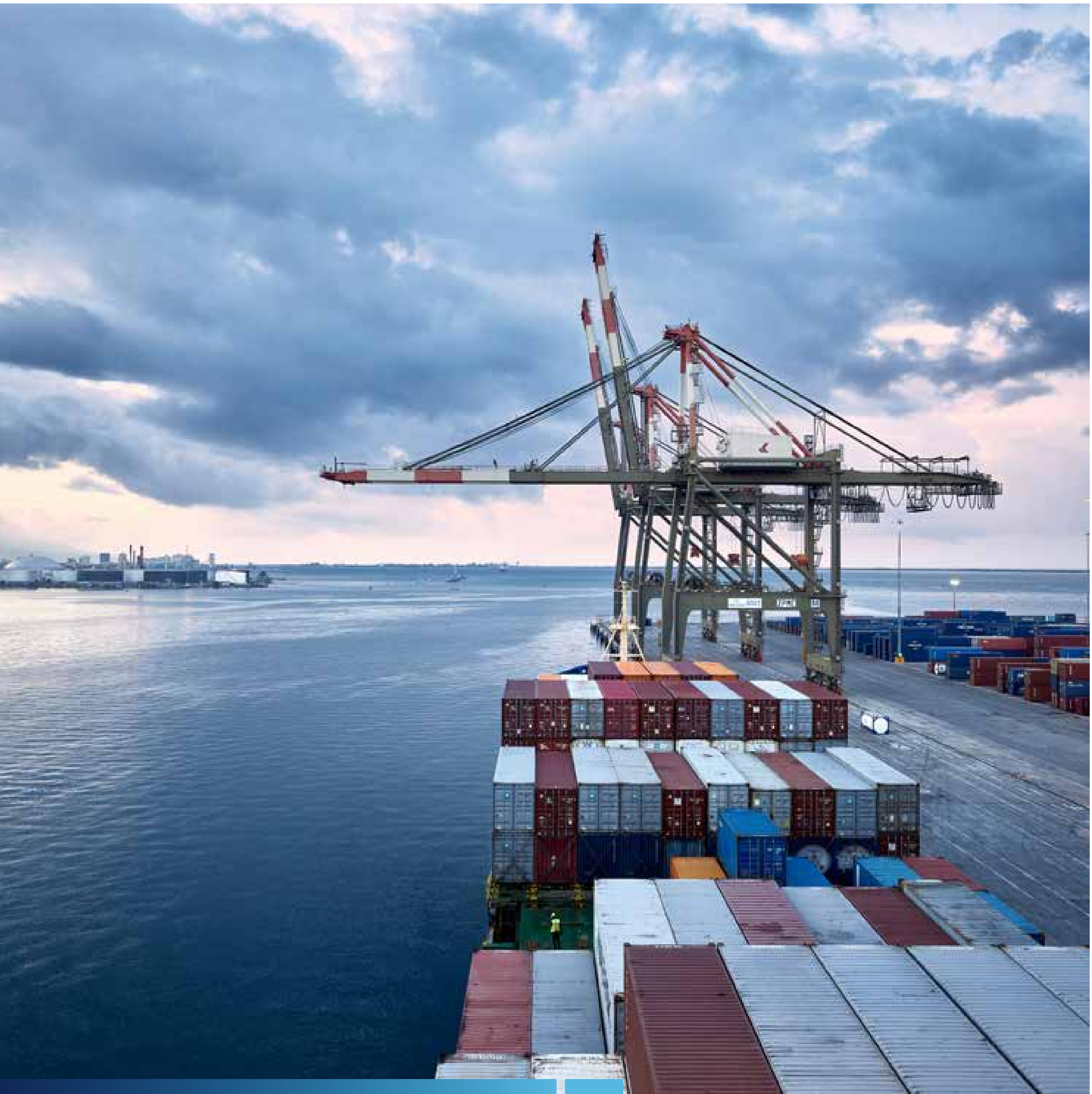
MPC CONTAINER SHIPS



FINANCIAL REPORT

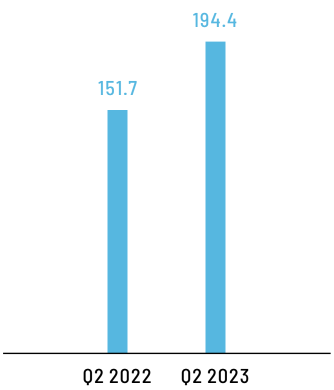
SECOND QUARTER AND HALF-YEAR 2023

HIGHLIGHTS

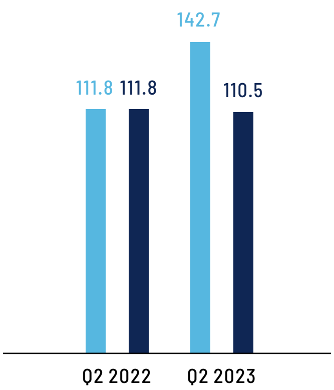
Second quarter 2023

- Continued strong financial and operational performance
- High utilization and continuation of low-leverage strategy
- In the second quarter of 2023, the Group received cash compensation of USD 32.4 million for the early redelivery of AS Nadia, accounted for as operating revenues
- In June 2023, the Group entered into agreements to purchase five modern eco-design vessels for approximately USD 136.3 million. The acquisitions are subject to delivery between June 2023 and August 2023 and AS Anne (2016-built, formely named Queen Esther) was delivered in the second quarter of 2023
- A one-time held for sale loss of USD 18.4 million was recognized for the held for sale vessel, AS Emma, with expected handover in November 2023
- The Board of Directors has declared a recurring dividend of USD 0.15 per share for the second quarter of 2023, payable on September 28, 2023

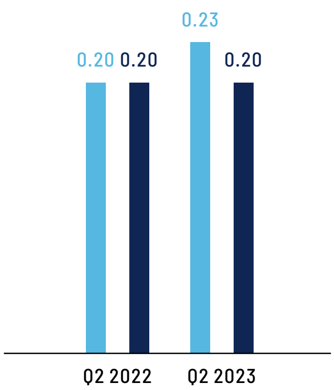
Operating revenues in USD m



EBITDA and Adj. EBITDA in USD m



EPS and Adj. EPS in USD



Adjusted

KEY FIGURES

		Q2 2023 (unaudited)	Q1 2023 (unaudited)	Q2 2022 (unaudited)	H1 2023 (unaudited)	H1 2022 (unaudited)
Operating revenues	USD m	194.4	180.1	151.7	374.5	294.6
EBITDA	USD m	142.7	141.4	111.8	284.2	249.5
Adjusted EBITDA	USD m	110.5	110.7	111.8	221.2	209.6
Profit (loss) for the period	USD m	101.5	119.7	90.1	221.2	206.9
Adjusted profit for the period	USD m	87.7	88.9	90.1	176.6	167.0
Operating cashflow	USD m	130.7	135.0	98.9	265.8	186.2
EPS	USD	0.23	0.27	0.20	0.50	0.47
Adjusted EPS	USD	0.20	0.20	0.20	0.40	0.38
DPS*	USD	0.15	0.22	0.16	0.37	0.35
Total ownership days	days	5,460	5,243	5,460	10,704	10,870
Total trading days	days	5,320	4,928	5,104	10,248	10,412
Utilization		97.4%	97.1%	98.2%	95.7%	98.5%
Adjusted average TCE	per day	29,668	30,989	28,071	30,303	26,426
Average Opex	per day	6,798	6,397	5,972	6,594	6,127
Leverage ratio		13.3%	15.2%	20.8%	13.3%	20.8%

* Dividends per share (DPS) consists of the recurring dividend per share and any event-driven dividend per share declared for the period. For the second quarter of 2023, a recurring dividend of USD 0.15 per share was resolved by the Board of Directors on August 21, 2023.

CONTENTS

CEO LETTER

Constantin Baack
CEO

Dear Shareholders,
We are pleased to present our strong second quarter financial results. Our consistent positive performance, despite a gradual decline in the container market, is a testament to our robust backlog, successful chartering activity, and sustained good operational performance. It also underscores the effectiveness of our continuous prudent capital allocation strategy. Utilization levels remain high, and we continue to operate with low leverage and substantial visibility into contracted cash flows.

We continue to distribute dividends to our shareholders in line with our distribution policy. For the second quarter, the Board declared a dividend of USD 0.15 per share, totaling USD 66.6 million. This brings dividends paid year to date to USD 231 million, reflecting a dividend yield of 34% for the year so far.

Our agile operations and portfolio management, supported by our flexible balance sheet, have also enabled us to capitalize on attractive market opportunities. In June, we announced the acquisition of five modern eco-vessels, adding younger and highly efficient tonnage to our fleet with premium earning capabilities. We also completed the sale of our final two joint venture-owned vessels, Cardonia and Cimbria and signed an agreement for the sale of the AS Emma, with handover planned for November this year. These strategic efforts are aligned with our fleet renewal and optimization strategy, aimed at enhancing shareholder value and supporting long-term distribution capacity whilst continuing to operate with low financial leverage.

We have also successfully secured financing for the 5,500 TEU eco-design newbuilding project and recent eco-vessel acquisitions at attractive terms, preserving our strong liquidity position and ensuring continued balance sheet flexibility.

Given the prevailing uncertainty in the container market outlook, our focus remains on maintaining prudent capital allocation and enhancing long-term shareholder value. We remain committed to our distribution policy and with our strong market position and robust financial situation, we are in an ideal position to take advantage of the prevailing market and to balance strategic and selective fleet optimization efforts with continued attractive shareholder returns.

In addition to maintaining an operationally and commercially well performing fleet, our priority in the coming months is to preserve our balance sheet flexibility while continuing to invest into efficiency improvements. Additionally, we will evaluate potential sales and selectively also acquisitions that are accretive to future earnings and distribution capacity.

Constantin Baack
CEO of MPC Container Ships ASA

FINANCIAL REVIEW

Financial performance

The Group's vessels are chartered out on time charter contracts to global and regional liner shipping companies. Operating revenues for the second quarter were USD 194.4 million (Q1 2023: USD 180.1 million), compared with USD 151.7 million for the same quarter in 2022. Gross profit from vessel operations was USD 146.4 million (Q1 2023: USD 144.4 million), compared with USD 114.8 million in the same quarter of 2022. In May 2023, the Group entered into a commercial agreement with Pasha Group for the early redelivery of the 2007-built vessel, AS Nadia, which was subsequently redelivered in June 2023. As a result of the early redelivery, the Group received a cash compensation of USD 32.4 million, which was recognized as operating revenues in the second quarter of 2023. Accordingly, the adjusted average TCE per trading day for the second quarter of 2023, i.e., excluding the compensation recorded for the early redelivery of AS Nadia, was USD 29,668 (Q1 2023: USD 30,989) as compared to USD 28,071 in the corresponding quarter in 2022.

In June 2023, the Group entered into an agreement with an unrelated party for the sale of 2010-built vessel, AS Emma, for USD 22.5 million. The sale of the vessel is expected to complete in November 2023, post completion of its existing charter. As at June 30, 2023, the vessel was classified as "Vessel held for sale" and a one-time held for sale loss of USD 18.4 million was recognized in the second quarter of 2023. See Note 7- Vessels for further details.

The Group reported a profit for the period of USD 101.5 million (Q1 2023: USD 119.7 million) as compared to USD 90.1 million for the same quarter in 2022. Adjusted profit for the second quarter of 2023 was USD 87.7 million, compared to USD 90.1 million for the second quarter of 2022. For more details, see section Alternative Performance Measures section of this report.

Financial position

The Group's total assets amounted to USD 984.3 million as at June 30, 2023, compared to USD 956.3 million as at December 31, 2022. Total non-current assets of USD 835.5 million as at June 30, 2023 (USD 799.8 million as at December 31, 2022) reflected the carrying amounts of the vessels operated by the Group, including the equity investment in associate and joint venture. The increase in the carrying amounts of the vessels in the first half of 2023 is primarily due to the purchase of three wholly-owned vessels (AS Claudia, AS Nina, and AS Anne), as well as CAPEX and other vessel upgrades. See further in Note 7 - Vessels. This is offset by regular depreciation of the remaining fleet. In the first half of 2023, the Group paid a total of USD 22.6 million in installments for its newbuilding program. See further in Note 8 - Newbuildings. The decrease in the investments in associate and joint venture in the first half of 2023 is mainly due to the result of USD 10.3 million in the Group's share of profit from the joint venture offset by dividends received of USD 21.0 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 June 30, 2023, the group recorded its initial investment at a cost of USD 1.2 million. See further in Note 6 - Investments in associate and joint venture.

Total equity was USD 778.1 million as at June 30, 2023, up from USD 721.4 million as at December 31, 2022, and included a non-controlling interest of USD 2.9 million (USD 2.6 million as at December 31, 2022). The change in equity was mainly due to profit for the period of USD 221.2 million partly offset by dividend payments of USD 164.5 million during the first half of the year.

As at June 30, 2023, the Group had total interest-bearing debt of USD 130.8 million, down from USD 153.6 million as at December 31, 2022.

Cash flows

During the first half of 2023, the Group generated a positive cash flow from operating activities of USD 265.8 million, up from USD 186.2 million in the first half of 2022 due to stronger operational performance of the Group as compared to the same period in the previous year. Cash flow from investing activities was negative USD 103.6 million (H1 2022: positive USD 47.1 million), mainly due to the acquisitions of three wholly-owned vessels, namely AS Claudia, AS Nina, and AS Anne for a total amount of USD 75.3 million, as well as dry-dockings and other vessel upgrades amounting to USD 28.1 million and total installments of USD 22.6 million that was paid to the shipyards for the Group's newbuilding program. This was partially offset by the USD 21.0 million in dividends received from the Group's joint venture investment. Cash flow from financing activities in the first half of 2023 was negative USD 194.6 million (H1 2022: negative USD 321.3 million) and consisted primarily of USD 164.5 million in dividend payments and repayment of existing loan facilities of USD 31.4 million. This was offset by proceeds of USD 8.3 million from an OVB loan facility obtained in the first quarter of 2023 in relation to the acquisition of AS Claudia.

Cash and cash equivalents as at June 30, 2023, amounted to USD 93.1 million including restricted cash, compared with USD 125.5 million as at December 31, 2022. Total restricted cash as at June 30, 2023, was 10.2 million, compared with USD 30.9 million as at December 31, 2022.

The Fleet

As at June 30, 2023, the Group's fleet consisted of 63 vessels, with an aggregate capacity of approximately 136,890 TEU.

In June 2023, the Group entered into an agreement with an unrelated party for the sale of the 2010-built vessel, AS Emma, for USD 22.5 million. The sale of the vessel is expected to be finalized in November 2023, post completion of its existing charter. As at June 30, 2023, the vessel was classified as a "Vessel held for sale". See Note 7 - Vessels for further details.

In June 2023, as part of strategic measures aimed at fleet optimization, the Group entered into agreements to purchase five modern eco-design vessels from an unrelated party, for approximately USD 136.3 million, subject to delivery between June 2023 and August 2023. Of the five vessels acquired, the 2016-built vessel, AS Anne (2,190 TEU), includes an existing 36-month time charter agreement with the Pasha Group. The vessel was delivered on June 30, 2023. The total consideration for the vessel including the time charter contract was USD 41.6 million. The time charter agreement was recorded as a separate component of the vessel. In July 2023, the Group entered into an agreement with the Pasha Group for early redelivery of the vessel, for which the Group received a cash compensation of USD 22.0 million.

In July 2023, as part of the aforementioned acquisition, the Group took delivery of vessels, AS Simone and AS Stine, and in August 2023, the Group took delivery of the fourth vessel, AS Silje. The Group is expected to take delivery of the fifth vessel, AS Sabine in late August 2023.

In July 2023, the Group agreed to sell its 2003- and 2002-built joint-venture vessels Cardonia and Cimbria to unrelated parties for USD 20.5 million and USD 22.0 million, respectively. The vessels were delivered to their new owners in July (Cardonia) and August (Cimbria).

Newbuilding program

As at June 30, 2023, the Group's newbuilding program consisted of four vessels, of which two 5,500 TEU eco-design vessels are expected to be delivered in the second and third quarter of 2024 and two carbon-neutral dual-fuel vessels which are expected to be delivered in late 2024.

As at June 30, 2023, total instalments of USD 55.4 million was paid in connection with the Group's newbuilding program, of which USD 22.6 million was paid in the first half of 2023. Remaining commitments amounted to USD 167.2 million, of which USD 28.1 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 second quarter of 2023. The record date for the recurring dividend will be June 27,2023. The ex-dividend date is expected to be September 20, 2023 and the dividend will be paid on or about September 28, 2023.

The Group had 443,700,279 ordinary shares outstanding as at June 30, 2023. The weighted average number of shares outstanding for the purpose of calculating basic and diluted earnings per share for the second quarter of 2023 was 443,700,279.

Financing update

As at June 30, 2023, the Group's total interest-bearing debt outstanding amounted to USD 130.8 million. 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 Group's two 5,500 TEU eco-design newbuildings. No drawdown has been made as at June 30, 2023.

In July 2023, the Group entered into a 5-year loan facility in an amount of up to USD 50.0 million with Hamburg Commercial Bank AG ("HCOB") to finance part of the acquisition cost of AS Anne, AS Simone, AS Stine, AS Silje, and AS Sabine. See further details in Note 15 - Subsequent events.

CONTAINER MARKET UPDATE

Robust global economy in the short term with a slow recovery, but ongoing challenges ahead

The International Monetary Fund (IMF) published its latest World Economic Outlook (WEO) in July 2023, revising its global GDP growth forecast upward by 0.2 percentage points (pp) for 2023. With this modest increase, GDP is now expected to grow by 3.0% in both 2023 and 2024, compared to 3.5% in 2022. At the same time, GDP growth in 2023 and 2024 will remain below the historical (2000-2019) annual average of 3.8%. According to the IMF, the world economy remained resilient in the first quarter of 2023, despite persistent macroeconomic and geopolitical challenges. Economic activity was mainly driven by an active services sector, whereas the manufacturing sector showed weakness. Headline inflation came down significantly in many major economies, especially due to falling energy and food prices. By contrast, core inflation has recovered more gradually and still is persistently above central banks' target rates. Core inflation figures for 2024 have even been revised upward. [1]

The Federal Reserve (Fed) paused rate hikes back in June, but most recently raised its base rate by another 0.25 pp to a range of 5.25% to 5.5% – the highest level since 2007. [2] Shortly thereafter, the European Central Bank (ECB) followed suit and hiked its deposit facility rate by another 0.25 pp to 3.75%. [3] The United States is reporting rising consumer confidence. In July, for instance, the University of Michigan's Consumer Sentiment Index rose to the highest level since October 2021. [4] U.S. labor markets remain tight, and the unemployment rate fell to 3.6% in June 2023, while inflation is receding. [5] However, recession fears have not completely disappeared, as consumers will have to deal with the effects of the Fed's excessive interest rate hikes over the next year. [6] The European Commission's latest business and consumer sentiment surveys show that economic sentiment continues to decline in both the EU and the euro area, but the decline was less severe in July than in the previous months. [7] Nonetheless, the HCOB Eurozone Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, shows that manufacturing activity contracted in July, with the index sinking from 43.4 in June to 42.7, the lowest level since May 2020. [8] Medium-term euro area GDP growth is projected to fall from 3.5% in 2022 to 1.8% in 2023 and 1.0% in 2024. [9] At the beginning of the year, the Chinese government dropped its strict "zero Covid" policy measures, and the Chinese economy opened up again. As a result, manufacturing activity and service consumption rebounded. Most recently, China's recovery has been losing traction. The Caixin China General Manufacturing PMI fell from 50.5 in June to 49.2 in July, below the 50-point threshold, signaling an overall deterioration of business conditions. Chinese factory activity contracted further due to weak global demand, and China is still confronted with unresolved real estate problems. [10]

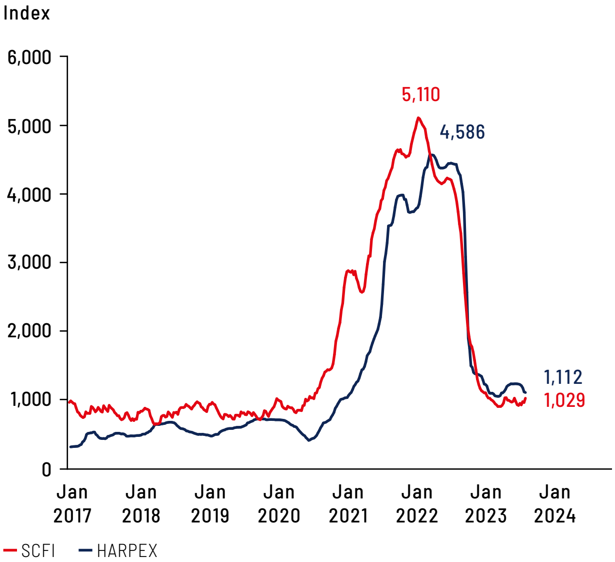
Navigating through the summer slump: stable spot freight rates and slightly decreasing time-charter rates

The second quarter of the year was characterized by a volatile and challenging market environment marked by transpacific spot freight rate fluctuations and reoccurring supply-chain disruptions. The Panama Canal Authority had to impose a draft restriction and a limit on vessels passing through, in response to the low water level in the Gatun-Lake. The Canadian port strike disrupted more than CAD 8bn worth of cargo traffic, affecting about 63,000 shipping containers, according to the employers' association. [11] Despite these headwinds, the Shanghai Containerized Freight Index (SCFI) exhibited a modest increase in the second quarter of the year and increased to 1,029 points at the end of July, as depicted in figure 1. [12] Generally, freight rates have been remarkably stable amid the inherent transpacific volatility. At the same time, carriers have made commendable progress in enhancing schedule reliability across all trade lanes, boosting confidence in the industry's efficiency and operational capabilities. Most importantly, schedule reliability improved compared to the previous year, with all service areas showing double-digit increases. The months of June and July witnessed a surge in blank sailings, aimed at consolidating cargo volumes and improving freight rates. While this strategic initiative has been observed on several routes, it has been implemented somewhat less on the routes from Asia to Europe. [13]

1 International Monetary Fund, World Economic Outlook, July 2023.
2 Federal Reserve Bank of New York, July 2023.
3 European Central Bank, July 2023.
4 University of Michigan, Consumer Sentiment Index, July 2023.
5 U.S. Bureau of Labor Statistics, July 2023.
6 Reuters, July 2023.
7 European Commission, Business and Consumer Surveys, July 28, 2023.
8 S&P Global, August 1, 2023.
9 International Monetary Fund, World Economic Outlook, July 2023.
10 S&P Global, August 1, 2023.
11 Lloyds List, July 2023.
12 Clarksons, Shipping Intelligence Network, July 2023.
13 Sea-Intelligence, Issue 625, July 2023.

The HARPEX, which commenced the second quarter strongly, reaching 1,226 points on May 5, experienced a period of relative stability throughout the rest of the quarter. However, the sluggish summer season has had a dampening effect on the charter market's momentum, causing the index to fall slightly to 1,112 points in mid-July, as shown in figure 1. Nonetheless, industry experts forecast an upturn in activity toward the end of the third quarter of this year. Current six-month time-charter rates (as of July 28) are USD 11.5k/day for a 1.1k TEU vessel, USD 13.5k/day for a 1.7k TEU vessel, USD 16.0k/day for a 2.7k TEU vessel, and USD 21.5k/day for a 4.3k TEU container vessel. Average fixture periods have seen a decrease after they peaked toward the end of the first quarter of this year. An average period for a 2.8k TEU vessel is now at 8.5 months (-3.4 months compared to Q1). Contrary to that, 3.5k TEU vessels have seen a jump, with an average charter period of 22.1 months (+14.6 months compared to Q1). [14] This is due to several vessels in this size segment being extended for 12 or even 24 months. Operators are trying to secure tonnage in this segment, which always has few vessels available at any time.

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



While time-charter rates declined slightly in the second quarter of 2023, asset values remained stable or even saw slight increases. During the market peak in April and May 2022 Clarksons' second-hand price index reached a historically high level of 128.5 index points. The index declined to a level of 59.45 points in the second half of 2022 and moved sideways from the beginning of 2023 onward until it reached 59.02 points in July 2023. S&P activity has slowed from a record volume of 499 deals in full-year 2021 to 288 deals in full-year 2022. To date, 175 S&P deals were closed through July 2023, underscoring the continued strong interest in second-hand vessels. As of July 2023, second-hand prices for 15-year-old 1k TEU vessels stood at USD 8.5m (unchanged compared to three months ago). Prices for 1.7k TEU vessels of a similar age were estimated at USD 12.5m (stable compared to three months ago), and 15-year-old 2.8k TEU and 4.5k TEU vessels were estimated at USD 17m (USD 1.75m higher than three months ago) and USD 22m (USD 2.0m higher than three months ago), respectively.

Newbuild prices remained elevated at levels close to their all-time highs. Clarksons' newbuild price index was relatively stable in the second quarter, with a slight increase from 101.7 points at the end of the first quarter to 105.4 points in July. High newbuild prices can be attributed to a comfortable utilization of global shipyards for the next few years and uncertainties concerning energy and raw material prices. In July, newbuild prices were at USD 31m for a 1.8k TEU vessel (USD 2m higher than three months ago), USD 42.5m for a 2.8k TEU vessel (USD 0.5m higher than three months ago), and USD 75m for a 5.3k TEU vessel (USD 2m higher than three months ago). [15]

Time-charter market fundamentals have started to resemble pre-Covid conditions, but overall tonnage supply remains scarce

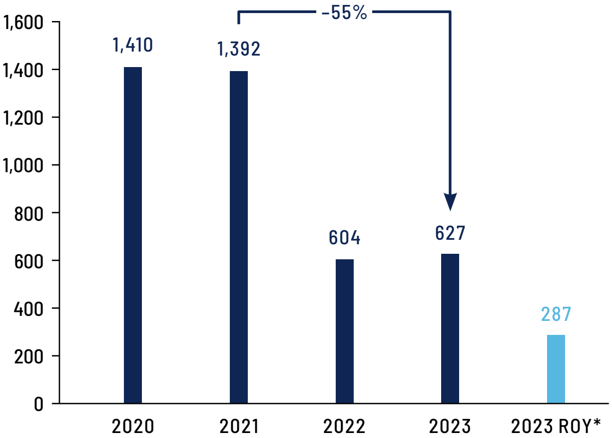
As the summer season unfolds, the time-charter market is witnessing reduced activity. Notably, smaller vessel segments have experienced an increase in spot tonnage in recent weeks, while demand has been declining. Overall, as figure 2a shows, vessel availability remains manageable for the remainder of the year. Nonetheless, operators are grappling with surplus tonnage, apparently related to the substantial high orderbook starting to be delivered. Initially, fixture periods showed an upward trend in early March 2023, with an average of 12.8 months in April 2023. However, these average fixture periods have since declined again across all size classes. Average fixture periods decreased by 2.1 months from April to May, by 1.6 months from May to June, and by 4.7 months from June to July. [16]

[14] Harper Petersen, July 2023.

[15] Clarksons, Shipping Intelligence Network, July 2023.

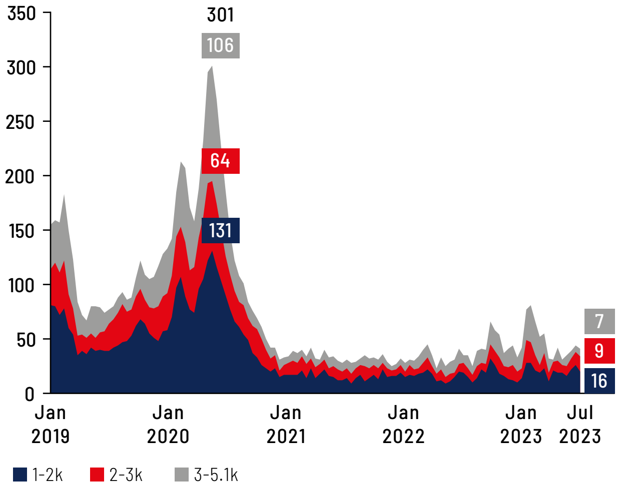
[16] Harper Petersen, July 2023.

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



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

Fig. 2b: Total idle fleet as of statistic

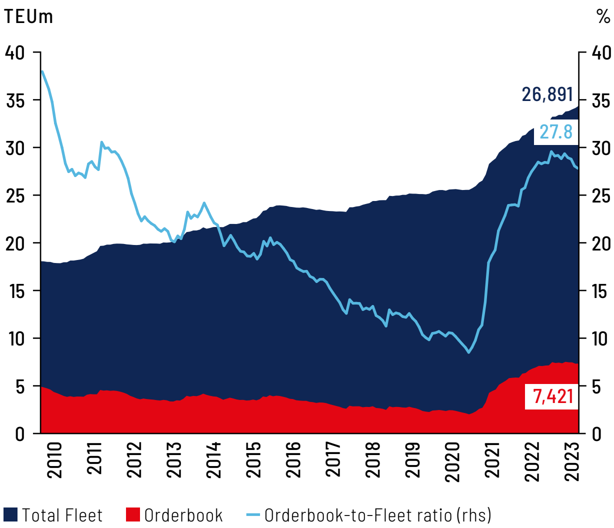


Another critical indicator for the time-charter markets, the idle statistic, has remained relatively stable since the market boom. Figure 2b displays data on the number of vessels in the 1k to 5.1k TEU range that are commercially idle. After a spike in mid-February 2023, the number of idle vessels has decreased, leaving only 41 units in the above size class idle at the end of July 2023. The total count of idle units at that time reached 81 vessels (284k TEU), accounting for 1.1% of the total fleet TEU (-3 pp compared to April), according to Alphaliner. It is noteworthy that only seven out of the 41 idle vessels within the 1k to 5.1k TEU size segment belong to non-operating owners. Some operators are trying to get rid of tonnage by subletting them in the charter market. This is also putting more pressure on the other vessels already looking for employment. Moreover, despite the fluctuating market conditions, the idle fleet has remained historically low when compared to pre-Covid figures, as indicated in the time series data in figure 2.[17]

Encouraging demand outlook for intra-regional trades, but pressure from the large orderbook

The container shipping market boom in 2021 and 2022 led to an ordering spree, with newbuild contracting reaching historically high levels of 4.4m TEU in 2021 and 2.7m TEU in 2022. In 2023, the newbuild contracting pace slowed down, and 906k TEU were added to the orderbook in the first half of this year. It is worth noting that most of the vessels added to the orderbook in 2023 have been configured as dual-fuel propulsion units using LNG, methanol, or even hydrogen. Although contracting slowed and deliveries increased by 295k TEU in June 2023, the orderbook-to-fleet ratio decreased only slightly and was still at 27.7% in July 2023, as shown in figure 3a. Of the planned deliveries, an additional 1.3m TEU are scheduled for 2023, 2.9m TEU for 2024, and 1.8m TEU for 2025 (calculated based on the reported delivery date, not accounting for deferred deliveries).[18] Looking at the orderbook-to-fleet ratios for different container size segments, the picture is mixed, with very high ratios for larger size segments and relatively low ratios in the smaller size segments, since ordering was heavily biased towards vessels larger than 12k TEU. Figure 3b shows the relationship between orderbook-to-fleet-ratios and fleet age in different size segments.

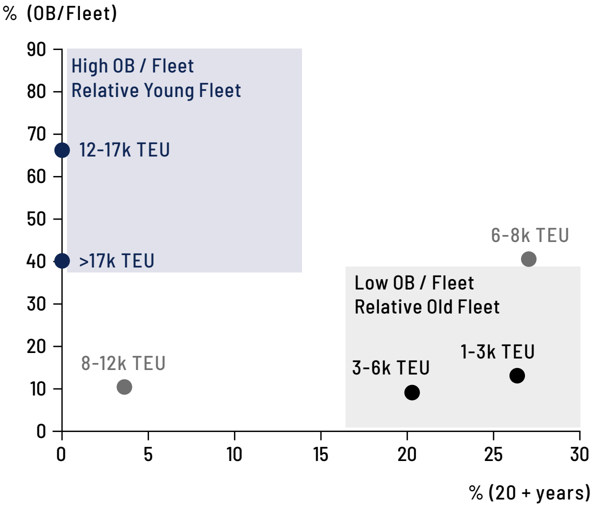
Fig. 3a: Orderbook Development



[17] Alphaliner, July 2023.

[18] Clarksons Research, Shipping Intelligence Network, July 2023.

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



A clustering of different size segments becomes visible here. Vessels larger than 12k TEU are confronted with a high orderbook-to-fleet ratio compared to a relatively young fleet, whereas the feeder segment (1-3k TEU) and the Panamax segment (3-6k TEU) see relatively low orderbook-to-fleet ratios and a relatively old fleet. Hence, fleet growth is expected to be relatively strong in the larger fleet segments, since demolition prospects are most likely limited in the larger sizes compared to the smaller and older size segments. After demolitions were almost zero in 2021 and 2022, they picked up again in 2023, although so far not as strongly as expected. A total of 73k TEU has been sold for scrapping in 2023 until now. [19] For the full year 2023, demolitions are expected to total 0.35m TEU. From 2024 onwards, a significant increase in demolitions is forecast, with a total of 0.9m TEU in 2024, followed by another 0.8m TEU in 2025. Summarizing the above, net fleet growth (accounting for orderbook cancellations, slippage, deliveries, and deletions) will be most pronounced in the size segments larger than 7.6k TEU and is expected to be quite subdued or even negative for smaller size segments from 2024 to 2026. [20]

Comparing the fleet supply side with the container trade demand side, figure 4a shows that the market will be out of balance in the next few years, at least until 2025. MSI forecasts global container ship supply to grow by 6.7% in 2023 and 5.9% in both 2024 and 2025. By contrast, demand is expected to grow by only 1.6% in 2023, before increasing to 5.4% in 2024 and 5.3% in 2025. Figure 4b shows that the outlook for intra-regional trades is more promising. Vessels smaller than 5.2k TEU (typically deployed on intra-regional trades) will see a supply growth of 2.6% in 2023, before turning to negative supply growth of -1.1% in 2024 and -2.0% in 2025. This contrasts with relatively strong intra-regional demand growth of 3.9% in 2023, which will accelerate to 5.5% in 2024 and 5.4% in 2025. [21]

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

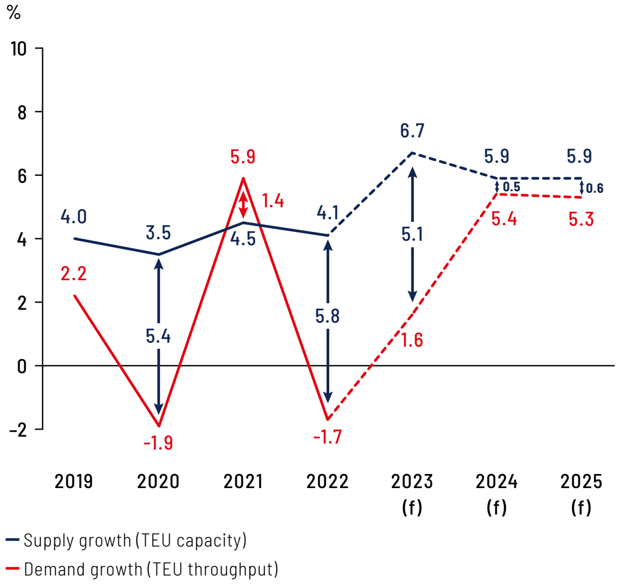
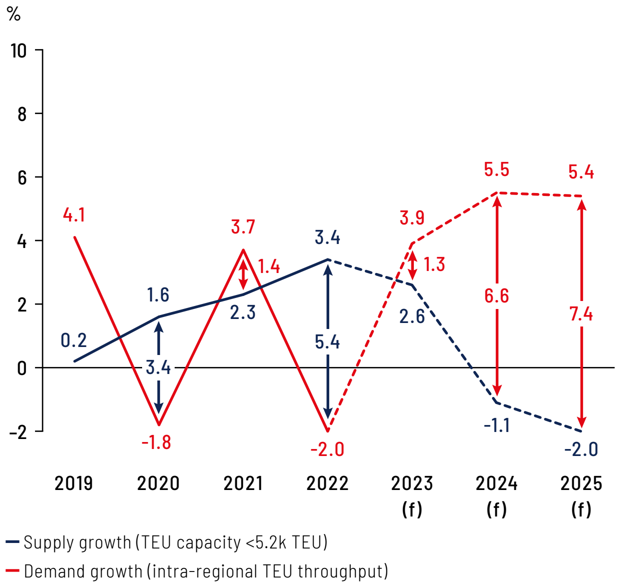


Fig. 4b: Supply-Demand Balance – Intra-Regional Trades



Demand growth is therefore forecast to outperform supply growth on intra-regional trades until at least 2025, especially due to relatively strong demand growth figures for Intra-Asia and Intra Middle East/Indian Subcontinent in 2024 and 2025. [22] Nonetheless, the pressure resulting from the huge orderbook in the larger size segments must also be closely monitored for intra-regional trades, since larger vessels will most likely cascade to other trades, within their given physical boundaries.

[19] Clarksons Research, Shipping Intelligence Network, July 2023.
[20] Maritime Strategies International, Horizon, July 2023.
[21] Ibid.
[22] Ibid.

Clear trend in newbuilding orders towards alternative fuels

There is a clear trend in newbuilding orders favoring vessels powered by greener fuels, with LNG and methanol dual-fuel orders being placed. These vessels are scheduled for delivery mainly in 2026 and 2027. The industry's shift toward environmentally sustainable practices has been influenced by decarbonization efforts and environmental regulations introduced by the International Maritime Organization (IMO), such as the Carbon Intensity Indicator (CII) and the Energy Efficiency Existing Ship Index (EEXI), along with initiatives by the European Union, like the EU Emissions Trading System (EU ETS) and FuelEU Maritime. Figure 5a illustrates that around 36% of the current orderbook in terms of the number of vessels are dual-fuel vessels, compared to conventional fuel orders. This is an increase in the dual-fuel orderbook share of 6% compared to April 2023. Most newbuilding orders placed in 2023 so far have been for dual-fuel engines. Figure 5b shows that LNG still dominates the dual-fuel orderbook, with 64% in terms of the number of vessels (down by 7% compared to April 2023). But methanol is gaining traction, with a 36% share in terms of the number of vessels (up by 13% compared to April 2023). The growing interest in methanol as a dual-fuel option can also be seen in figure 5b.[23] The issue of alternative fuel production, as well as the impact of environmental regulations that incentivize the production and use of green fuels to make them a cost competitive alternative, remains of critical importance to the shipping industry.

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

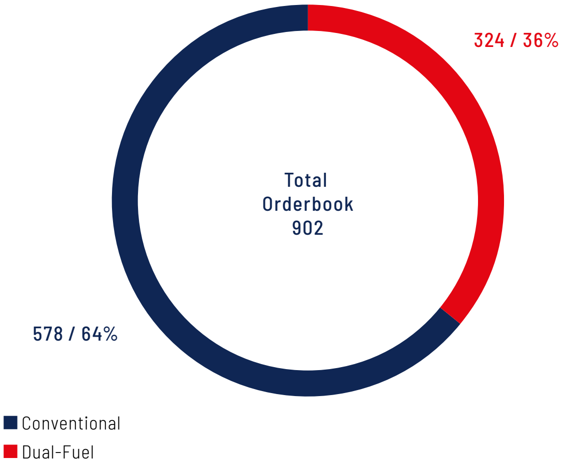
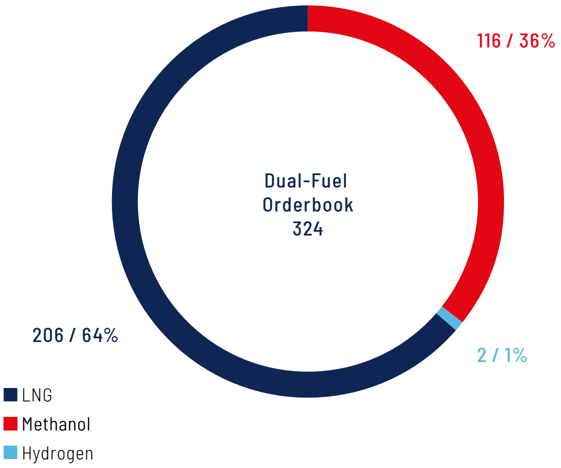
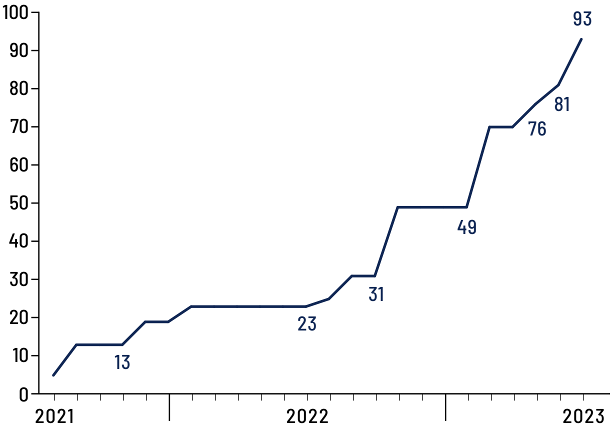


Fig. 5b: Dual-Fuel Types
No. of vessels



[23] Clarksons Research, Shipping Intelligence Network, July 2023.

Fig. 5c: Methanol Dual-Fuel Orderbook Development



Summarizing the container market update, time-charter markets show minor signs of weakness, as rates have decreased slightly in recent weeks and fixture periods have grown shorter. Nonetheless, the overall availability of tonnage open for the remainder of the year seems manageable, despite the large orderbook entering the market. Spot freight rates showed mixed signals for different trade lanes. Especially the Transpacific was confronted with a series of General Rate Increases (GRIs). It remains to be seen whether liner operators continue to have the discipline of strict capacity management to hold freight rates up in a restrained peak season with subdued demand. Slow steaming as a result of environmental regulations and weak demand is helping liner carriers to absorb additional capacity. The overall market outlook for H2 2023 and 2024 remains challenging due to relatively high net fleet supply growth forecasts. Various macroeconomic and geopolitical "wild card" factors make it difficult to assess demand for consumer goods for the remainder of 2023 and 2024. The market balance for intra-regional trades looks more promising for 2024 and 2025, since net fleet growth will be limited or even negative and demand growth figures are relatively strong. Nonetheless, cascading pressure from the orderbook of larger vessel sizes needs to be monitored closely over the years ahead, even for intra-regional trades.

Forward-looking statements

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

Responsibility statement

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

Oslo, August 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 consolidated statement of profit or loss

in USD thousands	Notes	Q2 2023 (unaudited)	Q2 2022 (unaudited)	H1 2023 (unaudited)	H1 2022 (unaudited)
Operating revenues	5	194,368	151,699	374,491	294,642
Commissions		(5,421)	(4,219)	(10,551)	(8,286)
Vessel voyage expenditures		(3,448)	(1,821)	(6,295)	(4,685)
Vessel operation expenditures		(38,173)	(33,403)	(72,358)	(68,000)
Ship management fees		(2,469)	(2,274)	(4,783)	(4,529)
Share of profit or loss from joint venture	6	1,520	4,793	10,268	28,329
Gross profit		**146,376**	**114,775**	**290,772**	**237,471**
Administrative expenses		(3,508)	(3,005)	(6,716)	(6,964)
Other expenses		(805)	(190)	(1,290)	(175)
Other income		684	195	1,386	19,164
Depreciation	7	(20,611)	(18,834)	(40,215)	(37,275)
Held for sale loss	7	(18,391)	-	(18,391)	-
Operating profit		**103,745**	**92,942**	**225,547**	**212,222**
Finance income		1,485	1	3,009	41
Finance costs	10	(3,689)	(2,568)	(7,312)	(5,026)
Profit (loss) before income tax		**101,542**	**90,376**	**221,245**	**207,237**
Income tax expenses		(50)	(233)	(93)	(310)
Profit (loss) for the period		**101,491**	**90,143**	**221,152**	**206,927**
Attributable to:					
Equity holders of the Company		101,439	90,106	221,051	206,782
Minority interest		53	36	101	145
Basic earnings per share – in USD	14	**0.23**	**0.20**	**0.50**	**0.47**
Diluted earnings per share – in USD	14	**0.23**	**0.20**	**0.50**	**0.47**

Consolidated statement of comprehensive income

in USD thousands	Notes	Q2 2023 (unaudited)	Q2 2022 (unaudited)	H1 2023 (unaudited)	H1 2022 (unaudited)
Profit (loss) for the period		101,491	90,143	221,152	206,927
Items which may subsequently be transferred to profit or loss		**(149)**	**37**	**(574)**	**319**
Foreign currency effects, net of taxes		-	-	-	-
Change in hedging reserves, net of taxes	12	(149)	37	(574)	319
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)		**101,342**	**90,180**	**220,579**	**207,246**
Attributable to:					
Equity holders of the Company		101,290	90,144	220,470	207,101
Non-controlling interest		53	36	109	145

Consolidated statement of financial position

in USD thousands	Notes	June 30, 2023 (unaudited)	December 31, 2022 (audited)
ASSETS			
Non-current assets			
Vessels	7	769,267	745,873
Newbuildings	8	55,408	32,770
Right-of-use asset		180	266
Investments in associate and joint venture	6	10,614	20,893
Total non-current assets		**835,468**	**799,802**
Current assets			
Vessel held for sale	7	21,560	-
Inventories		6,010	6,340
Trade and other receivables		25,430	22,922
Financial instruments at fair value	12	2,762	1,740
Restricted cash	9	10,198	30,914
Cash and cash equivalents	9	82,875	94,603
Total current assets		**148,835**	**156,519**
Total assets		**984,303**	**956,321**
EQUITY AND LIABILITIES			
Equity			
Share capital	13	48,589	48,589
Share premium		1,879	152,737
Retained earnings		724,784	517,045
Other reserves		(49)	525
Non-controlling interest		2,902	2,551
Total equity		**778,104**	**721,447**
Non-current liabilities			
Non-current Interest-bearing debt	10	67,014	74,462
Lease liabilities - long-term		-	114
Acquired TC contracts, non-current		85	1,480
Deferred tax liabilities		748	803
Total non-current liabilities		**67,847**	**76,859**
Current liabilities			
Current interest-bearing debt	10	63,826	79,112
Acquired TC contracts, current		2,078	2,248
Trade and other payables		12,040	17,282
Income tax payable		353	378
Deferred revenues		42,612	40,133
Other liabilities		17,444	18,863
Total current liabilities		**138,352**	**158,015**
Total equity and liabilities		**984,303**	**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	-	-	-	221,051	-	221,051	101	221,152
Other comprehensive income	-	-	-	-	(574)	(574)	-	(574)
Total comprehensive income	**-**	**-**	**-**	**221,051**	**(574)**	**220,477**	**101**	**220,578**
Contributions of equity, net of transaction costs	-	-	-	-	-	-	-	-
Dividends provided for or paid	-	(150,858)	-	(13,311)	-	(164,169)	(292)	(164,461)
Cancellation of treasury shares	-	-	-	-	-	-	-	-
Settlement of warrants	-	-	-	-	-	-	-	-
Addition from non-controlling interest	-	-	-	-	-	-	541	541
Equity as at June 30, 2023	**48,589**	**1,879**	**-**	**724,784**	**(49)**	**775,203**	**2,902**	**778,104**
Equity as at January 1, 2022	48,630	597,080	(1,143)	82,212	(109)	726,669	919	727,587
Result of the period	-	-	-	206,782	-	206,782	145	206,927
Other comprehensive income	-	-	-	-	319	319	-	319
Total comprehensive income	**-**	**-**	**-**	**206,782**	**319**	**207,101**	**145**	**207,246**
Change in non-controlling interest	-	-	-	-	-	-	-	-
Contributions of equity, net of transaction costs	-	-	-	-	-	-	-	-
Dividends provided for or paid	-	(272,388)	-	-	-	(272,388)	-	(272,388)
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 June 30, 2022	**48,589**	**321,371**	**-**	**288,994**	**210**	**659,164**	**1,064**	**660,228**

Consolidated statement of cash flows

in USD thousands	Notes	H1 2023 (unaudited)	H1 2022 (unaudited)
Profit (loss) before income tax		221,245	207,237
Income tax expenses paid		(173)	-
Net change inventory and trade and other receivables		(2,179)	167
Net change in trade and other payables and other liabilities		(6,676)	(942)
Net change in deferred revenues		2,479	-
Depreciation	7	40,215	37,275
Finance costs (net)		4,302	4,985
Share of profit or loss from joint venture	6	(10,268)	(28,329)
Vessel held for sale loss		18,391	-
Gain from sale of vessels		-	(18,733)
Amortization of TC contracts		(1,565)	(15,486)
Cash flow from operating activities		**265,770**	**186,174**
Proceeds from disposal of vessels		-	35,036
Scrubbers, dry-dockings and other vessel upgrades		(28,113)	(26,312)
Newbuildings	7, 8	(22,638)	-
Acqusition of vessels	7	(75,344)	-
Interest received		1,907	41
Investment in derivatives		-	(793)
Dividend received from joint venture investment	6	20,950	40,000
Investment in associate		(404)	(826)
Cash flow from investing activities		**(103,641)**	**47,146**
Dividends paid	13	(164,461)	(272,387)
Addition of non-controlling interest		541	-
Proceeds from debt financing		8,300	-
Repayment of long-term debt	9	(31,400)	(45,000)
Repayment of short-term debt		-	(3,554)
Payment of principal of leases		(100)	(28)
Repayment of warrants		-	(2,219)
Interest paid		(6,261)	(3,906)
Other finance paid		-	(100)
Cash from (to) financial derivatives		(1,194)	-
Cash flow from financing activities		**(194,574)**	**(327,194)**
Net change in cash and cash equivalents		(32,445)	(93,874)
Restricted cash. cash and cash equivalents at the beginning of the period		125,517	180,329
Restricted cash, cash and cash equivalents at the end of the period		**93,072**	**86,455**

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 June 30, 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	Q2 2023 (unaudited)	Q2 2022 (unaudited)	H1 2023 (unaudited)	H1 2022 (unaudited)
Time charter revenues	190,226	126,297	368,142	275,147
Amortization of time charter contracts	606	7,350	1,565	15,486
Pool charter revenues	-	16,979	-	-
Other revenues	3,535	1,073	4,784	4,009
Total operating revenues	**194,368**	**151,699**	**374,491**	**294,642**

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 IFRS 16. 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. When a time charter contract is linked to an index, the group recognize revenue for the applicable period based on the actual index for that period. In the first half of 2023, only one (H1 2022: nil) vessel was index-linked.

in USD thousands	Q2 2023 (unaudited)	Q2 2022 (unaudited)	H1 2023 (unaudited)	H1 2022 (unaudited)
Service element	37,250	31,395	71,354	65,769
Other revenues	3,535	1,073	4,784	4,009
Total revenues from customer contracts	**40,785**	**32,469**	**76,138**	**69,778**
Lease element	152,976	111,880	296,789	209,378
Amortization of time charter contracts	606	7,350	1,565	15,486
Total operating revenues	**194,368**	**151,699**	**374,491**	**294,642**

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.

In May 2023, the Group entered into a commercial agreement for the early redelivery of AS Nadia from its charter contracts. The vessel was subsequently redelivered on June 19, 2023. As a result of the early redelivery, the Group received a compensation of USD 32.4 million as operating revenues in the second 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 six-months of 2023, the amortization of acquired time charter contracts amounted to USD 1.6 million (H1 2022: USD 15.5 million)

Note 6 – Investments in associate and joint venture

in USD thousands	June 30, 2023 (unaudited)	December 31, 2022 (unaudited)
Investment in joint venture	9,384	20,067
investment in associate	1,230	827
Total	**10,614**	**20,893**

Investment in Joint venture:

The Group has a 50% interest in 2. Bluewater Holding Schifffahrtsgesellschaft GmbH Co. KG (Bluewater), Hamburg (Germany), a company that owns two container vessels through respective wholly-owned subsidiaries (as at June 30, 2023). The interest in Bluewater is considered to be an investment in a joint venture and is accounted for using the equity method. The carrying amount of the investment as at June 30, 2023 was USD 9.4 million, compared to USD 20.1 as at December 31, 2022. The net movement of USD 10.7 million is due to received dividends of USD 21.0 million and the Group's share of profit of USD 10.3 million.

in USD thousands	June 30, 2023 (unaudited)	December 31, 2022 (unaudited)
Non-current assets	14,105	28,323
Cash and cash equivalents	4,362	13,211
Other current assets	1,169	1,328
Non-current liabilities	(192)	-
Current liabilities	1,061	2,728
Equity	**18,767**	**40,134**
Group's carrying amount of the investment	**9,384**	**20,067**

in USD thousands	Q2 2023 (unaudited)	Q2 2022 (unaudited)	H1 2023 (unaudited)	H1 2022 (unaudited)
Operating revenue	5,012	15,421	13,257	29,564
Operating costs	(1,750)	(5,305)	(5,133)	(10,042)
Other income	107	183	13,249	38,950
Depreciation	(343)	(673)	(852)	(1,651)
Net financial income/expense	17	(36)	19	(151)
Income tax	(4)	(5)	(5)	(11)
Profit after tax for the period	**3,039**	**9,585**	**20,535**	**56,658**
Total comprehensive income for the period	**3,039**	**9,585**	**20,535**	**56,658**
Group's share of profit for the period	**1,520**	**4,793**	**10,268**	**28,329**
Dividends received	**1,100**	**12,500**	**20,950**	**20,000**

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 June 30, 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	Newbuildings, payment on account	Total property, plant & equipment	Vessels held for sale	Total
Cost:					
At January 1, 2022	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)
Vessel held for sale	-	-	-	-	-
At December 31, 2022	**976,170**	**32,770**	**1,008,940**	**-**	**1,008,940**
Acquisitions of vessels	75,344	-	75,344	-	75,344
Capitalized dry-docking, progress payments, expenditures	28,114	22,638	50,752	-	50,752
Disposals of vessels	-	-	-	-	-
Transfer to vessel held for sale	(45,923)	-	(45,923)	45,923	-
At June 30, 2023	**1,033,705**	**55,408**	**1,089,113**	**45,923**	**1,135,036**
Accumulated depreciation:					
At January 1, 2022	(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 period	(40,113)	-	(40,113)	-	(40,113)
Loss on reclassification to vessel held-for-sale	(18,391)	-	-	-	-
Transfer to vessel held for sale	24,363	-	24,363	(24,363)	-
Transfers	-	-	-	-	-
June 30, 2023	**(264,438)**	**-**	**(264,438)**	**(24,363)**	**(288,801)**
Net book value:					
At June 30, 2023	769,267	55,408	824,675	21,560	846,235
At 31 December 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.

In June 2023, the Group entered into agreement to acquire a fleet of five modern eco-design vessels from an unrelated party, for a total consideration of USD 136.3 million, subject to actual delivery of the vessels. The 2016-built vessel, AS Anne (2,190 TEU), includes an existing 36-month time charter agreement with the Pasha Group which was recorded as a separate component of the vessel. The vessel was delivered on June 30, 2023. The total consideration for the vessel including the time charter agreement was USD 41.6 million. The time charter agreement with the Pasha Group was subsequently terminated in July 2023 and the Group received a cash compensation of USD 22.0. See also in Note 15 – Subsequent events.

In June 2023, the Group entered into an agreement with an unrelated party for the sale of 2010-built vessel, AS Emma (TEU 4,250 grd), for USD 22.5 million. The sale of the vessel is expected to complete in November 2023, post completion of its existing charter. The vessel is classified as "Vessel held for sale" as at June 30, 2023 and resulted in a held for sale loss of USD 18.4 million in the second quarter of 2023. Subsequent to the completion of the sale, parts of the proceeds will be used to settle its existing loan liability which was USD 4.5 million. As at June 30, 2023, the loan liability of USD 4.5 million was classified as part of the current portion of the interest-bearing debt.

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 June 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 six months of 2023.

Note 8 – Newbuildings

As at June 30, 2023, 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 the second and third quarter of 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 late 2024.

As at June 30, 2023, total instalments of USD 55.4 million was paid in connection with the Group's newbuilding program, of which USD 22.6 million was paid in the first half of 2023. Remaining commitments amounted to USD 167.2 million, of which USD 28.1 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 June 30, 2023, the Group had cash and cash equivalents of USD 82.9 million (USD 94.6 million as at December 31, 2022) and restricted cash balances of USD 10.2 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 5.6 million which are required to be maintained by the financial covenants in our loan agreement. Refer to the Group's annual financial statements 2022 and 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

in USD thousands	Currency	Facility amount	Interest	Maturity	As at June 30, 2023 (unaudited)	As at December 31, 2022 (audited)
Loan & credit facility	USD	180,000	SOFR + 3.35%	November 2023 / 2026	70,000	100,000
Senior secured credit facility USD 70 million	USD	70,000	Floating + 3.25%	July 2024	55,000	55,000
Senior secured credit facility USD 8.3 million	USD	8,300	SOFR + 3.50%	February 2027	6,900	-
Other long-term debt incl. accrued interest					237	403
Total outstanding					**132,137**	**155,403**
Debt issuance costs					(1,297)	(1,829)
Total interest bearing debt outstanding					**130,840**	**153,574**
Classified as:						
Non-current					67,014	74,462
Current					63,826	79,112
Total					**130,840**	**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 July 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. The Group repaid installments of USD 30.0 million during the first six months of 2023.

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. The loan is to be repaid quarterly. In the second quarter of 2023, the Group repaid USD 1.4 million, and USD 6.9 million remained outstanding as at June 30, 2023.

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. No drawdown has been made as at June 30, 2023.

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 six-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	4,254	123
Hartmann Shipping Services Germany GmbH & Co. KG	Technical	102	-
Marlow ship management Deutschland GmbH & CO. KG	Technical	122	-
Harper Petersen & Co. GmbH	Commercial	1,699	210
MPC Maritime Investments GmbH	Corporate	-	-
MPC Münchmeyer Petersen Capital AG	Corporate	435	72
Total		**6,612**	**406**

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 June 30, 2023, and December 31, 2022, the amount due to related companies was USD 1.3 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 June 30, 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	June 30, 2023 (unaudited)		December 31, 2022 (audited)	
Financial assets	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Trade and other receivables	25,430	25,430	22,922	22,922
Financial instruments at fair value	2,762	2,762	1,740	1,740
Restricted cash	10,198	10,198	30,914	30,194
Cash and cash equivalents	82,875	82,875	94,603	94,603
Total financial assets	**121,265**	**121,265**	**150,179**	**150,179**
Financial liabilities at amortized cost	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Non-current Interest-bearing debt	67,014	67,014	74,462	74,462
Current interest-bearing debt	63,826	63,826	79,112	79,112
Trade and other payables	12,040	12,040	17,282	17,282
Other liabilities	17,444	17,444	18,863	18,863
Total financial liabilities	**160,324**	**160,324**	**189,719**	**189,719**

The carrying amount of cash and cash equivalents, restricted cash, 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 June 30, 2023 and December 31, 2022, as it is variable-rated.

Cash flow hedges:

As at June 30, 2023 the Group has entered four interest rate caps and two options to enter into interest-rate swaps.

The table below shows the notional amounts of current and future anticipated interest-bearing debt under existing debt facilities hedged by interest-rate caps:

Instrument	Notional amount	Effective period	Interest cap	Maturity
Interest-rate cap	USD 20-5 million	2023	2.00%	November 2026
Interest-rate cap	USD 45-27 million	2024-2026	4.00%	December 2026
Interest-rate caps	USD 15.9-2.2 million	2024-2031	4.00%	May/June 2031

The Group has entered into 2 options to enter into interest-rate swaps whereby the Group receives SOFR floating interest and pays a fixed interest of 3.5% on a notional amount of 43.7 million. If exercised, the interest-rate swaps have contractual maturities in 2036.

The fair value (level 2) of the Group's interest rate caps 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 June 30, 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 June 30, 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**
June 30, 2023	**443,700,279**	**48,589**

During the first half of 2023, the Group distributed dividends for a total of USD 164.5 million, which also includes distributions to non-controlling interests. 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
23.05.2023	Recurring	USD 0.15 / NOK 1.5956	21.06.2023	22.06.2023	29.06.2023

Note 14 – Earnings per share

	Q2 2023 (unaudited)	Q2 2022 (unaudited)	H1 2023 (unaudited)	H1 2022 (unaudited)
Profit (loss) for year attributable to ordinary equity holders – in USD thousands	101,491	90,143	221,152	206,927
Weighted average number of shares outstanding, basic	443,700,279	443,700,279	443,700,279	443,700,279
Weighted average number of shares outstanding, diluted	443,700,279	443,700,279	443,700,279	443,700,279
Basic earnings per share – in USD	**0.23**	**0.20**	**0.50**	**0.47**
Diluted earnings per share – in USD	**0.23**	**0.20**	**0.50**	**0.47**

Note 15 - Subsequent events

In June 2023, as part of strategic measures aimed at fleet optimization, the Group entered into agreements to purchase five modern eco-design vessels from an unrelated party, for approximately USD 136.3 million, subject to delivery between June 2023 and August 2023. Of the five vessels acquired, the 2016-built vessel, AS Anne (2,190 TEU), includes an existing 36-month time charter agreement with the Pasha Group. The vessel was delivered on June 30, 2023. The total consideration for the vessel including the time charter contract was USD 41.6 million. The time charter agreement was recorded as a separate component of the vessel. In July 2023, the Group entered into an agreement with the Pasha Group for early redelivery of the vessel, for which the Group received a cash compensation of USD 22.0 million.

In July 2023, as part of the aforementioned acquisition, the Group took delivery of vessels, AS Simone and AS Stine, and in August 2023, the Group took delivery of the fourth vessel, AS Silje. The Group is expected to take delivery of the fifth vessel, AS Sabine in late August 2023.

In July 2023, the Group entered into a loan facility in an amount of up to USD 50.0 million with Hamburg Commercial Bank AG ("HCOB") to finance part of the acquisition cost of AS Anne, AS Simone, AS Stine, AS Silje, and AS Sabine. The facility has a tenor of five years, carries an interest rate of Secured Overnight Financing Rate (SOFR) plus a margin of a range from 280 basis points to 335 basis points depending on the Loan to Value (LTV) percentage. The facility is fully drawn down in August, 2023.

In July 2023, the Group agreed to sell its 2003- and 2002-built joint-venture vessels Cardonia and Cimbria to unrelated parties for USD 20.5 million and USD 22.0 million, respectively. The vessels were delivered to their new owners in July (Cardonia) and August (Cimbria).


TRHU 676425 8
45G1
TRITON
H-4096
H-4213

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	Q2 2023 (unaudited)	Q1 2023 (unaudited)	Q2 2022 (unaudited)	H1 2023 (unaudited)	H1 2022 (unaudited)
Operating profit (EBIT)	103,745	121,803	92,942	225,547	212,222
Depreciation	(20,611)	(19,604)	(18,834)	(40,215)	(37,275)
Held for sale loss	(18,391)	-	-	(18,391)	-
EBITDA	**142,747**	**141,407**	**111,776**	**284,153**	**249,497**

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	Q2 2023 (unaudited)	Q1 2023 (unaudited)	Q2 2022 (unaudited)	H1 2023 (unaudited)	H1 2022 (unaudited)
EBITDA	**142,747**	**141,407**	**111,776**	**284,153**	**249,497**
Early redelivery of AS Carlotta, net of commission	-	24,255	-	24,255	-
Early redelivery of AS Nadia, net of commission	32,228	-	-	32,228	-
Share of profit or loss from joint venture	-	6,494	-	6,494	20,154
Gain from sale of vessels	-	-	-	-	19,767
Adjusted EBITDA	**110,519**	**110,658**	**111,776**	**221,176**	**209,576**

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	Q2 2023 (unaudited)	Q1 2023 (unaudited)	Q2 2022 (unaudited)	H1 2023 (unaudited)	H1 2022 (unaudited)
Profit (loss) for the period	101,491	119,661	90,143	221,152	206,927
Early redelivery of AS Carlotta, net of commission	-	24,255	-	24,255	-
Early redelivery of AS Nadia, net of commission	32,228	-	-	32,228	-
Gain from sale of vessels	-	-	-	-	19,767
Held for sale loss	(18,391)	-	-	(18,391)	-
Share of profit or loss from joint venture	-	6,494	-	6,494	20,154
Adjusted profit (loss) for the period	**87,654**	**88,912**	**90,143**	**176,566**	**167,006**

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	Q2 2023 (unaudited)	Q1 2023 (unaudited)	Q2 2022 (unaudited)	H1 2023 (unaudited)	H1 2022 (unaudited)
Time charter revenues	190,226	177,916	143,275	368,142	275,147
Early redelivery of AS Nadia	32,394	-	-	32,394	-
Early redelivery of AS Carlotta	-	25,200	-	25,200	-
Adjusted TCE for the period	**29,668**	**30,989**	**28,071**	**30,303**	**26,426**

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

Total interest-bearing debt divided by total assets.

Equity ratio

Total book equity divided by total assets.

MPC CONTAINER SHIPS

MPC Container Ships ASA
Ruseløkkveien 34, 0251 Oslo
P O Box 1251 Vika
NO-0111 Oslo, Norway

Registered enterprise no. 918 494 316

www.mpc-container.com