CONTAINERSHIPS GROUP

HALF-YEAR REPORT

JANUARY-JUNE 2018

Business identification code: 0818358-5

Domicile: Espoo

Containerships plc's half year report H1/2018

H1/2018: Net Sales up almost 15% and Net Profit up EUR 1.7 million
- Net Sales EUR 126.5 (110.5) million
- EBITDA EUR 8.0 (7.1) million
- Net Profit EUR 1.8 (EUR 0.1) million
- The majority owner of Containerships plc, Container Finance Ltd Oy, and CMA CGM group have signed an agreement 20th of June 2018, pursuant to which the container shipping and logistics business Containerships and Container Finance's holdings in Multi-Link Terminals Ltd and CD Holding Oy, will become part of CMA CGM Group. The agreement remains subject to approval by the authorities

Q2/2018: Continued strong Net Sales growth, challenge from change in bunker price
- Net Sales EUR 63.9 (EUR 54.8) million
- EBITDA EUR 4.0 (EUR 3.6) million
- Net Profit EUR 1.3 (-EUR 0.5) million
- Group has updated its estimation for the future outlook. Net Sales are expected to grow by 10% and EBITDA for the full year is expected to improve on the previous year

Key figures

Key figures, IFRS	4-6/2018	4-6/2017	Change	1-6/2018	1-6/2017	Change	1-12/2017
Net Sales, €m	63,9	54,8	16,5 %	126,5	110,5	14,5 %	226,7
EBITDA, €m	4,0	3,6	11,8 %	8,0	7,1	13,1 %	15,2
as % of Net Sales	6,3 %	6,6 %		6,3 %	6,4 %		6,7 %
EBIT, €m	2,3	1,7	37,1 %	4,6	3,2	45,2 %	7,8
as % of Net Sales	3,6 %	3,1 %		3,6 %	2,9 %		3,4 %
Net Profit, €m	1,3	-0,5		1,8	0,1	1747,0 %	0,2
as % of Net Sales	2,0 %	-0,9 %		1,5 %	0,1 %		0,1 %
Equity ratio							16,0 %
Equity ratio, adjusted							20,8 %
Personnel, on average	690	605					633*

Containerships discloses EBITDA and adjusted equity ratio as alternative key figures because management considers them to better describe the Group's EBIT and financial position and to improve comparability. The consolidated statement of comprehensive income shows the reconciliation of EBITDA on EBIT. Equity ratio adjusted (Equity/total assets x 100) includes a capital loan of 15 million. However, these alternative key figures do not replace key figures in accordance with IFRS.
*2018 personnel on average figure is 690. Updated number of personnel for 31.12.2017 is 633, original figure of 2017 (562) did not include part of the truck drivers.

CEO's review

Kari-Pekka Laaksonen: EBIT for the second quarter was EUR 2.3 (EUR 1.7) million, up 37.1 %. This increase was attributable to the positive development in Net Sales, which grew 14.5 % during the first half of the year and 16.5 % during the second quarter. EBIT for the first half of the year was EUR 4.6 (EUR 3.2) million, which is according to plan. Improved EBIT was particularly affected by higher fuel costs compared to the same period a year earlier. We aim to further improve business profitability through vessel optimisation, route planning and other savings programmes designed to reduce costs.

Group has updated the estimation for the future outlook. In 2018, Net Sales are expected to grow by 10% and EBITDA for the full year is expected to improve on the previous year.

Market conditions and significant events

Containerships is a Finnish full-service logistics company providing safe, fast container transportation in the Baltic Sea, North Sea and the Mediterranean. Containerships offers both standard and customised containers and variable logistics solutions from door to door. The group's business focus is in the Baltics, where Containerships is one of the leading companies in the business. In the 2010s, the Group successfully expanded operations to the Mediterranean Sea, where operations currently account for 12% of the group's revenue.

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. The United Kingdom's Brexit decision has at least not yet 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 path based on its environmentally friendly LNG strategy. A start has been made on building the four LNG vessels of which two will be delivered to the company during September-December 2018 and two will be delivered during January-March 2019. 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 Finland.

In the Mediterranean region, the group's own agency activities in Algeria began in autumn 2016 continue to show profitable growth. Business in Tunisia and Libya is being developed in partnership with local agents.

Container Finance Ltd Oy and CMA CGM group have signed an agreement pursuant to which the container shipping and logistics business Containerships and Container Finance's holdings in Multi-Link Terminals Ltd and CD Holding Oy, will become part of CMA CGM Group. Upon closing Container Finance's entire container logistics operations will integrate CMA CGM intra-regional market offering in Europe and Mediterranean area. The CMA CGM Group is one of leading maritime

General information

Containerships Group is part of the Container Finance Group, whose parent company Container Finance Ltd Oy and domicile are in Finland. Containerships Group is a family-owned company and 98 percent of its shares are owned by Container Finance Ltd Oy and two percent of its shares are owned by Containerships' CEO. The home member state of Containerships Finance Ltd is Finland.

Containerships Group consists of the parent company Containerships plc and the 19 subsidiaries each of which it owns 90 per cent at minimum. The Group operates in 22 countries.

Containerships plc's bond totaling €60.0 million is listed on Nasdaq Helsinki (Helsinki stock exchange) and is repayable in 2021.

Financial performance

The company's Net Sales for the first half of the year were EUR 126.5 (EUR 110.5) million, up 14.5 % year on year. Net Sales in the Baltic Sea and North Sea (CSL Baltic) segment accounted around 88% (88%) of Net Sales and the Mediterranean (CSL Med) segment for 12% (12%). Business volumes in the Baltic Sea and North Sea were up around 14%. Despite the challenging market conditions and competition in the Mediterranean, the company managed to increase business volumes and profitability. Improved market prices increased profitability in the Mediterranean market. The company developed its operations to respond better to customer needs and this resulted in an upswing in sales during the second quarter. It is thought that driven by these actions, positive progress made in the Mediterranean will continue during the rest of the year.

Operative profitability improved slightly in the first half of the year: EBITDA showed an improvement of EUR 0.9 million and operating profit an improvement of EUR 1.4 million compared to the previous year. EBITDA for the first half of the year was EUR 8.0 million, equating to 6.3 % of Net Sales (EUR 7.1 million, 6.4%). Operating profit was EUR 4.6 million, equating to 3.6% of Net Sales (EUR 3.2 million, 2.9 %). EBIT in the CSL Baltic segment was EUR 4.1 million (EUR 3.5) million and CSL Med segment posted an operating profit of EUR 0.5 (loss of EUR 0.3) million. Operational efficiency measures, in particular better utilization rates, drive improved profitability. On the other hand, the rise in the price of oil on the global market and higher fuel prices added a significant increase of EUR 4.1 million to operating costs, which in turn constrained profitability improvement.

Net Profit for the first half of the year was EUR 1.8 (EUR 0.1) million, up EUR 1.7 million. Financial income and expenses fluctuated because of movements in currency exchange rates and were higher than earlier in the second quarter, which increased deferred items. Some of the interest costs on the bond have been capitalised in the cost of building ships in accordance with IFRS reporting since the prepayments for the vessels were made in October 2016.
The equity ratio stated in IFRS reporting excludes 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.
Balance sheet, financing and cash flow

The company's operational cash flow was stronger than a year earlier and was EUR 4.4 (EUR 1.6) million positive. Cash and cash equivalents amounted to EUR 9.2 (EUR 4.3) million at the end of the reporting period.
Investments

During the reporting period, the group's gross investments were EUR 5.3 (EUR 3.5) million, including investments in intangible and tangible assets. Investments were allocated mainly to acquisitions of containers, machinery and equipment (EUR 2.3 million), vessels (EUR 1.1 million) and intangible assets (EUR 1.9 million). Depreciation and impairments totalled EUR 3.4 (EUR 3.9) million.

Personnel

During the reporting period, the group employed an average of 690 (605) persons. Additional resources in the truck drivers and group's service center accounted for most on the increase in employee numbers.

Risks and risk management

The group's main risks currently relate to the possibility of an escalation in political tension in its operating areas in the Baltic Sea and in the Mediterranean Sea. In addition, the sudden increase of the oil price causes an increase of the operational costs, which the group can compensate only with a delay. Changes in the World economic fluctuations may have an impact on good's demand and by that on cargo amounts, and this requires operational sensibility from group's operations. Group's economic risks are described more precisely in company website and in Financial Statement's annexes. The company does not consider there to have been any material changes in risks during the reporting period.

Disputes

Containership plc's pending disputes are discussed in the 2017 financial statements. The group had no material legal cases pending at 30 June 2018. A possible dispute might arise concerning the open payments of the ex-agent in Algeria. The group has made a claim of approximately EUR 1.8 million to the ex-agent. According to the agency agreement, the possible dispute will be solved in mediation handling in London. The group estimates this procedure to begin during autumn 2018.

Events after the reporting period

There are no significant events to report after the end of the reporting period.

Outlook

Group has updated its estimation for the future outlook. In 2018, Net Sales are expected to grow by 10% 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 in particular 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 ongoing and delivery will take place as planned in 2018 and during first quarter of 2019. In addition, the company will continue to focus on developing LNG-fuelled truck traffic.

Containerships will publish its Q3 report on Thursday 15 November 2018.

Containerships plc

Board of Directors

Kari-Pekka Laaksonen, CEO

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ATTACHMENTS: Attachment 1

- Consolidated statement of comprehensive income, IFRS
- Consolidated balance sheet, IFRS
- Consolidated statement of changes in equity, IFRS
- Consolidated statement of cash flows, IFRS
- Net Sales and earnings by segment
- Tangible assets
- Intangible assets
- Fair value hierarchy
- Commitments and contingent liabilities
- Related party transactions
- Quarterly Net Sales and earnings

DISTRIBUTION

Nasdaq Helsinki Oy
Key media
www.containershipsgroup.com

Reporting and accounting principles

Interim reports are prepared in accordance with IAS 34 Interim Financial Reporting. Containerships plc has reported its results in accordance with IFRS accounting principles since the start of 2016. All figures have been rounded and thus aggregated amounts can deviate from presented figures.

The information presented in this half year report is unaudited.

At the beginning of the financial year, the group adopted IFRS 9 Financial Instruments and IFRS 15 Sales from Customer Contracts that came into effect on 1 January 2018.

IFRS 9 replaced the previous IAS 39 Financial Instruments: Recognition and Measurement Standard. IFRS 9 includes a revised guidance on the classification, recording and measurement of financial instruments. The Group's financial assets and liabilities are classified as financial assets and liabilities at amortized cost or financial assets at fair value through profit or loss in accordance with IFRS 9. The group has no financial instruments at fair value through other comprehensive income items. IFRS 9 also includes a new accounting treatment for expected credit losses that is used to determine impairment losses on financial assets. Containerships apply the standardized simplified procedure under which impairments are recognized at an amount equal to the expected impairment of the entire term of validity. The provisions on general hedge accounting have also been revised. Containerships has not applied hedge accounting in accordance with IAS 39. Intangible assets are classified as at fair value through profit or loss to be recognized in financial assets and liabilities. The provisions of IAS 39 on recording and off-balance sheet recognition of financial instruments have been retained. The IFRS 9 standard was retroactively introduced, with the exception of the reclassification of financial assets and liabilities, the introduction has no impact on the consolidated financial statements.

IFRS 15 replaced the current revenue recognition guidelines and created a comprehensive framework to determine whether and to what extent sales proceeds can be recorded. IFRS 15 includes a five-step model for the recognition and volume of sales revenue. Revenue is recognized when a change of control is passed on to a customer, which is deemed to occur when a company transfers ownership of a commodity to a customer over a period of time or at a certain point in time. The IFRS 15 standard was retroactively introduced using practical tools. The commissioning has had no effect on the amount or timing of the booked sales revenue. Door-to-door shipment consists of container and inland container transport, which are treated as separate execution obligations and for which sales revenues are mainly recorded over time.

Future new standards that will affect the company's consolidated financial statements:

The IFRS 16 Leases Standard replaces IAS 17 and its related interpretations. The Standard shall be applied for annual periods beginning on or after 1 January 2019. IFRS 16 requires lessees to recognize lease agreements in the balance sheet as a lease payment obligation and a related asset item. Recognizing the balance sheet is much like the accounting treatment of finance leases under IAS 17. There are two reliefs in the balance sheet covering short-term leases of up to 12 months and a maximum of USD 5,000. The accounting treatment of the lessees will largely remain in line with current IAS 17. The Containerships Group estimates that IFRS 16 increases the balance sheet for long-term assets and interest-bearing liabilities and affects key figures such as debt and equity ratio. In addition, the application of IFRS 16 also affects the profit and loss account as future write-offs and interest expense on lease liability will be recognized. The group has not yet determined the quantitative effects of the introduction of IFRS 16. The rental liabilities as determined by group IAS 17 on 30 June 2018 were 16.4 million.

Attachment 1: Containerships group half-year report 2018:

- Consolidated statement of comprehensive income, IFRS
- Consolidated balance sheet, IFRS
- Consolidated statement of changes in equity, IFRS
- Consolidated statement of cash flows, IFRS
- Net Sales and earnings by segment
- Tangible assets
- Intangible assets
- Fair value hierarchy
- Commitments and contingent liabilities
- Related party transactions
- Quarterly Net Sales and earnings

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	1.4.-30.6.2018	1.4.-30.6.2017	1.1.-30.6.2018	1.1.-30.6.2017
Revenue	**63 869**	**54 789**	**126 462**	**110 480**
Other income	1 773	1 912	3 242	2 611
Materials and services	-50 370	-41 605	-99 307	-84 753
Employee benefit expenses	-6 770	-6 182	-13 083	-12 030
Depreciation, amortisation and impairment losses	-1 693	-1 885	-3 420	-3 922
Other expenses	-4 479	-5 304	-9 290	-9 215
Operating profit	**2 330**	**1 724**	**4 603**	**3 171**
Finance income	3 744	1 293	5 584	2 169
Finance costs	-4 280	-3 199	-7 684	-4 841
Net finance costs	**-536**	**-1 906**	**-2 100**	**-2 672**
Profit (-loss) before taxes	**1 794**	**-182**	**2 503**	**499**
Income taxes	-496	-322	-657	-408
Profit (-loss) for the financial year	**1 298**	**-504**	**1 847**	**91**
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss				
Foreign currency translation differences	-387	-359	-623	-360
Other comprehensive income (-loss), net of tax	-387	-359	-623	-360
Total comprehensive income (-loss) for the year	**911**	**-864**	**1 224**	**-269**
Profit (-loss) attributable to:				
Owners of the company	1 285	-504	1 834	95
Non-controlling interests	13	0	13	-4
	1 298	**-504**	**1 847**	**91**
Total comprehensive income (-loss) attributable to:				
Owners of the company	899	-863	1 211	-265
Non-controlling interests	13	0	13	-4
	911	**-864**	**1 224**	**-269**

CONSOLIDATED BALANCE SHEET

EUR 1,000	30.6.2018	30.6.2017	31.12.2017
ASSETS			
Non-current assets			
Goodwill	5 924	6 333	6 140
Other intangible assets	3 800	2 591	2 319
Property, plant and equipment	54 903	55 499	54 458
Other non-current financial assets	2	2	2
Deferred tax assets	7 181	6 373	7 367
Other receivables	5 492	6 313	7 072
Total non-current assets	**77 301**	**77 110**	**77 358**
Current assets			
Inventories	1 485	1 102	1 339
Trade and other receivables	39 496	34 265	33 988
Other current financial assets	741	138	268
Current tax assets	35	58	0
Cash and cash equivalents	9 174	4 347	11 347
Total current assets	**50 930**	**39 909**	**46 943**
Total assets	**128 231**	**117 019**	**124 300**
EQUITY			
Share capital	80	80	80
Share premium	337	337	337
Fund for invested non-restricted equity	4 342	4 342	4 342
Translation reserve	-2 206	-1 404	-1 583
Retained earnings	12 398	10 483	10 564
Hybrid capital loan	5 000	5 000	5 000
Equity attributable to owners of the Company	**19 951**	**18 838**	**18 740**
Non-controlling interests	**1 130**	**1 121**	**1 117**
Total equity	**21 081**	**19 958**	**19 857**
LIABILITIES			
Non-current liabilities			
Convertible capital loan	6 288	5 683	5 981
Bond	58 041	49 104	57 796
Other non-current liabilities	3 376	4 193	3 396
Trade and other payables	1 228	977	346
Other non-current financial liabilities	878	1 029	911
Deferred tax liabilities	2 395	1 780	2 218
Total non-current liabilities	**72 206**	**62 765**	**70 647**
Current liabilities			
Interest-bearing loans and borrowings	1 188	2 547	2 266
Trade and other payables	33 710	31 178	30 741
Other current financial liabilities	46	570	631
Current tax liabilities	0	0	158
Total current liabilities	**34 944**	**34 295**	**33 796**
Total liabilities	**107 151**	**97 060**	**104 443**
Total equity and liabilities	**128 231**	**117 019**	**124 300**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	30.6.2018	30.6.2017	31.12.2017
Cash flows from operating activities			
Profit before tax	2 503	499	334
Adjustments:			
Other operating income	-3 242	-2 611	-4 566
Other operating cost	1 959	1 578	2 058
Depreciation, amortisation and impairment losses	3 420	3 922	7 429
Finance income	-5 584	-2 169	-5 319
Finance costs	7 684	4 841	12 743
Other adjustments	33	256	72
Changes in working capital:			
Change in trade and other receivables	-3 641	-7 109	-7 802
Change in inventories	-146	-225	-247
Change in trade and other payables	1 720	2 971	-2 845
Interest received	152	179	378
Income taxes paid	-550	-322	-706
Other financing items	45	-233	26
Net cash from operating activities	**4 353**	**1 577**	**1 553**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	827	475	1 027
Acquisition of property, plant and equipment	-4 330	-537	-1 839
Net from investing activities	**-3 504**	**-62**	**-812**
Cash flows from financing activities			
Proceeds from loans and borrowings	-65	3	9 733
Other receivable (Escrow-accounts)	-3	203	574
Interest paid	-1 787	-2 914	-8 558
Proceeds from settlement of derivatives	321	12	509
Transaction costs related to loans and borrowings	55	-53	-1 172
Payment of finance lease liabilities	-748	-1 217	-2 378
Paid finance lease interest	-188	-363	-614
Net cash from financing activities	**-2 415**	**-4 328**	**-1 907**
Net change in cash and cash equivalents	**-1 565**	**-2 813**	**-1 166**
Cash and cash equivalents at 1 January	11 347	6 571	11 066
Bank overdrafts in use 1 January *)	0	0	0
Net foreign exchange difference on cash held	-608	588	1 447
Cash and cash equivalents 31 March	**9 174**	**4 347**	**11 347**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1,000	Share capital	Share premium	Fund for invested non-restricted equity	Translation reserve	Retained earnings	Hybrid loan	Total	Non-controlling interests	Total equity
	Equity attributable to shareholders of the parent company								
Equity at 1 January 2018	**80**	**337**	**4 342**	**-1 583**	**10 564**	**5 000**	**18 740**	**1 117**	**19 857**
Comprehensive income									
Profit for the reporting period					1 834		1 834	13	1 847
Foreign currency translation differences				-623			-623		-623
Total comprehensive income for the year	**0**	**0**	**0**	**-623**	**1 834**	**0**	**1 211**	**13**	**1 224**
Transactions with owners of the company									
Subsidiaries with NCI							0		0
Share capital increase							0		0
Hybrid capital loan							0		0
Convertible capital loan - reclassification							0		0
Other changes					0		0		0
Total transactions with owners	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Equity at 30 June 2018	**80**	**337**	**4 342**	**-2 206**	**12 398**	**5 000**	**19 951**	**1 130**	**21 081**

EUR 1,000	Share capital	Share premium	Fund for invested non-restricted equity	Translation reserve	Retained earnings	Hybrid loan	Total	Non-controlling interests	Total equity
	Equity attributable to shareholders of the parent company								
Equity at 1 January 2017	**80**	**337**	**4 342**	**-1 044**	**10 388**	**5 000**	**19 103**	**1 125**	**20 228**
Comprehensive income									
Profit for the reporting period					91		91	-4	87
Foreign currency translation differences				-360			-360		-360
Total comprehensive income for the year	**0**	**0**	**0**	**-360**	**91**	**0**	**-268**	**-4**	**-272**
Transactions with owners of the company									
Subsidiaries with NCI							0		0
Share capital increase							0		0
Hybrid capital loan							0		0
Convertible capital loan - reclassification							0		0
Other changes					3		3		3
Total transactions with owners	**0**	**0**	**0**	**0**	**3**	**0**	**3**	**0**	**3**
Equity at 30 June 2017	**80**	**337**	**4 342**	**-1 404**	**10 483**	**5 000**	**18 838**	**1 121**	**19 958**

Operating segments

Basis for segmentation

The Group's segment reporting is based on two strategic business segments which are managed as seperate businesses. The Group has two business segments: CSL Baltics and CSL MED. The Board of Directors (as CODM) reviews internal management reports on at least a quarterly basis.

Adjustments, eliminations and allocations

The Group's assets and liabilities are not allocated to operating segments since the Chief operating decision maker does not allocate resources based on segments' assets and liabilities or monitor the segments' assets and liabilites. Assets and liabilities are managed on a Group basis.

Finance income, finance costs and income taxes are not allocated to individual segments.
Inter-segment revenues are eliminated on consolidation. Inter-segment pricing is determined on a arm's lenght basis.

Segment performance is for the most part measured consistently with profit or loss in the consolidated financial statements. However, FAS-accounting principles, as described in the session covering the financial statements of the parent company, are partly used as a basis for the segment reporting.

No operating segments have been aggregated to form the reportable segments.

Turnover and result per segment

	4-6/2018	%	4-6/2017	%	1-6/2018	%	1-6/2017	%	1-12/2017	%
Net sales, €m										
CSL Baltic	55,8	87,3 %	49,1	89,6 %	111,5	88,1 %	97,8	88,5 %	198,6	87,6 %
CSL MED	8,4	13,2 %	6,0	10,9 %	15,6	12,3 %	13,3	12,0 %	29,3	12,9 %
Intra segment revenue	-0,3	-0,5 %	-0,3	-0,5 %	-0,6	-0,5 %	-0,6	-0,5 %	-1,2	-0,5 %
Net sales total , €m	63,9	100,0 %	54,8	100,0 %	126,5	100,0 %	110,5	100,0 %	226,7	100,0 %
Operating profit, €m										
CSL Baltic	1,7	74,8 %	1,9	111,8 %	4,1	88,7 %	3,5	109,4 %	8,1	103,8 %
CSL MED	0,6	25,2 %	-0,2	-11,8 %	0,5	11,3 %	-0,3	-9,4 %	-0,3	-3,8 %
Eliminations	0,0	0,0 %	0,0	0,0 %	0,0	0,0 %	0,0	0,0 %	0,0	0,0 %
Operating profit total, €m	2,3	100,0 %	1,7	100,0 %	4,6	100,0 %	3,2	100,0 %	7,8	100,0 %
Financial cost and revenue	-0,5		-1,9		-2,1		-2,7		-7,4	
Profit before taxes, €m	1,8		-0,2		2,5		0,5		0,4	
Taxes, €m	-0,5		-0,3		-0,7		-0,4		-0,2	
Net profit, €m	1,3		-0,5		1,8		0,1		0,2	

Property, plant and equipment

Reconciliation of carrying amount

Property, plant and equipment 2018

EUR 1,000	Buildings	Containers	Machinery and equipment	Vessels*	Under construction	Total
Cost 1 Jan 2018	1 966	74 530	22 936	31 062	20 436	150 931
Increases	54	485	1 718	97	1 028	3 382
Disposals		-9	-215			-224
Reclassification			-2			-2
Exchange rate differences	1	-8	-250			-257
Cost 30 June 2018	**2 021**	**74 998**	**24 187**	**31 160**	**21 464**	**153 830**
Accumulated depreciation and impairment losses 1 Jan 2018	-1 346	-56 641	-20 092	-18 393	0	-96 472
Depreciation for the reporting period	-17	-1 857	-382	-768		-3 024
Accumulated depreciation on disposals		241	163			404
Reclassification		0	7			7
Exchange rate differences	0	3	155			158
Accumulated depreciation and impairment losses 30 June 2018	**-1 363**	**-58 254**	**-20 149**	**-19 161**	**0**	**-98 927**
Carrying amount 1 Jan 2018	**620**	**17 889**	**2 844**	**12 670**	**20 436**	**54 458**
Carrying amount 30 June 2018	**658**	**16 744**	**4 039**	**11 998**	**21 464**	**54 903**

*) The carrying amount of Containerships VII was tested for impairment. The recoverable amount (value in use) of the vessel was estimated to be higher than its carrying amount in 2017 annual closing.

Property, plant and equipment 2017

EUR 1,000	Buildings	Containers	Machinery and equipment	Vessels*	Under construction	Total
Cost 1 Jan 2017	1 810	75 155	22 672	30 456	17 843	147 937
Increases	100	124	268	478	1 307	2 277
Disposals		-1 329	-169		-72	-1 570
Reclassification						0
Exchange rate differences	-21	-33	-214			-268
Cost 30 June 2017	**1 889**	**73 917**	**22 557**	**30 934**	**19 079**	**148 376**
Accumulated depreciation and impairment losses 1 Jan 2017	-1 326	-51 792	-20 040	-16 878	0	-90 036
Depreciation for the reporting period	-13	-2 605	-306	-748		-3 672
Accumulated depreciation on disposals		680	166			846
Reclassification		-200	130			-70
Exchange rate differences	7	23	27			56
Accumulated depreciation and impairment losses 30 June 2017	**-1 332**	**-53 895**	**-20 024**	**-17 625**	**0**	**-92 877**
Carrying amount 1 Jan 2017	**485**	**23 363**	**2 632**	**13 579**	**17 843**	**57 901**
Carrying amount 30 June 2017	**557**	**20 022**	**2 532**	**13 309**	**19 079**	**55 499**

Intangible assets

Reconciliation of carrying amount

Intangible assets 2018

EUR 1,000	Goodwill	Other intangible assets	Total
Acquisition cost 1 Jan 2018	6 140	7 456	13 596
Increases		1 931	1 931
Disposals		-55	-55
Reclassification			0
Exchange rate differences	-216	8	-208
Acquisition cost 30 June 2018	**5 924**	**9 341**	**15 265**
Accumulated amortisation and impairment losses 1 Jan 2018	0	-5 137	-5 137
Amortisation for the reporting period		-396	-396
Reclassification			0
Exchange rate differences		-9	-9
Accumulated amortisation and impairment losses 30 June 2018	**0**	**-5 541**	**-5 541**
Carrying amount 1 Jan 2018	**6 140**	**2 320**	**8 459**
Carrying amount 30 June 2018	**5 924**	**3 800**	**9 723**

Intangible assets 2017

EUR 1,000	Goodwill	Other intangible assets	Total
Acquisition cost 1 Jan 2017	6 469	6 571	13 040
Increases		1 202	1 202
Disposals		-370	-370
Reclassification		0	0
Exchange rate differences	-136	0	-136
Acquisition cost 30 June 2017	**6 333**	**7 403**	**13 736**
Accumulated amortisation and impairment losses 1 Jan 2017	0	-4 564	-4 564
Amortisation for the reporting period		-249	-249
Reclassification		0	0
Exchange rate differences		0	0
Accumulated amortisation and impairment losses 30 June 2017	**0**	**-4 813**	**-4 813**
Carrying amount 1 Jan 2017	**6 469**	**2 007**	**8 476**
Carrying amount 30 June 2017	**6 333**	**2 591**	**8 923**

Other intangible assets include development costs of the following IT-systems:
Vessel Fleet Management, Quoting and Pricing, Sales Order Management, Business Intelligence, Container Fleet Management and Transport Management system. The costs meeting the criteria for development costs are capitalized and amortised over five years.

Classification of financial assets and liabilities

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.
It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount
is a reasonable approximation of fair value.

30 June 2018

EUR 1,000	Carrying amount: Financial assets and liabilities at fair value through profit or loss	Carrying amount: Loans and receivables	Carrying amount: Other financial liabilities	Carrying amount: Total	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: Total
Financial assets measured at fair value								
Foreign exchange derivative contracts	492			492		492		492
Commodity forward contracts	741			741		741		741
Equity securities	2			2	2			2
Total	**1 235**			**1 235**	**2**	**1 233**	**0**	**1 235**
Financial assets not measured at fair value								
Trade and other receivables		33 874		33 874				
Loans to the ultimate parent company		4 936		4 936				
Cash and cash equivalents		9 174		9 174				
Total		**47 983**		**47 983**				
Financial liabilities measured at fair value								
Foreign exchange derivative contracts	46			46		46		46
Interest rate swaps	878			878		878		878
Commodity forward contracts	0			0		0		0
Total	**924**			**924**	**0**	**924**	**0**	**924**
Financial liabilities not measured at fair value								
Bond issue			57 796	57 796		57 796		57 796
Convertible capital loan - liability component			5 981	5 981		5 981		5 981
Finance lease liabilities			4 086	4 086		4 085		4 085
Trade payables			26 253	26 253				
Total			**94 116**	**94 116**	**0**	**67 862**	**0**	**67 862**

30 June 2017

EUR 1,000	Carrying amount: Financial assets and liabilities at fair value through profit or loss	Carrying amount: Loans and receivables	Carrying amount: Other financial liabilities	Carrying amount: Total	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: Total
Financial assets measured at fair value								
Foreign exchange derivative contracts	0			0		0		0
Commodity forward contracts	138			138		138		138
Equity securities	2			2	2			2
Total	**140**			**140**	**2**	**138**	**0**	**140**
Financial assets not measured at fair value								
Trade and other receivables		30 162		30 162				
Loans to parent company		4 936		4 936				
Cash and cash equivalents		4 347		4 347				
Total		**39 444**		**39 444**	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value								
Foreign exchange derivative contracts	570			570		570		570
Interest rate swaps	1 029			1 029		1 029		1 029
Commodity forward contracts	0			0		0		0
Total	**1 599**			**1 599**		**1 599**		**1 599**
Financial liabilities not measured at fair value								
Bond issue			49 104	49 104		49 104		49 104
Convertible capital loan - liability component			5 683	5 683		5 683		5 683
Finance lease liabilities			6 116	6 116		6 116		6 116
Trade payables			22 683	22 683				
Total			**83 586**	**83 586**		**60 902**		**60 902**

Level definitions
Level 1 = quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 = other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 = not based on observable market data

Operating leases

The Group as a lessee

Minimum lease payments on non-cancellable operating leases are payable as follows:

EUR 1,000	30.6.2018	30.6.2017
Within 12 months	4 434	2 183
1 - 5 years	10 117	7 112
After five years	1 896	338
Total	**16 447**	**9 633**

Amounts recognised in profit or loss

EUR 1,000	30.6.2018	30.6.2017
Lease expense	2 681	2 091
Total	**2 681**	**2 091**

The Group leases a number of office facilities and one land premise under operating leases.
The Group has also entered into operating leases on certain office supplies, IT machinery, trucks and cars with lease terms mostly between three and five years. The Group has an option, under some of its leases, to lease the assets for additional terms of three to five years.

Collaterals

EUR 1,000	30.6.2018	30.6.2017
Collaterals for own commitments		
Pledges	0	203
Customs' guarantee	1 519	1 414
Vessel mortgage	20 000	23 000
Company mortgage	130 000	96 000
Corporate mortgages	5 000	5 000
Total	**156 519**	**125 617**

Commitments

At 30 June 2018, the Group had commitments of EUR 156 519 thousand (2017 EUR 125 617 thousand) mainly relating to the completion of the bond issue to finance the new vessel investments and secure daily operations.

Company has a general pledge of EUR 5 000 thousand with the financial institution for the financing of the working capital.

Company has a pledge of EUR 79 thousand with the financial institution for the rented real estate premises.

Related party disclosures

The Group's related parties include Group's ultimate parent company Container Finance Ltd Oy and its subsidiaries and related party companies such as Positen Oy. Container Finance Ltd Oy is jointly owned by Karita, Harri and Kimmo Nordström.

In addition the related parties include key management personnel of the Containerhips Group comprising the Board of Directors, the CEO and the members of the Containerships' Group Management team including their family members.

Transactions and outstanding balances with related parties

EUR 1,000	1.1.-30.6.2018	1.1.-30.6.2017
Rendering of services and other income	138	12
Purchases from related parties	7 222	9 347
Interest income	145	175
Interest expense	0	0
Receivables	1 962	1 368
Liabilities	1 326	2 820
Loans from related parties	5 000	5 000
Loans to related parties	5 141	5 158

Sales and purchases from related parties are made on terms equivalent to those that prevail in arm's lenght transactions.

Loans from / to related parties

The Hybrid capital loan and the Interests are subordinated to all other debts in the liquidation and bankruptcy of the company.

The parent company has granted a loan to the ultimate parent company of EUR 4 935 thousand
Terms: Interest: 3 months Euribor (minimum 0%) plus 7,5%. Interest paid quartely.
Maturity: April 2, 2019. The Borrower is entitled to prepay the loan prematurely either in installments or in one payment anytime.

Turnover and profit per quarter

	4-6/2018	%	4-6/2017	%	1-6/2018	%	1-6/2017	%	1-12/2017	%
Net sales, €m										
CSL Baltic	55,8	87,3 %	49,1	89,6 %	111,5	88,1 %	97,8	88,5 %	198,6	87,6 %
CSL MED	8,4	13,2 %	6,0	10,9 %	15,6	12,3 %	13,3	12,0 %	29,3	12,9 %
Intra segment revenue	-0,3	-0,5 %	-0,3	-0,5 %	-0,6	-0,5 %	-0,6	-0,5 %	-1,2	-0,5 %
Net sales total , €m	63,9	100,0 %	54,8	100,0 %	126,5	100,0 %	110,5	100,0 %	226,7	100,0 %
Operating profit, €m										
CSL Baltic	1,7	74,8 %	1,9	111,8 %	4,1	88,7 %	3,5	109,4 %	8,1	103,8 %
CSL MED	0,6	25,2 %	-0,2	-11,8 %	0,5	11,3 %	-0,3	-9,4 %	-0,3	-3,8 %
Eliminations	0,0	0,0 %	0,0	0,0 %	0,0	0,0 %	0,0	0,0 %	0,0	0,0 %
Operating profit total, €m	2,3	100,0 %	1,7	100,0 %	4,6	100,0 %	3,2	100,0 %	7,8	100,0 %
Financial cost and revenue	-0,5		-1,9		-2,1		-2,7		-7,4	
Profit before taxes, €m	1,8		-0,2		2,5		0,5		0,4	
Taxes, €m	-0,5		-0,3		-0,7		-0,4		-0,2	
Net profit, €m	1,3		-0,5		1,8		0,1		0,2	