

Global Ship Lease Reports Results for the Second Quarter of 2018

July 30, 2018

LONDON, July 30, 2018 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL), a containership charter owner, announced today its unaudited results for the three months and six months ended June 30, 2018.

Second Quarter and Year To Date Highlights

- Reported operating revenues of \$35.0 million for the second quarter 2018. Revenue for the six months ended June 30, 2018 was \$71.1 million
- Reported net income available to common shareholders of \$4.0 million for the second quarter 2018. For the six months ended June 30, 2018, net income was \$8.2 million
- Generated \$23.4 million of Adjusted EBITDA⁽¹⁾ for the second quarter 2018. Adjusted EBITDA for the six months ended June 30, 2018 was \$47.0 million
- Took delivery on June 18, 2018 of *GSL Valerie*, a 2005-built, 2,824 TEU containership. Shortly after delivery, the vessel commenced charter employment with CMA CGM for a period of 12 months at a fixed rate of \$9,000 per day.

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "Our fully contracted fleet of mid-sized and smaller containerships generated consistent cashflows from top-tier counterparties throughout the quarter. Our existing fleet of 18 vessels continued to operate in a highly stable and predictable manner. Further, we took delivery of our nineteenth ship, the *GSL Valerie*, on June 18, 2018, with pre-agreed charter employment with CMA CGM commencing on July 1. Global Ship Lease is in a strong position to continue benefitting from our substantial contracted revenues, established relationships with industry leaders, and ability to capitalize on attractive growth opportunities."

Mr. Webber added, "Despite concerns around global trade tensions, the charter rates and asset values for the mid-sized and smaller containership segments - which remain the focus of GSL's fleet - have continued to strengthen significantly in 2018 on the back of positive supply/demand fundamentals. We maintain our long-expressed thesis that these fleet segments hold the best upside prospects and continue to explore opportunities to grow our fleet on an accretive, highly disciplined basis for the benefit of our shareholders."

SELECTED FINANCIAL DATA – UNAUDITED

(thousands of U.S. dollars)

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Revenue	35,009	40,259	71,111	79,901
Operating Income	15,194	18,531	30,685	36,965
Net Income for Common Shareholders	4,020	6,824	8,212	13,618
Adjusted EBITDA (1)	23,367	28,072	47,014	56,106
Normalized Net Income (1)	4,020	7,344	8,212	14,138

(1) Adjusted EBITDA and Normalized net income are non-US Generally Accepted Accounting Principles (US GAAP) measures, as explained further in this press release, and are considered by Global Ship Lease to be useful measures of its performance. Reconciliations of such non-GAAP measures to the interim unaudited financial information are provided in this Earnings Release.

Revenue and Utilization

The *GSL Valerie* was delivered on June 18, 2018 and commenced a charter with CMA CGM on July 1, 2018. The remaining 18-vessel fleet generated revenue from fixed-rate, mainly long-term time, charters of \$35.0 million in the three months ended June 30, 2018, down \$5.3 million (or 13.2%) on revenue of \$40.3 million for the comparative period in 2017. The reduction in revenue is mainly due to lower rates on the renewals of the charters of (i) the 2002-built *Julie Delmas* and the 2003-built *Delmas Keta*, effective September 2017, (ii) the 2005-built *GSL Tianjin* effective October 2017 and January 2018 and (iii) the 2004-built *OOCL Qingdao* effective March 2018 with 21 fewer days offhire in the second quarter 2018. There were 1,651 ownership days in the quarter, up 13 from the comparative period in 2017 due to the delivery on the 2005-built *GSL Valerie*. The 21 days of offhire in the three months ended June 30, 2018 were mainly attributable to one scheduled dry-docking. With 13 days idle time for *GSL Valerie* pending her deployment on charter to CMA CGM on July 1, 2018, utilization was 97.9%. In the comparative period of 2017, there were 15 days of planned offhire for scheduled dry-dockings and 27 days of unplanned offhire, giving a utilization of 98.6%.

For the six months ended June 30, 2018, revenue was \$71.1 million, down \$8.8 million (or 11.0%) on revenue of \$79.9 million in the comparative period, mainly due to the factors noted above, offset by a reduction in total offhire from 92 days to 51 days.

The table below shows fleet utilization for the three and six months ended June 30, 2018 and 2017, and for the years ended December 31, 2017,

2016, 2015 and 2014.

Days	Three months ended		Six months ended		Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017				
Ownership days	1,651	1,638	3,271	3,258	6,570	6,588	6,893	6,270
Planned offhire - scheduled dry-dock	(18)	(15)	(31)	(62)	(62)	(100)	(9)	(48)
Unplanned offhire	(3)	(27)	(7)	(30)	(40)	(3)	(7)	(12)
Idle time	(13)	0	(13)	0	0	0	(13)	(64)
Operating days	1,617	1,596	3,220	3,166	6,468	6,485	6,864	6,146
Utilization	97.9%	97.4%	98.4%	97.2%	98.4%	98.4%	99.6%	98.0%

In the three months ended June 30, 2018, we completed one regulatory dry-docking. There have been a total of two regulatory dry-dockings year to date. No further regulatory dry-dockings are scheduled in 2018. Two dry-dockings were completed in the three months ended June 30, 2017, and one further dry-docking was substantially completed. There were a total of four dry-dockings in 2017.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, as well as bunker fuel when a vessel is offhire or without a charter, were \$10.2 million for the three months ended June 30, 2018. The average cost per ownership day in the quarter was \$6,174, compared to \$6,635 for the comparative period, down \$461 or 6.9%. The reduction is mainly for lower crew costs and the reversal of accruals for insurance deductibles.

For the six months ended June 30, 2018, vessel operating expenses were \$20.7 million, or an average of \$6,334 per day, compared to \$22.7 million in the comparative period, or \$6,531 per day, a reduction of 3.0%.

Depreciation

Depreciation for the three months ended June 30, 2018 was \$8.2 million, compared to \$9.5 million in the second quarter 2017, with the reduction being due to the effect of lower book values for a number of vessels following impairment write downs taken in 2017.

Depreciation for the six months ended June 30, 2018 was \$16.3 million, compared to \$19.1 million in the comparative period, with the reduction being due to the reason noted above.

General and Administrative Costs

General and administrative costs were \$1.5 million in the three months ended June 30, 2018, compared to \$1.3 million in the second quarter of 2017.

For the six months ended June 30, 2018, general and administrative costs were \$3.4 million, compared to \$2.6 million in the comparative period in 2017, with the increase being due to higher legal and professional fees, mainly in the three months ended March 31, 2018.

Other Operating Income

Other operating income in the three months ended June 30, 2018 was \$9,000, compared to \$6,000 in the second quarter of 2017.

For the six months ended June 30, 2018, other operating income was \$15,000, compared to \$48,000 in the comparative period.

Adjusted EBITDA

As a result of the above, Adjusted EBITDA was \$23.4 million for the three months ended June 30, 2018, down from \$28.1 million for the three months ended June 30, 2017, with the reduction being mainly due to lower revenue.

Adjusted EBITDA for the six months ended June 30, 2018 was \$47.0 million, compared to \$56.1 million for the comparative period, with the reduction again being mainly due to lower revenue.

Interest Expense

Debt at June 30, 2018 totaled \$404.8 million, comprising \$360.0 million outstanding on our 9.875% notes due 2022 and \$44.8 million under our secured term loan, both of which were closed in October 2017 as part of a re-financing. The net proceeds, together with cash on hand, were used to refinance our previous 10.000% notes due 2019. In addition, all outstanding borrowings under both the previous revolving credit facility and the previous secured term loan were repaid and terminated.

Debt at June 30, 2017 totaled \$404.0 million, comprised \$346.3 million outstanding on our previous 10.000% notes due 2019, and \$57.7 million outstanding under the revolving credit facility and the secured term loan.

Interest expense for the three months ended June 30, 2018, was \$10.7 million, compared to \$11.0 million for the three months ended June 30, 2017, with the reduction mainly due to the prior period including \$0.4 million premium paid in connection with the excess cashflow offer which retired \$19.5 million principal amount of our previous 10% notes in April 2017.

For the six months ended June 30, 2018, interest expense was \$21.5 million, compared to \$22.0 million for the six months ended June 30, 2017, with

the reduction mainly for the reason noted above.

Interest income for the three months ended June 30, 2018 was \$0.4 million, compared to \$0.1 million in the comparative quarter in 2017 on higher cash balances and increased interest rates.

Interest income for the six months ended June 30, 2018 was \$0.6 million, compared to \$0.2 million in the comparative period in 2017.

Taxation

Taxation for the three months ended June 30, 2018 was \$31,000, compared to \$6,000 in the second quarter of 2017.

Taxation for the six months ended June 30, 2018 was \$46,000, compared to \$16,000 for the comparative period in 2017.

Earnings Allocated to Preferred Shares

The Series B preferred shares, issued on August 20, 2014, carry a coupon of 8.75%, the cost of which for the three months ended June 30, 2018 was \$0.8 million, the same as in the comparative period. The cost was \$1.5 million in the six months ended June 30, 2018, again the same as in the comparative period.

Net Income Available to Common Shareholders

Net income available to common shareholders for the three months ended June 30, 2018 was \$4.0 million, compared to \$6.8 million in the second quarter 2017.

Normalized net income was the same as that reported at \$4.0 million for the three months ended June 30, 2018, compared to \$7.3 million in the second quarter of 2017, which excludes the premium paid on the purchase of our previous 10% notes in April 2017 under the excess cashflow offer and associated charges.

Net income available to common shareholders was \$8.2 million for the six months ended June 30, 2018, compared to \$13.6 million in the comparative period. Normalized net income for the six months ended June 30, 2018, was the same as reported. Normalized net income for the six months ended June 30, 2017, which excludes the premium paid and associated charges in connection with the excess cashflow offer, was \$14.1 million.

Fleet

The following table provides information about the on-the-water fleet of 19 vessels as at June 30, 2018. As of the date of this release, 17 vessels are chartered to CMA CGM, and two are chartered to OOCL.

Vessel Name	Capacity in TEUs ⁽¹⁾	Year Built	Purchase by GSL	Remaining Charter Term ⁽²⁾ (years)	Earliest Charter Expiry Date	Daily Charter Rate \$
CMA CGM Matisse	2,262	1999	Dec 2007	1.5	Sept 21, 2019	15,300
CMA CGM Utrillo	2,262	1999	Dec 2007	1.4	Sept 11, 2019	15,300
Delmas Keta	2,207	2003	Dec 2007	0.2	Aug 6, 2018	7,800
Julie Delmas	2,207	2002	Dec 2007	0.2	Jul 28, 2018	7,800
Kumasi	2,207	2002	Dec 2007	0.5 – 2.5 ⁽³⁾	Nov 16, 2018	9,800
Marie Delmas	2,207	2002	Dec 2007	0.5 - 2.5 ⁽³⁾	Nov 16, 2018	9,800
CMA CGM La Tour	2,272	2001	Dec 2007	1.5	Sept 20, 2019	15,300
CMA CGM Manet	2,272	2001	Dec 2007	1.4	Sept 7, 2019	15,300
CMA CGM Alcazar	5,089	2007	Jan 2008	2.6	Oct 18, 2020	33,750
CMA CGM Château d'If	5,089	2007	Jan 2008	2.5	Oct 11, 2020	33,750
CMA CGM Thalassa	11,040	2008	Dec 2008	7.5	Oct 1, 2025	47,200
CMA CGM Jamaica	4,298	2006	Dec 2008	4.5	Sept 17, 2022	25,350
CMA CGM Sambhar	4,045	2006	Dec 2008	4.5	Sept 16, 2022	25,350
CMA CGM America	4,045	2006	Dec 2008	4.5	Sept 19, 2022	25,350
CMA CGM Berlioz	6,621	2001	Aug 2009	3.2	May 28, 2021	34,000
GSL Tianjin	8,063	2005	Oct 2014	0.4	Sept 26, 2018	11,900
OOCL Qingdao	8,063	2004	Mar 2015	0.6	Jan 1, 2019	14,000
OOCL Ningbo	8,063	2004	Sep 2015	0.3	Sep 17, 2018	34,500
GSL Valerie	2,824	2005	Jun 2018	1.00	Jun 1, 2019	9,000

(1) Twenty-foot Equivalent Units.

(2) Plus or minus 90 days, other than (i) Julie Delmas and Delmas Keta which are plus or minus 45 days, (ii) Kumasi and Marie Delmas see footnote 3 below, (iii) GSL Tianjin which is now between September 26, 2018 and January 26, 2019, (iv) OOCL Qingdao which is now between January 1, 2019 and March 15, 2019, (v) OOCL Ningbo which is between September 17, 2018 and December 17, 2018, and (vi) GSL Valerie which is between June 1, 2019 and July 31, 2019, all at charterer's option.

(3) The charters for Kumasi and Marie Delmas were amended in July 2016 to, inter alia, provide us with three consecutive options to extend the charters at \$9,800 per day. The first of these options was exercised in July 2017, extending the charters to end 2018. The two remaining options allow us to extend the charters to December 31, 2020 plus or minus 90 days at charterer's option. The earliest possible re-delivery date, not taking into account our remaining options, is shown in the table.

Conference Call and Webcast

Global Ship Lease will hold a conference call to discuss the Company's results for the three months ended June 30, 2018 today, Monday July 30, 2018 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

(1) Dial-in: (877) 445-2556 or (908) 982-4670; Passcode: 6279789

Please dial in at least 10 minutes prior to 10:30 a.m. Eastern Time to ensure a prompt start to the call.

(2) Live Internet webcast and slide presentation: <http://www.globalshiplease.com>

If you are unable to participate at this time, a replay of the call will be available through Wednesday, August 15, 2018 at (855) 859-2056 or (404) 537-3406. Enter the code 6279789 to access the audio replay. The webcast will also be archived on the Company's website: <http://www.globalshiplease.com>.

Annual Report on Form 20F

Global Ship Lease, Inc has filed its Annual Report for 2017 with the Securities and Exchange Commission. A copy of the report can be found under the Investor Relations section (Annual Reports) of the Company's website at <http://www.globalshiplease.com>. Shareholders may request a hard copy of the audited financial statements free of charge by contacting the Company at info@globalshiplease.com or by writing to Global Ship Lease, Inc, care of Global Ship Lease Services Limited, Portland House, Stag Place, London SW1E 5RS or by telephoning +44 (0) 207 869 8806.

About Global Ship Lease

Global Ship Lease is a containership charter owner. Incorporated in the Marshall Islands, Global Ship Lease commenced operations in December 2007 with a business of owning and chartering out containerships under mainly long-term, fixed-rate charters to top tier container liner companies.

As of July 1, 2018, Global Ship Lease owned 19 vessels with a total capacity of 85,136 TEU and an average age, weighted by TEU capacity, of 13.5 years. All 19 vessels are fixed on time charters, 17 of which are with CMA CGM. The average remaining term of the charters at July 1, 2018 was 2.4 years or 2.7 years on a weighted basis.

Reconciliation of Non-U.S. GAAP Financial Measures

A. Adjusted EBITDA

Adjusted EBITDA represents net income before interest income and expense including amortization of deferred finance costs, realized and unrealized gain (loss) on derivatives, income taxes, depreciation and amortization. Adjusted EBITDA is a non-US GAAP quantitative measure used to assist in the assessment of the Company's ability to generate cash from its operations. We believe that the presentation of Adjusted EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Adjusted EBITDA is not defined in US GAAP and should not be considered to be an alternate to Net income or any other financial metric required by such accounting principles.

ADJUSTED EBITDA - UNAUDITED

(thousands of U.S. dollars)

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Net income available to Common Shareholders	4,020	6,824	8,212	13,618
Adjust:				
Depreciation	8,173	9,541	16,329	19,141
Interest income	(351)	(90)	(620)	(183)
Interest expense	10,729	11,026	21,516	21,983
Income tax	31	6	46	16
Earnings allocated to preferred shares	765	765	1,531	1,531
Adjusted EBITDA	<u>23,367</u>	<u>28,072</u>	<u>47,014</u>	<u>56,106</u>

B. Normalized net income

Normalized net income represents net income adjusted for the premium paid on the tender offer together with the related accelerated amortization of

deferred financing costs and original issue discount. Normalized net income is a non-GAAP quantitative measure which we believe will assist investors and analysts who often adjust reported net income for non-operating items that do not affect operating performance or operating cash generated. Normalized net income is not defined in US GAAP and should not be considered to be an alternate to net income or any other financial metric required by such accounting principles.

NORMALIZED NET INCOME - UNAUDITED

(thousands of U.S. dollars)

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Net income available to Common Shareholders	4,020	6,824	8,212	13,618
Adjust:				
Gain on purchase of Notes	---	---	---	---
Premium paid on tender offer for Notes	---	390	---	390
Accelerated write off of deferred financing charges related to purchase and tender offer	---	61	---	61
Accelerated write off of original issue discount related to purchase and tender offer	---	69	---	69
Normalized net income	4,020	7,344	8,212	14,138

Safe Harbor Statement

This communication contains forward-looking statements. Forward-looking statements provide Global Ship Lease's current expectations or forecasts of future events. Forward-looking statements include statements about Global Ship Lease's expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "will" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. These forward-looking statements are based on assumptions that may be incorrect, and Global Ship Lease cannot assure you that these projections included in these forward-looking statements will come to pass. Actual results could differ materially from those expressed or implied by the forward-looking statements as a result of various factors.

The risks and uncertainties include, but are not limited to:

- future operating or financial results;
- expectations regarding the strength of future growth of the container shipping industry, including the rates of annual demand and supply growth;
- the financial condition of CMA CGM (the company's principal charterer and main source of operating revenue) and other charterers and their ability to pay charterhire in accordance with the charters;
- the overall health and condition of the U.S. and global financial markets;
- Global Ship Lease's financial condition and liquidity, including its ability to obtain additional financing to fund capital expenditures, vessel acquisitions and for other general corporate purposes and its ability to meet its financial covenants and repay its borrowings;
- Global Ship Lease's expectations relating to dividend payments and forecasts of its ability to make such payments including the availability of cash and the impact of constraints under its first priority secured notes;
- future acquisitions, business strategy and expected capital spending;
- operating expenses, availability of key employees, crew, number of off-hire days, dry-docking and survey requirements, costs of regulatory compliance, insurance costs and general and administrative costs;
- general market conditions and shipping industry trends, including charter rates and factors affecting supply and demand;
- assumptions regarding interest rates and inflation;
- change in the rate of growth of global and various regional economies;
- risks incidental to vessel operation, including piracy, discharge of pollutants and vessel accidents and damage including total or constructive total loss;
- estimated future capital expenditures needed to preserve Global Ship Lease's capital base;
- Global Ship Lease's expectations about the availability of vessels to purchase, the time that it may take to construct new vessels, or the useful lives of its vessels;
- Global Ship Lease's continued ability to enter into or renew charters including the re-chartering of vessels on the expiry of existing charters, or to secure profitable employment for its vessels in the spot market;
- the continued performance of existing charters;
- Global Ship Lease's ability to capitalize on management's and directors' relationships and reputations in the containership industry to its advantage;
- changes in governmental and classification societies' rules and regulations or actions taken by regulatory authorities;
- expectations about the availability of insurance on commercially reasonable terms;

- unanticipated changes in laws and regulations; and
- potential liability from future litigation.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Global Ship Lease's actual results could differ materially from those anticipated in forward-looking statements for many reasons specifically as described in Global Ship Lease's filings with the SEC. Accordingly, you should not unduly rely on these forward-looking statements, which speak only as of the date of this communication. Global Ship Lease undertakes no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this communication or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks Global Ship Lease describes in the reports it will file from time to time with the SEC after the date of this communication.

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Income

(Expressed in thousands of U.S. dollars except share data)

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Operating Revenues				
Time charter revenue	\$ 4,382	\$ 9,341	\$ 10,108	\$ 18,578
Time charter revenue – related party	<u>30,627</u>	<u>30,918</u>	<u>61,003</u>	<u>61,323</u>
	<u>35,009</u>	<u>40,259</u>	<u>71,111</u>	<u>79,901</u>
Operating Expenses				
Vessel operating expenses	9,979	10,468	20,183	20,478
Vessel operating expenses – related party	214	400	536	800
Depreciation	8,173	9,541	16,329	19,141
General and administrative	1,458	1,325	3,393	2,565
Other operating income	<u>(9)</u>	<u>(6)</u>	<u>(15)</u>	<u>(48)</u>
Total operating expenses	<u>19,815</u>	<u>21,728</u>	<u>40,426</u>	<u>42,936</u>
Operating Income	15,194	18,531	30,685	36,965
Non Operating Income (Expense)				
Interest income	351	90	620	183
Interest expense	<u>(10,729)</u>	<u>(11,026)</u>	<u>(21,516)</u>	<u>(21,983)</u>
Income before Income Taxes	4,816	7,595	9,789	15,165
Income taxes	<u>(31)</u>	<u>(6)</u>	<u>(46)</u>	<u>(16)</u>
Net Income	\$ 4,785	\$ 7,589	\$ 9,743	\$ 15,149
Earnings allocated to Series B Preferred Shares	<u>(765)</u>	<u>(765)</u>	<u>(1,531)</u>	<u>(1,531)</u>
Net Income available to Common Shareholders	<u>\$ 4,020</u>	<u>\$ 6,824</u>	<u>\$ 8,212</u>	<u>\$ 13,618</u>

Earnings per Share

Weighted average number
of Class A common shares
outstanding

Basic (including RSUs without service conditions)	48,109,734	47,975,609	48,060,010	47,975,609
Diluted	48,405,263	47,975,609	48,326,339	47,975,609

Net income per Class A
common share

Basic (including RSUs without service conditions)	\$ 0.08	\$ 0.14	\$ 0.17	\$ 0.28
Diluted	\$ 0.08	\$ 0.14	\$ 0.17	\$ 0.28

Weighted average number
of Class B common shares
outstanding

Basic and diluted	7,405,956	7,405,956	7,405,956	7,405,956
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Net income per Class B
common share

Basic and diluted	\$ nil	\$ nil	\$ nil	\$ nil
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Global Ship Lease, Inc.

Interim Unaudited Consolidated Balance Sheets
(Expressed in thousands of U.S. dollars)

	June 30, 2018	December 31, 2017
Assets		
Cash and cash equivalents	\$ 69,599	\$ 73,266
Accounts receivable	-	72
Due from related party	1,518	1,932
Prepaid expenses	2,671	918
Other receivables	119	458
Inventory	<u>2,608</u>	<u>742</u>
Total current assets	<u>76,515</u>	<u>77,388</u>
Vessels in operation	595,318	597,779
Other fixed assets	7	10
Intangible assets	<u>3</u>	<u>7</u>
Total non-current assets	<u>595,328</u>	<u>597,796</u>
Total Assets	\$ <u>671,843</u>	\$ <u>675,184</u>

Liabilities and Stockholders' Equity

Liabilities

Current portion of long term debt	40,000	40,000
Intangible liability – charter agreements	1,771	1,771
Deferred revenue	1,668	2,178
Accounts payable	478	1,486
Due to related party	1,909	2,813
Accrued expenses	7,794	8,788
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Total current liabilities	53,620	57,036
	<hr/>	<hr/>
Long term debt	350,932	358,515
Intangible liability – charter agreements	7,125	8,011
Deferred tax liability	27	17
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Total long term liabilities	358,084	366,543
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Total Liabilities	\$ 411,704	\$ 423,579
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Commitments and contingencies	-	-
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Stockholders' Equity		
Class A Common stock – authorized 214,000,000 shares with a \$0.01 par value; 47,609,734 shares issued and outstanding (2017 – 47,609,734)		
	\$ 476	\$ 476
Class B Common stock – authorized 20,000,000 shares with a \$0.01 par value; 7,405,956 shares issued and outstanding (2017 – 7,405,956)		
	74	74
Series B Preferred shares – authorized 16,100 shares with \$0.01 par value; 14,000 shares issued and outstanding (2017 – 14,000)		
	-	-
Additional paid in capital	387,070	386,748
Accumulated deficit	(127,481)	(135,693)
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Total Stockholders' Equity	260,139	251,605
	<hr/>	<hr/>
Total Liabilities and Stockholders' Equity	\$ 671,843	\$ 675,184
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Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. dollars)

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Cash Flows from Operating Activities				
Net income	\$ 4,785	\$ 7,589	\$ 9,743	\$ 15,149

Adjustments to Reconcile Net income to Net Cash

Provided by Operating Activities

Depreciation	8,174	9,541	16,330	19,141
Amortization of deferred financing costs	986	885	2,015	1,775
Amortization of original issue discount	200	343	401	625
Amortization of intangible liability	(443)	(452)	(886)	(904)
Share based compensation	45	-	90	-
(Increase) decrease in accounts receivable and other assets	(232)	382	(1,336)	(199)
(Increase) in inventory	(83)	(73)	(1,866)	(121)
(Decrease) increase in accounts payable and other liabilities	(10,078)	8,800	(2,228)	(748)
(Decrease) increase in unearned revenue	(198)	330	(510)	758
(Decrease) increase in related party balances	(2,937)	580	(1,099)	628
Unrealized foreign exchange (gain) loss	(6)	-	(2)	6
	<u>213</u>	<u>27,925</u>	<u>20,652</u>	<u>36,110</u>

Cash Flows from Investing Activities

Cash paid for vessel improvements	-	(100)	(150)	(100)
Cash paid for vessels	(10,283)	-	(11,411)	-
Cash paid for other assets	-	(8)	-	(8)
Cash paid for drydockings	(854)	(2,211)	(1,227)	(3,931)
	<u>(11,137)</u>	<u>(2,319)</u>	<u>(12,788)</u>	<u>(4,039)</u>

Cash Flows from Financing Activities

Repurchase of secured notes	-	(19,501)	-	(19,501)
Repayment of credit facilities	(10,000)	(2,925)	(10,000)	(5,850)
Series B Preferred Shares – dividends paid	(765)	(765)	(1,531)	(1,531)
	<u>(10,765)</u>	<u>(23,191)</u>	<u>(11,531)</u>	<u>(26,882)</u>

Net (Decrease) increase in Cash and Cash Equivalents

	(21,689)	2,415	(3,667)	5,189
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Cash and Cash Equivalents at Start of Period

	<u>91,288</u>	<u>57,017</u>	<u>73,266</u>	<u>54,243</u>
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Cash and Cash Equivalents at End of Period

	<u>\$ 69,599</u>	<u>\$ 59,432</u>	<u>\$ 69,599</u>	<u>\$ 59,432</u>
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Supplemental information

Total interest paid	\$ 19,289	\$ 746	\$ 19,937	\$ 19,678
Income tax paid	<u>\$ 16</u>	<u>\$ 10</u>	<u>\$ 28</u>	<u>\$ 24</u>

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GLOBAL SHIP LEASE

Source: Global Ship Lease, Inc.