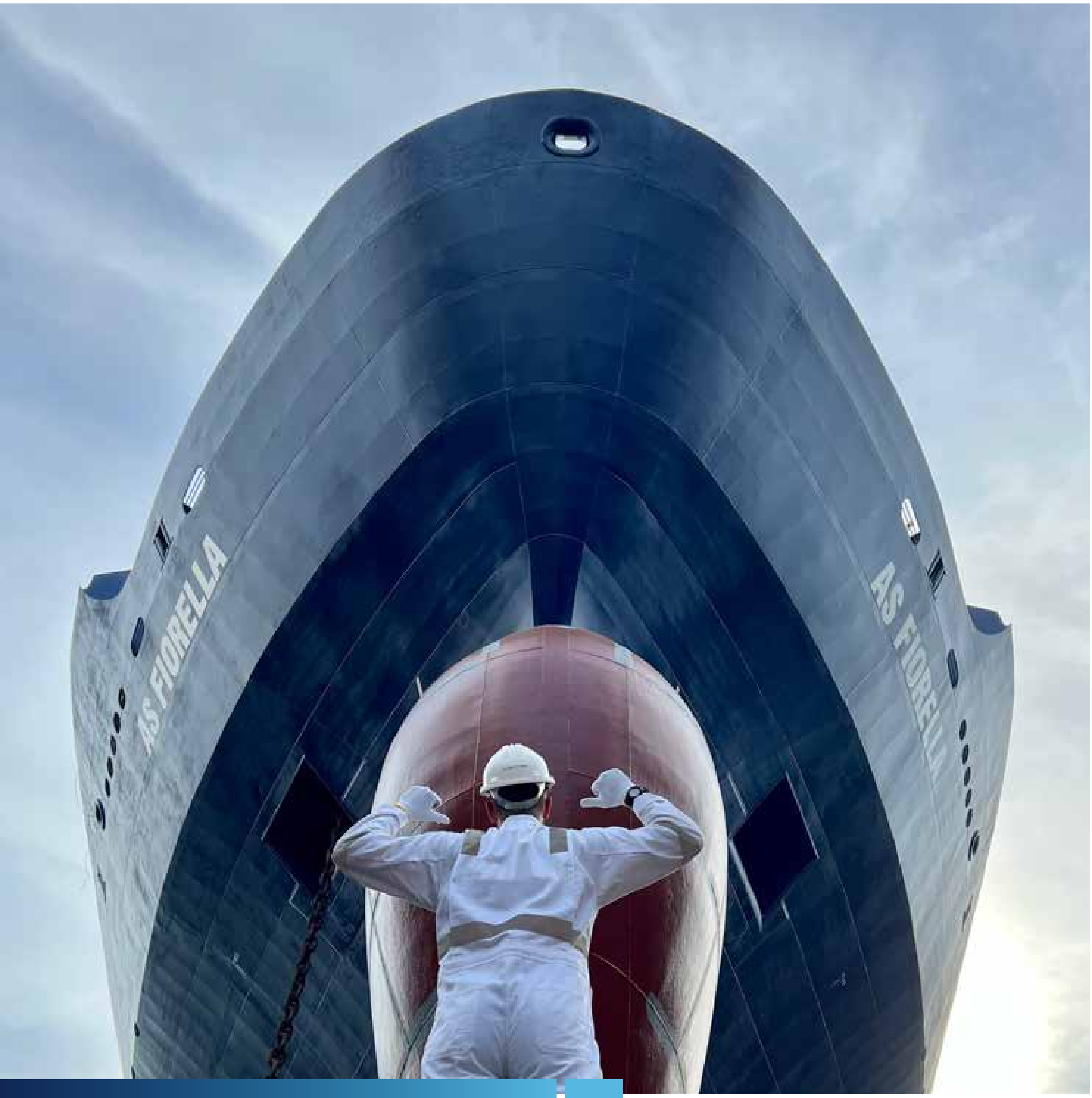


FINANCIAL REPORT
H1 2022

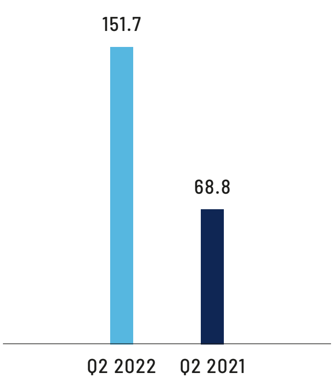
MPC CONTAINER SHIPS ASA

Second quarter and half-year 2022 highlights

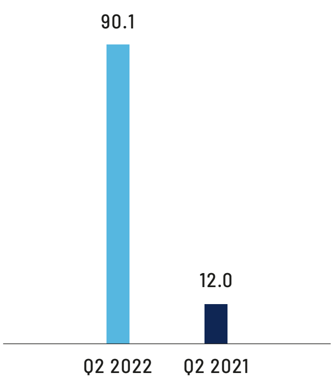
+ Total operating revenues for Q2 2022 were USD 151.7 million (Q1 2022: USD 142.9 million), compared to USD 68.8 million in Q2 2021 (+120.5% YoY)
+ EBITDA was USD 111.8 million in Q2 2022 (Q1 2022: USD 137.7 million, adjusted for gains from vessel sales at USD 97.8 million) compared to USD 31.9 million in Q2 2021
+ Operating cash flow for Q2 2022 was USD 98.9 million (Q1 2022: USD 87.3 million), as compared to USD 35.6 million in Q2 2021
+ Net profit for the period was USD 90.1 million (Q1 2022: USD 116.8 million; adjusted for gains from vessel sales at USD 76.9 million) compared to USD 12.0 million for the three months period ended 30 June 2021
+ Earnings per share (EPS) for the three months period ended 30 June 2022 were USD 0.20 (Q1 2022: USD 0.26 per share; adjusted for gains from vessel sales at USD 0.17 per share), compared to USD 0.03 per share in the same period in 2021
+ Based on the MPCC distribution policy, recurring dividends for the period Q2 2022 are to be set at USD 0.15 per share (Q1 2022: USD 0.13 per share)
+ In July 2022, the Group entered into an agreement for the sale of AS Serafina to an unrelated third party for a consideration of USD 34.0 million. The vessel will be delivered to its new owner in August 2022. Subject to a successful handover of AS Serafina, an additional event driven distribution of USD 0.04 per share will be paid alongside the recurring dividend
+ Total ownership days for wholly owned vessels came to 5,460 (Q1 2022: 5,410), and total trading days came to 5,104 (Q1 2022: 5,307)
+ Utilization in Q2 2022 was 98.2% [1] (Q1 2022: 98.8%)
+ Average time charter equivalent ("TCE") for the second quarter of 2022 was USD 28,071 per day (Q1 2022: USD 24,845 per day)
+ Average operating expenses ("OPEX") for the second quarter of 2022 were USD 5,972 per day (Q1 2022: USD 6,287 per day), including several extraordinary and seasonal effects
+ Equity ratio as at 30 June 2022 was 73.0% (31 March 2022: 70.2%), and the leverage ratio was 20.8% (31 March 2022: 22.9%)

[1] Percentage utilization represents total trading days including off-hire days related to dry-docks divided by the total number of ownership days during the period

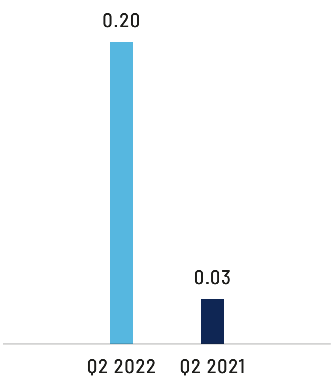
Operating revenues in USD m



Adjusted net profit in USD m



Adjusted EPS in USD



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The Fleet

+ As at 30 June 2022, the Group's fleet consisted of 65 vessels, with an aggregate capacity of approximate 139,773 TEU

+ As at 30 June 2022, the Group's newbuilding program consisted of two 5,500 TEU eco-design vessels with a contract price of USD 72.2 million per vessel. The vessels will be delivered into a 7-year charter with a Tier 1 counterparty in January and February 2024

+ In July 2022, the Group entered into an agreement for the acquisition of two carbon-neutral 1,300 TEU vessels with 15-year time charters to North Sea Container Line AS. The two vessels are currently under construction at Taizhou Sanfu Ship Engineering in China and are being acquired for an aggregate price of USD 78.0 million. The vessels are due for delivery in July and November 2024

+ In July 2022, the Group entered into an agreement for the sale of AS Serafina to an unrelated third party for a consideration of USD 34.0 million. The vessel will be delivered to its new owner in August 2022


ETER SMIT

CEO COMMENT

Constantin Baack
CEO

Dear readers,
For MPCC, the first six months of 2022 have proven the value proposition of this company. Despite the increased geopolitical and macro-economic uncertainties, we announce another increase in recurring dividend for the second quarter of 2022. Year to date MPCC has declared dividends of USD 355 million, including proceeds related to the pending handover of AS Serafina, emphasizing our commitment to return capital to our shareholders. Furthermore, we today also announce an increased revenue- and EBITDA guidance for FY 2022.

Our segment of the container market is robust at elevated levels, although periods and rates have decreased slightly over the quarter. Nevertheless, rates are still a multiple of pre-pandemic levels. As available tonnage is extremely limited, we expect time charter rates to remain solid for the forthcoming quarters.

Moreover, we are pleased to continue our approach of accretive portfolio optimization, as shown by the vessel sales year to date as well as fleet renewal activities, most recently ordering two carbon-neutral newbuildings with long-term time charters attached. The vessels will be delivered by Q4 2024 and will provide earnings visibility into 2040. The newbuildings will support MPCC's distribution policy, with no negative impact on expected distributions in 2022/2023/2024.

Based on our strong earnings prospects and EBITDA backlog, MPCC has the potential to pay out significant dividends and at the same time operate with an industry-low financial leverage, providing the financial flexibility to selectively capture attractive growth opportunities as they arise.

SECOND QUARTER RESULTS

Financial performance

The Group's vessels are chartered out on time charter contracts to global and regional liner shipping companies. Operating revenues for the second quarter were USD 151.7 million (Q1 2022: USD 142.9 million), compared with USD 68.8 million in the same quarter of 2021. Gross profit from vessel operations was USD 114.8 million (Q1 2022: USD 122.7 million), compared with USD 35.1 million for the same quarter of 2021. The increase in operating revenues and gross profit compared with the previous quarter was driven by the strong charter market and container demand, leading to improved charter rates for the Group's fleet compared with earlier quarters. Accordingly, the Q2 2022 TCE (per trading day) increased from USD 24,845 in Q1 2022 to USD 28,071.

The Group reports a net profit of USD 90.1 million for Q2 2022 (Q1 2022: USD 116.8 million, Q2 2021: USD 12.0 million).

Financial position

The Group's total assets amounted to USD 904.0 million as at 30 June 2022 (USD 1,034.6 million as at 31 December 2021). Non-current assets of USD 781.6 million (USD 803.0 million as at 31 December 2021) reflected the carrying amounts of the vessels operated by the Group, including the equity investments in a joint venture. The decrease in vessels in Q2 2022 is mainly reflected in regular depreciation and offset by CAPEX and other vessel upgrades. The decrease in the investment in joint ventures during the first half of 2022 is reflected by USD 28.3 million in the share of profit from the joint venture partly offset by received distributions of USD 40.0 million.

Total equity was USD 660.2 million as at 30 June 2022 (USD 727.6 million as at 31 December 2021), including a non-controlling interest of USD 1.1 million (USD 0.9 million as at 31 December 2021). The change in equity during the first half of 2022 is mainly due to the dividend payment of USD 272.4 million, which was resolved by the Board of Directors on 2 February 2022 and 18 May 2022, in addition to net profit for the first half-year period of USD 206.8 million and the settlement of warrants of USD 2.2 million.

At 30 June 2022, the Group had total interest-bearing debt in the amount of USD 187.8 million (USD 231.8 million as at 31 December 2021). See note 8 for further information on the Group's interest-bearing debts.

Cash flow

In Q2 2022, the Group generated a positive cash flow from operating activities of USD 98.9 million (Q1 2022: USD 87.3 million). Cash flow from investing activities was positive at USD 8.7 million (Q1 2022: positive USD 38.4 million), primarily as a result of dividends from joint venture investments of USD 25.0 million, partly offset by CAPEX and other vessel upgrades of USD 15.4 million. The Group had a negative cash flow from financing activities of USD 102.7 million in Q2 2022 (Q1 2022: negative USD 224.5 million), which mainly reflected the payment of a dividend of USD 72.6 million and the repayment of loan of USD 22.5 million.

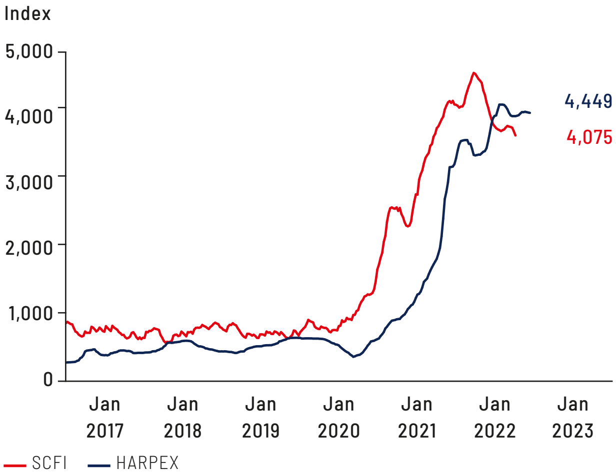
Cash and cash equivalents as at 30 June 2022 came to USD 86.5 million. Total restricted cash at 30 June 2022 was USD 18.8 million, compared with USD 23.6 million as at 31 December 2021.

Container market update

Container market surge reached its peaked in early 2022

In 2021, the container vessel market experienced an unseen surge. The first Covid-19 lockdowns in early 2020 induced severe equipment shortages and supply chain disruptions that absorbed a large amount of TEU capacity. The strong and fast economic recovery in the US and a shift of consumer demand from local services to tradable commodities reduced the availability of box spaces and charter vessels, which pushed freight rates and time-charter rates upwards to unseen, historic high levels. The Shanghai Containerized Freight Index (SCFI), for example, increased from 820 points in April 2020 to 5,000 points in January 2022. The HARPEX 6-12 month time-charter rate index surged from 400 points in June 2020 to 4,500 points in March 2022. [2]

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



[2] Clarksons Research, Shipping Intelligence Network, July 2022; Harper Petersen, HARPEX, July 2022.

Weakening global economy

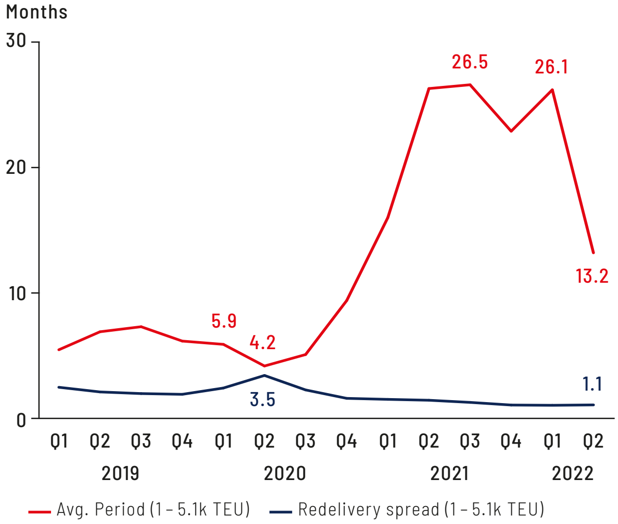
At the start of 2022, the most frequently asked question in the industry was when the container vessel market would start to normalize and how far rates and prices would come down again. With these questions still unsolved, the escalation of the Russia-Ukraine conflict in late February 2022 additionally shocked the world economy and the container vessel industry. The Russia-Ukraine conflict pushed commodity, energy and food prices upwards and induced additional inflationary pressure. Inflation had already started to become an issue as monetary and fiscal policies supported the recovery from Covid-19. The Russia-Ukraine conflict acted like a catalyst and added to the momentum. Monthly inflation numbers increased rapidly and now range around a multi-decade high of 9% in the US and in the euro area. To control inflation, major central banks have reacted with a more restrictive monetary policy. The US Fed increased its federal funds effective rate from around zero in February 2022 to 1.75% in June 2022 and recently delivered its second straight 75 basis point rate hike, taking its benchmark rate to a range of 2.25% to 2.5%. Following the Fed's restrictive monetary policy, the ECB has raised its interest rate by 50 basis points. Increasing interest rates put pressure on investments and, consequently, economic growth. GDP growth forecasts for the major Western economies have been downgraded continuously. In its latest version (July 2022) of the World Economic Outlook, the IMF downgraded its global GDP growth forecasts for full year 2022 to 3.2% (0.4 percentage points lower than projected in its April update). Demand continues to moderate across global supply chains. Consumer and company sentiment decreased. Europe and emerging economies are among the most exposed economies hit by the Russia-Ukraine conflict. [3]

The weakened macroeconomic sentiment and outlook induced uncertainty among container vessel market participants, such as shippers, liners and vessel owners. It is currently difficult to project core industry variables such as TEU volumes, that are also driven by consumer behavior. How strongly will the surging energy and commodity prices affect consumer demand? In the US, consumption is still strong, leading to further increasing sales and continuously low inventory to sales ratios, especially for wholesalers and retailers. However, demand on the freight market has already decreased, putting downward pressure on freight rates. The SCFI decreased significantly from its record high of 5,110 points at the beginning of January 2022 to 4,075 points in mid-July (see Fig. 1) and ranges currently (mid-August) around 3,700 points. Nonetheless, this reading is still way above pre-Covid levels and the revenue and earnings of the liner companies are still remarkable. In addition to the weakening of the freight market, the industry is still characterized by heavy disruptions and congestion. The Covid-19-induced lockdown in Shanghai from March to May 2022 kept supply chain disruptions and congestion at record high levels, especially in Asia and the US. The Clarksons Research total port congestion index in the boxship sector increased to a record high of 9.5 million TEU by mid-July 2022. [4]

While container freight rates have already softened, time-charter rates are still near historic high levels

While the freight market has already reacted to the weakening global economy, the time-charter market has not seen those significant implications so far, at least not regarding rates. Spot time-charter rates softened slightly over the past weeks but maintained their elevated levels overall. The HARPEX 6-12 month time-charter rate index, for example, peaked in late March 2022 at 4,586 points and currently ranges at around 4,318 index points (mid-August). The reason why the time-charter market has been able to maintain its elevated spot-rate level so far is that availability of charter vessels is negligible. With the market surge in 2021 and vessels stuck in port congestion, operators gave everything to secure tonnage. Thus, not only time-charter rates entered unseen territory, also charter periods were extended significantly from an average of four months in May 2020 to around 26 months in March 2022. Recently, average charter periods have started to decrease, but they are still more than twice as long as two years ago. In addition, the charter market has turned from a spot market to a forward fixing market with vessels being chartered months in advance. [5]

Fig. 2a: Expanded Charter Periods

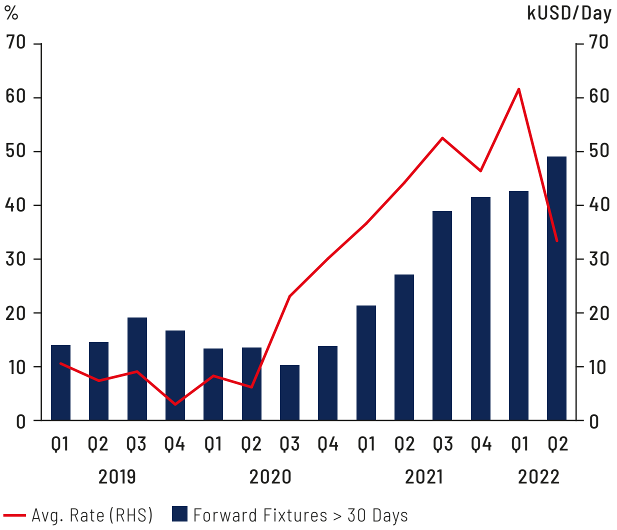


[3] Tradingeconomics.com, 21 July 2022; International Monetary Fund, World Economic Outlook, July 2022 update and April 2022.

[4] Clarksons Research, Shipping Intelligence Network, July 2022.

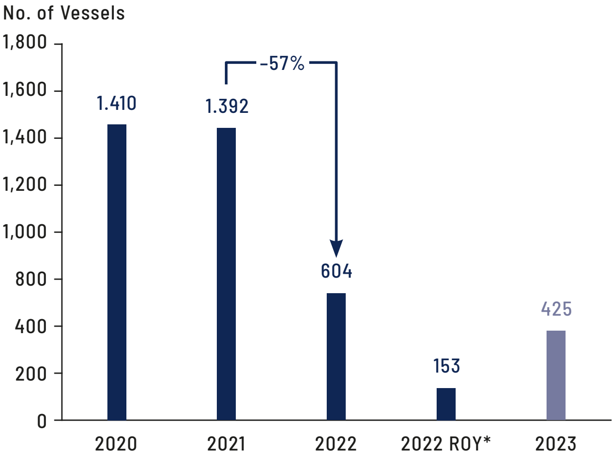
[5] Harper Petersen, July 2022.

Fig. 2b: Strong Increase in Forward Fixtures and Rates



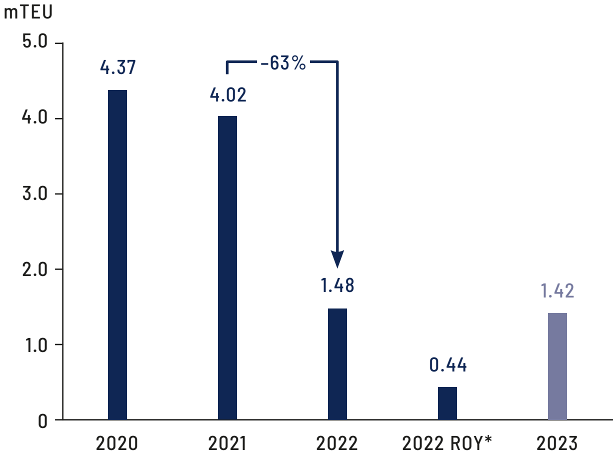
With the majority of vessels being fixed in advance and for extended periods, availability on the charter market has become scarce. There are only 150 vessels left that are open for charter until the end of 2022. When comparing the availability of charter vessels at the beginning of each year, the number of open positions decreased by around 60% compared to the usual numbers. [6]

Fig. 3a: Availability in No. Of Vessels



* Availability for the remainder of 2022 as of 20 July 22

Fig. 3b: Availability in MTEU



* Availability for the remainder of 2022 as of 20 July 22

The tight supply side currently manages to keep spot time-charter rates elevated. However, we have observed that operators are behaving more cautiously during negotiations. With an increase in market uncertainty, they do not want to commit to prolonged periods. Thus, even though rates are still elevated, the average charter period decreased from 26bmonths in March 2022 to around 13 months in June. [7]

Outlook: Market uncertainty, environmental regulation, Covid-19 measures and geopolitical tensions

The remaining questions for non-operating vessel owners include when and how time-charter rates will react in the future, whether freight rates will decrease further, whether time-charter rates will follow, whether liners will again cut capacity as seen at the beginning of the Covid-19 pandemic and whether shippers will terminate their long-term freight contracts. Uncertainty in the market has increased tremendously over the past few months, and the market has become more and more complex and volatile. It is thus highly recommended to shed some light on different market developments and forces.

With the market surge in 2021, the container vessel orderbook also increased significantly, from 8% of the fleet in October 2020 to 28% of the fleet in July 2022. In 2023 and 2024, when a significant share of the current orderbook will be delivered, supply growth is expected to outperform total demand growth. However, newbuild contracting has been significantly biased towards vessels larger than 12 thousand TEU. Thus, supply growth forecasts are less strong for smaller size segments. While the orderbook-to-fleet ratio is currently at 72% for vessels between 12 thousand and 17 thousand TEU, the ratio is still at around 17% in the feeder segment between 1 thousand and 3 thousand TEU. It will be important to observe cascading flows closely as soon as the larger newbuilds enter the market. [8]

[6] Ibid.

[7] Ibid.

[8] Clarksons Research, Shipping Intelligence Network, July 2022.

Fig. 4a: Orderbook Development

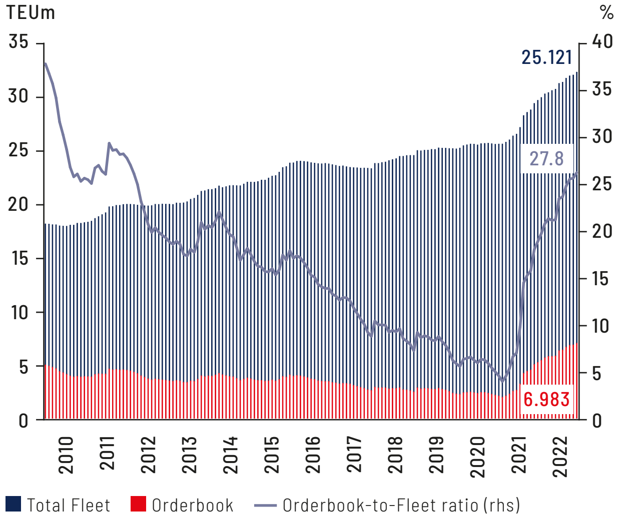


Fig. 5a: Supply-Demand Balance – Total Market

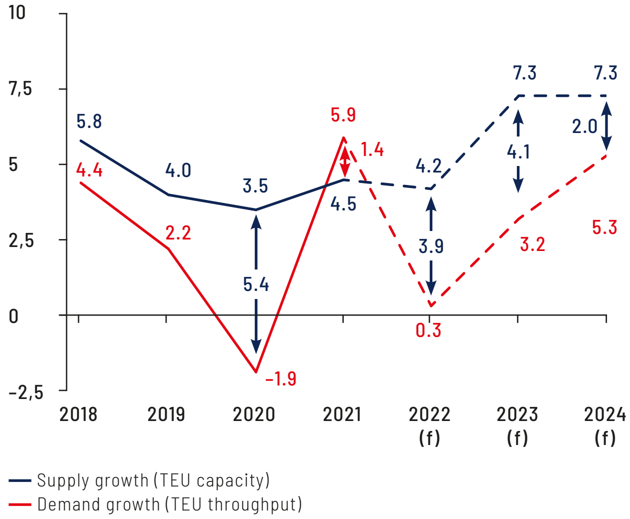


Fig. 4b: Orderbook Across Size Segments

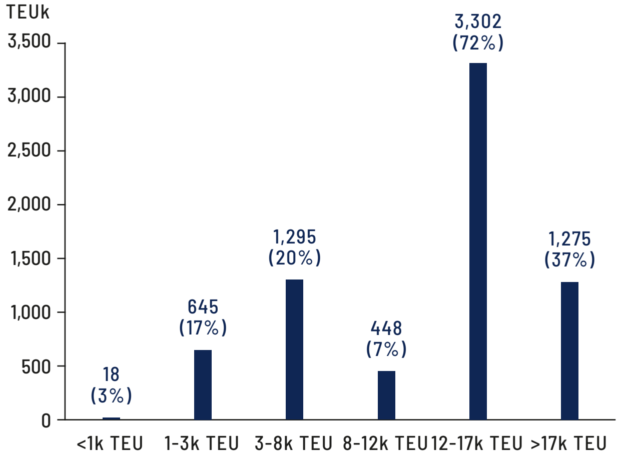
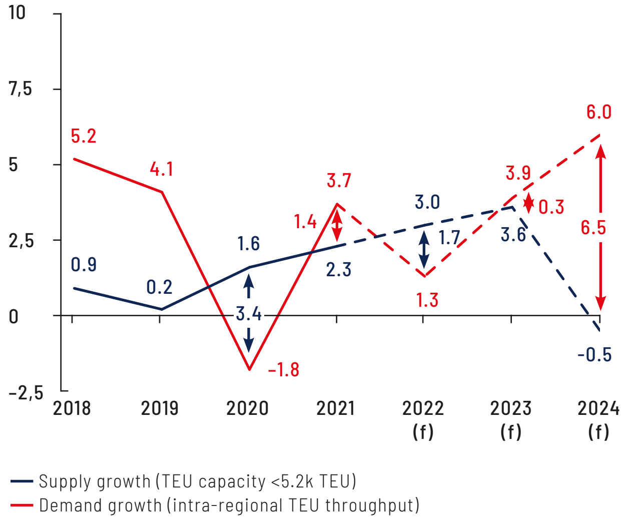


Fig. 5b: Supply-Demand Balance – Intra-Regional Trades



Overall, a significant excess supply situation is forecast for 2023 and 2024. Total container vessel growth is expected to stand at 7.3% in 2023 and 2024, while total TEU demand growth is expected to reach 3.2% in 2023 and 5.3% in 2024. For smaller vessels and regional trades, the supply-demand balance looks less worrying. While vessels smaller than 5.2 thousand TEU are expected to grow by 3.6% in 2023 and to decline by 0.5% in 2024, intra-regional TEU demand growth is expected to reach 3.9% in 2023 and 6% in 2024. Those forecasts already include scrapping expectations. While scrapping was zero in H1 2022, container vessel demolition, especially for smaller tonnage, is expected to reach record numbers in 2023, 2024 and 2025, with around 800 thousand to 900 thousand TEU overall per year.[9]

On the asset side, surging secondhand and newbuild prices were the follow-up effects of the soaring container market. S&P activity increased significantly in 2021, and so did prices for secondhand tonnage. During the past weeks, prices have softened slightly. As of July 2022, a 15-year old 1.7 thousand TEU vessel costs USD 30 million, a 2.8 thousand TEU vessel costs USD 47 million a 4.5 thousand TEU vessel costs USD 65 million. The newbuild market also recorded price increases, albeit not as strong as on the secondhand market. Newbuild prices are currently around USD 29 million for 1.8 thousand TEU vessels, USD 43 million for 2.8 thousand TEU vessels and USD 74 million for 5.3 thousand TEU vessels.[10]

[9] Maritime Strategy International, Horizon, July 2022.

[10] Clarksons Research, Shipping Intelligence Network, July 2022.

Environmental regulations have the potential to impact the market significantly from the start of 2023. Especially the new CII regulation is expected to affect the supply side, depending on the size of a vessel, its technical design and its trading pattern. In particular for niche trades, CII-regulation might decrease effective TEU capacity supplied going forward. Furthermore, Covid-19 restrictions and lockdowns, especially in China and Asia may induce new disruptions and shortages in tonnage supply. Current tensions in China regarding a unification with Taiwan add additional uncertainty to the market. The Group and its Board of Directors continue to thoroughly assess market developments and the current geopolitical tensions that could lead to heighten risk to our business.

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.

Responsibility statement

We confirm that, to the best of our knowledge, the consolidated financial statements presented in this report have been prepared in accordance with IAS 34 Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss for MPC Container Ships ASA and its subsidiaries (together referred to as the "Group") as a whole.

We also confirm, to the best of our knowledge, that the Board of Director's Report includes a true and fair review of the development and performance of the business and the position of the Group, together with a description of the financial risks and uncertainties facing the Group.

Oslo, 18 August 2022

The Board of Directors and CEO
of the MPC Container Ships ASA

Ulf Holländer (Chairman)

Dr. Axel Schroeder

Laura Carballo

Peter Frederiksen

Ellen Hanetho

Constantin Baack (CEO)

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

in USD thousands (unaudited)	Notes	Q2 2022	Q1 2022	Q2 2021	H1 2022	H1 2021
Operating revenues	5	151,699	142,942	68,825	294,642	123,699
Commissions		-4,219	-4,067	-2,363	-8,286	-4,497
Vessel voyage expenditures		-1,821	-2,864	-2,978	-4,685	-4,280
Vessel operation expenditures		-33,403	-34,598	-28,402	-68,000	-56,344
Ship management fees		-2,274	-2,254	-2,190	-4,529	-4,347
Share of profit or loss from joint venture	6	4,793	23,537	2,254	28,329	3,881
Gross profit		**114,775**	**122,696**	**35,147**	**237,471**	**58,111**
Administrative expenses		-3,005	-3,959	-2,480	-6,964	-4,933
Other expenses		-190	15	-903	-175	-1,361
Other income		195	18,969	141	19,164	2,346
EBITDA		**111,776**	**137,720**	**31,906**	**249,497**	**54,163**
Depreciation	7	-18,834	-18,440	-13,674	-37,275	-26,813
Impairment	7	0	0	0	0	0
Bargain gain business combination		0	0	0	0	0
Operating result (EBIT)		**92,942**	**119,280**	**18,232**	**212,222**	**27,349**
Finance income		1	40	52	41	67
Finance costs	8	-2,568	-2,458	-6,272	-5,026	-11,880
Profit/loss before income tax (EBT)		**90,376**	**116,862**	**12,012**	**207,237**	**15,537**
Income tax expenses		-233	-77	-25	-310	-64
Profit/loss for the period		**90,143**	**116,785**	**11,986**	**206,927**	**15,473**
Attributable to:						
Equity holders of the Company		90,106	116,676	11,976	206,782	15,460
Minority interest		36	109	10	145	13
Basic earnings per share – in USD		**0.20**	**0.26**	**0.03**	**0.47**	**0.04**
Diluted earnings per share – in USD		**0.20**	**0.26**	**0.03**	**0.47**	**0.04**

Consolidated statement of comprehensive income

in USD thousands (unaudited)	Notes	Q2 2022	Q1 2022	Q2 2021	H1 2022 YTD	H1 2021 YTD
Profit/loss for the period		90,143	116,785	11,986	206,927	15,473
Items which may subsequently be transferred to profit or loss		**37**	**281**	**538**	**319**	**955**
Foreign currency effects, net of taxes		0	0	107	0	-61
Change in hedging reserves, net of taxes	10	37	281	431	319	1,016
Items which will not subsequently be transferred to profit or loss		**0**	**0**	**0**	**0**	**0**
Other comprehensive profit/loss, net of taxes		0	0	0	0	0
Other comprehensive profit/loss from joint ventures and affiliates		0	0	0	0	0
Total comprehensive profit/loss		**90,180**	**117,066**	**12,524**	**207,246**	**16,428**
Attributable to:						
Equity holders of the Company		90,144	116,956	12,514	207,101	16,413
Non-controlling interest		36	109	10	145	13

Consolidated statement of financial position

in USD thousands	Notes	At 30 June 2022 (unaudited)	At 31 December 2021 (audited)
ASSETS		**903,951**	**1,034,613**
Non-current assets		**781,605**	**803,018**
Vessels	7	763,426	774,362
Right-of-use assets		367	-
Investment in joint venture	6	17,812	28,656
Current assets		**122,346**	**231,595**
Vessel held for sale	7	-	16,304
Inventories		8,689	4,820
Trade and other receivables		26,105	30,141
Financial instruments at fair value	10	1,097	-
Cash and cash equivalents		86,455	180,329
Unrestricted cash		67,645	156,767
Restricted cash		18,810	23,562
EQUITY AND LIABILITIES		**903,951**	**1,034,613**
Equity		**660,228**	**727,589**
Share capital	11	48,589	48,630
Share premium	11	321,371	597,080
Treasury shares		-	(1,143)
Retained earnings		288,994	82,212
Other reserves		210	(109)
Non-controlling interests		1,064	919
Non-current liabilities		**110,787**	**151,811**
Interest-bearing loans	8	108,652	148,083
Lease liabilities – long-term		172	-
Acquired TC contracts, non-current		1,963	3,728
Current liabilities		**132,936**	**155,213**
Interest-bearing loans and borrowings	8	79,189	83,743
Acquired TC contracts, current		4,362	18,083
Trade and other payables		10,037	17,628
Deferred revenue		27,338	15,146
Other liabilities		12,010	20,613

Consolidated statement of changes in equity

In USD thousands (unaudited)	Share capital	Share premium	Treasury shares	Retained earnings	Other reserves	Total equity attributable to the equity holders of the Company	Non-controlling interest	Total equity
Equity as at 1 Jan. 2022	48,630	597,080	-1,143	82,212	-109	726,670	919	727,589
Result of the period	-	-	-	206,782	-	206,782	145	206,927
Other comprehensive income	-	-	-	-	319	319		319
Total comprehensive income	**-**	**-**	**-**	**206,782**	**319**	**207,101**	**145**	**207,246**
Paid dividend	-	-272,388	-	-	-	-272,388	-	-272,388
Cancellation of treasury shares	-41	-1,102	1,143.00	-	-	-	-	-
Settlement of warrants		-2,219				-2,219		-2,219
Equity as at 30 June 2022	**48,589**	**321,371**	**-**	**288,994**	**210**	**659,164**	**1,064**	**660,228**
Equity as at 1 Jan. 2021	43,047	456,764	-1,143	-108,413	-8,877	381,377	1,655	383,032
Result of the period	-	-	-	15,460	-	15,460	13	15,473
Other comprehensive income	-	-	-	-	955	955		955
Total comprehensive income	**-**	**-**	**-**	**15,460**	**955**	**16,415**	**13**	**16,428**
Change in non-controlling interest	-	-	-	900	-	900	-870	30
Equity as at 30 June 2021	**43,047**	**456,764**	**-1,143**	**-92,053**	**-7,922**	**398,692**	**798**	**399,490**

Consolidated statement of cash flow

in USD thousands (unaudited)	Notes	Q2 2022	Q2 2021	H1 2022	H1 2021
Profit/loss before income tax		90,375	116,862	207,237	15,537
Income tax expenses paid		0	0	0	0
Net change in inventory and trade and other receivables		-5,937	6,104	167	-4,163
Net change in other current and trade and other payables		5,170	-6,112	-942	6,060
Depreciation		18,835	18,440	37,275	26,813
Finance costs (net)		2,567	2,418	4,985	11,812
Fair value changes financial instruments		0	0	0	1,016
Share of profit or loss from joint venture		-4,792	-23,537	-28,329	-3,881
Gain on sale of vessels		0	-18,733	-18,733	0
Amortization of TC contracts		-7,350	-8,136	-15,486	0
Cash flow from operating activities		**98,868**	**87,306**	**186,174**	**53,194**
Proceeds from disposal of vessels		0	35,036	35,036	8,506
Scrubbers, dry dockings and other vessel upgrades		-15,427	-10,885	-26,312	-14,888
Purchase of new vessels		0	0	0	-9,000
Interest received		-50	91	41	13
Investment in derivatives		-793	0	-793	0
Dividend received from joint venture investment		25,000	15,000	40,000	2,000
Investment in associates		0	-826	-826	0
Cash consideration acquisition		0	0	0	0
Cash flow from investing activities		**8,730**	**38,416**	**47,146**	**-13,369**
Proceeds from share issuance		0	0	0	0
Dividend paid		-72,267	-200,120	-272,387	0
Proceeds from debt financing		0	0	0	6,000
Repayment of long-term debt		-22,500	-22,500	-45,000	-30,436
Repayment of short-term debt		-3,554	0	-3,554	0
Payment of principal of leases		-28	0	-28	0
Repurchase of warrants		-2,219	0	-2,219	0
Interest paid		-1,985	-1,921	-3,906	-6,881
Debt issuance costs		0	0	0	-166
Other finance paid		-99	-1	-100	-1,258
Cash flow from financing activities		**-102,652**	**-224,542**	**-327,194**	**-32,740**
Net change in cash and cash equivalents		4,946	-98,820	-93,874	7,085
Cash and cash equivalents at the beginning of the period		81,509	180,329	180,329	39,254
Cash and cash equivalents at the end of the period		**86,455**	**81,509**	**86,455**	**46,339**

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 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 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 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union ("EU"). The statements have not been subject 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 31 December 2021. The consolidated financial statements are presented in USD thousands unless otherwise stated.

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

Note 3 – Significant accounting policies

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

Note 4 – Segment information

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

in USD thousands	Q2 2022 (unaudited)	Q2 2021 (unaudited)
Time charter revenue	126,297	51,512
Amortization of time charter contracts	7,350	0
Pool charter revenue	16,979	14,275
Other revenue	1,073	3,039
Total operating revenue	**151,699**	**68,825**

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

in USD thousands	Q2 2022 (unaudited)	Q2 2021 (unaudited)
Service element	31,395	40,644
Other revenue	1,073	3,039
Total revenue from customer contracts	**32,469**	**43,683**
Lease element	111,880	25,137
Amortization of time charter contracts	7,350	0
Total operating revenue	**151,699**	**68,825**

Other revenue relates to reimbursements of bunkers and other services, including amortization of the acquired value of time charter contracts. In Q2 2022, the amortization of acquired time charter contracts amounted to USD 7.4 million (Q1 2022: USD 8.1 million).

Note 6 – Share of profit or loss from joint ventures

In USD thousands	Q2 2022 (unaudited)	Q2 2021 (unaudited)
Operating revenue	15,421	10,949
Operating costs	-5,305	-4,978
Other income	183	0
Depreciation	-673	-1,293
Net financial income/expense	-36	-163
Income tax	-5	-7
Profit after tax for the period	**9,585**	**4,508**
Total comprehensive income for the period	**9,585**	**4,508**
Group's share of profit or loss for the period	**4,793**	**2,254**

The Group has a 50% interest in 2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG, Hamburg (Germany), a company that owns five container vessels through respective wholly owned subsidiaries (as at the end of Q2 2022). The interest in 2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG is considered to be an investment in a joint venture and is accounted for using the equity method.

Note 7 – Vessels

in USD thousands	At 30 June 2022 (unaudited)	At 31 December 2021 (audited)
Acquisition cost at 1 January	**937,841**	**707,924**
Acquisition of vessels	0	10,000
Acquisition of Songa Container Group	0	296,584
Prepayments	0	-1,000
Capitalized dry-docking and other expenses	26,312	41,084
Disposals of vessels	-20,914	-95,836
Vessel held for sale	20,914	-20,914
Acquisition cost	**964,153**	**937,841**
Accumulated depreciations and impairment 1 January	-163,480	-119,107
Depreciation for the year-to-date	-37,249	-62,049
Impairment	0	0
Disposal of vessels	4,611	13,066
Vessel held for sale	-4,611	4,611
Accumulated depreciations and impairment at end of period	**-200,728**	**-163,480**
Closing balance at end of period	**763,426**	**774,363**

Depreciation method	Straight-line	Straight-line
Useful life (vessels)	25 years	25 years
Useful life (dry docks)	5 years	5 years
Useful life (scrubbers)	Remaining useful life vessels	Remaining useful life 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. Management considers there are no indications of impairment as at 30 June 2022.

Note 8 – Interest-bearing debt

in USD thousands	Ticker	Currency	Nominal amount	Interest	Maturity	At 30 June 2022 (unaudited)	As at 31 December 2021 (audited)
Loan & credit facility	N/A	USD	135,000	1 month LIBOR + 3.35%	November 2026	135,000	180,000
Senior secured credit facility USD 70 million	N/A	USD	55,000	Floating + 3.25%	June 2024	55,000	55,466
Other short-term debt incl. accrued interest						388	271
Total outstanding						**190,388**	**235,271**
Debt issuance costs						-2,547	-3,446
Total interest bearing debt outstanding						**187,841**	**231,826**
Classified as:							
Non-current						108,652	148,083
Current						79,189	83,743
Total						**187,841**	**231,826**

On 29 July 2021, the Group entered into a USD 70 million three-year revolving credit facility agreement with CIT Group, where MPCC Second Financing GmbH & Co. KG, a subsidiary of the Company, is the borrower. The initial drawdown of USD 55 million was made to refinance the existing debt. The credit line's maturity date is in June 2024.

On 20 October 2021, the Group entered into an agreement for a USD 180 million five-year senior secured credit facility with Hamburg Commercial Bank ("HCOB"). The credit facility consists of a USD 130 million term loan and a revolving credit facility of USD 50 million. The loan and credit line mature in November 2026.

Note 9 – Related party disclosure

The following table shows the total amount of service transactions that have been entered into with related parties in Q2 2022:

in USD thousands / Q2 2022	Type of services	Group	2. Bluewater Holding Schifffahrts-gesellschaft GmbH & Co. KG
Wilhelmsen Ahrenkiel Ship Man. GmbH & Co. KG / B.V.	Technical	2,116	383
Harper Petersen & Co. GmbH	Commercial	1,833	173
MPC Münchmeyer Petersen Capital AG	Corporate	187	0
Total		**4,136**	**556**

All related party transactions are carried out at market terms. Please see the Company's 2021 Annual Report for additional details.

Note 10 – Financial instruments

The following table represents the Group's financial assets and financial liabilities measured and recognized at fair value at 30 June 2022 and 31 December 2021. The estimated fair value amount of the financial instruments has been determined using appropriate market information and valuation techniques.

in USD thousands	At 30 June 2022 (unaudited)		At 31 December 2021 (audited)	
Financial assets	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Trade and other receivables at amortized cost	26,105	26,105	30,141	30,141
Financial instruments at fair value	1,097	1,097	-	-
Cash and cash equivalents	86,455	86,455	180,329	180,329
Total financial assets	**113,657**	**113,657**	**210,470**	**210,470**
Financial liabilities at amortized cost	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Interest-bearing debt	108,652	108,652	148,083	148,083
Current portion – interest-bearing debt	79,189	79,189	83,743	83,743
Trade and other payables	10,037	10,037	17,628	17,628
Other liabilities	10,924	10,924	19,547	19,547
Total financial liabilities	**208,802**	**208,802**	**269,001**	**269,001**

The carrying amount of cash and cash equivalents, trade and other receivables, trade and other payables, and other liabilities are a reasonable estimate of their fair value, due to their short maturity. The estimated value of the Group's long-term interest-bearing debt equals its carrying value as at 30 June 2022 and 31 December 2021, as it is variable-rated.

In May 2022, the Group entered into an interest rate cap with a notional amount of USD 45.0 million effective for the period 1 January 2024 to 31 December 2026. The derivative provides a cap of 4% on the risk-free US interest (SOFR) for the period. The fair value (level 2) of the Group's interest rate cap is the estimated amount that the Group would receive or pay to terminate the agreements 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 30 June 2022 is recognized in the statement of other comprehensive income.

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 11 – Share capital

The share capital of the Company consisted of 443,700,279 shares as at 30 June 2022 after the deletion of 351,098 treasury shares held by the Company on 18 May 2022. The nominal value per share is NOK 1.00. All issued shares in the table below carry equal rights and are fully paid up.

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

Note 12 – Subsequent events

In July 2022, the Group entered into an agreement for the acquisition of two carbon-neutral 1,300 TEU vessels with 15-year time charters to North Sea Container Line AS. The two vessels are currently under construction at Taizhou Sanfu Ship Engineering in China and are being acquired for an aggregate price of USD 78.0 million. The vessels are due for delivery in July and November 2024.

In July 2022, the Group entered into an agreement for the sale of AS Serafina to an unrelated third party for a consideration of USD 34.0 million. The vessel will be delivered to its new owner in August 2022.

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 the operating revenues.

EBITDA

in USD thousands (unaudited)	Q2 2022	Q1 2022	Q2 2021	H1 2022	H1 2021
Operating result (EBIT)	92,942	119,280	18,232	212,222	27,349
Depreciation	18,834	18,440	13,674	37,275	26,813
EBITDA	**111,776**	**137,720**	**31,906**	**249,497**	**54,163**

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

Average time charter equivalent ("TCE")

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

Average operating expenses ("OPEX") per day

OPEX per day is a commonly used KPI in the shipping industry. OPEX per day represents 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.

Utilisation

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.

MPC Container Ships ASA
Ruseløkkveien 34, N-0251 Oslo
Postbox 1251 Vika
N-0111 Oslo, Norway

Org no. 918 494 316

www.mpc-container.com