



CONTAINERSHIPS

Stock release correction: Containerships plc Financial Statements 28 February 2019

Correction to Containership plc's Financial Statement for 1 January – 31 December 2018

This is correction to Containerships plc's Financial Statement. Correction relates to 2019 growth expectation: In 2019 the net sales are expected to grow and the EBITDA to improve compared to previous year

Containerships plc's full financial statements, which also include the Board of Directors' report and auditor's report, as well as the Corporate Responsibility Report (non-financial information) and the withdrawal from the Company's corporate governance system have been published. The full financial statements can be found on the Group's website www.containershipsgroup.com > Investors > Releases and publications. Containerships Corporate Governance is published on the Group's Internet page www.containershipsgroup.com > Corporate Governance.

Financial result 1-12/2018

- **Net sales increase to EUR 268.0million (+18,2%)**
- **EBITDA EUR 13.3 million which is 5.0 % of net sales**
- **Containerships became part of the CMA CGM Group on October 31st, 2018**
- **In 2019 the net sales are expected to grow and the EBITDA to improve compared to previous year**

Containerships, a subsidiary of the CMA CGM Group, 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 13% of the Group's revenue.

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

The Combination agreement between Container Finance Ltd Oy and CMA CGM was approved on October 31, 2018. With the final approval of the agreement, Containerships Plc became part of CMA CGM's operations in Europe and the Mediterranean.

CMA CGM, headed by Rodolphe Saadé, is a worldwide leading shipping group operating 506 and calling 420 ports on 5 continents. In 2017, CMA CGM carried nearly 19 million TEUs. CMA CGM employs 37,000 people globally and 2,400 people at its headquarters in Marseille, France. CMA CGM operates in 160 countries through a network of 755 agencies. A pioneer in LNG for large vessels, CMA CGM became the first shipping company in the world to order nine 22,000 LNG vessels. They will be delivered to CMA CGM as from 2020.

Operating environment

In 2018, various geopolitical, economic and legislative events impacted the logistics market in Containerships' area of operation. Nevertheless, there were no changes in the operating environment dramatically affecting the Group's activities or performance in 2018.

Oil prices impact the logistics sector in various ways. In 2018, cargo levels balanced, but the sharp increase in bunker prices during the last quarter of 2017 increased Group's operating expenses. At the same time, Russia and Libya, two markets important for the Group, are expected to see economic growth in the future as the price of oil rises.

Russia's sanctions continued in 2018, affecting in particular the flow of goods from Europe to Russia. With the entry into force of the sanctions, the Group successfully changed its Russian transport strategy, replacing food transport with other goods transports and increasing the volume of transport to Europe from Russia. In 2018, Russian exports continued to grow as in the previous year.

Some markets in North Africa are exposed to political and economic insecurity. For instance, growing insecurity in the Group's important market – Libya – has increased handling times in ports. Political unrest in Turkey has not impacted the Group's freight volumes in 2018.

In June 2016, the United Kingdom voted to withdraw from the European Union. Brexit did not have an impact on cargo volumes in 2017. In the future, the UK's withdrawal from the EU may cause a decrease in cargo flows to the UK. However, on the other hand, it may strengthen the country's exports.

Financial performance and the Board's proposal for profit distribution

Group consolidated net sales for the period grew from previous year and were €268.0 million (€226.7 million) and the operational result weakened. Recorded EBITDA was €13.3 million (€15.2 million) – a decrease of €1.9 million (12.4 %). One-off item adjusted EBITDA was €15.3M. The decrease was caused by increased bunker costs due to increase in oil price in the world market. The consolidated operating profit of €4.1 million (€7.8 million) was also decreased, which also included intangible assets write-off of €2.3M. One-off adjusted EBIT was €8.4M. The investments in the Group's growth according to the strategy have increased financial costs. Group's net result decreased €1.9 million and was a loss of €1.7 million (€0.2 million). One-off adjusted net profit was €2.6M.

The Group's equity ratio was 11.6% (16.0%). The Parent Company has two equity loans totaling €11 million. One of which, €5 million, is reported from 2016 onwards as a hybrid capital loan as part of the equity in the financial report, and the other, €6 million, as a converted capital loan reported as debt. According to the terms of secured senior callable bond, both equity loans are considered as equity. Therefore, the adjusted equity ratio is 15.4% (20.8%).

The Group's operational cash flow improved to €12.3 million (1.6 million). Net investments were, in total, €35.1 million (€0.8 million). The Group's cash position was at the satisfactory level of €10.2 million (€11.3 million) by the end of the year.

The Board of Directors proposes that the loss for the year is transferred to the Retained Earnings, and no dividend shall be paid for 2018.

Key figure	GROUP			
	2018	2017	Change	2016
	IFRS	IFRS	IFRS	IFRS
Net sales, M€	268,0	226,7	18,2 %	197,9
EBITDA, M€	13,3	15,2	-12,4 %	13,9
EBITDA- %	5,0 %	6,7 %	-25,9 %	7,0 %
EBITDA, M€, adjusted*	15,3	15,2	0,8 %	13,9
EBITDA %, adjusted	5,7 %	6,7 %	-14,8 %	7,0 %
EBIT, M€	4,1	7,8	-47,2 %	5,9
EBIT- %	1,5 %	3,4 %	-55,3 %	3,0 %
EBIT, M€, adjusted**	8,4	7,8	8,2 %	5,9
EBIT- %, adjusted	3,1 %	3,4 %	-8,5 %	3,0 %
Net profit, M€	-1,7	0,2		-1,4
Net profit %	-0,6 %	0,1 %		-0,7 %
Net profit, M€, adjusted***	2,6	1,7		-1,4
Net profit %, adjusted	1,0 %	0,8 %		-3,4 %
ROE %	-9,4 %	0,8 %		-7,8 %
ROE %, adjusted	14,8 %	8,7 %		-7,8 %
Equity ratio %	11,6 %	16,0 %	-27,7 %	16,8 %
Equity ratio, adjusted %	15,4 %	20,8 %	-25,7 %	21,3 %
Net interest bearing debt, M€****	56,2	64,1	-12,3 %	46,2
% from Net sales	21,0 %	28,3 %	-25,9 %	27,3 %
Personnel, on average*****	671	633	6,0 %	608

Formulas used to calculate the key figures:

Return on equity = Profit or loss/ Equity' * 100

Equity ratio = Equity/ total assets * 100

Equity ratio, adjusted = (Equity + capital loans)/ Total assets *100

* EBITDA has been adjusted according to bond terms with following one-off items: one-off transaction costs 0.9 M€, hedging related one-off costs 0,7 M€ and other one-off costs 0.4 M€

** EBIT has been adjusted according to bond terms with intangible asset write-off 2.3 M€

*** Net profit includes above mentioned EBITDA and EBIT adjustments

**** Net interest bearing debt is calculated according to bond terms (does not include the capital loans or LNG vessel leasing liability)

***** Number of personnel on average figure on 2018 is 725. Updated number of personnel for 31.12.2017 is 633, original figure of 2017 (562) did not include part of the truck drivers.

Personnel

Group companies employed an average of 671 (633) persons in 2017. Out of increase 40 persons came through increase of own truck drivers in United Kingdom. Total personnel costs were €26.7 million (€23.1

million), of which the members of management and the members of the Board of Directors accounted for €1.6 million (€1.2 million). Group had personnel in 15 countries, of which in Finland 111 employees.

Group structure and owners

Since October 31st, 2018, the Containerships Group has been part of the CMA CGM Group. MacAndrews GmbH, a subsidiary of the French CMA CGM Group, owns 100% of shares in Container Finance Ltd Oy. Containerships Plc is a wholly owned subsidiary of Container Finance LTD Oy. Containerships Plc is the parent company of the Containerships Group.

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 21 countries.

With Containerships, the CMA CGM Group will strengthen even more the development strategy implemented by Rodolphe Saadé, CMA CGM Group's Chairman and CEO, aimed at densifying the Group's regional network.

Significant events during the reporting period

First LNG vessel was delivered in December 2018 and the rest three of the previously ordered LNG cargo ships will be delivered during 2019. According to the strategy, the Group continued to invest in sustainable development. At the end of the year Containerships Group had 40 LNG-powered trucks in Great-Britain and 16 units in other markets. Figures include contracted 15 units in Netherlands market.

The Group paid special attention to increase its operational efficiency. Through this special focus, the utilisation rates of vessels, containers and trucks were improved. These activities had a positive impact on the Group's performance.

Corporate Governance

The Annual General Meeting of Containerships Plc on 4 June 2018 confirmed the financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 1.1.-31.12.2017.

By the decision of the Annual General Meeting until October 31, 2018, Veli-Kimmo Nordström (Chairman), Harri-Ragnar Nordström and Karita Nordström each formed 33.3 per cent of Containerships Plc's parent company Container Finance Oy.

The Combination agreement between Container Finance Ltd Oy and CMA CGM was finally approved on October 31, 2018. With the final approval of the agreement, Containerships Plc became part of CMA CGM's operations in Europe and the Mediterranean. The new Board of Containernship from 1 November 2018 is Mr. Lars Kastrup (Chairman of the Board), Mr. Michel Sirat (Member of the Board) and Mr. Guillaume Lathelize (Member of the Board). The members of the Board are appointed by CMA CGM and are employed by CMA CGM.

The Annual General Meeting elected KPMG, Authorized Public Accountants, as auditor, with Kimmo Antonen as the responsible auditor.

The Group's CEO is Kari-Pekka Laaksonen. The management of the Group consists of the CEO, CCO Jari Lepistö, Head of Financial services Teemu Kylliäinen, Head of Management reporting & BI Antti Laukkanen, COO Frederic Leca, CBDO Juha-Pekka Mäkelä and Director of Land Operations Janne Ritakoski.

Non-financial information

Environmental responsibility

Part of the CMA CGM Group, Containerships Group has defined minimising adverse environmental impacts as a strategic objective and sees environmental awareness as competitive edge.

Containerships has identified the environmental impacts deriving from its operations and actively strives to minimise them. The most significant environmental impacts are airborne emissions originating in transport operations.

Containerships complies with the environmental legislation, which acts as the minimum requirement level for operations, in each of the countries in which it operates. Containerships has actively invested in technologies to reduce emissions. This includes Sulphur scrubbers aboard ships and LNG trucks with regard to road traffic. Already in 2011, the first close-loop scrubber was installed on board MV Containerships VII, and this system has been installed in four other vessels during January 2015. Containerships is also committed to reduce the environmental impact on the Baltic Sea by prohibiting ships from emptying wastewater into it.

Containerships has ordered four new cargo ships, which will be fuelled by Liquefied Natural Gas (LNG). Gas liquefaction condenses the gas for ease of transport and storage on land and at sea. Besides new ships, the company has also invested in LNG-driven trucks in Finland, Netherlands and Great Britain. The Group has currently over 56 LNG-fuelled trucks in use.

Reducing fuel consumption and economical driving are important aspects in developing and monitoring road transport using vehicles running on traditional fuels. Transport management systems are used to, among other things, track location, and the efficient and economical use of the fleet. Containerships' trucks are fitted with monitoring systems that report fuel consumption and key aspects, such as braking and idling, in the driver's driving technique.

The Group has an ISO 9001:2015 quality management system in use in Finland, Russia, Lithuania, Latvia, the Netherlands, Great Britain and Ireland, and an ISO 14001:2015 environmental management system in Finland, Russia and the Netherlands. All the Group's offices use the same Operations Manual in their activities. The Group is committed to reducing the environmental impact of its operations, specially concentrating on reducing the CO₂ emissions. In 2018, the Group succeeded in reducing its CO₂ emissions by 2.7%.

Social responsibility

Containerships Group is committed to ensuring a safe, healthy and motivating work environment for its employees. Containerships aims to be a good workplace community by training supervisors and encouraging all employees to be responsible for contributing to building a good workplace community.

Containerships Group provides occupational healthcare for its employees in Finland and recommends similar solutions, taking into account local practices, for persons responsible in each country in which we operate. Containerships maintains the working capacity of its employees by, among other things,

organising wellbeing at work events and by contributing to the cost of employees' exercise and sports activities in their free time.

Safety at work is a priority in the Containerships operations. All our drivers participate regularly occupational health and safety training. Containerships ensures that all drivers are provided with the proper training and safety equipment to carry out their work safely and oversees implementation of and compliance with driving and working hours legislation. We individually train all our LNG truck drivers in the refueling process and they all are equipped with the required personal protective equipment.

The Group ensures occupational safety aboard the Containerships CVII vessel it owns. The Group has separate health & safety guidelines, which are regularly monitored and upgraded. The vessel operates in compliance with the ILO's Maritime Labour Convention and the Company recommends similar practices to its partners from whom it charters vessels. Crews have been trained to meet new STCW regulations requirements.

Containerships Group complies with the labour legislation in each operational country. Each newcomer to the Company is given induction training in accordance with the Company's general induction plan to ensure effective, equal induction for all new employees.

Investments

Group's investments were €35.1 million. Investments consisted mainly of vessel, trucks and containers and also ICT-software.

Risks

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 will cause 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 Financial Statement's annexes.

Disputes

Group has on going arbitration concerning the open payments of the ex-agent in Algeria. The Group has made a claim of approximately €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 finalised during 2019.

Events after the end of the financial year

The combination agreement between Container Finance Ltd Oy and CMA CGM was closed on 31.10.2018. Upon closing the agreement, Containerships plc, will integrate CMA CGM's intra-regional market offering in Europe and Mediterranean area. As result, bondholders could require the repurchase of the Bonds they held as provided in the terms and conditions of the Bonds.

The deadline for bondholders to require the repurchase of their Bonds was January 4, 2019. By the deadline, Containerships plc received Bonds representing an aggregate nominal principal amount of 11.4 million, which represents approximately 19 per cent of the aggregate nominal principal amount of all the Bonds. Containerships plc paid, on the repurchase date of February 1, 2019, in accordance with the terms

of the Bonds upon a Change of Control Put option, 101 per cent of the nominal amount of the Bonds to be repurchased, together with the accrued and unpaid interest.

These 2018 financial statements have been prepared in accordance with the IFRS accounting and measurement principles. The financial statement is audited.

Containerships: a new leader in Intra-Europe

CMA CGM announced in January 2019 that as from April 1st, 2019, the Containerships and MacAndrews brands would unite under the name Containerships. By joining forces of two recognized experts of intra-European multimodal transport, the CMA CGM Group will create and develop an intra-European leading brand, combining unique maritime and inland solutions with complementary regional footprints. This new, innovative single brand will thus be able to unlock major synergies and concentrate its resources on commercial growth and on the development of high quality services and tailored end-to-end solutions for its customers.

CONTAINERSHIPS PLC
BOARD OF DIRECTORS

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CONTAINERSHIPS GROUP

PROFIT & LOSS STATEMENT, GROUP (IFRS)

EUR 1 000	Q4/2018	Q3/2018	Q2/2018	Q1/2018	1-12/2018	1-12/2017	Diff
Net sales	73 272	68 305	63 869	62 593	268 038	226 655	41 383
Other operating income	2 025	637	1 773	1 469	5 904	4 566	1 338
Material and services expenses	-59 585	-54 577	-50 370	-48 938	-213 469	-175 978	491
Employee benefit expenses	-7 096	-6 487	-6 770	-6 313	-26 666	-23 073	-3 593
Other operating expenses	-7 042	-4 154	-4 479	-4 811	-20 486	-16 984	-3 502
EBITDA	1 574	3 725	4 023	4 001	13 322	15 187	-1 865
Depreciation, amortisation and impairment losses	-4 073	-1 702	-1 693	-1 727	-9 195	-7 428	-1 767
EBIT	-2 499	2 023	2 330	2 274	4 127	7 759	-3 632
Financial income	3 798	-67	3 744	1 840	9 315	5 319	3 996
Financial expenses	-5 904	-731	-4 280	-3 404	-14 319	-12 743	-1 576

Profit/loss before extraord. items, appopr. and taxes	-4 606	1 224	1 794	710	-878	335	-1 213
Income taxes	104	-242	-496	-161	-794	-165	-629
Profit/loss for the reporting period	-4 502	982	1 298	549	-1 673	170	-1 843

EBITDA %	2,1 %	5,5 %	6,3 %	6,4 %	5,0 %	6,7 %	
Operating profit %	-3,4 %	3,0 %	3,6 %	3,6 %	1,5 %	3,4 %	
Net Profit %	-6,1 %	1,4 %	2,0 %	0,9 %	-0,6 %	0,1 %	

Containerships Plc will publish its' financial reports in 2019 as follows:

January-March interim report on Friday 17 May 2019

January-June interim report on Friday 16 August 2019

January-September interim report on Friday 15 November 2019