



# JR SHIPPING *TODAY* 2016

HIGHLIGHTS FROM THE JR SHIPPING ANNUAL REPORT

# MESSAGE FROM THE BOARD

In 2016, JR Shipping once again perceived a challenging year. After a period of recovery which set in in 2015 and seemed to continue in 2016, the container feeder market in particular saw an unanticipated downswing in the second half of the financial year. On the one hand, this was due to the disappointing global trade growth figures, while the unexpected outcome of the Brexit referendum led to additional unrest. On the other hand, the transition and restructuring climate which the shipping industry has been caught in for a while now negatively impacted the results. For the shipping world, 2016 has been a year of mergers, take-overs and bankruptcies.

While the container feeder market showed a recovery in 2015, that year's market for multipurpose vessels fell short of expectations - as it did in 2016. This can also be blamed on the combination of disappointing economic growth and the considerable transitions within the international shipping industry.

The third shipping market in which JR Shipping is active, the market for offshore service vessels, also went through an unexpectedly disappointing year. The dynamics in this market are hardly affected by developments on the economic world stage, though. Judging by current insights, it seems that we have suffered an atypical year in between better years. Many projects required a more protracted running-in period. Besides that, some projects were postponed because of signals indicating lower construction and installation costs in 2017. Expectations for the coming years are positive. Our SeaZip fleet, comprising six state-of-the-art offshore service vessels since 2016, allows JR Shipping Group to be prepared for an increase in operations.

Pertaining to special projects and ship management contracts assigned by outside parties, the shipping group made great efforts in 2016. They did not always lead to the desired outcomes, though. The often complex pathways towards specific agreements require much time and patience. In 2016, JR Shipping succeeded in adding one management contract for a multipurpose vessel to its portfolio. In early 2017, the efforts made in 2016 were belatedly rewarded, though, when a leading German shipping bank assigned us a management contract for two container feeders.

Since the crisis has broken out, nothing seems to be certain in the shipping industry any longer. All along, JR Shipping has proved capable of taking timely and effective measures to cope with the headwind and it will continue to do so, also in view of the disappointing developments in 2016. In the context of the present circumstances, it is not a given at all for a shipping company that it will continue to play a significant role in the transport of commodities, goods and products by sea, because it is a business operation which is as complex as it is vital for day-to-day life and there is no one who can imagine the implications if it should ever come to a standstill. Nevertheless, JR Shipping has managed to guarantee the continuity, quality and safety of its operational processes to fulfil its unequivocal mission: excellent service provision in short sea shipping. In 2017, JR Shipping is responsible for:

- ▶ the customized deployment of 14 state-of-the-art container feeder vessels
- ▶ the operation of 4 competitive multipurpose vessels
- ▶ the flexible and long-term deployment of 6 SeaZip offshore service vessels
- ▶ excellent implementation of ship-related restructuring plans and ship management projects assigned by outside parties

Harlingen, July 2017



Jan Reier Arends  
JR Shipping Management Board



Sander Schakelaar



# MARKET TRENDS AND FLEET PERFORMANCE

Since 2008, JR Shipping Group has pursued a diversification policy which is focussing on three shipping markets: the container feeder market, the market for multipurpose vessels and the market for offshore service vessels. In the context of these markets, JR Shipping is also successful as a maritime partner in restructuring programmes and ship management projects. In the face of the disappointing market trends in 2016 and their impact on its fleet performance, the shipping company manages to guarantee the continuity, performance and safety of its business processes.

## Container feeder market

After the better prospects perceived in 2015 and early 2016, the container feeder market saw a new dip later during 2016. Rates fell and vessels sat idle again. Both globally and in the Netherlands, this new dip was for many shipping companies the last straw that broke the camel's back. The number of bankruptcies was unprecedentedly high. The delicate situation in the shipping industry in 2016 was illustrated by, among other things, the downfall of Korean shipping group Hanjin Shipping, the seventh largest shipping company in the world specialised in intercontinental container transport. The problems in the intercontinental container shipping market affect the prospects of the container feeder market immensely.



In 2015 and the first half of 2016, JR Shipping was able to conclude new contracts for a number of its vessels with charter rates which were higher than in the previous years. After the summer of 2016, it rapidly emerged that there was more going on than only a temporary downswing due to the usual 'summer dip'. The growth of the global goods trade was disappointing and the unanticipated Brexit decision caused new uncertainty. Many vessels were delivered back during their current charter contracts. Where new contracts could be concluded, considerably lower rates were agreed. With regard to a number of vessels, JR Shipping experienced short-term hitches in business operations too. While technically and as regards cost development, operations went off according to expectations, 2016 was a disappointing year in a commercial sense. Although this has had no consequences for the majority of the vessels so far, it is clear that further setbacks may jeopardise the working capital position of some vessels. As in the preceding years, the shipping company will continue to focus on taking timely measures to ensure the continuity of operations of these vessels.

## Multipurpose market

In 2016, the market for compact multipurpose vessels, which JR Shipping is active on with its own vessels as well as vessels owned by outside parties, was challenging again. Although 2015 showed a slight recovery, it hardly continued. The rates remained stuck at levels which were approximately 30% below average pre-crisis market levels. In late 2016, there were hardly any signs of improvements. Compared with the market average, the JR Shipping vessels, which are traded in the spot market, performed 'least poorly', mainly due to ▶▶



the permanently low fuel prices. To avoid a negative working capital position for its own vessels, MV Esprit and MV Estime, JR Shipping succeeded in taking effective transitional measures, after consultations with the relevant limited partners and financing bank and pending improved market conditions.

### Offshore service vessel market

From 2011, JR Shipping Group has been investing in building an offshore service vessel fleet. Since 2012, the first vessels of this fleet have been successfully operational under the banner of SeaZip Offshore Service. They are state-of-the-art, very manoeuvrable FCS 2610 type catamarans, designed and constructed by Damen Shipyards. The vessels can transport 12 passengers and light freight and, thanks to the proven Twin Axe Bow principle, they provide maximum stability and safety in operational processes on the open sea. In 2015 and 2016, respectively, the fleet was expanded by the addition of another four vessels to be able to meet the rising demand for capacity. While the SeaZip offshore service vessels are, in particular, deployed for the growth market of building, operation and maintenance of wind turbine farms at sea, they are also put to use for work on offshore oil and gas installations.



In spite of the growth prospects of, in particular, the offshore wind industry and the many market analyses which indicate a shortage of adequate, seaworthy service vessels, 2016 was a disappointing year for the SeaZip Offshore Service fleet. The reason for this was obvious: in 2015, a record number of offshore wind turbine farms were delivered almost simultaneously. All in all, the year saw investments in the market of €13.3 billion and the installation of 419 wind turbines at sea, spread over various parks and accounting for a 3,019 MW capacity increase. Expectations were that, in 2016, the market would pick up rapidly, after the winter period. This assumption was based on the many specific projects which had been planned for 2016. The reality turned out to be different, though. The market continued to be unprecedentedly 'slack'. Initially, analysts were groping in the dark, however, later that year, they gained greater insight into the causes of this unanticipated 'dip'.

A significant number of projects were delayed since preliminary studies and approval processes had consumed more time than expected. Furthermore, it appeared crucial that larger international project developers anticipated lower prices, so that prospective parks can be built at lower costs in 2017 and subsequent years.

This explanation does not take away the fact that, for owners of offshore service vessels, the results in 2016 were not nearly as good as they had expected in light of the existing plans and ambitions. At the end of the day, only one third of the available Northern European offshore service fleet was deployed. The SeaZip service vessels performed a little above average because of their customized deployment in the offshore oil and gas industry. Technically, the vessels performed excellently and to the full satisfaction of the various clients. Commercially, though, the figures were disappointing. Nevertheless, the shipping group remains convinced of the prospects which the growth market of offshore wind turbine farms offer and of the high-value, flexible service provided to its international partners by the SeaZip offshore service vessels and their highly trained crew.

## SHIP MANAGEMENT FOR THIRD PARTIES AND SPECIAL PROJECTS

Slowly but surely, the world seems to be recovering from a comprehensive economic crisis. The consequences of this crisis are still resounding throughout the shipping industry. The transition stage which the international shipping companies are currently in is unprecedented. Companies are going bankrupt, ownership structures are changing, and mergers and new cooperative structures are supposed to create order out of chaos. This transition stage also leads to new forms of service provision and modern revenue models. For example, for quite some time JR Shipping has proven its worth as a partner in ship management projects and in processes focussing on new ownership and financing structures for both individual vessels and combinations of vessels.

In the early stages of the crisis, JR Shipping already demonstrated its ability to manage complex restructuring plans. The first successful project, in 2012, involved a series of its own vessels, eleven in total, which were subsumed in JR Fleet Fund CV, a so-called 'collective fund'. Because of the creation of a single business unit for these vessels and the intensive consultations with investors, the financing bank of the eleven vessels involved had room for accepting a new, practicable financing structure, which laid the right foundation for piloting these vessels through the crisis. The shipping company also succeeded in creating effective solutions for vessels financed by other banks, inter alia by issuing ship-related bonds. Crucial elements were the permanent dialogue the shipping group had with banks, maximum transparency, investor confidence and the group's considerable placement power. Besides that, in 2012, the shipping company found the courage to divest itself of those vessels of which restoration of the invested capital had turned out to be identifiably unrealistic. In the face of the ever-challenging market conditions, this variety of measures helped the shipping company to secure the continuity of operations of the larger part of its fleet and to hold on to the skills, expertise and experience accumulated within the organisation.

### All-round ship management for third parties

In addition to its core tasks – customer-specific and safe operation of container feeders, multipurpose vessels and offshore service vessels – the shipping group makes this experience and expertise available to fellow companies, shipping banks, shipyards and other maritime partners. In 2011, in this context, the Norwegian shipping company, Hagland Group, granted JR Shipping an unparalleled issuance contract. JR Shipping's experience with ship financing projects and placement power earned the Norwegian shipping company the successful financing of two of its multipurpose vessels. Immediately after their completion, the management of both vessels as well as the fund management pertaining to the relevant shipping CVs were placed with JR Shipping. In 2016, one of the vessels, MV Hagland Captain, was sold to the Hagland Group with the consent of its investors. The Clipper Stad Amsterdam deserves special mention as far as shipping management activities for outside parties are concerned. On behalf of the owners, and to their great satisfaction, JR Shipping has, ▶▶



for some years already, conducted the technical and operational management of this unique replica of a historic three-master, which is put to use as a charter sailing ship. In 2016 and early 2017, the shipping group succeeded in procuring three new shipping management contracts. In 2016, multipurpose vessel Espero was added to the fleet. From early 2017, commissioned by a leading German shipping bank, the shipping group has been in charge of two other container feeders of 880 TEU each.

## Extraordinary projects

In 2015, the specific skills and expertise which the shipping company has pertaining to restructuring plans led to a challenging contract with a leading German shipping banker. The contract concerned six container feeder vessels, known in the market as the 'River' vessels. In the period before the transfer, efforts to secure a practicable financing structure for the vessels had proved impossible, so the bank decided to intervene and transfer both the vessels and the vessel-related fund management to JR Shipping. In its role as vessel and fund manager, the shipping company sorted things out in order to create support for the action to be taken among the investors involved. Shortly before the implementation of a restructuring concept, the bank had an opportunity to involve the six River vessels in a large-scale transaction with an investment consortium. At the behest of the bank, JR Shipping prepared and implemented this transaction, while taking the interests of the investors concerned into consideration at all times. At the end of 2015, the vessels were successfully transferred. In 2016, JR Shipping Group was involved in various restructuring issues as well. While this did not bring about specific contracts in that financial year, there are still chances for JR Shipping to be involved in a range of projects. Also in 2017, from its various disciplines, the shipping company will continue to focus on extraordinary restructuring and shipping management projects which are associated with the transition phase which the international shipping world is currently in. The operating companies below will play a leading part in this.

## JR Ship Management

JR Ship Management is at the centre of our organisation. From day to day, a team comprising maritime professionals who know all the tricks take 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 comprising container feeder and multipurpose vessels, the SeaZip offshore service vessel fleet and vessels owned by third parties. Over recent years, JR Ship Management has managed to implement a multitude of cost-saving measures without compromising the quality and safety of the group's service provision at sea. Besides that, JR Ship Management continues to retain competent, optimally motivated seamen, both Dutch and non-Dutch. As a sustainable, flexible organisation, JR Ship Management has all the skills and expertise available which are required to deploy vessels in the various market segments in which JR Shipping Group operates - efficiently, cost-effectively and consistent with the strictest international safety and environmental standards.

JR Ship Investments As an issuance specialist and fund manager, JR Ship Investments plays a vital role in the financing of vessels for the fleets of both JR Shipping and outside parties. Besides that, JR Ship Investments' knowledge and experience have proved to be very valuable in restructuring projects, not in the least because it maintains very close ties with a large group of private and corporate investors. Because of open communication and transparent information, JR Ship Investments has succeeded in retaining investor confidence over recent years in the face of the strong headwind. Evidence of this is, among other things, the successful placement of new JR Shipping Bonds in 2016, which could be issued thanks to the early repayment of an earlier



bond loan. In a short space of time, the issue of the latest bond loan resulted in €2,490,000 additional working capital, earmarked for being able to respond rapidly to opportunity investments and be part of management and transition projects which stand or fall by the participants' own financial resources. The shipping group has considerably increased its clout with this successful bond loan. JR Ship Investments' unparalleled placement power also emerged in 2015, when it speedily placed participations in the SeaZip 5 and 6 offshore service vessels. The placement power of JR Ship Investments, which can be attributed 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 transition processes, in which refinancing of vessels plays a vital part.

## **JR Ship Brokers & Consultants**

The knowledge and experience boasted by the JR Ship Brokers & Consultants team, which specialises in consultancy and guidance in the development of new vessels and intermediation in the purchase and sale of existing ones, proved their worth once again in 2016 with regard to a range of successful shipping transactions. JR Ship Brokers & Consultants put their skills and expertise to use for the benefit of vessels owned by JR Shipping as well as for transactions pertaining to vessels operated by fellow shipping companies. Besides that, JR Ship Brokers & Consultants advises shipping banks.

Since it was founded in 1993, JR Shipping Group has conscientiously built up an all-round shipping company which has all critical disciplines under its own roof in order to responsibly carry out the financial, commercial and operational management of sea-going vessels. In 2016, the organisation ashore in Harlingen did not see any significant changes. It comprises the following mixture of closely intertwined operating companies:

- ▶ **JR Ship Management**  
All-round ship management (commercial, financial, nautical/technical)
- ▶ **JR Ship Crew**  
Recruitment, and selection of seamen and 'employership'
- ▶ **Confeder Shipping & Chartering**  
Specialised chartering services for container feeders
- ▶ **JR Ship Investments**  
Issuances and fund management
- ▶ **JR Ship Brokers & Consultants**  
Broker and consultancy services for both the shipping company and third parties
- ▶ **SeaZip Offshore Service**  
Hiring out of crewed service and accommodation vessels for the purpose of building and maintaining wind turbine farms at sea
- ▶ **SeaZip Crew**  
Recruitment, selection and training of seamen for the offshore wind industry and 'employership'



# OUTLOOK

In spite of the challenges which the shipping industry and, hence, JR Shipping were faced with in 2016, the Management Board and staff of the shipping group continue to focus on flexible, decisive and client-oriented entrepreneurship and new opportunities. Their primary focus is on continuity of operations - on the efficient and safe deployment of the entire, diverse fleet. Besides that, the shipping group is permanently on the lookout for new investment opportunities and forms of cooperation, where available. Whenever required, JR Shipping takes action to guarantee continuity of operations for the benefit of its business relations and investors.

No matter how disappointing the 2016 dip was – it had been the fourth dip in a row since 2008 – and how severe the damage sustained by the international shipping industry in the past 9 years, the industry is also looking ahead. The transition is vehement and still well under way, the outlines of the new order are appearing on the horizon. In the context of the intercontinental maritime transport, large multinational shipping entrepreneurs with a dynamic history of mergers and acquisitions will dominate. By contrast, in the specialist short sea shipping world, national and regional companies will gain the upper hand, because they can rapidly and resiliently respond to new developments and provide customer relations with services which are customized to their needs. The general trend is that recovery is actually inevitable in short sea shipping segments such as the container feeder and multipurpose markets.

## Container feeder and multipurpose shipping services

In both the container feeder and the multipurpose markets, the balance between the available capacity and the demand in moderate economic growth conditions has already been restored. Before the crisis broke out, this balance was considerably disturbed, in the container feeder market in particular. During the years of crisis, many vessels took refuge in other market segments and a lot of tonnage was turned into scrap. New vessels are not or hardly delivered. If global trade growth forecasts materialise – the World Trade Organization maintains a wide margin of 1.8 to a maximum of 3.1% for 2017 – analysts assume that the transport volumes supplied in 2017 will match the available capacity, which should lead to an increase in freight and charter rates. Nothing can be said against these rational arguments. There are numerous less rational factors that can be brought forward, though. In 2016, Brexit, which had been deemed impossible, alarmed Europe. At the end of March, the effectuation of Brexit was commenced while no one can predict yet what impact it will have on international trade. The uncertainty as a result of the equally unexpected outcome of the elections in the US in 2016 is at least as significant. With President Trump at the helm, we may well enter a new period of protectionism, which might lead to a snowball effect. Major elections in Europe as well as the lingering unrest in the Middle East are contributing to a universal feeling of unsafety and uncertainty, which may have a restraining influence on continuing economic recovery. JR Shipping focusses on the rational arguments, which indicate that recovery of rates in the container feeder and multipurpose market is forthcoming and, accordingly, it will continue to concentrate on fleet consolidation and excellent maritime services.

## Offshore service vessels

In 2016, 1,558 MW was added to the European network which provides electricity from the sea, produced by 338 turbines, spread among six offshore wind farms. This was almost 50% less than the more than 3,000 MW capacity increase realised by the offshore wind industry in 2015, a top year. The fact that 2015 was such a productive year was one of the reasons why the industry had to mark time unexpectedly in 2016. Delays in research and preparation processes and postponement of projects, based on the assumption that building costs in 2017 would turn out to be lower than in 2015, played a role too. The stagnation in 2016 did not stop continued, ambitious developments behind the scenes from taking place. The number of projects about which final investment decisions were taken in 2016 was even 39% greater than in 2015. Northern Europe still seriously invests in electricity from the sea in order to cut back CO<sub>2</sub> emissions. At the end of 2016, the count was at 16,631 MW in installed power. In the short and medium term, Northern Europe aims at an increase of 24.2 GW; in the longer term, it even goes for another 65 GW.



It is evident that there is an increasing need for a new generation of offshore service and accommodation vessels if we want to secure the projects which are actually on the agenda until 2020 and aim to make a successful transition to renewable energy, also after 2020. The trend for building parks at ever-increasing distances from the coast, at greater depths, sets highly specific requirements on, in particular, the service vessels which facilitate building and maintenance by providing customized transport of technical crew and small freight. In light of the dynamics of the industry, vessels must be able to operate on the open sea in 24/7 services and ensure safety for crew and the environment in any circumstances. The SeaZip offshore service vessels, of the Damen Fast Crew Supplier 2610 type, modelled after the proven *Twin Axe Bow* concept, have shown their suitability for ongoing services, including in seagoing conditions. Their highly trained crews are familiar with the strict international quality and safety standards and the specific procedures pertaining to the offshore energy industries. The swift and manoeuvrable SeaZip service vessels can be deployed for the transport of crew and small freight, for assistance in hydrographic research and for support in diving activities. For 2017 and later years, JR Shipping foresees good prospects for the SeaZip fleet and it will continue to dedicate itself to providing safe and efficient support to operational processes in the offshore gas and oil sector with all available capacity and expertise in ship management it has, particularly in the growth market of wind turbine farms at sea, which will provide Northern Europe with a substantial part of its renewable energy.

JR Shipping Group firmly holds to the diversification policy it revealed in 2008 and which rests 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 building and maintenance of wind turbine farms at sea
- ▶ ship management for third parties and extraordinary restructuring projects pertaining to container feeder and multipurpose vessels

## THE FLEET

For the larger part of 2016, JR Shipping was in charge of 14 container feeders, 2 multipurpose vessels and 6 SeaZip offshore service vessels, deployable for the building and maintenance of wind farms at sea and for the oil and gas industry. Two offshore service vessels, the SeaZip 5 and 6, were put into service in spring 2016 after an investment project which passed off successfully.

In its role as specialist in extraordinary projects and ship management services to outside parties, JR Shipping was, in 2016, in charge of 2 additional multipurpose vessels and the charter sailing ship *Clipper Stad Amsterdam*. One of these multipurpose vessels, *MV Hagland Captain*, was sold by the owners later in 2016 to the Norwegian shipping company. It was replaced by a new ship management contract which concerned multipurpose vessel *MV Espero*. In early 2017, a leading German bank awarded JR Shipping a ship management contract for another two container feeder vessels, each with a capacity of 880 TEU.

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 - MILESTONES 2009 TO 2017

Year	New Business Development	JR Solutions
2009	<p><b>JR Ship Investments BV</b> successfully places 2 x € 2,0 million equity for the financing of 4.900 tons multipurpose vessels MV Esprit and MV Estime. The (temporarily available) 'accelerated depreciation scheme' was applied.</p>	<p>First inter creditors deal with standstill arrangements until end of 2010 for the JR Shipping Fleet.</p> <p><b>JR Vloot Support CV:</b></p> <ul style="list-style-type: none"> <li>▶ € 8,2 million fresh working capital for the JR Shipping Fleet.</li> <li>▶ To support the fleet during 2009 and 2010.</li> </ul> <p>Additional tailor made working capital measures.</p>
2010	<p>JR Shipping Group founds <b>SeaZip Offshore Service</b>, a new ship owning and management company specialised in service vessels for the offshore wind industry.</p>	<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	<p><b>JR Ship Investments BV</b> successfully places 2 x € 2,0 million equity for the financing of 4.500 tons selfdischarging multipurpose 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.</p> <p>MV Esprit and MV Estime added to the fleet.</p>	<p><b>JR Obligaties BV</b> (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.</p>
2012	<p>SeaZip Offshore Service takes delivery of its first two service vessels: MV SeaZip 1 and MV SeaZip 2.</p>	<p>Restructuring of 11 vessels financed by HSH Nordbank. Eleven single ship entities (CV's) have been consolidated in '<b>JR Fleet Fund CV</b>' involving € 145 million of refinancing.</p>
2013	<p><b>JR Obligaties BV</b> successfully issues € 1,7 million of bond capital. Interest coupon: 7%, expiry in 2020 and secured by the group holding. Purpose: new business development.</p> <p>MV Hagland Captain and Hagland Chief added to the fleet.</p>	
2014		<p><b>JR Ship Investments BV</b> 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><b>JR Shipping Group</b> 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><b>JR Ship Investments BV</b> 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><b>JR Ship Investments BV</b> 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 <b>JR Shipping Group</b> generated a healthy operational result of € 2,7 million in 2015.</p> <p><b>JR Obligaties BV</b> 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><b>JR Obligaties BV</b> 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 <b>Bremer Landesbank</b> 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 <b>MV Flinter Rihdi</b>, JR Shipping Group took over control and full management of the vessel after Flinter Group entered into 'suspension of payment'.</p>
2017	<p><b>JR Shipping Opportunity Obligaties</b> issued in May 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 <b>MV Expansa</b> and <b>MV Externo</b>.</p>





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