

## Containerships plc's interim report January-March 2017

- Net sales EUR 55.7 (EUR 49.1) million
- EBITDA EUR 3.5 (EUR 3.3) million
- Net profit EUR 0.6 million (-EUR 1.1) million
- Guidance for 2017 remains unchanged: In 2017 net sales are expected to grow by 5-10% and profitability (EBITDA) to improve on the previous year.

### Market conditions and significant events

CONTAINERSHIPS is a full-service logistics company providing transportation solutions to customers using various containers and logistics solutions in the Baltic Sea, North Sea and the Mediterranean regions. During the reporting period, Baltic Sea and North Sea traffic accounted for around 88% of net sales and the Mediterranean for around 12% of net sales.

There were no significant changes in the operating environment during the reporting period. The Russian market has remained challenging due to economic sanctions and the country's overall economic situation. United Kingdom's Brexit decision has not impacted the company's business. No significant changes are estimated to occur in the operating environment in the near future.

The company continues to progress on its chosen investment track based on its environmentally friendly LNG strategy. Building of LNG vessels has started numbering four in total, which will be delivered to the company during 2018. The company has increased the number of LNG-fuelled trucks in Great Britain and is exploring the possibilities to increase the number of LNG-fuelled trucks also in the Netherlands and in Finland.

In business in the Mediterranean region, the Group's own agency activities in Algeria began in autumn 2016 and have got off to a positive start. Business in Tunisia and Libya is being developed in partnership with local agents.

### Performance overview

Key figures, IFRS	Q1/2017	Q1/2016	Change	1-12/2016
Net sales, €m	55.7	49.1	13.3%	197.9
EBITDA, €	3.5	3.3	6.6%	13.9
as % of net sales	6.3%	6.7%		7.0%
Operating profit, €m	1.4	1.3		5.9
as % of net sales	2.6%	2.7%		3.0%
Net profit, €m	0.6	-1.1		-1.4
as % of net sales	1.1%	-2.3%		-0.7%
Equity ratio				16.8%
Equity ratio, adjusted				21.3%
Personnel, on average				532
Formulas used to calculate the key figures: Equity ratio = Equity/total assets x 100, Equity ratio, adjusted includes a capital loan of around €5 million				

The company's net sales for the first quarter were EUR 55.7 (49.1) million, up 13.3% year on year. Business volumes in the Baltic Sea and North Sea were up around 12%. Falling freight prices in the Baltic Sea and North Sea levelled out and showed a slight rise towards the end of the quarter. Market conditions and competition in the Mediterranean were challenging earlier in the year and both business volumes and the price level were in retreat. The company developed its operations to better respond to customer needs and added a fourth vessel to its operations in the Mediterranean. This resulted in sales growth towards the end of the quarter. Thanks to the measures introduced, company sees that the positive trend in sales and profitability will continue for the rest of the year in the Mediterranean.

Operating profitability improved slightly in the first quarter: EBITDA showed an improvement of EUR 0.2 million and operating profit an improvement of EUR 0.1 million compared to the previous year. EBITDA for the first quarter was EUR 3.5 million, equating to 6.3% of net sales (EUR 3.3 million, 6.7%). Operating profit was EUR 1.4 million, equating to 1.4% of net sales (EUR 1.3 million, 1.3%). Profitability improved on the back of better utilisation rates, driven mostly by operational efficiency measures, and the positioning of empty containers. On the other hand, the rise in the price of oil on the global market and higher fuel prices increased operating costs significantly, which in turn eroded profitability.

Net profit for the first quarter was EUR 0.6 (-EUR 1.1) million, up EUR 1.7 million. Financial income and expenses levelled out because of smaller currency fluctuations than earlier, which reduced deferred items. On top of this, some of the interest costs on the bond have been capitalised in the cost of building the ships in accordance with general practice since the prepayments for the vessels were made in October 2016. The equity stated in the IFRS report does not include a capital loan of around EUR 5 million. Adjusted equity is around EUR 26 million, whereas in the IFRS calculation it is around EUR 21 million.

The company's operational cash flow was clearly much better than a year earlier and was EUR 1.1 million positive.

### **Most significant risks looking ahead**

The most significant risks in Containerships' business relate to fluctuations in the price of oil and to political uncertainty in the Russian and Turkish markets. Risks and risk management are detailed on the company's website and in the financial statements. The company does not consider there to have been any material changes in risks during the reporting period.

### **Outlook**

Guidance for 2017 remains unchanged. In 2017, net sales are expected to grow by 5-10%. EBITDA for the first quarter was, as planned, slightly better than a year earlier and EBITDA for the full year is expected to improve on the previous year.

Work will continue on improving operating efficiency. Efforts will be made to develop sales work by focusing on those segments and regions where growth can be captured and by further improving efficiency especially in those regions. The company does not expect any major changes in market conditions. The challenging situation in the Mediterranean is expected to continue.

Work on building the LNG vessels is underway and delivery will take place as planned in 2018. In addition, the company will continue to focus on developing LNG-fuelled truck traffic.

Containerships will publish its half-year report on 15 August 2017.

Containerships plc's bond totalling EUR 50.5 million issued on 2 April and 28 October 2015 has been listed on Nasdaq Helsinki since 1 April 2016.

Further information:

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*Containerships plc has reported its results in accordance with IFRS accounting principles since the start of 2016. Interim reports are prepared in accordance with IFRS accounting principles, but exclude the notes to the financial statements as required under IAS 34 Interim Financial Reporting. When preparing the interim report, the company has complied with the same accounting principles as in the IFRS financial statements for 2016. The information presented in this interim report is unaudited.*

## CONTAINERSHIPS PLC – GROUP INCOME STATEMENT 1.1.-31.3.2017

### CONTAINERSHIPS GROUP

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	1.1.-31.3.2017	1.1.-31.3.2016	Diff
<b>Revenue</b>	<b>55 691</b>	<b>49 136</b>	<b>6 555</b>
Other income	699	888	-189
Materials and services	-43 148	-37 670	-5 478
Employee benefit expenses	-5 848	-5 361	-487
Other expenses	-3 910	-3 724	-186
<b>EBITDA</b>	<b>3 484</b>	<b>3 269</b>	<b>215</b>
Depreciation, amortisation and impairment losses	-2 036	-1 948	-88
<b>EBIT</b>	<b>1 447</b>	<b>1 321</b>	<b>126</b>
Finance income	876	931	-54
Finance costs	-1 642	-3 404	1 762
<b>Net finance costs</b>	<b>-766</b>	<b>-2 473</b>	<b>1 707</b>
<b>Profit (-loss) before taxes</b>	<b>681</b>	<b>-1 153</b>	<b>1 834</b>
Income taxes	-86	40	-126
<b>Profit (-loss) for the financial year</b>	<b>595</b>	<b>-1 112</b>	<b>1 708</b>

# CONTAINERSHIPS PLC – CONSOLIDATED BALANCE SHEET 31.3.2017

## CONTAINERSHIPS GROUP

### CONSOLIDATED BALANCE SHEET

EUR 1,000	31.3.2017	31.3.2016	31.12.2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	6 385	6 673	6 469
Other intangible assets	2 098	1 536	2 007
Property, plant and equipment	56 626	39 972	57 901
Other non-current financial assets	2	2	2
Deferred tax assets	6 289	5 770	6 419
Other receivables	6 367	5 241	6 419
<b>Total non-current assets</b>	<b>77 768</b>	<b>59 194</b>	<b>79 217</b>
<b>Current assets</b>			
Inventories	1 530	587	1 091
Trade and other receivables	31 816	48 411	28 666
Other current financial assets	32	0	178
Current tax assets	151	98	131
Cash and cash equivalents	5 955	5 766	11 066
<b>Total current assets</b>	<b>39 484</b>	<b>54 861</b>	<b>41 132</b>
<b>Total assets</b>	<b>117 252</b>	<b>114 054</b>	<b>120 349</b>
<b>EQUITY</b>			
Share capital	80	80	80
Share premium	337	337	337
Fund for invested non-restricted equity	4 342	4 342	4 342
Translation reserve	-1 045	-837	-1 044
Retained earnings	10 987	10 947	10 388
Hybrid capital loan	5 000	0	5 000
<b>Equity attributable to owners of the Company</b>	<b>19 701</b>	<b>14 869</b>	<b>19 103</b>
<b>Non-controlling interests</b>	<b>1 121</b>	<b>0</b>	<b>1 125</b>
<b>Total equity</b>	<b>20 822</b>	<b>14 869</b>	<b>20 227</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Convertible capital loan	5 405	9 533	5 405
Bond	48 848	48 790	48 623
Other non-current liabilities	4 872	4 778	5 427
Trade and other payables	977	1 105	977
Other non-current financial liabilities	1 157	1 485	1 358
Deferred tax liabilities	1 558	1 739	1 697
<b>Total non-current liabilities</b>	<b>62 817</b>	<b>67 430</b>	<b>63 488</b>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	3 097	2 410	3 287
Trade and other payables	30 469	29 199	33 344
Other current financial liabilities	47	8	0
Current tax liabilities	0	138	3
<b>Total current liabilities</b>	<b>33 613</b>	<b>31 755</b>	<b>36 634</b>
<b>Total liabilities</b>	<b>96 430</b>	<b>99 185</b>	<b>100 122</b>
<b>Total equity and liabilities</b>	<b>117 252</b>	<b>114 054</b>	<b>120 349</b>

# CONTAINERSHIPS PLC – CONSOLIDATED CASH FLOW STATEMENT 31.3.2017

## CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	31.3.2017	31.3.2016
<b>Cash flows from operating activities</b>		
Profit before tax	681	-1 153
Adjustments:		
Other operating income	-599	-888
Depreciation, amortisation and impairment losses	2 036	1 948
Finance income	-876	-931
Finance costs	1 642	3 404
Other adjustments	423	-158
Changes in working capital:		
Change in trade and other receivables	-2 171	-1 035
Change in inventories	-944	179
Change in trade and other payables	1 033	-2 536
Interest received	87	52
Income taxes paid	-230	-27
Other financing items	36	-5
<b>Net cash from operating activities</b>	<b>1 119</b>	<b>-1 150</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	190	214
Acquisition of property, plant and equipment and intangible assets	-188	-172
Loans provided	0	0
Dividends received	0	0
<b>Net from investing activities</b>	<b>2</b>	<b>42</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	301	0
Changes in escrow -accounts for investments	203	0
Proceeds from issue of convertible notes	0	0
Paid interest and other finance costs	-1 082	-1 060
Proceeds from settlement of derivatives	186	0
Transaction costs related to loans and borrowings	0	0
Repayment of borrowings	0	-260
Payment of finance lease liabilities	-610	-753
Paid finance lease interest	-196	-225
<b>Net cash from financing activities</b>	<b>-1 198</b>	<b>-2 298</b>
<b>Net change in cash and cash equivalents</b>	<b>-77</b>	<b>-3 406</b>
Cash and cash equivalents at 1 January	5 766	9 255
Net foreign exchange difference on cash held	265	-83
<b>Cash and cash equivalents 31 March</b>	<b>5 954</b>	<b>5 766</b>
Bank overdrafts in use 31 March	0	0
<b>Total cash and cash equivalents 31 March</b>	<b>5 954</b>	<b>5 766</b>