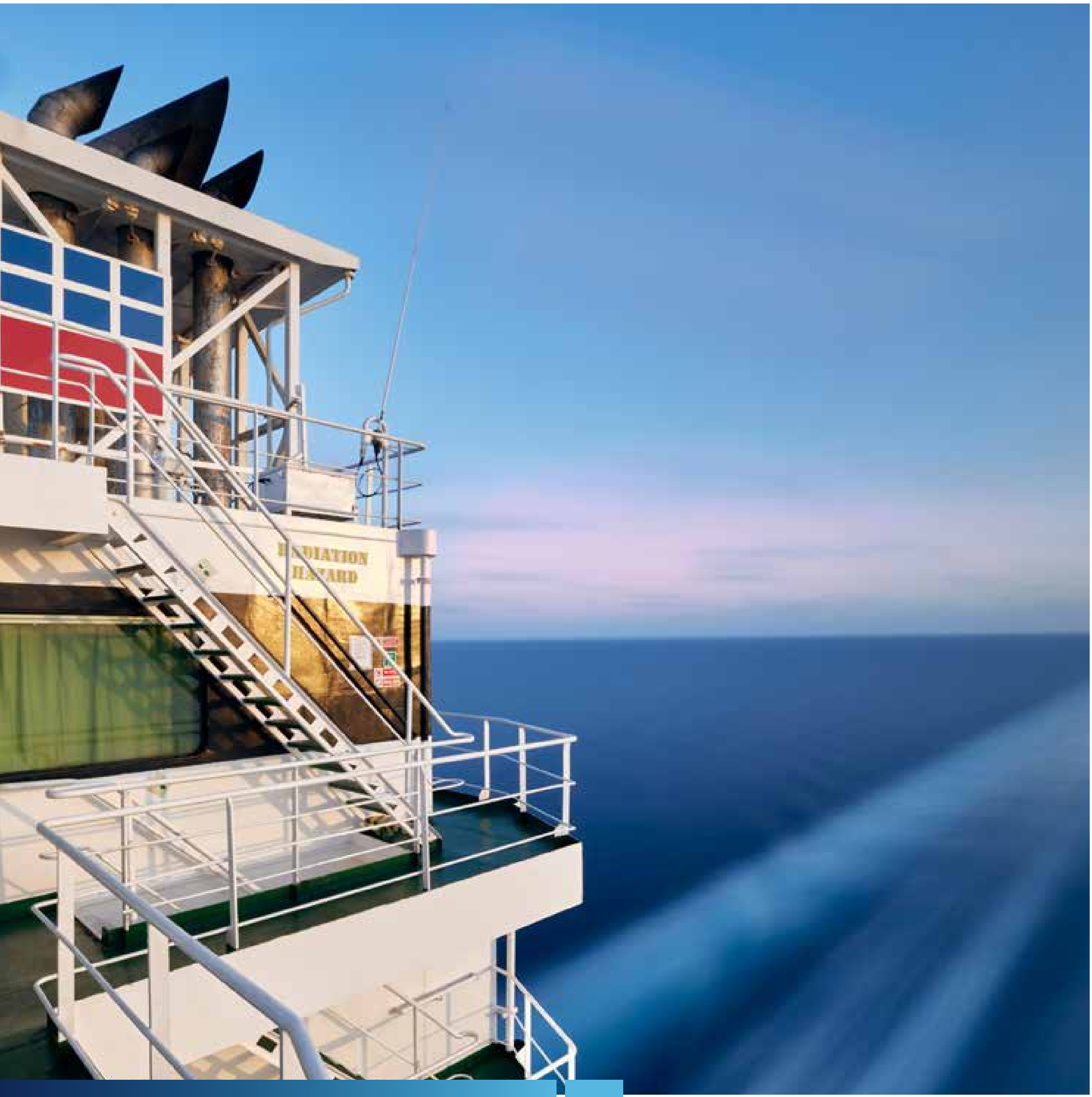
MPC CONTAINER SHIPS



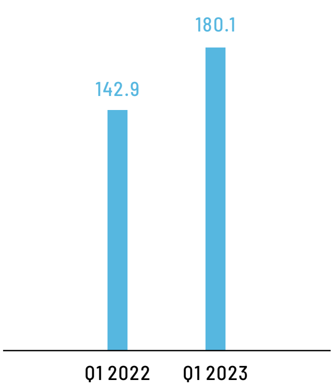
FINANCIAL REPORT
Q1 2023

HIGHLIGHTS

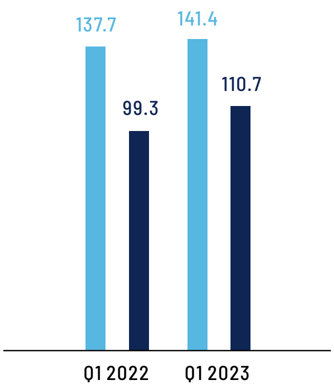
First quarter 2023

- Continued strong financial and operational performance
- Low leverage ratio of 15.2%, down from 16.1% as at December 31, 2022
- In January 2023, the Group exercised the option for early redelivery of the vessel, AS Carlotta, resulting in revenues of USD 25.1 million
- The joint venture vessels, Carinthia and AS Cleopatra, were sold and delivered to new owners in the first quarter for total proceeds of USD 28.5 million, resulting in a gain of USD 13.0 million in the Group's joint venture
- In March 2023, the Group acquired and tookover the 2010-built vessel AS Nina and 2007-built vessel AS Claudia for a total consideration of USD 33.7 million
- An event-driven dividend of USD 0.07 per share was paid on February 28, 2023
- The Board of Directors has declared a recurring dividend of USD 0.15 per share for the first quarter of 2023[1]

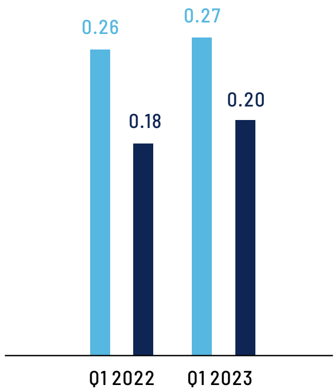
Operating revenues in USD m



EBITDA and Adj. EBITDA in USD m



EPS and Adj. EPS in USD



Adjusted

[1] The USD 0.15 per share dividend will be paid on June 29, 2023, of which USD 0.12 per share will be distributed from previously paid-in share premium and USD 0.03 per share will be distributed from retained earnings.

KEY FIGURES

		Q1 2023 (unaudited)	Q4 2022 (unaudited)	Q1 2022 (unaudited)
Operating revenues	USD m	180.1	162.1	142.9
EBITDA	USD m	141.4	127.0	137.7
Adjusted EBITDA	USD m	110.7	114.3	99.3
Profit for the period	USD m	119.7	103.6	116.8
Adjusted profit for the period	USD m	88.9	91.0	78.3
Operating cashflow	USD m	135.0	125.4	87.3
EPS	USD	0.27	0.23	0.26
Adjusted EPS	USD	0.20	0.21	0.18
DPS*	USD	0.22	0.15	0.58
Total ownership days	days	5,243	5,336	5,410
Total trading days	days	4,928	5,079	5,307
Utilization		97.1%	97.8%	98.8%
Adjusted average TCE	per day	30,989	31,279	24,845
Average Opex	per day	6,397	6,937	6,287
Leverage ratio		15.2%	16.1%	22.9%

* Dividends per share (DPS) comprises the recurring dividend per share and any event-driven dividends per share declared for the period. In Q1 2023 an event-driven dividend of USD 0.07 per share was paid on February 28, 2023. A recurring dividend for Q1 2023 of USD 0.15 per share was resolved by the Board of Directors on May 22, 2023, and will be paid on June 29, 2023.

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CEO LETTER

Constantin Baack
CEO

Dear Shareholders,

We are pleased to report another positive quarterly result with strong earnings and continued high fleet utilization despite ongoing macro- and geopolitical uncertainty. This was driven by our solid charter backlog and continued strong operational performance. At the end of the quarter, we had high operating days contract coverage of 89% for 2023 and 58% for 2024, which provides us with forward visibility on contracted cash flows and distribution capacity for the coming years.

Following a steep market normalization trajectory in the second half of 2022 and into early 2023, charter markets are now displaying signs of stabilization at levels well above historical averages. The current rate stability will be subject to supply-constraining measures such as increased slow steaming to comply with CII regulations. However, for intra-regional trades in particular, the supply-demand balance is encouraging when compared to the larger fleet segments, with demand outpacing supply growth and a reasonable amount of additional scrapping potential. Nevertheless, it remains to be seen how the supply growth in the large vessel segments will affect the overall container market going forward.

Over the last two years, by adhering to prudent capital allocation principles, we have actively deleveraged the company while distributing dividends amounting to more than USD 600 million since February 2022, including the recurring dividend declared for the first quarter. Throughout the first quarter, we continued to strengthen our balance sheet and debt structure and we are currently operating at an industry-low leverage ratio of 15.2%. In May 2023, we entered into a new ECA-covered loan agreement for the financing of our two 5,500 TEU eco-design newbuildings at attractive terms.

MPCC is dedicated to the advancement of the overall decarbonization of the industry in close cooperation with customers and partners. We believe that regional container trades, with their predictable trading profiles and manageable fuel infrastructure investments, will become the first truly green shipping trades, and in 2024 we will take delivery of two 1,300 TEU, dual-fuel vessels that can be powered by green methanol. With these vessels we, aim to establish one of the first green transportation corridors in Northern Europe together with strong like-minded partners, NCL and Elkem ASA. We were also pleased to announce in the first quarter that we signed the industry's first offtake agreement for synthetic marine diesel oil with the German e-fuel company INERATEC, which will be a key component to reducing CO_2 emissions for our total fleet and making climate neutrality possible.

Looking ahead, with high visibility on contracted cash flows and a robust and flexible balance sheet, we are ideally placed for continued value creation and remain committed to our policy of returning capital to shareholders. In the first quarter, as part of our ongoing fleet renewal strategy, we sold the 2003-built, 2,800 TEU joint venture vessel AS Carinthia and acquired two high-efficiency, scrubber-fitted vessels at 3,400 TEU and 2,800 TEU, respectively, both with existing long-term charters with strong counterparties. These value-accretive portfolio measures increase the earnings and distribution potential of the company, without any impact on the expected distributions from our existing fleet.

Going forward, we will continue to work diligently to identify and selectively execute value-accretive fleet optimization opportunities in the best interest of our shareholders and to the advancement of decarbonization in our industry.

Constantin Baack
CEO of MPC Container Ships ASA

FIRST 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 first quarter were USD 180.1 million (Q4 2022: USD 162.1 million), up from USD 142.9 million for the same quarter in 2022. Gross profit from vessel operations was USD 144.4 million (Q4 2022: USD 132.4 million), compared with USD 122.7 million in the same quarter of 2022. In December 2022, the Group entered into a commercial agreement for the option for early redelivery of the joint venture vessel, Carpathia, and the wholly owned vessel, AS Carlotta, from their charter contracts as well as the sale of joint venture vessels, Carpathia and AS Cleopatra, as part of the Group's continuous efforts to optimize its portfolio. In addition, in January 2023, the Group agreed to sell its 2003-built vessel Carinthia for USD 7.6 million to an unrelated third party. The option exercised for early redelivery and the subsequent sale of Carpathia were both completed in December 2022, while the option exercised for early redelivery of AS Carlotta and the sale of AS Cleopatra were completed in January 2023. Consequently, the Group recognized USD 25.2 million as operating revenues for the early redelivery of AS Carlotta in the first quarter of 2023. Accordingly, the adjusted average TCE per trading day for the first quarter of 2023, i.e., excluding the compensation recorded for the early redelivery of AS Carlotta, was USD 30,989 up from USD 24,845 in the corresponding quarter in 2022 (Q4 2022: USD 31,279). The sale of AS Cleopatra and the sale of Carinthia were both recognized as gains from vessel sales in the joint venture in the first quarter of 2023. For further details, see Note 6 - Investments in associate and joint venture.

The Group reported a profit for the period of USD 119.7 million (Q4 2022: USD 103.6 million, Q1 2022: USD 116.8 million).

Financial position

The Group's total assets amounted to USD 970.1 million as at March 31, 2023, compared to USD 956.3 million as at December 31, 2022. Total non-current assets of USD 820.4 million as at March 31, 2023, (USD 799.8 million as at December 31, 2022) reflected the carrying amounts of the vessels operated by the Group, as well as the equity investments in associate and joint venture. The increase in the carrying amounts of the vessels in the first quarter of 2023 is primarily due to the acquisition of two vessels (AS Claudia and AS Nina) as well as CAPEX and other vessel upgrades. This is offset by regular depreciation of the remaining fleet. In March 2023, the Group paid a USD 3.9 million installment for one of the carbon-neutral 1,300 TEU vessels. The decrease in the investments in joint ventures in the first quarter of 2023 was mainly due to the USD 8.8 million in the Group's share of profit from joint venture offset by dividends received of USD 19.9 million. In 2022, the Group signed an agreement with INERATEC for the supply of synthetic Marine Diesel Oil (MDO) made from biogenic CO_2 and renewable hydrogen, with delivery set to start in 2024. As at March 31, 2023, the Group recorded this investment at a cost of USD 1.2 million.

Total equity was USD 742.8 million as at March 31, 2023, up from USD 721.5 million as at December 31, 2022, and included a non-controlling interest of USD 2.3 million (USD 2.6 million as at December 31, 2022). The change in equity was mainly due to dividend payments of USD 97.9 million during the quarter, in addition to profit for the period of USD 119.6 million.

As at March 31, 2023, the Group had total interest-bearing debt of USD 147.1 million (USD 153.6 million as at December 31, 2022).

Cash flows

During the first quarter of 2023, the Group generated a positive cash flow from operating activities of USD 135.0 million, up from USD 87.3 million in the same quarter of 2022. Cash flow from investing activities was negative at USD 34.4 million (Q1 2022: positive USD 38.4 million), mainly due to the acquisition of two vessels for USD 33.7 million. In addition, dry-dockings and other vessel upgrades amounted to USD 17.2 million and an installment of USD 3.9 million was paid to the shipyard for one of the Group's carbon-neutral 1,300 TEU vessels under construction. This is further offset by the USD 19.9 million in dividends received from the Group's investment in joint venture. Cash flow from financing activities in the first quarter of 2023 was negative USD 107.4 million (Q1 2022: negative USD 224.5 million), primarily due to USD 97.9 million in dividend payments and the repayment of existing loan facilities of USD 15.0 million. This is offset by the proceeds of USD 8.3 million from the Group's loan facility with OVB obtained in the first quarter of 2023.

Cash and cash equivalents as at March 31, 2023, amounted to USD 118.8 million including restricted cash compared with USD 125.5 million as at December 31, 2022.

The fleet

As at March 31, 2023, the Group's fleet consisted of 62 vessels, with an aggregate capacity of approximately 134,700 TEU.

In January 2023, the Group sold and delivered its 2006-built AS Cleopatra for an agreed sales price of USD 20.9 million to an unrelated party. The vessel was delivered to its new owner in January 2023, resulting in a gain of USD 10.9 million in the joint venture.

In March 2023, the Group sold and delivered the 2003-built vessel Carinthia to an unrelated party for a consideration of USD 7.6 million, resulting in a gain of USD 2.1 million in the joint venture. For further details, see Note 6 - Investments in associate and joint venture.

In January 2023, the Group entered into agreements to acquire the 2010-built AS Nina (previously named Rio Centaurus) and the 2007-built AS Claudia (previously named TRF Kaya) for a total amount of USD 33.7 million. Both vessels are scrubber-fitted, thus benefitting from the current high fuel price spread. Moreover, both vessels come with existing charters attached with renewals in the third quarter of 2023 and the first quarter of 2024, respectively.

Newbuilding program

As at December 31, 2022, the Group's newbuilding program consisted of four vessels, of which two 5,500 TEU eco-design vessels with a contract price of USD 72.2 million per vessel. The vessels have 7-year time charter contracts in place with ZIM Integrated Shipping Services (NYSE: ZIM) and are expected to be delivered in 2024. The other two vessels are carbon-neutral, dual-fuel, 1,300 TEU vessels with 15-year time charters to North Sea Container Line AS with a contract price of USD 39.0 million per vessel, and are expected to be delivered in 2024.

As at March 31, 2023, total installments of USD 36.7 million had been paid in connection to the the Group's newbuidling program. Remaining commitments amounted to USD 185.5 million, of which USD 46.4 million is expected to be paid in 2023 and USD 139.2 million in 2024.

Corporate update

Pursuant to the Company's stated distribution policy, the Board of Directors has declared a recurring dividend of USD 0.15 per share for the first quarter of 2023. The record date for the recurring dividend will be June 27, 2023. The ex dividend date is expected to be June 26, 2023 and the dividned will be paid on or about June 29, 2023.

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

Financing update

As at March 31, 2023, the Group's total interest-bearing debt outstanding amounted to USD 147.1 million. In Feburary 2023, the Group entered into a senior secured term loan facility in an amount up to USD 8.3 million with OVB and it was was fully drawn down at the end of the first quarter. See Note 10 for further details.

In May 2023, the Group entered into a pre-delivery term loan facility in an amount of USD 15.9 million and post-delivery term loan facility in an amount of up to USD 101.5 million with Crédit Agricole Corporate and Investment Bank ("Crédit Agricole") together with K-SURE Agent. The loan facilities will be used to finance the two 5,500 TEU eco-design newbuildings. See Note 15- Subesequent events for further details.

CONTAINER MARKET UPDATE

Economy poised for recovery, but downside risks remain elevated amid mediocre medium-term outlook

In its latest World Economic Outlook (April 2023), the International Monetary Fund (IMF) expects real economic output to increase by 2.8% and 3.0% in 2023 and 2024 respectively. Compared to the IMF's last assessment, this reflects a marginal downgrade of 0.1% in each case. Emerging market and developing economies are forecast to grow by 3.9% in 2023 and 4.2% in 2024, thereby outpacing their advanced counterparts (1.3% in 2023 and 1.4% in 2024). In its foreword, the IMF says "the global economy appears poised for a gradual recovery from the powerful blows of the pandemic and of Russia's unprovoked war on Ukraine." Supported by a strong recovery of the Chinese economy, unwinding supply chain disruptions, and fading dislocations to energy and food markets, the world economy is expected to grow by the aforementioned 2.8% during 2023. Inflation appears to have peaked in several (but not all) economies, and while energy and food inflation impacts are said to be waning, core inflation remains "sticky" and labor markets are still tight in several advanced economies. Both the United States Federal Reserve (Fed) and the European Central Bank (ECB) announced in early May 2023 that they remain committed to tightening fiscal policy. However, after multiple consecutive interest rate increases (ten in the U.S. and seven in the eurozone), the top of the interest rate cycle could be in sight: The Fed has hinted at pausing its rate increases during the next meeting, and the ECB has raised its rate by a mere 0.25%. This could be a relief to the banking sector, which has moved into the spotlight following the developments at certain U.S. banks, as well as to European heavyweight Credit Suisse. According to the IMF, downside risks to the outlook remain elevated, and the medium-term forecast, which envisages growth rates of ~3% in the years from 2025 to 2027, is one of the weakest in the past 30 years. At the same time, this relatively low figure reflects the long-standing assumption that the maturing Chinese economy will see declining growth rates at some point. [1 2]

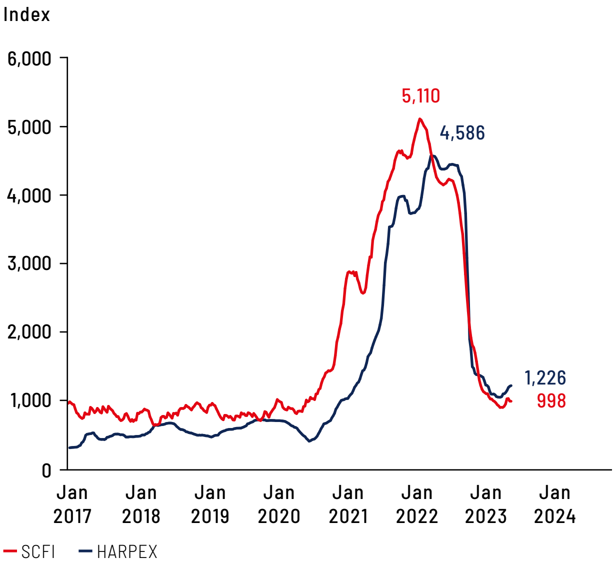
[1] International Monetary Fund, World Economic Outlook, April 2023.

[2] https://www.tagesschau.de/wirtschaft/finanzen/marktberichte/marktbericht-dax-dow-ezb-fed-leitzins-100.html last accessed on May 9, 2023.

Freight rates, time-charter rates and asset prices are finding support at or above pre-pandemic averages

With vessel supply growing in 2022 and supply chain disruptions easing at the end of last year, spot rates came under pressure, followed by time-charter rates. The first development is mirrored in the financial results of the major ocean carriers, which reported noteworthy declines in their revenues and profits in Q4 2022 and Q1 2023. At the same time, these results still noticeably exceeded pre-pandemic levels. As shown in figure 1, the SCFI fell from its record high of 5,110 points at the beginning of January 2022 to less than 1,000 points in early 2023. At this level, the SCFI appears to have bottomed out for the time being, standing at 998 points as of May 5, 2023. Had it not been for the weakness of transpacific rates in recent weeks, which saw carriers anticipating a stronger rebound of trade demand, only to find sluggish demand and spot rates falling back to ~USD 1,450 per FEU, the SCFI would certainly have reached 1,000 points. A similar trend can be seen in the HARPEX Time-Charter Rate Index, which peaked at 4,586 points in March 2022. As of May 5, 2023, the index stood at 1,226 points, having recovered from 1,056 points in early March 2023. Compared to its historical averages of around 500 points (2010 to 2019), the HARPEX is still relatively high. Broker reports indicate that time-charter rates have been supported by tight tonnage lists. Current 6 to 12-month time-charter rates (as of May 5) are USD 14.0k/day for a 1.1k TEU vessel, USD 16k/day for a 1.7k TEU vessel, USD 19.0k/day for a 2.7k TEU vessel and USD 24.5k/day for a 4.3k TEU container vessel. [3]

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



The renewed firmness in time-charter markets has also helped keep asset values stable after they had slumped from the previously unimaginable heights achieved in first half of 2022 to a solid level during the first four months of 2023. At its peak (April 2022), Clarksons' second-hand price index reached 128.5 index points. In second helf of 2022, it dropped to 59.45 points and has since remained virtually unchanged (May 5, 2023: 58.39 points). Market observers/brokers have reported lively enquiries about potential second-hand buyers during April and early May 2023. S&P activity slowed in 2022, with a total of 222 deals compared to 498 deals in full-year 2021. As of May 5, 2023, 87 vessel transactions were known to Clarksons Research Services Ltd. (CRSL). Despite the sideways movement implied by the CRSL second-hand price index, prices for 15-year-old container vessels have responded well to the firm charter demand. As of May 5, 2023, second-hand prices for 15-year-old 1k TEU vessels stood at USD 8.5m (+1.0m compared to three months ago). 1.7k TEU vessels of a similar age were estimated to cost USD 9.5m (+3.0m), while 15-year-old 2.8k TEU and 4.5k TEU vessels were estimated to cost USD 15.25m (+1.0m) and USD 20.0m (-3.0m) in early May 2023. Newbuilding prices did not respond to the falling asset values or freight levels, but essentially remained elevated at levels close to their all-time highs. High utilization of global shipyards for 2023 to 2025 and insecurity around energy and commodity prices have probably left shipyards and owners at an impasse. After placing orders for 604 boxships in 2021 and 372 orders in 2022, both non-operating owners and carriers have only placed an additional 45 ship orders for 2024 to date (May 5, 2023). Currently, newbuild prices are still around USD 29m for a 1.8k TEU vessel, USD 42m for a 2.8k TEU vessel and USD 73m for a 5.3k TEU vessel – all of which are unchanged since December 2022. [4]

Time-charter market fundamentals are starting to resemble pre-Covid levels, but spot tonnage remains in scarce supply

With the decrease of time-charter rates starting in Q3 2022, the escalated forward fixing market turned back into a regular spot business operation, and average charter durations across all vessel sizes – which had been fluctuating around 25 months during Jan – Sep. 2022 – fell to +/- 7-8 months in Q1 2023. However, individual owners of sought-after designs or sizes have been able to negotiate longer contracts. Since early March 2023, durations have been increasing again, averaging 12.8 months in April 2023 according to CRSL. Both the slight increase in rates as well as in durations is likely attributable to the ongoing scarcity of available spot tonnage. Figure 2 shows that vessel availability has declined significantly compared to the previous years. At the start of 2023, availability was 60% lower than at the beginning of 2021. [5]

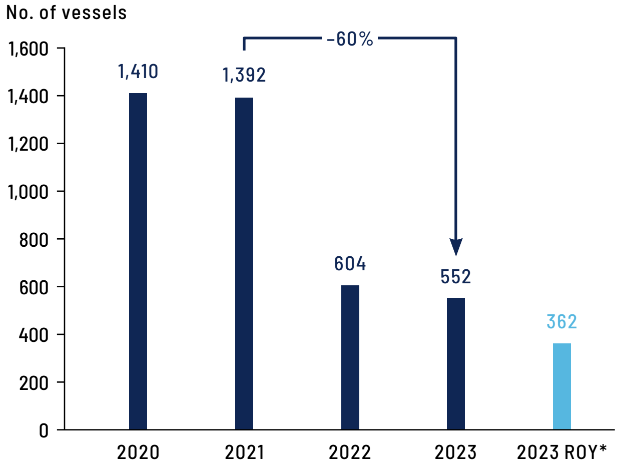
[3] Clarksons Research, Shipping Intelligence Network, May 2023; Harper Petersen, May 2023.

[4] Clarksons Research, Shipping Intelligence Network, May 2023.

[5] Harper Petersen, May 2023.

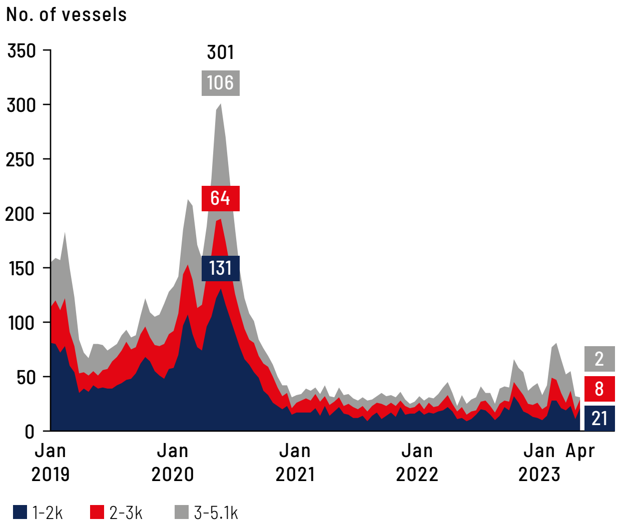
Another fundamental that remained low since the market boom is the idle statistic. Figure 2b also displays the number of commercially idle vessels between 1k and 5.1k TEU. After recording a spike in mid-February 2023, this figure dropped to a mere 31 units at the end of April 2023. The total number of idle units at the same time amounted to 89 vessels (379k TEU), which corresponds to 1.4% of the total fleet according to Alphaliner. Compared with our last report, this means that the idle units have effectively halved when measured as a fraction of the entire fleet. 8 out of 31 idle vessels observed in the size segment between 1k to 5.1k TEU belong to non-operating owners. Furthermore, the idle fleet is still historically low compared to pre-Covid numbers, as the timeseries in figure 2b shows. [6]

Fig. 2a: Start-of-the-year Charter Vessel Availability



* Availability for the remainder of 2023 as of 09-May-23, including newbuild-deliveries

Fig. 2b: Total idle fleet as of statistic



Supply-demand balance encouraging for intra-regional trades despite ordering spree during market boom

The container market boom depicted in figure 1 has induced a rather typical ordering spree, with newbuild contracting totaling 4.4 mTEU in 2021 and 2.7 mTEU in 2022. In the first quarter of 2023, contracting slowed noticeably to 0.4 mTEU and as of May 10, 2023. Slightly less than 100 kTEU have been added to the orderbook so far in Q2 2023. Although contracting has slowed and deliveries have started to pick up, the orderbook is still at levels close to its all-time high reached in March 2023. As of May 9, 2023, the orderbook stood at 7.5 mTEU, equivalent to 28.7% of the existing fleet. In terms of delivery dates, the orderbook is focused on the rest of 2023, 2024, and 2025, with 2.0 mTEU, 2.9 mTEU, and 1.8 mTEU earmarked for delivery in those years (based simply on the reported delivery date, not accounting for delayed deliveries). Figure 3a illustrates the above-mentioned development of the orderbook and the surge in the orderbook-to-fleet ratio. As a result of the economic outlook and the related sluggish demand growth in the global container trade, supply growth is expected to outperform demand growth in the short term. Nonetheless, when looking at the orderbook-to fleet ratios at a disaggregated level, figure 3b also indicates that ordering was significantly biased towards vessels larger than 12k TEU. Hence, supply is expected to grow more strongly in the larger fleet segments. The orderbook-to-fleet ratio is currently around 71% for vessels between 12k and 17k TEU, and only 14% for feeder vessels between 1k and 3k TEU. On top of the relatively low orderbook compared to the total fleet for smaller vessels, the average age of these smaller feeder and panamax vessels is significantly higher than for larger vessel sizes, as figure 3b also shows. Demolitions are forecast to increase significantly from this year on, and 26 vessels have already been scrapped since the start of 2023 (for comparison: only 11 vessels were scrapped in total during the whole of 2022). CRSL expects a total of 0.2 mTEU and 0.9 mTEU to be sold for scrapping in 2023 and 2024 respectively. Based on the age structure of the containership fleet, the fleet expansion will be heavily skewed towards the segments above 6,000 TEU. [7] As a result, net fleet growth can be expected to be quite subdued or even negative for smaller vessels compared to that of the larger segments.

MSI, for example, expects global containership supply to grow by 6.4% in both 2023 and 2024, slowing slightly to 6.1% in 2025. At the same time, capacity on vessels smaller than 5.2k TEU is expected to grow by only 2.2% in 2023, before declining by 0.5% and 1.0% in 2024 and 2025. [8]

[6] Alphaliner, May 2023.

[7] Clarksons Research, Shipping Intelligence Network, May 2023.

[8] Clarksons Research, Shipping Intelligence Network, February 2023; Maritime Strategies International Horizon, May 2023.

Fig. 3a: Orderbook Development

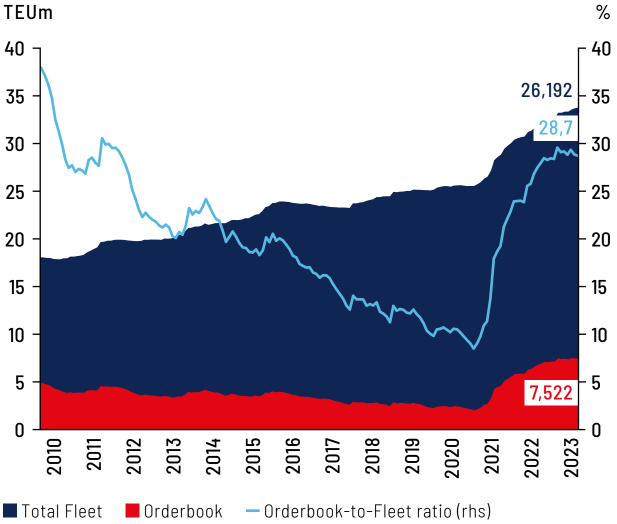
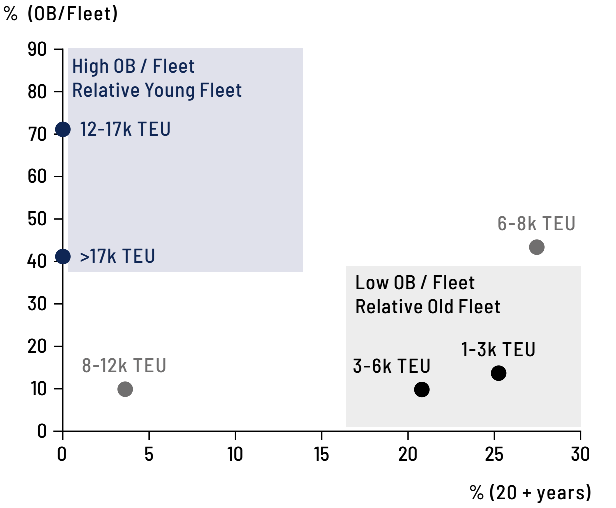


Fig. 3b: Orderbook across size segments compared to fleet age



When looking at the demand side of the equation, demand growth on intra-regional trades (the main deployment trades for vessels smaller 5.2k TEU) is forecast to rebound in 2023 and thus outpace supply growth at least until 2026. Demand development in intra-regional trades is driven by high volumes in intra-Asia. The ASEAN region has also been more economically integrated since the Regional Comprehensive Economic Partnership (RCEP), the world's largest free trade agreement, came into force. Intra-regional demand growth is forecast to rebound from -1.7% in 2022 to 4.5% in 2023, 6.0% in 2024, and 5.5% in 2025. For the total container shipping market, demand growth is forecast to fall below total supply growth at least until 2025, with annual growth turning positive again in 2023 at 2.4%, before reaching 6.3% in 2024 and 5.2% in 2025. [9]

Putting the supply and demand sides together, the market balance looks more encouraging for intra-regional trades than for the market as a whole. Figure 4 shows that supply growth will exceed demand growth at least until 2025 for the overall market. For intra-regional trades, however, supply growth (2.2%) is forecast to already fall short of demand growth (4.5%) in 2023. Significant excess demand can be expected from 2024 on, with annual demand growth reaching 6.0% in 2024 and 5.5% in 2025. [10]

Fig. 4a: Supply-Demand Balance – Total Market

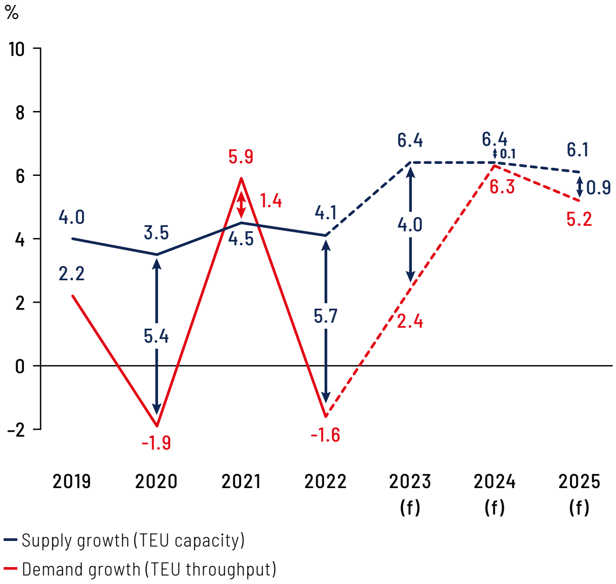
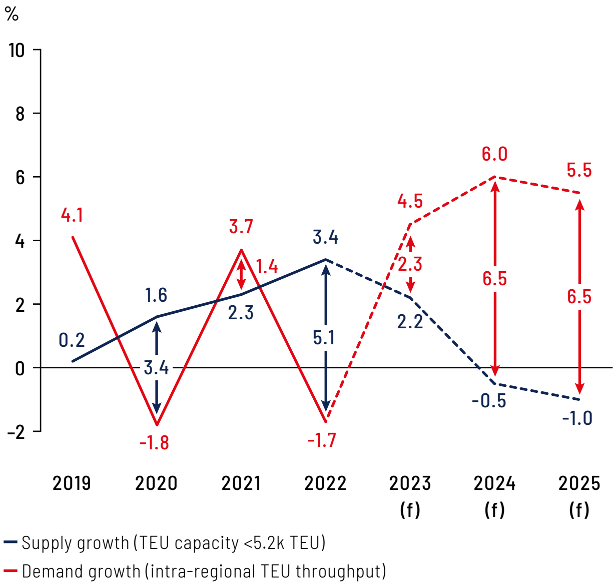


Fig. 4b: Supply-Demand Balance – Intra-Regional Trades



[9] Maritime Strategies International, Horizon, May 2023.

[10] Ibid.

Dual-fuel orderbook continues to pick up, especially for methanol

Orders for dual-fuel containerships have increased significantly since 2021. As of May 9, 2023, there has also been a shift from LNG towards methanol as the prioritized fuel of choice. Decarbonization efforts of the industry and environmental regulations by the IMO (CII, EEXI) and the EU (EU ETS, Fuel EU Maritime) are the main drivers of this development. Figure 5a shows that dual-fuel vessels account for around 30% of the current orderbook (45% in terms of TEU capacity) compared to 70% for conventional-fuel vessels. LNG still dominates the current dual-fuel orderbook, making up 71% of vessels (68% in terms of TEU capacity). However, figure 5b indicates that methanol dual-fuel ordering, which was basically non-existent before 2021, has gained significant momentum over the past 12 months, with some industry experts (DNV) expecting methanol to overtake LNG soon in terms of relevance. The current orderbook illustrates that methanol already accounts for 28% of dual-fuel orders in terms of the number of vessels (32% of TEU capacity). It remains to be seen how the production and supply of alternative green fuels, as well as the related infrastructure, develops over the next decades, since the ability to source sufficient green fuels is a key concern for the shipping industry.

Fig. 5a: Conventional vs. Dual-Fuel
No. of vessels

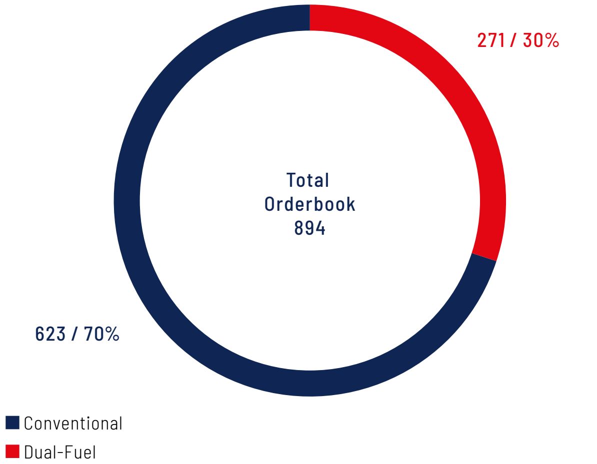


Fig. 5b: Dual-Fuel Types
No. of vessels

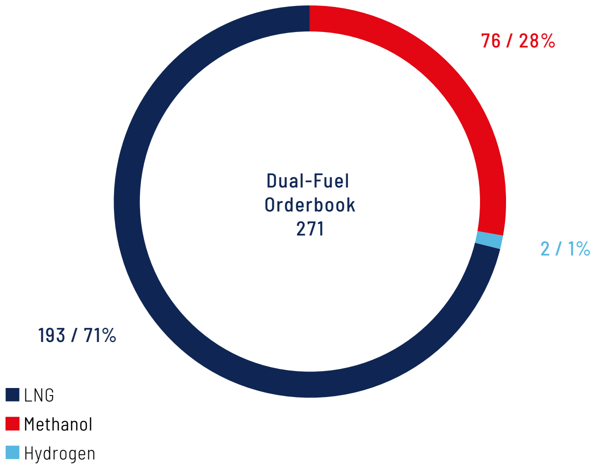
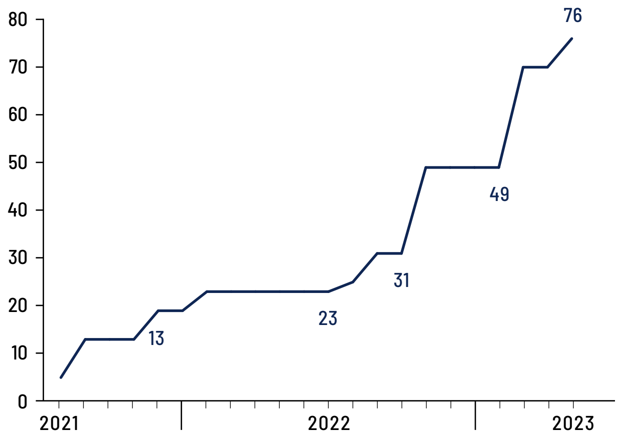


Fig. 5c: Methanol Dual-Fuel Orderbook Development



Summarizing this container market update, it can be said that charter markets have rebounded to levels well above historic averages from the lows observed at the end of February 2023. As of May 2023, time-charter rates are holding firm, backed by limited available spot tonnage. Based on market fundamentals, the outlook for the aggregated liner shipping industry is challenging for the second half of 2023 and 2024, and the current rate stability will remain subject to supply-constraining measures such as increased slow steaming (which could occur simply as a result of carrier efforts to comply with regulations or save fuel costs). The supply-demand balance is much more encouraging in the smaller fleet segments (<6k TEU), especially in intra-regional trades, since demand growth is outpacing supply growth and there is a reasonable amount of additional scrapping potential that simply does not exist in the larger fleet segments (>12k TEU). Nonetheless, it remains to be seen how much pressure the significant supply growth in the large vessel segments might bring to the entire market by means of tonnage cascading.

Forward-looking statements

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

Oslo, May 22, 2023

The Board of Directors and CEO
of MPC Container Ships ASA

Ulf Holländer (Chairman)	Dr. Axel Schroeder
Pia Meling	Peter Frederiksen
Ellen Hanetho	Constantin Baack (CEO)

CONSOLIDATED FINANCIAL STATEMENTS

Condensed statement of profit or loss

in USD thousands	Notes	Q1 2023 (unaudited)	Q4 2022 (unaudited)	Q1 2022 (unaudited)
Operating revenues	5	180,123	162,059	142,942
Commissions		(5,130)	(4,819)	(4,067)
Vessel voyage expenditures		(2,847)	(3,648)	(2,864)
Vessel operation expenditures		(34,184)	(36,799)	(34,598)
Ship management fees		(2,314)	(2,248)	(2,254)
Share of profit or loss from joint venture	6	8,748	17,895	23,537
Gross profit		**144,395**	**132,440**	**122,696**
Administrative expenses		(3,208)	(4,368)	(3,959)
Other expenses		(484)	(1,417)	15
Other income		703	305	143
Gain (loss) from sale of vessels		-	-	18,825
EBITDA		**141,407**	**126,960**	**137,720**
Depreciation	7	(19,604)	(20,090)	(18,440)
Operating profit (EBIT)		**121,803**	**106,870**	**119,280**
Finance income		1,524	993	40
Finance costs	10	(3,623)	(3,566)	(2,458)
Profit (loss) before income tax (EBT)		**119,704**	**104,297**	**116,862**
Income tax expenses		(43)	(672)	(77)
Profit (loss) for the period		**119,661**	**103,625**	**116,785**
Attributable to:				
Equity holders of the Company		119,612	103,642	116,676
Minority interest		49	24	109
Basic earnings per share – in USD	14	**0.27**	**0.23**	**0.26**
Diluted earnings per share – in USD	14	**0.27**	**0.23**	**0.26**

Consolidated statement of comprehensive income

in USD thousands	Notes	Q1 2023 (unaudited)	Q4 2022 (unaudited)	Q1 2022 (unaudited)
Profit (loss) for the period		119,661	103,625	116,785
Items which may subsequently be transferred to profit or loss		**(425)**	**405**	**281**
Foreign currency effects, net of taxes		-	-	-
Change in hedging reserves, net of taxes	12	(425)	405	281
Items which will not subsequently be transferred to profit or loss		**-**	**-**	**-**
Other comprehensive profit (loss), net of taxes		-	-	-
Other comprehensive profit (loss) from joint ventures and affiliates		-	-	-
Total comprehensive profit (loss)		**119,237**	**104,030**	**117,066**
Attributable to:				
Equity holders of the Company		119,188	104,006	116,956
Non-controlling interest		49	24	109

Consolidated statement of financial position

in USD thousands	Notes	March 31, 2023 (unaudited)	December 31, 2022 (audited)
ASSETS			
Non-current assets			
Vessels	7	773,321	745,873
Newbuildings	8	36,660	32,770
Right-of-use asset		230	266
Investments in associate and joint venture	6	10,195	20,893
Total non-current assets		**820,406**	**799,802**
Current assets			
Vessel held for sale		-	-
Inventories		6,893	6,340
Trade and other receivables		22,858	22,922
Financial instruments at fair value	12	1,219	1,740
Restricted cash	9	10,653	30,914
Cash and cash equivalents	9	108,103	94,603
Total current assets		**149,725**	**156,519**
Total assets		**970,132**	**956,321**
EQUITY AND LIABILITIES			
Equity			
Share capital	13	48,589	48,589
Share premium		55,123	152,737
Treasury shares		-	-
Retained earnings		636,656	517,045
Other reserves		100	525
Non-controlling interest		2,308	2,551
Total equity		**742,776**	**721,447**
Non-current liabilities			
Non-current Interest-bearing debt	10	72,325	74,462
Lease liabilities - long-term		34	114
Acquired TC contracts, non-current		549	1,480
Deferred tax liabilities		803	803
Total non-current liabilities		**73,711**	**76,859**
Current liabilities			
Current interest-bearing debt	10	74,759	79,112
Acquired TC contracts, current		2,221	2,248
Trade and other payables		15,145	17,282
Income tax payable		347	378
Deferred revenue		41,712	40,133
Other liabilities		19,461	18,863
Total current liabilities		**153,644**	**158,015**
Total equity and liabilities		**970,132**	**956,321**

Consolidated statement of changes in equity

in USD thousands	Share capital (unaudited)	Share premium (unaudited)	Treasury shares (unaudited)	Retained earnings (unaudited)	Other reserves (unaudited)	Total equity attributable to the equity holders of the Company (unaudited)	Non-controlling interest (unaudited)	Total equity (unaudited)
Equity as at January 1, 2023	48,589	152,737	-	517,044	525	718,895	2,551	721,447
Result of the period	-	-	-	119,612	-	119,612	49	119,661
Other comprehensive income	-	-	-	-	(425)	(425)	-	(425)
Total comprehensive income	**-**	**-**	**-**	**119,612**	**(425)**	**119,187**	**49**	**119,237**
Contributions of equity, net of transaction costs	-	-	-	-	-	-	-	-
Dividends provided for or paid	-	(97,614)	-	-	-	(97,614)	(292)	(97,906)
Cancellation of treasury shares	-	-	-	-	-	-	-	-
Settlement of warrants	-	-	-	-	-	-	-	-
Addition from non-controlling interest	-	-	-	-	-	-	-	-
Equity as at March 31, 2023	**48,589**	**55,123**	**-**	**636,656**	**100**	**740,469**	**2,308**	**742,776**
Equity as at January 1, 2022	48,630	597,080	(1,143)	82,212	(109)	726,669	919	727,587
Result of the period	-	-	-	116,676	-	116,676	109	116,785
Other comprehensive income	-	-	-	-	282	282	-	282
Total comprehensive income	**-**	**-**	**-**	**116,676**	**282**	**116,958**	**109**	**117,067**
Change in non-controlling interest	-	-	-	-	-	-	-	-
Contributions of equity, net of transaction costs	-	-	-	-	-	-	-	-
Dividends provided for or paid	-	(200,120)	-	-	-	(200,120)	-	(200,120)
Cancelation of treasury shares	(41)	(1,102)	1,143	-	-	-	-	-
Settlement of warrants	-	(2,219)	-	-	-	(2,219)	-	(2,219)
Addition from non-controlling interest	-	-	-	-	-	-	-	-
Equity as at March 31, 2022	**48,589**	**393,639**	**-**	**198,888**	**173**	**641,288**	**1,028**	**642,315**

Consolidated statement of cash flows

in USD thousands	Notes	Q1 2023 (unaudited)	Q4 2022 (unaudited)	Q1 2022 (unaudited)
Profit (loss) before income tax		119,703	104,297	116,785
Income tax expenses paid		(31)	-	-
Net change inventory and trade and other receivables		42,611	11,252	6,104
Net change in trade and other payables and other liabilities		(1,616)	(18,564)	(6,035)
Net change in deferred revenue		1,579	24,987	-
Depreciation	7	(19,604)	20,090	18,440
Finance costs (net)		2,099	2,626	2,418
Share of profit from joint venture	6	(8,748)	(17,896)	(23,537)
Gain from sale of vessels		-	(312)	(18,733)
Amortization of TC contracts		(958)	(1,071)	(8,136)
Cash flow from operating activities		**135,034**	**125,411**	**87,307**
Proceeds from sale of vessels		-	-	35,036
Scrubbers, dry dockings and other vessel upgrades	7	(17,188)	(19,023)	(10,885)
Newbuildings	7, 8	(3,890)	(14,440)	-
Acqusition of vessels	7	(33,704)	-	-
Interest received		984	-	91
Dividend received from joint venture investment	6	19,850	16,400	15,000
Investment in associates		(404)	-	(826)
Cash flow from investing activities		**(34,351)**	**(17,063)**	**38,416**
Dividends paid	13	(97,906)	(84,289)	(200,120)
Addition of non-controlling interest		-	-	-
Proceeds from debt financing		8,300	-	-
Repayment of debt	10	(15,000)	(20,000)	(22,500)
Repayment of acquired debt		-	-	-
Payment of principal of leases		(51)	(44)	-
Repayment of warrants		-	-	-
Repurchase of warrants		-	-	-
Interest paid		(3,128)	(2,295)	(1,921)
Debt issuance costs		-	-	-
Other finance paid		-	(1,544)	(1)
Cash from /(to) financial derivatives		342	607	-
Cash flow from financing activities		**(107,443)**	**(107,565)**	**(224,541)**
Net change in cash and cash equivalents		(6,761)	783	(98,818)
Restricted cash. cash and cash equivalents at the beginning of the period		125,517	124,734	180,328
Restricted cash, cash and cash equivalents at the end of the period		**118,756**	**125,517**	**81,509**

NOTES

Note 1 – General information

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

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

Note 2 – Basis of preparation

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

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

Note 3 – Significant accounting policies

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

Note 4 – Segment information

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

Note 5 – Operating revenues

in USD thousands	Q1 2023 (unaudited)	Q1 2022 (unaudited)
Time charter revenue	177,916	117,286
Amortization of time charter contracts	958	8,135
Pool charter revenue	-	14,585
Other revenue	1,249	2,936
Total operating revenues	**180,123**	**142,942**

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	Q1 2023 (unaudited)	Q1 2022 (unaudited)
Service element	32,473	101,437
Other revenue	1,249	2,936
Total revenue from customer contracts	**33,722**	**104,373**
Lease element	145,443	30,434
Amortization of time charter contracts	958	8,135
Total operating revenues	**180,123**	**142,942**

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

Other revenue relates to reimbursements of bunkers and other services, including amortization of the acquired value of time charter contracts. In the first quarter of 2023, the amortization of acquired time charter contracts amounted to USD 1.0 million.

Note 6 – Investments in associate and joint venture

Investment in joint venture:

The Group has a 50% interest in 2. Bluewater Holding Schifffahrtsgesellschaft mbH & Co. KG (Bluewater), Hamburg (Germany), a company owning two container vessels with 2,824 TEU through respective fully owned subsidiaries. In view of the shared control structure in the joint venture, the Group's interest in Bluewater is accounted for using the equity method. Bluewater cannot distribute dividends without the approval of both joint venture partners. The carrying amount of the investment as at March 31, 2023 was USD 9.0 million, compared to USD 20.1 as at December 31, 2022. The net movement of USD 11.1 million is due to received dividends of USD 19.9 million and the Group's share of profit of USD 8.8 million.

in USD thousands	Q1 2023 (unaudited)	Q1 2022 (unaudited)
Operating revenue	8,245	14,143
Operating costs	(3,383)	(6,301)
Other income	13,142	40,331
Depreciation	(508)	(978)
Net financial income/expense	6	(116)
Income tax	(5)	(6)

in USD thousands	Q1 2023 (unaudited)	Q1 2022 (unaudited)
Profit after tax for the period	**17,496**	**47,074**
Total comprehensive income for the period	**17,496**	**47,074**
Group's share of profit for the period	**8,748**	**23,537**
Dividends received	**19,850**	**15,000**

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

In January 2023, Bluewater entered into an MOA to sell its 2003-built vessel Carinthia for an agreed sale price of USD 7.6 million to an unrelated party. The vessel was delivered to its new owner in March 2023, resulting in a gain of USD 2.1 million in the joint venture.

Investment in associate:

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

Note 7 – Vessels

in USD thousands	Vessels	Newbuilds, payment on account	Total property, plant & equipment	Vessels held-for-sale	Total
Cost:					
At December 31, 2021	937,842	-	937,842	20,914	958,756
Acquisitions of vessels	-	-	-	-	-
Capitalized dry-docking, progress payments, expenditures	66,301	32,770	99,071	-	99,071
Transfers	(1,041)	-	(1,041)	-	(1,041)
Disposals of vessels	(26,932)	-	(26,932)	(20,914)	(47,846)
At December 31, 2022	**976,170**	**32,770**	**1,008,940**	**-**	**1,008,940**
Acquisitions of vessels	33,704	-	33,704	-	33,704
Capitalized dry-docking, progress payments, expenditures	13,298	3,890	17,188	-	17,188
Disposals of vessels	-	-	-	-	-
At March 31, 2023	**1,023,172**	**36,660**	**1,059,832**	**-**	**1,059,832**
Accumulated depreciation:					
At January 1, 2021	(163,479)	-	(163,479)	(4,611)	(168,090)
Depreciation for the year	(75,270)	-	(75,270)	-	(75,270)
Disposal of vessels	8,452	-	8,452	4,611	13,063
Transfers	-	-	-	-	-
At December 31, 2022	**(230,297)**	**-**	**(230,297)**	**-**	**(230,297)**
Depreciation for the quarter	(19,554)	-	(19,554)	-	(19,554)
Disposal of vessels	-	-	-	-	-
Transfers	-	-	-	-	-
At March 31, 2023	**(249,851)**	**-**	**(249,851)**	**-**	**(249,851)**
Net book value:					
At March 31, 2023	773,321	36,660	809,981	-	809,981
At December 31, 2022	745,873	32,770	778,643	-	778,643

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

At each reporting date, the Group evaluates whether there is an indication that an asset may be impaired. If such indicator exists, an impairment test is performed. Such indicators may include depressed spot rates and depressed second-hand containerships values. In March 2023, impairment test was triggered as the market values of our vessels have been declined. Hence, an impairment test has been performed for the Group’s vessels. In accordance with the Group’s methodology as set out in the Group’s annual financial statements as at December 31, 2022, the key assumptions have been updated, considering the current market and the Group’s updated long-term assumptions. As the recoverable amounts exceed the carrying amounts for all vessels, no impairment charges have been included in the financial results for the first quarter of 2023.

Note 8 – Newbuildings

As at March 31, 2023, the Group's newbuilding program was USD 36.6 million which consisted of two 5,500 TEU eco-design vessels and two carbon-neutral 1,300 TEU vessels, which are expected to be delivered in 2024. In the three-month ended March 31, 2023, an installment of of USD 3.9 million was paid to the shipyards for one of the carbon-neutral 1,300 TEU vessels. Remaining commitments amounted to USD 185.5 million, of which USD 46.4 million is expected to be paid in 2023 and USD 139.2 million in 2024.

Note 9 – Cash and cash equivalents and Restricted Cash

As at March 31, 2023, the Group had cash and cash equivalents of USD 108.1 million (USD 94.6 million as at December 31, 2022) and restricted cash balances of USD 10.7 million (USD 30.9 million as at December 31, 2022). The Group's loan agreement contains financial covenants, which require the Group to maintain a certain level of free cash, and a value adjusted equity covenant. Restricted cash does not include cash balances USD 4.1 million which are required to be maintained by the financial covenants in our loan agreement. Refer to the Group's annual financial statements 2022 Note 14 Interest-bearing debt for further details on the Group's financial covenants in our loan agreements.

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

The following table shows the total amount of service transactions that have been entered into with related parties in Q4 2022:

in USD thousands	Currency	Facility amount	Interest	Maturity	As at March 31, 2023	As at December 31, 2022 (audited)
Loan & credit facility	USD	180,000	LIBOR + 3.35%	November 2023/2026	85,000	100,000
Senior secured credit facility USD 70 million	USD	70,000	Floating + 3.25%	June 2024	55,000	55,000
Senior secured credit facility USD 8.3 million	USD	8,300	SOFR + 3.50%	February 2027	8,300	-
Other long-term debt incl accrued interest					330	403
Total outstanding					**148,630**	**155,403**
Debt issuance costs					(1,546)	(1,829)
Total interest bearing debt outstanding					**147,084**	**153,574**
Classified as :						
Non-current					72,279	74,462
Current					74,805	79,112
Total					**147,084**	**153,574**

In July 2021, the Group entered into a USD 70.0 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 55.0 million was made to refinance the existing debt. The credit line's maturity date is in June 2024.

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

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

Note 11 – Related party disclosure

The following table shows the total amount of service transactions that have been entered into with related parties in the first three-month period ended 2023:

in USD thousands	Type of services	Group	2. Bluewater Holding Schifffahrts-gesellschaft GmbH & Co. KG
Wilhelmsen Ahrenkiel Ship Man. GmbH & Co. KG / B.V.	Technical	2,304	123
Harper Petersen & Co. GmbH	Commercial	86	96
MPC Münchmeyer Petersen Capital AG	Corporate	53	22
Total		**2,443**	**241**

Amounts due to or from related company represent net disbursements and collections made on behalf of the vessel-owning companies by the Group during the normal course of operations for which a right of offset exists. As of March 31, 2023, and December 31, 2022, the amount due to related companies was USD 0.4 million and USD 0.7 million respectively. All related party transactions are carried out at market terms. Please see the Group's 2022 Annual Report for additional details.

Note 12 – Financial instruments

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

in USD thousands	March 31, 2023 (unaudited)		December 31, 2022 (audited)	
Financial assets	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Trade and other receivables	22,858	22,858	22,922	22,922
Financial instruments at fair value	1,219	1,219	1,740	1,740
Cash and cash equivalents and restricted cash	108,103	108,103	125,517	125,517
Total financial assets	**132,180**	**132,180**	**150,179**	**150,179**
Financial liabilities at amortized cost	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Non-current Interest-bearing debt	72,325	72,325	74,462	74,462
Current interest-bearing debt	74,759	74,759	79,112	79,112
Trade and other payables	15,145	15,145	17,282	17,282
Other liabilities	19,461	19,461	18,863	18,863
Total financial liabilities	**181,689**	**181,689**	**189,719**	**189,719**

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

As at March 31, 2023, the Group's cash flow hedges consisted of two interest rate caps with a notional amount of USD 50.0 million and USD 45.0 million respectively. The USD 50.0 million derivative was effective for the period from Feburary 1, 2022 to November 30, 2023. The derivative provides a cap of 2% on the risk-free 3- month LIBOR. The USD 45.0 million derivative provides a cap of 4% on the risk-free US interest (SODR) for the period from January 1, 2024 to December 31, 2026. 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 as at the reporting date, considering, as applicable, the forward interest rate curves. The estimated amount is the present value of future cash flows. Fair value adjustment of the interest rate cap as at March 31, 2023 is recognized in the statement of other comprehensive income.

In October 2022, the Group entered into foreign currency forward contracts to hedge against fluctuations in EUR. Hedge accounting has not been applied for these forward contracts as no hedge relationships were designated at inception. Currency derivatives that are not hedging instruments are valued at fair value, and any changes in value are entered in the condensed consolidated statement of profit or loss as finance income or finance costs.

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

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

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

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

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

Note 13 – Share capital

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

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

During the first quarter of 2023, the Group distributed dividends from its share premium, for a total of USD 97.6 million. These include both recurring and event driven dividends.

Announcement date	Type	Cash distribution per share	Ex-dividend	Record	Payment
31.01.2023	Event-driven	USD 0.07 / NOK 0.7238	20.02.2023	21.02.2023	28.02.2023
28.02.2023	Recurring	USD 0.15 / NOK 1.5765	23.03.2023	24.03.2023	30.03.2023

Note 14 – Earnings per share

	Q1 2023 (unaudited)	Q4 2022 (unaudited)	Q1 2022 (unaudited)
Profit (loss) for year attributable to ordinary equity holders – in USD thousands	119,661	103,625	116,785
Weighted average number of shares outstanding, basic	443,700,279	443,700,279	443,700,279
Weighted average number of shares outstanding, diluted	443,700,279	443,700,279	443,871,279
Basic earnings per share – in USD	**0.27**	**0.23**	**0.26**
Diluted earnings per share – in USD	**0.27**	**0.23**	**0.26**

Note 15 - Subsequent events

In May 2023, the Group entered into a pre-delivery term loan facility in an amount of USD 15.9 million and post-delivery term loan facility in an amount of up to USD 101.5 million with Crédit Agricole Corporate and Investment Bank ("Crédit Agricole") together with K-SURE Agent. The loan facilities will be used to finance the two 5,500 TEU eco-design newbuildings. Both pre-delivery and post-delivery facilities carry an interest rate of 3-month USD Term SOFR plus a margin of 250 basis points for the commercial facility and 150 basis point for the K-SURE facility as well as a 25 basis point credit adjustment spread. Each of the pre-delivery facility shall be repaid in full upon delivery of the vessels while the K-Sure post-delivery loan facility matures in 12 years from the delivery date of the vessels and the commercial delivery facililty matures in three years from the delivery date of the vessels.

ALTERNATIVE PERFORMANCE MEASURES

The Group's financial information is prepared in accordance with the International Financial Reporting Standards (IFRS). In addition, it is the management's intention to provide alternative performance measures that are regularly reviewed by management to enhance the understanding of the Group's performance but are not intended as a replacement of the financial statements prepared in accordance with the IFRS. The alternative performance measures presented may be determined or calculated differently by other companies. The alternative performance measures are intended to enhance comparability of the results and to give supplemental information to the users of the Group's external reporting.

Gross profit

Gross profit is a key financial parameter for the Group and is derived directly from the income statement by deducting cost of sales (vessel voyage expenditures, ship management fees, vessel operating expenditures and commissions) from operating revenues.

EBITDA

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

in USD thousands	Q1 2023 (unaudited)	Q4 2022 (unaudited)	Q1 2022 (unaudited)
Operating profit (EBIT)	121,803	106,870	119,280
Depreciation	(19,604)	(20,090)	(18,440)
EBITDA	**141,407**	**126,960**	**137,720**

Adjusted EBITDA

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

in USD thousands	Q1 2023 (unaudited)	Q4 2022 (unaudited)	Q1 2022 (unaudited)
EBITDA	**141,407**	**126,960**	**137,720**
Gain (loss) from sale of vessels	-	-	18,969
Early redelivery of AS Carlotta	24,255	-	-
Share of profit or loss from joint venture	6,494	12,625	19,625
Adjusted EBITDA	**110,658**	**114,335**	**99,270**

Adjusted profit (loss)

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

in USD thousands	Q1 2023 (unaudited)	Q4 2022 (unaudited)	Q1 2022 (unaudited)
Profit (loss) for the period	119,661	103,625	116,785
Gain (loss) from sale of vessels	-	-	18,825
Early redelivery of AS Carlotta	24,255	-	-
Share of profit or loss from joint venture	6,494	12,625	19,625-
Adjusted profit (loss) for the period	**88,912**	**91,000**	**78,335**

Adjusted earnings per share (EPS)

Adjusted EPS is derived from the adjusted profit (loss) divided by the number of shares outstanding at the end of the period.

Average time charter equivalent (TCE)

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

Adjusted average time charter equivalent (TCE)

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

in USD thousands	Q1 2023 (unaudited)	Q4 2022 (unaudited)	Q1 2022 (unaudited)
Time Charter revenue	177,916	158,867	117,286
Pool charter revenue	-	-	14,585
Early redelivery of AS Carlotta	25,200	-	-
Adjusted TCE for the period (in USD)	**30.989**	**31.279**	**24,845**

Average operating expenses (OPEX) per day

Average OPEX per day is a commonly used KPI in the shipping industry. OPEX per day is calculated as operating expenses excluding tonnage taxes and operating expenses reimbursed by the charterers divided by the number of ownership days for consolidated vessels during the reporting period.

Utilization

Utilization in percentage is a commonly used KPI in the shipping industry. It represents total trading days including off-hire days related to dry dockings divided by the total number of ownership days during the period.

Leverage ratio

Interest-bearing long-term debt and interest-bearing short-term debt divided by total assets.

Equity ratio

Total book equity divided by total assets.

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