

MPC CONTAINER SHIPS INVEST B.V.

FINANCIAL REPORT

H1 2021

MPC CONTAINER SHIPS INVEST B.V.

SECOND QUARTER AND HALF-YEAR 2021 HIGHLIGHTS

- Total revenues in Q2 2021 were USD 41.1 million (Q1 2021: USD 31.8 million).
- Net profit for Q2 2021 was USD 5.3 million (Q1 2021: net loss of USD 1.0 million).
- In Q2 2021, the Group, consisting of MPC Container Ships Invest B.V. and its subsidiaries, delivered AS Laguna to its new owners on 22 April 2021. The Group also acquired the two vessels AS Selina and AS Rafaela in June 2021 for respectively USD 17.3 million and USD 12.1 million from an associated company within the MPCC Group.

COMMENT FROM THE MANAGEMENT BOARD

The positive momentum in the container market is strengthening, supported by very strong fundamentals resulting in a further tightening of the availability of assets. Due to the upward trend in global trade and growing inefficiencies in the logistical chains there are no indications whatsoever of a weakening market before at least well into 2022.

In these market conditions the Group has completed a number of new fixtures and thereby locking in favourable rates and consequently improving the EBITDA backlog.

SECOND QUARTER AND HALF-YEAR 2021 RESULTS

Financial performance

The Group's vessels are chartered out on time charter contracts to global and regional liner shipping companies. Operating revenues were in Q1 USD 41.1 million (Q1 2021: USD 31.8 million). The gross profit from vessel operations was USD 19.2 million (Q1 2021: USD 10.8 million). The increase in operating revenues and gross profit compared to the previous quarter is driven by the recovery in the charter market and container demand, in turn leading to reduced idle time and increased charter rates for the Group's fleet.

The Group reports a profit of USD 5.3 million in Q2 2021 compared to a loss of USD 1.0 million in Q1 2021.

For the first half-year 2021, the Group reported operating revenues of USD 72.8 million (H1 2020: 53.8 million) and gross profit of USD 30.0 million (H1 2020: USD 6.4 million). The increase in gross profit compared to previous year is mainly due to the improvements in supply and demand balance in the container charter market leading to higher charter rates and reduced idle times. The Group reported a net profit of USD 4.4 million (H1 2020: Net loss of USD 18.7 million).

Financial position

The Group's total assets amounted to USD 394.8 million as at 30 June 2021 (USD 390.6 million as at 31 December 2020). Non-current assets in the amount of USD 364.8 million comprises of vessels. The increase in vessels compared to 31 March 2021 relates to the acquisition in June 2021 of the vessels AS Rafaela and AS Selina from subsidiaries of the Parent. Total equity was USD 175.5 million as at 30 June 2021 compared to USD 177.7 million as at 31 December 2020, with minority interest of USD 0.7 million. As at 30 June 2021, the Group had interest-bearing loans in the amount of USD 202.7 million (USD 200.3 million as at 31 December 2020), the increase relates to amortization of capitalized loan fees.

Cash flow

In the second quarter of 2021, the Group generated a positive cash flow from operating activities of USD 18.6 million (Q1 2021: cash flow of USD 6.9 million). The cash flow from investing activities was negative by USD 31.4 million (Q4 2020: positive by USD 1.4 million) due to dry-dockings and other upgrades of USD 5.9 million and intra-group acquisition of vessels of USD 29.4 million, partly offset by the disposal of AS Laguna of USD 3.9 million. The group had a net cash flow from financing activities of USD 0.0 million compared to a negative cash flow in Q1 2021 of USD 0.1 million.

For the first half-year 2020, the Group reports a positive operating cash flow of USD 25.6 million (H1 2020: positive by USD 1.0 million), where the increase is mainly caused by the strong container market in H1 2021. The Group had a negative cash flow from investing activities by USD 30.0 million (H1 2020: negative by USD 13.6 million) due to intra-group vessel acquisition of vessels, and dry docking and other investments on the vessels, partly offset by proceeds from disposed vessels of USD of USD 3.9 million. The cash flows from financing activities was negative by USD 0.1 million (H1 2020: positive by USD 8.8 million).

The total net change in cash and cash equivalents from 31 December to 30 June 2021 was negative by USD 4.6 million.

Cash and cash equivalents including restricted cash as at 30 June 2021 were USD 0.2 million, compared to USD 21.4 million as at 31 December 2020. The decrease relates to use of the proceeds on the blocked account during first half of 2021 related to internal relocation of vessels between different funding structures in the Group.

CONTAINER MARKET UPDATE

Surging Container Vessel Market with no normalization in sight

With the recovery from the COVID-19 implications in H2 2020, the container vessel market sees an extraordinary boom with sky-rocking prices, rates and volume growth. The pandemic has had an impact, as the Ever Given had and the COVID-19 disruptions of Yantian and now Vung Tau, but it was not the single nor the main determinant of the boom. Isolated accidents and port troubles have all been seen and weathered before. And even though the IMF recently revised global GDP growth upwards due to the COVID-19 vaccination progress in industrialized economies, there is no global trade or demand boom. Demand more or less shows a normal development over the past years.

The current market boom can be traced back to a supply web problem, where several age-old dysfunctions have been revealed simply with the legitimate boom of one single trade: the Transpacific eastbound. With an unexpected strong bounce-back in container trade demand between Asia and the US, port and hinterland congestions occurred and led to a shortage of trade equipment around the globe. What followed consequently was an unseen supply shortage with tight capacity characterizing the container vessel market since then.

As a result, key industry parameters like e.g. freight rates or time-charter rates explore unseen historical territory week-by-week and the commercial idle statistics decreased to record low levels. Regardless of the already historic high level achieved, the latest month-on-month increase of time-charter rates in July has been one of the strongest in history. Currently, every market participant, from liners over non-operating vessel owners to shippers, asks the same question: "When will this end and when will markets start to normalize?" The only true answer to this question is, as soon as capacity tightness vanishes and supply and demand equalize again. But nobody can predict when this will be. During the last couple of weeks, terminal congestions have even been getting worse, reaching new heights. Analysts and liners meanwhile argue that the surge may continue for months, well into 2022. First voices even say that a normalization will not be seen before 2023. And even when we find an answer to the question "when" the situation normalizes, nobody is able to say what the new "normal" will look like.

Beneath the current market spike, industry fundamentals are in good shape, especially for smaller container vessels.

The strong market momentum encouraged investors. US-listed shipping stocks started 2021 with a roar (+12.8% on average only in week one, 2021), outperforming other indices. Secondhand transactions and new-build orders increased and so did secondhand prices and meanwhile also newbuilding prices. The increase in new-build orders since October 2020 is strongly biased towards larger sized vessels, so that smaller vessels below 5.2k TEU still see a manageable orderbook-to-fleet ratio. The vessel age in the smaller segments is relative high, what may lead to an increase in scrapping numbers as soon as markets normalize, and demand forecasts for intra-regional trades (the main home for smaller vessels) are relative strong. Global demand and production developments like a changed consumer behavior (from non-tradable local services to consumption goods) and a change in global sourcing patterns towards more regional diversification add to the good demand forecasts for intra-regional trades.

Overall, analysts expect an excess demand situation for the coming two years at least, significantly pronounced for vessels serving intra-regional trades. The new orderbook spike will start to be delivered in 2023 and the market will then see an increase in new-build deliveries of larger sized vessels. It will then get important to monitor possible cascading flows closely. However, as intra-regional trades have natural physical and logistical boundaries that prevent larger vessels to serve those markets and as volume forecasts for intra-regional trades are promising, we see encouraging market conditions for smaller-sized vessels also going forward.

The next paragraphs will discuss the current market dynamics in greater detail.

Container Demand

The implications of the COVID-19 lockdown turned 2020 into one of the worst years for the global economy and container trade in particular (-1.7% global TEU demand growth). The economic recovery, however, occurred fast and significant so that analysts expect a 7.8% TEU throughput growth in 2021. Full year demand expectations are even stronger for intra-regional trades with 7.9%¹. Those strong numbers base on a strong recovery and a good performance of the global economy. In light of good vaccination progress in industrialized economies, the IMF revised its global GDP growth forecasts for 2021 and 2022 upwards to 6% and 4.9%, respectively.²

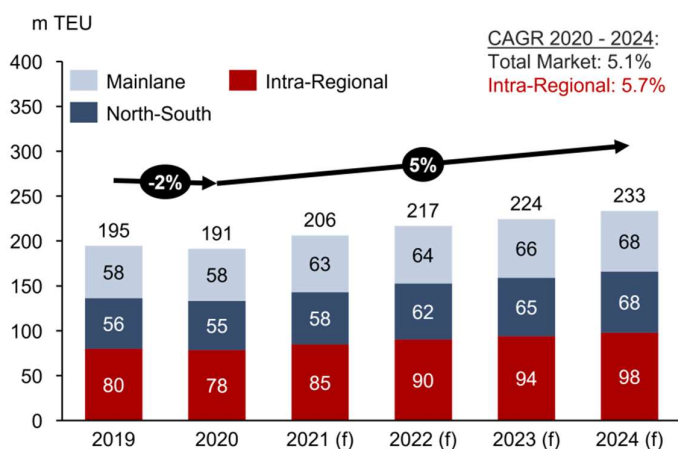
Mid-term demand forecasts for the Container Vessel Market are encouraging as well. Demand growth is currently estimated with an average annual growth rate of 5.1% until the end of 2024. Numbers are even more favorable for smaller and intermediate vessels as demand growth on intra-regional trades (the main deployment of vessels smaller 5.2k TEU) is relative strong with an average annual growth rate of 5.7%.³ (See Fig. 1) The rethinking of global sourcing patterns towards more regional diversification can be expected to have additional positive implications on intra-regional trades (especially in Asia) and to increase the need for small and flexible container vessels.

Fig. 1: Mid-Term Demand Forecasts

¹ Maritime Strategies International, Horizon, August 2021.

² International Monetary Fund, World Economic Outlook, Update July 2021.

³ Maritime Strategies International, Horizon, August 2021.



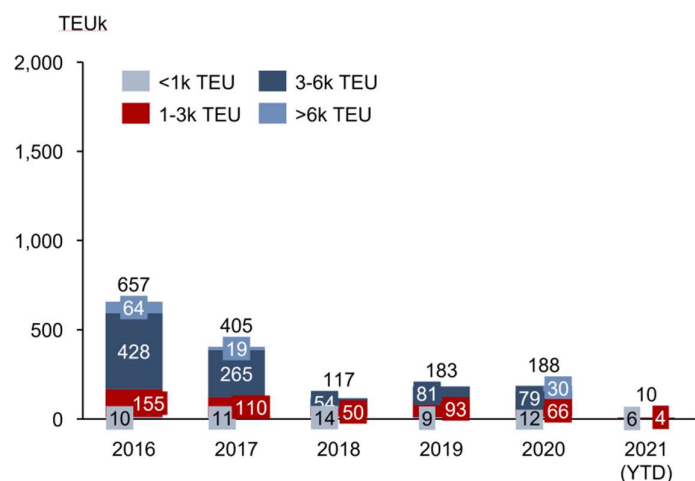
Fleet Development

Regarding the supply side of the container vessel market, the global container fleet comprises currently 5,520 vessels with a total capacity of 24.2 million TEU. The feeder fleet (1k to 3k TEU) amounts to 2,029 vessels with a total capacity of 3.7 million TEU.⁴

In light of the current container vessel market boom with charter vessels achieving record daily earnings, scrapping came to a halt. In 2021 year-to-date, only 13 vessels with a capacity of 10k TEU have been scrapped. Thereof, 10 vessels with 6k TEU have been demolished in the segment <1k TEU and 3 vessels with 4k TEU in the size class 1-2k TEU. In 2020, the container vessel market saw 188k TEU deletions, with scrapping of 12k TEU (15 vessels) in the size segment <1k TEU. The feeder segment (1-3k TEU) saw 66k TEU scrapped (44 vessels). In the classic panamax segment (3-6k TEU), 16 vessels with 79k TEU capacity have been scrapped. 4 deleted vessels with 30k TEU have been larger than 6k TEU.⁵ (See Fig. 2)

As 45% of vessels (in terms of TEU) are older than 14 years with a strong bias towards smaller tonnage, a significant increase in scrapping numbers is expected when the current market surge eases. It is, however, not possible to predict when this will happen. In the mid-term, also environmental regulation may show an increasing impact on scrapping numbers in the smaller segments.⁶

Fig. 2: Scrapping



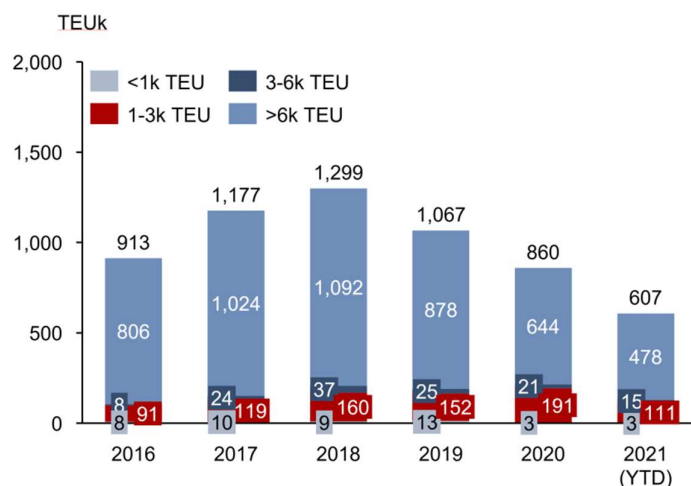
⁴ Clarkson Research, Shipping Intelligence Network, August 2021.

⁵ Ibid.

⁶ Clarkson Research, World Fleet Register, August 2021.

New build deliveries have been very low in 2020. 140 container vessels with a capacity of 860k TEU have been added to the market. Even though numbers for 2019 have already been relative low (164 container vessel deliveries with 1.1m TEU capacity). In the feeder segment (1k to 3k TEU) 93 vessels have been delivered in 2020 (with 191k TEU capacity) compared to 83 vessels delivered in 2019 (152k TEU). Only 6 vessels with 21k TEU have been delivered in the size segment of 3k to 6k TEU. The number is comparably low as in 2019, where 7 vessels with 24k TEU have been delivered. In 2021 delivery numbers increased slightly. 2021 year-to-date already saw 96 vessels delivered 607k TEU. Thereof, 57 vessels (111k TEU) have been delivered in the feeder segment (1k to 3k TEU) and 5 vessels with 15k TEU in the size segment 3k to 6k TEU.⁷ (See Fig. 3)

Fig. 3: Deliveries



A historic low container vessel orderbook was observed in October 2020 with 8% of the total fleet and only 1.9m TEU capacity on order. Due to the extraordinary strong market momentum since then, new build orders increased significantly. In 2021 year-to-date, 347 container vessel orders have been placed with 3.3m TEU capacity. The total orderbook-to-fleet ratio thus increased to 21.3% with 5.2m TEU capacity on order. As the recent increase in new orders has been biased strongly towards larger tonnage, the Feeder Orderbook (1k to 3k TEU) is still at relative low levels with 384k TEU on order (10% of the feeder fleet).⁸

Compared to the total fleet, feeder orders increased relative low in 2021 year-to-date. We observed 91 vessel orders with a capacity of 169k TEU. In the Classic Panmax segment (3k to 6k TEU), 69 vessels have been ordered in 2021 year-to-date (283k TEU), what is quite a number especially as new build orders have been negligible since 2014. Despite the surge in new orders, the orderbook-to-fleet ratio in this segment is still very low at around 7%⁹ (See Fig. 4) and the average age of the sailing fleet relative high with 45% of vessels older than 14 years.¹⁰

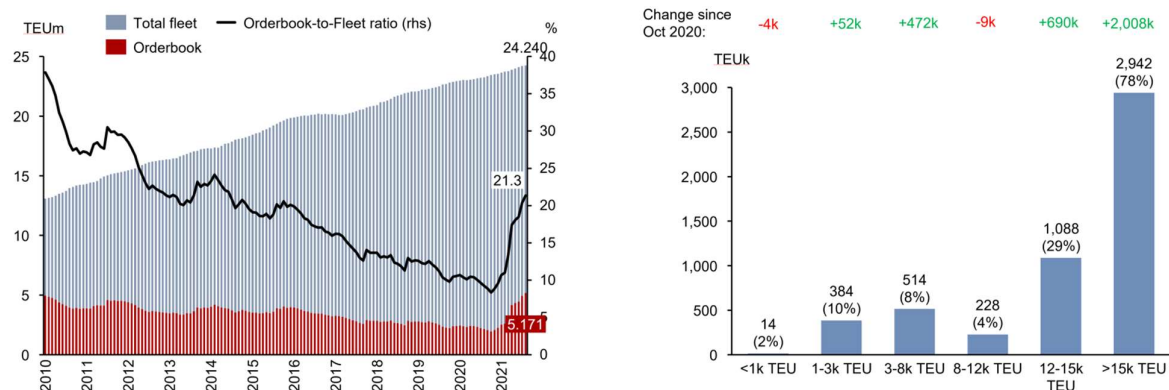
Fig. 4: Orderbook Development and Orderbook Structure

⁷ Clarkson Research, Shipping Intelligence Network, August 2021.

⁸ Ibid.

⁹ Ibid.

¹⁰ Clarkson Research, World Fleet Register, August 2021.

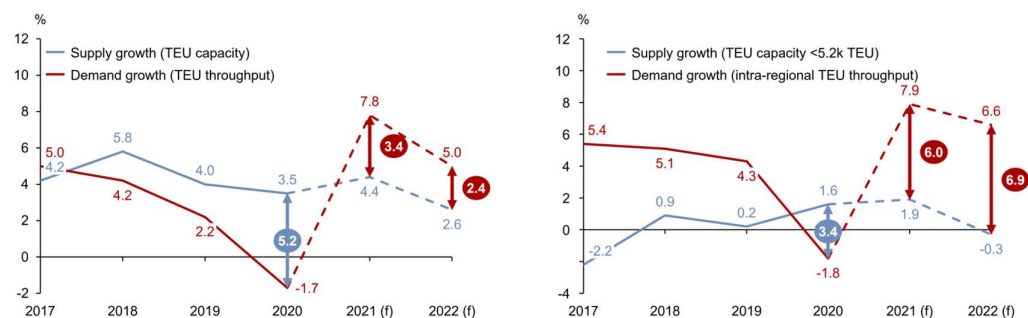


The current age of the total fleet is 14 years. In 2011, the current fleet age was nine years. Smaller vessels (<3k TEU) are aging more notably: 891 vessels are currently 20 years or older (29%).¹¹

Supply / Demand Balance

As the forecasted strong TEU demand will meet a moderate fleet growth in the coming years, an excess demand situation is expected. Demand growth is assumed to be 7.8% in 2021 for the total market, outperforming the expected supply growth of 4.4%. In 2022, the total container fleet is expected to grow only with 2.6%, compared to a strong 5% TEU demand growth. An even stronger excess demand is expected for vessels serving intra-regional trades. Demand growth on intra-regional trades is forecasted with 7.9% in 2021 and vessels smaller 5.2k TEU (which carry 93.4% of the intra-regional TEU tonnage) are expected to grow with only 1.9% in 2021. In 2022, the growth of vessels smaller 5.2k TEU is even expected to be negative with -0.3%, intra-regional trade demand by contrast is forecasted with as strong growth of 6.6%.¹² (See Fig. 5)

Fig. 5: Supply / Demand Development (Total and Intra-Regional Trades)



Charter Market

The current container vessel market boom is especially visible on the charter market, where tight capacity led to a sharp decrease in the idle statistics and time-charter rates increased to record high levels. With the market power moving to vessel owners, the min-max redelivery windows of time-charter contracts got minimized and charter periods increased significantly. As a consequence, forward vessel availability on the charter market diminished. While there are usually around 1,200 to 1,500 open positions for six months ahead, there are currently only around 500 vessels coming open in the next six months.

With the strong rebound of Transpacific TEU volumes and the following congestions and equipment shortages everywhere, competition amongst shippers for open slots increased sharply and pushed freight rates to record high

¹¹ Ibid.

¹² Maritime Strategies International, Horizon, August 2021.

numbers. First on the Transpacific trades, but Asia-Europe and North South trades followed in tandem slightly afterwards. The SCFI Comprehensive increased from 1,050 in July 2020 to 4,196 at the beginning of August 2021.¹³

Freight rates also increased on Intra-Regional trades, where the media put not much attention on. Rates on Intra-Asia trades e.g. are with 1,484 USD/ 40ft in June 2020 76% higher in a year-on-year comparison. Box rates on Intra-Europe trades increased from 930 USD/ 40ft in May 2020 to meanwhile 2,030 USD/ 40ft.¹⁴

As freight rates, also time-charter rates increased to record high numbers. The surge in time-charter rates still continues and has not been experienced such strong and fast since 2002. The HARPEX Time-Charter Rate Index increased from 412 points in June 2020 to 3,549 points in April 2021 (+761%).¹⁵

Time charter rates (6-12 months) at 30 April 2021: ¹⁶ (See Fig. 5)

1,000 TEU grd: USD 33,500 (+509% YoY)

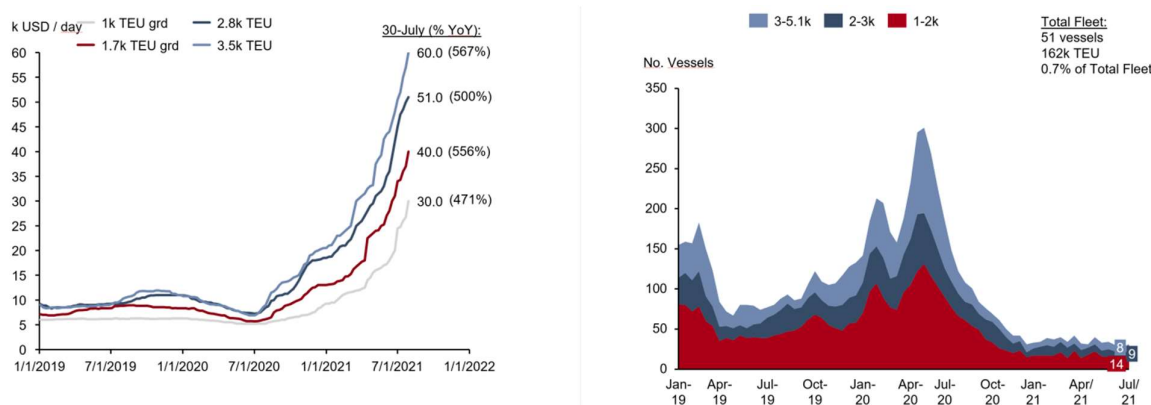
1,700 TEU grd: USD 42,500 (+580% YoY)

2,750 TEU: USD 56,000 (+583% YoY)

3,500 TEU: USD 70,000 (+540% YoY)

Idle numbers decreased significantly since June 2020. While at the peak of the COVID-19 induced crisis, 550 vessels have been counted as commercially idle, the number decreased to a very low level of only 60 vessels at the beginning of January 2021. Since then, the idle statistics moved more or less sideways. As of 19 July, 51 vessels are counted as commercially idle (162k TEU and 0.7% of the total fleet). In the feeder segment (1k-3k TEU), there are currently 23 vessels counted as idle.¹⁷ (See Fig. 5)

Fig 6: Time-Charter Rates and Idle Statistics



With the surge in the charter market, also the charter duration and the min/ max redelivery spread became more favourable for vessel owners. The average charter period for smaller vessels (1,000 to 5,100 TEU) increased from 4.2 months in June 2020 to 30 months in July 2021. The redelivery spread decreased from 3.4 months in June 2020 to 0.9 months in July 2021.¹⁸

Asset Prices

With the improvement of the container vessel market momentum, also the second hand market and the new build market improved substantially.

¹³ Clarkson Research, Shipping Intelligence Network, August 2021.

¹⁴ Drewry, Container Freight Rate Insights, August 2021.

¹⁵ Harper Petersen, August 2021.

¹⁶ Clarksons Research, Shipping Intelligence Network, August 2021.

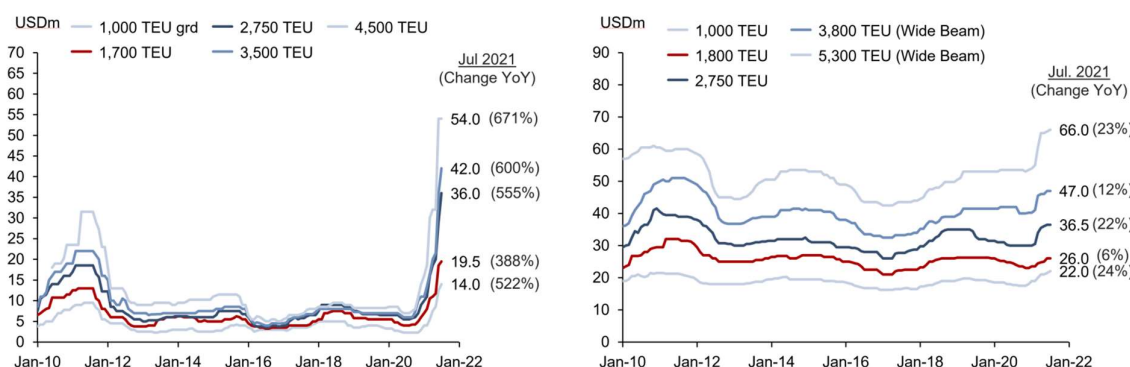
¹⁷ Alphaliner, Weekly Newsletter, July 2021.

¹⁸ Clarksons Research, Shipping Intelligence Network, August 2021.

While 201 container vessels changed owner in 2020 (820k TEU), 2021 year-to-date already saw 288 container vessel sales (991k TEU). Second hand prices increased from USD 4 million for a 15 year old 1.7k TEU vessel in June 2020 to USD 19.5 million in August 2021 (+388%). For a 15 year old 2.8k TEU vessel, the price increased from USD 5.5 million in June 2020 to USD 36 million in August 2021 (+555%) and from USD 6 million to USD 42 million for a 15 year old 3.4k TEU vessel (+600%).¹⁹

With a lag of a few months, new-building prices also started to increase. The increase in new-build prices is, however, not as pronounced as the increase in second hand prices. For a 3.8k TEU vessel, the new-building price increased from USD 40 million in September 2020 to USD 47 in August 2021 (+18%). For a 2.8k TEU vessel, the new building price increased from USD 30 million to USD 36.5 million (+22%). And for a 1.7k TEU vessel from USD 23 million to USD 26m (+13%).²⁰

Fig. 7: Second Hand and New Build Price Development



Market Outlook

COVID-19 and the imposed lockdowns led to a severe global recession in 2020, affecting all major economies and a wide range of industries. While the markets started to recover stepwise in H2 2020, the container vessel industry and the container vessel charter market in particular saw an unexpected strong and fast rebound and experience an unseen boom since then, with rates and prices reaching record high numbers week-by-week.

Main drivers of the current market boom are neither the pandemic, nor global demand. The boom was initiated by strong Transpacific trade volumes that unrevealed dysfunctions in the global supply web. The strong rebound of Transpacific volumes led to port and hinterland congestions and subsequent equipment shortage on main trading hubs. Proper market fundamentals add to the momentum and created a very tight capacity supply situation.

The question that every market participant asks these days is when the market will normalize and what will then be the new “normal”. It is not possible to answer these questions now. Current news, however, show that terminal congestions have even been getting worse, reaching new heights in the US and that new COVID infections in Ningbo and Shanghai lead to unprecedented congestions also China. Analysts and liners meanwhile argue that the capacity tightness may continue for months, well into 2022, possibly also into 2023.

The current market boom attracted new build orders that will be delivered in 2023 and onwards. The orderbook is, however, significantly biased towards larger tonnage. Industry fundamentals are encouraging for smaller tonnage (<5.2k TEU). There, the orderbook of less than 10% is manageable, the fleet is relative old what will lead to an extended scrapping activity after markets normalize, fleet growth in the coming years is expected to be even negative and Intra-Regional trades, where most of these smaller vessels trade, are expected to see relative strong trade growth numbers.

¹⁹ Ibid.

²⁰ Ibid.

In 2023, when the freshly ordered larger vessels hit the water, cascading flows and scrapping activities need to be monitored closely, even if intra-Regional trades are characterized by physical and logistic boundaries that prevent larger vessels to serve these markets. There are still plenty of uncertainties to sort out what will happen in 2023, but one might expect that larger tonnage may move into North-South trades and replace 7,000 to 12,000 TEU vessels. A portion of these vessels may be good scrapping candidates because of their age. Environmental regulation will add to this momentum.

Overall, we expect the encouraging market situation for vessels smaller 5.2k TEU to continue also after markets normalize and after delivery of the larger tonnage in 2023 and 2024.

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 Invest B.V. 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 International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm to the best of our knowledge that the Management Board' discussion and analysis for the first half of 2021 gives a true and fair overview of the main development and performance of the business and the position of the Group.

18 August 2021

The Management Board of MPC Container Ships Invest B.V.


Lammert de Graaf
Constantin Baack
Hans Bouma

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in USD thousands	Notes	Q2 2021 (unaudited)	Q1 2021 (unaudited)	Q2 2020 (unaudited)	H1 2021 (unaudited)	H1 2020 (unaudited)
Operating revenues	3	41,052	31,787	24,980	72,839	53,789
Commissions		-1,525	-1,331	-839	-2,856	-1,891
Vessel voyage expenditures		-1,277	-568	-3,690	-1,845	-8,616
Vessel operation expenditures		-17,619	-17,620	-17,178	-35,239	-33,736
Ship management fees		-1,451	-1,475	-1,538	-2,926	-3,130
Gross profit		19,180	10,793	1,734	29,973	6,416
Administrative expenses		-773	-808	-616	-1,582	-1,172
Depreciation	4	-8,246	-8,060	-7,921	-16,305	-15,249
Impairment		0	0	-1,500	0	-1,500
Other expenses		-600	-192	-204	-792	-205
Other income		31	1,369	335	1,400	440
Operating result (EBIT)		9,592	3,102	-8,173	12,693	-11,269
Finance income		5	2	13	8	-6
Finance costs	6	-4,190	-4,068	-3,640	-8,258	-7,436
Profit/Loss before income tax (EBT)		5,407	-963	-11,800	4,443	-18,711
Income tax expenses		-64	-29	4	-93	3
Profit/Loss for the period		5,342	-993	-11,796	4,350	-18,708
Attributable to:						
Equity holders of the Company		5,333	-996	-11,788	4,337	-18,697
Minority interest		10	3	-8	13	-11

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in USD thousands	Notes	Q2 2021 (unaudited)	Q1 2021 (unaudited)	Q2 2020 (unaudited)	H1 2021 (unaudited)	H1 2020 (unaudited)
Profit/Loss for the period		5,342	-993	-11,796	4,350	-18,708
Items that may be subsequently transferred to profit or loss		233	280	-26	513	-4,634
Cash flow hedge reserve		191	278	-22	469	-4,630
Foreign currency		42	2	-4	44	-4
Items that will not be subsequently transferred to profit or loss		0	0	0	0	0
Total comprehensive profit/loss		5,576	-712	-11,821	4,863	-23,342
Attributable to:						
Equity holders of the Company		5,566	-715	-11,813	4,850	-23,332
Non-controlling interest		10	3	-8	13	-11

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in USD thousands	Notes	30 June 2021 (unaudited)	31 Dec. 2020 (audited)
Assets		394,825	390,552
Non-current Assets		364,767	354,159
Vessels	4	364,767	354,159
Vessels held for sale		0	3,900
Current assets		30,058	32,493
Inventories		2,347	2,047
Trade and other receivables		10,911	9,068
Restricted cash		217	9,206
Cash and cash equivalents		16,583	12,172
Equity and liabilities		394,825	390,552
Equity		175,494	177,652
Share capital	5	0	0
Share premium		261,295	261,295
Other paid-in equity		-7,019	0
Retained losses		-73,003	-77,340
Other comprehensive income		-6,448	-6,961
Minority interest in equity		670	657
Non-current Liabilities		202,740	200,318
Interest bearing long-term debt	6	202,740	200,318
Other liabilities		0	0
Current Liabilities		16,591	12,582
Trade and other payables		7,657	8,604
Payables to affiliated companies		801	1,941
Other liabilities		8,133	2,037

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in USD thousands	Share capital (unaudited)	Share premium (unaudited)	Other paid-in equity (unaudited)	Retained losses (unaudited)	Foreign currency effects (unaudited)	Hedging reserves (unaudited)	Minority interest (unaudited)	Total equity (unaudited)
Equity as at 1 Jan. 2021	0	261,295	0	-77,340	-10	-6,951	657	177,652
Result of the period	0	0	0	4,337	0	0	13	4,350
Accounting effect from intragroup vessel acquisition	0	0	-7,019	0	0	0	0	-7,019
Cash flow hedge reserve	0	0	0	0	0	469	0	469
Foreign currency translation	0	0	0	0	44	0	0	44
Equity as at 30 June 2021	0	261,295	-7,019	-73,003	34	-6,482	670	175,494

in USD thousands	Share capital (audited)	Share premium (audited)	Other paid-in equity (audited)	Retained losses (audited)	Foreign currency effects (audited)	Hedging reserves (audited)	Minority interest (audited)	Total equity (audited)
Equity as at 1 Jan. 2020	0	232,273	0	-31,987	-4	-2,745	683	198,220
Contribution in kind	0	29,022	0	0	0	0	0	29,022
Capital increase from non-controlling interest	0	0	0	0	0	0	0	0
Result of the period	0	0	0	-45,353	0	0	-26	-45,379
Cash flow hedge reserve	0	0	0	0	0	-4,206	0	-4,206
Foreign currency translation	0	0	0	0	-6	0	0	-5
Equity as at 31 December 2020	0	261,295	0	-77,340	-10	-6,951	657	177,652

CONSOLIDATED STATEMENT OF CASH FLOW

in USD thousands	Notes	Q2 2021 (unaudited)	Q1 2020 (unaudited)	Q2 2020 (unaudited)	H1 2021 (unaudited)	H1 2020 (audited)
Profit/Loss before taxes		5,407	-963	-11,800	4,443	-18,711
Income tax paid		0	0	0	0	0
Finance expenses, net		4,185	4,065	3,627	8,250	7,442
Interest paid		-2,575	-2,544	-3,006	-5,119	-6,400
Net other interest paid		-300	-267	-229	-567	-219
Net change in current assets		4,377	-1,243	2,308	3,134	2,840
Net change in current liabilities		-901	-443	583	-1,344	4,196
Cash upfront payment for hedge instruments		191	278	-60	469	320
Repayment of MTM value		0	0	0	0	-5,243
Depreciation and impairment		8,246	8,060	9,421	16,306	16,748
Cash flow from operating activities		18,630	6,943	844	25,572	973
Proceeds from disposals of vessels		3,900	4,606	0	8,506	0
Purchase of vessels		-29,375	0	0	-29,375	0
Dry-docking and other investments		-5,923	-3,241	-4,611	-9,164	-13,596
Prepayment on vessels		0	0	0	0	0
Cash flow from investing activities		-31,398	1,365	-4,611	-30,033	-13,596
Proceeds from shareholder's contribution		0	0	3,000	0	9,022
Bond issuing costs		0	-118	0	-118	-222
Cash flow from financing activities		0	-118	3,000	-118	8,800
Net change in cash and cash equivalents		-12,768	8,190	-767	-4,579	-3,823
Net foreign exchange differences		0	0	0	0	0
Cash and cash equivalents at beginning of period		29,568	21,378	12,754	21,378	15,810
Cash and cash equivalents at the end of period²¹		16,800	29,568	11,987	16,800	11,987

²¹ Whereof USD 0.2 million was restricted as at 30 June 2021 and USD 9.5 million at 31 December 2021.

NOTES

Note 1 - General information

MPC Container Ships Invest B.V. (the "Company", together with its subsidiaries the "Group") is a private limited liability company incorporated and domiciled in the Netherlands, with registered address at Oever 5, 3161 GR Rhoon NL, the Netherlands and Dutch enterprise number 69545103. The Company was incorporated on 6 September 2017 and operating activity commenced in September 2017. This consolidated financial report comprises the Company and its subsidiaries. The principal activity of the Group is the investment in as well as operating and financing of container vessels.

The Company is controlled by MPC Container Ships ASA (the "Parent"), a public limited liability company incorporated and domiciled in Norway, with registered address at Munkedamsveien 45 A, 0250 Oslo, Norway and Norwegian enterprise number 918 494 316. The Group is included in the consolidated financial statements of the Parent. The shares of the Parent 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 2021 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 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 2020. The consolidated financial statements are presented in USD thousands unless otherwise indicated.

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.

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 2020. There are no new standards effective as at 1 January 2021 with a significant impact on the Group.

Note 3 - Revenue

in USD thousands	Q2 2021 (unaudited)	Q2 2020 (unaudited)
Time charter revenue	26,767	16,199
Pool charter revenue	13,143	6,824
Other revenue	1,142	1,957
Total operating revenue	41,052	24,980

The Group's time charter contracts are separated 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 are 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 IFRS 15. The Group's performance obligation is to provide time charter services to its charterers.

in USD thousands	Q2 2021 (unaudited)	Q2 2020 (unaudited)
Service element	23,976	8,914
Other revenue	1,142	1,957
Total revenue from customer contracts	25,118	10,871
Lease revenue	15,934	14,110
Total operating revenue	41,052	24,981

Note 4 - Vessels and vessels held for sale

in USD thousands	30 June 2021 (unaudited)	31 December 2020 (unaudited)
Acquisition cost at 1 January	426,862	426,748
Acquisition of vessels	22,356	0
Disposals of vessels	-8,783	-16,593
Capitalized dry-docking, scrubbers and other investments	9,164	24,860
Vessel held for sale	0	-8,153
Acquisition cost at end of period	449,598	426,862
Accumulated depreciation 1 January	-72,703	-45,291
Disposal of vessels	4,177	7,671
Depreciation for the year	-16,305	-31,341
Impairment for the year	0	-7,996
Vessel held for sale	0	4,253
Accumulated depreciation at end of period	-84,831	-72,703
Closing balance at end of period	364,767	354,159
<i>Depreciation method</i>	<i>Straight-line</i>	<i>Straight-line</i>
<i>Useful life (vessels)</i>	<i>25 years</i>	<i>25 years</i>
<i>Useful life (dry docks)</i>	<i>5 years</i>	<i>5 years</i>
<i>Useful life (scrubbers)</i>	<i>Remaining useful life vessel</i>	<i>Remaining useful life vessel</i>

In June 2021, the Group acquired the vessels AS Selina and AS Rafaela from subsidiaries of the Parent. The vessels has been accounted for at continuing values.

The vessel AS Laguna, which was classified as held for sale per 31 March 2021, was delivered to its new owners on 26 April 2021. The vessel AS Frida was delivered to its new owners on 12 March 2021.

At each reporting date, the Group evaluate whether there is an indication that an asset may be impaired. An assessment of the recoverable amount is made when an impairment indicator exists. At 30 June 2021, no such indicators are identified hence no impairment assessment is performed.

Note 5 - Share capital

	Number of shares	Share capital (USD)	Share premium (USD)
31 December 2020	1	1	261,295
Equity adjustments in H1 2021	0	0	0
30 June 2021	1	1	261,295

As at 30 June 2021, the share capital of the Company consists of 1 share with nominal value per share of EUR 1, paid on 13 October 2017. Share premium represents the additional contributions made by the Parent (substantially through vessels and cash).

Note 6 - Interest-bearing loans

The Company has in 2017 and 2018 issued a senior secured bond with a total outstanding as at 30 June 2021 of USD 202.7 million. The bond is listed at Oslo Stock Exchange with ticker code "MPCBV". The Group has entered into fixed interest-rate swap agreements for USD 50 million of the bond loan. For the remaining bond loan of USD 150 million, the Group has entered into interest cap and collar agreements.

in USD thousands	30 June 2021 (unaudited)	31 December 2020 (audited)
Nominal value of issued bonds	204,056	204,056
Issuance costs	-1,316	-3,738
Interest-bearing debt	202,740	200,318

On 3 July 2020, the Company received support from the majority of its bondholders for certain amendments under the bond agreement, which included among others a waiver of the loan-to-value covenant and reduced minimum liquidity restrictions until but excluding 31 December 2021, including a six month extension of the maturity. The book-equity ratio of the Parent Group is reinstated at 20% for the period commencing on 31 March 2021 to December 2021 and reinstated at 40% for any period thereafter.

Accordingly, the following main financial covenants are applicable as at 30 June 2021 in accordance with the terms for the bond loan:

- The Group, shall maintain a minimum liquidity of USD 7.5 million
- The Parent Group shall maintain a minimum equity ratio of 20%

As at 30 June 2021, the Company is in accordance with the covenants under the bond agreement. Outstanding bonds as at 30 June 2021 are USD 204 million.

The bond is guaranteed by the Parent and all subsidiaries of the Company.

Note 7 - Group companies

The Group's consolidated financial statements include the financial reports of the Company and its subsidiaries listed in the table below:

Name	Principal activity	Country of incorporation	Equity interest	Initial consolidation
"AS SELINA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2021
"AS RAFAELA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2021
"AS LAETITIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS LAGUNA" ShipCo C.V.	Empty shelf company	Netherlands	99.9%	2017
"AS PAULINA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS PETRONIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS CLARA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS ANGELINA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FATIMA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FLORETTA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FAUSTINA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017

"AS FABRIZIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FIORELLA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS COLUMBIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS CLARITA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FRIDA" ShipCo C.V.	Empty shelf company	Netherlands	99.9%	2017
"AS CALIFORNIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FIONA" ShipCo C.V.	Empty shelf company	Netherlands	99.9%	2017
"AS CONSTANTINA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FORTUNA" ShipCo C.V.	Empty shelf company	Netherlands	99.9%	2017
"AS LAURETTA" ShipCo C.V.	Empty shelf company	Netherlands	99.9%	2017
"AS SAVANNA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2017
"AS FILIPPA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS SOPHIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS SERENA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS CLEMENTINA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS SICILIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS SEVILLIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS PATRIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS PALATIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS CYPRIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS CARELIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS FABIANA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS FEDERICA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS FLORIANA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS FELICIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS RICCARDA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS RAGNA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS ROMINA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS ROSALIA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS SARA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS FLORA" ShipCo C.V.	Ship-owning entity	Netherlands	99.9%	2018
"AS LAETITIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS LAGUNA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS PAULINA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS PETRONIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS CLARA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS ANGELINA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FATIMA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FLORETTA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FAUSTINA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FABRIZIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FIORELLA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS COLUMBIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS CLARITA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FRIDA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017

"AS CALIFORNIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FIONA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS CONSTANTINA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FORTUNA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS LAURETTA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS SAVANNA" OpCo B.V.	General partner entity	Netherlands	100.0%	2017
"AS FILIPPA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS SOPHIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS SERENA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS CLEMENTINA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS SICILIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS SEVILLIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS PATRIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS PALATIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS CYPRIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS CARELIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS FABIANA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS FEDERICA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS FLORIANA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS RICCARDA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS RAGNA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS ROMINA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS ROSALIA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS SARA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS FLORA" OpCo B.V.	General partner entity	Netherlands	100.0%	2018
"AS SELINA" OpCo B.V.	General partner entity	Netherlands	100.0%	2021
"AS RAFAELA" OpCo B.V.	General partner entity	Netherlands	100.0%	2021

Ownership rights equal voting rights in all subsidiaries.

Note 8 - Subsequent events

There are no subsequent events identified which are relevant for the Group.