performance obligation is to provide time charter services to its charterers. When a time charter contract is linked to an index, we recognize revenue for the applicable period based on the actual index for that period. In the first twelve months of 2023, one vessel was index-linked (YTD 2022: nil) and four vessels were on a variable rate time charter.

in USD thousands	Q4 2023 (unaudited)	Q4 2022 (unaudited)	FY 2023 (unaudited)	FY 2022 (audited)
Service element	39,504	36,289	152,897	134,936
Other revenues	795	2,121	7,855	9,304
Total revenues from customer contracts	**40,299**	**38,409**	**160,752**	**144,240**
Lease element	111,963	122,579	547,813	454,444
Amortization of time charter contracts	568	1,071	2,716	18,083
Total operating revenues	**152,830**	**162,059**	**711,282**	**616,768**

In December 2022, the Group entered into a commercial agreement for the option for early redelivery of AS Carlotta from its charter contracts as part of the Group's continuous efforts to optimize its portfolio. The option exercised for early redelivery of AS Carlotta was completed in January 2023. Consequently, the Group recognized USD 25.2 million as operating revenues for the early redelivery of AS Carlotta in the first quarter of 2023.

In May 2023, the Group entered into a commercial agreement for the early redelivery of AS Nadia from its charter contracts. The vessel was subsequently redelivered on June 19, 2023. As a result of the Early Redelivery, the Group received a compensation of USD 32.4 million as operating revenues in the second quarter of 2023.

In July 2023, the Group entered into a commercial agreement for the early redelivery of AS Anne from its charter contracts. The vessel was subsequently redelivered on July 13, 2023. As a result of the Early Redelivery, the Group received a compensation of USD 22.0 million as operating revenues in the third quarter of 2023.

Other revenue relates to reimbursements of bunkers and other services, including amortization of the acquired value of time charter contracts. In the fourth quarter of 2023, amortization of acquired time charter contracts amounted to USD 0.6 million compared to USD1.1 million in Q4 2022. In 2023, the amortization of acquired time charter contracts amounted to USD 2.7 million (YTD 2022: USD 18.1 million).

Note 6 – Investments in associate and joint venture

in USD thousands	December 31, 2023 (unaudited)	December 31, 2022 (audited)
Investment in joint venture	1,703	20,067
investment in associate	1,231	827
Total	**2,934**	**20,893**

Investment in joint venture:

The Group has a 50% interest in 2. Bluewater Holding Schifffahrtsgesellschaft GmbH Co. KG (Bluewater), Hamburg (Germany), a company that have owned container vessels through respective wholly-owned subsidiaries. As at December 31, 2023, Bluewater has sold all its container vessels. The interest in Bluewater is accounted for using the equity method. The carrying amount of the investment as at December 31, 2023 was USD 1.7 million, compared to USD 20.1 as at December 31, 2022. The net movement of USD 18.4 million is due to received dividends of USD 41.0 million and the Group's share of profit of USD 22.6 million.

in USD thousands	December 31, 2023 (unaudited)	December 31, 2022 (audited)
Non-current assets	-	28,323
Cash and cash equivalents	2,148	13,211
Other current assets	1,450	1,328
Non-current liabilities	-	-
Current liabilities	(192)	2,728
Equity	**3,405**	**40,134**
Group's carrying amount of the investment	**1,703**	**20,067**

in USD thousands	Q4 2023 (unaudited)	Q4 2022 (unaudited)	FY 2023 (unaudited)	FY 2022 (audited)
Operating revenue	16	37,178	14,752	82,328
Operating costs	(92)	(5,200)	(8,416)	(18,812)
Other income	58	4,735	278	43,522
Gain (loss) from sale of vessels	24	-	39,535	-
Depreciation	(1)	(760)	(959)	(3,187)
Net financial income / expense	18	(157)	112	(307)
Income tax	(14)	(5)	(28)	(22)
Profit after tax for the period	**8**	**35,791**	**45,275**	**103,522**
Total comprehensive income for the period	**8**	**35,791**	**45,275**	**103,522**
Group's share of profit for the period	**4**	**17,896**	**22,637**	**51,761**
Dividends received	**0**	**16,400**	**41,000**	**60,350**

In December 2022, Bluewater, entered into an MOA to sell its 2006-built AS Cleopatra for an agreed sale price of USD 20.9 million to an unrelated party. The vessel was delivered to its new owner in January 2023, resulting in a gain of USD 10.9 million in the joint venture.

In January 2023, Bluewater, 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. The vessel was delivered to its new owner in March 2023, resulting in a gain of USD 2.1 million in the joint venture.

In July 2023, the Group agreed to sell its 2002-built and 2003-built joint-venture vessels Cimbra and Cardonia for USD 22.0 million and USD 20.5 million to unrelated parties. The joint venture vessel, Cardonia was subsequently delivered to its new owner in July 2023, and Cimbria was delivered in August 2023, which resulted in gains of USD 13.3 million (Cardonia) and USD 13.3 million (Cimbria).

Investment in associate:

In 2022, the Group entered into an agreement with INERATEC for the supply of synthetic Marine Diesel Oil (MDO) made from biogenic CO_2 and renewable hydrogen, with delivery set to start in 2024. The Group recorded its initial investment at a cost of USD 0.8 million to acquire 24.5% ownership interest in Siemssen KG which holds an investment in INERATEC. In January 2023, the Group further increased its investment of USD 0.4 million to maintain its ownership position. As at December 31, 2023, the Group's investment in Siemssen KG was USD 1.2 million. The investment is accounted under the equity method.

Note 7 – Vessels

in USD thousands	Vessels	Newbuilds, payment on account	Total property, plant & equipment	Vessels held-for-sale	Total
Cost:					
At January 1, 2022	937,842	-	937,842	20,914	958,756
Acquisitions of vessels	-	-	-	-	-
Capitalized dry-docking, progress payments, expenditures	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 (audited)	**976,170**	**32,770**	**1,008,940**	**-**	**1,008,940**
Acquisitions of vessels	169,376	-	169,376	-	169,376
Capitalized dry-docking, progress payments, expenditures	48,254	46,210	94,464	-	94,485
Disposals of other fixed assets	(8,332)	-	(8,332)	-	(8,273)
Disposal of vessels	(108,208)	-	(108,208)	-	(108,208)
Transfer to vessels held-for-sale	(48,618)		(48,618)	48,618	-
At December 31, 2023 (unaudited)	**1,028,642**	**78,980**	**1,107,622**	**48,618**	**1,156,240**
Accumulated depreciation and impairment:					
At January 1, 2022	(163,479)	-	(163,479)	(4,611)	(168,090)
Depreciation for the year	(75,270)	-	(75,270)	-	(75,270)
Disposal of vessels	8,452	-	8,452	4,611	13,063
Transfers	-	-	-	-	-
At December 31, 2022 (audited)	**(230,297)**	**-**	**(230,297)**	**-**	**(230,297)**
Depreciation for the period	(102,504)	-	(102,504)	-	(102,504)
Impairment / held-for-sale loss	(79,378)	-	(79,378)	-	(79,378)
Disposal of vessels	51,375	-	51,375	-	51,375
Transfers to vessels held-for-sale	23,453		23,453	(23,453)	-
At December 31, 2023 (unaudited)	**(337,351)**	**-**	**(337,351)**	**(23,453)**	**(360,804)**
Net book value:					
At December 31, 2023	691,291	78,980	770,271	25,165	795,436
At December 31, 2022	745,873	32,770	778,643	-	778,643

Acquisitions of vessels

In January 2023, the Group entered into agreements to acquire the 2010-built scrubber-fitted vessel AS Nina and the 2007-built scrubber-fitted vessel AS Claudia for a total consideration of USD 33.7 million. Both vessels come with existing charters attached with renewals in the third quarter of 2023 and the first quarter of 2024, respectively. Both vessels were subsequently delivered to the Group in March 2023.

In June 2023, the Group entered into agreement to acquire a fleet of five modern eco-design vessels from an unrelated party, for a total consideration of USD 135.6 million. The 2016-built vessel, AS Anne (2,190 T EU), includes an existing 36-month time charter agreement with the Pasha Group which was recorded as a separate component of the vessel. The vessel was delivered on June 30, 2023. The total consideration for the vessel including the time charter agreement was USD 41.6 million. The time charter agreement with the Pasha Group was subsequently terminated in July 2023 and the Group received a cash compensation of USD 22.0. The Group depreciated seperately of USD 22.0 million to reflect the cost of contract.

Disposal of vessels

During the second and third quarter of 2023, the Group entered into agreements to sell nine of its wholly-owned vessels. These were transferred to the Vessels held-for-sale line item in the Statement of financial position after posting an impairment adjustment of USD 31.6million on the on the nine vessels. During the fourth quarter, six vessels were sold and a loss on the sale of vessels of 1.2 million was recognized. The additional loss arose because of adjustments of the final sales prices.

Impairment of vessels:

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 rates and declined second-hand containerships values. At December 31, 2023, the impairment indicator was triggered as the market values of our vessels have declined from levels seen in 2021 and 2022. Hence, an impairment test has been performed for the Group's vessels. In accordance with the Group's methodology as set out in the Group's annual financial statements as at December 31, 2022, the key assumptions have been updated, considering the current market and the Group's updated long-term assumptions.

In 2023, the Group recognized an impairment charge of USD 47.8 million on 16 vessels in addition to the 31.6 million impairment charge on vessels held-for-sale as described above.

Note 8 – Newbuildings

As at December 31, 2023, the Group's newbuilding program consisted of four vessels, of which two 5,500 TEU eco-design vessels with a contract price of USD 72.2 million per vessel. The vessels have a 7-year time charter contracts in place with ZIM Integrated Shipping Services (NYSE: ZIM) and are expected to be delivered in the second and third quarter of 2024. The other two vessels are1,300 TEU container vessels equipped with a dual-fuel engines that are able to operate on green methanol. The contract price is USD 39.0 million per vessel and they are expected to be delivered in late 2024. For these vessels, 15-year time charter contracts to North Sea Container Line AS have been secured. As at December 31, 2023, total additions to Group's newbuilding program was of USD 79.0 million of which USD 77.2 million was related to yard progress billing. Remaining commitments amounted to USD 156.1 million are due in 2024.

Note 9 – Cash and cash equivalents and Restricted Cash

As at December 31, 2023, the Group had cash and cash equivalents of USD 117.6 million (USD 94.6 million as at December 31, 2022) and restricted cash balances of USD 5.0 million (USD 30.9 million as at December 31, 2022). The Group's loan agreement contains financial covenants, which require the Group to maintain a certain level of free cash, and a value adjusted equity covenant.

Note 10 – Non-current and current interest-bearing debt

in USD thousands	Currency	Original Facility amount	Interest	Maturity	As at December 31, 2023 (unaudited)	As at December 31, 2022 (audited)
Loan & credit facility	USD	180,000	SOFR + 3.35%	November 2023 / 2026	-	100,000
Senior secured credit facility	USD	70,000	Floating + 3.25%	July 2024		55,000
Term loan facility	USD	50,000	SOFR+ 2.8% – 3.35% [1]	August 2028	49,130	-
Sale-leaseback financing	USD	75,000	SOFR + 2.6%	October 2027	66,963	-
Senior secured term loan facility	USD	8,300	SOFR + 3.50%	February 2027	4,810	-
Term loan and credit facility	USD	15,933	SOFR + 1.5-2.5%	February 2036	8,713	
Secured revolving loan facility	USD	100.0	SOFR+ 2.95%	March 2028	-	-
Other long-term debt incl. accrued interest					256	403
Total outstanding					**129,872**	**155,403**
Debt issuance costs					(3,357)	(1,829)
Total interest bearing debt outstanding					**126,515**	**153,574**
Classified as:						
Non-current					92,951	74,462
Current					33,564	79,112
Total					**126,515**	**153,574**

1 Loan margin is determined by loan to vessel value ratio (LTV)

The Group repaid the remaining balance of USD 55.0 million on a three-year revolving credit facility agreement with the CIT in 2023. (Q3 2023: USD 20 million, Q4 2023: 35.0 million)

In October 2021, the Group entered into an agreement for a USD 180.0 million five-year senior secured credit facility with HCOB. The credit facility consists of a USD 130.0 million term loan and a revolving credit facility of USD 50.0 million. The term loan matured in November 2023 and the revolving credit facility matures in November 2026. The loan balance was fully paid down in 2023.

In February 2023, the Group signed a senior secured term loan facility in an amount up to USD 8.3 million with OVB and it was fully drawn down as at March 31, 2023. The loan facility was used to partially finance the acquisition of the 2007-built AS Claudia. The loan facility carries an interest equivalent to the SOFR plus a margin of 350 basis points and matures in February 2027. The loan is to be repaid quarterly. In the first nine months of 2023, the Group repaid USD 3.5 million, and USD 4.8 million remained outstanding as at December 31, 2023.

In May 2023, the Group entered into a pre-delivery term loan facility in an amount of USD 15.9 million and post-delivery term loan facility in an amount of up to USD 101.5 million with Crédit Agricole together with K-SURE Agent. The loan facilities will be used to finance the two 5,500 TEU eco-design newbuildings. In the fourth quarter of 2023, USD 8.7 million was drawn to pay a progress billing of USD 7.2 million for one if its newbuilding as well as a mandatory insurance premium payment to the lender. As at December 31, 2023 the outstanding balance of USD 8.7 million was classified as current portion of interest-bearing debt and USD 101.5 million would be available once the delivery of both newbuildings is completed.

In July 2023, the Group entered into a 5-year loan facility in an amount of up to USD 50.0 million with HCOB to finance part of the acquisition cost of the five modern eco-design vessels, AS Anne, AS Simone, AS Stine, AS Silje, and AS Sabine. The facility has a tenor of five years, carries an interest rate of Secured Overnight Financing Rate (SOFR) plus a margin of a range from 280 basis points to 335 basis points depending on the Loan to Value (LTV) percentage. USD 50 million was drawn on the facility to pay for vessels acquisition in the thrid quarter of 2023. The Group repaid USD 0.9 million in the fourth quarter of 2023 leaving a nominal amount of USD 49.1 million outstanding as at December 31, 2023.

In September 2023, the Group entered into a sale and leaseback transactions with BoComm Leasing in an amount of USD 75.0 million for 12 of its vessels. The lease financing has a tenor of 48 months starting from September/October 2023 and carries an interest rate of SOFR plus a margin of 260 basis point, and includes purchase obligations for the 12 vessels at the end of the term. The Group is precluded from accounting for the sale of the vessels due to the purcahse obligations at the end of the term which prevents the lessor from obtaining control of the vessels as such the lease has been accounted for as a secured borrowing, wiht the vessels recorded under "Vessels". The amount allocated to interest expense is determined by the incremental borrowing rate or imputed interest rate. The average effective interest rate for all vessels were around 8.43%. In the fourth quarter, the Group delivered the last vessel to BoComm for a gross proceed of USD 8.0 million and as at December 31, 2023, USD 67.0 million remained outstanding.

In December 2023, the Group entered into a senior secured reducing revolving loan facility of up to USD 100.0 million with HCOB. The facility has a tenor of five years, and carries an interest rate of SOFR plus a margin of 295 basis points. As at December 31, 2023, no drawdown was made on this facility.

Note 11 – Related party disclosure

The following table shows the total amount of service transactions that have been entered into with related parties in fourth quarter of 2023:

in USD thousands	Type of services	Group	2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG
Wilhelmsen Ahrenkiel Ship Man. GmbH & Co. KG / B. V.	Technical	2,571	-
Harper Petersen & Co. GmbH	Commercial	1,493	-
MPC Münchmeyer Petersen Capital AG	Corporate	194	-
Total		**4,258**	**-**

Amounts due to or from related company represent net disbursements and collections made on behalf of the vessel-owning companies by the Group during the normal course of operations for which a right of offset exists. As at December 31, 2023, and December 31, 2022, the amount due to related companies was USD 0.3 million and USD 0.7 million respectively. All related party transactions are carried out at market terms. Please see the Group's 2023 Annual Report for additional details.

Note 12 – Financial instruments

The following table represents the Group's financial assets and financial liabilities measured and recognized at fair value as at December 31, 2023 and December 31, 2022. The estimated fair value amount of the financial instruments has been determined using appropriate market information and valuation techniques.

in USD thousands	December 31, 2023 (unaudited)		December 31, 2022 (audited)	
Financial assets	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Trade and other receivables	23,667	23,667	22,922	22,922
Financial instruments at fair value	1,951	1,951	1,740	1,740
Restricted cash	5,005	5,005	30,914	30,914
Cash and cash equivalents	117,579	117,579	94,603	94,603
Total financial assets	**148,202**	**148,202**	**150,179**	**150,179**
Financial liabilities at amortized cost	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Non-current Interest-bearing debt	100,171	100,171	74,462	74,462
Current interest-bearing debt	26,344	26,344	79,112	79,112
Trade and other payables	20,397	20,397	17,282	17,282
Other liabilities [1]	16,011	16,011	18,863	18,863
Total financial liabilities	**162,923**	**162,923**	**189,719**	**189,719**

[1] Excludes non-financial items in the line item Other liabilities in the Statement of Financial Position

The carrying amount of cash and cash equivalents, trade and other receivables, trade and other payables, and other liabilities are a reasonable estimate of their fair value, due to their short maturity. The estimated value of the Group's long-term interest-bearing debt equals the carrying value as at December 31, 2023 and December 31, 2022, as it is variable-rated.

Cash flow hedges:

As at December 31, 2023 the Group has three interest rate caps and two options to enter into interest-rate swaps.

The table below shows the notional amounts of current and future anticipated interest-bearing debt under existing debt facilities hedged by interest-rate caps:

Instrument	Notional amount	Effective period	Interest cap	Maturity
Interest-rate cap	USD 45 – 27 million	2024 – 2026	4.00%	December 2026
Interest-rate caps	USD 15.9 – 2.2 million	2024 – 2031	4.00%	May / June 2031
Swaptions	USD 43.7 – 10.2 million	2024 – 2036	3.50%	July 2024

The Group has entered into 2 options (swaptions) to enter into interest-rate swaps whereby the Group receives SOFR floating interest and pays a fixed interest of 3.5% on a declining notional amount starting at USD 43.7 million. If exercised, the interest-rate swaps have declining notional amounts over the period and contractual maturities in 2036. Additionally, the Group has entered into interest caps to hedge against the risk of increased interest payments as shown in the table above.

The fair value (level 2) of the Group's swaptions is the estimated amount that the Group would receive or pay for a similar option on the balance sheet date. The swaptions are designated as cash flow hedges of future interest payments. The fair value of the option is determined by an option pricing model that includes assumptions about volatility, forward interest curves, etc.

The fair value (level 2) of the Group's interest rate caps 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, 2023 is recognized directly to Other reserves (other comprehensive income) in equity and are reclassed to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows (future interest payments) affect profit or loss

From time to time, the Group uses forward contracts to manage currency exposure.

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

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

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

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

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

Note 13 – Share capital

The share capital of the Company consisted of 443,700,279 shares as at December 31, 2023. The nominal value per share is NOK 1.00. All issued shares shown in the table below carry equal rights and are fully paid up.

	Number of shares	Share capital (USD thousands)
December 31, 2022 (audited)	**443,700,279**	**48,589**
December 31, 2023 (unaudited)	**443,700,279**	**48,589**

During the first twelve months of 2023, the Group distributed dividends for a total of USD 293.1 million, which also includes distributions to non-controlling interests. These include both recurring and event driven dividends. The dividend was distributed with USD 150.9 from share premium, USD 142.0 million from retained earnings and USD 0.3 million to non-controlling interests.

Announcement date	Type	Cash distribution per share	Ex-dividend	Record	Payment
31.01.2023	Event-driven	USD 0.07 / NOK 0.7238	20.02.2023	21.02.2023	28.02.2023
28.02.2023	Recurring	USD 0.15 / NOK 1.5765	23.03.2023	24.03.2023	30.03.2023
23.05.2023	Recurring	USD 0.15 / NOK 1.5956	21.06.2023	22.06.2023	29.06.2023
21.08.2023	Recurring	USD 0.15 / NOK 1.6118	20.09.2023	21.09.2023	28.09.2023
21.11.2023	Recurring	USD 0.14 / NOK 1.5224	13.12.2023	14.12.2023	21.12.2023

Note 14 – Earnings per share

	Q4 2023 (unaudited)	Q4 2022 (unaudited)	FY 2023 (unaudited)	FY 2022 (audited)
Profit (loss) for year attributable to ordinary equity holders – in USD thousands	35,706	103,642	324,961	434,834
Weighted average number of shares outstanding, basic	443,700,279	443,700,279	443,700,279	443,700,279
Weighted average number of shares outstanding, diluted	443,700,279	443,700,279	443,700,279	443,700,279
Basic earnings per share – in USD	**0.08**	**0.23**	**0.73**	**0.98**
Diluted earnings per share – in USD	**0.08**	**0.23**	**0.73**	**0.98**

Note 15 - Subsequent events

In January 2024, the Group completed the sale and delivered the 2004-built vessel, AS Paulina to an unrelated party.

In January 2024, the Group partnered with Unifeeder in a joint investment for the construction of a 1,250 TEU container vessel at Chinese-based shipyard Wenchong shipbuilding. The vessel is equipped with dual-fuel engines and able to operate on green methanol. The contract price is USD 39.0 million and the equity will be contributed 50% by the Group and the remaining half by Unifeeder. The newbuilding shall be scheduled for delivery in late 2026, and will be under a 7-year time-charter agreement with Unifeeder post-delivery.

In February 2024, the Group entered into an agreement to sell its 2006-built vessel, AS Clarita, to an unrelated party for a total of USD 10.3 million.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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	Q4 2023 (unaudited)	Q4 2022 (unaudited)	FY 2023 (unaudited)	FY 2022 (audited)
Operating profit (EBIT)	38,720	106,870	336,286	446,858
Depreciation	(19,963)	(20,090)	(102,706)	(75,392)
Impairment (including held for sale loss)	(34,926)	-	(79,378)	-
EBITDA	**93,609**	**126,960**	**518,370**	**522,250**

Adjusted EBITDA

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

in USD thousands	Q4 2023 (unaudited)	Q4 2022 (unaudited)	FY 2023 (unaudited)	FY 2022 (audited)
EBITDA	**93,609**	**126,960**	**518,370**	**522,250**
Early redelivery of vessels, net of commission	-	-	77,971	-
Share of profit or loss from joint venture	-	12,625	19,723	21,741
Gain (loss) from sale of vessels / other fixed assets	(7,858)	-	(7,858)	49,042
Adjusted EBITDA	**101,467**	**114,335**	**428,534**	**451,467**

Adjusted profit (loss)

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

in USD thousands	Q4 2023 (unaudited)	Q4 2022 (unaudited)	FY 2023 (unaudited)	FY 2022 (unaudited)
Profit (loss) for the period	35,728	103,625	325,116	435,049
Early redelivery of vessels, net of commission	-	-	77,971	-
Share of profit or loss from joint venture	-	12,625	19,723	21,741
Depreciation of TC contract related to AS Anne	-	-	(22,035)	-
Gain (loss) from sale of vessels / other fixed assets	(7,858)	-	(7,858)	49,042
Impairment	(34,926)	-	(79,378)	-
Adjusted profit (loss) for the period	**78,512**	**91,000**	**336,693**	**364,266**

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.

Adjusted average time charter equivalent (TCE)

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

in USD thousands	Q4 2023 (unaudited)	Q4 2022 (unaudited)	FY 2023 (unaudited)	FY 2022 (audited)
Time charter revenues	151,466	158,867	700,710	587,868
Early redelivery of vessels	-	-	(79,629)	-
Adjusted TCE for the period (in USD)	**151,466**	**158,867**	**621,081**	**37,905**

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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