

SEASPAN REPORTS FIRST QUARTER 2019 RESULTS

Continues to execute on capital plan, finishing the quarter with \$776 million of liquidity

HONG KONG, May 1, 2019 /CNW/ - Seaspan Corporation ("Seaspan") (NYSE: SSW) announced today its financial results for the quarter ended March 31, 2019.



Highlights for the First Quarter 2019:

- Achieved vessel utilization of 98.1%
- Operating earnings of \$344.1 million
- Reported net earnings attributable to common shares of \$267.1 million
- Earnings per diluted share of \$1.26
- Cash flows from operations of \$122.6 million

Comments from Management

Bing Chen, President and Chief Executive Officer, commented, "During the first quarter of 2019, we continued to deliver on our five-priority focus and capitalize on the scale, flexibility, and quality of our integrated operating platform. This platform provides the fleet life cycle services our customers depend on, as demonstrated by our utilization rate of 98% during the quarter, which is consistent with our industry leading average of 98% since IPO. As always, our team is dedicated to strengthening our existing partnerships, as well as expanding our platform with new customers."

Ryan Courson, Chief Financial Officer, said, "We continue to execute on our capital allocation strategy of strengthening the balance sheet through deleveraging and increasing balance sheet flexibility. Our focus on credit accretion, along with the simplification and consolidation of our capital structure, furthers our objectives of building sustainable, long-term franchise value."

Significant Developments in the First Quarter

Fairfax Investments

On January 15, 2019, pursuant to a previous subscription agreement, Seaspan issued to Fairfax Financial Holdings Ltd. ("Fairfax"), in a private placement, \$250.0 million in debentures bearing interest at 5.5% and warrants to purchase 38,461,539 Class A common shares at \$6.50 per share the ("2019 Warrants"). The 2019 Warrants were immediately exercised for \$250.0 million in cash, resulting in total aggregate proceeds of \$500.0 million from this transaction.

Debt Repayment

In January 2019, Seaspan prepaid \$147.0 million on the remaining principal balance of a secured reducing revolving credit facility. As a result of the repayment, eight vessels were unencumbered.

In March 2019, Seaspan prepaid \$25.6 million of a secured term loan facility. As a result of the prepayment, three vessels were unencumbered. Seaspan also prepaid \$59.0 million of another secured reducing revolving credit facility, releasing two vessels from security.

As of May 1, 2019, Seaspan has 37 unencumbered vessels.

Investment in Swiber Holdings Limited

On October 3, 2018, Seaspan entered into a binding term sheet to invest up to \$200.0 million in Swiber Holdings Limited ("Swiber"). Upon closing, and pursuant to a definitive Investment Agreement entered into in March 2019, Seaspan will acquire an 80% post-restructured equity interest in Swiber for \$10.0 million. If certain milestones are met, an additional \$190.0 million will be invested in Swiber's LNG-to-power project in Vietnam in exchange for economic interests in the project.

Modification of Customer Time Charters

During the normal course of business, Seaspan modified its charter arrangements with one of its top five customers, such that the existing time charters for seven vessels continued until the end of the day on March 31, 2019, after which all seven vessels were chartered to other customers, pursuant to new time charters. In connection with the modification, Seaspan received a payment of \$227.0 million on April 1, 2019. This payment is recorded in accounts receivable as at March 31, 2019. As of the date of filing, all seven of these vessels have been rechartered.

Subsequent Events

Distribution

The Board of Directors declared a quarterly distribution in the amount of \$0.125 per share for its Class A Common Shares, paid on April 30, 2019, to shareholders of record as at the close of business on April 22, 2019. Regular quarterly dividends on the Preferred Shares Series D, Series E, Series G, Series H and Series I were also declared.

Recent Additions to Senior Management

In April 2019, Seaspan appointed Peter Kristian Ellegaard as Executive Vice-President and General Counsel.

Receipt of Charter Modification Payment

On April 1, 2019, Seaspan received a \$227.0 million charter modification payment, which was recorded in accounts receivable at March 31, 2019.

Repayment of 2019 Notes at Maturity

On April 30, 2019, the 6.375% senior unsecured notes due 2019 reached maturity and Seaspan repaid the remaining \$311.4 million principal amount outstanding.

Class A Common Shares Outstanding

As of May 1, 2019, there were 215.6 million Class A Common Shares outstanding.

Results for the Quarter Ended March 31, 2019

Financial Results

Financial Summary

The following table summarizes Seaspan's consolidated financial results for the quarter ended March 31, 2019 and 2018:

Quarter Ended

i munciui Summui y	Quarter Enaca		
(in millions of US dollars, except earnings per share amount)	March 31,		
	2019	2018	
Revenue	\$ 285.3	\$ 224.8	
Ship operating expense	57.7	49.5	
Depreciation and amortization expense	62.5	53.9	
General and administrative expense	8.8	7.3	
Operating lease expense	39.2	31.2	
Income related to modification of time charters	227.0	_	

Operating earnings	344.1	82.8
Interest expense and amortization of deferred financing fees	56.1	37.9
Net earnings	285.3	67.7
Net earnings to common shareholders	267.1	50.0
Earnings per share, diluted	1.26	0.37
Cash from operating activities	122.6	69.6

Ownership Days, Operating Days and Vessel Utilization

Ownership days are the number of days a vessel is owned and available for charter. Operating days are the number of days a vessel is available to the charterer for use.

The primary driver of ownership days are the increases or decreases in the number of vessels owned, while the drivers of operating days are ownership days and the number of days the vessels are off-hire.

Ownership days increased by 1,600 days for the quarter ended March 31, 2019, compared to the same period in 2018. The increase was primarily due to the full quarter contribution from the addition of 16 vessels acquired through the acquisition of Greater China Intermodal Investments LLC ("GCI"), which contributed 1,152 days, and the remainder was due to the 2018 vessel deliveries.

Vessel utilization represents the number of operating days as a percentage of ownership days.

The following table summarizes Seaspan's vessel utilization for the quarter ended March 31, 2019, and its comparative quarters:

		2017			201	د 8		2019
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Vessel								
Utilization:								
Ownership								
Days ⁽¹⁾	8,037	8,148	7,905	8,030	9,546	9,844	9,844	9,630
Less Off-hire								
Days:								
Scheduled								
5-Year								
Survey		_	_	(104)	_	(8)	(22)	(13)
Unscheduled								
Off-hire ⁽²⁾	(142)	(254)	(319)	(149)	(137)	(146)	(240)	(166)
Operating		_	_	_	_	_	_	_
Days ⁽¹⁾	7,895	7,894	7,586	7,777	9,409	9,690	9,582	9,451
Vessel								
Utilization	98.2%	96.9%	96.0%	96.8%	98.6%	98.4%	97.3%	98.1%

- (1) Operating and ownership days include leased vessels and exclude vessels under bareboat charter.
- (2) Unscheduled off-hire includes days related to vessels being off-charter.

Vessel utilization increased for the quarter ended March 31, 2019, compared to the same period in 2018. The increase was primarily due to a decrease in the number of scheduled off-hire days for the 5-year survey, in combination with the higher utilization of vessels acquired from GCI.

Revenue

Revenue increased by 26.9% to \$285.3 million for the quarter ended March 31, 2019, compared to the same period in 2018. The increase in revenue was primarily due to the full quarter contribution of additional operating days from the acquisition of

vessels from the GCI transaction and 2018 vessel deliveries and higher average charter rates for vessels that were on short-term charters.

The increase in operating days and the related financial impact thereof for the quarter ended March 31, 2019, compared to the same period in 2018, is attributable to the following:

Ouarter Ended

2010

	Aum eer = maeu						
		March 31, 2019					
			\$ In	npact			
	Ownership	Operating	(in m	nillions			
	Days Impact	Days Impact	of US	dollars)			
Addition of 16 vessels from acquisition of GCI	1,152	1,152	\$	42.9			
Full period contribution from 2018 vessel deliveries	448	448		11.5			
Changes in daily charter hire rates and recharters				4.5			
Unscheduled off-hire		(18)		0.3			
Scheduled off-hire		92		1.6			
Other				(0.3)			
Total	1,600	1,674	\$	60.5			

Ship Operating Expense

Ship operating expense increased by 16.5% to \$57.7 million for the quarter ended March 31, 2019, compared to the same period in 2018. The increase was primarily due to an increase in ownership days from the full quarter contribution of the acquisition of vessels from the GCI transaction and 2018 vessel deliveries. Ship operating cost per ownership day decreased by 2.9% to \$5,993 for the quarter ended March 31, 2019, compared to the same period in 2018.

		2017				17 2018					2018				 2019
		Q2		Q3		Q4		Q1		Q2		Q 3		Q4	Q1
Operating															
Cost:															
Ownership															
Days ⁽¹⁾		8,037		8,148		7,905		8,030		9,546		9,844		9,844	9,630
Vessel															
Operating															
Costs															
(in															
millions															
of US															
dollars)	\$	44.8	\$	45.4	\$	48.1	\$	49.5	\$	58.8	\$	55.4	\$	55.6	\$ 57.7
Operating															
Cost per															
Ownership															
Day	\$	5,577	\$	5,569	\$	6,086	\$	6,170	\$	6,156	\$	5,624	\$	5,648	\$ 5,993
(1) Owners	shin a	days incl	ude l	eased ves	sels a	and excli	ide ve	ssels und	er hai	reboat cha	rter				

(1) Ownership days include leased vessels and exclude vessels under bareboat charter.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 15.9% to \$62.5 million for the quarter ended March 31, 2019, compared to the same period in 2018. The increase was primarily due to an increase in ownership days from the full period contribution of the acquisition of vessels from the GCI transaction and 2018 vessel deliveries.

General and Administrative Expense

General and administrative expense increased by 21.0% to \$8.8 million for the quarter ended March 31, 2019, compared to the same period in 2018. The increase was primarily due to higher share-based compensation expenses and higher professional fees.

Operating Lease Expense

Operating lease expense increased by 25.8% to \$39.2 million for the quarter ended March 31, 2019, compared to the same period in 2018. The increase was primarily due to the amortization of deferred gains related to Seaspan's vessel sale-leaseback transactions, which are no longer recognized through operating leases. Upon adoption of Accounting Standards Update 2016-02 "Leases" on January 1, 2019, the remaining balance of these deferred gains were recognized through opening deficit as a cumulative adjustment.

Interest Expense and Amortization of Deferred Financing Fees

The following table summarizes Seaspan's borrowings:

(in millions of US dollars)					
		2019	20		2018
Long-term debt, excluding deferred financing fees:					
Revolving credit facilities	\$	582.2		\$	844.9
Term loan credit facilities		2,076.3			2,279.6
Senior unsecured notes		391.4			417.9
Fairfax Notes		500.0			250.0
Debt discount and fair value adjustment		(166.4)			(77.5)
Long-term obligations under other financing					
arrangements, excluding deferred financing fees		635.1			684.8
Total borrowings		4,018.6			4,399.7
Less: Vessels under construction			_		(80.6)
Operating borrowings	\$	4,018.6	_	\$	4,319.1

Interest expense and amortization of deferred financing fees increased by \$18.1 million to \$56.1 million for the quarter ended March 31, 2019, compared to the same period in 2018. The increase was primarily due to debt assumed as part of the acquisition of GCI, the issuance of the Fairfax Notes and the increase in LIBOR.

Change in Fair Value of Financial Instruments

The change in fair value of financial instruments resulted in a loss of \$1.1 million for the quarter ended March 31, 2019. The loss for this period was primarily due to a decrease in the forward LIBOR curve as it relates to interest swaps. Included in the change in fair value is the unrealized gain of \$6.5 million for the quarter ended March 31, 2019, compared to the unrealized gain of \$30.6 million for the comparative period in the prior year.

Liquidity and Unencumbered Vessels

As of March 31, 2019, Seaspan had total liquidity of \$776.2 million, consisting of \$626.2 million of cash and cash equivalents and \$150.0 million available under our committed two year revolving credit facility. Additionally, as of May 1, 2019, Seaspan's unencumbered asset pool included 37 vessels.

TEU Class	Vessel Count
2500	12
3500	2
4250	17
8500	2
9600	2
10000	2
Total	37

About Seaspan

Seaspan is the leading independent charter owner of containerships with industry leading ship management services. Seaspan charters its vessels primarily pursuant to long-term, fixed-rate, time charters from the world's largest container shipping liners. Seaspan's operating fleet consists of 112 containerships with a total capacity of more than 900,000 TEU, an average age of approximately six years and an average remaining lease period of approximately four years, on a TEU-weighted basis.

Seaspan has the following securities listed on The New York Stock Exchange:

<u>Symbol</u>	<u>Description</u>
CCT	
SSW	Class A Common Shares
SSW PR D	Series D Preferred Shares
SSW PR E	Series E Preferred Shares
SSW PR G	Series G Preferred Shares
SSW PR H	Series H Preferred Shares
SSW PR I	Series I Preferred Shares
SSWA	7.125% Senior Unsecured Notes due 2027
SSW25	5.500% Senior Notes due 2025

Conference Call and Webcast

Seaspan will host a conference call and webcast presentation for investors, analysts, and interested parties to discuss its first quarter results on May 2, 2019 at 8:30 a.m. ET. Participants should call 1-877-246-9875 (US/Canada) or 1-707-287-9353 (International) and request the Seaspan call (conference ID: 1359879). The live webcast and slide presentation are available under "Events & Presentations" at www.seaspancorp.com.

A recording will be available at 1-855-859-2056 or 1-404-537-3406 (Conference passcode: 1359879).

SEASPAN CORPORATION UNAUDITED CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2019 AND DECEMBER 31, 2018 (in Thousands Of Us Dollars)

	March 31, 2019		Dece	mber 31, 2018
Assets				
Current assets:				
Cash and cash equivalents	\$	626,187	\$	357,327
Short-term investments		105		2,532
Accounts receivable		239,140		13,001
Prepaid expenses and other		37,662		36,519
Gross investment in lease		44,469		44,348
Fair value of financial instruments				113
		947,563		453,840
Vessels		5,869,520		5,926,274
Right-of-use assets		1,040,755		_
Gross investment in lease		806,574		817,631
Goodwill		75,321		75,321
Other assets		183,683		204,931
	\$	8,923,416	\$	7,477,997
Liabilities, Puttable Preferred Shares and Shareholders' Equity Current liabilities:				
Accounts payable and accrued liabilities		71,124		70,211

Current portion of deferred revenue	51,407	55,915
Current portion of long-term debt	559,800	722,641
Current portion of operating lease liabilities	160,010	_
Current portion of long-term obligations under other financing		
arrangements	149,011	48,384
Current portion of other long-term liabilities	8,234	32,243
	999,586	929,394
Deferred revenue	368,502	376,884
Long-term debt	2,801,129	2,764,900
Operating lease liabilities	865,809	_
Long-term obligations under other financing arrangements	478,657	591,372
Other long-term liabilities	18,363	180,157
Fair value of financial instruments	133,838	127,172
	5,665,884	4,969,879
Puttable preferred shares	48,517	48,139
Shareholders' equity:		
Share capital	2,489	2,102
Treasury shares	(374)	(371)
Additional paid in capital	3,448,904	3,126,457
Deficit	(219,693)	(645,638)
Accumulated other comprehensive loss	(22,311)	(22,571)
	3,209,015	2,459,979
	\$ 8,923,416	\$ 7,477,997

SEASPAN CORPORATION UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE QUARTERS ENDED MARCH 31, 2019 AND 2018 (IN THOUSANDS OF US DOLLARS, EXCEPT PER SHARE AMOUNTS)

Quarter Ended

	March 31,			
		2019		2018
Revenue	\$	285,323	\$	224,776
Operating expenses:				
Ship operating		57,709		49,549
Depreciation and amortization		62,497		53,925
General and administrative		8,799		7,273
Operating leases		39,233		31,194
Income related to modification of time charters		(227,000)		
		(58,762)		141,941
Operating earnings		344,085		82,835
Other expenses (income):				
Interest expense and amortization of deferred financing fees		56,051		37,949
Amortization of discount on Fairfax Notes		4,034		1,032
Interest income		(3,150)		(1,270)
Acquisition related gain on contract settlement				(2,430)

Change in fair value of financial instruments	1,144	(19,322)
Equity income on investment		(1,216)
Other expenses	691	376
	58,770	 15,119
Net earnings	\$ 285,315	\$ 67,716
Dividends - preferred shares	(18,167)	(17,739)
Net earnings attributable to common shares	\$ 267,148	\$ 49,977
Weighted average number of shares, basic Effect of dilutive securities:	209,560	133,998
Share-based compensation	111	126
Fairfax warrants	1,733	
Weighted average number of shares, diluted	 211,404	 134,124
Earnings per share, basic	\$ 1.27	\$ 0.37
Earnings per share, diluted	\$ 1.26	\$ 0.37

SEASPAN CORPORATION UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTERS ENDED MARCH 31, 2019 AND 2018 (IN THOUSANDS OF US DOLLARS)

	Quarter Ended March 31,		
	2019	2018	
Net earnings	\$ 285,315	\$ 67,716	
Other comprehensive income: Amounts reclassified to net earnings during the period			
relating to cash flow hedging instruments	260	300	
Comprehensive income	\$ 285,575	\$ 68,016	

SEASPAN CORPORATION UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTERS ENDED MARCH 31, 2019 AND 2018 (IN THOUSANDS OF US DOLLARS)

Quarter Ended

	March 31,			
		2019		2018
Cash from (used in):				
Operating activities:				
Net earnings	\$	285,315	\$	67,716
Items not involving cash:				
Depreciation and amortization		62,497		53,925
Amortization of right-of-use assets		27,517		_
Share-based compensation		1,144		627
Amortization of deferred financing fees, debt discount and fair value of		7,116		4,079

Amounts reclassified from other comprehensive income to interest expense 75 88 Unrealized change in fair value of financial instruments (6,511) (30,599) Acquisition related gain on contract settlement — (2,430) Equity income on investment — (6,111) Deferred gain on sale-leasebacks — (6,111) Amortization of acquired revenue contracts 2,047 1,109 Other (348) (333) Cash from operating activities (256,255) (17,295) Cash from operating activities — 100,000 Fairfax Notes and warrants issued 250,000 250,000 Pairfax Notes and warrants issued 250,000 250,000 Payments on long-term obligations under other financing arrangements (12,551) (6,779) Senior unsecured notes repurchased, including related expenses (8,998) — Proceeds from exercise of warrants 250,000 — Financing fees (1,065) (5,132) Dividends on preferred shares (1,065) (5,132) Dividends on preferred shares (17,719)	long-term debt		
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Changes in assets and liabilities (256,255) (17,295) Cash from operating activities 122,597 69,560 Financing activities: 8 (288,352) (63,579) Draws on credit facilities - 100,000 Fairfax Notes and warrants issued 250,000 250,000 Draws on long-term obligations under other financing arrangements - 42,700 Repayments on long-term obligations under other financing arrangements (12,551) (6,779) Senior unsecured notes repurchased, including related expenses (8,998) - Proceeds from exercise of warrants 250,000 - Financing fees (1,065) (5,132) Dividends on common shares (21,819) (9,326) Dividends on preferred shares (17,719) (16,566) Cash from financing activities (17,719) (16,566) Expenditures for vessels (1,541) (19,906) Short-term investments 2,426 104 Other assets (4,115) 2,791 Loans to affiliate - (333,581) C	<u>-</u>	(348)	(333)
Cash from operating activities 122,597 69,560 Financing activities: 88,352) (63,579) Draws on credit facilities — 100,000 Fairfax Notes and warrants issued 250,000 250,000 Draws on long-term obligations under other financing arrangements (12,551) (6,779) Repayments on long-term obligations under other financing arrangements (12,551) (6,779) Senior unsecured notes repurchased, including related expenses (8,998) — Proceeds from exercise of warrants 250,000 — Financing fees (1,065) (5,132) Dividends on common shares (21,819) (9,326) Dividends on preferred shares (17,719) (16,566) Cash from financing activities (17,719) (16,566) Short-term investments (2,426) 104 Other assets (4,115) 2,791 Loans to affiliate — (427) Acquisition of GCI — (333,581) Cash acquired from GCI acquisition — (333,581) Cash used in investing activities	Changes in assets and liabilities	(256,255)	(17,295)
Financing activities: (288,352) (63,579) Repayment of credit facilities — 100,000 Draws on credit facilities — 100,000 Fairfax Notes and warrants issued 250,000 250,000 Draws on long-term obligations under other financing arrangements — 42,700 Repayments on long-term obligations under other financing arrangements (12,551) (6,779) Senior unsecured notes repurchased, including related expenses (8,998) — Proceeds from exercise of warrants 250,000 — Financing fees (1,065) (5,132) Dividends on common shares (21,819) (9,326) Dividends on preferred shares (17,719) (16,566) Cash from financing activities 149,496 291,318 Investing activities 2,426 104 Other assets (4,115) 2,791 Loans to affiliate — (427) Acquisition of GCI — (333,581) Cash acquired from GCI acquisition — (70,121) Cash used in investing activities		122,597	69,560
Repayment of credit facilities (288,352) (63,579) Draws on credit facilities — 100,000 Fairfax Notes and warrants issued 250,000 250,000 Draws on long-term obligations under other financing arrangements — 42,700 Repayments on long-term obligations under other financing arrangements (12,551) (6,779) Senior unsecured notes repurchased, including related expenses (8,998) — Proceeds from exercise of warrants 250,000 — Financing fees (1,065) (5,132) Dividends on common shares (21,819) (9,326) Dividends on preferred shares (17,719) (16,566) Cash from financing activities 149,496 291,318 Investing activities: 2 1 Expenditures for vessels (1,541) (19,906) Short-term investments 2,426 104 Other assets (4,115) 2,791 Loans to affiliate — (427) Acquisition of GCI — (333,581) Cash acquired from GCI acquisition —			
Draws on credit facilities — 100,000 Fairfax Notes and warrants issued 250,000 250,000 Draws on long-term obligations under other financing arrangements — 42,700 Repayments on long-term obligations under other financing arrangements (12,551) (6,779) Senior unsecured notes repurchased, including related expenses (8,998) — Proceeds from exercise of warrants 250,000 — Financing fees (1,065) (5,132) Dividends on common shares (21,819) (9,326) Dividends on preferred shares (17,719) (16,566) Cash from financing activities 149,496 291,318 Investing activities: Expenditures for vessels (1,541) (19,906) Short-term investments 2,426 104 Other assets (4,115) 2,791 Loans to affiliate — (333,581) Cash acquired from GCI acquisition — (333,581) Cash acquired from GCI acquisition — 70,121 Cash used in investing activities (32,30) (280,898)			
Fairfax Notes and warrants issued 250,000 250,000 Draws on long-term obligations under other financing arrangements — 42,700 Repayments on long-term obligations under other financing arrangements (12,551) (6,779) Senior unsecured notes repurchased, including related expenses (8,998) — Proceeds from exercise of warrants 250,000 — Financing fees (1,065) (5,132) Dividends on common shares (21,819) (9,326) Dividends on preferred shares (17,719) (16,566) Cash from financing activities 149,496 291,318 Investing activities: Expenditures for vessels (1,541) (19,906) Short-term investments 2,426 104 Other assets (4,115) 2,791 Loans to affiliate — (427) Acquisition of GCI — (333,581) Cash acquired from GCI acquisition — 70,121 Cash used in investing activities (3,230) (280,898) Increase in cash, cash equivalents and restricted cash, beginning of period 371,396		(288,352)	, , ,
Draws on long-term obligations under other financing arrangements — 42,700 Repayments on long-term obligations under other financing arrangements (12,551) (6,779) Senior unsecured notes repurchased, including related expenses (8,998) — Proceeds from exercise of warrants 250,000 — Financing fees (1,065) (5,132) Dividends on common shares (21,819) (9,326) Dividends on preferred shares (17,719) (16,566) Cash from financing activities 149,496 291,318 Investing activities: — (1,541) (19,906) Short-term investments 2,426 104 Other assets (4,115) 2,791 Loans to affiliate — (427) Acquisition of GCI — (333,581) Cash acquired from GCI acquisition — 70,121 Cash acquired from GCI acquisition — 70,121 Cash used in investing activities (32,230) (280,898) Increase in cash, cash equivalents and restricted cash 268,863 79,980 Cash, cash equivalents and restricted cash, beginnin		_	
Repayments on long-term obligations under other financing arrangements (12,551) (6,779) Senior unsecured notes repurchased, including related expenses (8,998) — Proceeds from exercise of warrants 250,000 — Financing fees (1,065) (5,132) Dividends on common shares (21,819) (9,326) Dividends on preferred shares (17,719) (16,566) Cash from financing activities 149,496 291,318 Investing activities: Expenditures for vessels (1,541) (19,906) Short-term investments 2,426 104 Other assets (4,115) 2,791 Loans to affiliate — (427) Acquisition of GCI — (333,581) Cash acquired from GCI acquisition — (333,581) Cash used in investing activities (3,230) (280,888) Increase in cash, cash equivalents and restricted cash, beginning of period 371,396 267,236	Fairfax Notes and warrants issued	250,000	
Senior unsecured notes repurchased, including related expenses (8,998) — Proceeds from exercise of warrants 250,000 — Financing fees (1,065) (5,132) Dividends on common shares (21,819) (9,326) Dividends on preferred shares (17,719) (16,566) Cash from financing activities 349,496 291,318 Investing activities: Expenditures for vessels (1,541) (19,906) Short-term investments 2,426 104 Other assets (4,115) 2,791 Loans to affiliate — (427) Acquisition of GCI — (333,581) Cash acquired from GCI acquisition — (333,581) Cash used in investing activities (3,230) (280,898) Increase in cash, cash equivalents and restricted cash 268,863 79,980 Cash, cash equivalents and restricted cash, beginning of period 371,396 267,236	Draws on long-term obligations under other financing arrangements	_	42,700
Proceeds from exercise of warrants 250,000 — Financing fees (1,065) (5,132) Dividends on common shares (21,819) (9,326) Dividends on preferred shares (17,719) (16,566) Cash from financing activities 149,496 291,318 Investing activities: \$\text{Expenditures for vessels}\$ (1,541) (19,906) Short-term investments 2,426 104 Other assets (4,115) 2,791 Loans to affiliate — (427) Acquisition of GCI — (333,581) Cash acquired from GCI acquisition — 70,121 Cash used in investing activities (3,230) (280,898) Increase in cash, cash equivalents and restricted cash, beginning of period 371,396 267,236	Repayments on long-term obligations under other financing arrangements	(12,551)	(6,779)
Financing fees (1,065) (5,132) Dividends on common shares (21,819) (9,326) Dividends on preferred shares (17,719) (16,566) Cash from financing activities 149,496 291,318 Investing activities: \$\text{Expenditures for vessels}\$ (1,541) (19,906) Short-term investments 2,426 104 Other assets (4,115) 2,791 Loans to affiliate \$		(8,998)	_
Dividends on common shares (21,819) (9,326) Dividends on preferred shares (17,719) (16,566) Cash from financing activities 149,496 291,318 Investing activities: \$\text{Expenditures for vessels}\$ (1,541) (19,906) Short-term investments 2,426 104 Other assets (4,115) 2,791 Loans to affiliate \$	Proceeds from exercise of warrants	250,000	_
Dividends on preferred shares (17,719) (16,566) Cash from financing activities 149,496 291,318 Investing activities: \$\text{Expenditures for vessels}\$ (1,541) (19,906) Short-term investments 2,426 104 Other assets (4,115) 2,791 Loans to affiliate \$	Financing fees	(1,065)	(5,132)
Cash from financing activities 149,496 291,318 Investing activities: \$\text{Expenditures for vessels}\$ (1,541) (19,906) Short-term investments 2,426 104 Other assets (4,115) 2,791 Loans to affiliate \$-\$\text{C427}\$ Acquisition of GCI \$-\$\text{C333,581}\$ Cash acquired from GCI acquisition \$-\$\text{70,121}\$ Cash used in investing activities (3,230) (280,898) Increase in cash, cash equivalents and restricted cash 268,863 79,980 Cash, cash equivalents and restricted cash, beginning of period 371,396 267,236	Dividends on common shares	(21,819)	(9,326)
Investing activities: Expenditures for vessels Short-term investments Other assets (4,115) Loans to affiliate Acquisition of GCI Cash acquired from GCI acquisition Cash used in investing activities Increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of period Increase in cash, cash equivalents and restricted cash, beginning of period Increase in cash, cash equivalents and restricted cash, beginning of period Increase in cash, cash equivalents and restricted cash, beginning of period Increase in cash, cash equivalents and restricted cash, beginning of period	Dividends on preferred shares	(17,719)	(16,566)
Expenditures for vessels Short-term investments Cher assets Cher as	Cash from financing activities	149,496	291,318
Expenditures for vessels Short-term investments Cher assets Cher as	Investing activities		
Short-term investments 2,426 104 Other assets (4,115) 2,791 Loans to affiliate — (427) Acquisition of GCI — (333,581) Cash acquired from GCI acquisition — 70,121 Cash used in investing activities (3,230) Increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of period 268,863 79,980 Cash, cash equivalents and restricted cash, beginning of period	9	(1 E / 1)	(10,006)
Other assets(4,115)2,791Loans to affiliate—(427)Acquisition of GCI—(333,581)Cash acquired from GCI acquisition—70,121Cash used in investing activities(3,230)(280,898)Increase in cash, cash equivalents and restricted cash268,86379,980Cash, cash equivalents and restricted cash, beginning of period371,396267,236	<u>.</u>	• • • • • • • • • • • • • • • • • • • •	
Loans to affiliate—(427)Acquisition of GCI—(333,581)Cash acquired from GCI acquisition—70,121Cash used in investing activities(3,230)(280,898)Increase in cash, cash equivalents and restricted cash268,86379,980Cash, cash equivalents and restricted cash, beginning of period371,396267,236		•	
Acquisition of GCI — (333,581) Cash acquired from GCI acquisition — 70,121 Cash used in investing activities (3,230) (280,898) Increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of period 371,396 267,236		(4,113)	·
Cash acquired from GCI acquisition — 70,121 Cash used in investing activities (3,230) (280,898) Increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of period 371,396 267,236		_	, ,
Cash used in investing activities (3,230) (280,898) Increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of period 371,396 267,236	· · · · · · · · · · · · · · · · · · ·		,
Increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of period $ 371,396 \qquad 267,236 $	<u>.</u>	(2.220)	
Cash, cash equivalents and restricted cash, beginning of period 371,396 267,236	Cash used in investing activities	(3,230)	(200,090)
Cash, cash equivalents and restricted cash, beginning of period 371,396 267,236	Increase in cash, cash equivalents and restricted cash	268,863	79,980
	-	•	·

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the amounts shown in the consolidated statements of cash flows:

	March 31,			
		2019		2018
Cash and cash equivalents	\$	626,187	\$	333,156
Restricted cash included in other assets		14,072		14,060
Total cash, cash equivalents and restricted cash shown in the	-			
consolidated statements of cash flows	\$	640,259	\$	347,216

This release contains forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act) concerning Seaspan's operations, cash flows, and financial position, including, in particular, the likelihood of its success in developing and expanding its business. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "continue," "expects," "anticipates," "intends," "plans," "believes," "estimates," "projects," "forecasts," "will," "may," "potential," "should" and similar expressions are forward-looking statements. These forward-looking statements represent Seaspan's estimates and assumptions only as of the date of this release and are not intended to give any assurance as to future results. As a result, you are cautioned not to rely on any forward-looking statements. Forward-looking statements appear in a number of places in this release. Although these statements are based upon assumptions Seaspan believes to be reasonable based upon available information, they are subject to risks and uncertainties. These risks and uncertainties include, but are not limited to:

- future growth prospects and ability to expand Seaspan's business;
- Seaspan's expectations as to impairments of its vessels, including the timing and amount of currently anticipated impairments;
- the future valuation of Seaspan's vessels and goodwill;
- potential acquisitions, vessel financing arrangements and other investments, and Seaspan's expected risks and benefits from such transactions as well as the likelihood of consummating any such transaction;
- future time charters and vessel deliveries, including future long-term charters for certain existing vessels;
- estimated future capital expenditures needed to preserve the operating capacity of Seaspan's fleet including, its capital
 base, and comply with regulatory standards, its expectations regarding future dry-docking and operating expenses,
 including ship operating expense and general and administrative expenses;
- Seaspan's expectations about the availability of vessels to purchase, the time it may take to construct new vessels, the delivery dates of new vessels, the commencement of service of new vessels under long-term time charter contracts and the useful lives of its vessels;
- availability of crew, number of off-hire days and dry-docking requirements;
- general market conditions and shipping market trends, including charter rates, increased technological innovation in competing vessels and other factors affecting supply and demand;
- Seaspan's financial condition and liquidity, including its ability to borrow and repay funds under its credit facilities, to refinance its existing facilities and to obtain additional financing in the future to fund capital expenditures, acquisitions and other general corporate activities;
- Seaspan's continued ability to meet its current liabilities as they become due;
- Seaspan's continued ability to maintain, enter into or renew primarily long-term, fixed-rate time charters with its existing customers or new customers;
- the potential for early termination of long-term contracts and Seaspan's potential inability to enter into, renew or replace long-term contracts;
- the introduction of new accounting rules for leasing and exposure to currency exchange rates and interest rate fluctuations;
- conditions inherent in the operation of ocean-going vessels, including acts of piracy;
- acts of terrorism or government requisition of Seaspan's containerships during periods of war or emergency;
- adequacy of Seaspan's insurance to cover losses that result from the inherent operational risks of the shipping industry;
- lack of diversity in Seaspan's operations and in the type of vessels in its fleet;
- conditions in the public equity market and the price of Seaspan's shares;
- Seaspan's ability to leverage to its advantage its relationships and reputation in the containership industry;
- changes in governmental rules and regulations or actions taken by regulatory authorities, and the effect of governmental regulations on Seaspan's business;
- the financial condition of Seaspan's customers, lenders, and other counterparties and their ability to perform their obligations under their agreements with us;
- Seaspan's continued ability to meet specified restrictive covenants and other conditions in its financing and lease arrangements, its notes and its preferred shares;
- any economic downturn in the global financial markets and export trade and increase in trade protectionism and potential negative effects of any recurrence of such disruptions on Seaspan's customers' ability to charter Seaspan's vessels and pay for Seaspan's services;
- the value of Seaspan's vessels and other factors or events that trigger impairment assessments or results;
- taxation of Seaspan's earnings and of distributions to its shareholders;
- Seaspan's exemption from tax on U.S. source international transportation income;
- the ability to bring claims in China and Marshall Islands, where the legal systems are not well-developed;
- potential liability from future litigation; and

• other factors detailed from time to time in Seaspan's periodic reports.

Forward-looking statements in this release are estimates and assumptions reflecting the judgment of senior management and involve known and unknown risks and uncertainties. These forward-looking statements are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond Seaspan's control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, these forward-looking statements should be considered in light of various important factors listed above and including, but not limited to, those set forth in "Item 3. Key Information—D. Risk Factors" in Seaspan's Annual Report for the year ended December 31, 2018 on Form 20-F filed on March 26, 2019 and in the "Risk Factors" in Reports on Form 6-K that are filed with the Securities and Exchange Commission from time to time relating to its quarterly financial results.

Seaspan does not intend to revise any forward-looking statements in order to reflect any change in Seaspan's expectations or events or circumstances that may subsequently arise. Seaspan expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in Seaspan's views or expectations, or otherwise. You should carefully review and consider the various disclosures included in Seaspan's Annual Report and in Seaspan's other filings made with the Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that may affect Seaspan's business, prospects and results of operations.

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SOURCE Seaspan Corporation