

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	Equity attributable to shareholders of the parent company							Non-controlling interests	Total equity
	Share capital	Share premium	Fund for invested non-restricted equity	Translation reserve	Retained earnings	Hybrid loan	Total		
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	Equity attributable to shareholders of the parent company							Non-controlling interests	Total equity
	Share capital	Share premium	Fund for invested non-restricted equity	Translation reserve	Retained earnings	Hybrid loan	Total		
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 separate 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 liabilities. 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 an arm's length 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 Baltics	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 Baltics	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,-		-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			Fair value				
	Financial assets and liabilities at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	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			Fair value				
	Financial assets and liabilities at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	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 length 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 quarterly.

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	