

ANNUAL AND SUSTAINABILITY REPORT 2023



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YEAR IN REVIEW



HIGHLIGHTS



Q1

Q2

Q3

Q4

Continuous fleet renewal and optimization

- | | | | |
|--|---|--|--|
| <ul style="list-style-type: none"> + Two JV vessels, Carinthia and AS Cleopatra were sold and delivered to new owners + Acquired AS Nina and AS Claudia + Global economic uncertainty prevails + Signed the industry's first offtake agreement for synthetic marine diesel oil | <ul style="list-style-type: none"> + Acquired five modern eco-design vessels for USD 136.3m + AS Emma was sold with handover in Q4 2023 + Continuation of fleet optimization + Execution of various retrofit measures | <ul style="list-style-type: none"> + Completed take-over of the fleet of 5 eco-design vessels acquired in Q2 2023 + Focus on fleet preparation for operational excellence. + Joint retrofit programs with charterers initiated + Fleet in full compliance with EEXI and CII regulation | <ul style="list-style-type: none"> + Successfully sold and delivered six vessels to new owners + MPCC initiated retrofit programs in 2023 that will extend into 2024 with a total cost of USD 24 million, of which several will be undertaken jointly with customers + MPCC vessels discontinued transit through the Red Sea in agreement with charterers |
|--|---|--|--|

KEY FIGURES

KEY FIGURES		2023	2022	2021
Number of container vessels ¹		59	62	61
Transport capacity of container ship fleet	TEU	126,943	134,270	168,072
Operating revenues	USD m	711.3	616.8	384.7
EBITDA	USD m	518.4	522.2	290.4
Adjusted EBITDA ²	USD m	428.5	451.5	218.3
Profit for the period	USD m	325.1	435.0	189.9
Adjusted profit for the period ²	USD m	336.7	364.3	115.4
Cash flow from operating activities	USD m	484.6	436.5	212.2
Interest-bearing debt	USD m	126.5	153.6	231.8
Total equity	USD m	753.5	721.4	727.6
Earnings Per Share (EPS)	USD	0.73	0.98	0.46
Adjusted EPS ²	USD	0.76	0.82	0.26
Dividends Per Share (DPS) ³	USD	0.64	1.03	0.11
Total ownership days	days	22,236	21,671	21,942
Total trading days	days	21,553	20,590	20,904
Utilization		98.1%	97.9%	97.9%
Average TCE	per day	28,816	28,625	16,887
Average Opex	per day	6,887	6,363	5,379
Leverage ratio		13.3%	16.1%	22.4%

¹ Numbers of vessels includes vessels from investment from joint-venture

² See Alternative Performance Measures for further details

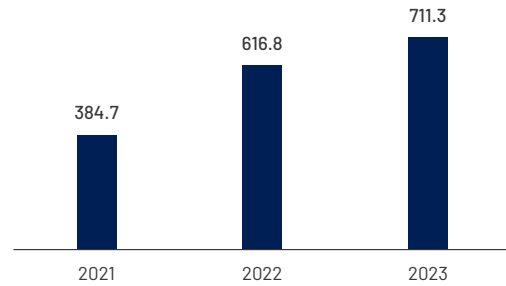
³ DPS is the declared recurring dividend per share and the event-driven dividend per share declared for the period



Financial and Operational

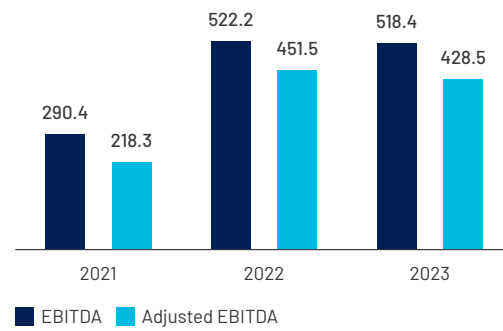
OPERATING REVENUES

USD million



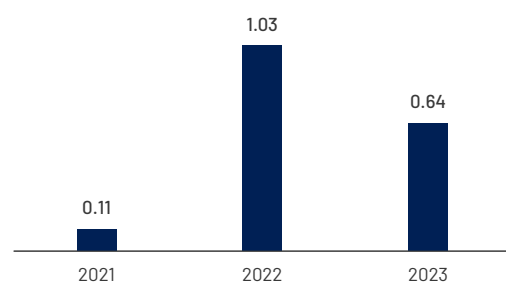
EBITDA

USD million

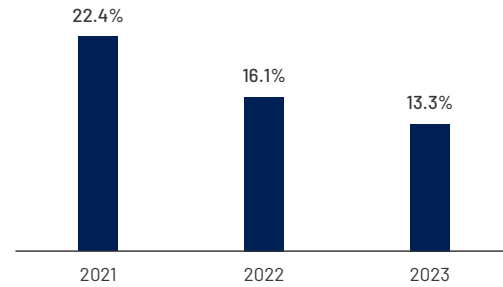


DIVIDENDS PER SHARE

USD

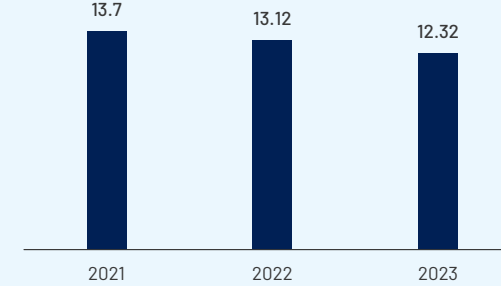


LEVERAGE RATIO

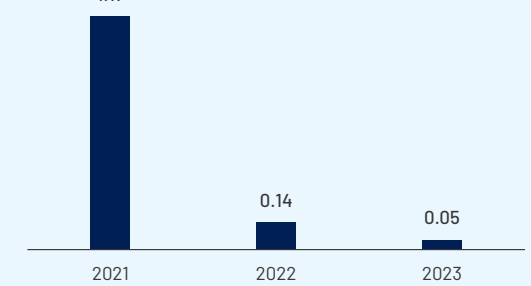


Sustainability

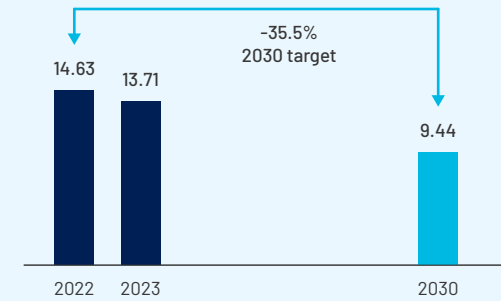
AVERAGE EFFICIENCY RATIO WEIGHTED AVERAGE



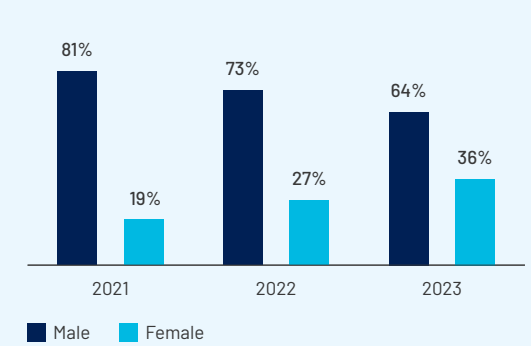
LOST TIME INCIDENT RATE



WELL-TO-WAKE GHG EMISSIONS INTENSITY



GENDER DIVERSITY



CEO LETTER



Constantin Baack
Chief Executive Officer

Dear shareholders, as we reflect on the close of 2023, I'm pleased to share with you the continued resilience and progress of MPC Container Ships. Throughout the year, we've remained committed to delivering value to our shareholders, maintaining operational excellence, and navigating the evolving landscape of the maritime industry.

2023 served as a transition year between the Covid-impacted period and the return to a more familiar demand pattern in 2024. Throughout the year, we experienced falling box rates on most trades, supported only by modest volume growth, and vessel demand bottomed out in the third quarter. The latter part of 2023 was marked, in particular, by the onset of the war on Gaza and the subsequent Red Sea Crisis, during which vessel attacks were carried out by the Houthi movement. These events have had significant repercussions on the shipping industry, leading carriers to avoid transiting the Red Sea.

Since the beginning of 2024, liner companies have been actively looking for charter tonnage to compensate for the longer voyages around the Cape of Good Hope, and in the Mediterranean and Middle East, particularly, container markets are busier than expected. As a result, we have seen significant increases in freight and charter rates as well as extended contract durations in 2024.

Financial Performance and Operational Strength

Our performance in 2023 underscores our consistent track record for financial and operational excellence. Our utilization rate remained high at 98.1% and we continue to adhere to our strategy of operating at a low leverage, further optimizing our balance sheet and ending the year with a leverage ratio of 13.3%.

A key highlight of our financial performance is our commitment to shareholder returns. In 2023, we distributed approximately USD 293 million in dividends, corresponding to a dividend yield of 43% for the year. Including the dividend declared for the fourth quarter, our total dividends distributed and declared over the last twelve months amount to approximately USD 350 million, representing more than 50% of the company's market cap at the beginning of 2023.

■ ■ Our performance in 2023 underscores our consistent track record for financial and operational excellence.

Furthermore, our backlog remains robust, with contracted revenues of USD 1 billion and 78% of open days covered for 2024. This provides us with significant earnings visibility and reinforces our confidence in the year ahead.

Emphasizing Sustainability Initiatives

At MPCC, we recognize the importance of integrating Environmental, Social, and Governance (ESG) considerations into our strategic objectives. Our commitment to sustainability and responsible business practices is unwavering, and we are proud to highlight several key ESG efforts from the past year.

As part of our fleet renewal program, we have also implemented an extensive retrofit investment program aimed at enhancing the efficiency of our existing fleet. Several of these retrofits are being undertaken in partnership with charter customers, which exemplifies our dedication to collaboration and innovation. Under these agreements, we will share the costs of retrofit investments and extend of the vessels' time-charter contracts. These collaborative efforts have contributed to reducing our open charter positions and increasing contract coverage for 2025 and beyond.

Lastly, we recently partnered with Unifeeder in a joint investment for the construction of a 1,300 TEU dual-fuel methanol newbuilding. Scheduled for delivery in late 2026, this vessel will be under a 7-year

time-charter agreement with Unifeeder post-delivery, significantly mitigating residual value risks.

This most recent initiative, together with our two 1,300 TEU dual-fuel methanol vessels and two 5,500 TEU eco-design newbuildings, all being delivered in 2024, underscores our dedication to protecting long-term shareholder value while reducing carbon emissions.

Our newbuilding and retrofit investment program in 2023 and 2024 totals approximately USD 400 million, reflecting our strong commitment to improving the efficiency of our fleet in collaboration with our partners, enhancing competitiveness, and contributing to decreased GHG emissions.

Our ESG efforts are pivotal to our future trajectory and consistent with our most recent greenhouse gas (GHG) emissions intensity reduction targets, with which we are aiming to reduce our well-to-wake emissions intensity by 35.5% by 2030 from a 2022 baseline and to net-zero by 2050. These ambitious targets are aligned with the International Maritime Organization's industry carbon intensity targets and underscore the importance of remaining persistent in our fleet renewal strategy, while positioning MPCC as a strong industry partner to our customers and enhancing the long-term competitiveness of our fleet.

Looking Ahead

Looking ahead, we remain optimistic about the medium-term outlook for container markets, especially for intra-regional trades. With industry-low leverage and a robust charter backlog, MPCC is well-positioned to selectively capitalize on emerging opportunities and create value for our shareholders.

In closing, I want to thank our shareholders, customers, and partners for their continued support and trust in MPCC. I also want to extend my heartfelt gratitude to the approximately 1,400 seafarers aboard our ships whose dedication makes our operations possible. As we embark on the journey ahead, we are committed to deliver on our strategic direction while remaining committed to our core purpose to pursue conscious change in the container shipping industry.

Sincerely,



Constantin Baack
Chief Executive Officer
MPC Container Ships ASA

SHAREHOLDER INFORMATION

MPC Container Ships ASA is listed on Oslo Børs under the ticker code MPCC. As of December 31, 2022, the share capital in the company was NOK 443,700,279, divided into 443,700,279 shares, each with a nominal value of NOK 1.00. MPC Container Ships has one share class, and each share carries a right to one vote.

The MPC Container Ships share price closed at NOK 13.325 at the end of 2023, corresponding to a market capitalisation of NOK 5.9bn.

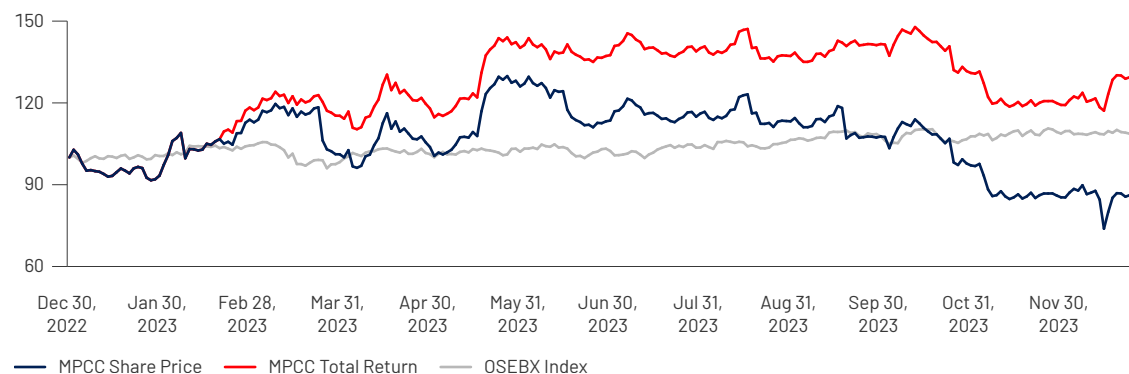
The return ex. dividend for 2023 was -18.25%. MPCC paid total dividends of NOK 7.03 per share in 2023, leading to a total return of 24.88% for the year.

As at December 31, 2023, MPC Container Ships had 31,626 private and institutional investors from 99 different countries. Approximately 42% of shareholders are Norwegians, 18% are German, and 16% are from the US.

Communicating with shareholders and capital market participants is given high priority. MPC Container Ships aims to maintain an open dialogue and ensure transparent, timely, and accurate dissemination of information to enable fair valuation of MPC Container Ships and reduce volatility in the Company's shares.

SHARE PRICE DEVELOPMENT 2023

Indexed, Dec. 30, 2022 = 100



DIVIDENDS PER SHARE

REPORTING PERIOD	DISTRIBUTION PERIOD	RECURRING DPS (NOK)	EVENT-DRIVEN DPS (NOK)	TOTAL
Q1 2023	Q2 2023	1.59	0.72	2.32
Q2 2023	Q3 2023	1.61		1.61
Q3 2023	Q4 2023	1.52		1.52
Q4 2023 ¹	Q1 2024	1.36		1.36
Total		6.09	0.72	6.82

¹ DPS of USD 0.13 to be paid on March 26, 2024, estimated to NOK 1.3624 per share based on FX rate of 10.48

ANALYST COVERAGE

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All information that is considered to be price sensitive is published via press releases and stock exchange announcements on Oslo Børs and the Company's website.

All investor relations activities are conducted in compliance with relevant rules, regulations and recommended practices.

Quarterly earnings calls and other capital market updates are published live with representatives from executive management and is open to all.

MPC Container Ships ASA is organized under the laws of the Kingdom of Norway. Shares registered with a nominee account must be re-registered in the Norwegian Central Securities Depository, Euronext Securities Oslo (formerly VPS), before the Annual General Meeting in order to obtain voting rights.

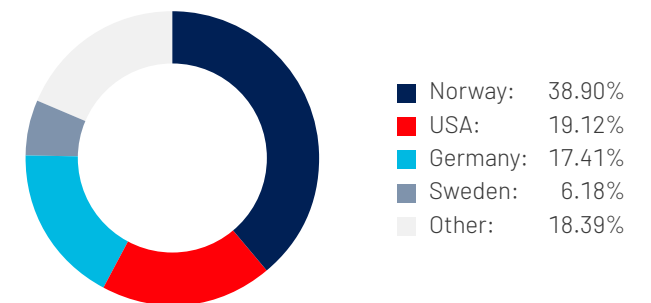
TEN LARGEST SHAREHOLDERS AS OF DECEMBER 31, 2023

NAME	SHARES	OWNERSHIP %
MPC CSI GmbH	70,302,796	15.84%
CLEARSTREAM BANKING S.A.	20,687,298	4.66%
State Street Bank and Trust Comp	18,643,356	4.20%
J.P. Morgan SE	17,260,108	3.89%
The Bank of New York Mellon	10,161,183	2.29%
FOLKETRYGDFONDET	8,879,877	2.00%
Avanza Bank AB	7,989,707	1.80%
JPMorgan Chase Bank	7,859,325	1.77%
NORDNET LIVSFORSIKRING AS	7,191,085	1.62%
Brown Brothers Harriman & Co.	6,529,365	1.47%
Ten largest shareholders	175,504,100	39.55%
Other shareholders	268,196,179	60.45%
Total	443,700,279	100.00%

SHAREHOLDER DISTRIBUTION

NO. OF SHARES	NO. OF SHAREHOLDERS	% OF SHARE CAPITAL
1-100	7,481	23.65%
101-1,000	11,183	35.36%
1,001-10,000	9,929	31.40%
10,001-100,000	2,688	8.50%
100,001-1,000,000	304	0.96%
Above 1,000,000	41	0.13%

GEOGRAPHICAL SHAREHOLDER DISTRIBUTION



FINANCIAL CALENDAR 2024

Apr. 17, 2024 Annual General Meeting
 May 28, 2024 Financial Report Q1 2024
 Aug. 28, 2024 Financial Report Half-Year 2024
 Nov. 26, 2024 Financial Report Q3 2024
 Feb. 25, 2025 Financial Report Q4 2024

ABOUT MPCC

MPC Container Ships ASA, has a rich history with extensive shipping experience rooted in its founding shareholder and sponsor, MPC Münchmeyer Petersen Capital AG (MPC Capital). Since its inception in April 2017, MPC Container Ships has undergone rapid growth to become one of the world's leading container tonnage providers. The company has been listed on the main list of the Oslo Stock Exchange since May 2018 under the ticker symbol "MPCC."



■ ■ Sustainable container shipping connecting the world's ports **to serve people's needs.**



MPC Container Ships' vessels are chartered out on fixed-rate contracts with a specific focus on intra-regional trade lanes. Intra-regional services play a pivotal role in connecting major ports on intercontinental shipping lanes with smaller, regional ports. Our vessels are chartered to global liner shipping companies and regional carriers.

Our operations extend across three key locations: Oslo, Norway; Hamburg, Germany; and Rhon, The Netherlands. These strategically positioned offices support our commitment to delivering exceptional services to our global clientele.

Guided by our values and our **purpose to pursue conscious change in the container shipping industry**, our mission is to seize opportunities to create long-term value and propel change in the maritime industry with our own capital, new ideas, analytical skills, and a broad network.

Clear and Transparent Strategy for Sustainable Value Creation

MPC Container Ships takes a modern approach to container shipping, centered around a commitment to transparency in communications, a strong dedication to sustainable practices and ESG principles, and rational capital allocation principles. Additionally, with significant experience and expertise in vessel management we are a strong industry partner.

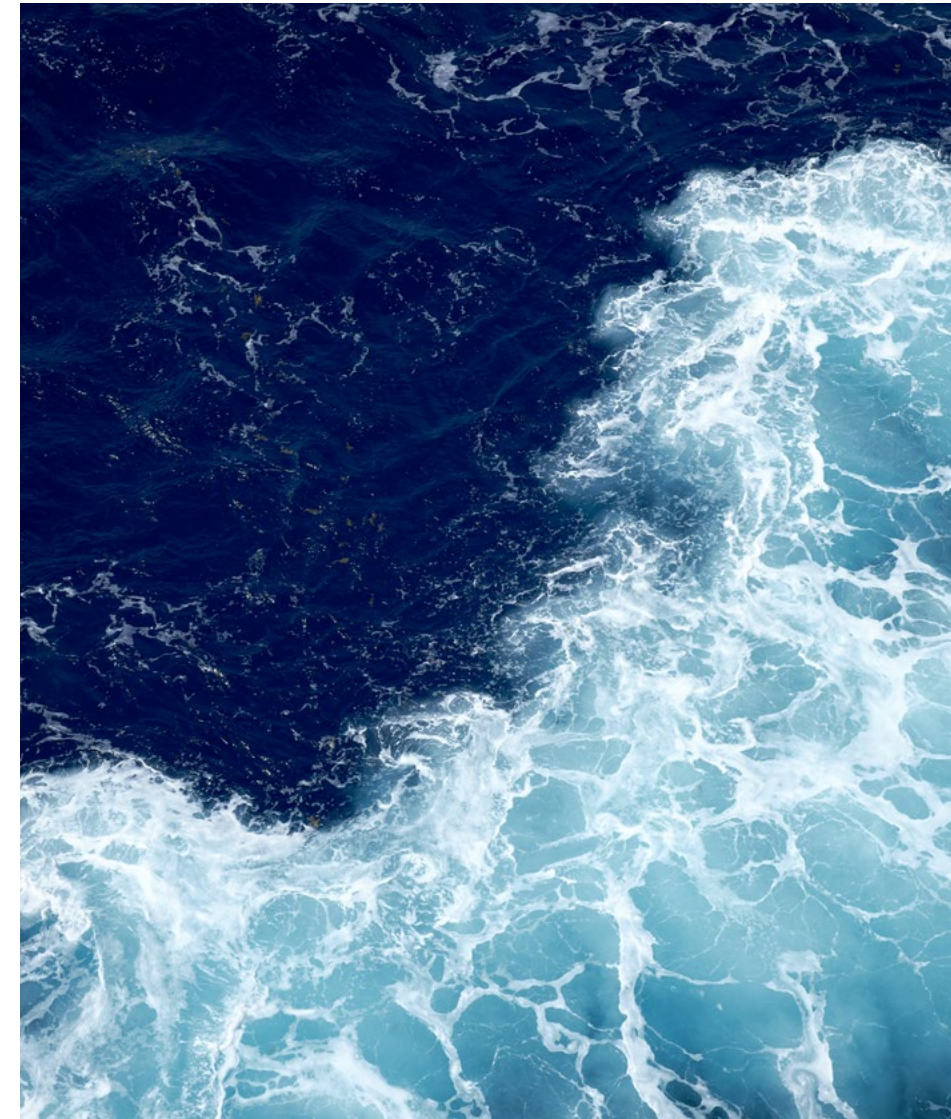
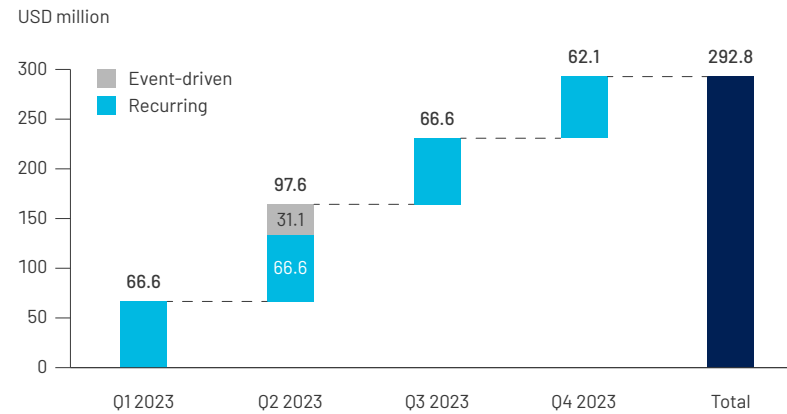
Our capital allocation principles are geared towards maximizing shareholder returns while managing risks. These principles guide our decisions in strategic investments, adopting a selective approach to ensure they align with our long-term vision, ESG commitments, and shareholder value. We are committed to continuous portfolio optimization, underscored by our fleet renewal strategy and sustainability initiatives. Moreover, our robust balance sheet enables us to weather industry fluctuations and invest in the future.

Our business philosophy embraces market consolidation, differentiating us from small owner-operators in the industry, and we prioritize building and maintaining a high-quality customer base, emphasizing investment-grade partnerships over numerous small counterparties.

Strong Commitment to Shareholder Value Creation

As part of our objective to maximize shareholder returns, we maintain a commitment to distributing quarterly recurring dividends equal to 75% of the adjusted profit for the period, declared at the discretion of the Board. You can find further information on our listing, dividends, and other capital market-related details in the [Shareholder Information](#) section of this report.

DIVIDEND DISTRIBUTIONS 2023 BY PAYMENT DATE



OUR VALUES



DETERMINED

Our determination arises from our passion and commitment for what we do.

- + We develop new and innovative ideas and are always ready to break new ground to achieve our goals.
- + We take ownership of our tasks and we do not give up.
- + We grow with new challenges, assume responsibility, and have the courage to make decisions.
- + We accept failures and use the knowledge gained for continuous improvement.

MINDFUL

Mindful stands for respectful and conscious actions.

- + We act with respect for the world we are living in, carefully selecting projects and partners.
- + We place sustainability at the core of our business decisions, while consciously dealing with and actively managing risk.
- + We are considerate, we make time for and treat each other and our partners with mutual respect and appreciation.
- + For us, trust and transparency are vital factors for a successful internal and external cooperation.

ENTHUSIASTIC

Enthusiasm for us means inspiration and motivation.

- + We inspire each other and our partners to take on challenging topics and projects.
- + Approaching every task with drive and optimism creates a unique spirit that leads us to success.
- + We firmly believe enjoying what we do is the key to job satisfaction.

FLEET OVERVIEW

MPCC Fleet Employment in 2023

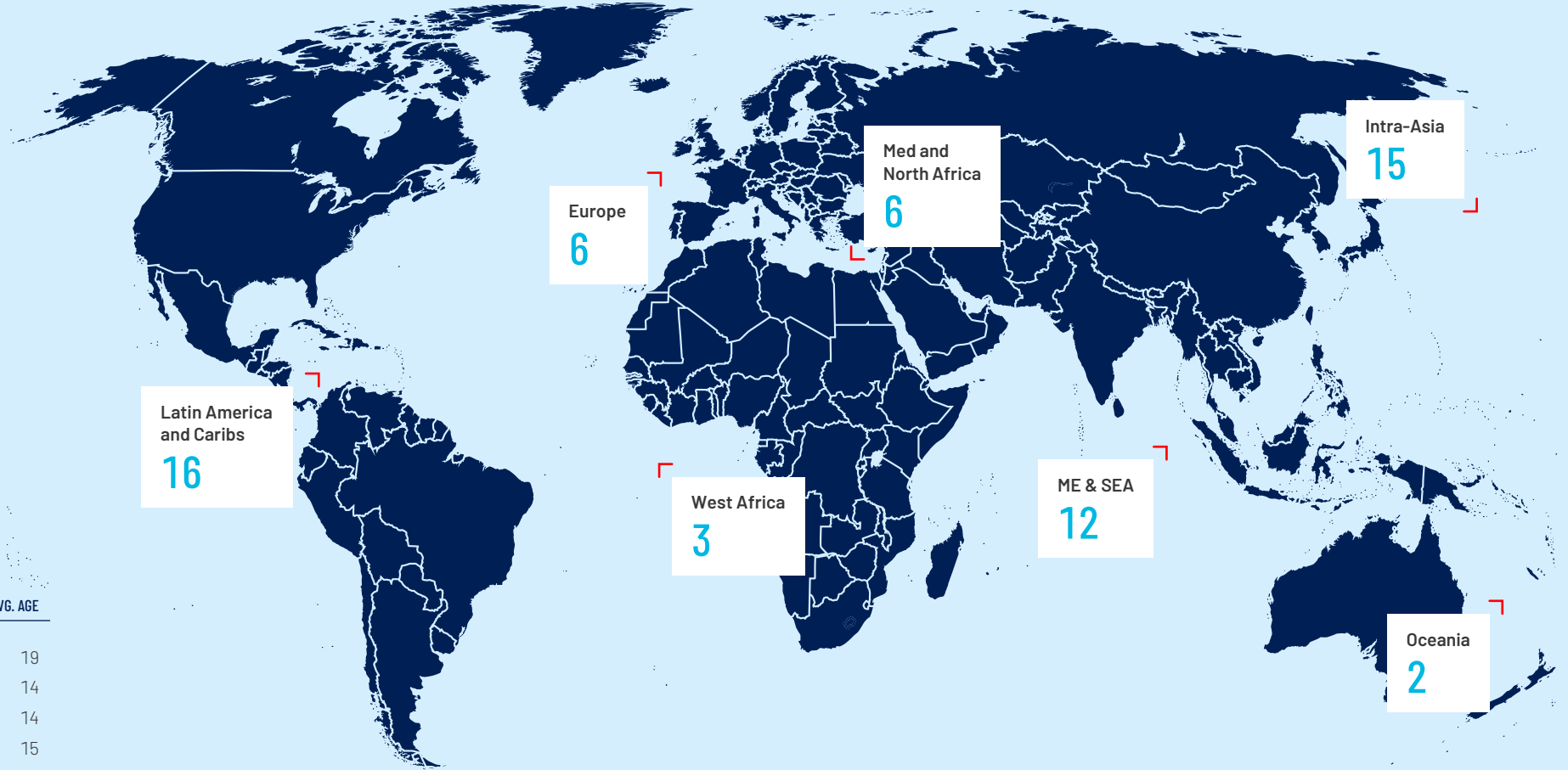
- + No. of vessels: 59
- + Total Carrying Capacity: 126,943 TEU
- + No. of Port Calls: 5,989
- + Distance Travelled: +4,000,000 nm

Total Market of Container Vessels in 2023

Total Container Fleet: 5,948 Vessels (28m. TEU)

Total Container Fleet <5.1k TEU: 4,214 Vessels (8.8m. TEU)

TEU SEGMENT	NO VESSELS	% (NO VESSELS)	SUM TEU	% (SUM TEU)	AVG. AGE
<1k TEU	950	16%	630,098	2%	19
1k-2k TEU	1,501	25%	2,170,037	8%	14
2k-3k TEU	831	14%	2,118,169	8%	14
3k-5.1k TEU	932	16%	3,905,071	14%	15
5.1k-7.5k TEU	461	8%	2,889,864	10%	17
>7.5k TEU	1,273	21%	16,258,988	58%	10
Total	5948	100%	27,972,227	100%	14



The MPCC fleet has traveled around the equator more than 185 times, with at least 16 port calls per day.

Fleet KPIs

■ Conventional Vessels

Vessels built before 2012, usually optimized for higher speeds.



Average Building Year:

1-2K TEU	2-3K TEU	>3K TEU
2007	2007	2009

■ Retrofit Vessels¹

Vessels optimized by adding new equipment or changes to the hull and propeller to improve efficiency.



Average Building Year:

1-2K TEU	2-3K TEU	>3K TEU
2012	2006	2014

■ ECO Vessels

Vessels usually built after 2012, optimized for lower speeds and fuel consumption.



Average Building Year:

1-2K TEU	2-3K TEU	>3K TEU
2019	2016	2024

■ Dual-Fuel Methanol Vessels

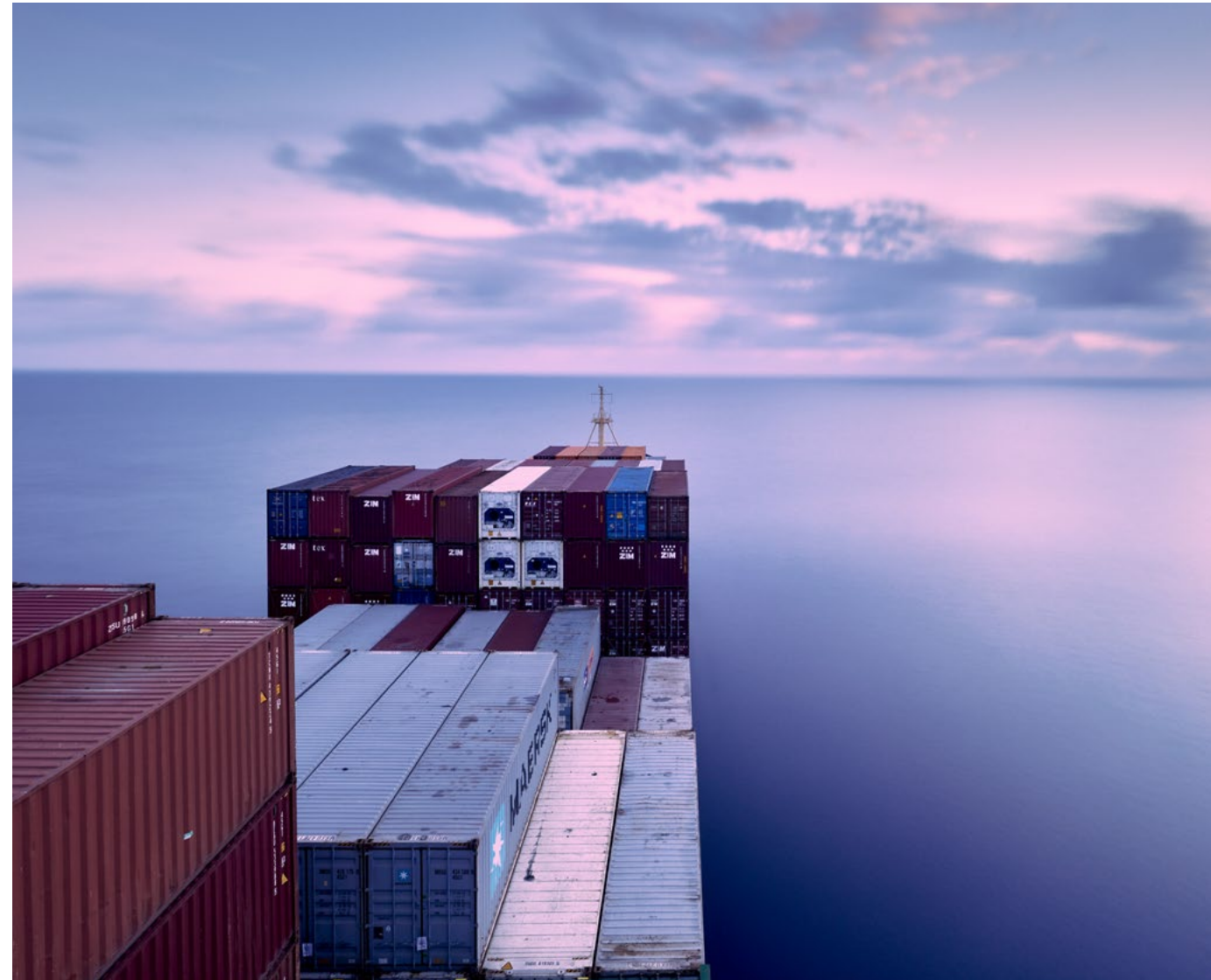
Three dual-fuel methanol vessels under construction with delivery in 2024 and 2026.



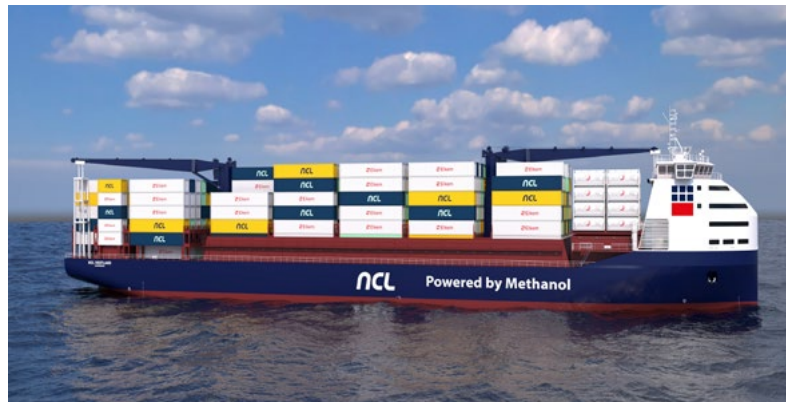
Average Building Year:

1-2K TEU	2-3K TEU	>3K TEU
2025		

¹ Retrofit vessels includes 13 vessels planned for retrofit in 2024, of which four vessels are also categorized as ECO-vessels



Newbuilds



Greenbox

These two innovative 1,300 TEU feeder vessels demonstrate the second step of MPC Container Ships decarbonization strategy with a design-based efficiency yield of more than 30%. Expected to be delivered towards the end of 2024, both vessels will be able to operate on green methanol, featuring an energy storage system as well as shore power connectors. Equipped with an ice class hull, the vessels will be deployed on trades along the western coast of Norway, where they can achieve emission reductions of up to 95% compared to conventional ships. The project was developed with support from the Norwegian ENOVA as well as the NO_x Fund, awarding grants to first-movers willing to explore next generation technology in pursuit of ambitious decarbonization goals.



Ecobox

With two 5,500 TEU vessels due for delivery in 2024, MPC Container Ships will add eco-design vessels to the fleet which emit approximately 20% less greenhouse gases compared to conventional designs if operated on the same fuel. Additionally, the design allows for cost-efficient conversion to operations on methanol in the future, allowing for emission reductions of more than 90% if operated on green methanol. The image above shows ZIM DANUBE, the first of six vessels built in the 5,500 TEU eco-design vessel series for owner, Ocean Yield AS, and delivered in August 2023. MPC Container Ships' Ecobox newbuildings will be vessels five and six in the series and named ZIM MACKENZIE and ZIM COLORADO.



Unifeeder

At the beginning of 2024, MPCC partnered with Unifeeder in a joint investment for the construction of a 1,300 TEU dual-fuel methanol newbuilding. Scheduled for delivery in late 2026, this vessel will be under a 7-year time-charter agreement with Unifeeder. With Ice Class 1A notation it is perfectly equipped for Baltic trades and will be deployed in the European network of Unifeeder, where the new vessel will give a significant contribution to lower the emissions.

CONTAINER MARKET UPDATE



Gradual recovery of the global economy in 2023, but geopolitical and macroeconomic risks persist.

The first half of 2023 was characterized by the expectation of a gradual recovery of the global economy from the severe blows of the pandemic and Russia's unprovoked war against Ukraine and the resulting cost-of-living crisis. Over the year, the world economy proved to remain resilient, despite persistent macroeconomic and geopolitical challenges. Hence, the International Monetary Fund (IMF) revised the global GDP growth rate for 2023 slowly and steadily upwards over the course of the year. While growth of 2.9% was still expected for 2023 in January and only 2.8% in April, expectations rose to 3% in the second half of the year.¹

Inflation rates peaked in several economies and followed a sustained downward trend over the course of 2023. Energy and food prices fell during the year, causing overall headline inflation to decline. Core inflation proved to be more "sticky" in several economies. After several consecutive increases in its federal funds rate, the Federal Reserve (Fed) ended its rate hike cycle in August 2023. Since then, the target range has remained high, at 5.25% to 5.5%. At its latest meeting at the end of January 2024, the Federal Open Market Committee (FOMC) announced that hasty rate cuts would be inappropriate, if inflation is not sustainably moving towards the 2% target. The core personal consumption expenditures (PCE) price index, an important inflation indicator for the Fed, rose to 2.9%

in December from 2.7% in November. However, the annual core inflation rate fell in December compared to the previous year's figure of 3.2%. The core PCE excludes volatile food and energy prices. Headline inflation also increased by 0.2% in December compared to the previous month and held steady at 2.6% annually.²

The European Central Bank (ECB) has also committed to a tighter monetary policy. In the course of 2023, the marginal lending facility increased from 3.25% to 4.75% and is currently still at this level. At its latest meeting in January 2024, the ECB decided to keep interest rates constant and has not yet given any indication that it intends to discuss interest rate cuts. Euro zone inflation increased slightly to 2.9% in December from 2.4% in the previous month. However, the pressure on the ECB is increasing as the eurozone only narrowly avoided a technical recession in the fourth quarter of 2023. The latest official figures published by Eurostat show stagnation with zero GDP growth.³

The beginning of 2023 was characterized by the reopening of the Chinese economy from strict Covid restrictions and hopes of a strong economic recovery. Over the course of the year the Chinese economy struggled with its rebound. China's Caixin Manufacturing PMI has been steadily hovering around the 50-point mark, separating growth from contraction, but has never managed to reach more than 51 index points. As expected, China's GDP growth is estimated

¹ International Monetary Fund (IMF), World Economic Outlook (WEO), January 2023–October 2023.

² Federal Reserve, January 2024.

³ Eurostat, January 2024.

to be just 5.2% in 2023, which is below the long-term average of 7% over the past 15 years, raising the needs for economic stimulus.¹ Deflationary pressures are still weighing on the economy, with consumer price inflation (CPI) falling dramatically in 2023. In December, the CPI declined by 0.3% from a year ago, which is well below the monetary policy target of around 3% inflation.² The latest development in China's real estate crisis is the liquidation of the indebted Chinese property giant Evergrande, which was ordered by a Hong Kong court.³

The turn of the year was marked by severe geopolitical risks arising from the escalation of the Middle East conflict in Israel which has also emerged as a direct threat to shipping since mid-December last year. Downside risks to the macroeconomy arising from such geopolitical shocks include new, sharply rising commodity prices and supply chain disruptions leading to inflationary pressure. The Red Sea, connected via with the Gulf of Aden the Bab al-Mandab Strait, is currently facing various missile and drone attacks from Iranian backed Yemeni Houthis. The first attack was recorded in November on a car carrier with Israeli roots, followed by a series of arbitrary attacks in the following weeks. Over the past few months, the Yemeni Houthis have targeted a few dozen merchant ships with drones and missiles. With the launch of Operation Prosperity Guardian, a US-led multinational coalition, a military presence was established in the region in response to the Houthi-led attacks on

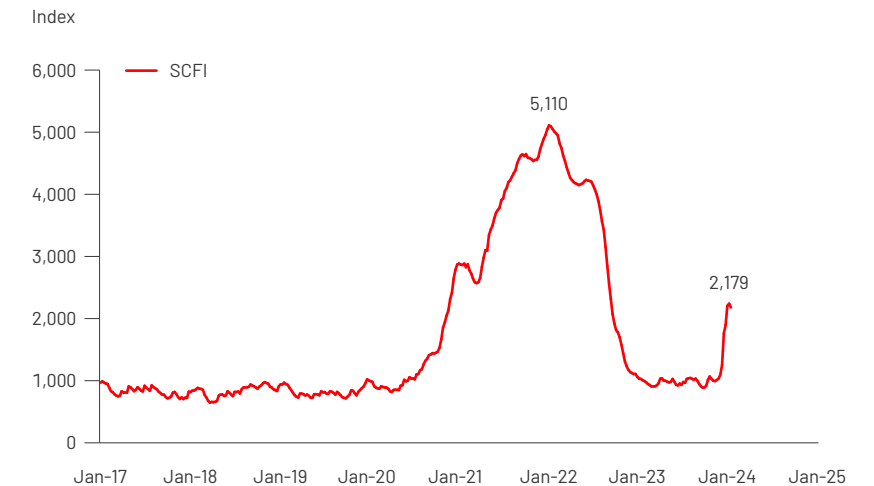
international shipping. At the time of writing, however, the Red Sea crisis remains far from under control. To avoid being attacked, liner companies have decided to discontinue their services through the Suez Canal and instead bypass the Cape of Good Hope, resulting in additional mileage and prolonged transit times.

The short- and medium-term global economic outlook indicates that a soft landing is a likely scenario, due to disinflation and steady growth. Growth prospects for individual economies, including the United States, are more optimistic than originally assumed. According to the latest World Economic Outlook (WEO) from the International Monetary fund, published in January 2024, global GDP growth is expected to be 3.1% in 2024 and 3.2% in 2025. This represents a 0.2 percentage point increase in 2024 compared to the last forecast from October 2023, driven by greater-than-expected resilience in the US and several large emerging market and developing economies, as well as fiscal support in China. Nevertheless, the global growth outlook is below the historical average of 3.8% from 2000 to 2019.⁴

Charting the year's journey: surging freight rates amidst global turbulence towards the end of 2023

The Shanghai Containerized Freight Index (SCFI) reflected the volatile course of 2023. It started the year at 1,061 index points and rose to 1,760 index points by December, marking the largest jump in December. Notably, both the SCFI Shanghai to Europe component (\$/TEU) and the SCFI Shanghai to the US West Coast (USWC) component (\$/FEU) surged above 2,000 within a week, representing an approximate increase of 1,000.⁵

FIG. 1: SHANGHAI CONTAINERIZED FREIGHT INDEX (SCFI) COMPREHENSIVE



¹ International Monetary Fund (IMF), World Economic Outlook (WEO), January 2024.

² National Bureau of Statistics (NBS) of China, January 2024.

³ Reuters, January 2024.

⁴ International Monetary Fund (World Economic Outlook), January 2024.

⁵ Clarksons, Shipping Intelligence Network, January 2024.

One of the major challenges faced by the industry last year was capacity management, which led to blanked sailings and attempts by liner shipping companies to implement General Rate Increases (GRIs). However, it became evident that such measures were not sustainable, resulting in only short-term spikes in freight indices.

Over the course of last year, the water level of Lake Gatun in Panama continued to decline, prompting the canal authorities to implement draft and transit restrictions. The usual draught of 50 feet had to be reduced to 44 feet. For every foot of draught lost, containerships lose capacity of approximately 350 twenty-foot equivalent units. Freight rates increased and surcharges were implemented by liner shipping companies. Currently, dry season in Panama is in full swing and the water levels of Lake Gatun continue to remain a challenge over the next months.

While concerns about the Panama Canal increased, attention also turned to the other essential canal for shipping towards the end of last year. Geopolitical tensions in the Red Sea led to attacks by Houthi rebel groups, disrupting shipping operations and forcing carriers to reroute ships around the Cape of Good Hope. Consequently, freight rates skyrocketed, prompting carriers to introduce additional surcharges such as peak season surcharges, war risk surcharges, and emergency contingency surcharges, alongside doubled base rates. Since the end of November, spot freight rates for shipments from Asia to North Europe increased by 21% until mid-December, and those to the Mediterranean rose by 62% until mid-December.¹

¹ Freightos, FBX, December 2023.

The impact of the Red Sea crisis is also reflected in bunker demand, especially due to the rerouting of vessels around the Cape of Good Hope. A greater need for bunkers can be seen in West African ports, resulting in 2% higher demand globally. Bunker prices fluctuated, while oil prices rose towards the end of the year following Angola’s decision to leave the Organization of the Petroleum Exporting Countries (OPEC).

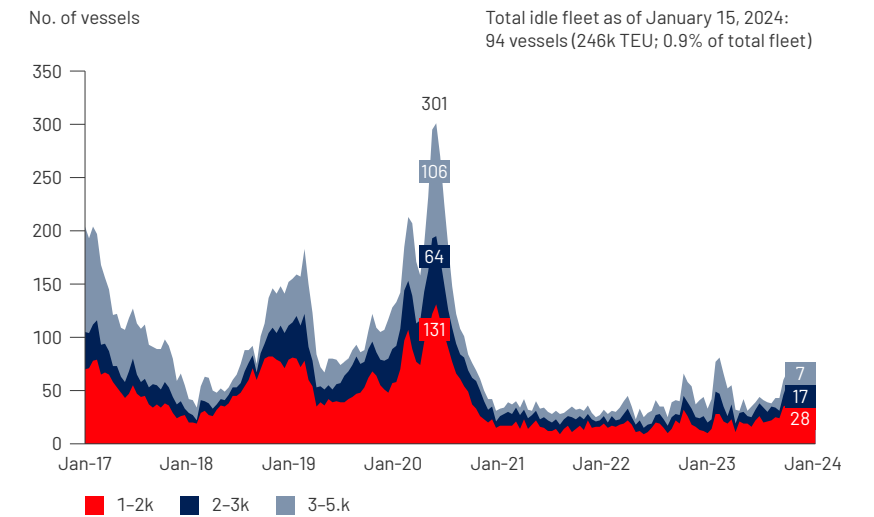
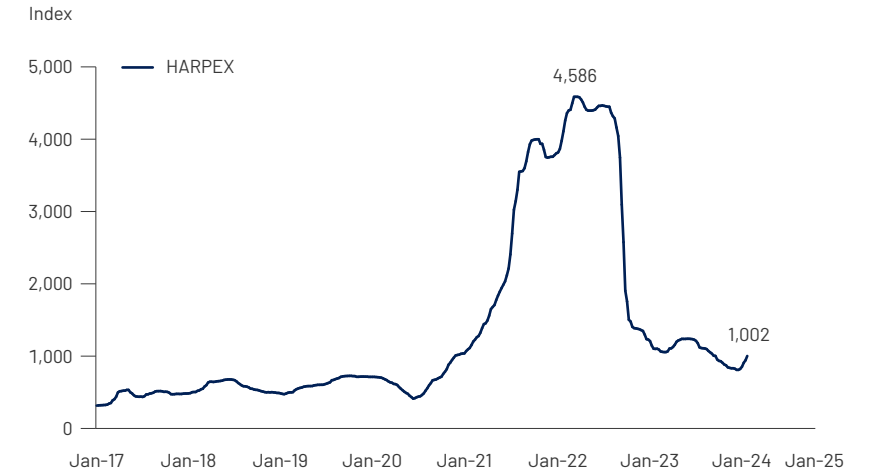
Time-charter market: a resilient rebound in the fourth quarter of 2023

The charter market was subject to a series of fluctuations and adjustments in 2023 in response to various economic and geopolitical factors. From the beginning of the year to its end, several key events and trends shaped the chartering landscape and had an impact on time-charter rates, vessel activity, and market dynamics.

The year 2023 commenced with an early Lunar New Year, occurring on January 22, 2023. This festive period coincided with a rise in idle fleet capacity and charter periods that were reminiscent of pre-pandemic levels. However, only a few operators committed to longer charter durations, with most opting for maximum terms of 12 months. As February unfolded, fleet unemployment levels surged, reaching heights not seen since October 2020, precipitating numerous instances of blank sailing. Despite these challenges, signs of resilience emerged in March, with the charter market displaying increased strength.

The momentum gained in March continued in April and May and was characterized by an uptick in charter market activity. However, as the summer season approached, the pace slowed. Operators

FIG. 2: HARPEX - TIME-CHARTER RATE DEVELOPMENT, 6-12 MONTHS (TOP) AND IDLE STATISTICS (BOTTOM)



resorted to subletting vessels, putting pressure on tonnage still looking for employment. By the end of September, the HARPEX index dipped below 1,000 points for the first time since November 2020, exerting additional strain on the market, particularly in Asia.

The advent of Golden Week intensified pressure on the Asian market, further impacting rates. Throughout this period, smaller size segments experienced relatively stable rates. Although rates surpassed pre-pandemic levels, challenges persisted, culminating in minimal movements in October and November. These months were characterized by stagnant demand, especially in smaller size segments. However, December presented an anomaly, with heightened activity spurred by the Red Sea conflict and subsequent rerouting efforts. Carriers sought additional tonnage to compensate for longer voyages, particularly around the Cape of Good Hope. Despite this surge, the HARPEX continued to decline, reaching 823 points by the end of December (29th of December 2023).¹

The Mediterranean and Middle East markets are busier than usual, and several liner companies are actively looking for charter tonnage. Furthermore, demand for tonnage is expected to increase after Chinese New Year, particularly in the Far East. Currently, the HARPEX continues to record increases. Since the beginning of 2024, the index rose from 853 points to 1,094 points which is an increase of 28%.

¹ Harper Petersen, January 2024.
² Clarksons Research, Shipping Intelligence Network, January 2024.
³ Alphaliner, December 2023.

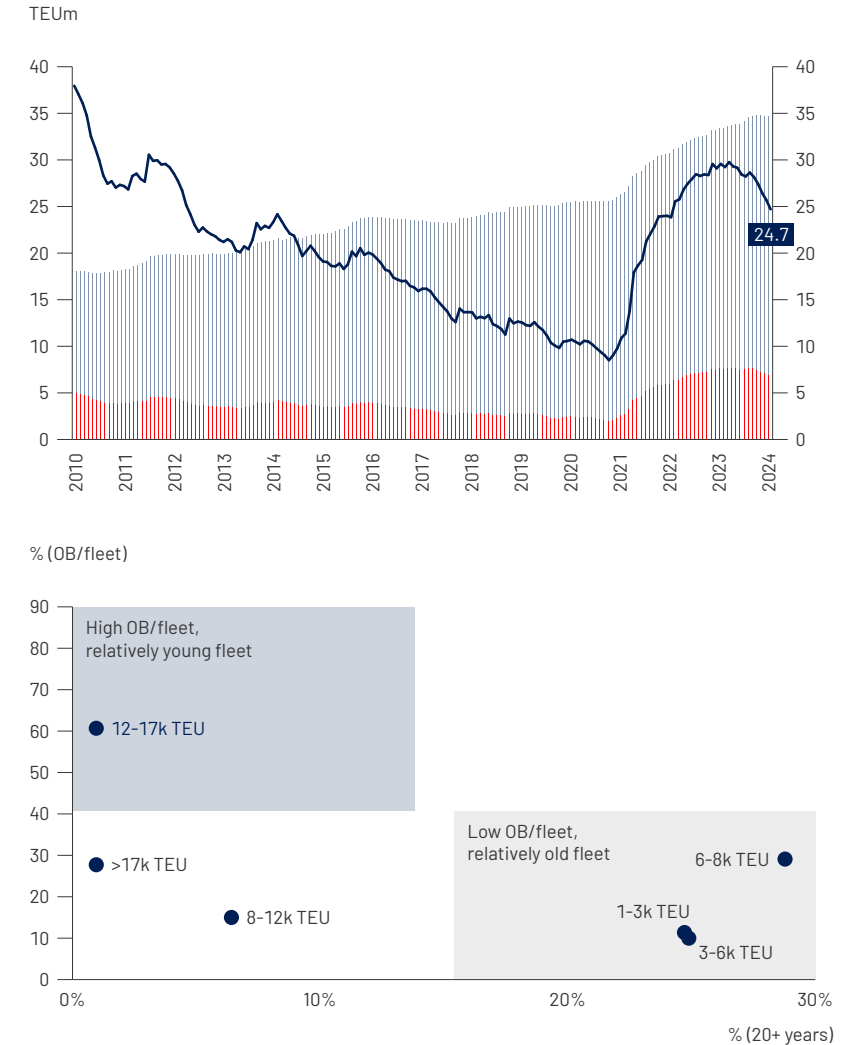
Sale and purchase (S&P) activity decreased from a record volume of 498 deals in 2021 to 226 deals in 2022 and 244 deals in 2023. Secondhand prices moved sideways most of last year. Most recently, asset values of containerships have responded to the increasing TC-rates as well. Next to the continued upward trajectory in newbuild orders, newbuild prices went up by 10% from January 2023 to January 2024. Shipyards remain largely fully booked until 2026, and newly placed orders are not expected to be delivered before 2027.²

After vessel inactivity peaked at 6.4% at the end of February 2023, the percentage of inactive vessels gradually declined over the course of last year. At this point, the idle fleet stood at 3.1%. This declining trend continued with a slight increase in vessel inactivity in October and November 2023. The Red Sea situation and subsequent Suez diversions contributed to heightened demand for additional trading capacity. By the end of December 2023, vessel inactivity decreased to 3%, while the idle fleet was reduced to 1%. The rush to transport cargo from the Far East before Chinese New Year further decreased the share of the idle fleet, dropping it below the one percent mark to 0.9% by mid-January.³

Orderbook in the larger segments will contribute most to overall fleet growth compared to smaller segments

The orderbook spree was driven by the market boom in 2021 and 2022. Newbuild contracting reached a historical high of 4.5 million TEU in 2021 and 2.8 million TEU in 2022. In 2023, newbuild contracting slowed down to 1.6 million TEU. Over the course of 2023, the orderbook to fleet ratio fell from 29% to currently 25%, which is the lowest level since the end of 2021.

FIG. 3: ORDERBOOK DEVELOPMENT (TOP) AND ORDERBOOK ACROSS SIZE SEGMENTS COMPARED TO FLEET AGE (BOTTOM)



Ordering was mainly biased towards larger size segments. Whereas the orderbook-to-fleet ratio for vessels between 12,000-17,000 TEU is 60%, the ratio for feeder vessels between 1,000-3,000 TEU is only 10%. The classic Panamax segment between 3,000-6,000 TEU in particular has the lowest ratio at 9%. When combining the orderbook-to-fleet ratios of certain segments with the percentage share of vessels older than 20 years, it becomes obvious that the smaller size segments not only have the smallest orderbook ratios, but also the highest share of vessels older than 20 years. Hence, fleet growth is expected to be weighted toward the larger fleet segments where demolition prospects are likely to be more limited compared to the smaller and older fleet segments.

Newbuild deliveries picked up significantly from June 2023 onwards. Total deliveries in 2023 amounted to 2.2 million TEU, which represents a significant increase compared to previous years, when only around 1 million TEU per year were delivered by the shipyards. Total demolitions in 2023 have recovered from the almost non-existent demolition market in 2021 and 2022. A total amount of 156,000 TEU was sold to recycling yards in 2023. In the last quarter of 2023, 590,000 TEU of newbuild deliveries were added to the fleet. In contrast, demolitions in the last quarter of 2023 will only amount to 43,000 TEU. The development of the situation in the Red Sea will have a decisive impact on the total 2024 demolition turnout.

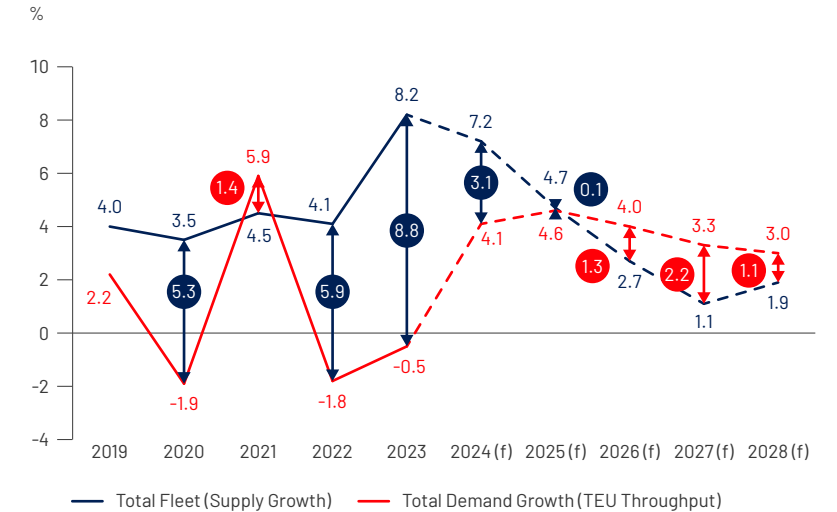
The trend towards dual-fuel orders was most pronounced over the course of 2023, particularly for methanol as an alternative fuel. At the beginning of 2023, only 49 dual-fuel methanol vessels had been ordered. Currently, this figure stands at around 140 orders – an impressive increase of 186%.¹

Houthi attacks could upset market fundamentals

When combining net fleet growth projections with the growth prospects for container trade, it becomes obvious that the significant orderbook, as well as subdued demolitions and record deliveries, could lead to an oversupply in the market. Although total demand growth is expected to recover from 2024 onwards, it will most likely be offset by relatively strong fleet growth. Hence, the supply/demand gap could be relatively substantial this year. A wildcard in this context is the continuing Houthi attacks on merchant shipping. So far in 2024, the effects of the market disruptions caused by these attacks are already quite evident and should merchant vessels be forced to divert around the Cape of Good Hope for a prolonged period in 2024, the market fundamentals could prove to be more balanced than initially expected.

In summary, from 2024 to 2028, net fleet growth, after accounting for orderbook cancellations, slippage, deliveries, and demolitions, will be most pronounced in the size segments above 7,600 TEU while it is expected to be quite subdued or even negative for smaller size segments. Wildcard factors, which also influence the dynamics of supply and demand, are not yet taken into account in the figures shown in Figure 4 on the right.²

FIG. 4: SUPPLY/DEMAND BALANCE - ACCOUNTING FOR CANCELLATIONS, SLIPPAGE, DELIVERIES AND DEMOLITIONS



¹ Clarksons Research, Shipping Intelligence Network, January 2024.
² Maritime Strategies International, Horizon, January 2024.

FROM THE BOARDROOM



BOARD OF DIRECTORS



Ulf Holländer (1958)
Chairman



Dr. Axel Schroeder (1965)
Board Member



Ellen Hanetho (1964)
Board Member

About	Ulf Holländer (1958) Chairman	Dr. Axel Schroeder (1965) Board Member	Ellen Hanetho (1964) Board Member
About	<p>Ulf Holländer joined MPC Münchmeyer Petersen Capital AG in 2000 where he held the position of CFO until appointed CEO in 2015. He started his career as an audit assistant and auditor at Dr. W Schlage & Co Wirtschaftsprüfungs und Steuerberatungsgesellschaft in Hamburg. He since worked at the shipping group Hamburg Süd and affiliated companies in the U.S. and Australia in various positions, including Financial Controller, Commercial Director, and Head of Finance and Accounting.</p> <p>Mr. Holländer has a Commerce degree from the University of Hamburg.</p>	<p>Dr. Axel Schroeder has held various positions within the MPC Group since 1990, including engagements in MPC Münchmeyer Petersen Capital AG ("MPC Capital") from its infancy in 1994 and as CEO from 1999 to 2015. MPC Capital was listed at the Frankfurt Stock Exchange in 2000. Since 2015, Dr. Schroeder has chaired MPC Capital's Supervisory Board and is managing partner of MPC Münchmeyer Petersen & Co. GmbH.</p> <p>Dr. Schroeder holds a degree in Economics and Social Science from the University of Hamburg followed by a doctorate.</p>	<p>Ellen Hanetho started her career in the Investment Banking Division of Goldman Sachs International Ltd in London and New York (1997-2002). Subsequently, she was investment manager and partner at Credo Partners AS (2003-2012) and then CEO of Frigaard Invest AS (2013-2019). At present, she is an independent investor and business developer, and holds several board positions.</p> <p>Mrs. Hanetho hold a BSBA in Business Administration from Boston University and an MBA from Solvay Business School.</p>
Term of office	First elected in 2017. Re-elected in April 2023 for a period of two years.	First elected in 2017. Re-elected in April 2023 for a period of two years.	First elected in 2018. Re-elected in April 2023 for a period of two years.
Independent	No	No	Yes
Committee Memberships	Chair of the Remuneration Committee, Member of the Risk, Audit and Sustainability Committee.	None.	Chair of the Risk, Audit and Sustainability Committee, Member of the Remuneration Committee.
Shareholding	165,637 shares ¹	2,471,110 shares ¹	60,000 shares ¹
Board Meetings Attended in 2023	5/5	5/5	5/5

¹ As of December 31, 2023, see [Note 8.2](#) for further details



Pia Meling (1975)
Board Member

Peter Frederiksen (1963)
Board Member

About	<p>Pia Meling has significant financial, ESG, and managerial experience within the shipping and maritime sectors. Her experience includes senior positions with Klavness Group, Clean Marine AS, Wilhelmsen Ships Service, and Massterly AS. Mrs. Meling is currently the Managing Director of Grieg Green AS. She is also a member of the Ocean Portfolio Board at the Research Council of Norway and serves on the Board of Directors of software providers Miroc Mocean AS and Grieg Connect AS as well as the listed Norwegian cleantech company TECO 2030 ASA.</p> <p>Mrs. Meling holds an MBA from the Norwegian School of Economics.</p>	<p>Peter Frederiksen held management and board positions at Hamburg Süd for 9 years and at Maersk Line for 25 years. He has extensive experience in the shipping industry and currently serves on the board of several shipping and maritime companies, including Uni-Tankers A/S and Bunker Holding A/S.</p> <p>Mr. Frederiksen's education includes A.P. Møller Maersk Shipping Education and executive Development Programs at INSEAD and Cornell Johnson Graduate School of Management.</p>
Term of office	First elected in December 2022. Re-elected in April 2023 for a period of two years.	First elected in February 2022. Re-elected in April 2023 for a period of two years.
Independent	Yes	Yes
Committee Memberships	Member of the Risk, Audit and Sustainability Committee.	Member of the Remuneration Committee.
Shareholding	0 shares ¹	200,000 shares ¹
Board Meetings Attended in 2023	4/5	5/5

¹ As of December 31, 2023, see [Note 8.2](#) for further details

EXECUTIVE MANAGEMENT



Constantin Baack
Chief Executive Officer



Moritz Fuhrmann
Chief Financial Officer



Christian Rychly
Chief Operating Officer



Pål Sætre
EVP General Manager Norway

About

Constantin Baack has served as CEO of MPC Container Ships ASA since foundation of the company in April 2017.

Mr. Baack has 20 years of operational, management and investment experience in shipping, corporate strategy, capital markets, finance and alternative assets. He commenced his career in the marine operations department at Hamburg Süd in Sydney before moving to Ernst & Young in Hamburg and Shanghai. In 2008, Mr. Baack joined MPC Capital in Hamburg, where he has since held various senior management positions in Germany and abroad.

Mr. Baack studied in Hamburg and Sydney and holds a Graduate Diploma and a Master of Science in international business from the University of Sydney.

Moritz Fuhrmann joined MPC Container Ships ASA in 2022 from London-based Hayfin Capital Management LLP, where he served as Principal in the maritime team. Originally from Hamburg, Mr. Fuhrmann has substantial international experience within finance and shipping. In addition to Hayfin Capital, he has held positions with companies such as DVB Bank in Germany and in the Netherlands, Credit Suisse in Germany and in the US, as well as German ship broker Andreas J. Zachariassen in Hamburg.

Mr. Fuhrmann is a Member of the Institute of Chartered Shipbrokers and holds an Master of Science in Shipping, Trade & Finance from Cass Business School, London.

Christian Rychly was appointed Chief Operating Officer of MPC Container Ships in 2023. Mr. Rychly has extensive shipping experience and has held the position of Head of Shipping at MPC Capital AG since 2018. Prior to joining MPC Capital, he was a Managing Director at Leonhardt and Blumberg. He is also a member of the Board of Directors at the UK Defence Club.

Mr. Rychly is a Fellow of the Institute of Chartered Shipbrokers and holds an MBA from the University of Wales.

Pål Sætre joined MPC Container Ships ASA in June 2021. Previously, he served as CEO for the London based hedge fund platform, AK Jensen Investment Management Ltd.

Mr. Sætre commenced his career as an analyst in the Norwegian Options and Clearinghouse before moving to SEB Enskilda as a Sales Trader. Thereafter he established and headed the capital markets offering for Nasdaq in Oslo, before working for two years as a Director at a HNWI company. Based in Oslo, Mr. Sætre is responsible for MPC Container Ships' Capital Markets and Corporate Finance division.

Mr. Sætre holds a Master of Arts with Honours in Business and Finance from Heriot-Watt University, Edinburgh.

BOARD OF DIRECTORS' REPORT



Business Overview and Corporate Development

MPC Container Ships ASA (the Company or MPCC, together with its subsidiaries the Group) was incorporated on January 9, 2017, as a private limited liability company under the laws of Norway and converted to a Norwegian public limited liability company on January 16, 2018. The Group's principal business activities are to (i) invest in maritime assets (vessels, shares in ship-owning companies, loans secured by vessels and/or shares in ship-owning companies) with a main focus on small to mid-size container ships, (ii) chartering out vessels on time charter agreements, operate and sell them as well as (iii) working out the acquired maritime loans in order to take over the securing assets. The Group's vessels are chartered out to global and regional liner shipping companies serving intra-regional trade lanes.

2023 was a transition year between the elevated market experienced in 2021 and the first half of 2022 toward a normalization in demand. Freight rates dropped across most trades with limited volume growth, with demand hitting its lowest point in the third quarter. The last few months of 2023 was notable for the Gaza conflict and Red Sea Crisis with several vessel attacks carried out by the Houthi movement. These events greatly impacted the shipping industry, prompting carriers to avoid transport through the Red Sea.

In 2024, liner companies began actively seeking charter tonnage to offset longer voyages around the Cape of Good Hope. Consequently, there have been notable rises in freight and charter rates, along with longer contract durations, and improved second-hand vessel prices in 2024.

MPCC maintained its strong financial and operational performance in 2023, achieving a utilization rate of 98.1% compared to 97.9% in 2022, and reporting continued robust revenues and earnings. Throughout the year, MPCC continued to execute on its strategy for fleet renewal, investing in efficiency-enhancing retrofits and selectively executing on strategic sales and acquisitions. Simultaneously, it upheld its commitment to quarterly shareholder distributions while further optimizing its balance sheet through debt refinancing and repayments.

Financing and Capital Allocation

MPCC follows a long-term strategy of prudent and rational capital allocation, with an ambition to deliver attractive shareholder returns over time through value accretive operations. These principles guide our decisions in strategic investments, adopting a selective approach to ensure they align with our long-term vision and enhance shareholder value. The Board and management place emphasis on maintaining sensible capital allocation between cycles, balancing investments between the primary capital uses, which includes fleet optimization and renewals, balance sheet improvements, and providing attractive shareholder returns.

Throughout 2021 and 2022, during and following a period of very strong time charter rates, MPC Container Ships consistently deleveraged its balance sheet. Throughout 2023, the Company has continued work to optimize its debt portfolio by deleveraging and refinancing existing debt, bringing total interest-bearing debt to USD 126.5 million as at December 31, 2023, which corresponds to an industry-low leverage ratio of 13.3%, compared with USD 153.6 million and a leverage of 16.1% at the end of 2022. The Group simultaneously reduced cost of debt and freed up significant collateral, ending the year with 38 debt-free vessels and an undrawn revolving credit facility of USD 100 million, providing substantial flexibility going forward.

In January 2022, the Group introduced a new shareholder distribution policy, by which the intention is pay quarterly dividends of 75% of the profit for the period after considering CAPEX and working capital requirements, including liquidity reserves, and non-recurring items. In addition, the Company may make additional event-driven distributions based on non-recurring proceeds, such as vessel sales, at the Board's discretion.

Subsequently, The Board declared a dividend of USD 48.8 million for the fourth quarter of 2021 and in total USD 457.6 million for the 2022 financial year, of which USD 261.8 million in quarterly recurring dividends and USD 195.8 million in event-driven dividends. For 2023 financial year, the Board declared total dividends amounting to approximately USD 284.0 million, of which USD 252.9 million were quarterly recurring dividends and USD 31.1 million was an event-driven dividend. In total, MPCC has distributed dividends amounting to USD 790.4 million since the introduction of the distribution policy in January 2022.

Environmental, Social, and Governance (ESG) topics and issues are integrated into MPCC's strategic objectives. We recognize that the shipping industry is responsible for a significant portion of global emissions, and we are determined to do our part to address this issue. The Group has actively prepared for implementation of the International Maritime Organization's Carbon Intensity Indicator (CII) and the inclusion of maritime shipping in the EU's Emission Trading System. Collaboration with like-minded partners is a key element in our ESG efforts, and together with our customers and partners we are investing in research and development and have already executed several projects to reduce emissions. These include the ordering of dual-fuel methanol vessels, the use of alternative fuels, and an extensive retrofitting program for the installation of energy-efficient technologies. We estimate that these investments will reduce significant amounts of CO₂ emissions over the lifetime of the vessels.

Building on our existing platform for ESG management, the Group undertook a significant amount of work to complete its first Corporate Sustainability Reporting Directive (CSRD) compliant double materiality assessment (DMA) in 2023, which enables the Company to identify, assess, and act and report on topics where the business has an impact on the environment and society, and on significant risks and opportunities to the business. In preparation for reporting in alignment with CSRD, MPCC will in 2024 collect data, establish policies, targets, and interim action plans, and actively work on closing relevant gaps to further improve the comprehensiveness of its sustainability reporting. MPCC also set new, ambitious GHG emissions intensity reduction targets for 2030 and 2050, aligning with the IMO-GHG emissions intensity trajectory.

For more information on our efforts related to ESG, please refer to our [Sustainability Report for 2023](#).

Fleet Update

As part of the Group's strategy for fleet optimization and renewal, the Group sold ten older and less efficient vessels during 2023 of which six were wholly owned vessels and four were vessels owned 50% through the Bluewater joint venture, after which there are no more joint venture vessels remaining in the fleet.

During 2023 the Group acquired seven vessels for a total of USD 169.3 million. The Group have also paid USD 32.8 million relating to newbuildings. In December 2023 the Group entered into Memorandums of Agreement (MoA) to sell three additional vessels for a total of USD 25.5 million. As at December 31, 2023, these vessels were classified as held for sale. For further details please refer to [Note 5.1 – Vessels and Newbuildings](#) in the Notes to the Consolidated Financial Statements.

As at December 31, 2023, MPCC had four newbuildings under construction. Two of these vessels are 5,500 TEU eco-design vessels expected to be delivered in the second and third quarters of 2024. The vessels are equipped with the latest engine technology and advanced hull design that will emit approximately 20% less greenhouse gases compared to conventional designs if operated on the same fuel. Additionally, the design allows for a cost-efficient conversion to operations on methanol in the future, in which case emission reductions of more than 90% would be in reach.

The other two newbuild vessels are 1,300 TEU, dual-fuel vessels able to operate on green methanol with a design-based efficiency yield of more than 30%. Equipped with an ice class hull, they will be deployed on trades along the western coast of Norway, where they can achieve emission reductions of up to 95% compared to conventional ships. The vessels are expected to be completed in late 2024 and will be delivered into 15-year time charters with North Sea Container Lines backed by a contract of affreightment from the Norwegian industrial company Elkem ASA.

In January 2024, the Group partnered with Unifeeder in a joint investment for the construction of a third 1,300 TEU dual-fuel methanol container vessel is scheduled for delivery in late 2026 and will be under a 7-year time charter agreement with Unifeeder post-delivery.

As at December 31, 2023, the Group's fleet consisted of 59 vessels, with an aggregate capacity of approximately 126,943 TEU.

While actively managing fleet composition, the Group in 2023 also delivered strong operational performance with continued robust chartering activity, successfully secure attractive time charters throughout the year to capture additional value and achieve high utilization for the fleet.

Going forward, as part of its fleet optimization and renewal strategy, the Group will continue to pursue selective opportunities for growth and sale of older, less efficient tonnage, and invest in efficiency-enhancing retrofits of its existing fleet. Investment decisions shall

be value accretive on a per share basis and follow strict investment criteria including the long-term mitigation of residual value risk.

Corporate Changes

At the Annual General Meeting held on April 19, 2023, all members of the Board of Directors were re-elected for a period of two years.

Subsequent Events

The Group completed the sale and delivered the 2004-built vessels, AS Paulina, in January 2024 and AS Petra in March 2024.

In January 2024, the Group partnered with Unifeeder in a joint investment for the construction of a 1,300 TEU container vessel at Chinese-based shipyard Wenchong shipbuilding. The vessel is equipped with dual-fuel engines and able to operate on green methanol. The contract price is USD 39.0 million and the equity will be contributed 50% by the Group and the remaining half by Unifeeder. The newbuilding is scheduled for delivery in late 2026 and will be under a 7-year time charter agreement with Unifeeder post-delivery.

In February 2024, the Group entered into an agreement to sell its 2006-built vessel, AS Clarita, to an unrelated party for a total of USD 10.3 million.

In February 2024, pursuant to the Company's stated distribution policy, the Board of Directors declared a recurring dividend of USD 0.13 per share for the fourth quarter of 2023, corresponding to a total dividend payment of approximately USD 57.7 million, depending on prevailing FX rates. The dividend will be paid on or about March 26, 2024.

Consolidated Financial Statements

Income Statement

For the full year 2023, the Group reported operating revenues of USD 711.3 million (2022: 616.8 million) and gross profit of USD 540.6 million (2021: USD 488.6 million). The increase in operating revenues and gross profit compared to the previous year is driven by higher utilization of the Group's fleet, as well as early redelivery of certain vessels. The Group reported a net profit of USD 325.1 million (2022: 435.0 million).

Earnings per Share

Both basic and diluted earnings per share for the year were USD 0.73 (2021: USD 0.98).

Financial Position

The Group's total assets amounted to USD 954.7 million as at December 31, 2023, compared to USD 956.3 million as at December 31, 2023). Total non-current assets of USD 773.3 million (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 joint venture. The decrease in the carrying amounts of the vessels in 2023 is primarily due to the sale of six wholly-owned vessels, three vessels being transferred to held for sale and impairment in 2023 and regular depreciation of the remaining fleet. This is offset by the acquisition of seven vessels, CAPEX and other vessel upgrades.

As at December 31, 2023, an aggregate amount of USD 66.1 million installments was paid for the Group's four newbuilding contracts. The investment in joint venture as at December 31, 2023, decreased to USD 2.9 million from USD 20.9 million as at December 31, 2023,

as a result of USD 22.6 million in the share of profit from the joint venture offset by dividends received of USD 41.0 million.

Total equity as at December 31, 2023, was USD 753.5 million, up from USD 721.4 million as at December 31, 2022, and included a non-controlling interest of USD 3.8 million. The decrease in total equity was mainly due to dividend payments of USD 293.1 million during the year.

As at December 31, 2023, the Group had total interest-bearing debt of USD 126.5 million (USD 153.6 million as at December 31, 2022).

Cash Flow

The Group generated cash flow from operating activities of USD 484.6 million, up from USD 436.5 million in 2022 due to higher utilization of the Group's fleet and well as early redelivery of certain vessels compared to the previous year.

Cash flow from investing activities was negative USD 152.1 million (2022: positive USD 44.4 million), due to net proceeds of USD 55.7 million from the sale of six wholly-owned vessels and USD 41.0 million in dividends received from the Group's joint venture investment. This is offset by dry-dockings and other vessel upgrades amounting to USD 48.3 million, acquisition of vessels for USD 169.4 million and USD 35.1 million in installments paid for the four newbuildings.

Cash flow from financing activities in 2023 was negative USD 335.5 million (2022: negative USD 535.6 million), primarily due to USD 293.1 million in dividend payments, the repayment of existing loan

facilities of USD 167.4 million which was partly offset by proceeds from debt financing of USD 142.0 million.

Cash and cash equivalents as at December 31, 2023, amounted to USD 122.6 million compared with USD 125.5 million as at December 31, 2022. Total restricted cash as at December 31, 2023, was USD 5.0 million, compared with USD 30.9 million as at December 31, 2022.

Allocation of Earnings

In support of the objective to maximize shareholder returns, MPC Container Ships' intention is to pay regular dividends by way of distributing 75% of the profit for the period after considering CAPEX and working capital requirements, including liquidity reserves, and non-recurring items. Dividends will be declared or proposed at the sole discretion of the Board and will depend upon the financial position, earnings, debt covenants, distribution restrictions, capital requirements and other factors related to MPC Container Ships and its subsidiaries. The Company cannot guarantee that its Board will declare or propose dividends in the future. Furthermore, MPC Container Ships may make event-driven distributions based on non-recurring proceeds, such as vessel sales, by way of extraordinary dividends or share buybacks, at the Board's discretion.

In accordance with the Company's distribution policy, the Board, for the financial year 2023, declared dividends amounting to approximately USD 284 million, equal to USD 0.64 per share, of which USD 253 million were quarterly recurring dividends and USD 31 million was an event-driven dividend.

Parent Financial Statements

Statement of Profit or Loss

Revenues for 2023 were USD 15.8 million (2022: USD 14.8 million). Payroll and other operating expenses were USD 22.2 million (2022: USD 24.2 million), resulting in a negative operating result of USD 6.4 million (2022: negative by USD 5.6 million). Net financial income/expense was positive USD 248.3 million (2022: positive USD 117.1 million).

Profit before tax was USD 241.8 million (2022: USD 111.5 million), resulting in a profit for the period of USD 241.8 million (2021: USD 111.5 million). The Board of Directors has proposed that the profit for the period is allocated to retained earnings.

Financial Position

The Company's total assets amounted to USD 272.9 million as at December 31, 2023 (318.6 million as at December 31, 2022). Non-current assets in the amount of USD 254.5 million (2022: 275.5 million) comprise mainly equity investments in subsidiaries.

Total equity was USD 208.1 million as at December 31, 2022 (2022: USD 250.3 million). Total liabilities were USD 64.8 million as at December 31, 2023 (2022: USD 68.3 million). The decrease in equity is mainly explained by dividend distributions in 2023 which is offset by profit for the twelve-month period of USD 241.8 million.

Cash Flow

During 2023, the Company generated a positive cash flow from operating activities of USD 8.6 million (2022: positive USD 13.1 million). This is mainly driven by the higher charter rates employed by

the Company which is offset by net of finance income of USD 248.3 million mainly contributed by dividend income from the Company's subsidiaries. The cash flow from investing activities into and vessels and joint venture investments was positive USD 270.2 million (2022: USD 358.7 million), reflected by dividends received from both subsidiaries and joint venture investments. The negative cash flow from financing activities of USD 282.8 million (2022: negative USD 441.1 million) is due the dividend distribution made in the year.

The total net change in cash and cash equivalents in 2023 was negative USD 15.0 million (2022: negative USD 69.3 million).

Cash and cash equivalents as at December 31, 2023 were USD 32.5 million (December 31, 2022: USD 101.8 million).

Going Concern

In accordance with the Norwegian Accounting Act § 3-3a, the Board of Directors confirms that the going concern assumption on which the financial statements have been prepared, is appropriate. This assumption is based on the current market perception, contracted charter backlog as well as respective budgeted future cash flows for 2024 and 2025.

Work Environment and Equal Opportunities

As at December 31, 2023, the Group had 33 employees, of which 22 men and 11 women. The Group strives for diversity on a broad basis, including sex, age, ethnicity, personal beliefs, background, education, sexual orientation, gender identity, and nationality. The ESG report includes key metrics related to diversity and information regarding the Group's efforts to promote diversity. Crew operating

the Group's vessels are not employed by the Group, but we have high focus on safety, health, and wellbeing on board all our vessels.

The working environment onshore is considered to be good, and efforts for improvements are made on an ongoing basis through, among others, employee development review and feedback sessions with the individual persons. No leave of absence, incidences or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year.

The Norwegian Equality and Anti-Discrimination Act's objective is to promote equality and prevent discrimination on the basis of gender, pregnancy, leave in connection with childbirth or adoption, care responsibilities, ethnicity, religion, belief, disability, sexual orientation, gender identity, gender expression, age, or other significant characteristics of a person. The Group is working in an active, determined, and systematic way to encourage the Act's purpose within our business and aims to be a workplace with equal opportunities. This is reflected in the Company's Code of Conduct, applicable to all entities controlled by the Company and all employees, directors, officers, and agents.

As at December 31, 2023, the Board of Directors consisted of two women and three men. Executive management consisted of four men.

Internal Controls and Risk Management

In accordance with the principles underlying value-based management, the Board of Directors places great importance on systematic risk management. This is done not only to satisfy the requirements set out by law, but also to ensure the Company's

governance in a highly dynamic market environment by identifying existing and potential risk exposures.

Through (i) quarterly reviews of the Company's most prominent areas of risk exposure and its internal control arrangements, (ii) management guidelines and (iii) the appointment of a dedicated risk management unit to perform risk monitoring and provide regular risk management updates to the Risk, Audit and Sustainability Committee, the Board of Directors aims to ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities.

MPCC has appointed a German lawyer as External Compliance Officer to support the Chief Compliance Officer in defining and setting up a comprehensive Compliance Management System (CMS) and head the daily operative routines. Mr. Ove André Vanebo of the Norwegian law firm CMS Kluge Advokatfirma AS has been contracted to serve as the Company's External Data Protection Officer.

Corporate Governance and Corporate Social Responsibility

Good corporate governance is a prerequisite for cooperation based on trust between the owners, the Board of Directors, and the executive management of the Group. Of equal importance is the Company's corporate social responsibility, which shall be reflected in our core values, the quality of our work and services, and in our entire range of activities.

The Board of Directors actively adheres to good corporate governance standards and will ensure that the Company either complies with or explains deviations from the Norwegian Code of Practice for Corporate Governance (the "Code"). As at December 31, 2023, there were no significant deviations between the Code and how the Company complies with the Code. The corporate governance principles of the Company are adopted and overseen by the Board of Directors.

For more details on corporate governance please see the [Corporate Governance Report](#). For more information on corporate social responsibility, health and safety, and environmental impacts, please see the [Sustainability Report](#) for 2023.

Norwegian Transparency Act

According to the Norwegian Transparency Act, which entered into force July 1, 2022, the Group has a duty to conduct a due diligence assessments related to fundamental human rights and decent working conditions in its own businesses and supply chains. The Norwegian Transparency Act Statement for 2023 was published in [June 2023 and is available on the Group's website](#). The Group will publish a new Transparency Act Statement annually by June 30, in accordance with regulation requirements.

Container Market Update

Container market developments are of crucial importance to the Group's operations, financial performance, and short- and long-term strategic considerations. As such, MPCC and the Board follows the container market closely and executive management provides a detailed review of recent developments at quarterly Board meetings as background for strategic considerations and discussions.

For a detailed review of the Container Market development in 2023, please refer to the [Container Market Update](#) chapter of this report.

Outlook and Strategy

In 2024, as a result of the Red Sea Crisis, liner companies began actively seeking charter tonnage to offset longer voyages around the Cape of Good Hope. Consequently, there have been notable rises in freight and charter rates, along with longer contract durations, and improved second-hand vessel prices in 2024. While the ongoing crisis has positively impacted the market, the duration remains highly uncertain.

There remains a high order book for new vessels coming to the market in 2024, which will likely lead to a supply crunch in the market, however, vessel availability in the market remains limited for the time being and the supply-demand balance appears more favorable within MPCC's market segment of small to mid-size vessels serving intra-regional trade lanes.

There are also opportunities to gain from increasing our focus on and investments in green technology, and MPCC will collaborate closely with customers and partners to continuously evaluate new technologies and opportunities within decarbonization and invest in vessels and fuel-related infrastructure that will propel sustainable change in the maritime industry. The Group will also continue to execute on its ambitious fleet optimization and renewal program, which includes investments in eco-tonnage, retrofits, and newbuildings.

At the end of 2023, the Group had fixed approximately 80% of operating days in 2024, reflecting an approximate USD 428 million in forward charter contracts. The average remaining charter contract duration for the fleet, including newbuildings, was 1.7 years and constituted USD 1 billion in forward charter contracts. Throughout 2023, the Group continued to deleverage and as at December 31, 2023, leverage ratio was 13.3%, down from 16.1% at December 31, 2022.

Going forward, regardless of market developments, MPCC remains in a very strong financial position with significant earnings visibility and is thus in a strong competitive position. For the coming year, the Group will continue its strategy for fleet optimization and continue to pursue selective growth opportunities. The Board also remains committed to the Company's dividend policy to ensure reliable quarterly shareholder distributions also for the coming years.

Risk Factors

The Board of Directors aims to ensure that the Company has sound internal controls and systems for risk management that are appropriate in relation to the extent and nature of the Company's objectives and activities. Together with the executive management, the Board has identified approximately 48 risk factors divided into eight categories.

The Risk Inventory is quantified and monitored by taking a probability-impact approach. Each risk is assigned a Risk Owner within the Company's organization and a defined set of countermeasures and control frequencies.

A summary of the Company's risk categories is outlined below. Descriptions are not exhaustive, and the sequence of risk categories is not set out according to importance or priority.

Market and Industry Risks

As a supplier of ocean-going container vessels to the international sea trade, the Company is exposed to changes in trade patterns and the supply/demand for (imports/exports of) containerized goods caused for example by macroeconomic and geopolitical events, as evidenced by the trade tensions between the US and China in 2018/19, the outbreak of the COVID-19 pandemic in 2020 and the respective recovery, the Russian invasion into Ukraine in 2022 or the Israel-Hamas war in 2023. This in turn necessitates risk surveillance and mitigation procedures related to the charter market, fluctuation in vessel values among others. The Company strives to maintain a dynamic chartering strategy, a reliable fleet, and a close dialogue with the shipping market intelligence community to proactively adjust operations according to prevailing and future market environments.

The increase in geopolitical conflicts around the world as well as related economic and financial implications, e.g. sanctions receive special attention by the Company. As the Russia-Ukraine conflict and the Israel-Hamas war have generated the most significant disruption to geopolitical norms for decades. The Company has assessed all relevant areas, i.e. operation, contracts, charter parties etc. in order to identify risks and define specific countermeasures.

To minimize the commercial risks from vessel trading in critical areas, all vessels have been stopped to call ports or transit in Ukraine, Russia, and the Red Sea. Also, no dockings are

scheduled in the region. Besides these existent risk factors, our risk assessment concludes that there is no immediate holistic impact on MPCC expected. We remain confident that if there is no complete disruption of the global supply chain, MPCC's business and operations should be able to continue.

The economy continues to fail to make progress towards a significant turnaround, with the latest IMF forecast suggesting real GDP growth of merely 3.1% in 2024. This combined with the reduced y-o-y inflation continues to apply pressure on central banks to cut interest rates – more so in the Eurozone where a recession was narrowly avoided. Regardless of the anemic economic background, container freight markets have benefitted from a geopolitical risk at the end of 2023: Houthi attacks on merchant vessels have rendered the Red Sea more or less unusable for East-West trade flows. Main liners have as a result of logistical disruptions been able to ask for significantly higher freight rates and non-operating owners with open positions benefitted in the form of longer and / or higher time charter contracts.

Environmental, Social, and Governance Risks

Risks related to e.g., climate change impacts, mitigation and adaptation, environmental management practices and duty of care, working and safety conditions, respect for human rights, gender diversity, anti-bribery and corruption practices, and compliance with relevant laws, regulations, and best practices. Responsible business operations should also consider the impacts of megatrends (e.g. climate change), emerging regulations, voluntary guidelines as well as the transparency requirements of wider stakeholders.

Sustainability-related topics are gaining a foothold amongst stakeholders not due to specific laws or regulations mandating a new level of disclosure but as the result of a broader understanding of the reputational and financial impact of poorly handling such issues. While developments in the ESG (“Environmental, Social and Governance”) reporting and regulatory environment are outside the control of the Company, our attentiveness, and adherence to ESG initiatives, reporting standards, etc. is of strategic relevance within the Company’s scope of business.

Performance Risks

The Company’s performance depends heavily on technical, operational, environmental, and reputational factors that carry both risks and opportunities. The Company addresses these risks and opportunities by assigning responsibilities, monitoring, and reporting routines to dedicated teams within its organization (e.g., asset management, treasury, and owner controlling), utilizing and continuously developing portfolio management tools, and engaging subject matter consultants to conduct routine compliance and quality management assessments.

The Company’s vessels have insurance covering (where applicable) among others P&I, hull and machinery, loss of hire, war risks, and crew negligence. However, risks remain as to whether the vessels are covered under all conditions. Vessels carry loss prevention, safety, and quality manuals to ensure sound HSE routines. Third-party contracting related to the Company’s performance shall comply with applicable laws and regulations, for instance, and where applicable, with the International Maritime Organization’s ISM Code and the SOLAS, STCW, and Maritime Labor conventions.

Legal Risks

The Company is exposed to changes in legal, tax, and regulatory regimes within relevant jurisdictions as well as potential private litigation and public prosecution. The Company seeks to mitigate legal risks by maintaining a well-functioning risk management system, management guidelines, and dedicated compliance and legal functions.

Especially in the current geopolitical situation with e.g. newly introduced and further strengthened sanction regimes, legal risk exposure is elevated. The Company mitigates this situation by a) even closer monitoring of current business activities and all involved parties, b) the introduction of a comprehensive Sanctions Compliance Policy, and c) seeking advice from seasoned sanction experts.

Personnel Risks

The continued progress of the Company depends heavily on the knowledge and network of key personnel as well as on access to new talent. Personnel risk mitigation procedures include pre- and post-hire preparations, regular employee development reviews, job fixes, and a systematic expansion of internal resources on business-critical processes.

IT Risks

IT and cyber risks make up an increasing share of the Company’s risk universe. The Company purchases IT services from third parties that offer comprehensive security strategies that closely match the Company’s business objectives. All data and applications are hosted multi-redundantly in a European cloud storage and secured multiply

against data loss and third-party access. Security checks and staff training are carried out regularly.

Financial Risks

The Company seeks to actively manage its financial risk exposures using dedicated finance, treasury, and owner-controlling teams within its organization. Liquidity and covenant risks are monitored on an ongoing basis, also considering the latest macroeconomic events and their implications for container shipping. Currency and interest rate risks are mitigated via financial instruments when deemed appropriate. The compliance with certain debt covenants, including covenants in relation to the market value of the Group’s fleet, may be beyond the control of the Group. Outstanding interest-bearing debt As at December 31, 2023, was USD 126.5 million. This compared to USD 122.6 million in available liquidity as cash and cash equivalents.

Climate Risks

The Company divided climate-related risks into two major categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change.

Transitioning to a lower-carbon economy implies extensive changes in the political, legal, technological, and market environment. It is the goal of the MPCC Risk Management to identify the specific risks for our business model and to address mitigation and adaptation requirements related to climate change. Depending on the speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to our organization. These risks include but are not limited to risks from unsuccessful investments

into new climate-friendly technologies, vessel retrofits to improve energy efficiency, uncertainty in market signals, carbon tax, and costs related to decarbonization efforts.

Physical risks resulting from climate change can be event-driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for the company, such as direct damage to assets and indirect impacts from disruptive operations.

Other Risks

Occasionally, the Company will be required to consider major business initiatives, which, if implemented, entail a considerable amount of costs and resources. Moreover, if executed without due care and planning, such strategic initiatives may have a material adverse impact on the Company. The need to consider major initiatives may arise from strategic considerations, from shifts in market dynamics or from regulatory changes outside the Company's control. The Company will seek to mitigate risks arising from such initiatives, as well as all other risks not assorted into the above-mentioned six risk categories, on a case-by-case basis by implementing e.g. project steering committees comprising relevant stakeholders/expertise, be it internal or external.

Forward-Looking Statements

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

Oslo, March 21, 2024

The Board of Directors of MPC Container Ships ASA

Ulf Holländer, Chairman

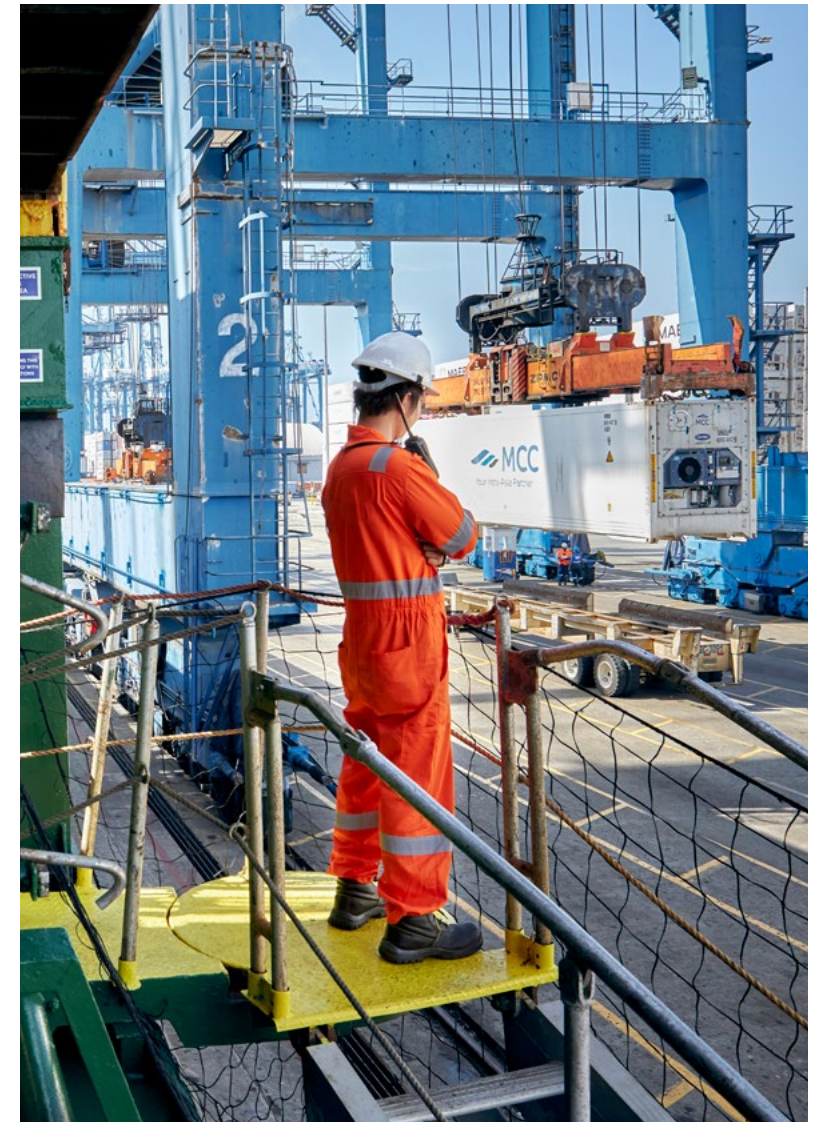
Dr. Axel Schroeder

Ellen Hanetho

Pia Meling

Peter Frederiksen

Constantin Baack, CEO



CORPORATE GOVERNANCE REPORT



Implementation and Reporting on Corporate Governance

Good corporate governance is a prerequisite for cooperation based on trust between the owners, the Board of Directors (the “Board”) and the executive management of MPC Container Ships ASA (“MPCC” or the “Company”, together with its subsidiaries, the “Group”), with a view to achieving long-term growth.

The Board actively adheres to good corporate governance standards and will ensure that the Company either complies with or explains possible deviations from the Norwegian Code of Practice for Corporate Governance (the “Code”). The Code can be found at www.nues.no.

As at December 31, 2023, there are no significant deviations between the Code and how the Company complies with the Code. Two deviations under Section 5 on General Meetings and one deviation under Section 6 on the Nomination Committee have been justified and disclosed.

Business

The business activity of the Company is set out in article 3 of its Articles of Association: “The Company’s business activity is to (i) invest in maritime assets (vessels, shares in ship-owning companies, loans secured by vessels, and/or shares in ship-owning companies) with a main focus on small- to mid-size containerships, (ii) chartering out the vessels via time-charter agreements, operate and sell them as well as (iii) working out the acquired maritime loans in order to take over the securing assets.”

As a globally active shipping company, MPC Container Ships considers the creation of shareholder and stakeholder value as the core purpose of our business activities. The creation of sustainable long-term value is founded in an ability to combine operational, economic, and financial achievements with environmental, social, and governance advancements.

Adapting to the future and changing environment of our business and the general market as well as preparing for the challenges that those developments imply, is a key element of our long-term business strategy. Our mission is to future-proof our business and create stakeholder value through:

- + A professional and positive workplace with an inclusive working environment. Health and safety of our employees are always the main priority.
- + Supporting collective climate ambitions and leveraging industry networks to accelerate change.
- + Effective and value-accretive fleet management and development to ensure strong returns on investment and enable the long-term competitiveness of the fleet, taking economic and environmental aspects equally into account.
- + Clear and rational and capital allocation principles, geared towards maximizing shareholder returns while managing risks.
- + Professional and fair business relationships, acting as a transparent and trustworthy business partner.

The Company is listed on the Oslo Stock Exchange under the ticker code MPCC.

As set out in the Risk Factors section of the Board of Director's Report in the Annual Report for 2023, the Board has defined clear objectives, strategies, and risk profiles for the Company's business activities. The Board will evaluate these objectives, strategies, and risk profiles on a regular basis, and routinely monitor risk exposure vis-à-vis its business objectives.

Deviations from the Code: none

Equity and Dividends

Share Capital

All shares issued in the Company are equal in all respects. The Company has one class of shares, each carrying one vote and an equal right to dividend. All shares are validly issued and fully paid. The shares are issued in accordance with the laws of Norway and registered in the Norwegian Central Securities Depository (Euronext Securities Oslo) with ISIN N00010791353. As at December 31, 2023, the Company's share capital was NOK 443,700,279 divided into 443,700,279 shares, each with a nominal value of NOK 1.00.

Any increase of the Company's share capital must be authorized by a general meeting. If the Board receives authorization to increase the Company's share capital, such a mandate will be restricted to a defined purpose. If the general meeting is to consider authorizations for the issuance of shares for different purposes, each authorization will be considered separately.

At the Company's annual general meeting held on April 19, 2023, the Board was granted an authorization to increase the Company's share capital by up to NOK 110,925,069. Subject to this aggregate

amount limitation, the Board's authority may be used on more than one occasion and for such purposes as the Board finds to be in the interest of the Company. The authorization was not used in 2023.

The Board's authority to increase the Company's share capital shall remain in force until the Annual General Meeting in 2024, but not later than June 30, 2024. Pre-emptive rights of existing shareholders may be set aside. The authority covers (i) capital increases against contributions in cash and noncash, (ii) the right to incur special obligations for the Company, (iii) resolutions on mergers and (iv) takeover situations.

At the Company's annual general meeting held on April 19, 2023, the Board was also granted an authorization to resolve to take up convertible loans with an aggregate principal amount of up to NOK 2,000,000,000. Subject to this aggregate amount limitation, the Board's authority may be used on more than one occasion. Upon conversion of loans taken up pursuant to the authorization, the Company's share capital may be increased by up to NOK 88,740,055. The authorization was not used in 2023.

The Board's authority to take up convertible loans shall remain in force until the Annual General Meeting in 2024, but not later than June 30, 2024. However, the authorization shall be reduced, on a NOK for NOK basis, to the extent that the Board decides to utilize the authorization to increase the share capital of the Company mentioned above. Pre-emptive rights of existing shareholders may be set aside.

Capital Structure

The Board regards its capital structure and equity ratio as appropriate considering the Group's objectives, strategy, and risk profile.

Dividend Policy

In support of its objective of maximizing shareholder returns, MPC Container Ships' intention is to pay regular dividends by way of distributing 75% of the profit for the period after considering CAPEX and working capital requirements, including liquidity reserves and one-off effects. Dividends will be declared or proposed by the Board at the sole discretion of the Board and will depend on the financial position, earnings, debt covenants, distribution restrictions, capital requirements and other factors related to MPC Container Ships and its subsidiaries. The Company cannot guarantee that its Board will declare or propose dividends in the future. Furthermore, the Company may make event-driven distributions based on non-recurring proceeds, such as vessel sales, by way of extraordinary dividends or share buybacks, to be applied according to the Board's discretion.

Purchase of Own Shares

At the annual general meeting held on April 19, 2023, the Board was granted an authorization to acquire shares in the Company on behalf of the Company with an aggregate nominal value of up to NOK 44,370,027 and with a consideration per share of no less than NOK 1.00 and no more than NOK 200.00. The authority remains in force until the Annual General Meeting in 2024, but not later than June 30, 2024. No shares in the Company were acquired on behalf of the Company in 2023.

Deviations from the Code: none

Equal Treatment of Shareholders

Equal Treatment

Equal treatment of all shareholders is a core governance principle of the Company. The Company has one class of shares, and each share confers one vote at the general meeting. The Articles of Association contain no restrictions on voting rights and all shares have equal rights.

Transactions in Own Shares

The Company's transactions in own shares are carried out over the stock exchange or by other means at market price. Should there be an increase in capital which involves a waiver of the existing shareholders' pre-emptive rights, and the Board resolves to carry out such an increase on the basis of a mandate granted by the general meeting, the Board will explain the justification for waiving the pre-emptive rights in a stock exchange announcement.

Deviations from the Code: none

Shares and Negotiability

The Company's shares are listed on the Oslo Stock Exchange and are freely negotiable. The shares have no trading restrictions in the form of Board consent or ownership limitation and there are no limitations on any party's ability to own, trade, or vote for shares in the Company.

Deviations from the Code: none

General Meetings

The general meeting of shareholders is the Company's supreme corporate body. It serves as a democratic and effective forum

for interaction between the Company's shareholders, Board, and management.

According to the Company's Articles of Association, an Annual General Meeting shall be held once a year before the end of June. Furthermore, extraordinary general meetings may be convened by the Board, the auditor, or shareholders representing at least 5% of the Company's share capital.

Notice of Meeting

Notice of a general meeting shall be sent at the latest 21 days before the meeting. All shareholders registered in the Norwegian Central Securities Depository will be notified of the meeting and be entitled to submit proposals and vote directly or via proxy. Agenda papers will also be published on the Company's website.

Pursuant to the Company's Articles of Association, when documents concerning matters to be discussed at general meetings have been made available to the shareholders on the Company's website, the Board may decide that the documents shall not be sent to the shareholders. If so, a shareholder may request that documents concerning matters to be discussed at the general meeting be sent to him or her. The Company will not charge any form of compensation for sending the documents to the shareholders.

Agenda papers must contain all necessary information for the shareholders to decide on the issues to be addressed. The Notice may state that shareholders wanting to attend the general meeting must notify the company thereof within a certain period. This period cannot expire sooner than two business days before the meeting.

Registration and Proxy

The Board will ensure that as many shareholders as possible are able to participate at general meetings. Shareholders who are unable to submit advance voting or attend in person, are encouraged to appoint a proxy. A special proxy form is available which facilitates separate voting instructions for each issue to be considered by the general meeting and for each of the candidates nominated for election. The Company will nominate one or more persons to vote as proxy for shareholders and shareholders will be provided an opportunity to nominate a different proxy holder other than the Company nominee.

If shares are registered by a nominee in the Norwegian Central Securities Depository and the beneficial shareholder wants to vote for their shares, the beneficial shareholder must give the Company prior notice of its attendance at least two business days before the date of the relevant general meeting.

Minutes

The minutes of the general meetings are made available on the Company's website immediately after the meeting.

Deviations from the Code: The Board might not make arrangements for an independent chairperson for general meetings as the Company believes that the Chairman of the Board can act independently and in the interests of shareholders. Similarly, the Board may not deem it appropriate for all Board members and the auditor to participate in all general meetings.

Nomination Committee

Considering the scope of the Company's operations, the Board considers it reasonable and appropriate that the Company should have two Board sub-committees: A Risk, Audit and Sustainability Committee and a Remuneration Committee. The Risk, Audit and Sustainability Committee is made up of Ellen Hanetho (chair), Ulf Holländer, and Pia Meling. The Remuneration Committee is made up of Ulf Holländer (Chair), Ellen Hanetho, and Peter Frederiksen.

Throughout 2023, the Board had an ESG Committee made up of Pia Meling and Ellen Hanetho, which has been discontinued and its responsibilities taken over by the Risk, Audit and Sustainability Committee.

Deviations from the Code: Due to the above considerations, the Company does not have a dedicated Nomination Committee. The Company shall account for the interests of the shareholders when considering the composition of the Board by (i) seeking a diverse and highly qualified pool of Board candidates with relevant competence and industry expertise and (ii) ensuring that shareholder input on Board member nomination, election, and evaluation are properly addressed.

Board of Directors: Composition and Independence

Pursuant to the Company's Articles of Association, the Board shall consist of between three and seven members who are elected by the general meeting for up to four years at a time. MPC Münchmeyer Petersen Capital AG ("MPC Capital") has the right to elect 40% of the members of the Board (rounded down). If the aggregate share ownership of MPC Capital and affiliates falls below 20% of the total number of shares in the Company, MPC Capital shall only have the

right to elect one board member. If neither MPC Capital nor any affiliates own any shares in the Company, MPC Capital shall not have the right to elect a board member.

Board appointments are communicated in the notice of general meetings and the members are elected by majority vote.

The Board considers its composition to be diverse and competent with respect to the expertise, capacity, and diversity appropriate to attend to the Company's objectives, main risks and challenges, and the common interest of all shareholders. The Board composition adheres to the requirement regarding gender equality and representation of both sexes on the board of directors of Norwegian public entities, as set forth in the Norwegian Public Limited Liability Companies Act Section 6-11a, according to which a Board comprising five members shall be made up of a maximum of three representatives (60%) from each gender. The Board deems its composition to be made up of individuals who are willing and able to work as a team, resulting in the Board working effectively as a collegiate body. The Board's composition does not include any representatives from executive management and three out of five members are independent of the Company's main shareholder.

The Work of the Board of Directors The Duties of the Board

The Board of Directors has 5 members, whereof 3 members are independent. Members are elected for two-year periods. Neither the CEO nor any other member of the executive management are Directors of the Board.

According to Norwegian corporate law, the Board has overall supervisory responsibility for the company's management, while the CEO is responsible for day-to-day management. The Board also oversees the company's activities in general. This involves defining the Company's objectives, strategies, and risk profiles to ensure shareholder value creation. The Board is also responsible for following up on the implementation of objectives and strategies, as well as for control functions to ensure that the Company has proper operations and risk management.

The Norwegian legal and regulatory corporate governance structure requires the entire board to be involved in decision-making. The Norwegian Public Limited Companies Act prescribes that the Board of Directors may not adopt a resolution without its members having been given an opportunity to participate in a discussion of the matter in question.

Instructions for the Board

Pursuant to the provisions of the Norwegian Public Limited Liability Companies Act, the Board has established Rules of Procedure that provide detailed rules for the Board's work and administrative procedures and the functions and duties of the CEO towards the Board.

Agreements with Related Parties

The Board and management are committed to promoting equal treatment of all shareholders.

In the course of ordinary business, the Group may enter into transactions with certain entities in which the Group has ownership interests or with entities otherwise deemed related parties of

the Group, its shareholders, Board, or executive personnel. Such transactions are carried out on an arm's length basis and disclosed in [Note 8.2](#) to the Consolidated Financial Statements for 2023.

Guidelines regulating loyalty, ethics, impartiality, and conflict of interests are stipulated in the Company's Code of Conduct, applicable to all entities controlled by the Company and all employees, directors, officers, and agents.

The Code of Conduct is available on the Company's website.

Deviations from the Code: none

Conflicts of Interest and Disqualification

Members of the Board and executive management cannot consider matters in which they may hold a special interest. In order to ensure that items brought to the Board's attention can be considered in an unbiased and satisfactory way, Board members and executive management have a duty to inform the Board of any potential special interest in Board matters, and the Board must account for the individual's interest in its consideration of the item.

Instructions for the CEO

A clear division of responsibilities and tasks has been established between the Board and executive management. The CEO, appointed by the Board, has a particular responsibility to ensure that the Board receives accurate, relevant, and timely information that is sufficient to allow the Board to carry out its duties.

Financial Reporting

The Board receives periodic reports on the Company's financial status. In relation to the annual accounts, which the Board is asked to adopt, the Board may ask management to confirm that the accounts have been prepared in accordance with EU IFRS (Group level) and Norwegian GAAP (parent level), that all the information included is in accordance with the actual situation of the Company, and that nothing of material importance has been omitted.

Chairman of the Board

The principal duty of the Chairman is to ensure that the Board operates well and carries out its duties. In addition, the Chairman has specific duties during board meetings. Matters to be considered by the Board are prepared by the CEO in collaboration with the Chairman, who chairs the board meetings.

Another member must chair the meeting when the Board considers matters of a material nature in which the Chairman has, or has had, an active involvement.

Meeting Structure

The Board intends to meet at least five times each year and routinely receives reports on the Company's operational and financial performance. Furthermore, the Board is consulted on or informed of matters of special importance.

Risk, Audit and Sustainability Committee

The Risk, Audit and Sustainability Committee (RASC) shall act as a preparatory and advisory body and support the Board in the exercise of its responsibilities related to financial- and ESG reporting, internal

control, and risk management. Furthermore, the RASC shall review and discuss with the Company's management and statutory auditor the Company's annual and quarterly financial statements and annual sustainability reporting, and assess and monitor the independence of the statutory auditor.

The RASC shall meet at least four times per year and at such other times as the Chairman of the committee deems appropriate.

A Risk & Audit Committee was established in January 2018. The responsibilities of the committee were in January 2024 expanded to include matters concerning ESG, taking over responsibilities from the ESG Committee, which was subsequently discontinued. The RASC consists of three members, of which the chair and one member are independent of the Company's business activities and main shareholders.

In the course of 2023, the ESG Committee met three times and the Risk & Audit Committee met five times. All meetings were fully attended by the respective committee members.

Remuneration Committee

The Remuneration Committee shall act as a preparatory and advisory body and assist the Board in its work in relation to the Company's remuneration policies and terms of employment for the CEO.

The Remuneration Committee was established in March 2018 and consists of three members of which two are independent of the Company's business activities and main shareholders.

The Board's Self-Evaluation

The Board conducts an annual evaluation of its performance, way of working and expertise.

Deviations from the Code: none

Risk Management and Internal Control

In accordance with the principles underlying value-based management, the Board places great importance on systematic risk management. This is done not only to satisfy the requirements set out by law, but also to ensure the Company's governance in a highly dynamic market environment by identifying existing and potential risk exposures.

Through (i) quarterly reviews of the Company's most prominent areas of risk exposure and its internal control arrangements, (ii) management guidelines and (iii) the appointment of a dedicated risk management unit to perform risk monitoring and provide regular risk management updates to the Risk, Audit and Sustainability Committee, the Board aims to ensure that the Company has sound internal controls and systems for risk management that are appropriate given the extent and nature of the Company's activities.

The Board considers the Company's internal control and risk management to be sound and appropriate. It is composed of governing elements, such as the Code of Conduct, whistleblowing procedures and several other relevant policies and procedures.

The Board reviews the Company's risk matrix regularly and the internal control arrangements at least annually. The Board performs

an internal financial audit review prior to the release of quarterly financial statements and when otherwise required.

Deviations from the Code: none

Remuneration of the Board of Directors

For the financial year 2023, each Board member received remuneration of USD 50,000, covering work related to both Board representation and committee participation, and the Chairman received remuneration of USD 90,000. Remuneration for the financial year was approved by the Annual General Meeting on April 19, 2023. The Company considers the remuneration for the Board to reflect the Board's responsibilities, expertise, time commitment and the complexity of the Company's activities.

The remuneration of the Board is not linked to Company performance. Board members have no options to buy shares in the Company, nor do they receive compensation other than the Board remuneration. Board remuneration is considered to be on market terms.

Deviations from the Code: none

Remuneration of Executive Personnel

Pursuant to the Norwegian Public Limited Liability Companies Act, the Board prepares guidelines for the remuneration of the Company's CEO and other executive personnel. The guidelines set out the main principles applied in determining the salary and other remuneration of the executive personnel considered to reflect market conditions and help to ensure alignment between the financial interests of executive personnel and the shareholders.

The Board's Remuneration Guidelines are made available on the Company's website ahead of the Annual General Meeting, highlighting which guidelines are advisory and which, if any, are binding.

Any performance-related remuneration such as incentive programs, share option schemes or similar shall be linked to value creation for shareholders and results delivered in the Group over time. Such arrangements aim to drive performance and be based on financial, operational, and other quantifiable measures over which the employee in question can impact. Performance-related remuneration is subject to limits.

For information about remuneration of the Company's CEO and other executive personnel, see the Remuneration Report and [Note 8.2](#) to the Consolidated Financial Statements.

Deviations from the Code: none

Information and Communications

The Company's objective is to ensure transparent, timely, and accurate dissemination of information to enable shareholders, investors, analysts, and other stakeholders to make informed decision about the fair value of MPC Container Ships and reduce volatility in the Company's shares. All reports will be available on the Company's website www.mpc-container.com and through disseminations at the Oslo Stock Exchange.

The policy shall ensure awareness of investor relations among management and the Board. The Board has adapted an Investor

Relations Policy to ensure that the Company's investor relations are carried out in compliance with applicable rules, regulations, and recommended practices.

The Company's current financial calendar with dates of important events including the annual general meeting, publishing of quarterly reports and its presentations, etc. is publicly accessible on the Company's website www.mpc-container.com and through regulatory and non-regulatory disseminations at the Oslo Stock Exchange.

Deviations from the Code: none

Takeovers

The Company has implemented guidelines on how to act in the event of a takeover bid.

In the event of a takeover bid being made for the Company, the Board will follow the overriding principle of equal treatment for all shareholders and will seek to ensure that the Company's business activities are not disrupted unnecessarily. The Board will strive to ensure that shareholders are given sufficient information and time to evaluate an offer the Board considers attractive to the shareholders.

The Board will not seek to prevent any takeover bid unless it believes that the interests of the Company and the shareholders justify such actions.

If a takeover bid is made, the Board will issue a statement with a recommendation on whether such bid should be accepted or not by the shareholders. Such a statement shall, inter alia, include

information on whether the assessment of the bid is unanimous and, if not, on which basis individual board members have made reservations regarding the Board's statement.

In the event of a takeover bid, the Board will consider obtaining a valuation from independent experts. If a major shareholder, any member of the Board or executive management, related parties, or close associates of such individuals or anyone who has recently held such a position, is either the bidder or has a particular personal interest in a takeover bid, the Board will arrange for an independent valuation.

Deviations from the Code: none

Auditor

Under Norwegian law the auditor of the Company is elected by the general meeting. Ernst & Young AS (org. no. 976 389 387) was elected as the Company's auditor on May 18, 2017.

The auditor participates in meetings of the Risk, Audit and Sustainability Committee that cover interim, quarterly, and annual financial- and ESG reporting, board meetings that deal with the annual accounts as well as the Annual General Meeting. At these meetings, the auditor reviews any deviations in the accounting principles applied and comments on key aspects of the audit, material accounting estimates, and issues of special interest to the auditor, including disagreements between the auditor and management.

The auditor and the Board will meet at least once a year without members of executive management present.

The auditor annually presents and discusses their plan for the audit of the Company as well as a review of the Company's internal control procedures with the Risk, Audit and Sustainability Committee.

The auditor shall annually submit a written confirmation that the auditor continues to satisfy the requirements for independence and a summary of all services that has been undertaken for the Company in addition to audit work.

Deviations from the Code: The Board has not prepared separate guidelines in respect of the use of the auditor by the Company's executive management for services other than the audit. However, as a general rule, the Board will preapprove all non-audit services provided by the Company's auditor on a case-by-case basis to ensure the auditor's independence from the Company's executive management.

REMUNERATION REPORT

Report on salaries and other remuneration to leading personnel in MPC Container Ships ASA for 2023:

This report on salaries and other remuneration to leading personnel ("the Report") of MPC Container Ships ASA ("the Company") is based on the guidelines for the determination of salaries and other remuneration of leading personnel in the Company which were approved by the Company's general meeting on April 19, 2023 ("Guidelines"). The statement regarding remuneration for executive management was passed by 68.4% of the shares represented at the shareholders' meeting.

The report is based on the requirements set out in the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "Companies Act") section 6-16 a and 6-16 b, as well as Regulation on guidelines and report on remuneration for leading personnel of 11 December 2021 No. 2730 (the "Regulation"). The report is formulated in line with the European Commission's template for remuneration reports.

Information required by the Norwegian Act relating to Annual Accounts of 17 July 1998 no. 56 ("Accounting Act") section 7-31 b is included in the Company's annual report for 2023 in [Note 8.2](#).

Remuneration to board members is not covered by this Report. Any remuneration to board members is determined by the general

meeting in accordance with the Companies Act section § 6-10 and is available in [Note 8.2](#) in the annual report for 2023.

The guidelines for remuneration that the Company has adopted in 2023

The overall objective of the management remuneration policy of the Company is to attract, retain and motivate employees with the skills, qualifications and experience needed to maximize value creation for the Company and its shareholders. The Company shall offer competitive terms to executive management. Subject to this, the remuneration of the Company's executive management shall as far as possible be in line with the market level for remuneration of executive management in comparable companies.

The remuneration of executive management shall not be of a size or nature which is liable to harm the Company's reputation.

The remuneration of the Company's executive management may in addition to a fixed salary include customary benefits in kind such as car allowance or Company car, coverage of telephony and broadband costs, newspaper subscriptions etc. The remuneration may also include pension and insurance schemes as well as severance pay

entitlements. The Board may establish bonus schemes for executive management. The purpose of any such variable bonus scheme shall be to give management an incentive to contribute to value creation in the Company and its subsidiaries.

There is currently no remuneration related to the share or developments in the share price.

The remuneration policy for executive management during 2023 has been in accordance with the principles described above. Information on remuneration to executive management during 2023 is included in [Note 8.2](#) to the annual accounts.

Remuneration to leading personnel

Leading personnel currently hold contract within the MPC Container Ships ASA as well as in the German entity, MPC Container Ships GmbH & Co. KG. The tables below show total remuneration in USD to the Company's leading persons which have been earned or paid by the Company for the last 5 years.

REMUNERATION FROM MPC CONTAINER SHIPS ASA

NAME OF DIRECTOR (START/END)	FINANCIAL YEAR	FIXED REMUNERATION		VARIABLE REMUNERATION		EXTRA-ORDINARY ITEMS	PENSION EXPENSE	TOTAL REMUNERATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION
		BASE SALARY	OTHER BENEFITS	ONE-YEAR VARIABLE	MULTI-YEAR VARIABLE				
Constantin Baack (CEO)	2023	237,946		765,000				1,002,946	Fixed/variable: 24%/76%
	2022	233,347		316,066				549,413	Fixed/variable: 42%/58%
	2021	170,585		768,562	4,711,598 ¹			5,650,745	Fixed/variable: 3%/97%
	2020	179,773		158,244				338,018	Fixed/variable: 43%/57%
	2019	173,307		148,501				321,808	Fixed/variable: 56%/44%
Moritz Fuhrmann (CFO from December 1, 2022)	2023	109,587		88,000				197,587	Fixed/variable: 55%/45%
	2022	8,779		-				8,779	Fixed/variable: 100%/-
Dr. Benjamin Pfeifer (CFO until December 1, 2022)	2023	44,869		-				44,869	Fixed/variable: 100%/-
	2022	108,151		42,142				150,293	Fixed/variable: 72%/28%
	2021	106,100		90,598				196,698	Fixed/variable: 54%/46%
Harald Wilke (CFO until June 30, 2020)	2020	118,959		119,648				238,607	Fixed/variable: 49%/51%
	2019	107,742		1,782				125,563	Fixed/variable: 86%/14%

¹ Multi-year variable for the CEO based on a multi-year LTIP (Long-Term Incentive Plan) contract agreed with the Compensation Committee and signed in 2018 between the Company and the CEO. The basic driver (KPI) for the variable compensation is (among others) the equity per share development within a respective timeframe. The original intention of the LTIP was for the CEO to receive performance rights shares or equivalent in the Company. Beginning of FY 2022, the Compensation Committee and CEO negotiated a cash settlement of the contract as the LTIP plan terms have never been fully finalized. The cash payment was contractually fixed in February 2022.

REMUNERATION FROM MPC CONTAINER SHIPS GMBH & CO. KG

NAME OF DIRECTOR (START/END)	FINANCIAL YEAR	FIXED REMUNERATION		VARIABLE REMUNERATION		EXTRA-ORDINARY ITEMS	PENSION EXPENSE	TOTAL REMUNERATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION
		BASE SALARY	OTHER BENEFITS	ONE-YEAR VARIABLE	MULTI-YEAR VARIABLE				
Constantin Baack (CEO)	2023	220,000	16,500					236,500	Fixed/variable: 100%/0
	2022	210,711	15,803					226,514	Fixed/variable: 100%/0
	2021	144,754	17,126					161,879	Fixed/variable: 100%/0
	2020	150,186	17,126					167,312	Fixed/variable: 100%/0
	2019	152,931	17,126					170,056	Fixed/variable: 100%/0
Moritz Fuhrmann (CFO from December 1, 2022)	2023	165,000	-	132,000				297,000	Fixed/variable: 56%/44%
	2022	13,169	6,016					19,185	Fixed/variable: 100%/0%
Dr. Benjamin Pfeifer (CFO until December 1, 2022)	2023	36,366	-					36,366	Fixed/variable: 100%/0
	2022	158,033	6,287	63,213				227,533	Fixed/variable: 72%/28%
	2021	171,255	12,666	22,834				206,755	Fixed/variable: 83%/17%
Harald Wilke (CFO until June 30, 2020)	2020	128,441	10,275					138,716	Fixed/variable: 100%/0%
	2019	171,255	10,275					181,53	Fixed/variable: 100%/0%

Remuneration paid in relation to the Guidelines. See our guidelines in the section above.

The 2023 remuneration report has received assurance from the Company's independent auditor, which is available in a separate Remuneration Report published on the Company's website.

Total remuneration paid compared to the Guidelines

A prerequisite for a successful implementation of the Company's business strategy and securing the Company's long-term interests, including sustainability, is that the Company is able to recruit and retain qualified personnel. To achieve this, it is necessary for the Company to offer competitive remuneration.

The Company's remuneration guidelines enable the Company to offer leading personnel a competitive total remuneration. Total remuneration to leading personnel during 2023 has complied with the Company's guidelines for remuneration.

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Consolidated Statement of Profit or Loss

IN USD THOUSANDS	NOTES	2023	2022
Operating revenues	2.2	711,282	616,768
Commissions		(20,000)	(17,127)
Vessel voyage expenditures	2.3	(9,898)	(13,765)
Vessel operation expenditures	2.4	(153,390)	(139,988)
Ship management fees		(9,999)	(9,023)
Share of profit or loss from joint venture	6.1	22,637	51,761
Gross profit		540,632	488,626
Administrative expenses	2.5	(14,805)	(13,862)
Other expenses	2.6	(9,338)	(3,347)
Other income		3,089	1,788
Gain (loss) from sale of vessels	5.1	(1,208)	49,042
Depreciation	5.2	(102,706)	(75,392)
Impairment	5.2	(79,378)	-
Operating profit		336,286	446,855
Finance income	2.6	7,841	3,742
Finance costs	2.6	(18,373)	(14,480)
Profit (loss) before income tax		325,754	436,118
Income tax expenses	3.1	(638)	(1,071)
Profit (loss) for the period		325,116	435,047
Attributable to:			
Equity holders of the Company	7.5	324,961	434,832
Non-controlling interest	7.5	155	215
Basic earnings per share – in USD	2.7	0.73	0.98
Diluted earnings per share – in USD	2.7	0.73	0.98

Consolidated Statement of Comprehensive Income

IN USD THOUSANDS	NOTES	2023	2022
Profit (loss) for the period		325,116	435,047
Items which may subsequently be transferred to profit or loss		(1,368)	634
Foreign currency effects, net of taxes		-	-
Change in hedging reserves, net of taxes	7.2 , 7.5	(1,368)	634
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)		323,748	435,681
Attributable to:			
Equity holders of the Company		323,593	435,466
Non-controlling interest		155	215

Consolidated Statement of Financial Position

IN USD THOUSANDS	NOTES	2023	2022
Assets			
Non-current Assets			
Vessels	5.1	691,291	745,873
Newbuildings	5.1, 8.1	78,980	32,770
Right-of-use asset		84	266
Investments in associate and joint venture	6.1	2,934	20,893
Total non-current assets		773,289	799,802
Current Assets			
Vessel held for sale	5.1	25,165	-
Inventories		8,088	6,340
Trade and other receivables	4.1	23,667	22,922
Financial instruments at fair value	7.2	1,951	1,740
Restricted cash	7.3	5,005	30,914
Cash and cash equivalents	7.3	117,579	94,603
Total current assets		181,455	156,519
Total assets		954,744	956,321

Oslo, March 21, 2024

The Board of Directors and
CEO of MPC Container Ships ASA


Ulf Holländer (Chairman)



Dr. Axel Schroeder



Pia Melling



Peter Frederiksen



Ellen Hanetho



Constantin Baack (CEO)

IN USD THOUSANDS	NOTES	2023	2022
Equity and liabilities			
Equity			
	7.5		
Share capital		48,589	48,589
Share premium		1,879	152,737
Retained earnings		700,021	517,044
Other reserves		(843)	525
Non-controlling interest		3,835	2,551
Total equity		753,481	721,447
Non-current Liabilities			
	7.4		
Non-current Interest-bearing debt		92,951	74,462
Lease liabilities - long-term		-	114
Acquired TC contracts, non-current		-	1,480
Deferred tax liabilities		748	803
Total non-current liabilities		93,699	76,859
Current Liabilities			
	7.4		
Current interest-bearing debt		33,564	79,112
Trade and other payables		20,397	17,282
Related party payables	8.2	1,062	-
Income tax payable	3.1	289	378
Deferred revenues	4.2	35,230	40,133
Other liabilities	4.2	17,022	21,111
Total current liabilities		107,564	158,015
Total equity and liabilities		954,744	956,321

Consolidated Statement of Changes in Equity

IN USD THOUSANDS	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	RETAINED EARNINGS	OTHER RESERVES	TOTAL EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY	NON-CONTROLLING INTEREST	TOTAL EQUITY
Equity as at January 1, 2023	48,589	152,737	-	517,044	525	718,895	2,551	721,447
Result of the period	-	-	-	324,961	-	324,961	155	325,116
Other comprehensive income	-	-	-	-	(1,368)	(1,368)	-	(1,368)
Total comprehensive income	-	-	-	324,961	(1,368)	323,593	155	323,748
Dividends provided for or paid	-	(150,858)	-	(141,984)	-	(292,842)	(292)	(293,134)
Cancellation of treasury shares	-	-	-	-	-	-	-	-
Settlement of warrants	-	-	-	-	-	-	-	-
Addition from non-controlling interest	-	-	-	-	-	-	1,421	1,421
Equity as at December 31, 2023	48,589	1,879	-	700,021	(843)	749,646	3,835	753,481
Equity as at January 1, 2022	48,630	597,080	(1,143)	82,212	(109)	726,670	919	727,589
Result of the period	-	-	-	434,832	-	434,832	215	435,047
Other comprehensive income	-	-	-	-	634	634	-	634
Total comprehensive income	-	-	-	434,832	634	435,466	215	435,681
Dividends provided for or paid	-	(441,022)	-	-	-	(441,022)	-	(441,022)
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 December 31, 2022	48,589	152,737	-	517,044	525	718,895	2,551	721,447

Consolidated Statement of Cash Flow

IN USD THOUSANDS	NOTES	2023	2022
Profit (loss) before income tax		325,754	436,118
Income tax expenses paid		(783)	-
Net change inventory and trade and other receivables		(1,171)	6,655
Net change in trade and other payables and other liabilities		(9,710)	1,398
Net change in deferred revenues		(4,903)	24,987
Depreciation	5.2	102,706	75,392
Finance costs (net)	2.6	10,532	10,791
Share of profit (loss) from joint venture	6.1	(22,637)	(51,761)
Impairment	5.2	79,378	-
(Gain) loss from sale of vessels and fixed assets	5.1	8,185	(49,042)
Amortization of TC contracts	4.2	(2,717)	(18,083)
Cash flow from operating activities		484,634	436,455
Proceeds from disposal of vessels	5.1	55,653	83,916
Scrubbers, dry dockings and other vessel upgrades	5.1	(48,254)	(66,301)
Newbuildings	5.1	(35,100)	-
Acquisition of vessels	5.1	(169,376)	(32,770)
Interest received		3,938	-
Other financial income		484	-
Dividend received from joint venture investment	6.1	41,000	60,350
Investment in associate		(404)	(826)
Cash flow from investing activities		(152,059)	44,369

IN USD THOUSANDS	NOTES	2023	2022
Dividends paid	7.6	(293,134)	(441,022)
Addition of non-controlling interest		1,421	1,417
Proceeds from debt financing	7.4	142,013	-
Repayment of long-term debt	7.4	(167,397)	(80,000)
Payment of principal of leases		(186)	(118)
Repayment of warrants	8.2	-	(3,554)
Repurchase of warrants	8.2	-	(2,219)
Interest paid	7.4	(13,661)	(8,716)
Debt issuance costs		(3,594)	-
Other finance paid		-	(2,030)
Cash from /(to) financial derivatives		(970)	607
Cash flow from financing activities		(335,508)	(535,635)
Net change in cash and cash equivalents		(2,933)	(54,812)
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		122,584	125,517

Notes

NOTE 1 Accounting Principles

1.1 Accounting Principles for the Consolidated Financial Statements

General information

MPC Container Ships ASA (“the Company”) is a public limited liability company (Norwegian: allmennaksjeselskap) incorporated and domiciled in Norway, with registered address at Ruseløkkveien 34, 0251 Oslo, Norway, and Norwegian registered enterprise number 918494316. The Company was incorporated on January 9, 2017 and commenced operations in April 2017, when the first vessels were acquired. The 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 at the Oslo Stock Exchange under the ticker symbol MPCC. MPC Container Ships ASA is the parent company in the Group.

The consolidated financial statements were approved by the Company’s Board of Directors on March 21, 2024.

Basis of preparation and measurement

The consolidated financial statements of MPC Container Ships ASA (the “Parent Company”), and all its subsidiaries (the “Group”), are prepared in accordance with International Financial Reporting Standards® (IFRS) as adopted by the European Union. The consolidated financial statements were prepared on the basis of historical cost, with some exceptions where fair value measurement is applied. These exceptions are specifically disclosed in the accounting policies sections in relevant notes:

+ [Note 7.2 – Financial Instruments](#)

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- + Level 1: Quoted market prices in active markets for identical assets or liabilities.
- + Level 2: Inputs other than quoted market prices included in Level 1 are directly or indirectly observable.
- + Level 3: Inputs are unobservable.

The Group has prepared the financial statements on the basis that it will continue to operate as going concern.

Certain amounts in the comparable years have been restated or reclassified to conform to current year presentation. All amounts in the consolidated financial statements are denominated in US dollars (USD), which is the functional currency of the parent company of the Group. All financial information presented in USD has been rounded to the nearest thousand USD, except otherwise indicated.

The Group’s financial year corresponds to the calendar year.

Basis of consolidation

The consolidated financial statements include MPC Container ASA and its subsidiaries in which the Company exercises control. The financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries

Subsidiaries are all companies where the Group has a controlling interest. A controlling interest is where the Group has the power to govern the financial and operating policies. This is usually achieved when the Group owns, either directly or indirectly, more than 50% of the shares in the company, or through agreements, are able to exercise control over the company. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Companies that constitute the Group are listed in [Note 6.2 – Group Companies](#).

Accounting principles related to joint ventures, associated companies are presented in [Note 6.1 – Investments in Joint Venture and Associate](#).

Foreign currency translation

In accordance with IAS 21, foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transaction.

Financial reporting principles

The material financial reporting principles are described in the relevant notes in the consolidated financial statements and in the notes in the financial statements of the parent company.

The Group presents assets and liabilities in the statement of financial position based on the current or non-current classification.

The cash flow statement of the Group is prepared using the indirect method. Liquid assets include cash, bank deposits (restricted and unrestricted) and other short-term investments which can be converted within 3 months.

New and amended standards and interpretations

The Group's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued.

Starting from January 1, 2023, the Group has applied the following new standards and amendments:

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies. The amendment clarifies in which situations a change in an accounting policy is material and should be disclosed.

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates. The amendment clarifies the definition and application of an accounting estimate.

Amendments to IAS 12 – Income Taxes

In May 2023, the IASB issued amendments to IAS 12 Income Taxes, which provides temporary exemptions from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two Model Rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes. The amendments have been adopted by the EU and the company has applied the mandatory temporary exception according to IAS 12. This implies that no deferred tax is recognised or disclosed with respect to this tax regime for the financial year 2023.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendment to IFRS 16 – Leases on sale and leaseback

In September 2022, the IASB issued an amendment to IFRS 16 which adds requirements for how an entity accounts for a sale and leaseback after the date of the transaction. After the commencement date, the seller-lessee applies the subsequent measurement requirements in IFRS 16 to the right-of-use asset and the lease liability that arise from the leaseback, including the lease modification requirements. In applying these requirements, the seller-lessee determines 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The Group is currently assessing the impact of the amendments will have on current sale and leaseback arrangement.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- + What is meant by right to defer settlement
- + That a right to defer must exist at the end of the reporting period

- + That classification is unaffected by the likelihood that an entity will exercise its deferral right
- + That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

Amendment to IAS 7 and IFRS 7 – Supplier finance

The amendments are not expected to have a material impact on the Group's financial statements.

Amendments to IAS 21 – Lack of Exchangeability

The amendments are not expected to have a material impact on the Group's financial statements.

1.2 Significant Judgement, Estimates and Assumptions

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

- + [Note 5.2 – Depreciation, Amortization and Impairment Charges](#)

NOTE 2 Financial Performance

2.1 Segment Information

Accounting policy

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers in the Group. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors of the Company.

All of the Group's vessels earn revenue from seaborne container transportation globally. The vessels exhibit similar economic, trading and financial characteristics. The Group is organised in one operating segment, i.e. the container shipping segment. The Group provides geographical data for revenue only, as the Group's revenue predominantly stems from vessels that may be employed globally. Gross revenue specific foreign countries which contribute significantly to total revenues are disclosed below.

IN USDTHOUSANDS	2023	2022
Intra-Asia	156,789	158,968
South America	216,364	159,398
Europe	37,762	54,249
Middle East	190,633	129,437
Africa	30,904	32,084
Other geographical locations (worldwide trades)	68,258	55,245
Total time charter and pool revenue	700,710	589,380

For the year ended December 31.2023, the Group had three customers (2022: two) who each accounted for 10% or more for our consolidated revenues in the amount of USD 75.6 million, USD 91.9 million and USD 127.9 million respectively. These three customers accounted for 42% of the total revenues for 2023.

2.2 Revenues and Other Revenues

Accounting policy

Revenue recognition

The Group derives its revenue from time charters of its vessels, each of which contains a lease. These charters involve placing the specified vessel at charterers' use of specified rental period of time in return for payment of specified daily hire rates. Most of the charters include options for the charterers to extend the terms. Revenue from the Group's time charters is accounted for as operating leases, on a straight-line basis, for a shorter period of the vessels' useful life, over the average fixed rentals over the minimum fixed rental period of the time charter agreements, as service is performed. Charter hire received in advance is recorded under "Deferred revenue" in the Consolidated Statement of Financial Position until charter services are rendered. Invoiced revenue related to an estimated proportion of remaining voyage time and activities at the destination port is deferred. Under a time charter, the daily hire rate includes lease component related to the right of use of the vessel and non-lease components primarily related to the operating expenses of the vessel incurred by the Group such as commissions, vessel operating expenses: crew expenses, lubricants, certain insurance expenses, repair and maintenance, spares, stores etc. and vessel management fees. The lease component of the vessel represents the use of the vessel without any associated performance obligations and is accounted for in accordance with IFRS 16 Leases while revenues from time charter services (non-lease) and other revenues (e.g. bunkers and other services) are accounted for in accordance IFRS 15. The non-lease component from the Group's time charter contracts are recognized over time, as the performance obligation is satisfied over time. Revenue from bunkers and other goods and services from customers are recognized in the period the goods or services are transferred to the customer, following the "point in time principle"

IN USD THOUSANDS	2023	2022
Time charter revenues	700,710	587,868
Pool charter revenues	-	1,512
Total Charter revenues	700,710	589,380
Amortization of time charter contracts	2,716	18,083
Other revenues	7,855	9,304
Total operating revenues	711,282	616,768

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 2023, one vessel was index-linked (2022: nil) and four vessels were on variable rate time charter (2022: nil).

The lease and non-lease components of our revenues in the year ended December 31, 2023 and December 31, 2022 were as follows:

IN USD THOUSANDS	2023	2022
Service element	152,897	134,936
Other revenue	7,855	9,304
Total revenue from customer contracts	160,752	144,240
Lease elements	547,813	454,444
Amortization of time charter contracts	2,716	18,083
Total operating revenues	711,282	616,768

Contracted revenues based on fixed time charter contracts as at December 31, 2023 are set out below, based on minimum contract periods of vessels held in subsidiaries:

IN USD THOUSANDS	< 1 YEAR	1-3 YEARS	4-5 YEARS	> 5 YEARS	TOTAL
TCE	436,899	346,844	56,837	155,274	995,853

2.3 Vessel Voyage Expenditures

Accounting policy

Voyage expenses are expensed as incurred and primarily consist of port charges, bunker costs (bunker costs are normally covered by the Group's charterer, except in certain cases such as vessel re-positioning, or under repair and maintenance, or when the vessels have been idle), address commissions and brokerage commissions.

IN USD THOUSANDS	2023	2022
Bunker consumption	(7,715)	(11,396)
Other voyage expenses	(2,183)	(2,368)
Total vessel voyage expenditures	(9,898)	(13,765)
Commissions	(20,000)	(17,127)

2.4 Vessel Operating Expenditures

Accounting policy

Vessel operating expenses are expensed as incurred and include crew wages and related costs, the cost of insurance, expenses for repairs and maintenance. General operating expenses are related to the cost of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Vessel operating expenditures which are partially compensated by income from reimbursements from the charterer and are being recognized as other revenue.

IN USD THOUSANDS	2023	2022
Crew	(74,769)	(71,331)
Lube oil	(9,189)	(8,646)
Maintenance and repair	(48,670)	(39,227)
Insurances	(15,983)	(17,178)
Operating expenditures	(4,780)	(3,605)
Total vessel operating expenditures	(153,390)	(139,988)

2.5 Other Operating Expenses

Accounting policy

Other operating expenses including administrative expenses are expensed as incurred and include, audit fees, bookkeeping fees, legal fees, board remuneration, service cost, executive officers compensation, directors & officers insurance and stock exchange fees.

Other administrative expenses include remuneration to the Board of Directors and executive management, and fees paid for corporate management services from MPC Maritime Investments GmbH and MPC Münchmeyer Petersen Capital AG which are part of the Group's related parties. Further information on transactions between related parties can be found in [Note 8.2 – Related party transactions](#). The Group employs 33 people as at December 31, 2023. The Group has defined contributions plan for all employees in line with established market practices and regulations in Norway, Germany and Netherlands.

IN USD THOUSANDS	2023	2022
Legal and advisory services	(2,869)	(2,725)
Audit and accounting services	(1,045)	(1,104)
Salary and employee expenses	(5,989)	(5,266)
Other administrative expenses	(4,901)	(4,766)
Total administrative expenses	(14,805)	(13,862)

The following table details the administrative expenses incurred in relation to 2023 audit and related services.

IN USD THOUSANDS	2023	2022
Audit fee	(670)	(781)
Attestation services	(6)	(9)
Total auditor services	(676)	(790)

2.6 Finance Income and Expenses

Accounting policy

Financial income consists of interest income, currency gain. Interest income are recognised as it accrues using effective rate, while dividends are recognised at the date of approval of the Annual General Meeting.

Financial expenses consist of interest expenses, currency losses, and other financial expenses. Interest expenses are recognised as they accrue using effective rate. In addition, there are interest expenses on leasing liabilities.

IN USD THOUSANDS	2023	2022
Interest income	2,819	631
Other financial income	5,022	3,110
Total financial income	7,841	3,741
Interest expenses	(14,648)	(10,918)
Bank fees on early repayment of debt	(904)	-
Result on derivative contracts reclassified from equity	-	(300)
Other	(2,821)	(3,262)
Total financial expenses	(18,373)	(14,480)

2.7 Earnings Per Share

Accounting policy

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic earnings per share are calculated by dividing the profit for the reporting period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share are calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table sets forth the computation of basic and diluted earnings per share for the year ended December 31:

IN USD THOUSANDS	2023	2022
Profit (loss) for year attributable to ordinary equity holders - in USD thousands	324,961	434,832
Weighted average number of shares outstanding, basic	443,700,279	443,700,279
Weighted average number of shares outstanding, diluted	443,700,279	443,700,279
Basic earnings per share - in USD	0.73	0.98
Diluted earnings per share - in USD	0.73	0.98

NOTE 3 Income Taxes

3.1 Income Tax Reconciliation

Accounting policy

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the relevant taxation authorities.

The Company is subject to tax on its income in accordance with the general tax rules pertaining to companies that are tax resident in Norway.

The Company's vessel-owning subsidiaries are subject to the Norwegian, German or Dutch tonnage tax regime, i.e. taxable income is calculated as a lump sum depending on the net tonnage of the respective vessels, independent of the realized earnings. Income not derived from the operation of the vessels in international waters, such as financial income, is usually taxed according the ordinary taxation rules applicable in the resident country of each respective company. Tonnage taxes are classified as "Vessel operating expenditures".

Deferred tax liabilities are classified as non-current liabilities and are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary difference can be utilised.

IN USD THOUSANDS	2023	2022
Income taxes paid/payable	(692)	(260)
Change in deferred tax asset	55	(803)
Other taxes	-	(8)
Income tax expense	(637)	(1,071)
Specification of corporate income tax expense		
Basis for ordinary corporation tax expense		
Profit(loss) before taxes	325,754	436,118
Nominal tax rate	22%	22%
Expected tax at nominal tax rate	(71,666)	(95,946)
Tax effect of reconciling items		
Income tax exempted from corporate tax under the tonnage regime	70,046	86,922
Share of result in joint venture	4,980	11,387
Change in temporary differences not recognized	(4,747)	(2,363)
Other permanent differences/exchange translation differences	750	(1,071)
Income tax expense	(637)	(1,071)
Recognized on the statement of financial position:		
Deferred tax assets	-	-
Deferred tax liabilities	(748)	(803)
Income taxes payable	(289)	(260)
Temporary differences		
Foreign exchange differences on translation to local currency for tax reporting	(3,398)	(3,649)
Net basis for deferred tax liabilities:	(3,398)	(3,649)

The Company's subsidiaries in which the vessels are held are subject to German, Dutch, or Norwegian tonnage tax, as applicable. Companies subject to tonnage tax are exempt from ordinary tax on income derived from operations in international waters. The subsidiaries within the tonnage tax system pay a tonnage tax based on the size of the vessels. The fee is recognized as an operating expense.

The parent company (MPC Container Ships ASA) is under ordinary taxation rules in Norway. The ordinary rate of corporation tax in Norway is 22% for 2023 (2022: 22%). Refer to [note 6](#) in the Parent Financial Statement. The parent company and other holding companies within the group may have individual tax losses each year, which generate carry forward losses for the individual companies. Deferred tax assets are only recognized to the extent that the future utilization within the Group can be justified as at December 31, 2023. As a consequence, a tax position of USD 66.9 million relating to carry forward losses has not been recognized in the balance sheet.

NOTE 4 Net Working Capital

4.1 Trade and Other Receivables

Accounting policy

Trade and other receivables

Trade receivables and other short-term receivables are measured at transaction price upon initial recognition and subsequently measured at amortised cost less expected credit losses. The Group applies the simplified approach to provide for lifetime expected credit losses in accordance with IFRS 9. Credit loss allowance is recognised based on both historical and forward-looking credit loss assessment. Trade receivables relate to receivables against the charterers for the Group's time charter contracts. Insurance claims are the Group's claims covered by insurance agreements where the virtually certain threshold are met.

IN USD THOUSANDS	DECEMBER 31, 2023	DECEMBER 31, 2022
Trade receivables	6,310	7,937
Claims related to insurance cases	12,065	9,829
Other receivables and prepayments	5,292	5,156
Total Trade and other receivables	23,667	22,922

The Group had outstanding receivables per December 31, 2023 amounting to USD 6.3 million. Historically, the Group have not had any credit losses of significance. A significant part of the outstanding receivables is against larger liner companies, of which the Group have had a long business relationship with, which reduces the risk further. The invoiced amount is considered to be approximately equal to the value which would be derived under the amortized cost method. In 2023, the Group recognized USD 0.4 million as impairment losses, compared to USD 0.6 million in 2022.

4.2 Deferred Revenues and Other Liabilities

Accounting policy

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is recognized through profit and loss net of any reimbursement. Under the payment terms generally applicable to the Group's revenue, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services. Part of the deferred revenue constitutes contract liabilities which represent advance payments and billings in excess of revenue recognized.

The following table shows the components of other liabilities as at period end.

IN USD THOUSANDS	DECEMBER 31, 2023	DECEMBER 31, 2022
Accrued expenses	13,337	15,989
Accrued salaries	1,989	1,034
VAT, social security, etc	212	217
Acquired TC contracts	1,011	2,248
Other short-term liabilities	473	1,623
Total Other liabilities	17,022	21,111
Deferred reveues	35,230	40,133

NOTE 5 Tangible Assets

5.1 Vessels and Newbuildings

Accounting policy

Vessels and other property, plant and equipments

Vessels and other property, plant and equipments are stated at historical cost, less subsequent depreciation and impairment. For vessels purchased, these costs include capitalizable expenditures that are directly attributable to the acquisition of the vessels. Upon acquisition, each component of the vessels, with a cost significant to the total acquisition costs, such as dry-docking component, existing charter contract, is separately identified and depreciated over that component's useful life on a straight-line basis.

The scrubber installations are recognized in the carrying amount of the vessels, and depreciated over the remaining useful life of the vessels.

Depreciation is calculated on a straight-line basis over the useful life of the assets, taking residual values into consideration, and adjusted for impairment charges, if any. Residual values of the vessels are estimated as the lightweight tonnage of each vessel multiplied by recycling value per ton. Expected useful lives of our vessels, i.e. 25 years, and residual values are reviewed at each balance sheet date and, where they differ significantly from previous estimates, depreciation calculations are altered accordingly.

Impairment losses are described in detail in the accounting principle Impairment disclosed in [Note 5.2 - Depreciation, Amortisation and Impairment charges](#).

Ordinary repairs and maintenance expenses are charged to the income statement as incurred. Costs related to dry-docking or other major overhauls are recognized in the carrying amount of the vessels. The recognition is made when the dry-docking has been performed and is depreciated based on estimated time to the next class renewal, i.e. 5 years. The remaining costs that do not meet the recognition criteria are expensed as repairs and maintenance.

Vessels and other property, plant and equipments are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognized.

Vessels held for sale

Vessels are classified as “Vessels held for sale” when all of the following criteria are met: management has committed to a plan to sell the vessel; the vessel is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of vessels; an active program to locate a buyer and other actions required to complete the plan to sell the vessel have been initiated; the sale of the vessel is probable and transfer of the vessel is expected to qualify for recognition as a completed sale within one year; the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Vessels classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. These vessels are not depreciated once they meet the criteria to be held for sale.

Newbuildings

Instalments on newbuilding contracts are capitalized as “Newbuildings” when they are incurred. Upon delivery, newbuildings are reclassified to vessels and are subject to depreciation. The acquisition cost includes direct investments, cost incurred during the construction period and borrowing cost. Borrowing costs are capitalized during the construction period. When the newbuilding contracts are financed, the amount of interest capitalized during the construction period will be based on the effective interest of the designated loan facilities.

Judgement and estimates

- + Depreciation of vessels (including scrubbers): Depreciation is based on estimates of the vessels’ useful lives, residual values less recycling costs and the depreciation method, which are reviewed by management at each balance sheet date. Any changes in estimated useful lives and/or residual values impact the depreciation of the vessels prospectively.

Climate risk

- + Future climate change measures may affect the shipping industry regarding fuel regulation, port fees and the recycling values of the vessels. Potential future fuel taxes or carbon emission regulation such as EU’s emission trading system (EU ETS) or development of new more climate friendly fuel may increase the future operating expenses or capex of the Group that may be only partly offset by higher time charter rates. Technological developments enabling more climate friendly container vessels may affect the ability to obtain new charters in the future, the potential useful life of the vessels and the recycle values of the vessels. These effects may result in impairment of vessels due to lower recycling value from mandatory EU approved yards, or generating less cash-flow from not reaching regulatory targets. Management has considered the impact of decarbonization and climate-related risks on useful lives of existing vessels. Such risk including new climate-related legislation restricting the recycling of EU flagged vessels outside of EU approved yard.

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	-	-	-	-	-
Capitalized dry-docking, progress billings and other expenses	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)
Vessels held for sale	-	-	-	-	-
At December 31, 2022	976,170	32,770	1,008,940	-	1,008,940
Acquisitions	169,376	-	169,376	-	169,376
Capitalized dry-docking, progress billings and other expenses	48,254	46,210	94,464	-	94,464
Disposals of other fixed assets	(8,332)	-	(8,332)	-	(8,332)
Disposals of vessels	(108,208)	-	(108,208)	-	(108,280)
Vessel held for sale	(48,618)	-	(48,618)	48,618	-
At December 31, 2023	1,028,642	78,980	1,107,622	48,618	1,156,240

IN USD THOUSANDS	VESSELS	NEWBUILDS, PAYMENT ON ACCOUNT	TOTAL PROPERTY, PLANT & EQUIPMENT	VESSELS HELD-FOR-SALE	TOTAL
Accumulated depreciation					
At January 1, 2022	(163,479)	-	(163,479)	(4,661)	(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 year	(102,504)	-	(102,504)	-	(102,504)
Impairment	(79,378)	-	(79,378)	-	(79,378)
Disposal of vessels	51,375	-	51,375	-	51,375
Transfers	23,453	-	23,453	(23,453)	-
At December 31, 2023	(337,351)	-	(337,351)	(23,453)	(360,804)
Net book value					
At December 31, 2023	691,291	78,980	770,271	25,165	795,436
At December 31, 2022	745,873	32,770	778,643	-	778,643

Acquisitions of vessels:

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 ecodesign vessels from an unrelated party, for a total consideration of USD 135.6 million. The 2016-built vessel, AS Anne (2,190 TEU), includes an existing 36-month time charter agreement 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 was subsequently terminated in July 2023 and the Group received a cash compensation of USD 22.0 million. Simultaneously, the Group depreciated separately of USD 22.0 million to reflect the cost of contract.

Disposal of vessels and other assets:

In 2023, the Group sold and delivered six wholly-owned vessels. Total impairment loss relating to these vessels were USD 31.6 million. An additional USD 1.2 million loss was recorded due to revision of the final sale price upon delivery of the vessels. Refer to [Note 5.2 – Depreciation, Amortization and Impairment Charges](#) for further detail.

In December 2023, the Group entered into MoA 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. As at December 31, 2023, the vessels were classified as “Vessels held for sale”, and a total impairment loss of USD 5.8 million was recognized as the the carrying amount of the vessels were not recoverable from their expected fair value less cost of sale.

In December 2023, USD 6.5 million of CAPEX was written off.

Newbuildings:

As at December 31, 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 a 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 container vessels that are able to operate on green methanol. The contract price is USD 39.0 million per vessel and they are expected to be delivered in late 2024. For these two vessels, a 15-year time charter contracts to North Sea Container Line AS have been secured. As at December 31, 2023, total additions to Group’s newbuilding program was of USD 79.0 million of which USD 77.2 million was related to yard progress billing. Remaining commitments amounted to USD 156.1 million are due in 2024.

5.2 Depreciation, Amortization and Impairment Charges

Accounting policy

Impairment of vessels

Indicators of impairment of vessels and other fixed assets are assessed at each reporting date. The same applies when events or changes in circumstances that may entail that the vessels' carrying amount may not be recoverable. Such indicators may include depressed charter rates and lower second hand vessel values. If impairment indicators are identified, the recoverable amount is estimated; and if the carrying amount exceeds its recoverable amount, an impairment loss is recognized; i.e. the asset is written down to the higher of the fair value less cost of sale and its value-in-use. The net realizable value is the amount obtainable from the sale of an asset in an arms length transaction less the costs of sale and the value in use is the present value of estimated future cash flows expected from the continued use of an asset.

Assets are grouped at the lowest level where there are separately identifiable independent cash flows.

The following assumptions have been made when calculating the value in use for container vessels:

- + Each vessel is considered to be a separate cash-generating unit.
- + Future cash flows are based on an assessment of expected development in charter rates and estimated level of administrative and operating expenses (including maintenance and repair) and dry-docking over the remaining useful life of the vessel plus any residual value.
- + The net present value of future estimated cash flows of each cash-generating unit is based on a discount rate according to a pre-tax weighted average cost of capital. The weighted average cost of capital (WACC) is calculated based on the expected long-term borrowing rate and risk-free USD SOFR rate plus an equity risk premium. In 2023, the WACC used in the impairment testing was 9.0%.

An impairment loss recognized in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

Judgement and estimates

- + Impairment of vessels: In assessing the need for impairments, each vessel is considered to be a separate cash generating unit. The impairment testing demand a considerable degree of estimation. Changes in circumstances and assumptions may significantly affect the estimated recoverable amounts. In assessing impairment, both external and internal sources of information are considered. External sources include a significant decline in market value that is not the result of the passage of time, normal use of the assets or increase in interest rate. Internal sources of information include evidence of obsolescence of, or physical damage to, an asset. If the carrying amount of an asset exceeds the amount that is recoverable from its use or sale, an impairment loss is recognised immediately so that the carrying amount corresponds to the recoverable amount.
- + As we obtain information from various industry and other sources (see further in the basis for impairment testing), our estimates of charter-free market value are inherently uncertain. In addition, vessel values are highly volatile; as such, our estimates may not be indicative of the current or future charter-free market value of our vessels or prices that we could achieve if we were to sell them.
- + Value in use calculations involve a high degree of estimation and a number of critical assumptions such as time charter rates, utilization rate, drydocking expenditures and requirements, operational expenses, residual values and discount rates. These assumptions are based on a combination of historical trends and current market conditions as well as future expectations. Estimated outflows for operating expenses and drydocking expenditures as well as requirement are based on a combination of historical and budgeted costs and are adjusted for assumed inflation. Finally, utilization is based on historical levels achieved and estimates of a residual value are consistent with the pattern of scrap rates used in management's evaluation of salvage value. The more significant factors that could impact management's assumption regarding time charter rates include (i) regional and global economic environment, (ii) trade patterns, (iii) by industry-specific trends in respect of capacity supply and demand, and (iv) changes in rules and regulation applicable to the container market, which includes legislation adopted by the international organization such as IMO and the EU or by individual countries. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate at the time they were made, such assumptions are highly subjective and likely to change, possibly materially in the future.

Climate risk

- + Management continuously monitors climate related risks when measuring the recoverable amount. While the Group's operations are not currently exposed to significant physical risk, the value-in-use may be impacted by transition risk, such as legislation, regulations, and changes in demand for the Group's assets. Although no single climate related assumption is a key assumption for this year's impairment test, expectations for the following years have been incorporated into projected cash flows: retrofit investments to improve fuel efficiency.

Basis for impairment testing and calculation of recoverable amount

In the impairment test for cash-generating units, the recoverable amount of the unit is compared with its carrying amount. The recoverable amount for the relevant cash-generating units is determined based on higher of the estimated fair value less cost of sale and its estimated value-in-use calculations. If the recoverable amount is less than the carrying amount, the latter is written down to the recoverable amount. The estimated fair value for our vessels is determined by a combination of various industry sources, including charter-free market values received from third-party independent broker; similar vessel sales offered from potential or historical buyers, recent sales of our owned vessels in a non-distressed situation. While the value-in-use is calculated as the discounted value of the estimated future net cash flows per cash-generating unit.

In developing estimates of future cash flows in order to assess value in use, the Group must make assumptions about future performance, with significant assumptions being related to charter rates, ship operating expenses, utilization, dry docking and other capital requirements, residual value and the estimated remaining useful lives of the vessels. These assumptions are based on historical trends as well as future expectations. As at December 31, 2023, our revenue assumptions were based on contracted time charter rates up to the end of life of the current contract of each vessels as well as estimated time charter equivalents rates for the remaining life of the vessel after the completion of its current contract. The estimated daily time charter equivalent rates used for unfixed days are based on a combination of (i) internally developed forecasts, and (ii) the trailing 15 year historical average rates, based on monthly averages rates published by an independent third party maritime research service. The estimated daily time charter equivalent rate used for non-contracted revenue days of each vessel is considered a significant assumption. Recognizing that the container transportation industry is cyclical and subject to significant volatility, we consider the assumptions used represent a reasonable benchmark for the estimated time charter equivalents rates for the non-contracted revenue days, based on the past and ongoing shipping cycles.

Estimated outflows for operating expenses and dry docking requirements are based on historical and approved budgeted costs and are adjusted for assumed inflation. Finally, utilization is based on historical levels achieved and estimates of a residual value are consistent with the pattern of recycle rates used in management's evaluation of salvage value.

Other capital requirements for vessels are primarily retrofit investments based on the Group's decarbonization strategy.

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 secondhand containerships values. At December 31, 2023, the impairment indicator was triggered as the market values of our vessels have declined from levels seen in 2021 and 2022. Hence, an impairment test has been performed for the Group's vessels.

In 2023, the Group recognized a total impairment loss of USD 79.4 million (2022: zero). Below sets fourth the material impairment loss to each cash generating units:

IN USD THOUSANDS	BUILT	STATUS	SALE PRICE	2023
Operating vessels				
AS Alva	2008			11,453
AS Nora	2014			8,794
AS Pamela	2009			8,611
AS Anita	2010			4,365
AS Alexandria	2010			4,236
Other vessels				10,332
Impairment for operating vessels				47,791
Held-for-sale				
AS Rosalia	2009	Sold	7,000	1,766
AS Romina	2009	Sold	7,000	2,213
AS Flora	2005	Sold	6,000	1,085
AS Roberta	2006	Sold	7,500	736
AS Rafaela	2007	Sold	8,000	1,590
AS Emma	2010	Sold	22,500	18,391
AS Paulina	2004	Held-for sale	8,000	2,921
AS Pauline	2006	Held-for sale	9,500	866
AS Petra	2004	Held-for sale	8,000	2,018
Impairment for held-for-sale vessels				31,587
Total Impairment			79,378	79,378

Impairment Sensitivity Analysis

As discussed above, we believe the appropriate historical period to use as a benchmark for impairment testing of our vessels is the trailing 15 years, to the extent available, as such average take into consideration the volatility and cyclical nature of the market. Charter rates are, however, subject to change based on a variety of factors that we cannot control and we note that for all vessel categories, charter rates for 2021 and 2022 have been greater than their fifteen year historical averages.

In connection with the impairment testing of our vessels as of December 31, 2023, we performed a sensitivity analysis on the most sensitive and/or subjective assumption – the long term estimated daily time charter equivalent rates used for non-contracted revenue days; WACC and residual value that has the potential to affect the outcome of the test. The following table summarizes the sensitivity of the impairment to the key assumption:

IN USD THOUSANDS	CHANGE IN IMPAIRMENT	INCREASE 2023	DECREASE 2022
Base rate	Increase/decrease by 5%	(3,613)	4,744
Recycling price	Increase/decrease by USD 50	(705)	1,118
WACC	Increase/decrease by 25 basis point	968	(572)

NOTE 6 Group Structure

6.1 Investments in Joint Venture and Associate

Accounting policy

Joint ventures are those entities whereby the Group have joint control and rights to the net assets. Associates are those entities where the Group has significant influence but not control or joint control (usually between twenty and fifty percent of the voting power). The Group's investments in associate and joint venture are accounted for using equity method. The investments in an associate or a joint venture are initially recognized at cost and thereafter adjusted for Group's share of post-acquisition profits or losses, movements in other comprehensive income or dividends received.

IN USD THOUSANDS	DECEMBER 31, 2023	DECEMBER 31, 2022
Investment in joint venture	1,703	20,067
investment in associate	1,231	826
Total	2,934	20,893

Investment in Joint venture

The Group holds a 50% ownership interest in 2. Bluewater Holding Schiffahrtsgesellschaft GmbH & Co. KG (Bluewater), Hamburg (Germany). As at December 31, 2023, Bluewater has zero (2022: four) container vessels.

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 Cimbria 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 13.2 million (Cimbria) in the joint venture.

The following tables shows the summarized financial information of the Group's investment in Bluewater:

IN USD THOUSANDS	2023	2022
Non-current assets	-	28,323
Cash and cash equivalents	2,148	13,211
Other current assets	1,450	1,328
Non-current liabilities	-	-
Current liabilities	192	2,728
Equity	3,405	40,133
Group's carrying amount of the investment	1,703	20,067

IN USD THOUSANDS	2023	2022
Operating revenues	14,752	82,328
Operating costs	(8,416)	(18,812)
Other income (expense)	278	43,522
Gain (loss) from sale of vessels	39,535	-
Depreciation	(959)	(3,187)
Net financial income (expense)	112	(307)
Income tax	(28)	(22)
Profit after tax for the period	45,275	103,522
Total comprehensive income for the period	45,275	103,522
Group's share of profit for the period	22,637	51,761
Dividends received	41,000	60,350

Bluewater can not distribute dividends without the approval of both joint venture partners.

The joint venture had no contingent liabilities or capital commitments at December 31, 2023 and 2022.

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 CO₂ 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 December 31, 2023, the Group's investment in Siemssen KG was USD 1.2 million. The investment is accounted under the equity method.

6.2 Group Companies

The Group's consolidated financial statements include the financial statements of the Company and its subsidiaries listed in the table below. The table excludes all general partner companies and non-operating companies.

COMPANY	COUNTRY	PRINCIPAL ACTIVITY	OWNERSHIP
MPC Container Ships Invest B.V.	Netherlands	Holding company	100.00%
"AS Angelina" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS California" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Carelia" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Clara" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Clarita" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Clementina CV" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Columbia" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Cypria" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Fabiana" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Fabrizia" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Fatima" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Felicia" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Filippa" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Fiorella" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Floretta" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%

COMPANY	COUNTRY	PRINCIPAL ACTIVITY	OWNERSHIP
"AS Floriana" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Patria" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Paulina" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Petronia" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Ragna" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Sara" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Savanna" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Selina" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Sevillea" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Sicilia" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
"AS Sophia" ShipCo C.V.	Netherlands	Ship-owning entity	99.90%
MPCC Second Financing GmbH & Co. KG	Germany	Holding company	100.00%
"AS Camellia" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Carlotta" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Christiana" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Pauline" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Sabrina" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Samanta" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Susanna" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Svenja" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
MPCC Fourth Financing GmbH & Co. KG	Germany	Holding company	100.00%
"AS Anne" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Stine" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Silje" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Simone" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Sabine" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
MPCC Third Financing AS	Norway	Holding company	100.00%
"AS Fenja" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Freya" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%

COMPANY	COUNTRY	PRINCIPAL ACTIVITY	OWNERSHIP
"AS Nadia" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Penelope" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Paola" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
Zweite "AS Palina" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
Zweite "AS Petra" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Constantina" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Serena" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
MPCC Mipo AS	Norway	Ship-owning entity	100.00%
MPCC Alva AS	Norway	Ship-owning entity	100.00%
MPCC City AS	Norway	Ship-owning entity	100.00%
MPCC Caspria AS	Norway	Ship-owning entity	100.00%
MPCC Nora AS	Norway	Ship-owning entity	100.00%
MPCC GREENBOX AS	Norway	Holding company	90.10%
MPCC NORDLAND AS	Norway	Ship-owning entity	90.10%
MPCC VESTLAND AS	Norway	Ship-owning entity	90.10%
MPC ECOBOX OPCO 5 GmbH & Co. KG	Germany	Ship-owning entity	100.00%
MPC ECOBOX OPCO 6 GmbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Carolina" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Franziska" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Nina" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
"AS Claudia" Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.00%
AS Shipping OpCo 2 GmbH	Germany	Holding company	90.00%

NOTE 7 Capital Structure and Financial Instruments

7.1 Financial Risk Management

This section provides additional information about the Group's policies that are considered most relevant in understanding the operations and management of the Group, in particular objectives and policies of how the Group manages its financial risks, liquidity positions and capital structure.

The Group owns and operates vessels for worldwide transportation of containerised cargo. Through its operation, the Group is exposed to market risk, credit risk, liquidity risk and other risks that may negatively influence the value of assets, liability and future cash flows.

Market risk from financial instruments is the risk that future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise four types of risk: interest rate risk, foreign currency risk, credit risk and price risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates, i.e. interest payable on the bond issued and the non-recourse senior secured term loan depends on the short-term SOFR. An increase of the short-term SOFR rate by 100 basis points would cause the Group's annualized interest expenses to increase by USD 73 thousands on a net debt basis (total interest bearing net minus cash and cash equivalents including restricted cash).

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The functional currency of most of the entities in the Group is USD, and the Group has only minor currency risk from its operations since all income and all major vessel costs are in USD. However, the Group has exposure to EUR and NOK as parts of administration and vessel operating expenses and a portion of cash and cash equivalents, other short-term assets, trade payables and provisions and accruals are denominated in EUR and NOK. Currently, no financial instruments have been entered into to mitigate this risk.

The Group is subject to price risk related to the charter market for feeder container vessel which is uncertain and volatile and will depend upon, among other things, the global and regional macroeconomic developments. In addition, the future financial position of the Group depends on valuations of the vessels owned by the Group. Currently, no financial instruments have been entered into to reduce this shipping market risk. The Group will normally have limited exposure to risks associated with bunker price fluctuations as the bunkers are for the charterers account when the vessels are on time charter contracts. See Board of Directors' report for further description.

From January 1, 2024, shipping is part of EU's emission trading system (EU ETS). The Group must submit allowances for 100% of emissions for voyages within EU, and 50% of voyages in and out of EU (including ballast leg). The share of emissions that must be covered by allowances gradually increases each year from 40% of emissions reported for 2024, 70% of emissions reported for 2025 and from 2026, 100% of reported emissions. The cost will in most cases be covered by the customer. As at December 31, 2023, the Group held allowances amounting USD 15.8 thousands.

Credit risk

Credit risk refers to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The maximum credit risk exposure is related to the Group's trade receivables of USD 6.3 million as at December 31, 2023.

It is the aim of the Group to enter into contracts with creditworthy counterparties only. Prior to concluding a charter party, the Group evaluates the credit quality of the customer, assessing its financial position, past experience and other factors. Charter hire is paid in advance, effectively reducing the potential exposure to credit risk. Bank deposits are only deposited with internationally recognized financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity and/or undrawn committed credit facilities at all times to meet its obligations. See Board of Directors' report for further description with respect to liquidity risk. To ensure this, the Group continuously monitors projected cash flows using a liquidity planning tool. This includes furnishing management with weekly cash reporting, monthly liquidity forecasts and furnishing management and the Board of Directors with rolling 12-24 months liquidity forecasts.

The following table summarises the contractual maturities of financial liabilities on an undiscounted basis as at December 31, 2023:

IN USD THOUSANDS	< 1 YEAR	1-3 YEARS	4-5 YEARS	> 5 YEARS	TOTAL
Interest-bearing debt	34,936	24,761	69,919	-	129,616
Interest payments	9,277	13,421	6,985	-	29,683
Trade and other payables	20,397	-	-	-	20,397
Realted part payables	1,062	-	-	-	1,062
Other liabilities	16,011	-	-	-	16,011
Total	81,683	38,182	76,904	-	196,769

The following table summarises the contractual maturities of financial liabilities on an undiscounted basis as at December 31, 2022:

IN USD THOUSANDS	< 1 YEAR	1-3 YEARS	4-5 YEARS	> 5 YEARS	TOTAL
Interest-bearing debt	80,000	48,333	26,667	-	155,000
Interest payments	9,825	6,862	1,938	-	18,625
Trade and other payables	17,282	-	-	-	17,282
Other liabilities	18,863	-	-	-	18,863
Total	125,970	55,195	28,605	-	209,770

7.2 Financial Instruments

Accounting policy

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

At the inception of a hedge relationship, the Group formally documents the relationship between the hedge instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship.

The Group makes an assessment at inception and on an ongoing basis according to IFRS 9, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that ultimately could affect profit or loss.

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

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

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

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

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

Set out below is a comparison by category for carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements. The estimated fair value amounts of the financial instruments have been determined using appropriate market information and valuation techniques.

Fair value of trade receivables, cash and cash equivalents and trade payables approximate their carrying amounts measured at amortized cost due to the short-term maturities of these instruments.

The fair value of interest-bearing debt is estimated by discounting future cash flows using rates for debt on similar terms, credit risk and remaining maturities. Fair value of interest-bearing debt approximates the carrying amounts as there have been no significant changes in the market rates for similar debt financing between the date of securing the debt financing and the reporting date.

IN USD THOUSANDS	DECEMBER 31, 2023		DECEMBER 31, 2022	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets				
Trade and other receivables	23,667	23,667	22,922	22,922
Financial instruments at fair value	1,951	1,951	1,740	1,740
Cash and cash equivalents ¹	122,584	122,584	125,517	125,517
Total financial assets	148,202	148,202	150,179	150,179

¹ Includes restricted cash

IN USD THOUSANDS	DECEMBER 31, 2023		DECEMBER 31, 2022	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial liabilities at amortized cost				
Non-current interest-bearing debt	92,951	92,951	74,462	74,462
Current interest-bearing debt	33,564	33,564	79,112	79,112
Trade and other payables	20,397	20,397	17,282	17,282
Related party payables	1,062	1,062	-	-
Other liabilities	16,011	16,011	18,863	18,863
Total financial liabilities	163,985	163,985	189,719	189,719

Fair value hierarchy

The Group uses a hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques. The table below shows the fair value measurements for both the Group's assets and liabilities as at December 31, 2023.

IN USD THOUSANDS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL FAIR VALUE
Liabilities				
Floating rate debt	-	126,515	-	126,515
Assets				
Financial instruments	-	1,951	-	1,951

The table below shows the fair value measurements for both the Group's assets and liabilities as at December 31, 2022

IN USD THOUSANDS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL FAIR VALUE
Liabilities				
Floating rate debt	-	153,574	-	153,574
Assets				
Financial instruments	-	1,740	-	1,740

Cash Flow Hedges

The Group uses interest rate swaps, caps and collars as hedges of its exposure to interest rate fluctuations in connection with its debt and bond financing.

As at December 31, 2023 the Group has three 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	NOTIONA AMOUNT	EFFECTIVE PERIOD	INTEREST CAP	MATURITY
Interest-rate cap	USD 45.27 million	2024-2026	4.0%	December 2026
Interest-rate caps	USD 15.9-2.2 million	2024-2031	4.0%	May/ June 2031
Swaptions	USd 43.7-10.2 million	2024-2036	3.5%	July 2024

The Group has entered into 2 options (swaptions) 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. Additionally, the Group has entered into interest caps to hedge against the risk of increased interest payments as shown in the table above.

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.

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.

7.3 Cash and Cash Equivalents

Accounting policy

Cash and short-term deposits in the statement of financial position comprise cash at banks, on hand and short-term deposits with a maturity of three months or less. Cash equivalents represent short-term, liquid investments which are readily convertible into known amounts of cash with original maturities of three months or less.

Cash not available for general use by the Group due to minimum liquidity requirements in the loan agreements and required class are classified as restricted cash.

IN USD THOUSANDS	DECEMBER 31, 2023	DECEMBER 31, 2022
Bank deposits denominated in USD	106,149	121,245
Bank deposits denominated in EUR	2,194	2,521
Bank deposits denominated in NOK	563	1,751
Money market	13,678	-
Total cash and cash equivalents and restricted cash	122,584	125,517

The fair value of cash and cash equivalents at December 31, 2023 is USD 122.6million (USD 125.5 million at December 31, 2022). Restricted cash as at December 31, 2022 was USD 5.0 million compared to USD 30.2 million as at December 31, 2022. USD 3.8 million under the senior secured credit facility is restricted cash for the solely use for required class-related maintenance on the vessels, compared to USD 10.8 million at December 31, 2022. Further, the group have USD 0.6 million in a retention account, related to repayment on the term loan facility, and USD 0.6 million is kept as minimum liquidity as required by the loan agreements described in [Note 7.4](#).

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

7.4 Interest-Bearing Debt

Accounting policy

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs and have not been designated as at fair value through profit or loss. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

Debt issuance costs, including debt arrangement fees, are capitalized and amortized using the effective interest method over the term of the relevant loan. Amortization of debt issuance costs is included in interest expense. If a loan is repaid early, any unamortized portion of the related debt issuance costs is expensed in the period in which the loan is repaid. The Group has recorded debt issuance costs as a direct deduction from the carrying amount of the related debt using the effective interest rate method.

Under a sale and leaseback transaction, when the transfer of vessels does not qualify as a sale under IFRS 15, the seller-lessee does not de-recognise the transferred asset, and it accounts for the cash received as a financial liability.

IN USD THOUSANDS	CURRENCY	FACILITY AMOUNT	INTEREST	MATURITY	DECEMBER 31, 2023	DECEMBER 31, 2022
Loan and credit facility	USD	180,000	SOFR + 3.35%	November 2023/2026	-	100,000
Senior secured credit facility	USD	70,000	SOFR+ 3.25%	June 2024	55,000	55,000
Term loan facility	USD	50,000	SOFR+2.8% - 3.35%	August 2028	49,130	-
Sale and leaseback facility	USD	75,000	SOFR+2.6%	October 2027	66,963	-
Senior secured term loan facility	USD	8,300	SOFR+3.5%	February 2027	4,810	-
Term loan and credit facility	USD	15,933	SOFR+1.5% -2.5%	February 2036	8,713	-
Secured revolving loan facility	USD	100.0	SOFR+2.95%	March 2028	-	-
Other long-term debt incl. accrued interest					256	403
Total outstanding					129,872	155,403
Debt issuance costs					(3,357)	(1,829)
Total interest-bearing debt outstanding					126,515	153,574
Classified as:						
Non-current					92,951	74,462
Current					33,564	79,112
Total					126,515	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. In 2023, the Group repaid fully the USD 55.0 million and the facility is cancelled.

In October 2021, the Group entered into an agreement for a USD 180 million five-year senior secured loan and revolving credit facility with Hamburg Commercial Bank ("HCOB"). It consists of a USD 130 million term loan and a revolving credit facility of USD 50 million. In 2023, the Group repaid fully the USD 100.0 million and the facility is cancelled.

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. The facility is secured by one vessel with a carrying amount of USD 14.1 million. As at December 31, 2023, the Group repaid USD 3.5 million, and USD 4.8 million remained outstanding.

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 together with K-SURE Agent. The loan facilities will be used to finance the two 5,500 TEU eco-design newbuildings. In 2023, USD 8.7 million was drawn to pay a progress payment of USD 7.2 as well as a mandatory insurance premium paid to the lender. As at December 31, 2023 the outstanding balance of USD 8.7 million was classified as current portion of interest-bearing debt and USD 101.5 million would be available once the delivery of both newbuildings is completed.

The two 5,500 TEU eco-design newbuildings are expected to be delivered in the second and third quarter of 2024 and pre-delivery portion of the facility shall be matured upon delivery of each vessels.

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. In 2023, USD 50 million was drawn on the facility to pay for the vessels and the Group subsequently repaid USD 0.9 million. As at December 31, 2023, USD 49.1 million remained outstanding and the carrying amount of the five vessels was USD 112.5 million.

In September 2023, the Group entered into a sale and leaseback transactions with BoComm Leasing in an amount of USD 75.0 million for 12 of its vessels. The lease financing has a tenor of 48 months starting from September/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 as such the lease has been accounted for as a secured borrowing, with the vessels recorded under "Vessels". The amount allocated to interest expense is determined by the incremental borrowing rate or imputed interest rate. As at December 31, 2023, all of the 12 vessels, with carrying amount of USD 116.1 million, were delivered to BoComm Leasing and USD 67.0 million remained outstanding. Since the transaction does not qualify as a sale as according to IFRS 15, the transferred vessels are not derecognized and shall be depreciated by the Group as if we were the legal owner. The proceeds of USD 75.0 million shall be recognized as financial liabilities.

In December 2023, the Group entered into a senior secured reducing revolving loan facility of up to USD 100.0 million with HCOB, subject to finalization of the loan. The facility has a tenor of five years, and carries an interest rate of SOFR plus a margin of 295 basis points. As at December 31, 2023, no draw-down was made on this facility.

The following main financial covenants are defined in the terms of the credit facility agreement with Crédit Agricole and HCOB:

- + The Parent company (MPC Container Ships ASA) shall maintain a minimum equity ratio of 40%
- + The consolidated liquidity in the Group shall maintain a minimum liquidity of USD 250.000 per consolidated vessel

The Group is in compliance with all loan and credit facility covenants as at December 31, 2023.

7.5 Equity

Accounting policy

Profit distribution includes dividends approved by the Board of Directors' Meeting. The distribution of profits proposed by the Board of Directors is recognized as a liability and a deduction of equity once the distribution is approved by the Group's shareholders at the Board of Directors' Meeting. Costs related to share issuances are recognized directly in equity.

Total equity consists of share capital, share premium, fair value reserves, reserve for invested unrestricted equity, retained earnings and non-controlling interest. Share premium includes the amount exceeding the accounting par value of shares received by the Company in connection with share subscriptions. Fair value reserve includes hedge accounted component of fair value changes of derivatives under hedge accounting. Retained earnings include profit for the period and previous periods. Paid dividends approved in the General Meeting are first deducted from share premium before charging against retained earnings.

	NUMBER OF SHARES	SHARE CAPITAL (USD THOUSANDS)	SHARE PREMIUM (USD THOUSANDS)
January 1, 2023	443,700,279	48,589	152,737
Cancellation of treasury shares	-	-	-
Dividend paid from share premium	-	-	(150,858)
Settlement of warrants	-	-	-
December 31, 2023	443,700,279	48,589	1,879

	NUMBER OF SHARES	SHARE CAPITAL (USD THOUSANDS)	SHARE PREMIUM (USD THOUSANDS)
January 1, 2022	444,051,377	48,630	597,080
Cancellation of treasury shares	(351,098)	(41)	(1,102)
Dividend paid from share premium	-	-	(441,022)
Settlement of warrants	-	-	(2,219)
December 31, 2022	443,700,279	48,589	152,737

Share Capital

The share capital of the Company consists of 443,700,279 shares as at December 31, 2023, with nominal value per share of NOK 1. All issued shares are of equal rights and are fully paid up.

In July 2022, the Group entered a contract to purchase two new carbon-neutral 1300 TEU newbuildings, together with Topeka MPC Maritime AS, a joint venture between Topeka Holding AS (zero emission shipping company owned by Wilhelmsen Group) and MPC Capital AG. Topeka MPC Maritime AS purchased their 9.9% non-controlling interest for USD 1.4 million.

Furthermore, non-controlling interests as of December 31, 2023 consists of the 0.1% shares the ship managers hold in the ship-owning entities under the MPC Container Ships Invest B.V. Group. As at December 31, 2023, the non-controlling interest also includes the minority interest's share of result within these ship-owning entities, see [Note 6.2 – Group Companies](#).

The table below summarizes the changes in components in other reserves.

	CASH FLOW HEDGING	CURRENCY TRANSLATION ADJUSTMENT	CHANGE IN OTHER COMPREHENSIVE INCOME
As at January 1, 2023	-	(109)	(109)
Change during year	(1,368)	-	(1,368)
As at December 31, 2023	(1,368)	(109)	(1,477)

	CASH FLOW HEDGING	CURRENCY TRANSLATION ADJUSTMENT	CHANGE IN OTHER COMPREHENSIVE INCOME
As at January 1, 2022	-	(109)	(109)
Change during year	634	-	634
As at December 31, 2022	634	(109)	525

OVERVIEW OF THE 20 LARGEST SHAREHOLDERS AS AT DECEMBER 31, 2023

SHAREHOLDER	NUMBER OF SHARES	IN %	TYPE
MPC CSI GmbH	70,302,796	15.8%	Ordinary
CLEARSTREAM BANKING S.A.	20,687,298	4.7%	Nominee
State Street Bank and Trust Comp	18,643,356	4.2%	Nominee
J.P. Morgan SE	17,260,108	3.9%	Nominee
The Bank of New York Mellon	10,161,183	2.3%	Nominee
FOLKETRYGDFONDET	8,879,877	2.0%	Ordinary
Avanza Bank AB	7,989,707	1.8%	Nominee
JPMorgan Chase Bank	7,859,325	1.8%	Nominee
NORDNET LIVSFORSIKRING AS	7,191,085	1.6%	Ordinary
Brown Brothers Harriman & Co.	6,529,365	1.5%	Nominee
State Street Bank and Trust Comp	5,727,608	1.3%	Nominee
SONGA CAPITAL AS	5,000,000	1.1%	Ordinary
Nordnet Bank AB	4,342,055	1.0%	Nominee
The Bank of New York Mellon	4,080,214	0.9%	Nominee
The Bank of New York Mellon SA/NV	3,913,686	0.9%	Nominee
State Street Bank and Trust Comp	3,840,669	0.9%	Nominee
Deutsche Bank Aktiengesellschaft	3,569,639	0.8%	Nominee
SIX SIS AG	2,800,242	0.6%	Nominee
VERDIPAPIRFONDET STOREBRAND INDEKS	2,799,673	0.6%	Ordinary
Goldman Sachs International	2,620,689	0.6%	Nominee
Total	214,198,575	48.3%	

Dr. Axel Schroeder and Ulf Holländer hold indirect ownership interest in the Company through an indirect minority interest in MPC CSI GmbH. Peter Frederiksen holds direct ownership in the Company. The Group CEO, Constantin Back, holds 66,000 shares directly in the Company. The CEO does not have any indirect ownership. Refer to [Note 8.2 - Related Party Transactions](#) for further information on Directors' and executive management's compensation and shareholding as at December 31, 2023.

In 2017, the company issued 2,121,046 warrants to MPC Capital Beteiligungsgesellschaft mbH & Co. KG, and additional 3,489,860 warrants were issued in 2020. Each warrant gave the right, but no obligation, to subscribe for one share in the Company. The warrants were valid for a period of five years from April 20, 2017.

The Company entered into an agreement on September 3, 2021 with the warrant holder to settle 3,740,604 warrants for a cash consideration of USD 3.5 million which was recognized in 2021 in other paid capital. Since the cash consideration was due by June 30, 2022, the provision was included under current liabilities as at December 31, 2021. As at December 31, 2021 the warrant holder holds 1,870,302 which have an exercise price of USD 1.89 conditional on that the vesting criteria are met. The remaining 1,870,302 warrants held at year-end 2021 were settled for a cash consideration of USD 2.2 million on January 22, 2022. Following the settlement agreement, there were no longer any warrants outstanding relating to the Company from this date onwards.

The warrants issued to the founding shareholder were recognized as equity instruments in accordance with IAS 2 Financial Instruments.

7.6 Capital Management

A key objective of the Group's capital management is to ensure that the Group maintains a capital structure in order to support its business activities and maximise the shareholder value. The Group evaluates its capital structure in light of current and projected cash flows, the state of the shipping markets, new business opportunities and the Group's financial commitments. Capital is primarily managed on Group level.

The Group monitors its capital structure using the book-equity ratio, which stands at 78.9% as at December 31, 2023 (2022: 75.4%). The Group's debt facilities contain certain financial covenants which require the Company or the subsidiaries to maintain the following financial covenants, minimum value of vessels, and a certain level of free cash and equity ratio. The Group aims at maintaining an equity ratio with adequate headroom to the respective covenant requirements (refer to [Note 7.4 – Interest-Bearing Debt](#)).

IN USD THOUSANDS	DECEMBER 31, 2023	DECEMBER 31, 2022
Book equity	753,481	721,447
Total assets	954,744	956,321
Book-equity ratio	78.9%	75.4%

In support of the Group's objective of maximizing returns to shareholders, the Group's intention is to pay regular dividends by way of distributing 75% of profits (loss) for the period after considering CAPEX and working capital requirements, including liquidity reserves and one-off effects. Dividends will be declared or proposed by the Board at the sole discretion of the Board and will depend upon the financial position, earnings, debt covenants, distribution restrictions, capital requirements and other factors related to the Group. The Company cannot guarantee that its Board will declare or propose dividends in the future. Furthermore, the Board may make event driven distributions based on non-recurring proceeds, such as vessel sales, by way of extraordinary dividends or share buybacks, to be applied according to the Board's discretion.

During 2023, the Group distributed dividends for a total of USD 293.1 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 142.0 million from retained earnings and USD 0.3 million to non-controlling interests.

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
21.11.2023	Recurring	USD 0.14 / NOK 1.5224	13.12.2023	14.12.2023	21.12.2023

NOTE 8 Other Notes

8.1 Commitment

As at December 31, 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. The other two vessels are 1,300 TEU container vessels equipped with dual-fuel engines that are able to operate on green methanol. They are expected to be delivered in late 2024. As at December 31, 2023, remaining commitments to the newbuilding program amounted to USD 156.1 million which are due in 2024.

In 2023, the Group has committed to undertake joint retrofit with some of our customers on 13 vessels with a total cost of USD 17.5 million, of which USD 4.4 million shall be reimbursed from the charterer. As at December 31, 2023, the remaining commitments amounts to USD 15.6 million.

In December 2022, the Company had entered into a put/call option with INERATEC GmbH through its investment in associates for the delivery of 1,500 MT green physical marine diesel oil between 2024 and 2026. The option would oblige the Company to purchase and take delivery of the at a maximum price of 2,500 USD/MT.

8.2 Related Party Transactions

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

The Company is responsible for the technical ship management of the vessels owned by the Group. Performance of technical ship management services is sub-contracted to Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG and Wilhelmsen Ahrenkiel Ship Management B.V., joint ventures of MPC Münchmeyer Petersen Capital AG, for 52 of the 59 vessels owned by the Group at December 31, 2023.

Commercial ship management of the vessels owned by the Group and associated joint ventures is contracted to Contchart GmbH & Co. KG and Harper Petersen B.V., which are joint ventures of MPC Münchmeyer Petersen Capital AG.

The following table provides the total amount of service transactions that have been entered into with related parties for the relevant period:

IN USD THOUSANDS / 2023	2023	2022
Wilhelmsen Ahrenkiel Ship Man. GmbH & Co. KG / B.V.	8,167	8,653
Harper Petersen & Co. GmbH	6,624	5,670
MPC Münchmeyer Petersen Capital AG	924	1,180
Total	15,715	15,503

DIRECTORS' AND EXECUTIVE MANAGEMENT'S COMPENSATION AND SHAREHOLDING¹

	SHARES AT DECEMBER 31, 2023	WARRANTS	2023 REMUNERATION
Ulf Holländer (Chairman) ²	165,637	-	USD 90,000
Dr. Axel Schroeder ³	2,471,110	-	USD 50,000
Pia Meling	-	-	USD 50,000
Peter Fredriksen	200,000	-	USD 50,000
Ellen Hanetho	60,000	-	USD 50,000
Constantin Baack (CEO)	66,000	-	USD 1,239,446
Moritz Fuhrmann (CFO)	-	-	USD 494,587
Dr. Benjamin Pfeifer (former CFO)	-	-	USD 81,235

	SHARES AT DECEMBER 31, 2022	WARRANTS	2022 REMUNERATION
Ulf Holländer (Chairman)	165,637	-	NOK 600,000
Dr. Axel Schroeder ⁴	2,536,511	-	NOK 400,000
Pia Meling	-	-	NOK 400,000
Peter Fredriksen	200,000	-	NOK 400,000
Ellen Hanetho	60,000	-	NOK 400,000
Constantin Baack (CEO)	66,000	-	NOK 7,848,515
Moritz Fuhrmann (CFO)	-	-	NOK 285,807
Dr. Benjamin Pfeifer (former CFO)	7,300	-	NOK 3,820,956

¹ Several of the board members hold further share through indirect shareholdings in the Company. Please refer to [Note 7.5 - Equity](#) for further details

² On March 15, 2024, an agreement was reached that all shares held by Ulf Holländer were sold to MPC CSI GmbH.

³ On March 15, 2024, an agreement was reached that all shares held by Dr. Axel Schroeder were sold to MPC CSI GmbH.

⁴ In November 2022, 4.9 million shares were transferred from a company controlled by Dr. Axel Schroeder to MPC CSI GmbH as contribution in kind.

IN USD THOUSANDS 2023	BASE SALARY	VARIABLE PAY	TOTAL
Constantin Baack (CEO)	474	765	1,239.3
Moritz Fuhrmann (CFO)	275	220	495
Dr. Benjamin Pfeifer (former CFO)	81	-	81

IN USD THOUSANDS 2022	BASE SALARY	VARIABLE PAY	TOTAL
Constantin Baack (CEO)	460	316	776
Moritz Fuhrmann (CFO)	28	-	28
Dr. Benjamin Pfeifer (former CFO)	272	105	377

In April, 2023, the Company's general meeting unanimously resolved that each member of the Board of Directors shall receive USD 50,000 (USD 90,000 for the Chairman of the Board) in remuneration for the financial year 2023. The Board fees resolved for the year are paid out in the subsequent year. The total remuneration to the Board of Directors and executive management in 2023 was USD 2.1 million (2022: USD 1.2 million).

Guidelines for compensation to the CEO and CFO

The main purpose of the compensation to the executive management is to attract, retain and motivate employees with the skills, qualifications and experience needed to maximise value creation for the Company and its shareholders.

The total compensation to the CEO and CFO consists of base salary, bonus and other benefits. The Company practices standard employment contracts, with standard terms and conditions regarding notice period and severance pay for the executive management. The executive management participates in a variable bonus scheme where the purpose is to provide incentive to contribute to the value creation of the Company and its shareholders.

8.3 Subsequent Events

In January 2024, the Group completed the sale and delivered the 2004-built vessel, AS Paulina to an unrelated party.

In January 2024, the Group partnered with Unifeeder in a joint investment for the construction of a 1,250 TEU container vessel at Chinese-based shipyard Wenchong shipbuilding. The vessel is equipped with dual-fuel engines and able to operate on green methanol. The contract price is USD 39.0 million and the equity will be contributed 50% by the Group and the remaining half by Unifeeder. The newbuilding shall be scheduled for delivery in late 2026, and will be under a 7-year time-charter agreement with Unifeeder post-delivery.

In February 2024, the Group entered into an agreement to sell its 2006-built vessel, AS Clarita, to an unrelated party for a total of USD 10.3 million.

In February 2024, pursuant to the Company's stated distribution policy, the Board of Directors declared a recurring dividend of USD 0.13 per share for the fourth quarter of 2023, corresponding to a total dividend payment of approximately USD 57.7 million, depending on prevailing FX rates. The dividend will be paid on or about March 26, 2024.

In March 2024, the Group completed the sale and delivered the 2004-built vessel, AS Petra to an unrelated party.

PARENT FINANCIAL STATEMENTS

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Statement of Profit or Loss

IN USD THOUSANDS	NOTES	2023	2022
Revenues	<u>2</u>	15,763	14,775
Revenues		15,763	14,775
Payroll	<u>4</u>	(2,727)	(3,079)
Other operating expenses	<u>5</u>	(19,468)	(17,320)
Operating result (EBIT)		(6,432)	(5,625)
Finance income	<u>5</u>	253,307	121,373
Finance expense	<u>5</u>	(5,046)	(4,292)
Profit (loss) before income tax (EBT)		241,829	111,456
Income tax	<u>6</u>	-	-
Profit (loss) for the period		241,829	111,456
Transfer of profit to retained earnings		241,829	111,456
Dividend proposed	<u>7</u>	57,681	66,555
Earnings per share		0.55	0.25
Basic earnings per share – in USD		0.55	0.25
Diluted earnings per share – in USD		0.55	0.25

Statement of Financial Position

IN USD THOUSANDS	NOTES	2023	2022
Assets			
Non-current assets			
Investments in subsidiaries	<u>8</u>	251,568	247,560
Investments in affiliated companies	<u>8</u>	2,934	27,894
Other non-current assets		-	3
Total non-current assets		254,502	275,457
Current assets			
Short-term receivables group	<u>3</u>	353	9,768
Other short-term receivables		546	810
Cash and cash equivalents	<u>9</u>	17,512	32,546
Total current assets		18,411	43,124
Total assets		272,913	318,580

IN USD THOUSANDS	NOTES	2023	2022
Equity and liabilities			
Equity			
Share capital	<u>7</u>	48,589	48,589
Share premium	<u>7</u>	1,879	86,229
Retained earnings	<u>7</u>	157,671	115,460
Total equity		208,139	250,278
Current liabilities			
Dividend accrual	<u>6</u>	57,681	66,555
Accounts payable		442	573
Accounts payable Group		9	11
Social security, VAT, etc.	<u>4</u>	64	186
Income tax payable	<u>6</u>	-	-
Other short-term liabilities		6,578	976
Total current liabilities		64,774	68,302
Total equity and liabilities		272,913	318,580

Statement of Cash Flow

IN USD THOUSANDS	NOTES	2023	2022
Profit (loss) before income tax		241,829	111,456
Net change in current assets		9,679	70,178
Net change in current liabilities		5,345	(51,415)
Finance income (net)	<u>5</u>	(248,258)	(117,081)
Cash flow from operating activities		8,595	13,138
Interest income		2,252	459
Investment in subsidiaries	<u>8</u>	(147,157)	(42,005)
Investment in affiliates		(404)	(826)
Dividends received from subsidiaries	<u>8</u>	374,492	340,745
Dividends received from joint ventures	<u>8</u>	41,000	60,350
Cash flow from investing activities		270,183	358,723
Other paid financial items		-	(145)
Repayment of hedging instruments		(970)	-
Paid dividends	<u>7</u>	(292,842)	(441,002)
Cash flow from financing activities		(293,812)	(441,147)
Net change in cash and cash equivalents		(15,034)	(69,286)
Cash and cash equivalents at beginning of period		32,546	101,832
Cash and cash equivalents at the end of period		17,512	32,546

Oslo, March 21, 2024

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)

Notes

NOTE 1 Significant Accounting Policies

MPC Container Ships ASA (“the Company”) was incorporated on January 9, 2017 as a private limited liability company under the laws of Norway, and converted to a Norwegian public limited liability company (Norwegian: *allmennaksjeselskap*) on January 16, 2018.

The financial statements are prepared in accordance with Norwegian Standards (NGAAP) for public limited liability companies.

Current assets are assets that are expected to be realized in the Company’s normal circle, held primarily for the purpose of trading and that are expected to be realized within twelve months after the reporting period. Current liabilities are liabilities that are expected to be settled within the Company’s normal operating cycle. Other assets are classified as non-current assets and other liabilities are classified as non-current liabilities.

Accounts receivables are recognized at fair value after provisions for bad debts.

Long-term investments in shares in subsidiaries including affiliated companies are recognized at original cost, but are reduced to fair value if the decrease in value is not temporary.

Revenues and expenses from operations are booked in the same period as they occur.

The financial statements are presented in US Dollar (USD), which is the functional currency of the Company. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transaction.

All financial information presented in USD has been rounded to the nearest thousand USD, except otherwise indicated. Differences from currency translations are classified as financial income.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax liabilities are classified as non-current assets and are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary difference can be utilised.

Dividends are reflected as Dividends payable within current liabilities. Group contributions for the year to other entities within MPCC’s Norwegian tax group are reflected in the balance sheet as current liabilities within Liabilities to group companies. Under NGAAP the presentation of dividends payable and payable group contributions differs from the presentation under IFRS, as it also includes dividends and group contributions payable which at the date of the balance sheet is subject to a future annual general meeting approval before distribution. A corresponding amount is recognised directly in equity.

NOTE 2 Operating Revenues

IN USD THOUSANDS	2023	2022
Ship management fees	10,113	9,065
Corporate management fees	3,813	3,569
Reimbursement	1,837	2,141
Total operating revenues	15,763	14,775

NOTE 3 Group Transactions

IN USD THOUSANDS	RECEIVABLES AT DECEMBER 31, 2023	PAYABLES AT DECEMBER 31, 2023	REVENUES IN 2023	EXPENSES IN 2023
Intercompany balances/transactions	353	-	15,763	(4,563)

IN USD THOUSANDS	RECEIVABLES AT DECEMBER 31, 2022	PAYABLES AT DECEMBER 31, 2022	REVENUES IN 2022	EXPENSES IN 2022
Intercompany balances/transactions	9,768	-	14,775	(4,622)

Revenue is related to invoiced ship management fees and corporate management fees including other reimbursements.

NOTE 4 Payroll Expenses, Board of Directors Remuneration, Compensations

IN USD THOUSANDS	2023	2022
Payroll	1,270	1,621
Social security	131	98
Other personnel expenses	1,081	1,133
Accrued Board of Directors remuneration	245	227
Total payroll expenses	2,727	3,079

In accordance with Norwegian law, the Company is required to have an occupational pension scheme.

The Company's pension scheme was in compliance with Norwegian law as at December 31, 2023.

Refer to [Note 8.2 - Related Party Transactions](#) of the consolidated financial statements for the remuneration of the Board of Directors and key management.

COMPENSATION TO AUDITORS (IN USD THOUSANDS)	2023	2022
Fees related to audit services	155	167
Fees related to other services	15	12
Total auditor compensation	170	179

NOTE 5 Specification of P/L Records

IN USD THOUSANDS	2023	2022
Other operating expenses		
Fees from auditors	(317)	(134)
Ship management fees	(9,472)	(8,481)
Legal fees	(466)	(159)
Other fees	(4,563)	(4,622)
Other operating expenses	(4,650)	(3,935)
Total operating expenses	(19,468)	(17,321)
Finance income		
Interest income	2,614	458
Income from exchange	3,694	4,069
Dividend from subsidiaries	231,344	56,445
Dividend from joint venture investments	15,635	60,350
Interest income from subsidiaries	2	-
Profit from shares sold	18	50
Total finance income	253,307	121,373
Finance expense		
Interest expense	(1,799)	(1,150)
Expense from exchange	(3,244)	(3,142)
Other financial expenses	(3)	-
Total finance expense	(5,046)	(4,292)

NOTE 6 Income Tax

The Company is subject to ordinary corporation tax in Norway:

IN USD THOUSANDS	2023	2022
Basis for ordinary corporation tax expense		
Profit (loss) before taxes	241,829	111,456
Non-taxable income (dividend)	(246,979)	(116,795)
Non-taxable cost	6,705	(3,770)
Net taxable income	1,555	(1,569)
Expected income tax at statutory rate (22%)	(342)	345
Change in temporary differences and tax losses carried forward not recognized	342	(345)
Income addition due to interest limitation rules	-	461
Corporate tax payable in the balance sheet	-	-

In Norway, the Company has an estimated tax loss carried forward amounting to USD 32.9 million. The tax loss can be carried forward indefinitely. Currently, no convincing evidence of using the tax loss exists. Accordingly, the criteria for recognition of deferred tax assets are not met.

NOTE 7 Equity

IN USD THOUSANDS	SHARE CAPITAL	TREASURY SHARES	SHARE PREMIUM	RETAINED EARNINGS/LOSSES	TOTAL
Total equity as at January 1, 2023	48,589	-	86,229	115,460	250,278
Dividends	-	-	(84,350)	(141,937)	(226,287)
Dividend proposed	-	-	-	(57,681)	(57,681)
Profit/loss	-	-	-	241,829	241,829
Total equity as at December 31, 2023	48,589	-	1,879	157,671	208,139

The proposed dividend consisted of the resolved dividends by the Board of Director's on February 27, 2023 where the Company will distribute USD 0.13 per share, amounting to USD 57.7 million, based on the financial results of the fourth quarter of 2023. Please refer to the Group [note 7.6](#) for information about dividends declared/paid during 2023.

IN USD THOUSANDS	SHARE CAPITAL	TREASURY SHARES	SHARE PREMIUM	RETAINED EARNINGS/LOSSES	TOTAL
Total equity as at January 1, 2022	48,630	(1,143)	396,316	4,004	447,807
Cancellation of treasury shares	(41)	1,143	(1,102)	-	-
Settlement of warrants	-	-	(2,219)	-	(2,219)
Dividends	-	-	(240,211)	-	(240,211)
Dividend proposed	-	-	(66,555)	-	(66,555)
Profit/loss	-	-	-	111,456	111,456
Total equity as at December 31, 2022	48,589	-	86,229	115,460	250,278

IN USD THOUSANDS	2023	2022
Profit/(loss) for year attributable to ordinary equity holders - in USD thousands	241,829	111,456
Weighted average number of shares outstanding, basic	443,700,279	443,826,290
Weighted average number of shares outstanding, diluted	443,700,279	443,868,078
Basic earnings per share - in USD	0.55	0.25
Basic earnings per share - in USD	0.55	0.25

NOTE 8 Investments in Subsidiaries and Affiliated Companies

INVESTMENTS IN SUBSIDIARIES

IN USD THOUSANDS	COUNTRY	EQUITY	PROFIT (LOSS)	BOOK VALUE	OWNERSHIP
MPC Container Ships Invest B.V.	Netherlands	54,731	253,371	15,432	100.00%
MPCC Second Financing GmbH & Co KG	Germany	109,813	76,343	-	100.00%
MPCC First Financing OpCo KG	Germany	47	20	29	100.00%
MPCC First Financing Verwaltungs GmbH	Germany	27	(4)	29	100.00%
MPC Container Ships GmbH & Co. KG	Germany	(79)	(347)	732	100.00%
MPC Container Ships Verwaltungs GmbH	Germany	30	(1)	29	100.00%
MPC Container Ships Sourcing GmbH	Germany	435	121	122	100.00%
MPCC Greenbox AS	Norway	28,574	14	25,855	90.10%
MPCC ECOBOX GmbH	Germany	40	7	31	100.00%
MPC ECOBOX 6 GmbH	Germany	26		31	100.00%
MPC ECOBOX 7 GmbH	Germany	27	(1)	31	100.00%
MPC ECOBOX OPCO 6 GMBH CO. KG	Germany	23,239	(77)	23,331	100.00%
MPC ECOBOX OPCO 5 GMBH CO. KG	Germany	23,272	(82)	23,369	100.00%
AS Constantina Opco GmbH	Germany	40	13	18	100.00%
AS Shipping OpCo 2 GmbH	Germany	37	4	-	90.00%
AS Shipping OpCo 3 GmbH	Germany	40	13	27	100.00%
AS Shipping OpCo 4 GmbH	Germany	-	-	27	100.00%
MPCC Fourth Financing Verwaltungs GmbH	Germany			27	100.00%
Sao Paulo Project Holding Verwaltungs GmbH	Germany	-	(63)	-	100.00%
MPCC Third Financing AS	Norway	169,612	54,896	64,832	100.00%
MPCC Fourth Financing GmbH & Co KG	Germany	69,598	(2,714)	72,339	100.00%
AS Carolina Schiff. MbH & Co. KG	Germany	8,980	9,938	-	100.00%
AS Franziska Schiff. MbH & Co. KG	Germany	5,850	2,090	-	100.00%
AS Roberta Schiff. MbH & CO. KG	Germany	143	2,138	-	100.00%
AS Claudia Schiffahrtsgesellschaft mbH & Co. KG	Germany	12,037	2,489	9,550	100.00%
AS Nina Schiffahrtsgesellschaft mbH & Co. KG	Germany	16,684	954	15,727	100.00%
Total				251,568	

The major investment in subsidiaries of the Company are direct or indirect investments in container vessels where the fair values of the vessels exceed the book values. Accordingly, there is no identified need for impairment on the Company's investments in subsidiaries in 2022 (2021: USD 0.5 million).

INVESTMENTS IN AFFILIATED COMPANIES

IN USD THOUSANDS	COUNTRY	EQUITY	PROFIT/LOSS (+/-)	BOOK VALUE	OWNERSHIP
2. Bluewater Holding Schiff. GmbH & Co. KG	Germany	1,894,741	52,533,007	1,703	50%
Siemssen GmbH & Co. KG	Germany	-	-	1,230	25%
Total		1,894,741		2,933	

NOTE 9 Cash and Cash Equivalents

IN USD THOUSANDS	2023	2022
Bank deposits denominated in USD	3,486	31,127
Bank deposits denominated in EUR	256	126
Bank deposits denominated in NOK	92	1,292
Money market investments	13,678	-
Total cash and cash equivalents	17,512	32,546

Bank deposits in NOK consisted of in total USD 49.8 thousand in funds held for employee taxes withheld, payable to the Norwegian government.

NOTE 10 Shareholders

As at December 31, 2023, the share capital of the Company consisted of 443,700,279 shares with nominal value per share of NOK 1.00. All issued shares are of equal rights and are fully paid up.

Please refer to [Note 7.5 – Equity](#) of the consolidated financial statements for an overview of the 20 largest shareholders of the Company as at December 31, 2023.

NOTE 11 Guarantees

As at December 31, 2023, the Company has guaranteed for the term loan facility with Crédit Agricole together with K-SURE agent for the two 5,500 TEU eco-design newbuildings. Additionally, the Company has guaranteed for the senior secured term loan facility of MPCC Fourth Financing. Refer to [Note 7.4 – Interest-Bearing Debt](#) for more detail on the loan facilities.

Financial Risk Management

Foreign exchange

The risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Company has exposure in EUR and NOK as part of administrative and operating expenses and a portion of cash and cash equivalents and trade payables are denominated in EUR and NOK. The Company do not have financial instruments in place to mitigate this risk.

Credit risk

Credit risk relates to loans to subsidiaries and affiliated companies, guarantees to subsidiaries, deposits with external banks and receivables against related parties. Loss provisions are provided in situations of negative equity and where the companies are not expected to be able to fulfil their loan obligations from future earnings.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they fall due and is managed through maintaining sufficient cash. Development in the Group's and thereby the Company's available liquidity, is continuously monitored through a liquidity planning tool which includes weekly cash reporting and monthly cash flow forecasts.

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the consolidated financial statements presented in this report have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm that, to the best of our knowledge, the Board of Directors' report includes a fair review of the development and performance of the business and the position of the Group and a description of risks and uncertainties.

Oslo, March 21, 2024
The Board of Directors of MPC Container Ships ASA



Ulf Holländer, Chairman



Dr. Axel Schroeder



Ellen Hanetho



Pia Meling



Peter Frederiksen



Constantin Baack, CEO



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of MPC Container Ships ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MPC Container Ships ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as of 31 December 2023, the statement of profit or loss and statement of cash flow for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as of 31 December 2023, the statement of profit or loss, the statement of comprehensive income, the statement of cash flow, and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the risk and audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 7 years from the election by the general meeting of the shareholders on 23 May for the accounting year 2017.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate

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opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Impairment evaluation of vessels

Basis for the key audit matter

The value of vessels as at 31 December 2023 amounted to USD \$716,456,000 (including vessels held for sale), which represented 75% of total assets for the group. Due to significant decline in charter fee broker values as well as decline in charter contracts, underpinned by increase in OPEX, management identified impairment indicators. Impairment indicators were not present within newbuildings.

Management proceeded with the estimation of the recoverable amount of each vessel through the higher of fair value less cost of disposal or value in use models and compared this against the carrying amount of each vessel to assess (any) need for impairment charges. The recorded impairment for the year was USD \$79,378,000. The estimation of the recoverable amount required significant judgement especially as valuation is dependent on several assumptions such as recent sales, future charter rates, utilization, operating expenses, and discount rates (weighted average cost of capital), remaining useful life, which are all impacted by future market developments and economic conditions. There is a large amount of estimation uncertainty with respect to future charter rates.

We consider the impairment evaluation a key audit matter due to the uncertainty of estimates and judgement involved in establishing the assumptions.

Our audit response

Our audit procedures included evaluating management's assessment of impairment indicators for vessels and the assumptions applied in determining the recoverable amount whether that be fair value less cost of disposal or the value in use calculations. We observed declining time charter rates to external evidence and also declining broker valuations. We assessed the competence, objectivity and capabilities of the broker. We tested the recoverable amount by understanding the assumptions utilized by management, and supported these assumptions to external market evidence, and challenged management where appropriate.

We agreed actual sales to sales documentation as supporting evidence. For vessels where broker values were applied, we assessed the broker value against sales transactions on similar vessels (i.e., age, class, size) in recent times, and challenged management on variances with value in use calculations and considered reasoning why broker values were considered most appropriate.

We assessed the accuracy of prior years' forecasts, compared expected revenue and operating expenses to approved budgets, current contracts, historical data and long-term market expectations. We involved an internal valuation specialist in the assessment of the discount rates applied. Furthermore, we tested the mathematical accuracy of the value in use calculations and assessed management's sensitivity analyses.

Refer to Note 1.1 – Accounting Principles for the Consolidated Financial Statements, Note 1.2 – Significant judgements, estimates and assumptions, Note 5.1 – Vessels and Newbuildings and Note 5.2 Depreciation, Amortization and Impairment Charges

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Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

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as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the risk and audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with requirement on European Single Electronic Format (ESEF)


Opinion

As part of the audit of the financial statements of MPC Container Ships ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name MPCContainerShipsASA-2023-12-31-en.zip have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

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Independent auditor's report - MPC Container Ships ASA 2023
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Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.


Oslo, 21 March 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

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Independent auditor's report - MPC Container Ships ASA 2023
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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

On behalf of: Ernst & Young AS
Serial number: UN-NO-9578-5992-4-3016511
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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 (APM) 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 APM presented may be determined or calculated differently by other companies. The APM 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	2023	2022
Operating profit (EBIT)	336,286	446,858
Depreciation	(102,706)	(75,392)
Impairment (including held for sale loss)	(79,378)	-
EBITDA	518,370	522,250

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	2023	2022
EBITDA	518,370	522,250
Early redelivery of vessels, net of commission	77,971	-
Share of profit or loss from joint venture	19,723	21,741
Gain(loss) from sale of vessels/ other fixed assets	(7,858)	49,042
Adjusted EBITDA	428,534	451,467

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	2023	2022
Profit (loss) for the period	325,116	435,049
Early redelivery of vessels, net of commission	77,971	-
Share of profit or loss from joint venture	19,723	21,741
Depreciation of TC contract related to AS Anne	(22,035)	-
Gain(loss) from sale of vessels/ other fixed assets	(7,858)	49,042
Impairment	(79,378)	-
Adjusted profit (loss) for the period	336,693	364,266

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 time charter revenues exclude one-time, irregular, and non-recurring items.

IN USD THOUSANDS	2023	2022
Time charter revenues	700,710	587,868
Early redelivery of vessels	(79,629)	-
Adjusted TCE for the period (in USD)	621,081	28,551

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.

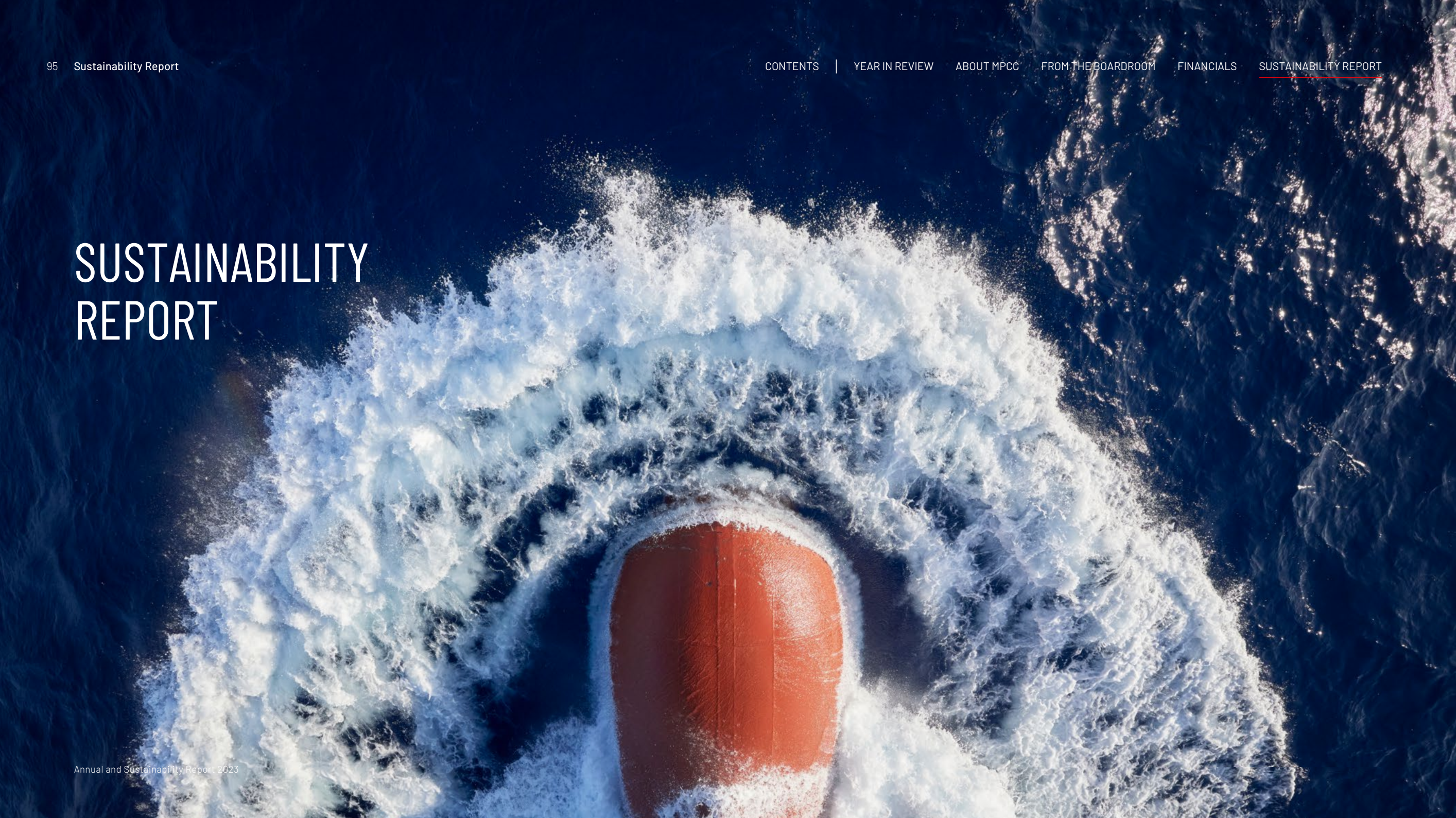
Leverage Ratio

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

Equity Ratio

Total book equity divided by total assets.

SUSTAINABILITY REPORT



OPERATIONAL HIGHLIGHTS 2023

Deadweight Tonnage

2,027

(thousand DWT)

Compliance Training
Completion Rate

100%

Total Distance Traveled

4.5

(Million nm)

Seafarers

1,380

Operating Days

22,747

Number of Vessel
Port Call Days

5,983

About MPC Container Ships

MPC Container Ships ASA (the Company or MPCC) is a leading container tonnage provider focusing on small to mid-size container ships, listed on the Oslo Stock Exchange. Its main activity is to own and operate a portfolio of container vessels serving regional and intra-regional trade lanes on time-charters. Our annually published ESG report describes the Company's impact on people and the environment, together with the financial risks and opportunities that sustainability related events can present for MPCC. More information on MPCC operations is included in the [GRI Index](#) in the Appendix of this report.

The Company is registered and has its headquarters in Oslo, Norway with offices in Hamburg, Germany and Rotterdam, the Netherlands.

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About the report

MPCC's ESG report describes the Company's impact on the environment, climate, and society, including the transition to a zero-emission society. The report evaluates how the Company is responding to the financial risks and commercial opportunities that may arise from such impacts.

The ESG performance data in this report covers the period from January 1 to December 31, 2023. The report has been prepared on a consolidated basis and covers the impact of MPCC's operations and value chain.

As an Oslo Stock Exchange listed Company, MPCC follows the Euronext Guidelines for ESG reporting. This report is prepared in accordance with the Sustainability Accounting Standards Board's (SASB) Marine Transportation Standard (2023) and with reference to the Global Reporting Initiative (GRI) Standards. The Norwegian Shipowners' Association (NSA) Guidelines for ESG reporting in the shipping and offshore industries (updated 2021) have also been followed.

MPCC's ESG and Corporate Governance Reports are developed in accordance with the Norwegian Accounting Act and the recommendations of the Norwegian Corporate Governance Board. Both reports are published together with the Annual Report and are available on the Company's website.

CEO LETTER



Constantin Baack
Chief Executive Officer



Our commitment to sustainability is a fundamental driver of value creation over time.

Dear shareholders, as we reflect on the past year and set our sights on the journey ahead, it is essential to acknowledge the intricate landscape in which MPC Container Ships operates. Geopolitical tensions, exemplified by wars in Ukraine and Gaza, continue to present formidable challenges to international shipping. Extensive rerouting of vessels around the Cape of Good Hope in recent months have significantly impacted freight rates and operational logistics, underscoring the resilience required in our industry amidst global turbulence.

At MPCC, we recognize the importance having Environmental, Social, and Governance (ESG) considerations integrated into our strategic objectives, and our commitment to sustainability is a fundamental driver of value creation over time. As we navigate market dynamics and challenges, our ESG efforts serve as guiding principles, shaping our decisions and investments to maximize shareholder returns while mitigating risks.

Environmental Leadership: Reducing Our Carbon Footprint

One of our primary environmental objectives is the reduction of our greenhouse gas (GHG) emissions intensity in alignment with the International Maritime Organization's (IMO) trajectory. In pursuit of this ambitious target, we have over the past two years taken decisive actions, including ordering dual-fuel methanol and eco-design newbuildings, retrofitting existing vessels for enhanced efficiency, and selling many of our older and less efficient vessels. Our recent partnership with Unifeeder for the construction of another dual-fuel

methanol newbuilding, announced in January 2024, underscores our commitment to reducing carbon emissions while safeguarding long-term shareholder value.

To achieve our targets, we have committed to substantial fleet renewal and optimization investments of approximately USD 400 million, comprising dual-fuel and eco-design newbuildings, secondhand eco-vessel acquisitions, and joint retrofit investments with our charter customers. MPCC also invested in German e-fuel company, INERATEC, and signed the industry's first offtake agreement for sustainable marine diesel oil (MDO), with delivery starting in 2024.

Through our ambitious investment program, we will significantly enhance the efficiency of our fleet and reduce our carbon footprint, but importantly, by taking a collaborative approach in our ESG initiatives, we also create long-term shareholder value by extending

charter contracts and enhancing the long-term competitiveness of our fleet.

Our ESG efforts are not only about mitigating risks but also about seizing opportunities to create long-term value for our shareholders. Through strategic partnerships and fleet renewal investments, we aim to drive sustainable growth while maintaining a low-leverage structure that allows for dividend distributions and capital allocation aligned with ESG principles.

Social Responsibility: Ensuring Safety and Well-being

We are passionate about safeguarding and improving the safety and well-being of our employees onshore and the crews aboard our vessels. By fostering a supportive work environment and investing in safety culture, we aim to mitigate risks and ensure the welfare of all individuals involved in our operations.

This year, the war on Gaza and subsequent Red Sea Crisis resulted in shipping companies diverting vessels around the Cape of Good Hope. At MPCC, we immediately responded by avoiding transit through the Red Sea, placing our crews' safety above all else.

In 2022, we conducted a comprehensive crew well-being survey, which informed our practices and investments across our fleet. The assessment led to notable enhancements, such as improved access to recreational facilities and dietary options onboard. We have also provided information on mental health and nutrition topics and established a mental health support service via our ship managers. In 2024 we are continuing to invest in various improvements, including the installation of Starlink connectivity aboard all our

vessels. This will ensure that our crews can enjoy enhanced and unlimited broadband access, allowing for seamless communication with their families, while also elevating operational control and efficiency through improved real-time dialogue between ship managers and vessel crews. Building upon this foundation, MPCC will be undertaking a new crew well-being survey in 2024.

Governance and Regulatory Compliance

Both as a shipping company and as a publicly listed entity we face a rapidly evolving industry- and regulatory landscape, and our sustainability efforts are not confined to environmental initiatives alone. Governance forms the foundation of our ethical and responsible business approach, and we strive to operate with transparency, integrity, and accountability at every level of our organization.

Operationally, we are well-prepared for new regulatory developments and were early in preparing for CII and EU ETS, for instance by teaming up with software company, Zero44, supporting the development of tool for live monitoring of CII and required emission allowances. Furthermore, in 2023, we took an important step in our ESG management by completing our first CSRD compliant double materiality assessment (DMA), to understand and quantify our climate impacts. This assessment will contribute significantly in shaping our sustainability practices going forward across environmental, social, and governance dimensions.

Charting a Course for Long-Term Sustainable Operations

In closing, our commitment to ESG principles is not just a reflection of our values; it is a strategic imperative for sustained success in

a rapidly evolving industry. As we continue to navigate the evolving industry, facing both challenges and opportunities on the horizon, I am optimistic about the journey ahead. I would like to thank our dedicated and hard-working colleagues, seafarers, and partners for their continued support and contributions to these important efforts.

I hope this report provides insight into our ongoing commitment to sustainability and invite you to engage with us further. Your interest and feedback are invaluable as we continue to drive positive change in the shipping industry.

Sincerely,



Constantin Baack
Chief Executive Officer
MPC Container Ships ASA



ESG AT MPC CONTAINER SHIPS

The shipping industry is evolving rapidly, with a strong focus on reducing greenhouse gas emissions. The goal of achieving net zero by 2050 has been reflected in the most recent IMO update. These developments bring forth new challenges, including the need for substantial investments in new technologies and operational practices.

MPCC'S STRATEGY FOR SUSTAINABLE SHIPPING

At MPCC, we are committed to following this ambition and taking part in driving forward the industry's transition together with partners. Our strategy not only involves meeting regulatory demands but also excelling in a market that values environmental responsibility. We aim to attract customers and investors dedicated to sustainability by actively advancing our decarbonization efforts. Our approach encompasses Environment, Social, and Governance (ESG) aspects, as we strive to enhance our operational structures, minimize our environmental impact, and capitalize on emerging opportunities while mitigating risks.

Our commitment to sustainability is embedded in our vision for sustainable container shipping connecting the world's ports to serve people's needs. We aim to be seen by customers, investors, and the industry as a proactive and responsible shipowner. By embedding ESG principles in our strategy, we ensure resilience and compliance amidst changing regulations, aiding our customers in achieving their sustainability goals.

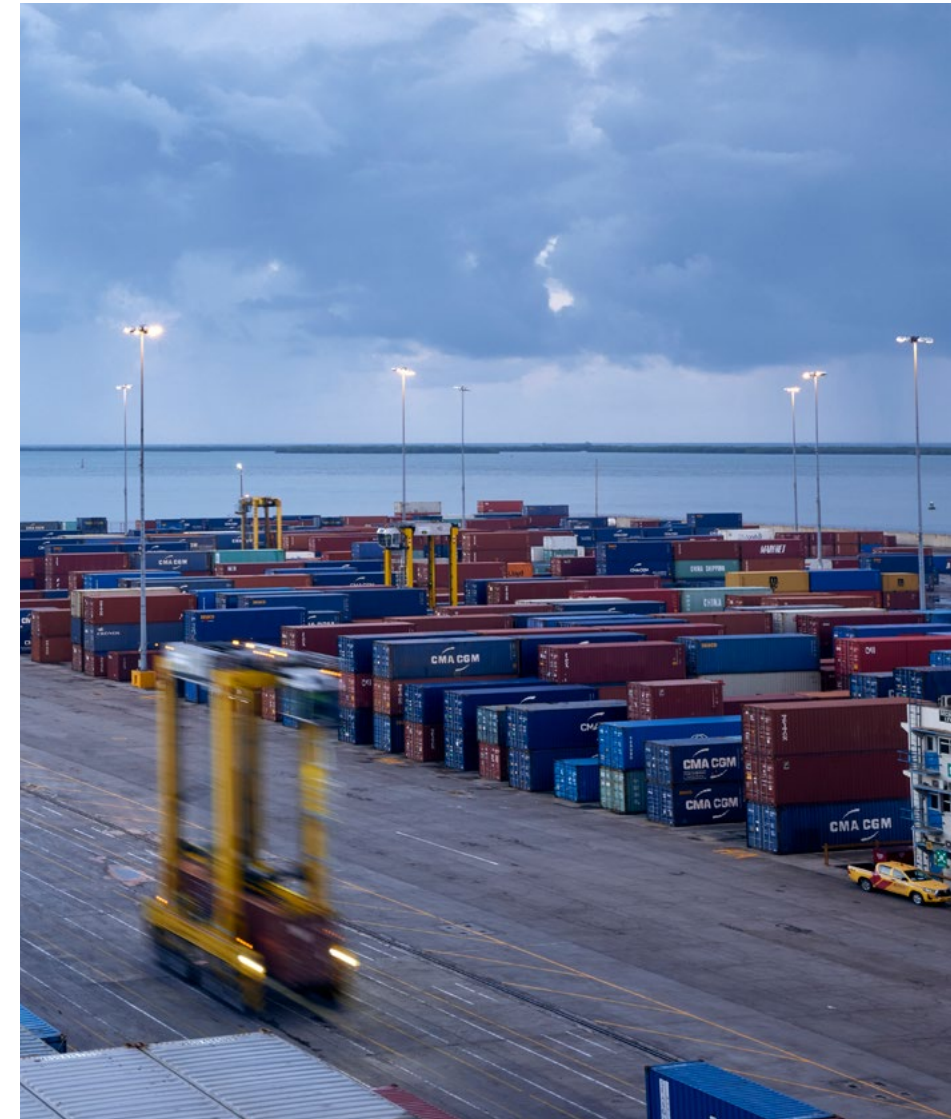
In 2023, we undertook various projects to better understand and quantify our climate impacts. These efforts led to new climate targets, involving a comprehensive analysis of our indirect Scope 3 emissions, and the establishment of a clear decarbonization trajectory.

Furthermore, underpinning our decarbonization efforts, MPCC has, in 2023, divested 13 older less efficient vessels and acquired seven modern vessels, of which five eco-design vessels. In early 2024, the Company entered into a contract for joint construction of a new 1,300 TEU dual-fuel methanol vessel with Unifeeder, which is scheduled for delivery in 2026. This latest investment adds to MPCC's existing newbuilding pipeline, with four newbuilds already in development and scheduled for delivery in 2024, comprising two 1,300 dual-fuel methanol vessels and two 5,500 TEU eco-vessels with possibility for conversion to operate on methanol in the future. In 2023, MPCC also initiated a retrofit investment program in partnership with charter customers, which will extend into 2024 and is aimed at enhancing the efficiency of its existing fleet. In total, MPCC has resolved a total investment commitment of USD 400 million into its extensive fleet renewal efforts.

A pivotal aspect of MPCC's strategic sustainability work in 2023 was completing its first CSRD compliant double materiality assessment (DMA). This assessment not only informs reporting but also shapes sustainability practices at MPCC, resulting in the following positioning on ESG:

Environmental Commitment

We are dedicated to reducing greenhouse gas emissions and responding proactively to regulatory changes. Recognizing our role in



intra-regional trade, we emphasize mitigating pollution impacts and evolving with environmental regulations. We recognize the importance of efficient waste management and responsible resource usage with the aim to lessen our environmental footprint. Global biodiversity loss is a complex and interconnected environmental issue and we aim to explore options in limiting our potential negative impact in the future. We strive to reduce our environmental impact and actively promote sustainable shipping practices.

Social Responsibility

Creating a supportive and safe work environment for both onshore employees and the crew at sea is vital for our long-term success. We are committed to preventing talent depletion and retaining key employees. Recognizing the health and safety challenges in the maritime industry, particularly in offshore operations and ship recycling, we prioritize fair and safe working conditions. Engaging continuously with suppliers, we aim to maintain high standards of safety and fairness throughout our value chain.

Governance and Ethics

Our governance framework is built on principles of transparency, trust, and collaboration. We foster a culture of accountability and ethical behavior, ensuring that our employees and crews aboard our vessels adhere to the highest integrity standards. Strong supplier relationships, fair payment practices, and active engagement are crucial aspects to addressing human rights risks in our supply chain. Through continuous training, we empower our team to identify and prevent corruption, bribery, and money laundering, thus maintaining stakeholder trust and upholding our commitment to ethical business practices.

Building on our strategic ESG objectives, MPCC will focus on three core strategic priorities:

- 1 Environment: Achieving Net Zero by 2050.**
 We are committed to significantly reducing our carbon footprint, with a target to reduce GMG emissions intensity by 35.5% by 2030 from a 2022 baseline and to net zero by 2050, in line with the IMO carbon intensity trajectory. These ambitious targets will guide our decisions and investments, ensuring that we contribute positively to global environmental efforts.
- 2 Social: Extending our Strong Culture for Safety and Well-Being.**
 The safety and well-being of our employees and crews aboard our vessels are paramount. We aim to extend and deepen our safety culture, reinforcing safe practices in every aspect of our operations. This extends from onshore offices to the decks of our ships, ensuring that safety is ingrained in our company's DNA. Furthermore, we will continue to invest in understanding, and adding solutions to enhance, crew well-being aboard our vessels.
- 3 Governance: Alignment with CSRD by 2025.**
 Governance forms the backbone of our ethical and responsible business approach. We are dedicated to full alignment with the Corporate Sustainability Reporting Directive (CSRD) by 2025. This commitment reflects our dedication to transparency, accountability, and ethical practices across all levels of our operations.

These strategic priorities are designed to propel MPCC towards a sustainable, responsible, and ethical future. They will guide our actions and decisions, ensuring that we not only meet but exceed the expectations of our stakeholders in environmental stewardship, social responsibility, and governance excellence.

MEMBERSHIPS AND INITIATIVES

MPCC is, either directly or via third party ship managers, engaging in partnerships that support our objectives on ESG. These include the following:



Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping (MMMCZCS)

MPCC is a mission ambassador and a project partner to the MMMCZCS, an independent research and development center seeking to accelerate the transition towards a net zero future for our industry. In April 2022, MPCC provided concrete support by seconding an employee to the Center in Copenhagen. During 2023 two additional employees joined projects of the center. The seconded employee is currently participating in the Industry Transition Strategy Project. MPCC and our partner companies at MPC Group are committed to provide further support to the Center by using our broad network and expertise in commercial and technical management, renewable energy as well as synthetic fuels to foster the necessary transition of the maritime industry.

Getting to Zero Coalition

Getting to Zero Coalition

The Getting to Zero Coalition is committed to get commercially viable deep-sea vessels powered by zero emission fuels by 2030. In 2021, MPCC signed the Getting to Zero Coalition's Call to Action, urging governments to work with the industry to deliver policies and investments needed to decarbonize global supply chains and the global economy.



Clean Shipping Alliance

MPCC is a member of the Clean Shipping Alliance. The Alliance seeks to provide information and research data to inform industry stakeholders on the environmental performance and benefits of open- and closed-loop Exhaust Gas Cleaning Systems (EGCS) and associated air and water emissions. The alliance also serves as an advocate for companies working to reduce marine exhaust gas emissions.



VDR German Shipowners' Association

MPCC is, through our vessels, a member of the German Shipowners' Association (VDR). The VDR aims to facilitate common and uniform management of interests and represents German maritime shipping companies on a global scale. Executives of MPCC and its service providers from the MPC Group are represented in several working groups and commissions.



Eyesea

MPCC and its CEO are founding members and ambassadors of Eyesea, a non-profit organization set up to map and report global pollution and maritime hazards. Version 2 of the Eyesea app was launched in late 2023 and the app is available on Google Play and in the Apple App Store. MPCC encourages use of the app and the recording of ocean, coastal, waterway, and urban pollution, to effectively highlight areas in need of clean-up.

In 2023, Eyesea began development of a pollution management platform, which will allow area administrators to receive real time pollution reports and alerts in a geofenced area. The system will allow for direct communication with community groups and app users to organize clean-up operations and pollution event responses.

MPCC has provided extra funding and support for our partnership in Vasai, India, which has resulted in:

- + 70 clean-up operations over 2022-2023.
- + The provision of PPE, water, tools, and cleaning materials to 3,938 volunteers.
- + Over 46,500 kg of plastic and pollution removed.
- + 2,981 kgs of recyclable plastics collected from households in Papdy, Mercedes, Remedy.
- + Regular presentations to schools and community groups.



Maritime Anti-Corruption Network

MPCC is a member of the Maritime Anti-Corruption Network (MACN) – a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large.



The Container Ship Safety Forum (CSSF)

CSSF is a global business-to-business network that improves safety performance and management practices in the container shipping industry. MPCC’s technical manager, Wilhelmsen Ahrenkiel Ship Management, is a CSSF member






and works together with other industry actors to continuously improve the safety culture and performance in the container shipping industry through measurement, reporting and benchmarking, sharing best practices and engaging with key stakeholders.



The Silk Alliance

MPCC joined the Silk Alliance in 2023, a program focusing on creating and implementing a green corridor roadmap based around a decarbonization plan for a fleet that predominantly operates and refuels in Singapore, which includes different vessel types trading across multiple ports from the Pacific Islands, Southeast Asia, North Asia to East Africa. The Silk Alliance seeks to expand to a wider demand sector and grow to include other ship types, fuel producers and governments. This allows refinement and deployment of the First Mover Framework to generate data to which decisions can be made, including the scope and timing of green corridors. The initiative will allow the fuel supply and fleet sides to overcome the chicken-or-egg dilemma in generating demand for low-to-zero carbon fuels.

WORKING WITH STAKEHOLDERS

STAKEHOLDERS	TOPICS OF INTEREST TO STAKEHOLDER	ARENA OF DIALOGUE	REGULARITY	MPCC'S FOLLOW-UP
 Employees	<ul style="list-style-type: none"> + Facilitating an environment for committed employees + Creating a mindful culture + Climate, environmental impact + Business ethics, training 	<ul style="list-style-type: none"> + Intranet, management communication + Performance appraisal + Code of conduct 	<ul style="list-style-type: none"> + Daily, Weekly, Monthly, Quarterly, Annually 	<ul style="list-style-type: none"> Involved through employers' daily dialogue with managers Involved through internal communication channels Involved through weekly jour fixe meeting involving all employees
 Customers and Collaboration Partners	<ul style="list-style-type: none"> + Climate, environmental protection, human rights + Proper and efficient use of resources + Innovation 	<ul style="list-style-type: none"> + Customer meetings + Continuous dialogue + Fairs 	<ul style="list-style-type: none"> + Daily, Weekly, Monthly, Quarterly, Annually 	<ul style="list-style-type: none"> Customer conversations with key customers Engagement in customer dialogue in projects Participation in professional and industry forums
 Suppliers	<ul style="list-style-type: none"> + Climate, environmental protection, human rights, child labor + Business ethics, compliance, governance, labor regulations and standards + Working conditions 	<ul style="list-style-type: none"> + Meetings + Code of conduct + Business Partner Guideline 	<ul style="list-style-type: none"> + Monthly, Quarterly, Annually 	<ul style="list-style-type: none"> Early-stage involvement of suppliers Raising expectations to suppliers of HSEQ matters Concrete contract requirements
 Authorities, NGOs, and Industry Groups	<ul style="list-style-type: none"> + Anti-corruption + Regulatory compliance + Updates on status of fleet and development + Trends and opportunities + Technology, R&D with focus to reduce environmental footprint 	<ul style="list-style-type: none"> + Regular dialogue + Meetings and discussions + Sponsorships + Presentations and guest speakers 	<ul style="list-style-type: none"> + Quarterly, Annually 	<ul style="list-style-type: none"> Initiation of dialogue and participation in public debates on topics related to environmental and climate targets and industry standards Contribution of expertise and open for all consultations
 Financial Community, Investors and Owners	<ul style="list-style-type: none"> + Financial results + Market outlook + Compliance and governance + Strategy 	<ul style="list-style-type: none"> + Phone and email communication + Investor meetings and roadshows + Press releases + Annual and quarterly reports and presentations + Conferences 	<ul style="list-style-type: none"> + Daily, Weekly, Monthly, Quarterly, Annually 	<ul style="list-style-type: none"> Frequent and transparent reporting Senior management is always available for 1:1 meetings outside of reporting periods Participating in forums, events and conferences

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

In 2023 we updated our materiality assessment to incorporate the principle of double materiality. This transition enabled us to begin identifying, assessing, and reporting on the topics where our business has an impact on the environment and society, and on material sustainability factors that affect MPCC's ability to create financial value over time.

The DMA process began with the development of a longlist of potentially material topics. This list was refined through engagement with 16 internal and external stakeholders. The stakeholders helped identify relevant impacts, risks, and opportunities (IROs) in our own operations and value chain given the activities, business relationships, and operating geographies of the Company. The relevant stakeholders were chosen to ensure the presence of expert insight across topics and access to high-quality information. The scoring of IROs was conducted based on internal documentation (21 core documents) and stakeholder dialogue. The scoring was completed according to objective scoring parameters outlined by the European Sustainability Reporting Standards (ESRS). This entailed relying on quantitative scoring approaches, both for impact materiality and financial materiality, with thorough rationales for the assessments being provided based on quantitative and qualitative data. The use of quantitative scoring allowed for easy prioritization between topics. The outcome of the DMA was anchored at executive management level to validate assessments and thresholds and sense-check the outcome.

Materiality Matrix

Sustainability matters (SMs), referred to in the ESRS as including topics and sub-topics, can be material from an impact or financial perspective or both (double material). In total, 23 SMs were deemed material for MPCC spanning over environmental (E), social (S), and governance (G) themes.

Moving forward we will report our progress in managing the impacts, risks and opportunities connected to these different topics.

For 2023 reporting, MPCC is still in a transition phase, as the Company looks to align to the CSRD. Having now completed the DMA, our next step will require the Company to collect data, establish policies, targets, and interim action plans before MPCC will be fully prepared to report in compliance with the new EU regulation. Over the coming year, MPCC will be actively working on closing relevant gaps to further improve the comprehensiveness of its sustainability reporting.

On the following page is a complete list the topics deemed material for MPCC.



Topics Confirmed as Material for MPCC

DOUBLE MATERIAL TOPICS

- E1 Climate change mitigation
- E2 Pollution of air
- E2 Pollution of water
- E2 Substances of concern
- E2 Substances of (very high) concern
- S1 Working conditions of own workers
- S1 Health & safety of own workers
- S2 Working conditions of supply chain workers
- G1 Management of relationships with suppliers including payment practices

IMPACT MATERIAL TOPICS

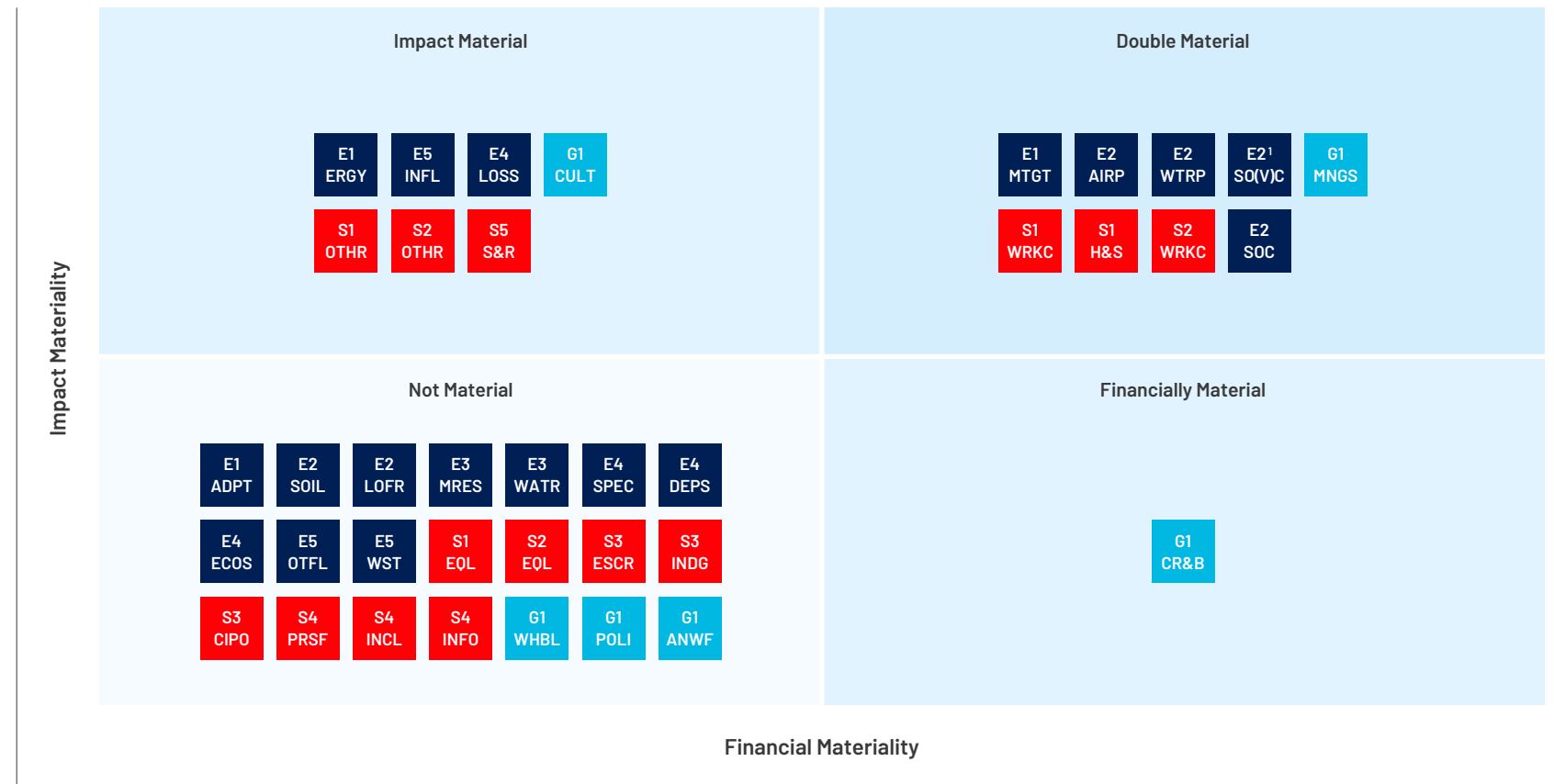
- E1 Energy
- E4 Direct impact drivers on biodiversity loss
- E5 Resource inflows including use
- S1 Other work-related rights of own workers
- S2 Working conditions of supply chain workers
- S5 Search and rescue
- G1 Corporate culture

FINANCIALLY MATERIAL TOPICS

- G1 Corruption & bribery

DOUBLE MATERIALITY MATRIX (HIGH-LEVEL)

■ Environmental ■ Social ■ Governance



¹ Counting for 2 sustainability matters under E2: Substances of concern and substances of high concern

MPCC Index of Sustainability Matters

E1 ADAPT Climate change adaptation	E3 WATR Water	S1 H&S Health & safety of own workers	S4 PRSF Personal safety of consumers and/or end users
E1 MTGT Climate change mitigation	E3 MRES Marine resources	S1 EOL Equal treatment and opportunities for all own workers	S4 INCL Social inclusion of consumers & end-users
E1 ERGY Energy	E4 LOSS Direct impact drivers on biodiversity loss	S1 OTHR Other work-related rights of own workers	S5 S&R Search and rescue
E2 AIRP Pollution of air	E4 SPEC Impact on the state of species	S2 WRKC Working conditions of supply chain workers	G1 CULT Corporate culture
E2 WTRP Pollution of water	E4 ECOS Impact on the extent and conditions of ecosystems	S2 EOL Equal treatment and opportunities for all supply chain workers	G1 WHBL Protection of whistle blowers
E2 SOIL Pollution of soil	E4 DEPS Impacts and dependencies on ecosystem services	S2 OTHR Other work-related rights of supply chain workers	G1 ANWF Animal welfare
E2 LOFR Pollution of living organisms and food resources	E5 INFL Resource inflows including use	S3 ESCR Communities economic, social and cultural rights	G1 POLI Political engagement
E2 SOC Substances of concern	E5 OTFL Resource outflows related to products and services	S3 CIPO Communities civil and political rights	G1 MNGS Management of relationships with suppliers including payment practices
E2 SOVC Substances of (very high) concern	E5 WST Waste	S3 INDG Particular rights of indigenous people	G1 CR&B Corruption & bribery
E2 MIPL Microplastics	S1 WRKC Working conditions of own workers	S4 INFO Information-related impacts for consumers and/or end users	

GOVERNANCE BODIES

The MPCC Compliance team is responsible for implementing an extensive list of policies connected to ESG. These policies include the MPCC Anti-Corruption Policy, Environmental Policy as well as our Health & Safety Policy which are currently in place within the Company.

Some of the policies are currently subject to review by the Compliance team and will be updated accordingly. A full [list of policies which support MPCC's ESG reporting](#) is included in the Appendix of this report and available on our webpage.

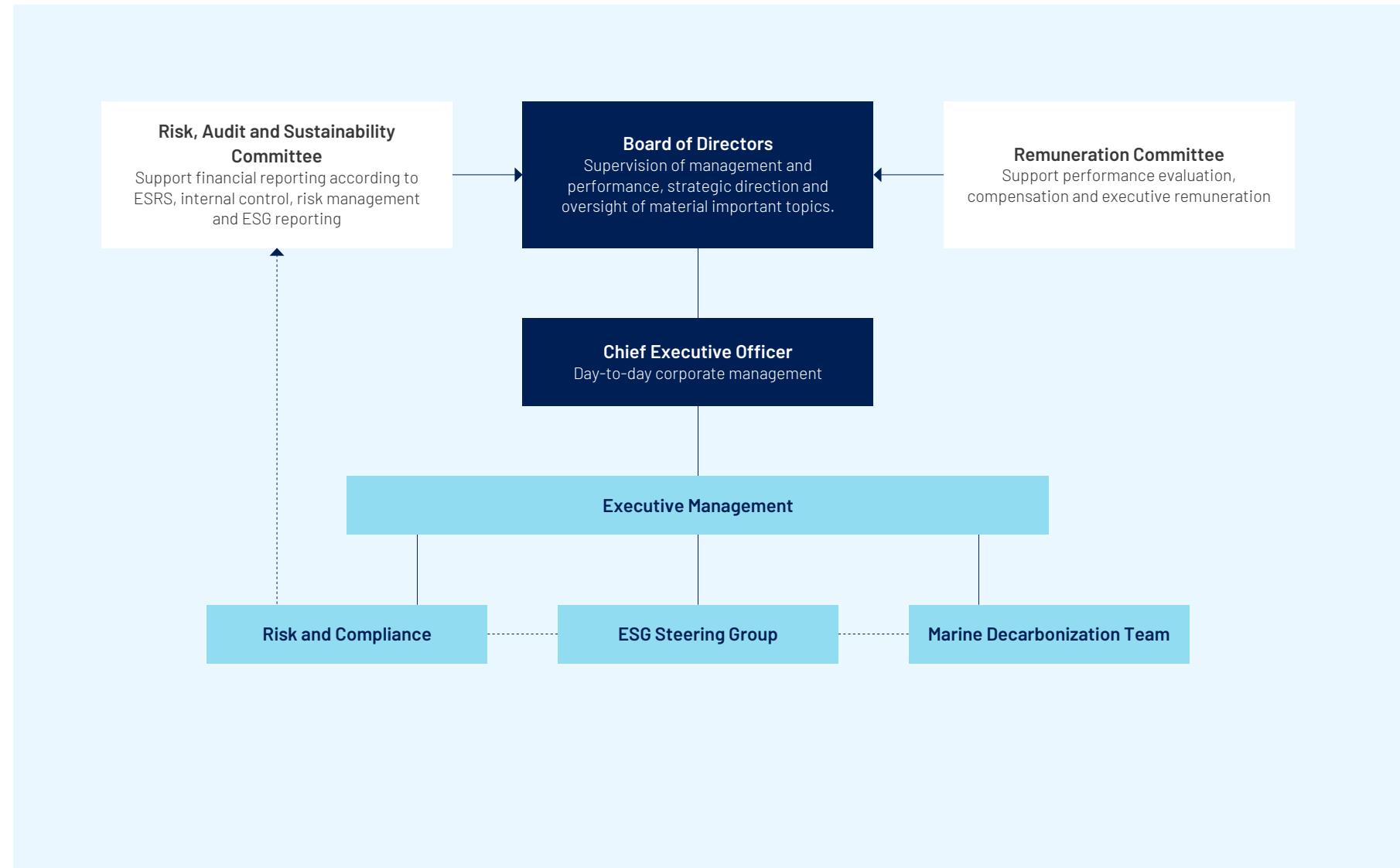


MANAGEMENT OF ESG

Strong governance processes are critical for effectively identifying and responding to material sustainability impacts, risks and opportunities. Effective governance structures hold key stakeholders accountable, ensuring that everyone, including the Board, management and its employees have a role to play in ensuring the long-term success of the Company's ESG targets.

MPCC is managed through its executive bodies: the General Meeting, the Board of Directors (the Board) and Executive Management. The Board holds overall responsibility for governance of ESG matters. It has delegated responsibility and authority to the Risk, Audit and Sustainability Committee (the Committee), which acts as a preparatory and advisory body for the Board, helping to define the Company's ESG Strategy, including setting its goals, targets and action plans. The Chief Compliance Officer takes ownership of all policies mentioned in this report and is responsible for their implementation. This also entails ensuring regular review of all policies.

In 2023 the Committee met three times, and all three meetings were fully attended by the Committee members.



ESG Management Process

Evaluation of Performance

The Committee monitors and evaluates the performance and effectiveness of ESG initiatives against established goals. This involves regular assessments to ensure alignment with the MPCC's values and industry standards. Additionally, the committee reviews key performance indicators (KPIs) to gauge the impact of ESG practices on the organization's overall sustainability.

Incorporation of Information in Decision-Making

In quarterly meetings, the Committee will review comprehensive reports and discuss any challenges encountered or adjustments that need to be made to the strategy in pursuit of its ESG objectives referenced in the strategy chapter above. This review leads to an active formulation of a comprehensive ESG strategy, outlining specific goals, targets, and actionable plans to reach these objectives. This process ensures transparency and continuous alignment of the ESG strategy and objectives between the Board and Executive Management.

Information to Governance Bodies

Executive Management provides detailed progress reports to the Committee during quarterly meetings, offering insights into the execution of the ESG strategy.

Practical Implementation of ESG Decisions

Executive Management assumes responsibility for the execution of the strategy formulated by the Committee. They oversee the implementation of the agreed-upon goals and action plans and ensure that the initiatives are effectively integrated into the Company's operations.



GOVERNANCE IN 2023

Multiple governance measures were taken in 2023. Overall, MPCC established an integrated and holistic surveillance of performance management and governance by establishing the Risk, Audit and Sustainability Committee, which reinforces oversight by the Board of Directors.

MPCC conducted its first CSRD aligned Double Materiality Assessment (DMA), adopting the principle of double materiality, which enables the company to identify, assess, and act and report on the topics where the business has an impact on the environment and society, and on significant risks and opportunities to the business. By conducting the DMA, MPCC is preparing to report in alignment with CSRD.

The company began preparing for CII and EU ETS early, such as by teaming up with Zero44 to support the development of a monitoring and compliance process tool, which has been installed on MPCC's vessels for live monitoring of CII and required emission allowances.

Importantly, a majority of charterparty agreements have been amended to include a requirement for the charter customer to redeliver the vessels with a CII-compliant "C" rating.

MPCC also resolved a new GHG reduction trajectory in line with IMO's revised 2030 carbon intensity target. MPCC pays close attention to the work of the IMO, relevant research, global macro trends, and the development of local and global regulations to identify and assess risks.

The company launched mandatory employee e-learning courses on topics. In 2023, these included courses on how to identify and prevent corruption, bribery, and money laundering. 100% of employees within scope completed all courses and the full training.

MPCC revised Management Guidelines and Company Policies in 2023 to meet regulatory requirements and ensure completeness.

Throughout 2023, MPCC acted proactively towards the increasing geopolitical tensions following the Russian invasion of Ukraine and the attacks related to the Gaza war on several commercial container vessels in the Bab al-Mandab Strait en route to the Suez Canal. MPCC prohibited vessels from traversing the Suez Canal following vessel attacks by Houthi rebels in the Red Sea.

The Norwegian Transparency Act came into effect on July 1, 2022, with the aim of promoting transparency within the Norwegian business community by ensuring public access to relevant information concerning how enterprises address adverse impacts

on fundamental human rights and decent working conditions. In compliance with Section 5 of the Norwegian Transparency Act, MPC Container Ships published its Transparency Act Statement for 2023 on its website. The work we do related to the Transparency Act is part of our integrated approach and an updated statement will be published at the latest by June 30 annually.



RISK MANAGEMENT IN REPORTING

In compiling this report, accuracy of reported data and information has been a key area of focus. The main risks we have identified in our reporting are:

- + The data quality of quantitative information could be low if methods of gathering data are not appropriate.
- + The accuracy of qualitative information could be low if communication between decision-makers and report-writers is not of sufficient quality.
- + The quality of reporting could be negatively affected if there is insufficient knowledge of reporting standards and a misunderstanding of requirements.

We have a comprehensive strategy in place to minimize the possibility that these risks may materialize. We use a third-party software to collect our sustainability data. This allows us to gather data closer to its source, allowing for more accurate estimations and more reliable methods of calculation. Additionally, we have several check-ins and quality assurances between decision-makers (sitting closer to the correct qualitative information) and those writing the report. To ensure reporting is aligned with the most recent standards, we have engaged independent consultants with expertise on this area to assist in producing our sustainability report. All these efforts and internal controls ensure that risks related to reporting are mitigated to the greatest extent possible.



EU TAXONOMY

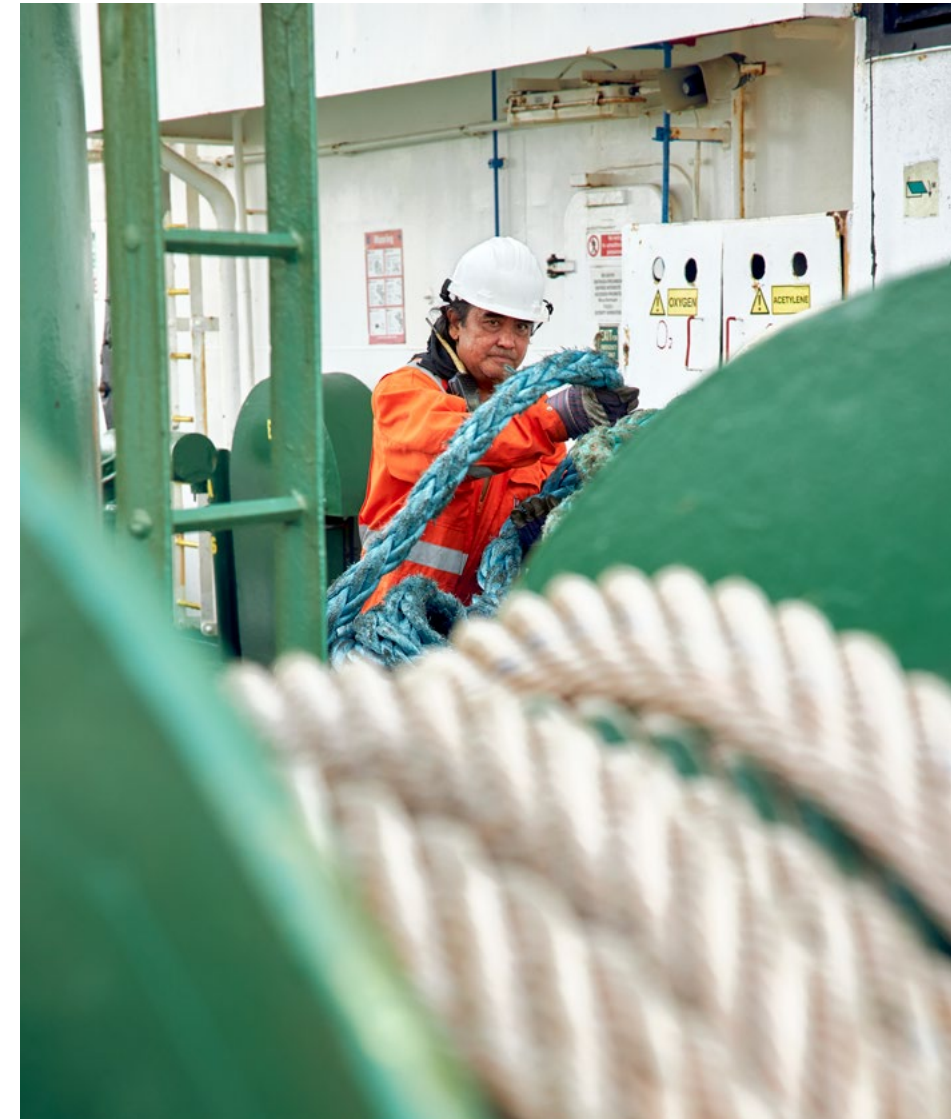
The classification system of the EU Taxonomy provides companies, investors, and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. The purpose is to prevent greenwashing and to scale up sustainable investments to meet the objectives of the European Green Deal. The taxonomy regulation states that an activity must make a substantial contribution to at least one of the six environmental objectives set out by the EU, while not causing significant harm towards the other five objectives. The activity must also meet minimum safeguards regarding human and labor rights, anti-corruption, tax and fair competition. The EU Taxonomy was approved by the Norwegian Government in December 2021, and entered into force in January 2023.

MPC Container Ships are not obliged to report under the EU Taxonomy regulation. However, in 2022 MPCC carried out a voluntary assessment of all its business activities.

The assessment found that 100% of MPCC economic activities are deemed eligible under activities “6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities” and “6.12 Retrofitting of sea and coastal freight and passenger transport” as stated in the report. Eligible activities are those covered by the taxonomy, irrespective of whether they meet any or all of the alignment screening criteria. The vessels in the current fleet do not meet the substantial contribution criteria, but MPCC has a newbuilding program in place with four constructions deemed to meet the substantial contribution criteria.

The vessel constructions include two 1,300 TEU Geared Containers with Methanol Dual Fuel engines (also referred to as Greenboxes). The ships are being built at Taizhou Sanfu Ship Engineering in China. The keel laying for the first vessel took place in January 2024 and delivery is expected in November 2024 and early 2025.

	ELIGIBLE ACTIVITIES			ALIGNED ACTIVITIES		
	REVENUE	OPEX	CAPEX	REVENUE	OPEX	CAPEX
6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities	100%	100%	100%	0%	0%	0%
6.12 Retrofitting of sea and coastal freight and passenger transport	Not Applicable	100%	100%	0%	0%	0%





ENVIRONMENTAL INFORMATION

CLIMATE CHANGE

Working on climate change entails reducing emissions and energy use and adapting to the changing climate throughout our value chain, including our own operations.

Impact Materiality

MPCC material impacts identified through the DMA on climate change include two main groups of impacts related to climate change mitigation and energy consumption. Although the use of ocean-going vessels is the most carbon-efficient mode of long-distance **commercial** transportation, there are still significant greenhouse gas emissions arising from fuel combustion. Shipping contributes to approximately 3% of GHG emissions globally.

Financial Materiality

MPCC material financial risks and opportunities connected to climate change include physical and transition risks, alongside other possible risks and opportunities identified in our TCFD disclosures. **Climate change mitigation** was the only sustainability matter considered financially material. The table below lists all material groups of risks identified in the DMA, with a short description explaining why they were considered potentially material.

MATERIAL RISKS/OPPORTUNITIES	DESCRIPTION
Market Risks	In the transition to an environmentally friendly society, there is a moderate risk of increasing regulation supporting decarbonization. Examples of this include the entry into force of FuelEU Maritime in January 2025, requiring an increase in the share of low carbon fuels in the fuel mix of international maritime transport, and the inclusion of shipping into the EU ETS.
Market Opportunities	The increasing attention to GHG emissions could lead to a competitive advantage for MPCC should it opt for early positioning of the Company. This positioning is tied to different opportunities in making the fleet of vessels more GHG efficient, reducing overall emissions.

KPIs

TARGET	2023	2022	2021	STATUS
Reduce MPCC Well-to-Wake GHG emissions intensity (By 35.5% by 2030 compared to 2022) ^a	13.71	14.63	Not Reported	●
Establish task force, including key technical experts within MPCC, to monitor and engage with leading institutions on a quarterly basis	<p>MPCC participates in the MPC group’s Marine Decarbonization Solutions (MDS) team.</p> <p>The MDS team is a dedicated team comprising resources from various entities of the MPC group. The members represent competencies across the following areas:</p> <ul style="list-style-type: none"> + Alternative fuels (background and production) + Onboard technology (engines and fuel supply system) + IT and data acquisition + Network with other companies’ decarbonization teams <p>MPCC supports important projects, such as the Silk Alliance, cooperation with Ineratec, and MMMCZCS, with a dedicated part-time resource and participation in different projects (read more in the section on Memberships and Initiatives)</p>	Became a mission ambassador and project partner to the MMMCZCS, and in April 2022 provided concrete support by seconding an employee to the Center in Copenhagen	Established a task force and a broad overview of available technologies and fuels	●

Relevant Policies

- + Sustainability Policy
- + Environmental Policy

Reporting Standards Used

- + ESRS E1
- + GRI 302; GRI 305; GRI 308
- + TR-MT-110a.1; TR-MT-110a.2; TR-MT-110a.3; TR-MT-110a.4

Relevant SDGs



Background

Climate change is scientifically proven to be caused by human activity. At MPCC, we believe that everyone must play their role in keeping climate change to a minimum through reducing emissions and transitioning to greener ways of working. As a company operating in a high-emissions industry, it is important for MPCC to reduce negative, and increase positive, environmental impacts.

MPCC has implemented policies to actively work towards our objective of reaching net zero by 2050. MPCC's Sustainability Policy and Environmental Policy apply to its entire operations, including its value chain, and seek to address material sustainability matters, GHG emissions, and energy efficiency. The Sustainability Policy confirms that negative sustainability impacts should be identified, avoided, and minimized. The Environmental Policy states that MPCC is committed to protecting the environment and minimizing the Company's environmental impact.

Managing Climate

MPCC completed a CSRD compliant DMA in 2023. Following the results of the DMA, MPCC is now conducting a gap analysis to assess potential data gaps on material topics, including climate change mitigation, and seeking to develop a roadmap to help address them.

In parallel, the IMO also updated its [Strategy on GHG emissions](#) (the IMO Strategy), which carried an ambition for the shipping industry to reduce the carbon intensity of its emissions by 40% by 2030 from a 2008 baseline and to reach net zero by 2050. The net zero target includes two key checkpoints for total annual GHG emissions to be reduced by at least 20% by 2030 and by at least 70% by 2040, compared to 2008.

The Board of MPCC has resolved to establish targets aligned with the 2023 IMO Strategy aiming to reach net zero by 2050 and has established a target to reduce Well-to-Wake GHG emissions intensity by 35.5% by 2030 compared to 2022.¹

MPCC has conducted detailed scenario analyses, and based on this concluded that targeted GHG emission intensity reductions will rely on:

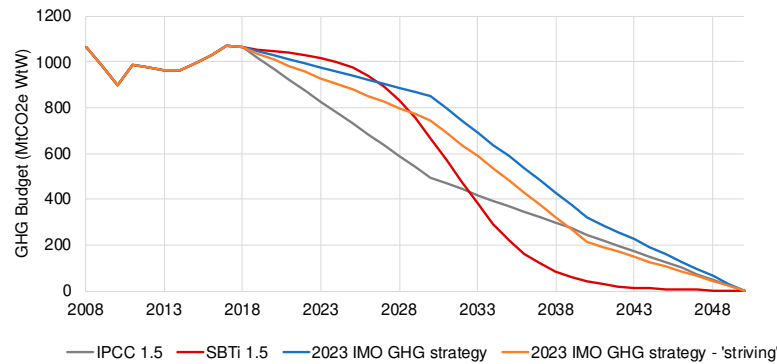
- + Efficiency gains through investments into retrofitting the existing fleet
- + Efficiency gains through investments into renewing the fleet with newer vessels
- + The maritime industry's ability to scale the use of biofuels and other sustainable fuels

MPCC expects to generate efficiencies through key upgrades to the old fleet (MPCC has an average fleet age of 15.1 years), with vessels being renewed at 25 years of age unless useful life is extended through retrofit investments. Older, less-efficient vessels might be replaced by more modern and efficient second-hand vessels running on fossil fuels or alternative low well-to-wake Greenhouse Gas (GHG) content, which can be achieved with newbuilds or dual-fuel engine conversions. The transition in MPCC's fleet composition is a key decarbonization lever for ensuring that the Company can reach the IMO intensity target.

As MPCC progresses towards this reduction plan we will continue to actively monitor and adapt our plan to potential changes communicated by the IMO regarding the 2023 IMO Strategy.

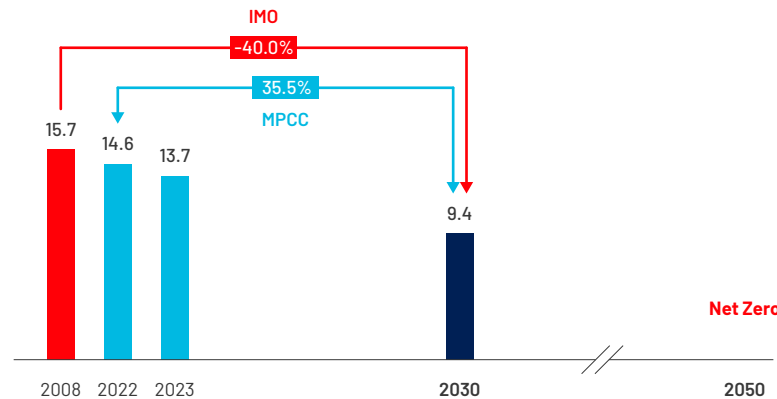
¹ For more information on the calculation method and metrics for this target please see the [Disclaimers and Assumptions](#) section and the [TCFD Disclosures](#) in the Appendix of this report

IMO GHG REDUCTION TARGETS COMPARED AGAINST 1.5-DEGREE PATHWAY PROJECTIONS



Source: UMAS: Implications of the Revised IMO GHG Strategy for national, regional and corporate action

MPCC'S WELL-TO-WAKE GHG EMISSIONS INTENSITY TRAJECTORY



MPCC targets Well-to-Wake GHG emissions intensity (g CO₂e-WTW/dwtm) reduction of 35.5% by 2030 from a 2022 baseline, aligning with the IMO trajectory of 40% reduction by 2030 from a 2008 baseline.

Investing in Low Emission Vessels

To reach the above targets MPCC recognizes the urgent need for more energy-efficient and environmentally friendly vessel operations. To maintain an attractive and competitive fleet, we continuously review and evaluate feasible upgrades, retrofit possibilities, and investment opportunities with our charterers.

Fleet efficiency measures achieved in 2023:

- + MPCC installed efficiency enhancing technologies (EET) on board of six vessels. Amongst other measures on these vessels, we installed CJC filters for AUX/Engine lube oils and M/E preheating automation to reduce steam consumption on board during port stays (reducing boiler loads). Additionally, the injection timing by software/hardware have been changed to reduce fuel consumption by ~2%. There have been autopilot upgrades to optimize steering gear actuation and reducing drag.
- + Silicon paint applied.
- + The Company invested in improved data collection by installing new flow meters and torque meters on board of all our vessels.
- + MPCC initiated retrofit programs in 2023 that will extend into 2024 with a total cost of USD 24 million, of which several will be undertaken jointly with customers. The retrofits will include installations of Energy Efficiency Technologies, such as Variable Frequency Drives, Autopilot upgrades, M/E&A/E preheating, CJC oil filtration solutions, A/E waste heat recovery, shore power and LED lights, and Hydrodynamic Measures, such as pre swirl stators, propeller, propeller boss cap fins and new bulbous bows.
- + The Company sold 13 older and less efficient vessels, and acquired seven more efficient secondhand vessels.
- + MPCC expects delivery of five newbuild vessels in 2024–2026.

Improving MPCC's Carbon Intensity Indicator (CII) Rating

2023 was the initial reporting year for the Carbon Intensity Indicator (CII). We have estimated the overall weighted average carbon intensity of our fleet – arriving at an average C rating.

The CII determines the annual reduction factor needed to ensure continuous improvement of a ship's operational carbon intensity within a specific rating level. This rating level, where the threshold will become increasingly stringent towards 2030, ranges from 'A' (major superior) to 'E' (inferior).

In 2023, MPCC has made significant efforts to improve energy efficiency from vessel operations. In addition, regular calls have been held with MPCC customers in cases where vessels are operated as non-compliant to discuss possible countermeasures. Due to these efforts, the number of non-compliant vessels has reduced significantly.

Retaining the C rating will require continued fleet investments and upgrades in the coming years. In 2023 these efficiency investments have totaled USD 6.9 million.

However, operating decisions impacting a vessel's fuel consumption, such as trading routes, port calls, sailing speeds and container stowage logistics, are determined by the liner companies chartering our vessels. Consequently, MPCC has implemented a CII-clause in its charter-party agreements, requiring charterers to redeliver the vessels from the charter with a minimum C-rating.

Cooperation between industry actors will be required to achieve stated climate goals. Together with our third-party ship managers, we work with each vessel's Ship Energy Efficiency Management Plan (SEEMP) to improve its long-term operating efficiency. Our ship managers employ performance teams which frequently compare and benchmark operational performance between our customers, with the goal of minimizing our fleet's carbon footprint.

Zero and Low-Carbon Fuel Solutions

Reducing the costs of zero and low-carbon fuel solutions requires new forms of cross-supply-chain collaboration and active coordination between different stakeholders from the whole maritime ecosystem. Green shipping corridors help to achieve this by establishing favorable conditions for decarbonization on specific trade routes – where technological, economic, and regulatory feasibility of operating zero-emissions ships is catalyzed through public and private actions.

At MPCC, we actively support the work of such initiatives, not only through our fleet renewal program and partnership with MMMCZCS and the Silk Alliance, but also by investing in promising alternative fuel producers. We recently signed the industry's first offtake agreement for synthetic marine diesel oil (MDO) with the German-based clean tech Company INERATEC. The synthetic MDO is made from biogenic CO₂ and renewable hydrogen and can be used both in conventional combustion engines on our existing vessels and as a pilot fuel for our methanol powered newbuildings. The delivery from INERATEC is set to start in the fourth quarter of 2024.

Preparing for EU ETS

The EU's legislative bodies agreed in December 2022 to include maritime transportation in its Emission Trading Scheme (EU ETS) effective from January 1, 2024. Under this system, EU Allowances (EUAs) allow companies covered by the EU ETS to emit a certain amount of CO₂e. EUAs will be procured by MPCC charterers in their capacity as operators. MPCC's preparation for the EU ETS has primarily centered on improving the ship to shore consumption reporting (Flow and torque meters) and developing software together with zero44. We can now track in real time the emissions in scope of the ETS and handle the settlement of EUAs to be received from our charterers. The efficiency investments carried out in 2023 will reduce fuel consumption and hence the need to surrender EUAs. The most efficient vessels in our fleet (which includes some of the second-hand vessels bought during 2023 and some of the retrofitted vessels) will be deployed in European waters where savings can be considerable.

Climate-Related Risks

Risk management is a core part of how we conduct our daily operations and management processes at MPCC. Enterprise risks, including climate-related risks, are regularly reviewed, and presented to the Board annually. This risk management approach draws on insights from technical managers and consultants. Climate-related risks encompass both physical risks, such as weather disruptions and vessel handling, and transitional risks, including current and emerging regulations and change in customer requirements.

The DMA completed by MPCC in 2023, identified climate mitigation as a material topic for impact materiality and financial materiality (carrying both financial risks and opportunities listed in the introductory table to this chapter). The DMA brings additional insights to how we consider climate risks moving forward and builds on the findings of the Climate Risk Review we undertook in 2022, that followed the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and covered MPCC's physical, regulatory, market, technology, and reputation risks (and opportunities).

A summary of the risks identified following the Climate Risk Review is included in the table on the following page (these are complimentary to the risks and opportunities identified during the DMA):

MATERIAL RISKS/OPPORTUNITIES	DESCRIPTION
Physical Risks	<p>Physical risks may have financial implications for the Company, such as direct damage to assets and indirect risks from disrupted operations.</p> <p>Extreme weather or increased frequency of extreme weather and related knock-on effects that causes disruption in operations, such as delays and port closures.</p> <p>Extreme weather or increased frequency of extreme weather and related knock-on effects that causes disruption and impacts on MPCC's customers' activities, operations, and markets. Including similar indirect effects further down the value chain.</p> <p>Health and safety impacts on workforce caused by extreme weather events, such as injuries caused by increased wave height, higher storm frequency, and prolonged duration of extreme weather events.</p>
Regulatory Risks	<p>The Company is exposed to changes in legal, tax and regulatory regimes within relevant jurisdictions as well as potential private litigation and public prosecution. The Company seeks to mitigate legal risks by maintaining a well-functioning risk management system, management guidelines and dedicated compliance and legal functions within the organization.</p> <p>In the current geopolitical context, there are newly introduced and further strengthened sanction regimes, and legal risk exposure is elevated.</p> <p>Increasing carbon costs and shipping becoming part of the EU ETS will impact the cost of transportation.</p> <p>Impacts of speed of regulatory shift on business planning, strategy and cost structures to comply with new and additional regulation.</p>
Market Risks	<p>Changing customer requirements and contract risks – meeting market expectations for emission profiles of vessels.</p> <p>The volatility of the fuel market poses a potential risk. Any sort of regulation can increase product prices, however fuel prices can be particularly volatile in this regard.</p> <p>Impacts on business planning, strategy and cost structures to meet new and evolving market requirements.</p> <p>Shift from passive disclosure requirements to demonstration of an action-oriented approach.</p>

MATERIAL RISKS/OPPORTUNITIES	DESCRIPTION
Technology Risks	<p>IT and cyber risks make up an increasing share of a company's risk universe. The Company purchases IT services from third parties that offer comprehensive security strategies which closely match the Company's business objectives.</p> <p>Viable technologies to fully transition to the low carbon solutions do not currently exist, and dual fuel options are limited by the lack of the relevant infrastructure required to adopt this technology.</p>
Reputation Risks	<p>There are associated reputational effects connected to potential spills and chosen, shipping routes that affect ecosystems and biodiversity.</p> <p>Below average fuel efficiency performance can also drive negative reputational risks.</p>
Opportunities	<p>The container market is now normalizing following a positive cycle. This provides the potential opportunity to rejuvenate the fleet with more efficient vessels at a lower cost, relative to the peak prices experienced over the last 24 months. Becoming the recognized low carbon tonnage of choice and preferred chartering partner.</p> <p>High ESG performance driving an enhanced reputation.</p> <p>Container shipping is the dominant method of international transportation for a broad range of industrial and consumer goods. As global trade in the foreseeable future will rely on container shipping, it is likely there will be an increased demand for energy-efficient and environmentally friendly vessel operations.</p> <p>Adaptation leading to improved operational performance. Technology opportunities for improving (increasing efficiency) onboard systems, including alternative fuels and hybrids.</p> <p>There are related opportunities in developing partnerships with leading industry actors to accelerate decarbonization, like MMMCZCS and ABS.</p> <p>Accelerating the business relationships with selective carriers by financing and implementing mutual projects to improve the ships' efficiency and consequently reduce their fuel consumption.</p> <p>Getting access to alternative financing paths like green and/or sustainable finance and reducing the costs of capital.</p>

➔ A summary of MPCC's approach to how it tackles climate-related risks and opportunity is included in the [TCFD Disclosures table on page 151](#) of this report.

Performance

ACCOUNTING METRIC	UNIT OF MEASURE	2023	2022	2021
Scope 1 ^b	Metric of tons CO ₂ e	1,667,141	1,810,202	1,758,036
Scope 2 ^c	Metric of tons CO ₂ e	26.41	12.82	16.38
Scope 3	Metric of tons CO ₂ e	210,768	338,694	Not Reported
Energy Consumed ^d	Gigajoules	21,352,958	23,736,166	24,508,042
Average Efficiency Ratio (AER): weighted average ^e	Grams of CO ₂ e per ton-nautical mile	12.32	13.12	13.70
Heavy Fuel Oil Consumed	Percentage	92%	91%	91%

➔ References, disclaimers, and assumptions for this data table can be found under [Disclaimers and Assumptions](#) in the Appendix of this report.

Scope 3 Data Improvement Efforts

This year, MPCC has worked to improve the calculation methods for scope 3 emissions. Below is a short summary of the work carried out.

Until 2023, the MPCC used spend-based method for categories 1 (Purchased goods and services, with a focus on chemical products as they represent the biggest group), 2 (Capital Goods), 4 and 6 (Business travel). This approach meant that the Company estimated scope 3 emissions for goods and services by collecting data on the **economic value of goods and services purchased** and multiplying it by relevant secondary emission factors (secondary data). The result of this method is that the data quality and resource intensity are quite low.

To help improve the accuracy of the emission calculation, MPCC transitioned to other calculation methods after the screening phase (during the data collection phase) including, in increasing order of data quality and resource intensity:

1. The average-data method: This method estimates emissions for goods and services by **collecting data on the mass, or other relevant units** of goods or services purchased and multiplying by the relevant secondary (e.g., industry average) emission factors (secondary data).
2. The hybrid method: Using a combination of **supplier-specific activity data** (where available) and **average-data** to fill the gaps (secondary data).
3. The supplier-specific method: Collecting **product-level cradle-to-gate GHG inventory data** from goods or services suppliers (primary data – highest level of data quality and resource).

MPCC therefore followed a three-stage process to enable these improvements starting with 1) **prioritizing data collection efforts** (taking a deep dive into industry grouping with most GHG emissions), 2) **Selecting data for prioritized activities** (using supplier specific data) and 3) **Collecting data from suppliers and other sources and filling the gaps** gathering data from the activities with the most significant GHG emissions and the most significant GHG reduction opportunities.

The 5-month transition process took place throughout the second half of 2023. It began with the identification of scope 3 improvements, followed by a synthesis of key results and a high-level plan. Finally, the scope 3 reporting structure was updated within the online data collection platform used by MPCC ahead of the next reporting phase.

Analysis of Performance

In 2023, MPCC Scope 1 GHG emissions amounted to 1,667,141 metric tons, representing an 8.2% reduction from the previous year (1,810,202). Our scope 2 emissions increased substantially from 12.82 Metric tons of CO₂e in 2022 to 26.41 in 2023. This increase was driven in part by a move to new facilities which brought about an increase in electricity consumption. On the other hand, our scope 3 emissions significantly decreased by 47% from 338,694 in 2022 to 210,768 in 2023. During the year MPCC sought to improve the specificity and quality of the Scope 3 GHG emissions reported. To that end, the emission factors used to calculate the GHG emissions of “Scope 3 category 1 – Purchased goods and services”, “Category 2 Capital Goods”, “Category 4 upstream transportation and distribution” and “Category 6 business travel” were updated using more specific emission factors than before. The value recorded for scope 3 emissions in the value chain is therefore more representative than before and explains the difference with results from 2022. Our energy consumption also reduced by 10.57% from 23,736,166 to 21,352,958 gigajoules. The reductions were predominantly driven by changes in fleet composition, and decarbonization initiatives implemented across the fleet. Although the consumption of heavy fuel oil increased by 1%, this has remained stable at 91 to 92% for the last three years. In the future, we will continue our efforts to reduce emissions further aligned with the International Maritime Organization (IMO) intensity targets.



ECOLOGICAL IMPACT

Working on ecological impact entails reducing non-GHG emissions, use of water & marine resources, and negative impacts on biodiversity or ecosystems.

Impact Materiality

MPCC material impacts on ecological issues include three main groups of impacts: **pollution in operations, pollution after disposal of vessels and biodiversity**. The operation of vessels causes pollution of water and air. After the disposal of vessels, it is likely that substances of (very high) concern can be released. GHG emissions and biofouling on the side of vessels can also cause biodiversity loss.

Financial Materiality

MPCC material financial risks and opportunities arising from ecological issues include three of the DMA sub-topics identified in chapter two: **Pollution of air, pollution of water and substances of (very high) concern**. The table below lists all material groups of risks, with a short description explaining why they were considered material.

MATERIAL RISKS/OPPORTUNITIES	DESCRIPTION
Regulatory Risks	There is likely to be a significant risk connected to increasing regulatory requirements calling for lower NO _x and Sox emissions, due to the green transition. There is also a risk of non-compliance with environmental law identify through whistleblowing cases showing deliberate pollution of water in US territory, which in turn leads to financial penalties. Lastly, non-compliance with EU Ship recycling rules on inventories of hazardous substances could also lead to financial penalties.

KPIs

TARGET	2023	2022	2021	STATUS
Formulate targets for ecological impact	To be developed following outcome of 2023 DMA	Not Applicable	Not Applicable	●

Relevant Policies

- + Sustainability Policy
- + Environmental Policy

Reporting Standards Used

- + ESRS E2; ESRS E4
- + GRI 304; GRI 306; GRI 308
- + TR-MT-120a.1; TR-MT-160a.1; TR-MT-160a.2; TR-MT-160a.3

Relevant SDGs



Background

Ecological impacts include a wide variety of impacts on nature. In the green transition, we believe it is key to balance the considerations to both climate and nature, as both are key for ensuring a sustainable future. As a container shipping Company, controlling a significant portfolio of physical assets and using the marine environment as a means to an end in transportation, we have significant interaction with, and impacts on, nature. We are keenly aware of the marine environment and its delicate balance. Reducing our footprint to maintain the marine environment is a key priority for us.

Policies are actively used to achieve this key priority. We have two policies that apply to our entire operations, including our value chain, and address the material impacts: pollution in operations, pollution after disposal of vessels and biodiversity impacts. The relevant part of our Sustainability Policy establishes that long-term ecological aspects should be considered when conducting our business. Our Environmental Policy states that we will identify, avoid, minimize, manage, and monitor environmental impacts, including any harmful pollution or contamination.

Managing Ecological Impact

Our ship managers are expected to perform their duties in strict compliance with applicable environmental laws and regulations, including IMO's ISM Code for the safe management and operation of ships and pollution prevention. Our ship managers adhere to sustainable procurement practices through compliance with our Code of Conduct. We focus on consolidating supply shipments, ISO certification of suppliers and local sourcing wherever possible. We require our ship managers to have in place satisfactory quality and environmental management systems, mainly through certifications like ISO 9001:2015 and ISO 14001:2015. Beyond existing regulations, we frequently carry out technical ship modifications such as air seals or EAL oils (Environmentally Acceptable Lubricants) in bow-thrusters and stern tube seals – also on vessels that may not be required to adapt to local regulation.

The potential for major environmental accidents relates to the risk of a vessel accidentally running aground or suffering a breach, with a subsequent leak of bunker oil into the environment. The prevention of pollution by oil from operational measures and accidental discharges is regulated by MARPOL's Annex I. Together with our ship managers, we have implemented comprehensive spill-prevention procedures.

Underwater noise from commercial ships may have adverse impacts on marine life. The main components of underwater noise can be attributed to a ship's design (i.e., hull form, propeller, and machinery configuration). However, operational modifications and maintenance measures such as hull and propeller cleaning should be considered ways to reduce noise for new and existing ships. We closely monitor the on-going research carried out by IMO's MEPC on underwater noise. To address adverse impacts on marine life, our technical ship managers regularly review vessel performance to determine the need for propeller and hull fouling and cleaning following the recommendations set out in IMO's 2014 non-mandatory technical guideline for the reduction of underwater noise from commercial shipping.

Ballast water is essential for safe and efficient shipping operations. However, the discharge of untreated ballast water has been shown to introduce non-native organisms into new marine environments, causing ecological damage. As at December 31, 2023, MPCC had installed ballast water treatment systems on all but two of its vessels. Installations on the remaining two vessels are planned to be completed in 2024, in compliance with the BWM convention.

Performance

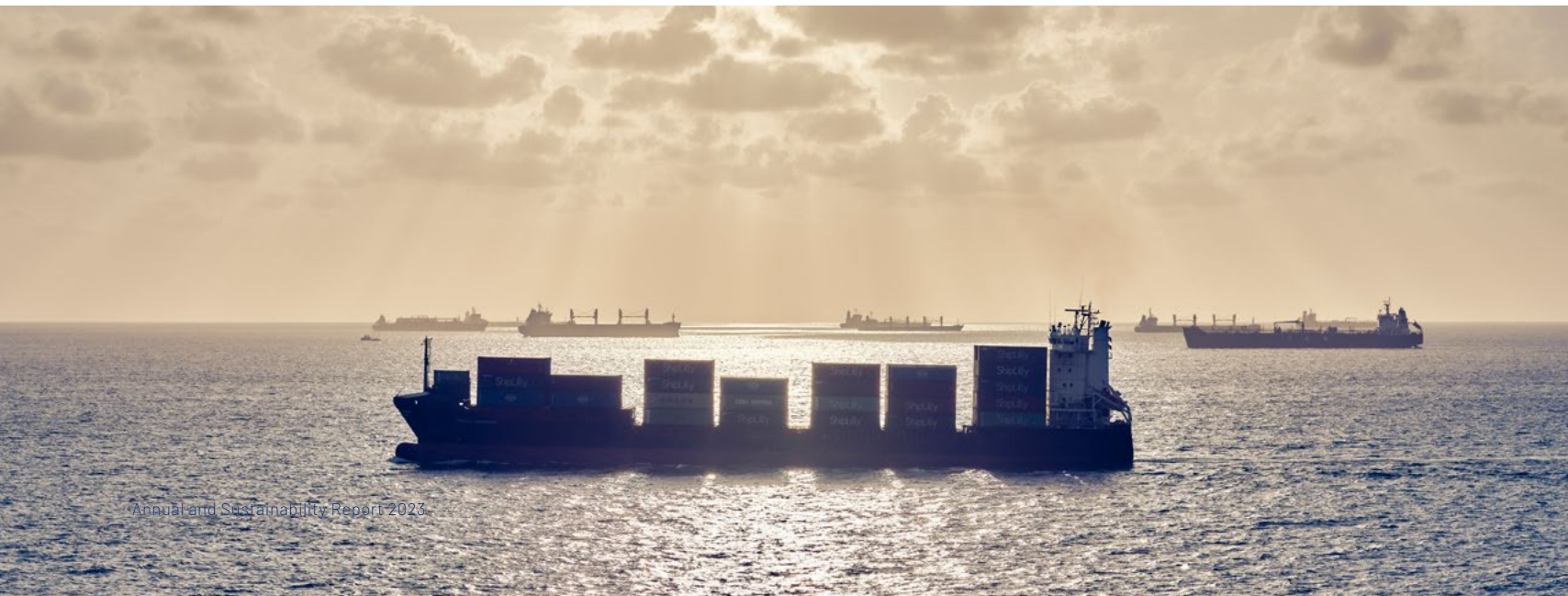
ACCOUNTING METRIC	UNIT OF MEASURE	2023	2022	2021
NO _x (excluding N ₂ O) ^f	Metric tons	43,767	47,924	40,186
SO _x ^f	Metric tons	4,482	4,837	Not Reported
Particulate matter (PM) ^f	Metric tons	1,926	2,116	Not Reported
Shipping duration in marine protected areas or areas of protected conservation status ^g	Number of travel days	1,904	2,174	1,539
Implemented ballast water exchange ^h	Percentage	5%	18%	55%
Implemented ballast water treatment ^h	Percentage	95%	85%	52%
Spills and releases to the environment ⁱ	Number	0	1	1
	Cubic meters	0	2.2	5.0

➔ References, disclaimers, and assumptions for this data table can be found under [Disclaimers and Assumptions](#) in the Appendix of this report.

🔍 Analysis of Performance

In the past year, MPCC has made positive progress in reducing our ecological impacts. We reduced our emissions of NO_x, SO_x and particulate matter. We have also reduced our biological impact by decreasing the number of days traveled in protected areas and by implementing ballast water treatment systems on a vast majority of our fleet. In addition, the Company has recorded zero spill incidents in 2023, which is key to avoid unnecessary negative ecological impact.

Our plan is to continue our efforts to reduce the ecological impact we have in our operations. We see that we are on a good path, especially when it comes to avoiding spills, but will also review potential actions that can be taken to make our day-to-day operations even more ecologically friendly.



CIRCULAR ECONOMY

Working on circular economy entails improving circularity principles in resource inflows and outflows and reducing production of and responsible handling of (hazardous) waste.

Impact Materiality

MPCC material impact on circular economy issues was limited to **resource inflows including use**. Container shipping requires the use of resources that can be considered harmful to the environment, such as steel, fuel, and paint. Waste produced onboard vessels going to landfills and ship recycling also impact the environment. At the same time, utilizing more recycled materials onboard vessels can have a positive impact on local waste management practices in certain geographies.

Financial Materiality

No material financial risks and opportunities on circular economy were identified.

KPIs

TARGET	2023	2022	2021	STATUS
Establish policy and ensure proper implementation of ship recycling practices	MPCC Ship Recycling Policy was updated in February 2024	MPCC Ship Recycling Policy was implemented and published on our website in 2022	MPCC Ship Recycling Policy was developed to be implemented in 2022	●
Formulate targets for resource inflows including use	To be developed following outcome of 2023 DMA	Not Applicable	Not Applicable	●

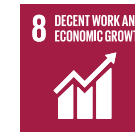
Relevant Policies

- + Sustainability Policy
- + Environmental Policy

Reporting Standards Used

- + ESRS E5
- + GRI 301; GRI 306; GRI 308

Relevant SDGs



Background

Circular economy includes all resources flows both in and out of MPCC. As a Company with 59 vessels, MPCC inevitably has a significant impact on the circular economy. All our vessels are sourced from a large resource pool, all of which need to be responsibly managed when they near end-of-life. To support this approach MPCC has made it a Company priority to reduce its ecological footprint throughout the life-cycle of its vessels.

Policies are actively used to achieve this key priority. We have two policies that apply to our entire operations, including our value chain, and which address the material sustainability matter of resource inflows including use. Our Sustainability Policy states that we will only cooperate with buyers that follow the same principles as MPCC in respect to ship recycling. Our Environmental Policy also confirms that we will eliminate and reduce resource waste, implementing initiatives to promote greater environmental responsibility.

Managing Circular Economy

The prevention of pollution by waste from ships is regulated by MARPOL's Annex V, which prohibits the discharge of most waste into the ocean. Regulated waste accumulated onboard vessels is disposed of at designated port reception facilities. Together with our ship managers, we utilize a designated service provider for ship waste management who is certified according to ISO 9001 and 14001 and performs regular audits of all our waste management handlers globally. We have direct access to, and full transparency concerning, all offloaded waste streams per vessel. All vessels have an Inventory of Hazardous Materials in compliance with the Ship Recycling Convention and the 2015 Guidelines.

In 2021, we successfully tested water filtration systems to produce drinkable water from our vessel's freshwater systems. As a result, we decided to invest in 54 filtration systems. The installation has been done by the crews with the vast majority of vessels now being equipped and the crews are confirming they are satisfied with the quality of the water. This initiative is crucial in our efforts to minimize plastic waste and the transportation of water bottles.

Our vessels operate in parts of the globe accessible to few others, and hence play a unique role in monitoring and reporting on marine pollution. The compilation of such data may have a profound impact on our ability to target areas in need of attention and solutions in need of development. MPCC and our CEO are founding members and ambassadors of Eyesea, a non-profit organization set up to map and report pollution and hazards at sea. Since its official launch in

December 2020, Eyesea has developed an ocean pollution reporting app for the intended use by seafarers, professional mariners, recreational sailors, fishermen, surfers and divers. The application successfully went live in August 2021 following six months of testing onboard commercial ships, recreational boats, and with community volunteers. The app is available on Google Play and in the Apple App Store. We encourage the use of the app and the recording of ocean, costal and waterway pollution, to effectively allocate clean-up resources and highlight areas of need.

The ship recycling industry provides economic benefits in several developing countries. It functions as a contributor to material circularity by recycling metals and other components, extending the useful life of these valuable resources. However, MPCC is aware of the environmental risks and human impacts associated with the recycling of ships. Ships contain hazardous materials, and ship recycling must therefore be performed according to strict standards to protect human health, safety, and the environment.

At MPCC, we are committed to the responsible recycling of ships as outlined in our Ship Recycling Policy. By the year-end of 2023, the average age of our fleet was 15 years and we have not yet been involved in ship recycling activity. Any future recycling of owned vessels will be conducted in accordance with applicable laws and regulations, specifically the 2009 Hong Kong Convention, the Basel Convention and, where applicable, the EU Ship Recycling Regulation.

Performance

ACCOUNTING METRIC	UNIT OF MEASURE	2023	2022	2021
Sludge	m ³	14,526	15,451	15,471
Sewage	m ³	78	191	120
Oily/bilge water	m ³	2,984	2,763	1,896
Plastic	m ³	1,818	1,816	1,645
Food waste	m ³	200	262	255
Cooking oil	m ³	14	13	11
Electronic waste	m ³	81	79	60
Domestic waste	m ³	2,085	2,234	1,960
Operational waste	m ³	1,039	1,055	890
Incinerator ash	m ³	33	31	22
Other waste	m ³	1	212	258
Total waste disposal	m ³	22,858	24,108	22,586

➔ References, disclaimers, and assumptions for this data table can be found under [Disclaimers and Assumptions](#) in the Appendix of this report.

Analysis of Performance

MPCC achieved a 5% decrease in total waste disposal from 2022 to 2023. The waste data displays an improvement in performance in several areas. Most notably, sewage releases decreased by 84% decrease from 191 cubic meters in 2022 to 78 cubic meters in 2023. We also note reductions in the following categories: sludge (6.1% decrease), domestic waste (7% decrease), operational waste (1.5% decrease) and food waste (27% decrease). Other waste categories such as plastic waste, electronic waste, cooking oil and incinerator ash have remained at a similar level as 2022. Overall, we believe that MPCC's 2023 data on waste disposal is consistent with the shipping industry expectations.

MPCC will continue to promote sustainable resource management to further reduce the impact of the Company's operations, in line with the principles of the circular economy. We will also pay close attention to technological innovation and initiatives within the industry that could help make us more resource efficient.



SOCIAL INFORMATION

OWN WORKFORCE

Working on our own workers entails improving working conditions, health & safety, equality and any other work-related rights for them.

Impact Materiality

MPCC material impacts on social issues connected MPCC’s own workforce include three main groups of impacts, namely: **working conditions, housing as a work-related right** and **health & safety**. Given the physical nature of the work, and the fact that many work offshore, MPCC has a significant impact on those who work for the Company. In addition, promoting equality amongst our workers positively impacts the workers who are affected by this.

Financial Materiality

MPCC material financial risks and opportunities connected to its own workforce include three of the DMA sub-topics identified in chapter two, namely: **Working conditions** and **health & safety**. The table below lists all material groups of risks, with a short description explaining why they were considered material.

MATERIAL RISKS/OPPORTUNITIES	DESCRIPTION
Market Risks	There could be a lower intake of new workers due to societal development leading to people losing interest in jobs with hard working conditions. Additionally, reliance on key employees means that their departure could lead to significant negative financial effects.
Market Opportunities	Learning how to keep seafarers safer could lead to less delays and less workers that need to be replaced, which is positive from a financial perspective. Also, retaining workers for longer due to good working conditions could provide a significant opportunity for MPCC.

KPIs

TARGET	2023	2022	2021	STATUS
Lost Time Incident Rate(LTIR) not to exceed 0.3 by 2030 ^k	0.05	0.14	1.17	●
Zero serious injuries	0	0	1	●
Establish and implement annual crew well-being survey	A crew well-being study is planned for 2024	Survey performed	Survey under development	●
Annual onshore employee retention rate above 90%	97%	73%	83%	●
35% female employees onshore by 2030	36.4%	26.7%	19.2%	●

Relevant Policies

- + Sustainability Policy
- + Human Capital Policy
- + Health & Safety Policy
- + Human Rights Policy

Relevant SDGs



Reporting Standards Used

- + ESRS S1
- + GRI 401; GRI 403; GRI 404; GRI 405; GRI 406; GRI 407; GRI 408; GRI 409; GRI 410; GRI 411
- + TR-MT-320a.1

Background

Our own workers, which encompasses all our crew and workforce, including temporary workers, are crucial to MPCC's success. For us to achieve our goal of being an employer of choice, we need to create a working environment that fulfils both basic requirements and expectations, as well as enabling our workers to grow through our investments in them.

To achieve this goal, we build on a range of policies. We have four policies that apply to our entire operations and address the material groups of impact: working conditions, health & safety, equal treatment & opportunities, and human rights. Our Sustainability Policy covers this by establishing that we will operate as a responsible employer. The Human Capital Policy promotes the principles of valuing the workforce, improving their skills and well-being, creating a constructive and pleasant working environment, and avoiding harassment and discrimination. The Health & Safety Policy establishes that safety takes precedence over commercial considerations, personal incidents are unacceptable, and we try to exceed regulatory requirements on this topic in our operations. The Human Rights Policy states that we will support and respect the protection of internationally proclaimed human rights, fostering diverse workforce and good working conditions.

Managing Own Workforce

Working Conditions

The past few years have presented significant challenges for seafarers. The war in Ukraine has caused serious implications for Ukrainian and Russian seafarers, whether they are at sea or at home. With a considerable part of our seafarers being domiciled in the region, our priority has been to support our crew and their families in every way we can. Ukrainian families of seafarers have been provided shelter by members of our management team, while multiple onshore employees have donated furniture and household items.

In 2022, MPCC rolled out a crew well-being survey that is now set up to be performed bi-annually. No study was conducted in 2023, but a new study will be completed in 2024.

Seafarers often work in isolated and high-pressure environments, which can take a toll on their mental and physical health. Our well-being survey seeks to identify key stressors and risk factors and increase our understanding of how to improve employee satisfaction. Looking at physical, psychological, and social factors, our survey showed that most of our seafarers are happy and satisfied, and their engagement level is high. However, overweight, obesity and loneliness issues stand out as areas for improvement. By addressing these areas, we aim to bring about improvements in seafarer well-being and positive flow on effects in other areas.

We have already taken a more proactive approach when it comes to promoting a healthier diet and lifestyle onboard our ships, and to improving the physical well-being of our crew. We encourage increased consumption of fruits and vegetables while reducing the intake of highly processed foods. During the pandemic, we have also been improving the onboard gyms to encourage daily exercise. Sufficient rest is also imperative to seafarers' physical and mental health and their ability to perform their duties safely.

Other ongoing initiatives include unlimited wireless internet access to enable seafarers to stay in touch with friends and family onshore. Our ship managers have also established closed groups on social media platforms, which have proven popular amongst our crew members for communicating on matters such as working conditions, career planning and non-work-related topics.

Since the signature of the Neptune Declaration on Seafarer Well-being in January 2021, MPCC has worked with our technical managers Wilhelmsen Ahrenkiel to support the efforts of Wilhelmsen Ship Management who are taking an active role in the working group that focuses on seafarers. Together with other ship owners and charterers, they are developing a code of conduct for charterers that aims to raise the industry's standard on seafarers' labor and human rights.

Health & Safety

In the event of accidents, incidents, near-miss incidents or non-conforming processes, thorough investigations are conducted, and deficiencies are identified, analyzed, and evaluated. In 2023, we experienced three incidents. No serious marine casualties were reported in 2023, and we remain determined to uphold our record of zero serious injuries onboard our vessels.

MPCC is diligently working to continuously improve our safety culture, ensuring the ongoing protection of employees and assets. We will be testing AI-powered cameras on board five vessels in 2024. The cameras, that will be installed on several positions of the vessel, will automatically check compliance with safety rules. By deploying the AI-powered cameras and real-time visual analytics, the platform proactively alerts shipowners, managers, and seafarers to onboard anomalies, reducing incidents onboard and increasing cargo operations efficiency.

Equal Treatment and Opportunities

We advocate for fair and equal opportunities and treatment for employees irrespective of ethnic or national origin, age, disability, gender, sexual orientation, or religion, as outlined in our Human Capital Policy. We strive to foster a diverse workforce and ensure a constructive and pleasant working environment, where we have zero tolerance for harassment and discrimination in all its forms.

We seek to enhance a gender-diverse workforce and an inclusive work environment. To strengthen our commitment to fair and equal opportunities, we have set a target of 35% female employees onshore by 2030.

Our employees are essential enablers of a work environment free from unfair treatment due to discrimination. At MPCC, we ensure that all employees are paid equally for equal work, including women and those from minority backgrounds. Through our Business Partner Guideline, our suppliers and service providers are also required to adhere to the same standards of good business practice.

Human Rights

To ensure that everyone within the organization understands their responsibilities when it comes to human rights issues, MPCC developed customized e-learning courses in 2022. These courses have been rolled out within the organization and offered to our business partners to ensure proper knowledge of MPCC's commitments and responsibilities throughout its operations. By year-end 2023, 100% of our onshore employees had completed our e-learning on human rights.



Performance

ACCIDENT AND SAFETY MANAGEMENT DISCLOSURES

ACCOUNTING METRIC	UNIT OF MEASURE	2023	2022	2021
Lost Time Incident Rate ^k	Rate	0.05	0.14	1.17
Lost Time Incident Frequency ^l	Rate	0.67	0.68	0.5
Marine casualties incidents ^m	Number	3	7	9
Very serious marine casualties ^m	Percentage	0%	0%	11%
Port State Control Deficiency ^o	Ratio	1.39	0.95	1.23
Port State Control Detention ^o	Number	2	1	1
Conditions of Class or Recommendations ⁿ	Number	272	295	256
Percentage of temporary workers	Ratio	0	Not Reported	Not Reported

➔ References, disclaimers, and assumptions for this data table can be found under [Disclaimers and Assumptions](#) in the Appendix of this report.

DIVERSITY DISCLOSURES

IN %	2023	2022	2021
Group Employees			
Male	63.6	73.3	80.8
Female	36.4	26.7	19.2
Seafarers			
Male	99.5	99.7	99.5
Female	0.5	0.3	0.5

IN %	2023	2022	2021
Group Employees			
Under 30 years old	6.1	20.0	15.3
30–50 years old	81.8	64.0	73.1
Over 50 years old	12.1	16.0	11.5
Seafarers			
Under 30 years old	36.5	35.2	31.3
30–50 years old	53.1	53.8	55.0
Over 50 years old	10.4	11.1	13.7

Analysis of Performance

MPCC performance on health and safety issues has further improved in 2023, this includes an 80% reduction in marine incidents. On the topic of diversity, we note at Group level a 31% increase in the ratio of females to males from 26.7% in 2022 to 36.4% in 2023. For seafarers, the profession remains a largely male-dominated, however we note a slight increase in female seafarers from 0.3% last year to 0.5% in 2023.

VALUE CHAIN AND SOCIETY

Our work to improve MPCC impacts, risks and opportunities connected to its value chain focuses on three key areas: improving working conditions, health & safety, equality, and any other work-related rights. We consider that working on societal impact can help improve the living situation of the people in close proximity of our operations.

Impact Materiality

MPCC material impacts on its value chain and society include three main groups of impacts related to **working conditions, human rights abuses** and **search & rescue**. Due to the long life-cycle of ships which is tied to physical production and construction, there are many instances whereby the level of working conditions and human rights protection could be of varying quality. This increases the likelihood of such impacts occurring.

Financial Materiality

MPCC material financial risks and opportunities connected to impacts on its value chain and society was limited to **working conditions**. The table below provides a short description the risk explaining why it was considered material.

MATERIAL RISKS/OPPORTUNITIES	DESCRIPTION
Regulatory Risks	Non-compliance with the Hong Kong Convention on working conditions in ship recycling could lead to financial penalties.

KPIs

TARGET	2023	2022	2021	STATUS
Develop and implement policy in line with UN Guiding Principles on Business and Human Rights	Human Rights Policy and Human Capital Policy were updated in February 2024	Human Rights Policy and Human Capital Policy were implemented and published on our website in 2022	Policies were developed to be implemented in 2022	●

Relevant Policies

- + Sustainable Procurement Policy
- + Human Capital Policy
- + Health & Safety Policy
- + Human Rights Policy

Relevant SDGs



Reporting Standards Used

- + ESRS S2
- + GRI 413; GRI 414;
- + TR-MT-110a.1; TR-MT-110a.2; TR-MT-110a.3; TR-MT-110a.4

Background

MPCC is dedicated to protecting human and labor rights throughout the entire life-cycle of our vessels. This ranges from the design, financing and construction stages all the way through to operation and ultimately the dismantling and recycling of the vessels.

We are committed to respecting human rights as defined in the International Bill of Rights, the ILO Fundamental Conventions on Labor Standards and the UN Guiding Principles on Business and Human Rights.

The implementation of the Norwegian Transparency Act (the Transparency Act) in July 2022 helped to further reinforce our human rights goals across the MPCC supply chain. The law requires companies to carry out human rights' due diligence in line with the OECD Guidelines for Multinational Enterprises. In addition, with the aim of promoting transparency within the Norwegian business community, companies must report on the actions taken to mitigate adverse human rights impacts and their effectiveness, as well as respond to requests for information from the public.

Managing Value Chain and Society

To support compliance with the Transparency Act MPCC has carried out a human rights saliency assessment. The assessment helped to identify the following as salient human rights issues that apply to our entire value chain:

- + Crew Working Conditions,
- + Ship Recycling
- + Diversity, Discrimination and Minority Rights,
- + Supply Chain Management
- + Search and Rescue, and
- + Security Response to Piracy.

These issues are reviewed regularly alongside a set of core governing documents that outline MPCC's management and compliance practices concerning human rights and decent working conditions and help address our material impact. These core governing documents include MPCC's:

- + Business Partner Guidelines
- + Human Rights Policy
- + Code of Conduct
- + Human Capital Policy
- + Health and Safety Policy
- + Ship Recycling Policy

Links to these documents are publicly available and provided in the [list of policies](#) in the Appendix of this report. The findings from the MPCC Transparency Act Statement (published in June 2023) provide further detail on MPCC's commitment to human rights.

In parallel to these governing documents, MPCC's Sustainable Procurement Policy establishes that we prioritize suppliers who operate in a sustainable and ethical way and enforce the same standards in their own supply chain. The policy further reinforces our commitment to identify high-risk areas in our supply chain and engage to mitigate our impact in these areas.

The **Human Capital, Health and Safety**, and **Human Rights policies** apply in the same way for value chain workers as they do for our own workers. The three policies are also relevant for our work with societies, committing MPCC to continuously work to develop positive relationships and impacts with local communities.

Performance

We include below an update on performance of MPCC's salient human rights.

Crew Working Conditions

The nature of the work of the crew onboard vessels makes it vulnerable to rights abuses, including the potential for forced labor, harassment and poor safety health and safety conditions. The shipping industry ensures that the human rights of the crew are well protected by rules and regulations that MPCC, including its technical ship managers and technical agents strictly follow. The focus of MPCC in this case is to continue to follow the main rules and regulation and monitor respective obedience by the technical managers, ensuring the adequate training of the crew onboard our vessels. Due diligence exercises carried out by the MPCC compliance team, have further confirmed that were no identified human rights breaches to report in 2023.

Ship Recycling

None of the MPCC vessels are currently expected to be recycled in the near future. We have nonetheless established a Ship Recycling Policy to properly address the environmental and human rights impacts associated to ship recycling, to account for the situation when the fleet does reach the end of its lifecycle. The policy itself mandates recycling to be carried out in Accordance with the 2009 Hong Kong Convention for the Save and Environmentally Sound Recycling of Ships. Furthermore, we will recycle our vessels built after 2020 in accordance with the EU Ship Recycling Regulation,

even if this should not be mandatory under its terms or other applicable laws and regulations, and prioritize the safeguarding of the environment and human health and safety when recycling vessels. We will also only cooperate with buyers that follow the same principles as MPCC in respect of ship recycling.

Diversity, Discrimination, and Minority Rights

MPCC promotes gender equality both on board and at shore. It has implemented rules regarding zero tolerance for harassment and discrimination and minority rights in its Human Capital and Human Rights Policy. Given the fact that crewing is still a largely male-dominated profession it remains a challenge to implement a gender-balanced crew as is evidenced by the low (yet improving) results in the diversity disclosures in the table at the start of this section.

Supply Chain Management

To support the operation of MPCC's vessels the services of hundreds of international suppliers and service companies are contracted. Given the international dimension of MPCC's operations, as identified in the section on Crew working conditions, this can lead to human rights risk cases including restrictions on the right to form trade unions and engage in collective bargaining. Although MPCC is not directly involved in the technical management of the vessels (which select suppliers and service providers for the vessels) the Company does not tolerate any human rights violations or indecent working conditions. The MPCC Business Partner Guideline requires technical

managers to operate their business in accordance with fundamental human rights. If it is found that a business partner has committed a human rights violation or there have been indecent working conditions, then MPCC may terminate a contract pursuant to its rights under the Business Partner Guideline. In 2023, no contracts were terminated pursuant to this policy.

Search and Rescue

A highly relevant part of our business activity, with regards to society, include our Search and Rescue operations (SAR OPS). In shipping, this can occur in any waterway or region where maritime accidents, distress incidents, or emergencies occur. We have an obligation to



provide aid. This applies regardless of nationality or status of such persons or the circumstances in which they are found, according to the International Convention for the Safety of Life at Sea ("SOLAS").

Several SAR OPS were recorded during the course of 2023. A brief overview of the operation is listed below:

- + AS Palina was involved in a rescue operation on February 9, 2023. The crew sighted a floating raft with people calling for help approximately 61 nautical miles off the coast of Mexico. In total, 9 individuals were taken on board (6 men and 3 women) who declared to be of Cuban origin. Those rescued were offered accommodation, and provided with necessary essentials, including food and water. No medical assistance was required. They were successfully disembarked from the Vessel at Veracruz and received by the immigration authorities, without any further complications.
- + On November 28, 2023, AS Anita was involved in a SAR OPS for several hours, during which only search operations were carried out without physical rescue.
- + On December 26, 2023, AS Christiana rescued 19 members of the crew from MV Apollo Triumph, which had caught fire. The crew was taken on board were all healthy, and later disembarked to the local coastguard.

Throughout the year several SAR operations involving refugee rescues in the Mediterranean Sea were also recorded. During these operations, MPCC vessels were put on stand-by until the Coast Guard arrived on scene but none of the refugees were taken on board the MPCC ships. The following vessels were involved in these operations at different dates:

- + 1/2/2023 AS Rosalia
- + 6/12/2023 AS Fatima
- + 6/19/2023 AS Fatima
- + 6/21/2023 Stadt Dresden
- + 8/31/2023 Stadt Dresden.

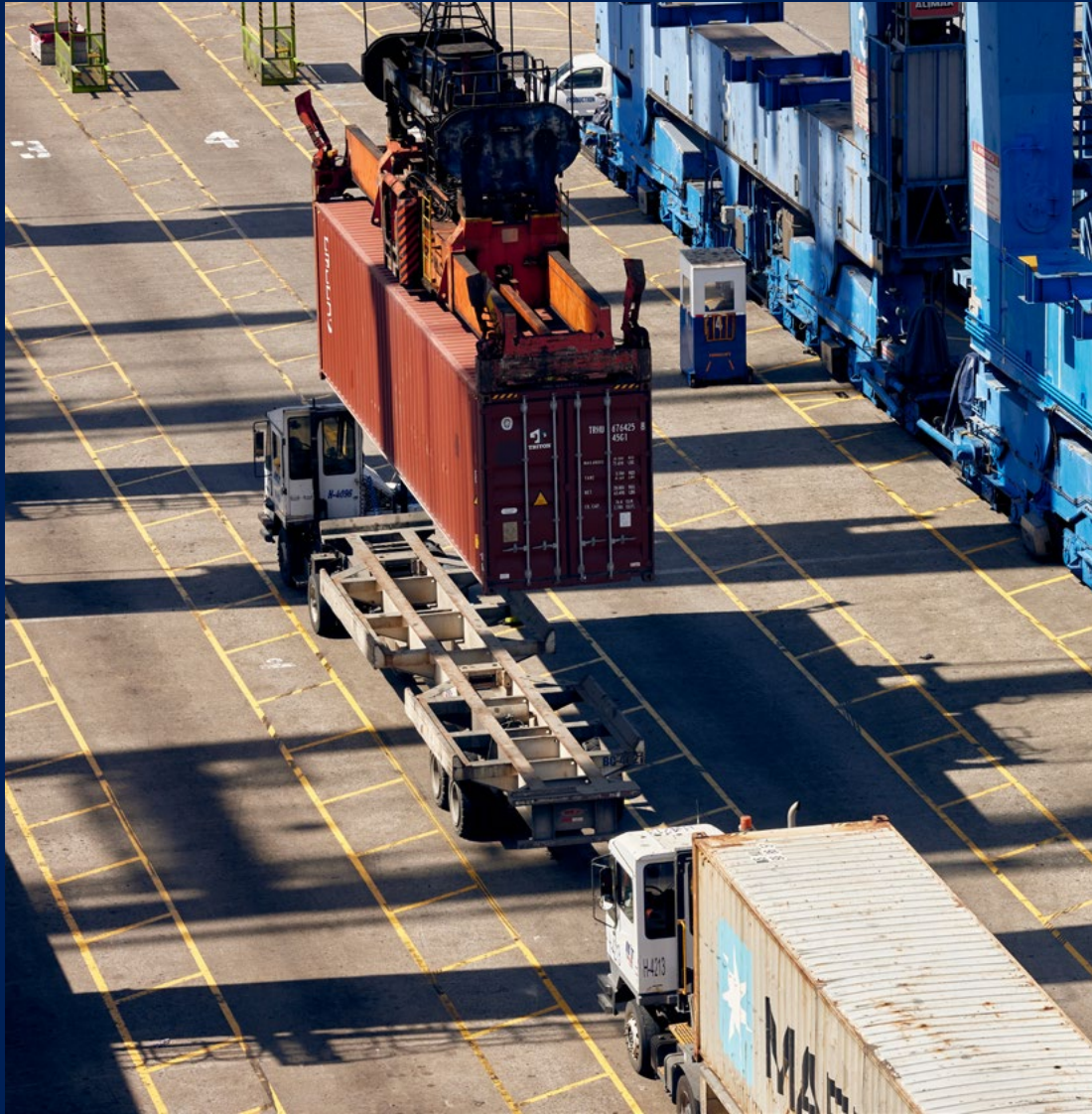
Security response to piracy

Piracy continues to be a concern in certain regions around the world including in piracy hot spots such as the Gulf of Guinea, Singapore Strait and the Red Sea, particularly around the coast of Yemen. To protect its crew on board of MPCC vessels MPCC follows the Best Management Practices for Protection against Somalia Based Piracy ("BMP"). The document is a set of industry best practices aiming to assist vessels in minimizing the risk of piracy attacks. MPCC will continue to review the technical managers' procedures in line with BMP including additional security measures such as vessel hardening, crew training and piracy drills.

MPCC will continue to track the results of our planned measures on the above-listed Human Rights issues and publish progress on them in the 2024 Transparency Act Statement.

Analysis of Performance

As part of MPCC's near term goal, we will develop action plans to address our salient human rights issues. This including action points to prevent or mitigate actual or potential impacts which are directly linked to MPCC. Such plans will ensure that the effectiveness of our human rights management can be tracked. In addition, we will continuously work on improving our internal systems to ensure that human rights risks remain low. We intend to formalize a process for assessing involvement in actual and potential adverse impacts in the event where an adverse impact is identified. We will also ensure that our ship and crew managers understand MPCC's expectations when it comes to respecting the right to collective bargaining. As part of this effort MPCC has recently reviewed and updated the MPCC Business Partner Guidelines.



GOVERNANCE INFORMATION

BUSINESS CONDUCT

Working on business conduct entails continually improving how we work on our corporate culture. This includes factors such as whistleblowing, political engagement, supplier-relationships, and corruption & bribery.

Impact Materiality

MPCC material impacts on business conduct two sub-topics, namely: **corporate culture** and **payment practices**. As a Company that operates across many geographies and interacts daily with stakeholders in a variety of ways, the way we conduct our business is of high importance.

Financial Materiality

MPCC material financial risks and opportunities related to business conduct impacts include two of the DMA sub-topics identified in chapter two: **Payment practices** and **corruption & bribery**. The table below lists all material groups of risks, with a short description explaining why they were considered material.

MATERIAL RISKS/OPPORTUNITIES	DESCRIPTION
Regulatory Risks	There is a possibility of fines being applied against MPCC should cases of corruption and bribery be found in its own operations.
Reputational Risk	There is a possibility of fines being applied against MPCC should cases of corruption and bribery be found in its own operations.
Market Risks	There is a possibility of reduced access to capital for MPCC should cases of corruption and bribery be found in its own operations. MPCC could encounter a lack of funding should it not pay its suppliers on time and the issue is not resolved by communication.

KPIs

TARGET	2023	2022	2021	STATUS
ESG policies updated and made available on website	One new policy was implemented and published on our website in 2023.	The eight policies were implemented and published on our website in 2022	Eight new policies were developed in 2021	●
Develop and implement ESG digital course for internal and external stakeholders	100% of MPCC onshore employees completed e-learning on human rights in 2023	ESG & Sustainability and Human Rights Courses were rolled out in 2022	Course developed in 2021, and to be rolled out in 2022	●
Annual high quality ESG disclosures based on TCFD, GRI and SASB	Sustainability Report 2023 was developed in accordance with the Marine Transportation SASB Standard (2023) and with reference to the GRI Standards and TCFD	Sustainability Report 2022 was developed in accordance with the Marine Transportation SASB Standard (2018) and with reference to the GRI Standards and TCFD	Sustainability Report 2021 was developed in accordance with the Marine Transportation SASB Standard (2018) and with reference to the GRI Standards	●
Identify, assess, integrate and monitor anti-corruption risks	Corruption risks have been identified and are being monitored; The Anti-Corruption Policy was updated in February 2024	Corruption risks have been identified and are being monitored; an Anti-Corruption Policy was implemented and published on our website in 2022	To be finalized in 2022	●
Implement annual testing and training of whistleblower system	Persons responsible at MPCC for the whistleblower system were provided with relevant updated training in 2023	Persons responsible at MPCC for the whistleblower system were trained upon its implementation, the system was successfully tested in 2022	Whistleblower hotline was implemented in 2021, testing and training to be rolled out in 2022	●

Relevant Policies

- + Code of Conduct
- + Corporate Governance Policy
- + Anti-Corruption Policy
- + Sanctions Policy

Reporting Standards Used

- + ESRS G1
- + GRI 204; GRI 205; GRI 206
- + TR-MT-510a.1; TR-MT-510a.2

Relevant SDGs

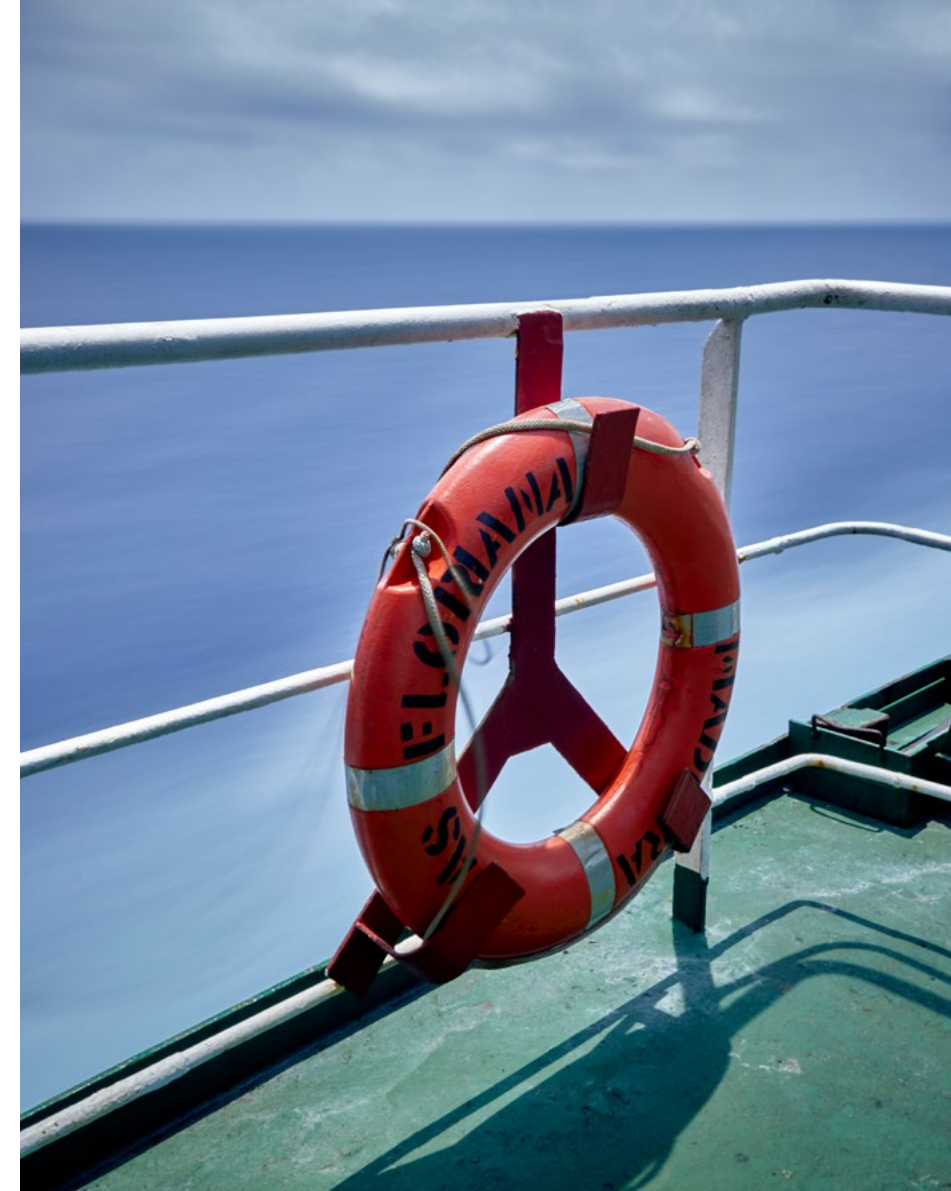


Background

Good corporate governance is a key factor in underpinning the integrity and efficiency of our Company, with an aim of creating trust and providing transparency to all our stakeholders. We operate our business with integrity and respect laws, different cultures and human dignity. We also expect our business partners must practice fair dealing, honesty and integrity in every aspect in dealing with employees, suppliers, competitors, the public and government authorities. Our overarching goal is to develop a corporate culture characterized by good judgement and the ability to manage ethically difficult situations, should they arise.

We have three key policies that apply to our entire operations, including our value chain, and are used to guide the work on the material groups of impact: **corporate culture** and **payment practices**. Our Code of Conduct establishes that all employees are expected to observe high standards of business and personal ethics in the conduct of their duties and responsibilities, in line with our governing documents. Our Corporate Governance Policy states that business should be done in accordance with relevant regulations, in line with the Company's strategy and risk profile, and with sufficient internal controls. Our Sanctions Policy is designed to ensure that every MPCC employee understands and complies with all applicable sanctions. This is particularly relevant given that MPCC operates in a high sanctions risk industry.

In addition, core documents such as our Business Partner Guideline and Articles of Association are used to supplement our work on these material impacts. To guide the work on stopping **corruption** and **bribery**, we also make use of our Anti-Corruption Policy. This policy expresses that we do not tolerate active (attempts to bribe others) or passive corruption (allowing oneself to be bribed). Any demands for facilitation payments, such as payment of small amounts to civil servants, for example, in order to have routine services carried out, are rejected firmly and clearly. Similarly, our ship managers and charterers impose our Anti-Corruption Policy as applicable for the crew operating on our chartered-out vessels.



Managing Business Conduct

Two key positions provide qualified oversight of compliance-related topics at MPCC. A German lawyer and certified Compliance Officer was appointed as our external Compliance Officer in 2021. We also appointed a Norwegian lawyer to be the Company's external Data Protection Officer, with responsibility for applicable data protection laws. Both positions report to the Company's Chief Compliance Officer.

MPCC has appointed the Risk, Audit, Sustainability Committee – a subcommittee of the Board – to act as a preparatory and advisory body for the Board in the exercise of its responsibility for financial reporting, internal control, and risk management, as well as ESG related topics. Each member of the committee is independent of the MPCC management team. Furthermore, our Remuneration Committee assists the Board in its work with the Company's remuneration policies and the terms of employment for the CEO and CFO.

Although neither MPCC, nor its senior management, including the senior management of its subsidiaries, have been convicted in court on corruption charges, we still continuously work to improve on this area. During 2023 e-learning courses on the topic of bribery and corruption were facilitated for staff. These sessions were conducted/initiated by the external compliance officer. Overall, employees who observe or become aware of a situation that they believe to be a violation of the Code of Conduct are obliged to notify

their immediate superior, the executive management or a member of the Board unless the Code of Conduct directs otherwise.

To further ease the reporting of unwanted behavior, we have implemented a third-party whistleblower hotline enabling all onshore and offshore employees to anonymously report and document any violation of the Code of Conduct, including human rights-related issues. This hotline will gain more visibility in 2024 as updates to the corresponding MPCC webpages are carried out. MPCC's Compliance Officer will be notified in the event of any respective report and will initiate the necessary steps to investigate the respective incident and any appropriate measures.

When a manager or the Compliance Officer receives a report of a violation, it is their responsibility to handle the matter in consultation with a Board member. After proper investigation, legal and/or disciplinary action will be taken in all cases where the board of directors considers further action to be appropriate. Where it is likely that a criminal act has taken place, the police or an appropriate federal agency will be involved. If an employee reporting a violation wishes to remain anonymous, all reasonable steps are taken to keep their identity confidential. All communications are taken seriously and, if warranted, any reports of violations are investigated.

No whistleblowing incidents were reported during 2023. At MPCC, we do not retaliate, or allow retaliation, in respect of any reports made by an employee in good faith.



We are a member of the Maritime Anti-Corruption Network (MACN), a global business network working towards the vision of a maritime industry free of corruption. Their goal is to enable fair trade to the benefit of society at large. By implementing the MACN Anti-Corruption Principles, co-developing and sharing best practices and collaborating with governments, NGOs and civil society, the MACN and its members seek to identify and mitigate the root causes of corruption and create a culture of integrity within the maritime community.

Taxation

MPCC is exposed to changes in legal, tax and regulatory regimes within relevant jurisdictions as well as potential private litigation and public prosecution. The Company seeks to mitigate legal risks by maintaining a well-functioning risk management system, management guidelines and dedicated compliance and legal functions. Tax governance and compliance are considered important matters of Board oversight and risk management. In the current geopolitical situation with newly introduced and further strengthened sanction regimes, legal risk exposure is elevated. The Company mitigates risks through a) elevated monitoring of current business activities and all involved parties, b) the introduction of a comprehensive Sanctions Compliance Policy and c) seeking advice from seasoned sanction experts. Neither the Company nor its subsidiaries, has been finally found in violation of tax laws.

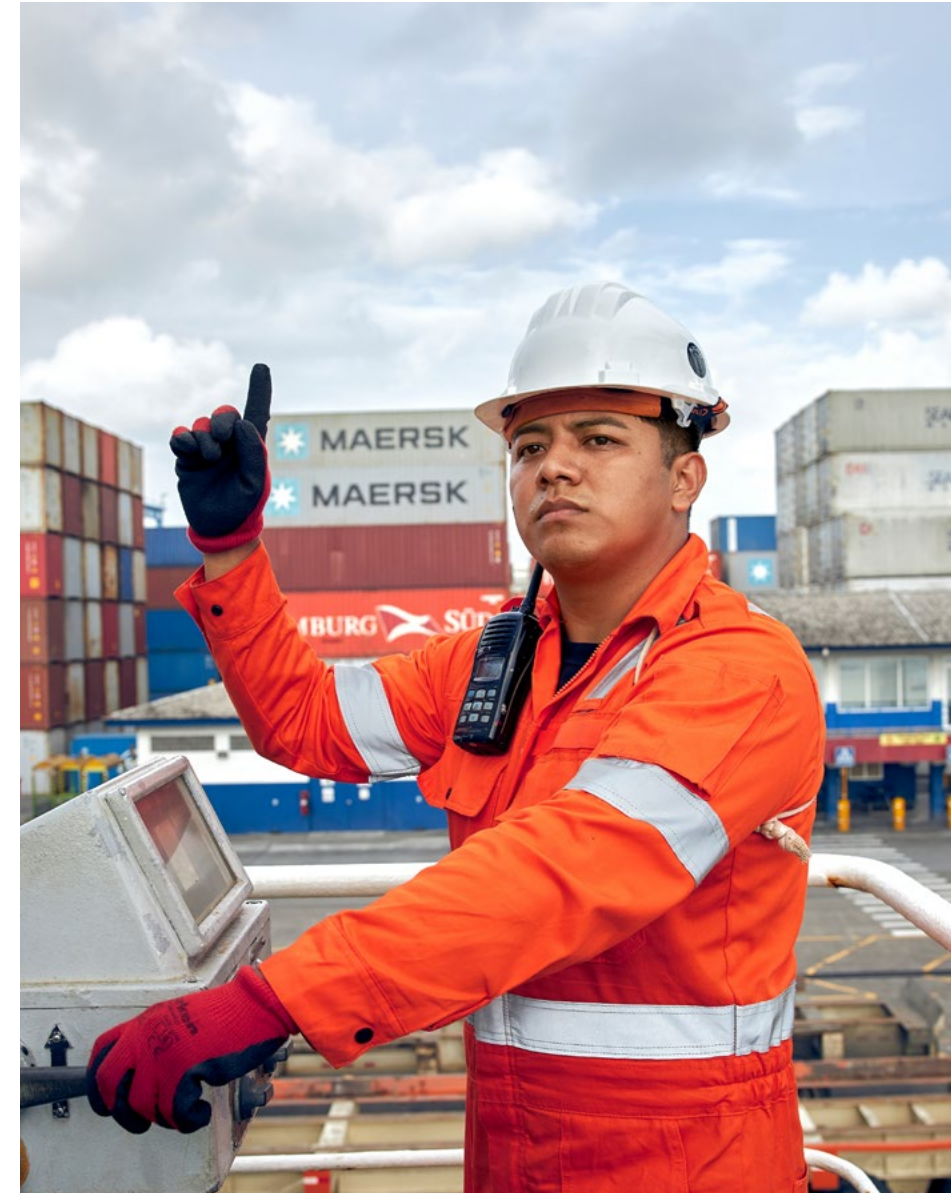
Prevention of Insider Trading

Our employees and their family members are not permitted to buy or sell shares or other securities in the Company, or provide advice related to trading in securities, while in possession of inside information relating to those securities, including the Company's financial instruments and the financial instruments of any customer, supplier or partner of the Company. A Management Guideline has been established to ensure the proper handling of inside information applicable for companies listed on the Oslo Stock Exchange. This guideline is in accordance with governing laws and regulations. The statutory duties include, but are not limited to the following requirements:

- + The Company must have procedures to ensure secure handling of inside information
- + The Company shall ensure that a list is drawn up of persons who are given access to inside information, and the list shall be continuously updated
- + Persons given access to inside information shall be made aware of the duties and responsibilities that this entails, as well as the criminal liability associated with misuse or unwarranted distribution of such information
- + The Company must be able to provide documentary evidence that persons with access to inside information are aware of their duties concerning handling of inside information, including the criminal liability, to the Oslo Stock Exchange and the Norwegian Financial Supervisory Authority (NFSA).

If there is any doubt as to whether a person possesses inside information, they are required to contact their immediate superior, the Company's Chief Compliance Officer and the advice of legal counsel may be sought. Members of the Board and the executive management and certain other people are subject to additional requirements under the Company's insider trading rules.

The books and records of the Company are prepared with care and honesty and accurately reflect the Company's transactions. All corporate funds and assets are recorded in accordance with Company procedures. No undisclosed or unrecorded funds or assets are established for any purpose.



Performance

ACCOUNTING METRIC	UNIT OF MEASURE	2023	2022	2021
Calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	956	938	1,315
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	0	0

➔ References, disclaimers, and assumptions for this data table can be found under [Disclaimers and Assumptions](#) in the Appendix of this report.

🔍 Analysis of Performance

In 2023, the amount of port calls in countries with the lowest rankings in Transparency International's Corruption Perception Index has remained close to the 2022 figure with only a 2% increase from 938 in 2022 to 956 in 2023. MPCC continues to report 0 monetary losses as a result of legal proceedings linked to bribery and corruption (a figure which remains the same since 2020). Together with the fact that 0 whistleblowing instances have been reported in 2023, business conducts issues appear to have been minimal during the course of the year.





APPENDIX

ESG-RELATED POLICIES AND DOCUMENTS

- + [Anti-Corruption Policy](#)
- + [Environmental Policy](#)
- + [Health & Safety Policy](#)
- + [Human Capital Policy](#)
- + [Human Rights Policy](#)
- + [Ship Recycling Policy](#)
- + [Sustainability Policy](#)
- + [Sustainable Procurement Policy](#)
- + [Corporate Governance Policy](#)
- + [Remuneration Guideline](#)
- + [Business Partner Guideline](#)
- + [Code of Conduct](#)
- + [CSR Statement](#)
- + [Norwegian Transparency Act Statement](#)



SASB

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	2023	2022	2021	SASB CODE
Greenhouse Gas Emissions	Gross global Scope 1 emissions: Financial control approach ^b	Metric tons CO ₂ e	1,667,141	1,810,202	1,758,036	TR-MT-110a.1
	Gross global Scope 2 emissions ^c	Metric tons CO ₂ e	26.41	12.82	16.38	Additional (GRI 305-2)
	Global Scope 3 emissions: Operational control	Metric tons CO ₂ e	210,768	338,694	Not Reported	Additional (GRI 305-3)
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and an analysis of performance against those targets	Qualitative description	Page 116-122	Page 11, 12	Page 11-12	TR-MT-110a.2
	Reporting on climate related risks and opportunities in line with the recommendations	Qualitative description	Page 116, 117-120	Page 13, 25-28	Page 12-13	Additional (GRI 201-2)
	Total energy consumed ^d	Gigajoules (GJ)	21,352,958	23,736,166	24,508,042	TR-MT-110a.3
		Percentage of energy from heavy fuel (%)	92%	91%	91%	TR-MT-110a.3
		Percentage of energy from renewable/low-carbon sources (%)	0%	0%	0%	TR-MT-110a.3
	Average Efficiency Ratio (AER): weighted average ^e	Grams of CO ₂ e per ton-nautical mile	12.32	13.12	13.70	Additional
	Air Quality	NO _x (excluding N ₂ O) ^f	Metric tons	43,767	47,924	40,186
Sox ^f		Metric tons	4,482	4,837	2,018	TR-MT-120a.1
Particulate matter ^f		Metric tons	1,926	2,115	133	TR-MT-120a.1

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	2023	2022	2021	SASB CODE
Ecological Impacts	Marine Protected Areas^g					
	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	1,904	2,174	1,539	TR-MT-160a.1
	Implemented Ballast Water^h					
	Exchange	Percentage (%)	7%	18%	55%	TR-MT-160a.2
	Treatment	Percentage (%)	96%	85%	52%	TR-MT-160a.2
	Spills and Releases to the Environmentⁱ					
Incidents	Number	0	1	1	TR-MT-160a.3	
Aggregate volume	Cubic meters (m ³)	0	2.2	5	TR-MT-160a.3	
Business Ethics	Corruption Index^j					
	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index ^j	Number	956	938	1,315	TR-MT-510a.1
	Corruption					
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	0	0	TR-MT-510a.2	
Employee Health and Safety	Lost Time Incident					
	Lost time incident rate (LTIR) ^k	Rate	0.05	0.14	1.18	TR-MT-320a.1
	Lost time incident frequency (LTIF) ^l	Rate	0.67	0.68	0.51	Additional (GRI 403-9)
Accident & Safety Management	Marine Casualties^m					
	Incidents	Number	3	7	9	TR-MT-540a.1
	Very serious marine casualties	Percentage	0%	0%	11%	TR-MT-540a.1
	Conditions of Classⁿ					
	Condition of class or Recommendations	Number	272	295	256	TR-MT-540a.2
	Port State Control					
	Deficiencies ^o	Rate	1.39	0.95	1.23	TR-MT-540a.3
Detentions	Number	2	1	1	TR-MT-540a.3	

ACTIVITY METRICS	UNIT OF MEASURE	2023	2022	2021	SASB CODE
Shipboard personnel ^Q	Number	1,380	1,307	1,324	TR-MT-000.A
Total distance traveled by vessels	Nautical miles	4,547,460	4,600,705	4,462,895	TR-MT-000.B
Operating days	Days	22,747	23,426	23,567	TR-MT-000.C
Deadweight tonnage ^P	Thousand DWT	2,026	2,004	1,934	TR-MT-000.D
Vessels in fleet ^P	Number	59	68	69	TR-MT-000.E
Vessel port calls	Number	5,983	5,914	6,798	TR-MT-000.F
Twenty-foot equivalent unit capacity ^P	TEU	149,119	134,270	141,381	TR-MT-000.G



DISCLAIMERS AND ASSUMPTIONS

The figures presented in this report are based on the vessels in our fleet throughout the reporting year.

- ^a **Well-to-Wake GHG emissions intensity target:** The baseline of 2008 (15.73 g(CO₂e)_{WTW/dwtm}) GHG emissions intensity has been retrieved from container shipping intensity emissions stated in the 4th IMO study (13 gCO₂e/dwtm) from which a 1.21 ratio has been applied to adjust the value to WTW emissions following an [article from the ICCT](#) (July 2023). The 2030 GHG emissions reduction intensity target for MPC Containership is based on the 2023 IMO GHG strategy which states a 40% intensity reduction based on 2008 levels of container shipping which results in a targeted value of 9.44 g(CO₂e)_{WTW/dwtm}.
- ^b **CO₂ emissions:** Calculations are based on IMO emission factors and fuel consumed for the reporting period. The financial control approach has been applied for Scope 1, which represents vessels owned by MPC Container Ships (including vessels owned through JVs).
- ^c **Gross global Scope 2 emissions:** Calculations are based on AIB residual mix emissions factors for electricity consumption, as well as IEA European average emission factor for district heating consumed.
- ^d **Energy consumption:** Calculations are based on fuel use, applying the UK Department for Environment, Food & Rural Affairs' ("DEFRA") conversion factors to calculate energy consumed in gigajoules ("GJ").
- ^e **Average Efficiency Ratio ("AER"):** Carbon intensity metric estimated based on fuel consumed, distance traveled ("nm"), and deadweight tonnage ("DWT"). Weighted average based on DWTnm.
- ^f **Other emissions to air:** NO_x figures for Wilhelmsen Ahrenkiel Ship Management and joint venture vessels are compiled from real-time performance platform Bluetracker One installed on each vessel. NO_x figures for Marlow vessels are calculated based on the consumption reported via their MARS system. NO_x figures for Hartmann vessels are compiled through the software "Navigator Insight". SO_x and PM figures for all vessels are estimated based on the IMO's Fourth Greenhouse Gas Study 2020 methodology. In cases where detailed engine data for a vessel has not been available, an average figure for the relevant segment has been applied. For more information on the formulas applied, please see the IMO's Fourth GHG Study, pp. 21-24.
- ^g **Marine protected areas:** The number reported reflect number of days sailed in ECA zones only.
- ^h **Implemented ballast water:** Only ships performing ballast water exchange with an efficiency of at least 95% volumetric exchange of ballast water have been included. When it comes to treatment, approved systems must discharge (a) less than 10 viable organisms per cubic meter that are greater than or equal to 50 micrometers in minimum dimension and (b) less than 10 viable organisms per milliliter that are less than 50 micrometers in minimum dimension and greater than or equal to 10 micrometers in minimum dimension.
- ⁱ **Spills and releases to the environment:** Any over-board spills and releases – intentional or accidental.
- ^j **Corruption index:** Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index. In the event that two or more countries share rank, all have been included in the scope of disclosure. The list is based on the Corruption Perception Index for 2022.
- ^k **Lost time incident rate:** The rate is calculated based on (lost time incidents) / (1,000,000 hours worked) and includes incidents resulting in absence from work beyond the date or shift when it occurred.

- ^l **Lost time incident frequency:** The rate is calculated based on (lost time incidents) / (total exposure hours * 10⁻⁶) and according to BIMCO's shipping KPI methodology.
- ^m **Marine casualties:** The definition of a marine casualty is based on IMO's Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident Resolution MSC 255(84), paragraph 2.9, chapter 2 of the General Provisions.
- ⁿ **Conditions of class:** The data provided represents the number of Conditions of Class or Recommendations the Company's vessels have received from a Flag Administration or a Recognized Organization that has been delegated the authority to issue such findings. The scope of disclosure includes all Conditions of Class regardless of whether they resulted in withdrawal, suspension, or invalidation of a vessel's Class certificate.
- ^o **Port state control:** Deficiency rate is calculated using the number of deficiencies it received from regional port state control divided by total number of port state control inspections.
- ^p The figures include all vessels employed by MPCC throughout the reporting year.
- ^q The figures represent our fleet at year end.



TCFD DISCLOSURES

TOPIC	TCFD RECOMMENDATIONS	MPCC CONTAINER SHIPS 2023 RESPONSE
Governance	1. Describe the Board’s oversight of climate-related risks and opportunities	See description of governance structure in the Management of ESG section (page 110). This governance structure is also relevant for climate-related issues. As part of its regular reviews of ESG issues, the Board receives updates on climate risks and opportunities, including emerging regulations, developments in the company’s performance on the decarbonization strategy – emissions reduction trajectories and technological developments. The governance structure is the same for climate-related issues as for other material ESG issues.
	2. Describe management’s role in assessing and managing climate-related risks and opportunities	See description of governance structure in the Management of ESG section (page 110). The responsibilities of the Risk, Audit and Sustainability Committee (the Committee) include climate-related issues.
Strategy	1. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	See information in the Climate Change section (page 116). During the identification of risks and opportunities, all time-horizons have been taken into account, especially given the tendency of climate-related risks to occur over the longer time-horizons. We have used the following definitions of time horizons: + Short: <1 year + Medium: 1–5 years + Long: >5 years
	2. Describe the impact of climate-related risks and opportunities on the organization’s business, strategy and financial planning	See description of climate-related financial risk/opportunity factors in the Climate Change section (page 116). For description of how climate-related issues are prioritized and used in financial and strategic planning, see description of governance structure in the Management of ESG section (page 110) A thorough analysis of how our commitment to follow a decarbonization pathway based on the 2023 IMO GHG ‘striving’ strategy, and the implications this has on our business, strategy and financial planning, can be found in the Climate Change section under the subsection entitled Managing Climate (page 117)
	3. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2 degree C or lower scenario	Our well-below 2 degrees-aligned decarbonization pathway, along with an assessment of decarbonization levers, is presented in the Climate Change section under the subsection entitled Managing Climate (page 117). This strategy is aligned to the striving-scenario of the IMO, meaning that if we have to change our strategy given climate-related risks, we could still be on track to achieve the original scenario of the IMO. Conversely, climate related opportunities could make it less costly to commit to the striving-scenario, which would reinforce the strategy chosen.

TOPIC	TCFD RECOMMENDATIONS	MPC CONTAINER SHIPS 2023 RESPONSE
Risk Management	1. Describe the organization’s processes for identifying and assessing climate-related risks	<p>See description of how MPC Container Ships has undertaken a climate risk review and decarbonization trajectory analysis to understand its climate risks and opportunities in the Climate Change section under the subsection entitled Managing Climate (page 117).</p> <p>See also the description of identification and assessment process from DMA in the section, Impact Risk and Opportunity Management (page 106).</p>
	2. Describe the organization’s processes for managing climate-related risks	<p>See general description of management of ESG issues in the Management of ESG section (page 110). This is also relevant for how climate-related risks are managed.</p> <p>See also the description of management process from the DMA in the Impact, Risk, and Opportunity Management section (page 106).</p>
	3. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	<p>See a description of integration between the overall risk management process and climate-related risks (represented by ESG issues) in the Management of ESG section (page 110).</p> <p>Further details on this integration are provided in the Climate Change section in the subsection entitled Managing Climate under the heading “Climate-Related Risks” (page 119).</p>
Metrics and Targets	1. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk process	<p>We measure our total GHG emissions (Scope 1, 2 and 3) in CO₂ equivalents. We measure our energy consumption in gigajoules. We apply the IMO CII Carbon Intensity Indicator and report our Average Efficiency Ratio (AER) measured as grams of CO₂ per deadweight ton-nautical mile. We have developed a tool to monitor the CII values of all of our individual vessels on a live basis. Lastly, we measure the percentage of heavy fuel oil consumed in our operations. MPCC has this year established a target to reduce its Well-to-Wake GHG emissions intensity. The well-to-wake GHG emissions intensity target is a relative metric that is aligned with the ambition of the IMO to now report the GHG emissions generated by the maritime industry on a well-to-wake basis. The metric relies on the GHG emissions stemming from the full life cycle of the fuel used by the fleet, the deadweight tonnage (dwt) and the nautical miles (nm).</p> <p>These metrics, along with their historical values, can be found in the Climate Change section under the subsection, Performance (page 121).</p>
	2. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, greenhouse gas (GHG) emissions, and the related risks	Emission metrics are reported in the Climate Change section under the subsection, Performance (page 121).
	3. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<p>For climate-related targets, see section on Climate Change (page 116).</p> <p>For a detailed description of how these targets are aligned with the IMO ‘striving’-scenario, see the Climate Change section under the subsection Managing Climate (page 117).</p>

GRI INDEX

GRI STANDARD	DISCLOSURE	LOCATION	
GRI 2: General Disclosures 2021	2-1	Organizational details	Page 156
	2-2	Entities included in the organization's sustainability reporting	Page 97 , Annual Report Page 67-68 Entities are included/excluded upon commercial closing of transaction.
	2-3	Reporting period, frequency and contact point	The ESG report covers the calendar year of 2023, and is published on an annual basis. Financial reporting covers the same period (January 1–December 31). The ESG report was published on March 22, 2024. Contact point for questions about the reported information: Investor Relations at ir@mpc-container.com
	2-4	Restatements of information	Not applicable
	2-5	External assurance	Not applicable
	2-6	Activities, value chain and other business relationships	Annual Report Page 27 ff. www.mpc-container.com/about-us Our value chain includes our technical managers, commercial managers, insurance companies, banks, charterers, freight forwarders, port operator and agency, operator transport infrastructure.
	2-7	Employees	Page 130 ff.
	2-8	Workers who are not employees	Page 134 ff.
	2-9	Governance structure and composition	Annual Report Page 24-25 , Page 36 ff. www.mpc-container.com/governance/board-of-directors
	2-10	Nomination and selection of the highest governance body	Annual Report Page 39
	2-11	Chair of the highest governance body	The chair of the Board of Directors is the CEO of MPC Münchmeyer Petersen Capital AG.
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 110
	2-13	Delegation of responsibility for managing impacts	Page 110
	2-14	Role of the highest governance body in sustainability reporting	The Board is responsible for reviewing and approving the annual Sustainability Report.
	2-15	Conflicts of interest	Managed according to our Code of Conduct.
	2-16	Communication of critical concerns	Page 139-142

GRI STANDARD	DISCLOSURE	LOCATION
	2-17 Collective knowledge of the highest governance body	Workshops and meetings with external experts to discuss policies and processes related to ESG. Developed eLearning to increase knowledge throughout the organization and amongst suppliers
	2-18 Evaluation of the performance of the highest governance body	The Board controls, evaluates and contributes to the performance of the highest governance body on ESG in regular committee meetings, at minimum four times a year.
	2-19 Remuneration policies	Annual Report Page 43 ff. www.mpc-container.com/governance/governance-documents
	2-20 Process to determine remuneration	Annual Report Page 43 ff.
	2-21 Annual total compensation ratio	Not disclosed
	2-22 Statement on sustainable development strategy	Page 100 ff.
	2-23 Policy commitments	Page 109 , Page 145
	2-24 Embedding policy commitments	Page 131 , Page 135 , Page 136
	2-25 Processes to remediate negative impacts	Page 139 ff.
	2-26 Mechanisms for seeking advice and raising concerns	Page 139 ff.
	2-27 Compliance with laws and regulations	No significant instances of non-compliance with laws and regulations during the reporting period.
	2-28 Membership associations	Page 103–104
	2-29 Approach to stakeholder engagement	Page 105
	2-30 Collective bargaining agreements	0% of employees covered by collective bargaining agreements. Working conditions and terms of employment are not based on collective bargaining agreements.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 106
	3-2 List of material topics	Page 107
Material topic: Climate-related risks		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 116 ff.
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Annual Report Page 34 , Page 116 ff. , Page 152
Material topic: Corruption risk		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 139 ff.
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Page 139 ff.
	205-2 Communication and training about anti-corruption policies and procedures	Page 112 , Page 139 ff. , Page 145
	205-3 Confirmed incidents of corruption and actions taken	Page 141

GRI STANDARD	DISCLOSURE	LOCATION
Material topic: Energy mix		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 116 ff.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 146-148
	302-2 Energy consumption outside of the organization	Page 146-148
Material topic: Direct emissions from consumption of fossil fuels		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 116 ff.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 146-148
	305-2 Energy indirect (Scope 2) GHG emissions	Page 146-148
	305-3 Other indirect (Scope 3) GHG emissions	Page 146-148
	305-4 GHG emissions intensity	Page 116
	305-5 Reduction of GHG emissions	Page 117 ff.
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Page 124-125 , Page 146-148
Material topic: Marine casualties		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 130 ff.
Other	SASB TR-MT-540a.1	Page 146-148
Material topic: Seafarer welfare		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 130-132
Material topic: Responsible ship recycling		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 101 ff. , Page 126 ff.
Other	Norwegian Shipowners' Association's Guidelines for ESG reporting in the shipping and offshore industries. Metric: Responsible ship recycling	Page 97 , Page 127
Material topic: Human and labor rights in the supply chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 134-137

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