MPC CONTAINER SHIPS ASA

FINANCIAL REPORT
Q4 2017

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MPC CONTAINER SHIPS ASA

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.

In April 2017, the Company issued 20,000,000 new shares at a subscription price of NOK 42.63 per share in an initial private placement, resulting in gross proceeds of USD 100 million. In June 2017, the Company issued 15,000,000 new shares at a subscription price of NOK 43.00 per share in a second private placement. The respective gross proceeds were USD 76 million. 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.

Following the above-mentioned two private placements with gross proceeds of USD 176 million, the Company issued 30,250,000 new shares at a subscription price of NOK 47.50 per share in a third private placement in November 2017 with gross proceeds of USD 175 million. In addition, MPC Container Ships Invest B.V. completed a tap issue of a further USD 100 million in the above-mentioned senior secured bond in February 2018. Also in February 2018, the Company issued 11,750,000 new shares at a subscription price of NOK 50.00 per share in a fourth private placement, resulting in gross proceeds of USD 75 million.

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 and to Oslo Axess on 29 January 2018.

Until 31 December 2017, the Group has acquired 41 container vessels between 957 TEU and 2,824 TEU. Of these, 29 vessels had been taken over by the balance sheet day, whereof 24 are fully consolidated and 5 are operated in a joint venture.

PRELIMINARY Q4 2017 AND 2017 RESULTS

Financial performance

The Group’s vessels are chartered out on time charter contracts to global and regional liner shipping companies. Time operating revenues during 2017 were USD 21.4 million, whereof USD 13.2 million were generated during Q4 2017. The gross profit from vessel operations in 2017 was USD 2.5 million.

The Group reports a loss before taxes of USD -2.4 million for 2017. The net result of Q4 2017 was -2.2 million. 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, 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.

Financial position

The Group's total assets amounted to USD 451.1 million at 31 December 2017. Non-current assets in the amount of USD 281.3 million comprise of vessels taken over and operated by the Group, deposit payments for vessels to be taken over after the balance sheet date as well as the equity investments into a joint venture.

Total equity was USD 340.5 million at 31 December 2017 with minority interest of USD 4.4 million. As at 31 December 2017, the Group had interest-bearing financial liabilities in the amount of USD 102.1 million, mainly resulting from the bond issue.

Cash flow

During 2017, the Group generated a positive cash flow from operating activities of USD 3.2 million. The cash flow from investing activities into vessels and joint venture investments was USD -284.2 million. The positive cash flow from financing activities of USD 445.3 million is due to the net proceeds from three equity private placements and debt financing completed during 2017.

The total net change in cash and cash equivalents from 9 January 2017 through 31 December 2017 was USD 164.3 million.

Cash and cash equivalents as of 31 December 2017 are USD 164.3 million.

CONTAINER MARKET UPDATE

At the start of the year 2017, container shipping markets were at rock bottom, but a series of developments led to the perception among several market participants that the worst could soon be over. In 2016, record scrapping of tonnage and low volumes of newbuilding deliveries had laid the ground for a rebalancing of supply and demand in container shipping. Decent demand growth was required to support the positive development, and 2017 turned out to deliver even stronger than anticipated growth in box trade, resulting in long-awaited market improvements. The Company identified the acquisition of secondhand tonnage in the feeder containership segment (1,000 – 3,000 TEU) as one of the most attractive investment opportunities in shipping. Consequently, the Company began acquiring feeder vessels, trading at a discount-to-newbuilding parity in excess of 50% as of April 2017. Coinciding with the initiation of the Company in the spring of 2017, charter rates for feeder tonnage rose significantly above bottom-cycle levels and well above cash break-even levels. During 2017, both charter rates and asset values for feeder tonnage continued to stabilize and increase further. The year finished off in absence of the typical winter slack season due to continuous demand and tightening supply in the feeder segment, leaving market participants with positive expectations for 2018.

Global economic growth continued to move upwards in 2017 as both advanced and emerging economies have shown accelerated economic activity since 2016. The positive economic environment helped container trade to grow by an estimated 5.2% for the full year 2017, an increase compared to 4.1% in 2016. Box trade growth was driven by a positive development of all major trade routes, with robust growth on Intra-Asian and North-South routes in particular. Intra-Asia is also the largest trading region for feeder containerships with a share of more than 40% of the fleet. On the supply side, total fleet growth is estimated at 3.7% for 2017, above the 1.2% growth seen in 2016, but still low enough for an improvement of the supply-demand balance. Furthermore, the orderbook-to-fleet ratio decreased from 16% to 13% and the idle fleet decreased from 7% to 2% over the course of the year.

As the number of available charter vessels decreased, charter rates in the feeder segment saw substantial gains during 2017. Along with rising earnings and positive sentiment in the market, secondhand prices surged even more. Although the improvements seen y-o-y were significant, high upside potential remains compared to historical averages.

Time charter rates (6-12 months) in December 2017:

- 1,000 TEU: USD 6,350 (up 4% y-o-y)
- 1,700 TEU: USD 8,500 (up 37% y-o-y)
- 2,750 TEU: USD 9,350 (up 55% y-o-y)

Secondhand prices (10yr old) in December 2017:

- 1,000 TEU: USD 7.0m (up 65% y-o-y)
- 1,700 TEU: USD 9.0m (up 64% y-o-y)
- 2,750 TEU: USD 10.8m (up 87% y-o-y)

Sale and purchase activity in the secondhand market reached record heights in 2017 with more than one million TEU of capacity changing hands. One of the main reasons for this record year of ship sales was the increased regulatory pressure on ship financing banks to reduce their non-performing shipping portfolios by offloading vessels at market prices. The Group took advantage of this unique window of opportunity to grow its fleet from 0 to 41 vessels at attractive prices within less than nine months. The latest acquisitions by the Company in December 2017 were still done at about 40% discount-to-newbuilding parity.

OUTLOOK AND STRATEGY

Despite observable increases in secondhand vessel prices, in the view of the Company, the current price level still offers an attractive entry point for further acquisitions. As such, the Group intends to further grow its fleet through accretive acquisitions in 2018.

The Group’s chartering strategy is to employ all vessels at fixed time charters with varying durations of between 1 and 24 months depending on market opportunities. For the year 2018 and including vessels acquired after the balance sheet date, about 24% of the Group’s total charter market exposure is managed by a pool. For non-pool vessels, about 30% of the charter market exposure is covered market through the respective minimum time charter periods.

Following a year of improving market conditions and against a backdrop of strong economic data, the outlook for 2018 is positive for the shipping industry. Container trade growth is expected to surpass capacity growth, leading to further gains in favor of tonnage providers. While deliveries of larger vessels could slow the recovery for certain segments above 3,000 TEU, the feeder segment is expected to benefit from moderate fleet growth and high demand in intra-regional trades. Due to a number of commercial and physical restrictions, cascading of tonnage above 3,000 TEU onto intra-regional trade routes is expected to remain limited.

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.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in USD thousands	Notes	Q4 2017 (unaudited)	2017 (unaudited)
Operating revenue	6	13,180	21,390
Commissions		-536	-771
Vessel voyage expenditures		-1,505	-2,834
Vessel operation expenditures		-9,138	-14,213
Ship management fees		-675	-1,097
Gross profit		**1,325**	**2,475**
Administrative expenses		-1,262	-2,114
Depreciation and impairment		-2,007	-3,302
Other expenses		-216	-322
Other income		491	879
Operating result (EBIT)		**-1,668**	**-2,384**
Share of profit or loss from joint venture		-76	394
Other finance income		1,862	2,076
Finance costs		-2,234	-2,474
Profit/Loss before income tax (EBT)		**-2,116**	**-2,388**
Income tax expenses		-82	-146
Profit/Loss for the period		**-2,198**	**-2,534**
Attributable to:			
Equity holders of the Company		-2,302	-2,639
Minority interest		104	105
Basic earnings per share – in USD		**-0.05**	**-0.10**
Diluted earnings per share – in USD		**-0.05**	**-0.10**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in USD thousands	Notes	Q4 2017 (unaudited)	2017 (unaudited)
Profit/loss for the period		-2,198	-2,534
Items that may be subsequently transferred to profit or loss		**199**	**157**
Foreign currency effects, net of taxes		42	0
Other comprehensive profit/loss, net of taxes		157	157
Items that will not be subsequently transferred to profit or loss		**-106**	**-17**
Other comprehensive profit/loss, net of taxes		-106	-17
Other comprehensive profit/loss from joint ventures and affiliates		0	0
Total comprehensive profit/loss		**-2,105**	**-2,394**
Attributable to:			
Equity holders of the Company		-2,209	-2,499
Non-controlling interest		104	105

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in USD thousands	Notes	31 December 2017 (unaudited)
Assets		**451,125**
Non-current assets		281,250
Vessels		218,671
Prepayment of vessels		46,185
Investment in joint ventures	7	16,394
Current assets		169,875
Inventories		1,675
Trade and other receivables		3,877
Cash and cash equivalents	9	164,323
Unrestricted cash		119,171
Restricted cash		45,152
Equity and liabilities		**451,125**
Equity		340,520
Ordinary shares	12,13	338,477
Share capital		77,155
Share premium		261,322
Retained losses		-2,534
Other reserves		140
Non-controlling interest	8	4,437
Non-current liabilities		102,108
Interest bearing loans	10	102,108
Current liabilities		8,497
Interest bearing borrowings		158
Provisions		3,197
Trade and other payables		4,005
Payables to affiliated companies		53
Other liabilities		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)
Incorporation	3					**3**
Share issuance	77,152	261,322			4,542	**343,016**
Share issuance costs						**0**
Result of the period			-2,534		-104	**-2,639**
Foreign currency effects				-17		**-17**
Other comprehensive income				157		**157**
Equity as at 31 Dec. 2017	**77,155**	**261,322**	**-2,534**	**140**	**4,437**	**340,520**

CONSOLIDATED STATEMENT OF CASH FLOW

in USD thousands	Notes	2017 (unaudited)
Profit/Loss before income tax		-2,388
Income tax expenses		-146
Net change in provisions		3,197
Net change in current assets		-5,552
Net change in current liabilities		5,141
Depreciation		3,302
Loss/gain from the disposal of fixed assets		-394
Cash flow from operating activities		**3,160**
Proceeds from the disposal of tangible assets		394
Purchase of vessels		-268,158
Purchase of long-term financial assets		-16,394
Cash flow from investing activities		**-284,158**
Proceeds from share issuance		353,232
Share issuance costs		-10,161
Proceeds from debt financing		106,024
Debt issuance costs		-3,758
Cash flow from financing activities		**445,337**
Net change in cash and cash equivalents		164,340
Net foreign exchange differences		-18
Cash and cash equivalents at beginning of period		
Cash and cash equivalents at the end of period	**9**	**164,322**

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 Oslo Axess at the Oslo Stock Exchange as of 29 January 2018 under the ticker "MPCC". Shares issued following the private placement in February 2018 are temporarily listed on the Merkur Market at the Oslo Stock Exchange. Upon approval of a listing prospectus by the Financial Supervisory Authority of Norway, these shares will be admitted to trading on Oslo Axess and will convert to the regular ISIN number of the Company's existing shares.

Note 2 - Basis of preparation

The unaudited interim financial statements for the period ended 31 December 2017 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 on its financial statements. The Group's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued.

- IFRS 9 – Financial instruments
- IFRS 15 – Revenue from contracts with customers
- 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 interim financial statements for the period ended 30 September 2017.

Derivative financial instruments and hedging

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss. With respect to option contracts, the initial time value of the respective agreement is amortized to profit or loss over the term of the hedging relationship.

At the inception of a hedging relationship, the Group formally designates and documents the hedge relationship to which the Group applies hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

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

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment (except for foreign currency risk); or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly.

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

Cash flow hedges: As of 31 December 2017, The Group uses interest rate swaps and interest rate caps as hedges of its exposure to interest rate fluctuations in connection with its bond financing.

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

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

Note 4 - Significant judgements, estimates and assumptions

The preparation of consolidated financial statements conforming to IFRS requires management to make judgments, estimates and assumptions that may affect assets, liabilities, revenues, expenses and information in notes to these financial statements. Estimates are management's best assessment based on information available at the date the financial statements are authorized for issue. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have significant effect on the amounts recognized in the consolidated financial statements:

- Asset acquisitions: Judgement is required to determine if a transaction qualifies as a business combination or an asset acquisition, depending on the nature of the transaction. Management makes this determination based on whether the Group has acquired an "integrated set of activities and assets" as defined in IFRS 3 Business Combination, by relevance to the acquisition of underlying inputs, processes applied to those inputs, and resulting outputs. The current and completed vessel acquisitions of the Group are considered as asset acquisitions.
- Consolidation and joint arrangements: The Group has determined that it controls and consolidates its subsidiaries. The Groups holds a 80% interest in Sao Paulo Project Holding GmbH & Co. KG and the Group

has determined that it controls the venture in view of voting majorities and board representation; the entity is consolidated as a subsidiary. In addition, the Group holds a 50% ownership interest in 2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG; the Group has determined that it has joint control over the investee and the ownership is shared with the joint venture partner.

Assumptions and estimation uncertainties

The following assumptions and estimation uncertainties can have a significant risk of resulting in a material adjustment to the carrying amounts of assets:

- Depreciation of vessels: Depreciation is based on estimates of the vessels' useful lives, residual values less scrapping costs and the depreciation method, which are reviewed by management at each balance sheet date. Any changes in estimated useful lives and/or residual values impact the depreciation of the vessels prospectively.
- Impairment of vessels: Indicators of impairment of assets are assessed at each reporting date. The impairment assessments demand a considerable degree of estimation. Changes in circumstances and assumptions may significantly affect the estimated recoverable amounts, and a prolonged weak market may result in future impairment losses. The Group's impairment test for operating vessels is based on the value in use as assessed by performing discounted cash flow calculations. Value in use calculations involve a high degree of estimation and a number of critical assumptions such as time charter rates, operational expenses, residual values and discount rates.

Note 5 - Segment information

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

The Group is organized in one reportable segment, i.e. the container shipping segment.

Note 6 - Revenue

in USD thousands	2017	Number of vessels
Time charter revenue	14,951	18
Pool charter revenue	4,945	6
Other revenue	1,494	-
Total operating revenue	**21,390**	**24**

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

Note 7 - Interest in joint ventures

The Group has a 50% interest in 2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG, Hamburg (Germany), a company owning five 2,824 TEU container vessels through respective fully owned subsidiaries.

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

Note 8 - Non-controlling interests

in USD thousands	31 December 2017
Aggregated information	145
Sao Paulo Project Holding GmbH & Co. KG	4,292
Total non-controlling interests	**4,437**

The line item "Aggregated information" is the sum of the 0.1% shares of the ship managers hold in the ship-owning entities of the Group.

Note 9 - Cash and cash equivalents

in USD thousands	31 December 2017
Bank deposits denominated in USD	161,309
Bank deposits denominated in EUR	1,387
Bank deposits denominated in NOK	1,627
Total cash and cash equivalents	**164,323**

Bank deposits earn interest at floating rates based on applicable bank deposit rates. Short-term deposits are made for varying periods, depending on the cash requirements of the Group.

Based on the terms of the senior secured bond, USD 43.6 million in cash are restricted bank balance held in an escrow account as of 31 December 2017. Other restricted cash balances are due to financial derivative arrangements and tax accounts.

Note 10 - 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).

in USD thousands	31 December 2017
Nominal value of issued bonds	100,000
Issuance costs	-3,758
Other financial debt	5,866
Interest-bearing debt	**102,108**

On 2 February 2018, a USD 100 million tap issue on the above-mentioned bond was completed. As such, the total nominal amount of bonds outstanding is USD 200 million as of February 2018.

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

- 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 Group is in compliance with all covenants, as per 31 December 2017.

The bond is guaranteed by the Company and all subsidiaries of MPC Container Ships Invest B.V.

Note 11 - Related party disclosure

The Group has entered into a corporate service agreement to purchase administrative and corporate services from MPC Münchmeyer Petersen Capital AG and its subsidiaries.

The Company is responsible for the technical ship management of the vessels owned by the Group. Performance of technical ship management services is sub-contracted to Ahrenkiel Steamship GmbH & Co. KG, a subsidiary of MPC Münchmeyer Petersen Capital AG, for 23 of the vessels owned by the Group and joint venture entities.

Commercial ship management of the vessels owned by the Group associated joint ventures is contracted to Contchart Hamburg Leer GmbH & Co.KG, a subsidiary 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 2017:

in USD thousands - 2017	Group	2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG
Ahrenkiel Steamship GmbH & Co. KG	-836	-378
Contchart Hamburg Leer GmbH & Co.KG	-261	-127
MPC Maritime Investments GmbH	-67	-
MPC Münchmeyer Petersen Capital AG	-33	-

In order to secure vessel acquisitions prior to the final establishment of the Group, MPC Capital Beteiligungsgesellschaft mbH & Co. KG, a subsidiary of MPC Münchmeyer Petersen Capital AG, temporarily warehoused AS LAETITIA, AS LAGUNA and AS PAULINA and the shares in 2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG prior to the final establishment of the Group.

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

See Note 13 – Warrants regarding the warrants allocated to the founding shareholders.

Note 12 - 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
31 December 2017	**65,253,000**	**77,155**	**261,322**

The share capital of the Company consists of 65,253,000 shares at 31 December 2017, with nominal value per share of NOK 10. All issued shares are of equal rights and are fully paid up.

Share issuance costs until 31 December 2017 amounted to USD 10.1 million.

See Note 14 – Subsequent events for information on approval of authorized share capital, and a capital increase completed after the balance sheet date.

Note 13 - Warrants

On 20 April 2017, the Company has issued 1,700,000 warrants to MPC Capital Beteiligungsgesellschaft mbH & Co. KG as the founding shareholder, corresponding to 8.5% of the shares issued in the private placement in April 2017. Under the same warrant agreement, on 19 June 2017, the Company has issued 421,046 additional warrants to MPC Capital Beteiligungsgesellschaft mbH & Co. KG considering the equity private placement in June 2017. The total number of independent subscription rights granted to founding shareholders is 2,121,046.

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. Conditions for exercise are structured in three tranches: 1/3 of the warrants may be exercised at any time after the Company's share price has exceed the NOK equivalent of USD 6.25, the next 1/3 of the warrants may be exercised at any time after the share price has exceed the NOK equivalent of USD 7.25 and the last 1/3 of the warrants may be exercised at any time after the share price has exceed the NOK equivalent of USD 8.25. The warrants are valid for a period of 5 years from 20 April 2017.

The warrants issued to the founding shareholder are recognized as equity instruments in accordance with IAS 32.

Note 14 - Subsequent events

On 16 January 2018, the Company converted into a public limited liability company (ASA). Under a resolution approved by the extraordinary general meeting of the Company held on 16 January 2018, the board of directors is authorized to increase the Company's share capital by up to NOK 163,132,500. The pre-emptive rights of the shareholders may be set aside by the board of directors. In addition, the board of directors is authorized to resolve to take up convertible loans with an aggregate principal amount of up to NOK 1,000,000,000. Upon conversion of loans taken up pursuant to this authorization, the Company's share capital may be increased by up to NOK 163,132,500.

As of 29 January 2018, the shares of the Company are listed at Oslo Axess, Oslo Stock Exchange.

On 30 January 2018, the Group entered into purchase agreements for the acquisition of two feeder container vessels with a total purchase price of USD 21.8 million.

On 31 January 2018, the Group entered into a purchase agreement for the acquisition of a feeder container vessel with a purchase price of USD 10.5 million.

On 2 February 2018, the Group completed a tap issue of USD 100 million in its senior secured bond facility.

On 16 February 2018, the Company issued 11,750,000 new shares at a subscription price of NOK 50.00 per share in a private placement, resulting in gross proceeds of USD 75 million. Shares issued following the private placement in February 2018 are temporarily listed on the Merkur Market at the Oslo Stock Exchange.

On 20 February 2018, the Group entered into purchase agreements for the acquisition of 14 feeder container vessels with a total purchase price of USD 139.5 million.

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