



JR SHIPPING *TODAY* 2017

HIGHLIGHTS FROM THE JR SHIPPING ANNUAL REPORT



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MESSAGE FROM THE BOARD

In 2017, JR Shipping succeeded in creating a new starting position for a large part of its fleet and thus laid a robust foundation for the jubilee year 2018. It involves the refinancing of JR Fleet Fund CV, which has financed eleven container feeders since 2012. A British Credit Investment Fund was involved in the refinancing. Late 2017, it took over the JR Fleet Fund CV debts which were owed to the original shipping banker.

The final transaction was preceded by several months of feasibility studies and negotiations. Partly because of the comprehensive skills and expertise which it had acquired in previous restructuring projects, JR Shipping Group was able to continue to orchestrate the future of its vessels. In this challenging phase, the shipping company noticed lasting improvements in the container feeder market, which was extra encouragement to make the desired transaction a success. Late 2017, the goal was achieved and the new era beckoning the shipping company in 2018 could be taken stock of.

JR Shipping sees realistic opportunities in this post-crisis era in the markets in which it operates. With its fifteen container feeders and the sound quality reputation it has among its charterers, the company continues to play a significant role in the container feeder market. The market for multipurpose vessels will also, once again, offer favourable earning prospects if it continues to recover. With its six SeaZip offshore service vessels, the shipping company has consolidated its position in the offshore energy market, and there is every indication that operations will increase in the next few years.

The shipping company also sees opportunities in a new market which developed as a result of the underlying crisis, namely the market for specialist ship management services and for (re)financing and restructuring services for third parties. JR Shipping has proved its added value in these forms of service provision on several occasions and sees them as a welcome addition to its core activities.

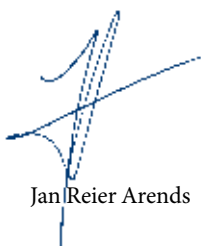
In 2018, the shipping company commemorates its 25 years in business. As things presently stand, the jubilee will be accompanied by a recovery of the main shipping markets. While it remains to be seen whether the recovery will be lasting, there is every indication of a significant, durable improvement. Hence, JR Shipping is stepping into the new era with moderate optimism. The company is focusing on three short sea shipping markets:

- ▶ the market for container feeders up to approx. 1,500 TEU
- ▶ the spot market for compact multipurpose vessels
- ▶ the market for service vessels to be deployed in the offshore energy industry

Furthermore, JR Shipping serves a number of maritime market participants with specialised shipping-related services, including:

- ▶ professional ship management
- ▶ the development and implementation of restructuring plans
- ▶ the issuance of bonds, fund management and (re)financing
- ▶ chartering services
- ▶ shipbroker services

Harlingen, June 2018



Jan Reier Arends



Sander Schakelaar

JR Shipping Management Board



THE 2017 MARKET ENVIRONMENT

Since the international shipping industry has facilitated global trade, shipping markets have oscillated between periods of boom and bust. This cyclical movement is part and parcel of the shipping industry and the maritime industry always manages to recover. The consequences of the 2008 crisis broke all records, but despite the far-reaching damage they suffered, the strongest parties - the actors who managed to survive the crisis - are preparing for a new era once again. In late 2017, recovery commenced in practically all shipping markets. In 2017, the recovery had little positive impact on the performance of the JR Shipping fleet, but our expectations are that 2018 will deliver better results. There is every indication of a lasting recovery.

The JR Shipping fleet includes a remarkable ship which evokes memories of by-gone times: the clipper Stad Amsterdam. The majestic Tall Ship is a replica of a nimble three-master which was deployed for the trade, among others, with Asia-Pacific and Australia in the mid-nineteenth century. From about 1850, the then many shipyards in the Netherlands could scarcely cope with the demand for 'innovative' clippers. The rise of the steamboat turned the tide, though, and the opening of the Suez Canal in 1869 proved disastrous for sail shipping. An era neared its end.

Shipping companies and yards incurred heavy losses. Many maritime businesses disappeared from the map once and for all. In those days too, the international shipping industry underwent an unparalleled transformation. Then too, the strongest, most agile and innovative shipping companies survived by deploying vessels and revenue models matching the 'new era'. And in this new era too, with shipping industrializing and the growth of scale considered the norm, ups and downs alternated. The recent ten-year recession was the latest low.

The long-lasting period of recession also left its marks on JR Shipping. When 25 years ago the shipping company decided to specialise in the container feeder market, market prospects were almost sky-high. Investments in new vessels were correspondingly high, eventually disrupting the balance between supply and demand. In 2007, the cyclical effect manifested in the form of minor rate reductions. At that time, global trade was still subject to favourable growth figures, so there was no reason to be overly concerned. However, the 2008 credit crisis led to a snowball effect, causing global trade to falter and, ultimately, almost come to a standstill. The container shipping market was hit hard. Later on, other shipping markets, including the market for multi-purpose vessels, also slumped. Short recovery phases, including those in 2011 and 2015, were only temporary.

2017 - the beginning of lasting recovery?

The latest dip started to take effect in 2016 and kept a tight grip on charter and freight rates until mid-2017. Since then, an upward trend is apparent which seems to be lasting. Two significant features support the expectation that recovery will now last. For the first time in a long time, global trade is showing serious growth. In 2017 growth was 4.5%. The capacity supply in the container feeder and multipurpose markets has considerably fallen over recent years and less new tonnage has been built. In an improving global economy, this ensures a healthy balance of supply and demand. The market for offshore service vessels, the domain in which, together with its sister company SeaZip Offshore Service, the shipping company has operated since 2010, has its own dynamics. The market is not affected by world trade, but it does have other uncertain features, such as sluggish political decision-making and protracted lead times for projects. It nevertheless has demonstrable growth and earning prospects for the SeaZip offshore service fleet.

Ship management for third parties

While the cyclical nature of shipping markets leads to risks, it also creates opportunities, including counter-cyclical investments and new revenue models. For a few years now, for example, JR Shipping has successfully presented itself to third parties in the market for maritime services. The focus here is primarily on operational ship management, among others for fellow companies, banks and other shipowners. In early 2017, JR Shipping



successfully managed to take on the ship management of two 880 TEU container feeders. In Spring 2017, the *Morsum* and the *Sylt* were respectively renamed *Expansa* and *Externo*. In addition, following from the lasting relationship between JR Ship Brokers & Consultants and the Chowgule shipyard in India, from October 2016 to December 2017, the company executed the ship management of *MV Espero* (built by the Chowgule yard).

Besides these services, JR Shipping offers unique kinds of expertise in the field of refinancing and restructuring plans. In 2017, this expert knowledge once again proved valuable for its own fleet. In cooperation with a British financier, the shipping company succeeded in creating durable underlying principles for the operation of eleven container feeders, thus laying an important foundation for the 'new era' of eleven container feeders, thus laying an important foundation for the 'new era'.

FLEET DEVELOPMENTS AND FLEET PERFORMANCE IN 2017

In 2017, JR Shipping started operating a fleet of 14 container feeders, 4 multipurpose vessels, 6 offshore service vessels and one Tall Ship, the *Clipper Stad Amsterdam*. Technically, the vessels performed properly. Where the operating results were concerned, in 2017, there were not yet any benefits from the market boost which had commenced in the second half of 2017.

As far as the composition of its fleet is concerned, JR Shipping continues to focus on container feeders, multipurpose vessels and offshore service vessels. In 2017, there was no fleet expansion, but rather a consolidation. A foundation was laid for the potential purchase of one or several vessels in the form of an opportunity investment. In early 2017, JR Ship Investment, the business unit which issues bonds for both the shipping company and outside parties, successfully issued JR Shipping Opportunity Bonds to that end.

Successful issue

The time of issue was chosen based on the market conditions; the prices of second-hand vessels seemed to have reached their lowest point, while the various shipping markets showed some signs of recovery. Thanks to the successful issue, the shipping company generated a €2,475,000.00 investment capital. JR Shipping intends to use this capital to finance 50% of the purchase of an existing vessel. The remaining 50% will be financed by equity. Bondholders will take over the role of the bank and be involved in the decision to be made about the acquisition. Consequently, the shipping group has introduced a new form of ship financing which may make the sector less dependent on banks. In 2017, the successful issue failed to lead to a purchase, but it is likely that, in 2018, a vessel will be added to the fleet.

Refinancing of JR Fleet Fund CV

The fact that, in 2017, an opportunity investment was not actually made had everything to do with yet another challenge which the shipping company solved that year by creating promising prospects. It involved the aforementioned refinancing of JR Fleet Fund CV. In 2012, the shipping company, in close collaboration with its investors and the German HSH Nordbank, managed to create this unparalleled fund as an effective transitional measure. Thanks to this complex restructuring programme, the fleet retained eleven major container feeders. Market recovery was obviously critical for the question of whether or not this was a solution that would suffice for the long term. Although recovery did occur in 2015, the market slumped again in 2016, putting the working capital position of the JR Fleet Fund CV under pressure again.

JR Shipping contacted the bank about the above at an early stage. For the larger part of 2017, numerous scenarios were elaborated on and intensive rounds of negotiations held. After the summer of 2017, the negotiations took a new turn. The bank indicated that it was open to a solution which involved the transfer of its interests in the vessels. The shipping company consequently entered into talks with a credit



investment fund in London which had shown interest in potential forms of cooperation at a previous stage. Again, the shipping company developed various refinancing and restructuring scenarios. In late 2017, under the auspices of the shipping company, these efforts resulted in a unique transaction, with the English financier acquiring all JR Fleet Fund CV's debts to the German bank. The investors agreed with this. Thanks to the shipping company's appropriate action, the JR Shipping fleet remained intact.

Fleet performance

As stated earlier, the technical and operational performance of the vessels managed and operated by JR Shipping in 2017 was excellent. This is true of all three shipping markets in which the shipping company manifests. Once again, JR Ship Management had a maximum grip on the costs. In 2017, the crew costs turned out to be even lower than in 2016, due to the shipping company employing a large number of non-Dutch crew members, whose wages are somewhat lower than those of their Dutch colleagues, as well as their wages being paid in dollars. With its current international crew mix, the shipping company continues to provide its clients with the highest possible operational performance. The operational costs of practically all vessels remained within budget. The market recovery which commenced in 2017 did not yet positively impact the operational results. These were also under the estimates in 2017. Below is a brief review of each shipping market.



Container feeders

In 2016, the container feeder market underwent its fourth dip, which continued to have an effect until far into the second half of 2017. There were no vessels idle in 2017, but we had to put up with lower rates when charter contracts were extended. In the second half of 2017, rates recovered. For JR Shipping, the recovery translated into higher charter rates for a number of vessels for which contracts were extended in the latter part of the second half of 2017. This trend continues in 2018.



Multipurpose market

25 years ago, JR Shipping chartered out multipurpose vessels for the first time and, in 2008, decided to return to this shipping market. Since 2011, the shipping company has operated two own vessels in this segment: MV Estime and MV Esprit. Up to 2008, the long-term yearly freight revenue average for this type of vessel was approximately €4,500.00 per day. Due to the unanticipated second dip occurring in 2011, there was a dramatic downswing in rates to approximately €3,000.00 per day. In 2015, rates picked up a little and from the second half of 2017, rate recovery is more lasting.



Offshore service market

The six SeaZip offshore service vessels have been involved in an increasing number of prestigious international projects and their technical and operational performance has been excellent. It is a great advantage that a number of vessels can be deployed on the open sea in 24/7 services, thanks to comprehensive overnight facilities. In 2017, despite its reliable performance, SeaZip service fleet's operating results lagged behind estimates again. In light of the number of projects in the pipeline and the reputation enjoyed by SeaZip Offshore Service in the industry, the outlook for 2018 is favourable.

ORGANISATION AND OPERATIONAL MANAGEMENT IN 2017

Throughout the unprecedentedly long period of recession, JR Shipping achieved major cost reductions on all possible fronts and implemented measures which durably contribute to cost control. Furthermore, the shipping company has always committed itself to keeping its compact, multi-disciplinary organisation ashore intact. The existing staff ashore were, and still are, able to operate the fleet in a responsible manner and meet our high quality standards and safety commitments. In addition, the shipping company's multi-disciplinary character is a primary condition for providing distinguishing maritime services to outside parties. In the new era too, the dawning of which we are currently witnessing, the shipping company will be keeping tight control of all operations determining for the success of the fleet's composition and management.

The skills and expertise of JR Shipping's organisation ashore primarily focus on the composition and best possible operation of the company's own fleet. Core disciplines are operational and financial ship management, chartering and loading, ship development and ship financing. For a few years now, JR Shipping has also made these disciplines available to outside parties in the maritime industry, including fellow companies and ship mortgage banks which became shipowners on account of the crisis. In 2011, for example, JR Ship Investments realised successful issues for the Norwegian Hagland shipping company. Subsequently, JR Ship Management took charge of the operational management of the vessels which had been thus financed.

Special projects

Furthermore, JR Shipping has been involved in a series of complex management and restructuring projects for several banks in recent years. One of these projects concerned the management of six container feeders - known in the market as the 'River vessels' - commissioned by a German bank. The shipping company will continue to put its skills and expertise to use in integrated management and restructuring projects to provide professional support to shipping companies, banks and investors with regard to the operation and transfer of vessels, and to make a contribution to the 'reconstruction' of the shipping industry. Besides operating its own fleet, JR Shipping's business operations will very much focus on service provision to outside parties and the orchestration of special projects. In many cases, all business units described below will be involved.

JR Ship Management

JR Ship Management is at the centre of our organisation. An experienced team of maritime professionals will take the day-to-day charge of:

- ▶ commercial management
- ▶ nautical and technical management
- ▶ technical procurement
- ▶ financial management
- ▶ quality management

JR Ship Management is certified for International Ship & Port Facility Security (ISPS) and International Safety Management (ISM). Its versatile management team is responsible for the safe and effective deployment of the JR Shipping fleet of container feeder and multipurpose vessels, the SeaZip offshore service vessel fleet and vessels owned by third parties. As a sustainable, flexible organisation, JR Ship Management has all skills and expertise at its disposal which are required to deploy vessels in the various market segments in which JR Shipping Group operates in an efficient and cost-effective manner and in line with the strictest international safety and environmental standards.



JR Ship Crew and SeaZip Crew

The vessels sailing for JR Shipping and SeaZip Offshore Service are crewed by a mix of Dutch and non-Dutch seamen. SeaZip crew members have been specifically trained in the operational processes and international quality and safety rules regarding offshore oil, gas and wind energy. The recruitment and selection of seamen is carried out by JR Ship Crew or SeaZip Crew. Dutch officers are employed by either of these operating companies. Our crewing policy focuses to a great extent on career development, collegiality and commitment. JR Shipping considers the quality and commitment of its crews vital to efficient and safe operational processes at sea.

Confeeder Shipping & Chartering

Confeeder Shipping & Chartering was specifically created for container feeder market purposes. The company's experience in this market is huge and Confeeder has access to a wide international network. Since 2011, Confeeder has also successfully focused on the multipurpose market. Confeeder's efforts are primarily directed towards JR Shipping's own fleet but, to an ever greater degree, it also provides advisory and operational services to outside parties.

JR Ship Investments

As an expert on issues and as a fund manager, JR Ship Investments plays a vital role in the financing of vessels for JR Shipping's fleet and fleets of outside parties. Furthermore, JR Ship Investments' know-how is invaluable for restructuring projects, not least because of the confidence placed in it by a large group of private and corporate investors and the strong ties between them. Thanks to this confidence, JR Ship Investments was able to realise a ship investment project in 2017 too. The project concerned the issue of JR Shipping Opportunity Bonds worth €2,475,000.00. The placement power of JR Ship Investments, attributable to its skills and expertise in targeted marketing and communication, close ties with investors and good relationships with shipping banks, makes JR Shipping a reliable and dynamic partner in transitional processes in which refinancing of vessels plays a vital part.

JR Ship Brokers & Consultants

The know-how of JR Ship Brokers & Consultants, specialised in consultancy and guidance in the development of newly constructed vessels and in intermediation in the sale and purchase of existing vessels, once again provided the shipping company with a boost in 2017. Among other things, the team played a successful role in the sale of MV Evidence - one of the shipping company's container feeders - and multipurpose vessel the Hagland Chief. To an ever greater degree, JR Ship Brokers' skills and expertise are relied on by outside parties. In 2017, for example, the operating company was closely involved in building projects for several fellow-shipping companies.

Management Board

The Management Board of all-round shipping company JR Shipping and SeaZip Offshore Services is comprised by Mr Jan Reier Arends, who founded the business in 1993, and Mr Sander Schakelaar, who has co-created and co-complemented the company policy as a partner and co-owner since 2000.



OUTLOOK 2018

In the second half of 2017, the market environment in the shipping markets in which JR Shipping operates its fleet improved. Hence, the shipping company started 2018, the year of its low-key celebration of its 25 years in business, with a certain amount of optimism. The first quarter of 2018 showed a continuation of the upward trend. Among other things, this was confirmed in the contract negotiations on a number of container feeders in March 2018. The multipurpose shipping market too would seem to have moved beyond the prolonged recession. Now that the winter break is over, operations in the offshore wind industry have got off the ground again and prospects for SeaZip offshore service vessels seem favourable.

Against the background of market improvement, which is confirmed by leading analysts, JR Shipping aims to fulfil a strong role in the short sea shipping markets in which its varied fleet operates. It will furthermore continue to pay a great deal of attention to new opportunities in the field of ship management and (re)financing projects for outside parties, in particular for banks who could benefit from effective solutions with regard to their shipping portfolios. On several occasions, the shipping company has proved to provide a unique total package which it can use to enable it to develop and implement realistic and workable scenarios for the most complex challenges.

Business opportunities in the 'post-crisis era'

In 2018, the primary focus will be on the consolidation of the present fleet, while additional measures may be taken in the interest of all stakeholders. By the same token, 2018 will be a year in which we will set our sights on the future again and try to find ways to reinforce the JR Shipping fleet. 2017 has taught us that despite the losses incurred, investors believe in the recovery of the shipping industry and continue to have confidence in feasible investment projects. The successful issue of JR Shipping Opportunity Bonds to more than 3,500 investors/limited partners comprising the company's circle was a striking example of this. The vessel to be purchased for which this issue has laid the foundation might well be the first fleet expansion in a long time.

The 'post-crisis era' dawning for the shipping industry in 2018 will undoubtedly also generate a capacity increase. Over the past few years, the downtime for vessels has been huge in our markets and hardly any vessels were built. Should global trade continue to grow, there will automatically be capacity shortage at some point. Furthermore, investments in state-of-the-art technologies for more economical and cleaner shipping operations will be required given that, at the beginning of 2018, the shipping industry concluded its own 'climate deal' as part of the 'Paris goals'. The hard-won deal was done at the London headquarters of the International Maritime Organisation (IMO) and is proof of the responsibility taken by the shipping industry in reducing CO₂ emissions.

Innovative financing models

To enable investments in the shipping industry, new and innovative financing models and collaborative alliances will need to be sought. Banks historically involved in ship financing are operating more cautiously and many banks have phased out their shipping portfolio. In light of JR Shipping's know-how regarding ship financing and restructuring projects, it will definitely play a role in the above. In this regard, the key qualities which it showed during the crisis, such as clout and resilience, will be crucial.

We will continue to put these business qualities to use to revitalise our shipping operations. Our fleet enjoys a sound reputation, the necessary motivation and success-determining skills and expertise are well-embedded in our organisation and our track record in special projects counts in our favour. Prominent charterers still have confidence in our vessels and our commitment to excellent ship management, the core business of our shipping company. At least as important, though, is our close relationship with financiers and investors, who we have provided with maximum transparency.



Our close relationships with financiers and investors is one of the major conditions for building the future again, step by step. The most important condition is lasting growth. The first months of our jubilee year, 2018, have indicated that this lasting growth has at last arrived. Below is a brief description of our expectations for the shipping markets in which we operate.

Container feeder market

The development of the intercontinental container shipping market and the growth of global trade in 2017 constitute a sound foundation for a better market environment in container feeder shipping. The improvement seems to be solidly based. In the second half of 2017, this led to significant rate increases for vessels for which charter contracts had to be extended. This trend continues in 2018.

Multipurpose shipping market

Since August 2017, the freight rates in the multi-purpose shipping market have been visibly on the mend. The analysts of consultancy firm Drewry, who are leading in market research and analyses connected with the shipping industry, have predicted that the improvement will persist in 2018. The main boosters are the expanding demand for capacity and recovery in competing markets. Both rates and the market share are expected to increase. Even in 2017, JR Shipping managed to realise better freight rates for the Esprit and Estime, and witnessed a continuance of this trend in the first few months of 2018. Ultimately, vessels like the Esprit and the Estime are expected to realise a daily turnover of approximately € 4,500.00, which is in the region of the pre-crisis yearly averages.

Offshore service vessels

Whereas in 2016 the level of activities for SeaZip offshore service vessels was relatively low, in 2017 the industry seemed to press ahead at full speed and the deployment of service vessels rose. While rates improved, the improvement was not yet substantial, though. At the end of 2017, Europe had a total amount of installed power from wind energy generation of 15.78 GW (15,780 MW). Project plans to double this amount of power between 2018 and 2022 are clearly defined. In addition, there are other, long-term plans for a total of more than 57 GW. This is stimulating the demand for vessels, and the fact that few offshore service vessels have been built for some time is playing into the hands of offshore service vessel providers.

THE FLEET

At the beginning of 2017, JR Shipping was in charge of 14 container feeders, 4 multipurpose vessels and 6 offshore service vessels, deployable for the building and maintenance of windfarms at sea and for the oil and gas industry. The container feeder Evidence was sold in May 2017. The multipurpose vessel Hagland Chief, which was managed by JR Shipping for its Norwegian fellow company, was sold in June 2017. In the context of ship management for outside parties, two multipurpose vessels were added to the fleet.

In the form of investments in limited partnerships under Dutch law ('ship participations'), over 3,500 private and corporate investors are participating in the fleet of JR Shipping. JR Shipping Group owes its placement power and flexibility with regard to ship investment projects and (re)financing projects, associated with the transition phase which the shipping industry is currently in, to this group of dedicated investors and to its long-term relationships with larger shipping banks.

JR Shipping Group firmly holds to the diversification policy it revealed in 2008 and which is based on the following four pillars:

- ▶ consolidation of the container feeder fleet
- ▶ controlled growth in the market for multipurpose vessels
- ▶ operating state-of-the-art offshore service vessels to support the oil and gas industry and the building and maintenance of offshore wind turbine parks
- ▶ ship management for outside parties and special restructuring projects pertaining to container feeder and multipurpose vessels



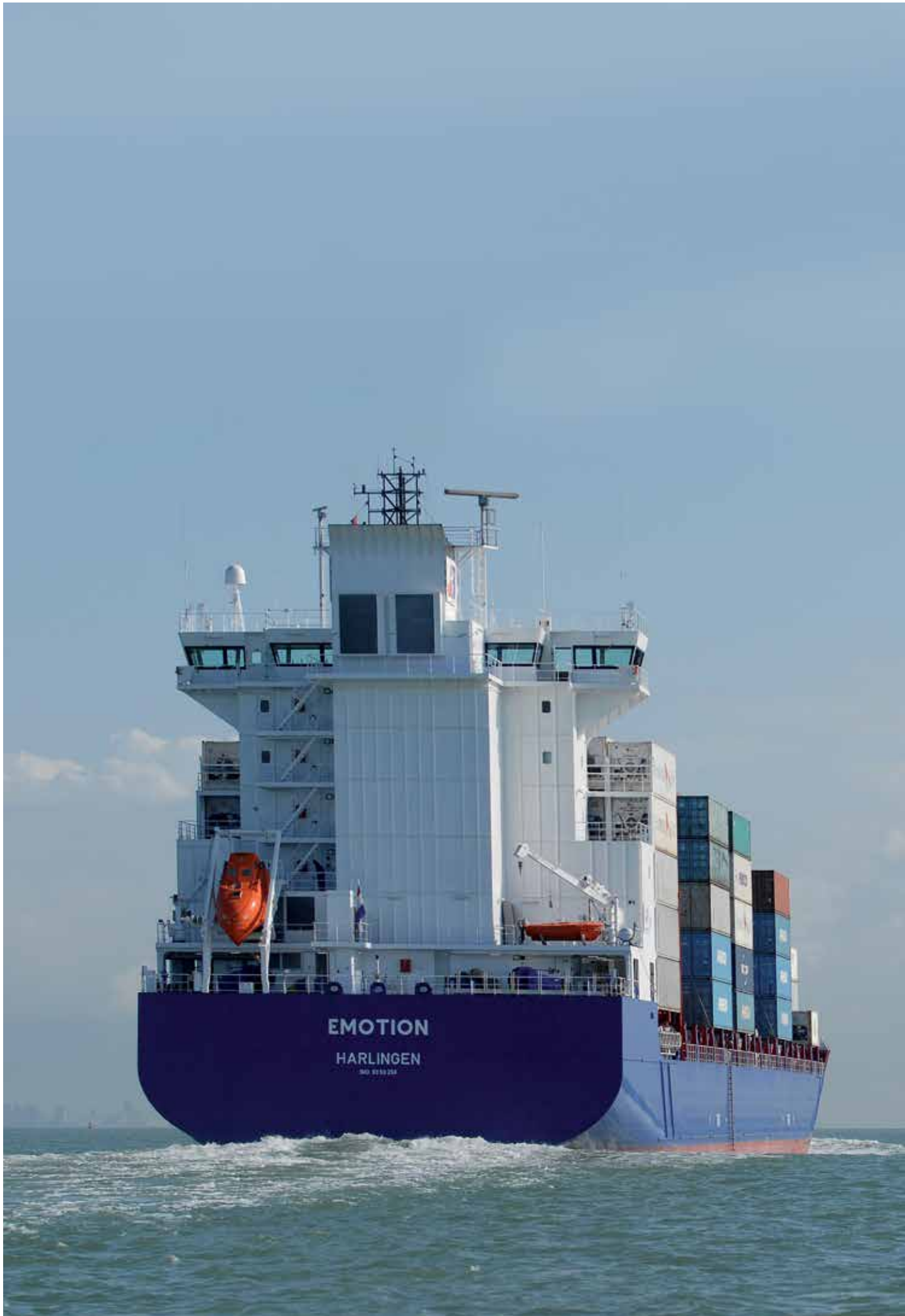
JR SHIPPING GROUP - MILESTONES 2009 TO 2018

Year	New Business Development	JR Solutions
2009	JR Ship Investments BV successfully places 2 x € 2,0 million equity for the financing of 4.900 tons multipurpose vessels MV Esprit and MV Estimate. The (temporarily available) 'accelerated depreciation scheme' was applied.	<p>First inter creditors deal with standstill arrangements until end of 2010 for the JR Shipping Fleet.</p> <p>JR Vloot Support CV:</p> <ul style="list-style-type: none"> ▶ € 8,2 million fresh working capital for the JR Shipping Fleet. ▶ To support the fleet during 2009 and 2010. <p>Additional tailor made working capital measures.</p>
2010	JR Shipping Group founds SeaZip Offshore Service , a new ship owning and management company specialised in service vessels for the offshore wind industry.	<p>Second inter creditors deal with standstill extensions until end of 2010 for the JR Shipping Fleet.</p> <p>Further tailor made working capital measures. During 2009 and 2010 over € 20 million new working capital was put on the table by JR Shipping and its CV-investors to support the fleet.</p>
2011	JR Ship Investments BV successfully places 2 x € 2,0 million equity for the financing of 4.500 tons selfdischarging multi-purpose vessels MV Hagland Captain and MV Hagland Chief. The (temporarily available) 'accelerated depreciation scheme' was applied. Equity financing in Holland was done for Norwegian owner Hagland. The ship management was granted to JR Shipping.	JR Obligaties BV (Obligaties = 'Bonds') successfully issues € 2,5 million of bond capital. Interest coupon: 8%, expiry July 2016 and secured by the group holding. Purpose: to strengthen the group's flexibility.
	MV Esprit and MV Estimate added to the fleet.	
2012	SeaZip Offshore Service takes delivery of its first two service vessels: MV SeaZip 1 and MV SeaZip 2.	Restructuring of 11 vessels financed by HSH Nordbank. Eleven single ship entities (CV's) have been consolidated in ' JR Fleet Fund CV ' involving € 145 million of refinancing.
2013	JR Obligaties BV successfully issues € 1,7 million of bond capital. Interest coupon: 7%, expiry in 2020 and secured by the group holding. Purpose: new business development.	
	MV Hagland Captain and Hagland Chief added to the fleet.	
2014		<p>JR Ship Investments BV successfully places 2 x € 2,5 million bonds secured by first priority mortgage placed to pay off (with some 50% haircut) Commerzbank's financing of MV Evolution and MV Evidence.</p> <p>JR Shipping Group teams up with HSH Nordbank in a 'Nautilus' restructuring attempt involving a portfolio of 10 feeder vessels.</p>



Year	New Business Development	JR Solutions
2015	<p>JR Ship Investments BV successfully places 2 x € 2,0 million equity for the financing of two offshore wind service vessels (MV SeaZip 3 and MV SeaZip 4). Both CV-projects apply Dutch tonnage tax.</p> <p>SeaZip Offshore Service takes delivery of MV SeaZip 3 and MV SeaZip 4 in March.</p> <p>JR Ship Investments BV successfully places 2 x € 2,0 million equity for the financing of two offshore wind service vessels (MV SeaZip 5 and MV SeaZip 6). Both CV-projects apply Dutch tonnage tax.</p> <p>On a consolidated basis, the companies within the JR Shipping Group generated a healthy operational result of € 2,7 million in 2015.</p> <p>JR Obligaties BV repays € 2,5 million of bond capital to the investors. The bonds, placed in 2011, were originally scheduled to expire July 2016 but could be repaid half a year in advance, due to the improved financial position of the JR Shipping Group. The advances being: an improved balance sheet and less interest coupon costs in 2016.</p>	<p>On the request of Bremer Landesbank, JR Shipping Group takes over full control and management of a fleet of six CV1100plus vessels previously owned/managed by Dutch owner 'Universal Marine'. These vessels have been delivered to 'Baltic Max Holding Company' in a transaction involving a total of 32 feeder vessels.</p>
2016	<p>JR Obligaties BV successfully issues € 2,5 million of bond capital. Interest coupon: 7%, expiry in 2023 and secured by the group holding. Purpose: new business development.</p>	<p>On the request of Bremer Landesbank and the vessels' main shareholder, JR Shipping Group contributes to the problem solving of a portfolio of four multipurpose vessels and two 880 TEU feeder vessels of a small German owner. JR Shipping Group will take over control and full management of these two 880 TEU feeder vessels Q1, 2017.</p> <p>On request of the owners of MV Flinter Rihdi, JR Shipping Group took over control and full management of the vessel after Flinter Group entered into 'suspension of payment'.</p>
2017	<p>JR Shipping Opportunity Obligaties placed in July 2017. Interest coupon: 5%, expiry in 2022 and secured by first priority on a vessel to be purchased.</p>	<p>In March, the two above mentioned 880 TEU feeder vessels have been taken over while continuing in the same legal entities and restructuring the debt financing structure. The vessels have been renamed into MV Expansa and MV Externo. Final closing of the restructuring took place early September.</p> <p>Refinancing of 'JR Fleet Fund CV' via a debt deal between HSH Nordbank and London Credit Investment Fund.</p>







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