

THE CONTAINERSHIP COMPANY AS (“TCC”)

MANAGEMENT REPORT 2020

TCC’s liner operations were discontinued in 2012 following the entry into “reconstruction” of the Company’s wholly owned Danish operating subsidiary, TCC A/S, in 2011 and its subsequent bankruptcy. The Company is the largest creditor in the former subsidiary’s bankruptcy estate.

The bankruptcy estate continued to work on collecting compensation from shippers regarding lack of cargo volumes (so called MQC-requirements) up until the time TCC A/S went into “reconstruction” and filed a lawsuit in the US against the shippers. A judge’s decision in 2016 (in the form of a recommendation) went partly in favour of the bankruptcy estate as the judge acknowledged that this company had legitimate claims against the shippers; and partly in its disfavour as the judge expressed the opinion that the vessels were taken out of service too soon to enable shippers to fulfill their obligations. It was decided by the Trustee for the Danish subsidiary to appeal his decision to The District Court of New York in May 2016.

The District Court rendered its judgment on 17 September 2019 and confirmed the Bankruptcy Court’s findings of facts and conclusions of law. The bankruptcy estate, on the advice US counsel, appealed the judgment to the United States Court of Appeals for the Second Circuit. This court delivered its judgement on 10 August 2020 confirming the 2019 judgement of The District court. Further appeals are not permitted.

The Trustee for the Danish subsidiary has confirmed that TCC will receive no distribution from the estate.

During 2020 management has focused on the following areas:

- Finding partners that may benefit from the Company’s listing and thereby realising value for its shareholders
- Liaison with Danish bankruptcy counsel

Management has continued the search for partners into 2021. However, it has become clear that, given TCC’s limited cash position, the only realistic option is to wind TCC up in 2022 unless a commercially viable solution has been found by the end of the financial year.

In the interest of expediency, management will seek a power of attorney from the AGM to enter into viable agreements that may be identified during the next few months, if any.