

MPC CONTAINER SHIPS ASA
FINANCIAL REPORT
H1 2018

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MPC CONTAINER SHIPS ASA

SECOND QUARTER AND HALF-YEAR 2018 HIGHLIGHTS

- Total revenue was USD 46.9 million in Q2 2018, compared to USD 28.3 million in Q1 2018. For H1 2018, total revenue was USD 75.2 million.
- EBITDA was USD 13.3 million in Q2 2018, compared to USD 8.0 million in Q1 2018. For H1 2018, EBITDA was USD 21.2 million.
- Net profit was USD 1.8 million in Q2 2018, compared to USD 0.5 million in Q1 2018. For H1 2018, net profit was USD 2.3 million.
- Total ownership days of consolidated vessels were 4,976 in Q2 2018, compared to 3,247 in Q1 2018. H1 2018 total ownership days of consolidated vessels were 8,223.
- Total trading days of consolidated vessels were 4,494 in Q2 2018, compared to 2,958 in Q1 2018. H1 2018 total trading days of consolidated vessels were 7,452.
- Average time charter equivalent (TCE) was USD 9,841 per day in Q2 2018 (USD 9,352 per day in Q1 2018) and USD 9,647 per day in H1 2018.
- Average operating expenses (OPEX) were USD 5,238 per day in Q2 2018 (USD 4,810 per day in Q1 2018) and USD 5,070 per day in H1 2018.

BUSINESS OVERVIEW AND CORPORATE DEVELOPMENT

MPC Container Ships ASA (“the Company”, together with its subsidiaries “the Group”) was incorporated on 9 January 2017 as a private limited liability company under the laws of Norway, and converted to a Norwegian public limited liability company on 16 January 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 feeder vessels, mainly between 1,000 and 3,000 TEU, that are chartered out to liner shipping companies and regional carriers.

On 28 April 2017, the Company registered on the NOTC-list, operated by the Norwegian Securities Dealers Association. Subsequently, the Company uplisted to the Merkur Market at the Oslo Stock Exchange on 31 May 2017, to Oslo Axess on 29 January 2018 and to the Mainboard of the Oslo Stock Exchange on 3 May 2018.

During the course of 2017, the Company issued 65,253,000 new shares in three equity private placements with gross proceeds of USD 351 million. Further, in September 2017, MPC Container Ships Invest B.V., a wholly-owned subsidiary of the Company, completed the issuance of a new senior secured bond issue of USD 100 million with a five-year tenor, floating interest rate of three-month LIBOR + 4.75% and a borrowing limit of USD 200 million.

During H1 2018, the Company issued 19,000,000 new shares (including the share issuance completed on 2 July 2018) in two equity private placements with gross proceeds of USD 125 million; 11,750,000 new shares at a subscription price of NOK 50.00 per share in February 2018 and 7,250,000 new shares at a subscription price of NOK 54.00 per share in June 2018. In February 2018, MPC Container Ships Invest B.V. completed a tap issue of a further USD 100 million in the above-mentioned senior secured bond, and subsequently listed the bond at the Oslo Stock Exchange in June. In May 2018, MPCC First Financing GmbH & Co. KG, a wholly-owned subsidiary of the Company, entered into an agreement for a non-recourse senior secured term loan of approximately USD 50 million with a five-year tenor, floating interest rate of three-month LIBOR + 4.75% and an accordion option at the lender's

discretion for a further approximately USD 250 million. As at 30 June 2018, the Group has acquired 68 container vessels between 966 TEU and 2,846 TEU. Of these, 66 vessels had been taken over by the balance sheet date, whereof 58 are fully owned and 8 are operated in a joint venture.

SECOND QUARTER AND HALF-YEAR 2018 RESULTS

Financial performance

The Group's vessels are chartered out on time charter contracts to global and regional liner shipping companies. Time charter revenues were USD 46.9 million during Q2 2018 (Q1 2018: USD 28.3 million) and USD 75.2 million during H1 2018. The gross profit from vessel operations was USD 14.9 million in Q2 2018 (Q1 2018: USD 9.5 million) and USD 24.4 million in H1 2018.

The Group reports a profit before taxes of USD 1.9 million for Q2 2018 (Q1 2018: USD 0.5 million) and USD 2.4 million for H1 2018. The net result the period was USD 1.8 million in Q2 2018 (Q1 2018: USD 0.5 million) and USD 2.3 million in H1 2018.

The financial performance of the Group needs to be put in perspective, given that the Group is in the growth phase of its operation. During 2017 and H1 2018, the operating result of the Group is impacted by frequent vessel take-overs as well as one-off costs for the start-up phase associated with the establishment and development of the Company. The Group took over 37 vessels in the first half of 2018.

Financial position

The Group's total assets amounted to USD 720.8 million at 30 June 2018 (USD 627.9 million at 31 March 2018). Non-current assets in the amount of USD 599.4 million comprise of vessels taken over and operated by the Group as well as the equity investments into a joint venture.

Total equity was USD 458.8 million at 30 June 2018 (USD 415.7 million at 31 March 2018) with minority interest of USD 4.7 million. As at 30 June 2018, the Group had interest-bearing financial liabilities in the amount of USD 248.6 million (USD 199.8 million as at 31 March 2018), mainly resulting from the bond issue in September 2017, subsequent bond tap in February 2018 and the non-recourse senior secured term loan announced in May 2018.

Cash flow

During Q2 2018, the Group generated a positive cash flow from operating activities of USD 7.6 million (Q1 2018: USD 4.8 million). The cash flow from investing activities into vessels and joint venture investments was USD -65.9 million (Q1 2018: USD -264.5 million). The positive cash flow from financing activities of USD 89.6 million (Q1 2018: USD 170.8 million) is due to the net proceeds from an equity private placement and the drawdown of approximate USD 50 million on the term loan completed during second quarter of 2018.

The total net change in cash and cash equivalents from 31 March 2018 to 30 June 2018 was USD 31.3 million.

Cash and cash equivalents as at 30 June 2018 are USD 106.7 million (USD 75.5 million as at 31 March 2018).

CONTAINER MARKET UPDATE

Further improvements were achieved in the container shipping market in the first half of 2018. With fleet growth of 5.6% and slightly lower trade growth of 5.4%, the balance of supply and demand was close to equilibrium. The strength of the market was reflected in a very modest idle fleet, which accounted for around 1.5% of the existing

fleet on average for the first half of the year. Both charter rates and secondhand values rose significantly in the course of the first six months of the year. Only in recent weeks the usual seasonality has led to a weakening of charter rates in some segments.

Demand

The market recovery that began in 2017 continued well into the second half of 2018, based on a global cyclical upswing. In its latest publication from July 2018, the IMF maintained its estimate for world GDP growth of 3.9%. Nevertheless, the experts pointed to the dangers of trade tensions that could increase as a result of protectionist tariffs, which might cause adverse effects on confidence, asset prices, and investments. However, these risks are not expected to manifest themselves in the current year in terms of container trade growth; healthy growth of 5.4% is still expected. As the projected supply growth is 5.6%, the balance is likely to deteriorate slightly, but this should not have any negative impact on the feeder sector due to the distorted order book in respect of very large container ships.

Intra-Asian traffic, which is of high significance for feeder container ships, is expected to grow by 6.8% this year. The growth rate thus slows slightly compared to the previous year (7.0%), but remains on a healthy growth path, supporting the market balance in this region. Strong growth of 7.2% (6.4% in 2017) is expected on the North-South trades, another driver of feeder demand, in particular for high-reefer tonnage. Other intra-regional trades, such as Intra-Europe and Intra-Caribbean are also expected to grow by around 5%.

Fleet development

For the current year, deliveries of container ships with a carrying capacity of around 1.3 million TEU are being forecasted. As in previous years, the largest part are deliveries of container ships over 8,000 TEU. In the smaller segments, however, very moderate fleet growth of less than 1% of the existing fleet is expected.

Demolition activities were low in the first half of 2018 after the high levels seen over the last two years. Although scrap prices remained relatively high, continuing improvements in the charter market have led to the subdued scrapping activity.

2018 has recently seen a slight increase in idle fleet capacity, totaling overall 2.0% by end of June. The order book to total fleet capacity ratio is with 11.7% historically low while the first half of 2018 has seen a slightly higher pace in newbuildings than 2017 for the overall fleet but also for the feeder segment.

Contracting of feeder container ships between 1,800 - 2,800 TEU is becoming increasingly popular with both operators and non-operating ship owners. These investments can be understood as a reaction to an outdated fleet with high consumption figures. Especially against the background of ever stricter environmental regulations, such as the 2020 emission cap, a more sophisticated eco-tonnage promises higher future yields.

Newbuilding prices for container ships continue to gain ground, supported by improved demand in shipbuilding and steadily rising steel plate prices. Compared to the historical average, however, they remain restrained.

Newbuilding prices

Newbuilding prices in June 2018:

- 1,000 TEU: USD 18.25m (up 11% year-to-date)
- 1,700 TEU: USD 25.5m (up 13% year-to-date)
- 2,750 TEU: USD 32.5m (up 13% year-to-date)
- 4,800 TEU: USD 48.0m (up 9% year-to-date)

Secondhand prices

Secondhand prices (10yr old) in June 2018:

- 1,000 TEU: USD 7.0m (up 0% year-to-date)
- 1,700 TEU: USD 11.25m (up 25% year-to-date)
- 2,750 TEU: USD 14.0m (up 30% year-to-date)
- 4,300 TEU: USD 13.5m (up 35% year-to-date)

A combination of rising charter rates, good freight volumes and market sentiment has led to a steady increase in asset prices over the past 15 months. The majority of secondhand transactions were concluded in the liquid vessel sizes between 1,100 and 4,500 TEU, with vessels between 8 and 12 years of age being the primary focus.

In recent weeks, seasonality has had an impact on container segment activity, leading to a lack of reported sales transactions. After the traditionally weak summer months, analysts expect a moderate increase in charter rates in the course of September, which should contribute to a further increase in secondhand prices and activity in the following months.

Charter rates

Time charter rates (6-12 months) in June 2018:

- 1,000 TEU: USD 8,500 (up 34% year-to-date)
- 1,700 TEU: USD 10,750 (up 26% year-to-date)
- 2,750 TEU: USD 12,100 (up 29% year-to-date)
- 4,300 TEU: USD 13,550 (up 69% year-to-date)

Time charter rates in container shipping improved in 2017, supported by positive market data, and well into the second quarter of 2018 in all size classes. In the last weeks of June, the charter market entered the summer slow-down with little activity and a slightly weakening trend.

The carriers' continuing demand for additional tonnage as a result of new service introductions and upgrades to existing services led to a decline in the idle fleet for most of the first half of the year. However, in the final weeks of the second quarter, the idle fleet grew following the recent withdrawals of several long-haul services.

Sources: *Clarksons Research, Alphaliner, MSI, IMF*

OUTLOOK

While the summer has brought a soft weakening of rates and trade war fears pose a risk to the strong recovery of the container shipping industry seen over the last 15 months, the underlying market fundamentals remain intact for further market improvements in 2018 and 2019. The latest economic forecasts suggest that world trade will grow by 4.8% in 2018 and that the tariffs introduced so far will have only a minor impact on the growth of container demand.

With expected fleet growth falling to 3.4% in 2019, analysts expect 2019 to deliver an improved supply and demand balance 2019, compared to 2018, based on a stable world economy and healthy demand growth.

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.

RESPONSIBILITY STATEMENT

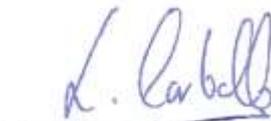
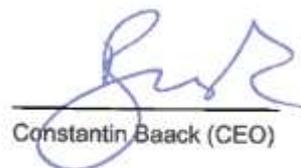
Today, the Board of Directors and the CEO have resolved the report and the interim condensed consolidated financial statements for MPC Container Ships ASA per 30 June 2018 and for the first half year of 2018, including interim condensed consolidated figures for comparison per 30 June 2017 and for the first half year 2017.

The half year report is submitted in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU, and in accordance with further requirements in the Norwegian Securities Trading Act.

The Board of Directors and the CEO confirm, to the best of our knowledge, that the interim financial statements for the first half year of 2018 have been prepared in accordance with prevailing accounting standards, and that the information given in the financial statements gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results for the period. To the best of our knowledge, the Board of Directors' discussion and analysis for the first half year of 2018 gives a true and fair overview of the main activities in the period.

Oslo, 30 August 2018

The Board of Directors and CEO of
MPC Container Ships ASA


Ulf Holländer (Chairman)
Dr. Axel Schroeder
Laura Carballo
Darren Maupin
Ellen Hanetho
Constantin Baack (CEO)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in USD thousands	Notes	Q2 2018 (unaudited)	Q1 2018 (unaudited)	H1 2018 (unaudited)	H1 2017* (unaudited)	FY 2017 (audited)
Operating revenue	5	46,935	28,260	75,196	1,223	21,390
Commissions		-1,789	-1,043	-2,833	-47	-771
Vessel voyage expenditures		-2,759	-1,226	-3,988	-282	-2,834
Vessel operation expenditures		-26,062	-15,617	-41,692	-701	-14,213
Ship management fees		-1,785	-1,230	-3,012	-76	-1,097
Share of profit or loss from joint venture	6	394	349	744	96	394
Gross profit		14,934	9,493	24,415	213	2,869
Administrative expenses		-1,863	-1,411	-3,274	-362	-2,114
Other expenses		-385	-419	-791	-1	-322
Other income		574	290	863	2	879
EBITDA		13,260	7,953	21,213	-148	1,312
Depreciation	7	-7,277	-4,916	-12,194	-256	-3,302
Operating result (EBIT)		5,983	3,037	9,019	-404	-1,990
Other finance income		118	319	437	53	2,076
Finance costs		-4,204	-2,845	-7,049	-85	-2,474
Profit/Loss before income tax (EBT)		1,897	511	2,408	-436	-2,388
Income tax expenses		-123	-8	-132	0	-146
Profit/Loss for the period		1,773	502	2,276	-436	-2,534
Attributable to:						
Equity holders of the Company		1,971	576	2,547	-436	-2,639
Minority interest		-198	-74	-272	0	105
Basic earnings per share – in USD		0.02	0.01	0.03	-0.01	-0.10
Diluted earnings per share – in USD		0.02	0.01	0.03	-0.01	-0.09

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in USD thousands	Notes	Q2 2018 (unaudited)	Q1 2018 (unaudited)	H1 2018 (unaudited)	H1 2017* (unaudited)	FY 2017 (audited)
Profit/loss for the period		1,773	502	2,276	-436	-2,534
Items that may be subsequently transferred to profit or loss		390	1,391	1,781	12	157
Foreign currency effects, net of taxes		-189	12	-177	0	0
Other comprehensive profit/loss, net of taxes		578	1,379	1,957	12	157
Items that will not be subsequently transferred to profit or loss		0	0	0	0	-17
Other comprehensive profit/loss, net of taxes		0	0	0	0	-17
Other comprehensive profit/loss from joint ventures and affiliates		0	0	0	0	0
Total comprehensive profit/loss		2,163	1,893	4,057	-424	-2,394
Attributable to:						
Equity holders of the Company		2,361	1,967	4,329	-424	-2,499
Non-controlling interest		-198	-74	-272	0	105

*) The Company commenced operations in April 2017. Accordingly, the H1 2017 financial results are equal to the Q2 2017 financial results.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in USD thousands	Notes	30 June 2018 (unaudited)	31 March 2018 (unaudited)	31 December 2017 (audited)
Assets		720,847	627,899	451,125
Non-current assets		599,358	540,766	281,250
Vessels	7	570,361	511,648	207,069
Prepayment of vessels	7	2,280	0	57,787
Investment in joint ventures	6	26,718	29,118	16,394
Current assets		121,488	87,133	169,875
Inventories		4,324	2,887	1,675
Trade and other receivables		10,444	8,788	3,877
Cash and cash equivalents		106,721	75,458	164,323
Restricted cash		517	7,622	45,152
Unrestricted cash		106,204	67,835	119,171
Equity and liabilities		720,847	627,899	451,125
Equity		458,769	415,700	340,520
Ordinary shares	10	452,175	411,420	338,477
Share capital		99,939	92,254	77,155
Share premium		352,236	319,167	261,322
Retained earnings / (losses)		13	-1,958	-2,534
Other reserves		1,921	1,591	140
Non-controlling interest		4,660	4,646	4,437
Non-current liabilities		246,338	199,472	102,108
Interest bearing loans	8	246,338	199,472	102,108
Current liabilities		15,740	12,728	8,497
Interest bearing loans	8	2,281	333	158
Provisions		2,483	3,776	3,197
Trade and other payables		8,801	5,436	3,571
Payables to affiliated companies		367	850	487
Other liabilities		1,808	2,322	1,083

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In USD thousands	Share capital (unaudited)	Share premium (unaudited)	Retained earnings (unaudited)	Other reserves (unaudited)	Minority interest (unaudited)	Total equity (unaudited)
Equity as at 1 Jan. 2018	77,155	261,322	-2,534	140	4,437	340,520
Share issuance	22,784	90,914			494	114,193
Result of the period			2,547		-272	2,276
Foreign currency effects				-177		-177
Other comprehensive income				1,957		1,957
Equity as at 30 June 2018	99,939	352,236	13	1,921	4,660	458,769
Equity at incorporation	3					3
Share issuance	40,832	130,084				170,916
Result of the period			-436		0	-436
Other comprehensive income				12		12
Equity as at 30 June 2017	40,836	130,084		12	0	170,496

CONSOLIDATED STATEMENT OF CASH FLOW

in USD thousands	Notes	Q2 2018 (unaudited)	Q1 2018 (unaudited)	H1 2018 (unaudited)	H1 2017 (unaudited)	FY 2017 (audited)
Profit/Loss before income tax		1,897	511	2,408	-436	-2,388
Income tax expenses		-123	-8	-132	0	-146
Net change in current assets		-2,515	-4,744	-7,259	-1,539	-5,552
Net change in provisions		-1,293	1,004	-289	874	3,197
Net change in current liabilities		2,367	3,042	5,409	1,368	5,141
Depreciation	7	7,277	4,916	12,194	256	3,302
Loss/gain from the disposal of fixed assets		-1	80	79	0	-394
Cash flow from operating activities		7,609	4,802	12,411	522	3,160
Proceeds from the disposal of fixed assets		1	-80	-79	0	394
Purchase of vessels	7	-68,270	-251,709	-319,979	-49,981	-268,158
Purchase of long-term financial assets		2,400	-12,724	-10,324	-16,096	-16,394
Cash flow from investing activities		-65,868	-264,513	-330,381	-66,077	-284,158
Proceeds from share issuance		42,422	74,705	117,127	176,120	353,232
Share issuance costs		-1,455	-1,554	-3,009	-5,200	-10,161
Proceeds from debt financing		51,045	100,000	151,045	0	106,024
Debt issuance costs		-2,442	-2,318	-4,760	0	-3,758
Cash flow from financing activities		89,570	170,834	260,404	170,920	445,337
Net change in cash and cash equivalents		31,312	-88,877	-57,565	105,365	164,340
Net foreign exchange differences		-49	12	-37	12	-17
Cash and cash equivalents at beginning of period		75,458	164,323	164,323	0	0
Cash and cash equivalents at the end of period		106,721	75,458	106,721	105,377	164,323

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 Dronning Mauds gate 3, 0250 Oslo, Norway and Norwegian enterprise number 918 494 316. The Company was incorporated on 9 January 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 the investment in and operation of container vessels.

The shares of the Company are listed at the Oslo Stock Exchange as at 3 May 2018 under the ticker "MPCC".

Note 2 - Basis of preparation

The unaudited interim financial statements for the period ended 30 June 2018 are prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The statements have not been subject to audit. The Statements do not include all of the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements.

Standards and interpretations that are issued but not yet effective are disclosed below. Only standards and interpretations that are applicable to the Group have been included 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.

- IFRS 16 – Leases

Note 3 - Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial reporting are consistent with those applied in the preparation of the Group's consolidated financial statements for the period ended 31 December 2017 except for the new standards effective as of January 2018.

The implementation of IFRS 15 on revenues from contracts with customers and IFRS 9 on financial instruments, both effective from annual periods beginning on or after 1 January 2018, have not had a material impact on the Group's financial position.

Note 4 - 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 organized in one operating segment, i.e. the container shipping segment.

Note 5 - Revenue

in USD thousands	Q2 2018	H1 2018	Number of vessels
Time charter revenue	32,113	52,846	42
Pool charter revenue	11,918	18,868	16
Other revenue	2,904	3,481	-
Total operating revenue	46,935	75,196	58

Pool revenues are based on average revenues across the pool the vessels are employed in.

Note 6 - Interest in joint ventures

The Group has a 50% interest in 2. Bluewater Holding Schiffahrtsgesellschaft GmbH & Co. KG, Hamburg (Germany), a company owning eight container vessels through respective wholly-owned subsidiaries.

in USD thousands	Q2 2018	H1 2018
Operating revenue	6,696	12,171
Operating costs	-5,683	-10,310
Operating result (EBIT)	1,013	1,861
Net financial income/expense	-225	-374
Profit/Loss before income tax	788	1,487
Income tax	0	0
Profit/Loss for the period	788	1,487
Total comprehensive income for the period	788	1,487
Group's share of profit for the period	394	744

In view of the shared control structure in the joint venture, the Group's interest in 2. Bluewater Holding Schiffahrtsgesellschaft GmbH & Co. KG is accounted for using the equity method.

Note 7 - Vessels and prepayments

in USD thousands	Prepayments	Vessels	Total
As at 1 January 2018, net of accumulated depreciation	57,787	207,069	264,856
Additions (mainly upgrading and docking of vessels)	0	22,266	22,266
Vessel purchases*	0	297,713	297,713
Reclassification to vessels	-55,507	55,507	0
Depreciation for the period	0	-12,194	-12,194
As at 30 June 2018, net of accumulated depreciation	2,280	570,361	572,641

* The additions on vessel includes the values of belonging time charter contracts from vessel acquisitions where the charter rate are assumed to be different from the market rates. The value of the time charter contracts are amortized over the remaining period of the contracts (2018-2020).

Note 8 - Interest-bearing debt

On 8 September 2017, via its wholly-owned subsidiary MPC Container Ships Invest B.V., the Group issued a USD 100 million senior secured bond with a total borrowing limit of USD 200 million. The bond has a floating interest rate of LIBOR + 4.75% and a five-year maturity. Settlement of the bond was 22 September 2017 and the bond shall be repaid in full on the maturity date (22 September 2022). On 2 February 2018, a USD 100 million tap issue on the above-mentioned bond was completed. On 22 May 2018, MPC Container Ships Invest B.V. announced that all USD 200 million bond proceeds had been successfully invested in accordance with the bond terms. On 14 June 2018, MPC Container Ships Invest B.V. listed the bond at the Oslo Stock Exchange with ticker code "MPCBV".

On May 15 2018, MPCC First Financing GmbH & Co. KG, a wholly-owned subsidiary of the Company, entered into an agreement for a non-recourse senior secured term loan of approximately USD 50 million with a five-year tenor, floating interest rate of three-month LIBOR + 4.75% and an accordion option at the lender's discretion for a further approximately USD 250 million.

The Group has entered into fixed interest-rate swap agreements for both the USD 200 million bond loan in MPC Container Ships Invest B.V. and for the non-recourse senior secured term loan entered into by MPCC First Financing GmbH & Co KG.

in USD thousands	30 June 2018
Nominal value of issued bonds	200,000
Non-recourse senior secured term loan	51,377
Issuance costs	-8,347
Other debt	5,545
Interest-bearing debt	248,575

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

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

The following main financial covenants are defined in the terms of the non-recourse senior secured term loan:

- Vessel loan-to-value ratio of MPCC First Financing GmbH & Co. KG and its subsidiaries shall not exceed 75%; and
- MPCC First Financing GmbH & Co. KG shall maintain a minimum liquidity of 5% of the financial indebtedness of MPCC First Financing GmbH & Co. KG and its subsidiaries.

The Group is in compliance with all bond and loan covenants as per 30 June 2018.

The bond is guaranteed by the Company and all subsidiaries of MPC Container Ships Invest B.V. The loan is guaranteed by the General Partner of MPCC First Financing GmbH & Co. KG and of all of its subsidiaries.

Note 9 - 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. All transactions with related parties are carried out at market terms.

The Company is responsible for the technical ship management of the vessels owned by the Group. Performance

of technical ship management services is sub-contracted to Ahrenkiel Steamship GmbH & Co. KG and Ahrenkiel Steamship B.V., subsidiaries of MPC Münchmeyer Petersen Capital AG, for 56 of the 66 vessels owned by the Group and joint venture entities.

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

The following table provides the total amount of service transactions that have been entered into with related parties in H1 2018:

in USD thousands - H1 2018	Group	2. Bluewater Holding Schiffahrtsgesellschaft GmbH & Co. KG
Ahrenkiel Steamship GmbH & Co. KG / Ahrenkiel Steamship B.V.	2,649	407
Contchart Hamburg Leer GmbH & Co.KG / Contchart B.V.	951	148
MPC Maritime Investments GmbH	216	63
MPC Münchmeyer Petersen Capital AG	108	0

See Note 10 – Share capital regarding warrants allocated to the founding shareholders.

Note 10 Share capital

	Number of shares	Share capital (USD thousands)	Share premium (USD thousands)
9 January 2017	300	3	-
20 April 2017	3,000	3	-
20 April 2017	20,003,000	23,132	73,872
19 June 2017	35,003,000	40,836	130,073
11 December 2017	65,253,000	77,155	261,322
16 February 2018	77,003,000	92,254	319,167
20 June 2018	83,289,000	99,939	352,236
30 June 2018	83,289,000	99,939	352,236

The share capital of the Company consists of 83,289,000 shares as at 30 June 2018, with nominal value per share of NOK 10. All issued shares are of equal rights and are fully paid up.

Total share issuance costs from incorporation until 30 June 2018 amounts to USD 13.2 million.

During 2017, the Company issued a total of 2,121,046 warrants to MPC Capital Beteiligungsgesellschaft mbH & Co. KG as the founding shareholder. Each warrant gives the holders the right, but no obligation, to subscribe for one share in the Company at the exercise price of the NOK equivalent of USD 5.00 per share, given that the vesting conditions are met. The warrants issued to the founding shareholder are recognized as equity instruments in accordance with IAS 32. See Note 22 in the Company's annual report 2017 for further information.

Note 11 - Subsequent events

On 2 July 2018, the Company issued the remaining 964,000 new shares from the private placement completed on 13 June 2018. The Company's new share capital is NOK 842,530,000 divided into 84,253,000 shares, each with a nominal value of NOK 10.00.

On 19 July 2018, the Company entered into purchase agreements for the acquisition of a feeder container vessel with a purchase price of USD 13.86 million.

ALTERNATIVE PERFORMANCE MEASURES

The Group's financial information is prepared in accordance with international financial reporting standards "IFRS". In addition, it is the management's intent to provide alternative performance measures that are regularly reviewed by management to enhance the understanding of the Group's performance, but not instead of, the financial statements prepared in accordance with IFRS. The alternative performance measures presented may be determined or calculated differently by other companies. The Group is in the initial phase of operation and performance measures are therefore subject to change. 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.

EBITDA

Earnings before interest, tax, depreciations and amortizations (EBITDA) is a key financial parameter for the Group and is derived directly from the income statement by adding back depreciation to the operating result (EBIT).

in USD thousands	Q2 2018 (unaudited)	Q1 2018 (unaudited)	H1 2018 (unaudited)	H1 2017 (unaudited)	FY 2017 (audited)
Operating result (EBIT)	5,983	3,037	9,019	-404	-1,990
- Depreciation	-7,277	-4,916	-12,194	-256	-3,302
EBITDA	13,260	7,953	21,213	-148	1,312

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