

Seaspan Corporation

Financial Statements (Unaudited) for the three and twelve months ended December 31, 2021

(Expressed in millions of United States dollars)

SEASPAN CORPORATION
UNAUDITED BALANCE SHEET
(EXPRESSED IN MILLIONS OF US DOLLARS)

	December 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 169.0	\$ 243.5
Accounts receivable	28.8	20.9
Due from related party	38.3	19.5
Prepaid expenses and other	36.6	31.5
Net investment in lease	16.8	10.7
	289.5	326.1
Vessels	7,676.1	6,619.6
Right-of-use asset	720.4	838.6
Net investment in lease	741.5	418.6
Goodwill	75.3	75.3
Derivative instruments	49.0	19.2
Other assets	270.6	186.9
	\$ 9,822.4	\$ 8,484.3
Liabilities and shareholder's equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 136.7	\$ 88.9
Deferred revenue	44.7	26.3
Long-term debt - current	542.1	321.7
Operating lease liabilities - current	153.8	159.1
Other financing arrangements - current	100.5	64.1
Other liabilities - current	7.6	2.8
	985.4	662.9
Long-term debt	3,480.9	3,025.0
Operating lease liabilities	558.6	668.1
Other financing arrangements	1,239.3	801.7
Derivative instruments	66.5	68.9
Other liabilities	10.4	10.4
Total liabilities	6,341.1	5,237.0
Shareholder's equity:		
Share capital	2.5	2.5
Additional paid in capital	3,565.1	3,557.8
Deficit	(67.2)	(292.7)
Accumulated other comprehensive loss	(19.1)	(20.3)
	3,481.3	3,247.3
	\$ 9,822.4	\$ 8,484.3

SEASPAN CORPORATION
UNAUDITED STATEMENT OF OPERATIONS
(EXPRESSED IN MILLIONS OF US DOLLARS)

	For the three months ended December 31, 2021	For the twelve months ended December 31, 2021
Revenue	\$ 406.9	\$ 1,470.3
Operating expenses:		
Ship operating	73.7	289.3
Depreciation and amortization	79.3	307.9
General and administrative	12.4	42.4
Operating leases	36.0	143.0
Gain on disposal of vessels	(15.9)	(15.9)
Income related to modification of time charters	—	—
	<u>185.5</u>	<u>766.7</u>
Operating earnings	221.4	703.6
Other expenses (income):		
Interest expense	40.8	178.8
Interest income	—	(0.3)
Loss on debt extinguishment	—	127.0
Gain on derivative instruments	(13.3)	(5.7)
Other expenses	4.2	9.3
	<u>31.7</u>	<u>309.1</u>
Net earnings	<u>\$ 189.7</u>	<u>\$ 394.5</u>

SEASPAN CORPORATION
UNAUDITED STATEMENT OF CASH FLOWS
(EXPRESSED IN MILLIONS OF US DOLLARS)

	For the three months ended December 31, 2021	For the twelve months ended December 31, 2021
Cash from (used in):		
Operating activities:		
Net earnings	\$ 189.7	\$ 394.5
Items not involving cash:		
Depreciation and amortization	79.3	307.9
Change in right-of-use asset	31.0	123.9
Non-cash interest expense and accretion	6.8	34.9
Unrealized change in derivative instruments	(19.8)	(32.2)
Amortization of acquired revenue contracts	2.4	15.0
Loss on debt extinguishment	—	127.0
Gain on vessel disposal	(15.9)	(15.9)
Other	2.4	5.0
Changes in assets and liabilities:		
Accounts receivable	2.8	(30.8)
Net investment in lease	4.3	14.9
Prepaid expenses and other	(4.4)	(5.3)
Deferred dry-dock	(13.5)	(38.7)
Other assets	(1.9)	(9.3)
Accounts payable and accrued liabilities	31.5	44.9
Deferred revenue	24.3	18.1
Operating lease liabilities	(29.0)	(120.5)
Derivative instruments	6.5	26.6
Cash from operating activities	296.5	860.0
Investing activities:		
Acquisition of /additions to vessels, including vessels under construction	(242.3)	(1,547.0)
Prepayment on vessel purchase	—	(132.3)
Payment on settlement of interest swap agreements	(7.8)	(26.8)
Other assets and liabilities	28.6	38.1
Capitalized interest	(15.7)	(15.7)
Cash used in investing activities	(237.2)	(1,683.7)
Financing activities:		
Repayments of long-term debt and other financing arrangements	(257.9)	(1,455.6)
Issuance of long-term debt and other financing arrangements	354.9	3,148.3
Redemption of Fairfax Notes	—	(300.0)
Payment to Atlas to settle Fairfax Exchange	—	(300.0)
Repayment of promissory note payable to Atlas	(0.1)	(52.3)
Financing fees	(81.6)	(122.2)
Dividends on common shares	(46.0)	(169.0)
Cash from (used in) financing activities	(30.7)	749.2
Increase (decrease) in cash and cash equivalents	28.6	(74.5)
Cash and cash equivalents and restricted cash, beginning of period	140.4	243.5
Cash and cash equivalents and restricted cash, end of period	\$ 169.0	\$ 169.0