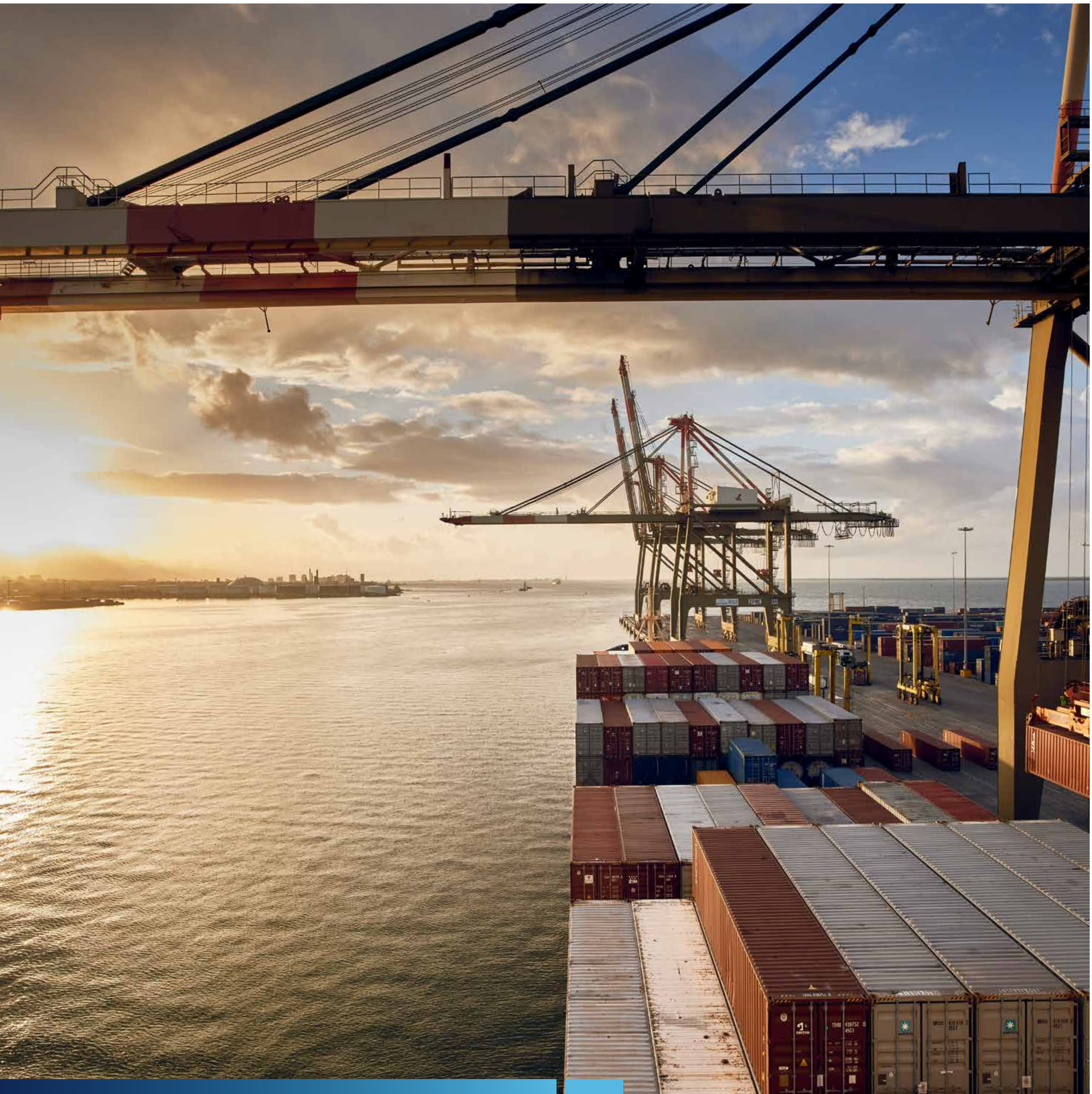
MPC CONTAINER SHIPS



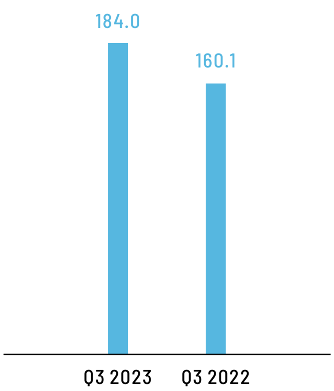
FINANCIAL REPORT
Q3 2023

HIGHLIGHTS

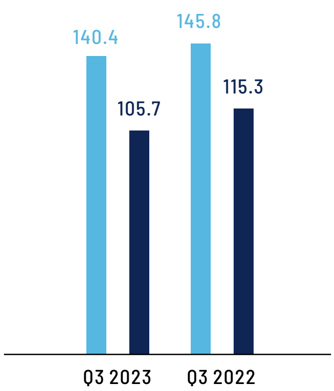
Third quarter 2023

+ Strong financial and operational performance with continued dividend distributions.
+ Maintained low leverage and balance sheet flexibility while executing on fleet optimization strategy.
+ Completed deliveries of remaining four modern eco-design vessels acquired in June 2023.
+ Received USD 22.0 million cash compensation for the early redelivery of AS Anne and recorded a corresponding depreciation of the same amount.
+ The Board of Directors declared a quarterly recurring dividend of USD 0.14 per share, payable on December 21, 2023.

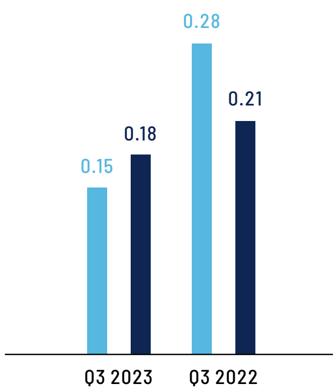
Operating revenues in USD m



EBITDA and Adj. EBITDA in USD m



EPS and Adj. EPS in USD



Adjusted

KEY FIGURES

		Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)
Operating revenues	USD m	184.0	160.1	558.5	454.7
EBITDA [1]	USD m	140.4	145.8	424.8	395.3
Adjusted EBITDA [1]	USD m	105.7	115.3	327.1	345.9
Profit (loss) for the period	USD m	68.2	124.5	289.4	331.4
Adjusted profit for the period [1]	USD m	81.6	94.0	258.2	282.1
Operating cashflow	USD m	111.8	124.2	387.8	310.4
EPS	USD	0.15	0.28	0.65	0.75
Adjusted EPS [1]	USD	0.18	0.21	0.58	0.64
DPS [2]	USD	0.14	0.19	0.51	0.99
Total ownership days	days	5,857	5,466	16,561	16,335
Total trading days	days	5,778	5,098	16,027	15,509
Utilization [1]		98.7%	96.9%	98.1%	98.0%
Adjusted average TCE [1]	per day	27,531	30,476	29,302	27,759
Average Opex [1]	per day	6,986	6,321	6,884	6,199
Leverage ratio [1]		17.0%	18.2%	17.0%	18.2%

[1] Key figures include Alternative Performance Measures (APM). Refer to the APM section for definitions, explanations, and reconciliations of the APM's.

[2] Dividends per share (DPS) for Q3 2022 consisted of a recurring dividend of USD 0.16 per share and an event-driven dividend of USD 0.03 per share. On November 20, 2023, the Board of Directors declared a recurring dividend of USD 0.14 per share for Q3 2023.

CONTENTS

CEO LETTER

Constantin Baack
CEO

Dear Shareholders,
We are pleased to present our strong third-quarter financial results, achieved during a period characterized by a continued softening of the market with declining charter rates and asset values. These results highlight our well-established market position, backed by a very strong balance sheet and robust charter backlog. Furthermore, we are pleased to note that our strategic actions addressing regulatory requirements have earned positive feedback from customers, and contributed to securing forward employment, thus reinforcing our balance sheet.

We continue to operate with a low leverage of 17% and with 67% of operating days fixed for 2024 we have considerable earnings visibility, despite market fluctuations. Importantly, our commitment to delivering strong shareholder returns remains steadfast, and for Q3 2023 the Board has declared a recurring dividend of USD 0.14 per share, totaling USD 62.1 million. This distribution will bring dividends year-to-date to USD 293 million, reflecting a compelling dividend yield of 43%.

Our proactive strategic measures continue to align with our mission for fleet optimization to meet regulatory changes and enhance the efficiency of our vessels. In recent months, we have completed the sale of eight older, less efficient vessels. Combined with the acquisition of five eco-design vessels announced in the second quarter, these measures mark a decisive step forward in revitalizing our fleet. In our active fleet management, we carefully consider regulatory and operational aspects, such as CII-ratings and dry-docking schedules, and our recent initiatives underscore our commitment to ensuring continued operational excellence while further strengthening our financial position.

Moving forward, our focus remains on operating at a low financial leverage whilst balancing strategic initiatives with consistent shareholder returns, and fortifying shareholder value and long-term distribution capacity. We will continue to navigate the prevailing market thoughtfully, maintaining operational excellence and leveraging our strong competitive position to deliver enduring shareholder value.

Thank you for your continued trust and support in our journey.

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 third quarter were USD 184.0 million (Q2 2023: USD 194.4 million), compared with USD 160.1 million for the same quarter in 2022. Gross profit from vessel operations was USD 144.7 million (Q2 2023: 146.4 million), compared with USD 118.7 million in the same quarter of 2022. In July 2023, the Group agreed with the Pasha Group to terminate the time charter agreement for the 2016-built vessel, AS Anne. Subsequently, the Group received USD 22.0 million cash compensation from the early termination of the time charter agreement, which was recognized as part of the operating revenues in the third quarter of 2023. Correspondingly, the Group recognized USD 22.0 million as depreciation for the cost of the time charter contract. In September 2023, the Group entered into Memorandum of Agreements (MoA) with two unrelated parties for the sale of 2008-built vessel, AS Romina, and 2009- built vessel, AS Rosalia, for USD 7.0 million each. In November, the Group delivered AS Rosalia to its new owner and the sale of AS Romina is expected to be completed in November 2023. In October 2023, the Group entered into agreements to further sell six of its owned vessels. On September 30, 2023, the Group classified eight (Q2 2023: one) of its owned vessels as "Vessels held for sale "and a total held for sale loss of USD 13.1 million was recognized in the third quarter of 2023 as the carrying amount of the vessels would not be recovered from its expected fair value less cost of sale. Based on the Group's impairment assessment, the Group further recorded an impairment charge of $12.9 million for three of its wholly-owned vessel. The impairment was recorded to reduce the carrying amount of containerships (AS Alva, AS Alexandria and AS Anita) to its estimated value in use. See Note 7- Vessels for further details and also Note 15- Subsequent events. The adjusted average TCE per trading day for the third quarter of 2023, i.e., excluding the compensation recorded for the early redelivery of AS Anne, was USD 27,531 (Q2 2023: USD 29,668) as compared to USD 30,476 in the corresponding quarter in 2022.

The Group reported a profit for the period of USD 68.2 million (Q2 2023: USD 101.5 million) as compared to USD 124.5 million for the same quarter in 2022. Adjusted profit for the third quarter of 2023 was USD 81.6 million (Q2 2023: USD 87.7 million), compared to USD 94.0 million for the third 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 1,024.4 million as at September 30, 2023 compared to USD 956.3 million as at December 31, 2022. Total non-current assets of USD 221.3 million as at September 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 investments in associate and joint venture. The increase in the carrying amounts of the vessels in the first nine months of 2023 is primarily due to the purchase of seven wholly-owned vessels (AS Claudia, AS Nina, AS Anne, AS Simone, AS Stine, AS Silje, and AS Sabine), and CAPEX and other vessel upgrades. This is offset by regular depreciation of the remaining fleet and one-off depreciation of USD 22.0 million due to the early redelivery of AS Anne, reclassification of nine vessels that were held for sale and an impairment loss of three vessels (AS Alva, AS Alexandria and AS Anita). See further in Note 7 - Vessels. For the first nine months of 2023, the Group paid a total of USD 27.1 million installment for its newbuilding program. See further in Note 8 - Newbuildings. The decrease in the investments in associate and joint venture for the first nine months of 2023 is mainly due to the result of USD 22.6 million in the Group's share of profit from the joint venture offset by dividends received of USD 41.0 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 September 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 781.1 million as at September 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 nine months of 2023 of USD 289.4 million, and offset by the dividend payments of USD 231.0 million for the nine months of the year, of which USD 150.1 million was paid from the Group's share premium.

As at September 30, 2023, the Group had total interest-bearing debt of USD 173.8 million (USD 153.6 million as at December 31, 2022). See further in Note 10 - Non-current and current interest-bearing debt.

Cash flows

In the third quarter of 2023, the Group generated a positive cash flow from operating activities of USD 111.8 million, down from USD 124.2 million for the corresponding period in 2022 due to lower charter rate of the vessels employed. Cash flow from investing activities was negative at USD 63.7 million (Q3 2022: positive USD 14.9 million), mainly due to the acquisition and delivery of four wholly-owned vessels AS Simone, AS Stine, AS Silje, and AS Sabine for USD 94.0 million,dry-dockings and other vessel upgrades amounting to USD 7.6 million, and total installments and other newbuilding cost of USD 4.4 million that was paid for our newbuilding program. This is further offset by the USD 20.1 million in dividends received from the Group's investment in joint venture. Cash flow from financing activities in the third quarter of 2023 was negative USD 27.6 million (Q3: 2022: negative USD 100.9 million. The change was mainly due to USD 66.6 million in dividend payments and the repayment of existing loan facilities of USD 73.2 million. This was offset by the proceeds of USD 67.0 million from the sale and leaseback transaction and the USD 50.0 million from the HCOB facility to acquire the five modern eco-design vessels of AS Anne, AS Simone, AS Stine, AS Silje, and AS Sabine.

Cash and cash equivalents as at September 30, 2023 amounted to USD 101.8 million including restricted cash compared with USD 125.5 million as at December 31, 2022. Total restricted cash as at September 30, 2023 was 14.0 million, compared with USD 30.9 million as at December 31, 2022.

The Fleet

As at September 30, 2023, the Group's fleet consisted of 65 vessels, with an aggregate capacity of approximately 138,302 TEU. Of the 65 vessels,

+ 56 operating vessels were owned by the Group
+ nine owned vessels were held for sale (AS Emma, AS Rosalia, AS Romina, AS Rafaela, AS Roberta, AS Flora, AS Petra, AS Paulina, AS Pauline)

In June 2023, as part of strategic measures aimed at fleet composition, the Group entered into agreements to purchase five modern eco-design vessels from an unrelated party. 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 June, 2023 and the remaining four vessels (AS Simone, AS Stine, AS Silje, and AS Sabine) were delivered in August 2023. The total consideration for the purchase of AS Anne 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 time charter agreement was terminated with Pasha Group, and the Group received USD 22.0 million cash compensation from the early termination of the time charter agreement. Corresponding, the Group recognized USD 22.0 million as depreciation for the cost of the time charter contract.

In July 2023, the Group agreed to sell its 2002-built and 2003- built joint-venture vessels Cimbra and Cardonia for USD 22.0 million and USD 20.5 million respectively to two unrelated parties. The sale of both vessels were completed in the third quarter of 2023 and resulted in a gain USD 26.4 million in the joint venture. For further details, see Note 6- Investments in associate and joint venture.

In September 2023, the Group entered into Memorandum of Agreements (MoA) with two unrelated parties for the sale of 2008-built vessel, AS Romina, and 2009- built vessel, AS Rosalia, for USD 7.0 million each. AS Rosalia was subsequently delivered to its new owner in November 2023 and the Group is expectd to complete the sale of AS Romina in December 2023. In October 2023, the Group entered into agreements to further sell six of its owned vessels. As at September 30, 2023, the vessels were classified as "Vessel held for sale ". See Note 7- Vessels and Note 15- Subsequent events for further details.

Newbuilding program

As at September 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 1,300 TEU carbon-neutral dual-fuel vessels are expected to be delivered in late 2024.

As at September 30, 2023, total instalments of USD 58.9 million was paid in connection with the Group's newbuilding program, of which USD 26.1 million was paid in the first nine-months of 2023. Remaining commitments amounted to USD 163.3 million, of which USD 18.3 million is expected to be paid in 2023 and USD 145.0 million in 2024.

Corporate update

Pursuant to the Company's stated distribution policy, the Board of Directors has declared a recurring dividend of USD 0.14 per share for the third quarter of 2023. The record date for the recurring dividend will be December 14,2023. The ex-dividend date is expected to be December 13, 2023 and the dividend will be paid on or about December 21, 2023.

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

Financing update

As at September 30, 2023, the Group's total interest-bearing debt outstanding amounted to USD 173.8 million. 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 the five modern eco-design vessels, AS Anne, AS Simone, AS Stine, AS Silje, and AS Sabine. See further details in Note 10- Non-current and current interest-bearing debt.

In September 2023, the Group entered into a sale and leaseback tranasctions with Bank of Communications Financial Leasing Co, Ltd. (BoComm Leasing) for 12 of its vessels. The lease financing has a tenor of 48 months starting in September 2023 to October 2023 and carries an interest rate of SOFR plus a margin of 260 basis point, and includes purchase obligations for the 12 vessels at the end of the term. As at September 30, 2023,11 relevant vessels under the sale and leaseback transactions were delivered to BoComm Leasing and the Group received gross proceeds of USD 67.0 million. The last relevant vessel was subsequently delivered in October 2023. See further details in Note 10- Non-current and current interest-bearing debt and 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 October 2023. In the WEO, the IMF finds that the slow economic recovery from the blows of the pandemic is – in retrospect – remarkable in its resilience when viewed against the background of the Russian invasion of Ukraine and the resulting cost-of-living crisis. As a result of rising interest rates intended to combat inflation, "the global economy has slowed, but not stalled." According to the IMF's forecast, global GDP growth will slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024. Growth is expected to remain unevenly spread between developed and emerging economies. While developed economies are anticipated to grow at a rate of 1.5% in 2023 and 1.4% in 2024, emerging economies are predicted to grow by 4.0% in both years. The medium-term outlook for global growth continues to reside at decades-low levels of 3.1%. [1]

The Federal Reserve (Fed) paused rate hikes as early as June and introduced an additional rate hike of 0.25pp in July to a range of 5.25% to 5.5%. As of November 2, 2023, this rate has remained unchanged at what effectively is the highest level since 2001. [2] Commentary from the Fed's chair, Jerome Powell, suggests that markets can expect these rates to plateau rather than peak, as the Fed remains committed to bringing inflation sustainably down to a level of 2.0%. [3] The intention of the Fed to fight inflation appears to be working, with rates declining from more than 8% in 2022 to values between 3.0% and 3.7% since June 2023.

In a parallel development, the European Central Bank's (ECB) key interest rate had also been expected to peak around mid-2023. Instead, the ECB continued to increase the rate up to 4.5% and only paused further increases following their meeting on October 26, 2023. The accompanying note contained a clear message that the key ECB interest rates are at levels that, maintained for a sufficiently long duration, will make a substantial contribution to the goal of returning inflation to its 2% medium-term target. [4]

U.S. labor markets remain tight, and the unemployment rate fell to 3.6% in June 2023, while inflation is receding. [5] TThe European Commission's business and consumer sentiment surveys showed a mixed picture. Consumer confidence rebounded from lows of 95.27 points in September 2022 to an interim high of 98.53 points achieved in July 2023 (98.11) and declined marginally thereafter to 98.11 point in September 2023. By contrast, business confidence in the Euro area has been following a downward trend for more than two years now and stood at 99.05 points in September 2023. [6] In line with this development, HCOB Eurozone Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, fell to a two-month low of 43.5 points September 2023. Since mid-2023, a minor rebound from the two-year downward trend has been observed. [7] Chinese consumer confidence data appears no longer to be published alongside youth unemployment statistics since around the spring of 2023. The Caixin China General Manufacturing PMI has been hovering around the 50-point threshold since the start of 2023, with the September reading coming in at 50.6 points and the October reading at 49.5 points. [8]

Adapting to shifting tides: Low charter rates and high demand for second-hand tonnage

The third quarter of the year was marked by a wave of blank sailings, surges in crude oil prices, and declining freight rates. Extended cuts in crude oil production from Russia and Saudi Arabia caused Brent crude oil prices to surpass $90 per barrel in mid-September. The ongoing conflict in Ukraine and the new war in the Middle East have led experts to revise their forecasts, suggesting that crude oil prices may rise to over $100 per barrel.

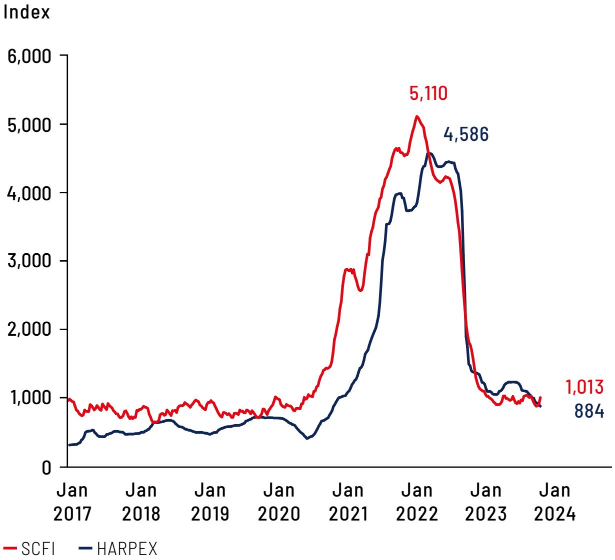
With the traditional peak season waning this year, carriers attempted to stabilize freight rates through aggressive blanking programs, but rate erosion persisted. The Shanghai Containerized Freight Index (SCFI) fell by approximately 15% from the end of July to the end of September. As Golden Week occurred in the first week of October, it remains to be seen how rates will develop thereafter. Rate increases were announced for Freight All Kinds (FAK) on the Asia-Europe trade, starting in November. However, when compared to the latest General Rate Increase (GRI) announcements on the mainlane trades in July, they have been entirely offset.

Time-charter markets continue to follow the overall downward trend and have witnessed further declines. The Harper Petersen Charter Rates Index (HARPEX) fell by an average of 12% from the second- to the third quarter. Fixture periods for vessels ranging from 1,000 to 5,100 TEU averaged nine months in the third quarter, down from the 13-month average seen in the second quarter.

[1] International Monetary Fund, World Economic Outlook, October 2023.
[2] Federal Reserve Bank of New York, October 2023.
[3] www.federalreserve.gov/newsevents/speech/powell20231019a.htm
[4] European Central Bank, October 2023.
[5] U.S. Bureau of Labor Statistics, July 2023.
[6] European Commission, Business and Consumer Surveys, October 2023.
[7] HCOB, October 2023.
[8] S&P Global, November 1, 2023.

Feeder vessels in particular continue to face growing oversupply pressure from the spot market and limited inquiries, especially in Asia. Additionally, relets by liner carriers are contributing to the supply-side pressure.

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



As of October 27, six-month time-charter rates stood at USD 9,000 per day for a 1,100 TEU vessel, USD 10,500 per day for a 1,700 TEU vessel, USD 14,000 per day for a 2,700 TEU vessel, and USD 20,000 per day for a 4,300 TEU container vessel. Average fixture periods have decreased since reaching their peak at the end of the first quarter of this year.

Time-charter rates declined further in the third quarter of 2023. Asset values declined also, albeit not to the same extent. The CRSL index decreased by 0.91 quarter over quarter and currently stands at 54.58 as of October.

The amount of sale and purchase (S&P) activity decreased from a record volume of 499 deals in 2021 to 288 deals in full-year 2022. As of end-October, 224 S&P deals have been closed in 2023, underscoring the ongoing strong interest in second-hand vessels. Second-hand prices for 15-year-old vessels have seen slight declines across all size segments. As of October 2023, second-hand prices for 15-year-old 1,000 TEU vessels stood at USD 7.5 million, down by USD 1.0 million since July 2023. Prices for 1,700 TEU vessels of a similar age were estimated at USD 11.0 million, down by USD 1.5 million since July 2023, and 15-year-old 2,800 TEU and 4,500 TEU vessels were estimated at USD 14 million and USD 19 million, respectively, both down USD 3 million compared to three months earlier.

Overall, newbuild prices remain high and increased during the third quarter of the year. In the smaller size segments, some minor reductions were observed. Clarksons' newbuild price index rose to 103.39 points, one point higher than in the second quarter and nearly four points better than in the first quarter of the year.

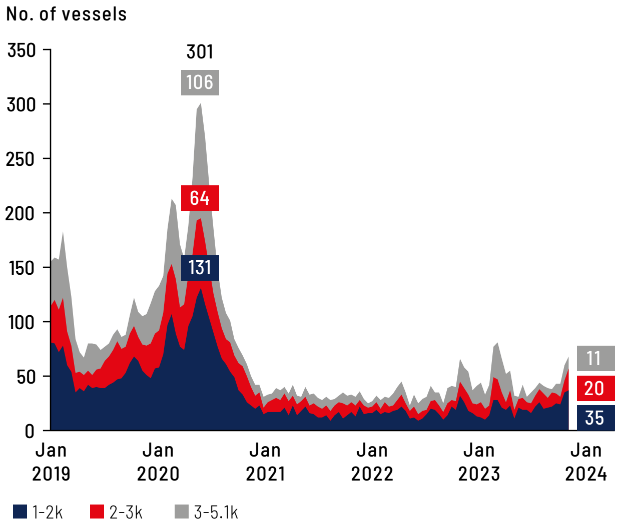
Time-charter market on continued downward trend

After demonstrating resilience and achieving some gains in the second quarter of 2023, the charter market regressed in the third quarter. The HARPEX index fell below 1,000 points, reaching its lowest level since December 2020, with a standing value of 930 points in mid-October. Supply pressure continued to mount during the third quarter due to the increasing number of vessels being returned from long-term charters. Charter rates faced significant declines in this subdued period. Across all size segments, charters with an average contract duration of 6-12 months experienced declines. Particularly in the sub-2,000 TEU feeder size segment, the influx of new ships into the market made it challenging to secure employment. Liners did their best to offload excess tonnage, as they were confronted with an oversupply of capacity in relation to a limited demand. Additionally, sublets re-entered the market. Geographically, the Asia-Pacific region suffered from oversupply, while the Atlantic side experienced tighter conditions. [9]

Generally, rates are still on a decline and fixture periods keep shortening. While the Atlantic region experienced lower activity, the feeder vessel supply, especially in Asia, subsided slightly as of late October. There are especially fewer eco-designed vessels available, and the start of the pre-Chinese New Year cargo rush is expected to keep activity at decent levels for the next weeks at least.

[9] Harper Petersen, July 2023.

Fig. 2: Total idle fleet as of statistic



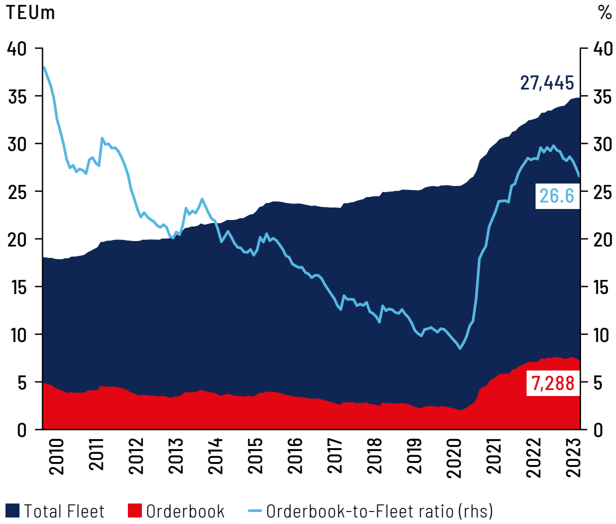
The inactive container fleet has surpassed 1 million TEU in capacity, specifically in terms of idle vessels. Since the beginning of September, there has been a noticeable increase in the number of idle vessels, with 129 vessels representing 470,000 TEU without any employment as of mid-October, as illustrated in Figure 2.

The majority of the idle fleet is concentrated in the smaller size categories, mirroring the tonnage availability in the charter market, where larger vessels are less numerous in comparison to those below 3,000 TEU. Most of the idle tonnage is owned by carriers, including some vessels with capacities exceeding 12,000 TEU. By contrast, the tonnage owned by Non-Operating Owners (NOOs) constitutes only a small portion of the idle fleet, particularly when measured in terms of TEU. There are no vessels with capacities exceeding 5,000 TEU that are idling and owned by NOOs.[10]

Above-average demand growth for intra-regional and niche trades expected, but pressure from the large orderbook remains

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. During the first ten months of 2023, contracts for another 1.5m TEU have been added to the orderbook as carriers have been aiming to increase the future eco-performance of their fleets. 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 ammonia. The deliveries during the first ten months of the year amounted to 1.8m TEU. As a result, the start of November 2023 saw the orderbook finally fall below 7.3m TEU for the first time since September 2022. As contracting slowed and deliveries increased, the orderbook-to-fleet ratio declined to 26.6%, the lowest level since April 2022, as shown in Figure 3a. Of the planned deliveries, an additional 0.5m TEU are scheduled for 2023, 2.6m TEU for 2024, and 2.0m TEU for 2025 (calculated based on the reported delivery date and not accounting for deferred deliveries).[11] 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 12,000 TEU. Figure 3b shows the relationship between orderbook-to-fleet-ratios and fleet age in different size segments.

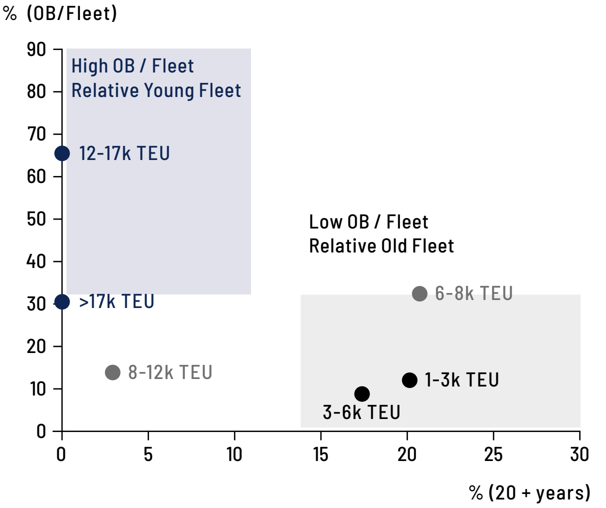
Fig. 3a: Orderbook Development



[10] Alphaliner, October 2023.

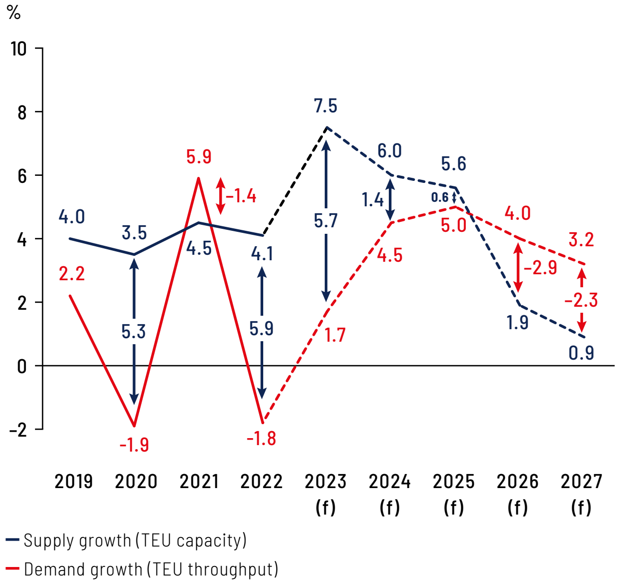
[11] Clarksons Research, Shipping Intelligence Network, November 2023.

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



A clustering of different size segments becomes visible here. Vessels larger than 12,000 TEU are confronted with a high orderbook-to-fleet ratio and a relatively young fleet, whereas in the feeder- (1,000-3,000 TEU) and Panamax (3,000-6,000 TEU) segments there are a relatively low orderbook-to-fleet ratios with relatively old fleets. Hence, fleet growth is expected to weighted toward the larger fleet segments where demolition prospects are likely more limited compared to the smaller and older fleet segments. After demolitions were almost zero in 2021 and 2022, they picked up again in 2023, although not to the extent expected. A total of 125k TEU were sold for scrapping in the first ten months of 2023.[12] FFrom 2024 onwards, demolitions are forecast to significantly increase to 1.0m TEU in 2024and 0.8m TEU in 2025.

Fig. 4: Supply-Demand Balance – Total Market



In summary, net fleet growth accounting for orderbook cancellations, slippage, deliveries, and deletions will be most pronounced in the size segments above 7,600 TEU and is expected to be quite subdued or even negative for smaller size segments from 2024 to 2026.[13] Comparing fleet supply with container trade demand, shown in Figure 4, indicates that the market will remain under pressure at least until 2025. MSI forecasts that global container ship supply will grow by 7.5% in 2023 and 6.0% and 5.6% in 2024 and 2025, respectively. By contrast, demand is expected to grow by only 1.7% in 2023 before increasing to 4.5% in 2024 and 5.0% in 2025. This development is expected to keep overall freight and time-charter rates under pressure in the near term.[14] Slower speeds and longer yard times could mitigate this pressure to some extent.

[12] Clarksons Research, Shipping Intelligence Network, November 2023.

[13] Maritime Strategies International, Horizon, October 2023.
[14] Ibid.

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, November 21, 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	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)
Operating revenues	5	183,962	160,064	558,452	454,708
Commissions		(5,084)	(4,022)	(15,635)	(12,308)
Vessel voyage expenditures		(2,299)	(5,432)	(8,595)	(10,116)
Vessel operation expenditures		(41,652)	(35,186)	(114,010)	(103,186)
Ship management fees		(2,581)	(2,287)	(7,364)	(6,819)
Share of profit (loss) from joint venture	6	12,364	5,536	22,632	33,865
Gross profit		**144,710**	**118,673**	**435,480**	**356,144**
Administrative expenses		(4,561)	(2,487)	(11,051)	(9,450)
Other expenses		(455)	(2,074)	(1,744)	(2,248)
Other income		690	1,150	2,076	1,489
Gain (loss) from sale of vessels		-	30,529	-	49,354
Depreciation	7	(42,528)	(18,027)	(82,743)	(55,302)
Held for sale loss	7	(13,116)	-	(31,507)	-
Impairment	7	(12,944)	-	(12,944)	-
Operating profit		**71,796**	**127,764**	**297,567**	**339,987**
Finance income		1,466	2,707	4,475	2,749
Finance costs	10	(4,930)	(5,888)	(12,467)	(10,914)
Profit (loss) before income tax		**68,332**	**124,583**	**289,575**	**331,822**
Income tax expenses		(93)	(89)	(186)	(399)
Profit (loss) for the period		**68,239**	**124,494**	**289,389**	**331,423**
Attributable to:					
Equity holders of the Company		68,207	124,448	289,256	331,230
Minority interest		32	46	133	192
Basic earnings per share – in USD	14	**0.15**	**0.28**	**0.65**	**0.75**
Diluted earnings per share – in USD	14	**0.15**	**0.28**	**0.65**	**0.75**

Consolidated statement of comprehensive income

in USD thousands	Notes	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)
Profit (loss) for the period		68,239	124,494	289,389	331,422
Items which may subsequently be transferred to profit or loss		**1,294**	**593**	**720**	**911**
Foreign currency effects, net of taxes		-		-	-
Change in hedging reserves, net of taxes	12	1,294	593	720	911
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)		**69,533**	**125,087**	**290,109**	**332,333**
Attributable to:					
Equity holders of the Company		69,501	125,040	289,976	332,141
Non-controlling interest		32	47	133	192

Consolidated statement of financial position

in USD thousands	Notes	September 30, 2023 (unaudited)	December 31, 2022 (audited)
ASSETS			
Non-current assets			
Vessels	7	740,199	745,873
Newbuildings	8	59,845	32,770
Right-of-use asset		135	266
Investments in associate and joint venture	6	2,929	20,893
Total non-current assets		**803,108**	**799,802**
Current assets			
Vessels held for sale	7	82,078	-
Inventories		5,934	6,340
Trade and other receivables		27,340	22,922
Financial instruments at fair value	12	4,100	1,740
Restricted cash	9	13,959	30,914
Cash and cash equivalents	9	87,846	94,603
Total current assets		**221,257**	**156,519**
Total assets		**1,024,365**	**956,321**
EQUITY AND LIABILITIES			
Equity			
Share capital	13	48,589	48,589
Share premium		1,879	152,737
Retained earnings		726,435	517,045
Other reserves		1,245	525
Non-controlling interest		2,933	2,551
Total equity		**781,081**	**721,447**
Non-current liabilities			
Non-current Interest-bearing debt	10	92,708	74,462
Lease liabilities - long-term		-	114
Acquired TC contracts, non-current		-	1,480
Deferred tax liabilities		748	803
Total non-current liabilities		**93,456**	**76,859**
Current liabilities			
Current interest-bearing debt	10	81,091	79,112
Acquired TC contracts, current		1,580	2,248
Trade and other payables		9,467	17,272
Income tax payable		118	378
Deferred revenues		40,201	40,267
Other liabilities	13	17,371	18,863
Total current liabilities		**149,828**	**158,015**
Total equity and liabilities		**1,024,365**	**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	721,446
Result of the period	-	-	-	289,256	-	289,256	133	289,390
Other comprehensive income	-	-	-	-	720	720	-	720
Total comprehensive income	**-**	**-**	**-**	**289,256**	**720**	**289,976**	**133**	**290,110**
Dividends provided for or paid	-	(150,858)	-	(79,866)	-	(230,724)	(292)	(231,016)
Addition from non-controlling interest	-	-	-	-	-	-	541	541
Equity as at September 30, 2023	**48,589**	**1,879**	**-**	**726,434**	**1,245**	**778,148**	**2,933**	**781,081**
Equity as at January 1, 2022	48,630	597,080	(1,143)	82,212	(109)	726,669	919	727,587
Result of the period	-	-	-	331,230	-	331,230	191	331,421
Other comprehensive income	-	-	-	-	911	911	-	911
Total comprehensive income	**-**	**-**	**-**	**331,230**	**911**	**332,141**	**191**	**332,332**
Dividends provided for or paid	-	(356,733)	-	-	-	(356,733)	-	(356,733)
Cancelation of treasury shares	(41)	(1,102)	1,143	-	-	-	-	-
Settlement of warrants	-	(2,219)	-	-	-	(2,219)	-	(2,219)
Addition from non-controlling interest	-	-	-	-	-	-	1,417	1,417
Equity as at September 30, 2022	**48,589**	**237,026**	**-**	**413,442**	**802**	**699,859**	**2,527**	**702,387**

Consolidated statement of cash flows

in USD thousands	Notes	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)
Profit (loss) before income tax		68,332	124,584	289,575	331,821
Income tax expenses paid		(331)	-	(503)	-
Net change inventory and trade and other receivables		(364)	(4,764)	(2,543)	(4,597)
Net change in trade and other payables and other liabilities		(2,645)	20,904	(9,321)	19,962
Net change in deferred revenues		(2,411)	-	68	-
Depreciation	7	42,682	18,027	82,897	55,302
Finance costs (net)		3,689	3,180	7,991	8,165
Share of profit (loss) from joint venture	6	(22,632)	(5,536)	(22,632)	(33,865)
Vessel held for sale loss	7	13,116	-	31,507	-
Impairment	7	12,944	-	12,944	-
Gain from sale of vessels		-	(30,621)	-	(49,354)
Amortization of TC contracts		(583)	(1,526)	(2,148)	(17,012)
Cash flow from operating activities		**111,797**	**124,248**	**387,835**	**310,422**
Proceeds from disposal of vessels and other assets		-	48,880	-	83,916
Scrubbers, dry-dockings and other vessel upgrades	7	(7,580)	(19,599)	(35,693)	(45,911)
Newbuildings	7, 8	(4,437)	-	(27,075)	-
Acquisition of vessels	7	(94,032)	(18,330)	(169,376)	(18,330)
Interest received		262	8	2,169	49
Other financial income		-	-		-
Investment in derivatives		-	-	-	(793)
Dividend received from joint venture investment	6	20,050	3,950	41,000	43,950
Investment in associate		-	-	(404)	(826)
Cash flow from investing activities		**(63,703)**	**14,909**	**(167,344)**	**62,055**
Dividends paid	13	(66,555)	(84,346)	(231,016)	(356,733)
Addition of non-controlling interest		-	1,417	541	1,417
Proceeds from debt financing		117,003	-	125,303	-
Repayment of long-term debt	10	(73,244)	(15,000)	(104,644)	(60,000)
Repayment of short-term debt		-	-	-	(3,554)
Repayment of acquired debt		-	-	-	-
Payment of principal of leases		(48)	(46)	(148)	(74)
Repayment of warrants		-	-	-	(2,219)
Repurchase of warrants		-	-	-	-
Interest paid		(2,923)	(2,517)	(9,184)	(6,423)
Debt issuance costs		(2,005)	-	(2,005)	-
Other finance paid		-	(386)	-	(486)
Cash from (to) financial derivatives		177	-	(1,017)	-
Cash flow from financing activities		**(27,595)**	**(100,878)**	**(222,169)**	**(428,072)**
Net change in cash and cash equivalents		8,733	38,279	(23,712)	(55,595)
Restricted cash. cash and cash equivalents at the beginning of the period		93,072	86,455	125,517	180,329
Restricted cash, cash and cash equivalents at the end of the period		**101,805**	**124,734**	**101,805**	**124,734**

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 September 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	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)
Time charter revenues	181,102	155,366	549,244	430,513
Amortization of time charter contracts	583	1,526	2,148	17,012
Pool charter revenues	-	-	-	-
Other revenues	2,277	3,172	7,061	7,184
Total operating revenues	**183,962**	**160,064**	**558,452**	**454,708**

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, we recognize revenue for the applicable period based on the actual index for that period. In the first nine months of 2023, one vessel was index-linked (YTD 2022: nil) and four vessels were on a variable rate time charter .

in USD thousands	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)
Service element	41,573	33,191	113,640	99,029
Other revenues	2,277	3,172	7,061	7,184
Total revenues from customer contracts	**43,849**	**36,363**	**120,701**	**106,212**
Lease element	139,529	122,175	435,604	331,484
Amortization of time charter contracts	583	1,526	2,148	17,012
Total operating revenues	**183,962**	**160,064**	**558,452**	**454,708**

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.

In July 2023, the Group entered into a commercial agreement for the early redelivery of AS Anne from its charter contracts. The vessel was subsequently redelivered on July 13, 2023. As a result of the Early Redelivery, the Group received a compensation of USD 22.0 million as operating revenues in the third quarter of 2023.

In the third quarter of 2023 amortization of acquired time charter contracts amounted to USD 0.6 million compared to USD 1.5 million in the third quarter of 2022. In the first nine months of 2023, the amortization of acquired time charter contracts amounted to USD 2.1 million (YTD 2022: USD 17.0 million). Other revenues relates to reimbursements of bunkers and other services.

Note 6 – Investments in associate and joint venture

in USD thousands	September 30, 2023 (unaudited)	December 31, 2022 (unaudited)
Investment in joint venture	1,699	20,067
investment in associate	1,230	827
Total	**2,929**	**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 had owned container vessels through respective wholly-owned subsidiaries. As at September 30, 2023, Bluewater has sold all its container vessels. The interest in Bluewater is accounted for using the equity method. The carrying amount of the investment as at September 30, 2023 was USD 1.7 million, compared to USD 20.1 as at December 31, 2022. The net movement of USD 18.4 million is due to received dividends of USD 41.0 million and the Group's share of profit of USD 22.6 million.

in USD thousands	September 30, 2023 (unaudited)	December 31, 2022 (unaudited)
Non-current assets	191	28,323
Cash and cash equivalents	2,882	13,211
Other current assets	1,721	1,328
Non-current liabilities	78	-
Current liabilities	1,317	2,728
Equity	**3,399**	**40,134**
Group's carrying amount of the investment	**1,699**	**20,067**

in USD thousands	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)
Operating revenue	1,479	15,586	14,736	45,149
Operating costs	(3,264)	(3,788)	(8,394)	(13,813)
Other income	26,567	55	39,816	39,004
Depreciation	(106)	(776)	(958)	(2,427)
Net financial income/expense	63	1	84	(167)
Income tax	(9)	(6)	(18)	(17)
Profit after tax for the period	**24,729**	**11,072**	**45,265**	**67,730**
Total comprehensive income for the period	**24,729**	**11,072**	**45,265**	**67,730**
Group's share of profit for the period	**12,365**	**5,536**	**22,633**	**33,865**
Dividends received	**20,050**	**3,950**	**41,000**	**43,951**

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.

In July 2023, the Group agreed to sell its 2002-built and 2003-built joint-venture vessels Cimbra and Cardonia for USD 22.0 million and USD 20.5 million to unrelated parties. The joint venture vessel, Cardonia was subsequently delivered to its new owner in July 2023, and Cimbria was delivered in August 2023, which resulted in gains of USD 13.3 million (Cardonia) and USD 13.3 million (Cimbria) 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 September 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	Newbuilds, 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	169,376	-	169,376	-	169,376
Capitalized dry-docking, progress payments, expenditures	35,693	27,075	62,768	-	62,768
Disposals of vessels	(1,623)	-	(1,623)	-	(1,623)
Transfers to vessels held for sale	(156,826)	-	(156,826)	156,826	-
At September 30, 2023	**1,022,790**	**59,845**	**1,082,635**	**156,826**	**1,239,461**
Accumulated depreciation and impairment:					
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
At December 31, 2022	**(230,297)**	**-**	**(230,297)**	**-**	**(230,297)**
Depreciation for the period	(82,591)	-	(82,591)	-	(82,591)
Impairment and held for sale loss	(44,451)	-	(44,451)	-	(44,451)
Transfers to vessels held for sale	74,748	-	74,748	(74,748)	-
At September 30, 2023	**(282,591)**	**-**	**(282,591)**	**(74,748)**	**(357,339)**
Net book value:					
At September 30, 2023	740,199	59,845	800,044	82,078	882,122
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 scrubber-fitted vessel AS Nina and the 2007-built scrubber-fitted vessel AS Claudia for a total consideration of USD 33.7 million. 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 135.6 million. The 2016-built vessel, AS Anne (2,190 TEU), included 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 million. The Group depreciated seperately of USD 22.0 million to reflect the cost of the contract.

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 was completed in November 2023, post completion of its existing charter. The vessel was classified as "Vessel held for sale" since 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 September 30, 2023, the loan liability of USD 4.5 million was classified as part of the current portion of the interest-bearing debt. The debt was repaid in November 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 declined second-hand containerships values. In September 2023, impairment indicator was triggered as the market values of our vessels have started to come off its recent peak. 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. In the third quarter of 2023, the Group recorded a total of USD 13.1 million held for sale loss on eight of its wholly-owned vessels as the carry amount of these vessels exceed the recoverable amount which was the expected fair value (i.e agreed sale price) less cost of sale. The Group further recorded an total impairment loss of USD 12.9 million in the third quarter of 2023, for the vessels AS Anita (USD 1.5 million), AS Alexandria (USD 4.2 million) and AS Alva (USD 7.2 million) as the carrying value was not recoverable from their value in use.

The following table set forth details of vessels held for sale, and its held for sale loss as at September 30, 2023:

Vessel Name	Year built	Age	TEU	Impairment YTD 2023 in USD millions
AS ROBERTA	2006	17	1,440	0.7
AS FLORA	2005	18	1,223	1.1
AS ROMINA	2009	14	1,500	2.2
AS ROSALIA	2009	14	1,500	1.8
AS RAFAELA	2007	16	1,440	1.6
AS PETRA	2004	19	2,556	2.0
AS PAULINA	2004	19	2,548	2.8
AS PAULINE	2006	17	2,572	0.9
AS Emma[1]	2010	19	4,200	18.4
Total				**31.5**

1) The held for sale loss on AS Emma was recognized in the second quarter of 2023

Note 8 – Newbuildings

As at September 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 September 30, 2023, total instalments of USD 58.9 million was paid in connection with the Group's newbuilding program, of which USD 26.1 million was paid in first nine months of 2023. Remaining commitments amounted to USD 163.3 million, of which USD 18.3. million is expected to be paid in 2023 and USD 145.0 million in 2024.

Note 9 – Cash and cash equivalents and Restricted Cash

As at September 30, 2023, the Group had cash and cash equivalents of USD 87.8 million (USD 94.6 million as at December 31, 2022) and restricted cash balances of USD 14.0 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 2.3 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 September 30, 2023 (unaudited)	As at December 31, 2022 (audited)
Loan & credit facility	USD	180,000	SOFR + 3.35%	November 2023/2026	20,000	100,000
Senior secured credit facility	USD	70,000	Floating + 3.25%	July 2024	35,000	55,000
Term loan facility	USD	50,000	SOFR+ 2.8%-3.35% [1]	July/Aug 2028	50,000	-
BoComm Leasing	USD	67,003	SOFR+2.6%	September 2027	65,159	-
Senior secured credit facility	USD	8,300	SOFR + 3.50%	February 2027	5,500	-
Other long-term debt incl. accrued interest					250	403
Total outstanding					**175,909**	**155,403**
Debt issuance costs					(2,111)	(1,829)
Total interest bearing debt outstanding					**173,798**	**153,574**
Classified as:						
Non-current					92,707	74,462
Current					81,091	79,112
Total					**173,798**	**153,574**

[1] Loan margin is determined by loan to vessel value ratio (LTV)

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 Group, 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. The Group repaid installments of USD 20.0 million during the first nine months of 2023. The facility was fully drawn as at September 30, 2023.

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 80.0 million during the first nine months of 2023. As at September 30, 2023, the undrawn amount under this facility was USD 35.0 million.

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 first nine months of 2023, the Group repaid USD 2.8 million, and USD 5.5 million remained outstanding as at September 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. USD 1.5 million was drawn in August 2023 to pay the K-SURE insurance premium. As at September 30, 2023, the undrawn amount under the pre-delivery facility was USD 14.4 million.

In July 2023, the Group entered into a 5-year loan facility in an amount of up to USD 50.0 million with HCOB to finance part of the acquisition cost of the five modern eco-design vessels, 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 was fully drawn down in August 2023.

In September 2023, the Group entered into a sale and leaseback transactions with BoComm Leasing in an amount of USD 75.0 for 12 of its vessels. The lease financing has a tenor of 48 months starting in September 2023 to October 2023 and carries an interest rate of SOFR plus a margin of 260 basis point, and includes purchase obligations for the 12 vessels at the end of the term. The Group is precluded from accounting for the sale of the vessels due to the purchase obligations at the end of the term which prevents the lessor from obtaining control of the vessels and as such the lease has been accounted for as a secured borrowing, with the vessels recorded under "Vessels". As at September 30, 2023,11 relevant vessels under the sale and leaseback transactions were delivered to BoComm Leasing and the Group received gross proceeds of USD 67.0 million. The last relevant vessel was subsequently delivered in October 2023. The amount allocated to interest expense is determined by the incremental borrowing rate or imputed interest rate. The average effective interest rate for all 11 delivered vessels were around 8.43%.

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 nine-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	2,424	172
Harper Petersen & Co. GmbH	Commercial	1,649	17
Total		**4,073**	**189**

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 September 30, 2023, and December 31, 2022, the amount due to related companies was USD 0.8 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 September 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	September 30, 2023 (unaudited)		December 31, 2022 (audited)	
Financial assets	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Trade and other receivables	27,340	27,340	22,922	22,922
Financial instruments at fair value	4,100	4,100	1,740	1,740
Restricted cash	13,959	13,959	30,914	30,914
Cash and cash equivalents	87,846	87,846	94,603	94,603
Total financial assets	**133,245**	**133,245**	**150,179**	**150,179**
Financial liabilities at amortized cost	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Non-current Interest-bearing debt	92,708	92,708	74,462	74,462
Current interest-bearing debt	81,091	81,091	79,112	79,112
Trade and other payables	9,467	9,467	17,282	17,282
Other liabilities	17,371	17,371	18,863	18,863
Total financial liabilities	**200,637**	**200,637**	**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 September 30, 2023 and December 31, 2022, as it is variable-rated.

Cash flow hedges and other derivatives:

As at September 30, 2023 the Group's cash flow hedges consisted of 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
Swaptions	USD 43-10.2 million	2024-2036	3.50%	July 2024

In May 2023, the Group entered into two options (swaptions) with Deutsche Bank AG, to enter into interest-rate swaps whereby the Group receives SOFR floating interest and pays a fixed interest of 3.5% on a declining notional amount starting at USD 43.7 million. If exercised, the interest-rate swaps have declining notional amounts over the period and contractual maturities in 2036. The fair value (level 2) of the Group's swaptions is the estimated amount that the Group would receive or pay for a similar option on the balance sheet date. The swaptions are designated as cash flow hedges of future interest payments. The fair value of the option is determined by an option pricing model that includes assumptions about volatility, forward interest curves, etc.

As at December 2022, the Group had two interest-rate caps, and in May 2023 the Group entered into another interest rate caps with Crédit Agricole. 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 September 30, 2023 is recognized directly to Other reserves (other comprehensive income) in equity and are reclassed to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows (future interest payments) affect profit or loss.

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 September 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**
September 30, 2023	**443,700,279**	**48,589**

During the first nine months of 2023, the Group distributed dividends for a total of USD 231.0 million, which also includes distributions to non-controlling interests. These include both recurring and event driven dividends. The dividend was distributed with USD 150.9 from share premium, USD 79.9 million from retained earnings and USD 0.2 million to non-controlling interests. The company have deducted USD 5.6 million from the dividend payment on September 28, 2023 due to taxes withheld for foreign shareholders. The taxes withheld is classified under other current liabilities as at September 30, 2023, and was paid to the tax authorities in October 2023.

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
21.08.2023	Recurring	USD 0.15 / NOK 1.6118	20.09.2023	21.09.2023	28.09.2023

Note 14 – Earnings per share

	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)
Profit (loss) for year attributable to ordinary equity holders – in USD thousands	68,207	124,448	289,256	331,230
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	**0.15**	**0.28**	**0.65**	**0.75**
Diluted earnings per share – in USD	**0.15**	**0.28**	**0.65**	**0.75**

Note 15 - Subsequent events

In October 2023, the Group delivered the last vessel relating to the BoComm Leasing and receive gross proceed of USD 8.0 million.

In October 2023, the Group entered into Memorandums of Agreements to sell its 2005-built, 2006-built and 2007-built, AS Flora, AS Roberta and AS Rafaela for an agreed sale price of USD 6.0 million, USD 7.5 million and USD 8.0 million to three unrelated parties. The sale of the three vessels were subsequently completed in November 2023.

In October 2023, the Group entered into an agreement to sell its 2004-build vessels, AS Petra and AS Paulina, and its 2006-built AS Pauline to an unrelated party for a total of USD 25.5 million. The vessels are expected to be delivered to its new owner in January 2024.

In November 2023, the Group repaid USD 9.0 million on its HCOB loan facility and USD 10.0 million on its CIT loan facility respectively. USD 44.0 million and USD 10.0 million remains undrawn and available with each of the HCOB and CIT loan facilities.

In November 2023, the Group delivered its 2010-built vessel, AS Emma and 2009-built vessel, AS Rosalia to its new owners.

In November 2023, the Group drew down USD 7.4 million under the pre-delivery term loan facility with Crédit Agricole. USD 7.1 million remains available and undrawn under the pre-delivery term loan facility.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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	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)
Operating profit (EBIT)	71,796	127,764	297,567	339,987
Depreciation	(42,528)	(18,027)	(82,743)	(55,302)
Held for sale loss	(13,116)	-	(31,507)	-
Impairment	(12,944)	-	(12,944)	-
EBITDA	**140,384**	**145,791**	**424,761**	**395,289**

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	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)
EBITDA	**140,384**	**145,791**	**424,761**	**395,289**
Early redelivery of AS Carlotta, net of commission	-	-	24,255	-
Early redelivery of AS Nadia, net of commission	-	-	32,228	-
Early redelivery of AS Anne, net of commission	21,488	-	21,488	-
Share of profit or loss from joint venture	13,229	-	19,723	-
Gain from sale of vessels	-	30,529	-	49,354
Adjusted EBITDA	**105,667**	**115,262**	**327,067**	**345,935**

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	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)
Profit (loss) for the period	68,239	124,494	289,389	331,423
Early redelivery of AS Carlotta, net of commission	-	-	24,255	-
Early redelivery of AS Nadia, net of commission	-	-	32,228	-
Early redelivery of AS Anne, net of commission	21,488	-	21,488	-
Depreciation of TC contract related to AS Anne	(22,035)	-	(22,035)	-
Gain from sale of vessels	-	30,529	-	49,354
Held for sale loss	(13,116)	-	(31,507)	-
Impairment	(12,944)	-	(12,944)	-
Share of profit or loss from joint venture	13,229	-	19,723	-
Adjusted profit (loss) for the period	**81,617**	**93,965**	**258,180**	**282,069**

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	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)
Time charter revenues	181,102	155,366	549,244	430,513
Early redelivery of AS Nadia	-	-	32,394	-
Early redelivery of AS Carlotta	-	-	25,200	-
Early redelivery of AS Anne	22,035	-	22,035	-
Adjusted TCE for the period (in USD)	**27,531**	**30,476**	**29,302**	**27,759**

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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