Annual Report 2021

BELSHIPS

Contents

FINANCIAL CALENDAR 2022

Annual General Meeting	6 May
Result for the 1st quarter	12 May
Result for the 2nd quarter	17 August
Result for the 3rd quarter	10 November

Growth and strong markets lead to record results

We are pleased to present you with Belships' new annual report together with our ESG report for 2021. It reflects an eventful year with continued growth and record financial results for our companies.

As the world's economies rebounded from the previous year's shutdown, dry bulk markets rallied, and we recorded the highest rates in a decade for dry bulk vessels. Despite the continued challenges with the pandemic, we have been able to keep our vessels running safely and without any material incidents. Seafarers continued to endure difficult conditions as travel restrictions remain a hindrance for effective and timely crew changes. We stand together with a united industry calling on increased awareness and action from governments.

The needs for food, energy, materials and produced goods are what drives the demand for raw materials. Dry bulk shipping is at the heart of this global trade and the world economy is highly dependent on the efficient transportation of these goods at sea.

Belships entered the year with a larger part of the fleet than usual in the spot market and was therefore able to capitalise on a rising market. We completed an equity issue early on and quickly put the funds to work with a series of vessel acquisitions. In total we acquired 11 new bulk carriers during the year whilst divesting the seven oldest and non-eco vessels. This led to a rapid and effective modernisation and we today operate the most modern fleet of eco-vessels within our segment.

In sum these transactions influenced our cash holdings marginally as new shares issued and cash realised from divestments financed the growth. We also announced a new dividend policy in 2021 with the aim to distribute quarterly cash dividends targeting about 50 per cent of net results. Capital discipline remains fundamentally important to our strategy, and with a robust contract coverage we are set up to endure volatility in market conditions.

Over the last two years we have expanded the Lighthouse Group and last year was the first full year of operations for all offices which includes Bangkok, Oslo, Singapore and Melbourne. Our operating business is on a solid platform and delivered a record financial result.

The environmental impact of shipping is something we take seriously, and we support initiatives to reduce the carbon footprint from the maritime industry. It is encouraging that we continue to make progress and achieve results from the modernisation of our fleet. We have also initiated studies into new vessel designs and alternative fuels which we are hopeful can improve the sustainability of our shipping transportation business in the future.

With the start of a new year, a new crisis dawned on us, and the invasion in Ukraine has brought war to Europe not seen in a generation. Though Belships is not directly affected by the conflict, we are deeply concerned about the developments and potential consequences.

Shipping, and dry bulk in particular, displays promising supply/demand prospects. Belships is well positioned as a fully integrated shipowning company stocklisted in Oslo. Together with our subsidiaries engaged in dry bulk operating and technical management, we specialise within the segment of geared bulk carriers. Our owned fleet now counts 27 Supramax and Ultramax vessels with an average age of 3.7 years.

We firmly believe good corporate governance and transparency creates a more valuable business. Our goal is to create value out of shipowning, and to return capital competitively over time.

We look forward to serving you and navigate towards the next milestone

Peter Frølich
Chairman of the Board

Lars Christian Skarsgård
Chief Executive Officer

Highlights 2021 - 2022

Proven ability to execute growth strategy

11 x Vessel acquisitions
Entered into agreements to acquire 11 modern bulk carriers

Commercial platform expanded
Lighthouse Navigation now operates from Oslo, Bangkok, Singapore and Melbourne

Refinanced loan facility
Financing secured until Q2 2027 at L+225 bps

Ship management
Continued growth in number of ships under technical management to 27 in total

Fleet renewal
Divestment of the seven oldest vessels in the fleet

Dividend distribution
NOK 1.85 per share

Equity issues
25 mill shares issued including ship-for-share transactions

Owned fleet
21 → 27

Market capitalisation increase
USD 170m → USD 530m

Key financial figures

Consolidated

As at 31 December USD 1 000		Footnote	Consolidated 2021	2020
OPERATING STATEMENT				
Operating income			**650 674**	165 362
EBITDA		1	**178 279**	23 986
EBIT		2	**160 829**	-4 623
Net result before tax			**142 130**	-17 160
Net result for the year			**133 422**	-17 743
BALANCE SHEET				
Non-current assets			**599 673**	388 802
Current assets			**197 961**	75 677
Total assets			**797 634**	464 479
Equity			**272 919**	150 017
Non-current liabilities			**414 638**	250 084
Current liabilities			**110 077**	64 378
Total equity and liabilities			**797 634**	464 479
KEY FINANCIAL FIGURES				
Cash and cash equivalents			**105 389**	34 190
EBITDA		1	**178 279**	23 986
Interest expenses			**15 881**	13 668
Interest coverage ratio		3	**10.13**	-0.34
Current ratio		4	**1.80**	1.18
Net profit ratio		5	**0.21**	-0.11
EQUITY				
Share capital as at 31 December			**59 466**	53 617
Equity ratio		6	**0.34**	0.32
Return on total assets	%	7	**19.81**	-0.75
Return on equity	%	8	**48.89**	-11.83
KEY FIGURES SHARES				
Market price as at 31 December	USD		**1.60**	0.74
Market price as at 31 December	NOK		**14.10**	6.30
Number of shares as at 31 December			**253 136 666**	228 175 404
Diluted average number of shares (excluding treasury shares)			**250 609 708**	227 490 765
Equity per share	USD	9	**1.08**	0.66
Earnings per share	USD		**0.53**	-0.08
EBITDA per share	USD		**0.71**	0.11
Price/earnings ratio		10	**3.00**	-9.47
Price/book ratio		11	**4.67**	2.29
Price/EBITDA ratio			**2.25**	7.00

DEFINITION OF NON-IFRS FINANCIAL MEASURES

The Group's financial information is prepared in accordance with international financial reporting standards ("IFRS") as adopted by the European Union. In addition, it is the management's intention to provide alternative performance measures that are regularly reviewed by management to enhance the understanding of the Group's performance, but not instead of, the financial statements prepared in accordance with IFRS. The alternative performance measures presented may be determined or calculated differently by other companies.

The alternative performance measures are intended to enhance comparability of the results and to give supplemental information to the users of the Group's external reporting.

1) **EBITDA** — is the earnings before interest, taxes, depreciation and amortizations
2) **EBIT** — is the earnings before interest and taxes. It can be calculated by the result before tax added by the interest
3) **Interest coverage ratio** — is equal to earnings before interest and taxes (EBIT), divided by interest expenses
4) **Current ratio** — is defined as total current assets, divided by total current liabilities
5) **Net profit ratio** — is defined as result after taxes, divided by operating income
6) **Equity ratio** — is equal to shareholders' equity including non-controlling interest, divided by total assets
7) **Return on total assets** — is defined as result before taxes adjusted for interest expenses, divided by total capital
8) **Return on equity** — is defined as net result for the year, divided by equity
9) **Equity per share** — is defined as total equity, divided by number of issued shares at end of period
10) **Price/earnings ratio** — is defined as market price of share, divided by earnings per share
11) **Price/book ratio** — is defined as market price of share, divided by equity per share

Time charter equivalent (TCE) – is defined as freight revenues less voyage expenses divided by the number of available on-hire days.

Belships ASA
Group Figures 2021

Belships ASA is a fully integrated ship owner and operator with low costs and competitive financing. The company is listed on the Oslo exchange main list. We have a modern fleet of geared bulk carriers in the Supramax and Ultramax segment. All services and key functions are in-house and run by a management team with proven operational track record.

Operating income
650.7
mUSD

EBITDA
178.3
mUSD

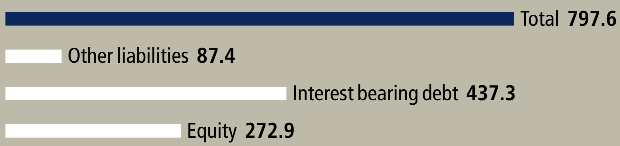
Net result
133.4
mUSD

Cash break-even 2021 about
10 500
USD per shipday

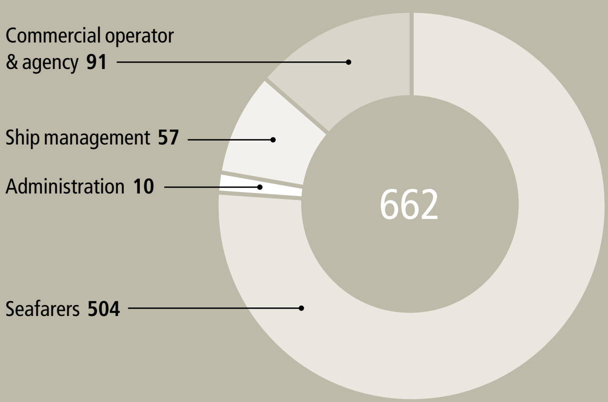
Financial highlights
Consolidated balance sheet as per December 31, 2021 ($ million)

Assets

Equity and liabilities



Employees



Sailed distance
1 060 000
Nautical miles

Number of shipdays
8 000

Average fleet age
3.7 years

Operational structure

BELSHIPS

SHIPOWNING	COMMERCIAL OPERATIONS	TECHNICAL & CREWING
27x Supra/Ultramax bulk carriers Head office in Oslo Founded in 1918, stock listed since 1937	Commercial management and operating business through Lighthouse Navigation (50.01%) Lighthouse engages in cargo trading, liner services and agency Founded in 2009	Belships Management (Singapore) performs complete technical and crew management Founded in 1983

Offices

- HQ — Oslo
- Commercial operations — Bangkok, Oslo, Singapore, Melbourne
- Technical management — Singapore, Shanghai
- Crewing — Tianjin (PRC), Myanmar, Philippines

Lighthouse Navigation
Commercial operations

Lighthouse Navigation is the commercial arm of Belships ASA providing chartering and operations with a long track record of positive results. The commercial operations and operating activities have expanded and is now present in Bangkok, Oslo, Singapore and Melbourne.

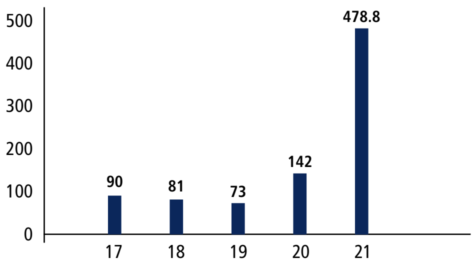
Lighthouse Navigation has its roots and experience tracing back to the 1990s and the senior management founded the company together with Mr. Frode Teigen in 2009. Following the merger with Belships ASA in 2018 the company has since been the integrated commercial platform of the group.

Lighthouse Naviation works with a wide range of international charterers, exporters/importers, and traders who engage in the freight markets for dry cargo. We offer freight backing for cargo tenders and provide logistical advice to trading houses and industrial groups. The annual volume carried is about 10 million tonnes, and the annual turnover exceeded USD 140 million. The company is represented in Bangkok, Oslo, Singapore and Melbourne and serves customers on a world-wide basis. Lighthouse Navigation provides commercial management for the vessels owned by Belships ASA, but also for clients outside the group. As a subsidiary of Lighthouse since 2010, Orient Asia Lines BV (OAL) manages a liner operation offering a regular service from South East Asia to the Middle East and the Eastern Mediterranean. OAL specialise in the carriage of forestry products, such as sawn timber, wood pulp and paper, plywood and medium density fibreboard (MDF). Orient Asia Lines also carries project cargoes, steels and machineries. Siam Thara Agency Co., Ltd established in January 2014, is also controlled by Lighthouse Navigation. Siam Thara Agency offers comprehensive advice on ports, logistics and commodities both on the export and import fronts in Thailand and is considered leading a leading agent. Lighthouse Navigation is a dynamic organisation which aims to continue growing in order to develop new business and operations for parcel and commodity trades.

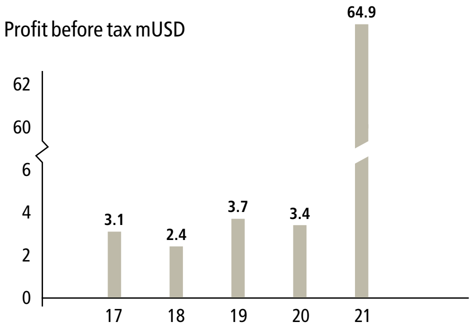
Revenue and profit

Strong financial development and a profitable track record

Revenue mUSD



Profit before tax mUSD



EBITDA 2021

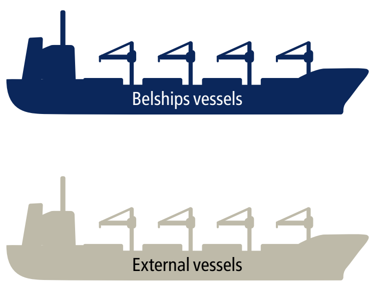
64.1 mUSD

Employees

91

Average number of vessels operated, 2021

87



22

65

Belships Management
Ship management

Belships Management has provided crewing and technical management from its head office in Singapore since its inception in 1983. Our ship management services create a competitive advantage for its clients through competency, cost control and quality of vessel maintenance standards. Belships Management has Belships ASA, Ultrabulk and Sumisho Marine, a subsidiary of the Sumitomo Group, as clients.

Belships Management sources qualified seafarers mainly from China, Myanmar and the Philippines. The high retention rate amongst our officers and crew allows us to train and develop our seafarers and knowledge pool to provide consistency and quality for vessels under management.

Building on more than 35 years of history since foundation Belships Management has experience in management of most ship types including bulk carriers, oil/product tankers, container vessels and car carriers. We also offer our experience in other services that include newbuilding supervision, sale and purchase inspection and project work which recently has involved in retrofitting new equipment to existing vessels. The company also provides agency and husbandry services for ships calling the port of Singapore.

Development

1983 Incorporated under the name Northsouth Shipmanagement

1993 First company in Singapore with SEP and ISO 9002 certification by DNV GL

2001 Opening office in Shanghai (PRC)

2006 Opening offices in the Philippines

2018 Attained Document of Compliance for NIS flag to manage the nine Lighthouse ships joining the Belships fleet.

Technical ships

30

Crewing ships

31

Crew retention

82 %

35 + yrs.

Compliance

The Belships Management System is in compliance with the requirements of

- ISM Code
- ISO9001:2015
- ISO 14001:2018
- OHSAS 18001:2007
- MLC 2006
- DOC for Norwegian Flag vessels
- We are certified by Class NK


NO SMOKING
SAFETY FIRST


BELTRADER

At Belships, we strive for a sustainable and resilient business

Our approach to Environmental, Social and Governance (ESG) is to ensure that our business practices and investments are sustainable

OUR SUSTAINABILITY POLICY AND PRIORITIES

We work proactively to ensure that ESG factors are considered in everything we do, and we have established policies and procedures to ensure consistent ESG management and risk mitigation. Our sustainability policy sets out our ESG approach, priorities, and ambitions. The policy has been approved by the Board of Directors. Belships has assessed ESG topics that are most material to our industry and the company, and our priorities are linked to:

Environment

- **Reducing emissions**
- **Energy efficiency**

Social

- **Health and safety**
- **Covid-19**
- **Human rights and labour rights**
- **Diversity**
- **Training and development**

Governance

- **Anti-corruption**
- **Data security and privacy**
- **Sustainable procurement**

MEETING INTERNATIONALLY RECOGNIZED SUSTAINABILITY REPORTING STANDARDS

Belships produces an annual sustainability report[1] that can be read in conjunction with this ESG summary. The Belships' Sustainability Report meets the disclosure requirements of the Sustainability Accounting Standards Board (SASB) Marine Transportation Standard (2018) and the Norwegian Shipowners Association's (Norges Rederiforbund) Guidelines for ESG Reporting in the Shipping and Offshore Industries.

Environment

Belships is committed to continuously improving energy efficiency, meeting its GHG reduction obligations and satisfying all other requirements related to the environment. Investments in new vessels, low average fleet age and deployment of technology means we have best in class efficiency and environmental performance. Belships' fleet will be compliant with IMO EEXI regulation coming into force 2023 without major CAPEX requirement. Belships' environmental management system is independently certified to the international standard ISO 14001 and is implemented in conjunction with the international quality standard ISO 9001:2000.

GHG EMISSIONS

Growing awareness, increasing customer expectations, and increasing regulations concerning climate change make our response to this issue a fundamental priority. Belships' fleet is modern with an average age of 3.7 years. Over the last three years, Belships has completely modernized its fleet and we have phased out all 'non-eco' design vessels. Carbon intensity indices have been calculated for each vessel in our fleet. Belships' fleet will be compliant with IMO EEXI coming into force in 2023 without major CAPEX spending nor speed reductions.

EMISSIONS PERFORMANCE

In 2021, our scope 1 GHG emission were 309 000 metric tonnes carbon dioxide equivalents (CO2e), measured using a financial control approach (2020: 280 000). The 10 per cent increase in emissions in 2021 was primarily a result of our fleet growth and increased distance travelled. Despite increases in overall CO2e emissions, Belships continues to see a positive development in energy efficiency, and the AER decreased by 5 per cent in 2021. Belships' fleet is burning IMO 2020 compliant fuels and we have no scrubbers in operation.

All emissions data is verified by DNV.

	2021	2020
EMISSIONS		
GHG emissions (tonnes CO_2e)	**309 000**	280 000
SO_x (tonnes)	**738**	847
NO_x (tonnes)	**6 319**	6 981
PM (tonnes)	**359**	503
EMISSION INDICES [2]		
EEOI (g CO_2e / tonne-nm)	**9.6**	8.46
EEDI (g CO_2e / tonne-nm)	**4.1**	3.94
EEXI (g CO_2e / tonne-nm)	**5.1**	
AER (g CO_2e / dwt-nm)	**5.1**	4.89

1) See www.belships.com
2) **EEOI** — Energy Efficiency Operating Index, **EEDI** — Energy Efficiency Design Index (for newly acquired ships), **EEXI** — Energy Efficiency Design Index (for existing ships), **AER** — Annual Efficiency Ratio. See www.imo.org for further information.

CLIMATE RISK

Belships acknowledges the importance of climate risk and its impact on the future of the shipping industry. We assess our divestment/investment strategy on a regular basis, taking into consideration the fleets emission profile and how the company may be impacted by stricter regulations, technological development, market demand and physical climate risks. Decarbonisation of the fleet is part of our strategy.

ZERO OIL SPILLS

Belships' fleet is fully fitted with Ballast Water Treatment Systems. Belships recorded no discharge of untreated ballast water or oil spills to sea in 2021 (2020:0). There were no reported waste disposal issues in 2021.

COMMITED TO RESPONSIBLE SHIP RECYCLING

Belships is committed to the sustainable and socially responsible recycling of ships. Any future vessel recycling will be executed in accordance with EU regulations and the Hong Kong Convention, and would only take place at approved yards.

Social

Belships is committed to safe, healthy and rewarding work environments. Our focus on building a strong culture is complemented by the high degree of long serving employees within our organisation.

Our focus is on creating favourable employment conditions which in turn lead to the attraction and retention of the right employees. A key component to our approach is the investment we make in the training and development of our personnel. In 2021, we saw a slight decrease in retention rates partly due to Covid-19. Still, our rates remain high with 83 per cent and 80 per cent for officers and ratings, respectively (2020: 94% and 92%). We expect the retention rates to revert to the historical average in Belships of above 90 per cent.

RETENTION RATES	**2021**	2020	2019
Shore based personnel (Belships Administration)	**90%**	88%	100%
Officers	**83%**	94%	94%
Ratings	**80%**	92%	84%

HEALTH AND SAFETY

Our approach to health and safety is documented in Belships' Health and Safety Policy. In 2021, our lost time injury rate (LTIR) was 1.0 (2020: 0.35). In 2021, Belships was able to uphold our track record of no serious injuries or work-related fatalities (using IMO definitions). This is a track record we aim to maintain.

INJURY RATES	**2021**	2020	2019
LTIF	**1**	0.35	4.23
Serious injuries	**0**	0	0
Fatalities	**0**	0	0

COVID-19

The Covid-19 pandemic continued to have an impact on our personnel throughout 2021, in particular for our crew onboard our vessels. The welfare of our employees, and others for whom we are responsible in our operations, is of the utmost priority. In line with the Neptune Declaration, that we signed last year, we have focused our efforts on ensuring all seafarers are vaccinated. At year end, 78 per cent of our seafarers were vaccinated.

FOSTERING DIVERSITY

We embrace the diversity of our team members, stakeholders and customers, including their unique backgrounds, experiences, ideas and abilities. We have made diversity and inclusion an important part of our hiring and retention efforts. However, gender diversity amongst shipboard personnel remains an ongoing challenge for the industry.

DIVERSITY	**2021**	2020	2019
Shore based personnel			
Board (% female)	**43%**	43%	43%
Employees (% female)	**40%**	38%	38%
Shipboard personnel			
Gender (% male)	**100%**	100%	
Age range			
<30	20%	27%	
30-50	68%	67%	
>50	12%	6%	
Nationalities	5	9	

Governance

The Belships Board of Directors and Board committees have responsibility for strategic oversight of all company activity, including sustainability. The Board are guided by Belships' Corporate Governance Policy, which is publicly available on our website. Our governance procedures and related control mechanisms are essential to minimize ESG risks and to guide the implementation of ethical business practices.

NO REPORTED CORRUPTION INCIDENTS IN 2021

Belships has a zero-tolerance policy for corruption in any form. Regular anti-corruption training is provided to relevant employees throughout the year. There were no reported ethics or corruption incidents in 2021.

WHISTLEBLOWING

Employees who observe or become aware of a situation that they believe to be a violation of the Code of Business Conduct and Ethics are to report on such incidents. An independently operated helpline is also provided for employees and others to use, if required. There were no whistleblowing reports made in 2021 (2020:0).

DATA PRIVACY AND SECURITY

Protecting employee, customer and company data held at Belships is critically important to us. We comply with all applicable data privacy and protection requirements in the countries in which we operate, including the EU's General Data Protection Regulation (GDPR). There were no reports of data privacy or security breaches in 2021 (2020:0).

SUSTAINABLE PROCUREMENT

Belships requires its suppliers to comply with all relevant legal requirements, environmental standards, fair employment practices and prohibiting any form of child, forced or compulsory labour. We are guided by principles such as those in the United Nations Guiding Principles on Business and Human Rights, the United Nations Universal Declaration of Human Rights, and the International Labour Organization Core Conventions regarding child labour, forced labour, freedom of association, the right to organize and bargain collectively, equal pay, and non-discrimination in the workforce. There were no reported supplier violations of these principles or conventions in 2021.


BELMAR

Growth and profitability

THE DRY BULK MARKET 2021

Supramaxes entered the year just shy of USD 11 000, and from there it was almost a straight line appreciation to peak levels in October of around USD 40 000 per day. 2021 represented the highest year-on-year percentage increase in earning ever, underpinning the year as forceful rebound and recovery after the outbreak of the COVID-19 pandemic.

With average Supramax rates of USD 27 406 per day for 2021, the company recorded the best year in a decade.

There were large variations in demand growth between commodities. The highest growth was for steel products, which increased by 43 per cent from 2020 levels. Breakbulk commodities grew by 16 per cent, whereas other minor bulks increased by 4 per cent. Grain volumes were modestly positive, whereas shipments of both coal and iron ore declined, by 9 and 20 per cent, respectively. The drop in ore volumes were primarily due to political intervention in steel markets by the Chinese government, as they curbed steel production to below 2020 levels due to emission considerations. China's steel production ended 2 per cent lower than 2020 – the first drop in the country's steel production since 2015.

Overall dry bulk demand grew by 5 per cent in terms of volume, however, the effects in ton-miles were higher as increased trades from the Atlantic Basin to Asia added to sailing distances. Port congestion persisted throughout 2021, as each ship spent on average 2 days extra in port compared to 2020.

According to Fearnleys, for the full year, 103 vessels were delivered, down from 143 in 2020.

At the time of writing, 21 Supra/Ultramax bulk carriers have been delivered so far in 2022 according to Clarksons Research. Only 87 vessels are scheduled to be delivered for the remaining part of the year. However, it might be even lower, as some registered orders usually are cancelled, deferred or simply incorrect.

Relatively low newbuilding activity continued as the lack of conviction and alternatives for fuel and propulsion systems appear to restrain demand for ordering. Equally important, the demand for new-buildings in other segments than dry cargo is absorbing most of the shipbuilding capacity for 2022-2023. Therefore, despite the low orderbook within dry bulk, newbulding prices increased on the back of limited shipbuilding capacity and increased steel prices.

Prices for modern secondhand vessels increased in 2021, however, not as much as the freight market, and current values appear historically low in comparison with earnings

FINANCIAL AND CORPORATE MATTERS

The Group's solvency and financial position is strong. At the end of 2021, the book equity per share was USD 1.08 (USD 0.66), corresponding to an equity ratio of 34 per cent. Total book value of ships was USD 604.6m, while the consolidated cash balance was USD 105.2m. Net cash flow from operating activities amount to USD 149.4m (USD 13.7m) compared to an EBITDA of USD 178.3m (USD 24.0m). The difference between net cash flow from operating activities and EBITDA primarily relates to interest expenses included in net cash flow from operating activities, changes in net working capital, depreciation charges and gain on sale of ships. Total interest bearing debt amounted to USD 437.3m. In 2021, the Group raised USD 20.3m of equity. In 2021, the loan agreement related to the vessel BELLIGHT (ex SOFIE VICTORY) was repaid in full. At the end of each reporting period, the Group assesses whether there are any impairment indicators present. The company has concluded that no impairment indicators related to ships were present at the end of the year. At the end of 2021, Belships held 371 800 treasury shares at an average cost of NOK 10.70 per share. The CEO held 5 000 000 options while remaining employees held 49 300 options at year-end. The Group's market risk exposure mainly relates to changes in freight rates, interest rates and fuel prices. Belships aims to minimize counterpart risk and time charter contracts are entered into with reputable charterers. The Group had no research and development costs in 2021. All ships are owned by Norwegian companies and substantially all of the companys Norwegian operations are within Norwegian tonnage tax regime as of year end. The Group had tax losses carried forward of USD 66.4 million as at 31 December 2021. No deferred tax benefits were recognized in the balance sheet.

OPERATIONS

Belships has a modern fleet of 27 Supra/Ultramax bulk carriers with an average age of 3.7 years and all ships operated satisfactorily without significant off-hire. The operating expenses continued at a competitive level.

Ship transactions during the year include delivery of the 7 newbuildings BELFAST, BELMAR, BELGUARDIAN, BELTRADER, BELKNIGHT, BELFORCE and BELTOKYO, delivery of the 4 secondhand vessels BELTIGER, BELHAWK, BELFRIEND and BELTIDE and sale of the 7 oldest vessels BELFORT, BELORIENT, BELFRI, BELCARGO, BELSTAR, BELNOR and BELOCEAN. Belships also entered into agreements for the acquisition of the 2 newbuilding resales BELYAMATO and BELMONDO with expected delivery in November 2022 and January 2023 respectively.

Approximately 70% of Belships period time charters during the year have been with Cargill, COFCO, Viterra and Bunge, leaders within agricultural services. The remaining period time charters have been chartered to various parties during 2021. The remaining fleet have been operated in the spot market by Belships' subsidiary Lighthouse Navigation. Net earnings in 2021 per ship for the entire fleet amount to USD 21 226 versus BSI index of USD 25 431 net per day. The inherent lag in our business means that when the spot markets fall, our outperformance will tend to be higher. Conversely, when the market rises, our performance will tend to lag on a short-term basis. It is also affected by a certain number of period time charter contracts which contribute to our contract coverage for 2022-2023.

In addition, Lighthouse Navigation on average operated 65 ships on short-term charter during 2021. Belships Management (Singapore) Pte. Ltd. expanded its number of ships under technical management during 2021 from 22 to 27 ships.

RESULTS

The Group had an operating income of USD 650.7m in 2021 (USD 165.4m), giving an EBITDA of USD 178.3m (USD 24.0m) and a consolidated operating result of USD 160.8m (USD -4.6m). Result before tax was USD 142.1m (USD -17.2m), while net result for the Group was USD 133.4m (USD -17.7m). The parent company's net result for the year was USD 163.3m (USD 0.0m).

The Board proposes the result for the year allocated as follows:

Transfer to other retained earnings	163.3m
Total allocations	163.3m

GOING CONCERN

The annual accounts are presented on a going concern basis in accordance with § 3 – 3 of the Norwegian Accounting Act. The Group's liquidity reserves are considered robust. Current activity is expected to generate sufficient liquidity to cover current debt and operating expenses throughout 2022. Based on this, the Board considers that the conditions for a going concern are in place. In the opinion of the Board, the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The information in the accounts gives a true and accurate representation of the company's and the Group's assets, liabilities, financial position and results. The annual accounts give a fair view of the development, profit and overall financial position of Belships ASA and describe the most significant risks and uncertainties facing the Group and the parent company.

SAFETY AND THE ENVIRONMENT

Belships aims to minimize environmental impact from its activities, and strives to improve safety. Measures are taken to prevent and minimise the impact on the environment. Belships works consciously to improve standards, both on board and ashore. Pollution from ship operations is governed by several national and international environmental standards and certifications. Belships meets official requirements in terms of safety and the environment. All of our ships are equipped to meet regulatory standards and requirements and the modern fleet of Belships represents lower emissions and energy consumption compared to industry averages.

ORGANISATION

Belships is headquartered in Oslo, from where it conducts financial, strategic development and investor relations together with the overall management of the Group's activities. Chartering is handled from our commercial operations in Oslo, Bangkok, Singapore and Melbourne. Insurance is handled from Bangkok and technical management including crewing is organised from Singapore. Commercial operations increased significantly in 2021 despite the Covid-19 pandemic after the opening of new offices in Oslo, Singapore and Melbourne. The Group employed 158 office staff at the end of 2021. Ships under technical management employed 502 officers and crewmembers. Sick leave was less than 2 per cent in 2021. The Group was not subject to any serious accidents in 2021. Belships treats women and men equally. No discrimination on the grounds of gender is tolerated. Of the Group's office staff, 40 per cent are women. The working environment in the companies within the Group is considered to be good.

Belships ASA has taken out liability insurance that covers potential liabilities up to NOK 100m for the board of directors and CEO of the company.


BELMAR
EGERSUND

CORPORATE GOVERNANCE

Belships' goals and strategy are based on sound principles of corporate governance. The Company has been listed on the Oslo Stock Exchange since 1937, and is subject to the Norwegian Accounting Act, the Securities Trading Act and the Public Limited Company Act. Belships follows the Norwegian code of good corporate governance of 17 October 2018. Please see the separate statement of corporate governance that appears as a section of the annual report in its own right.

CORPORATE SOCIAL RESPONSIBILITY

Belships is a shipping company with global reach and a hundred years of history. The Board is well aware of the direct and indirect impact Belships' activities have on the outside world as well as the company's shareholders. Belships is determined to create long-term shareholder values and at the same time act as a responsible participant in the society. The most important issues for our business and our shareholders in respect of Corporate Social Responsibility (CSR) are:

- Environment
- Human and labor rights
- Anti-corruption

It is our policy to follow the standards, laws and regulations set by the national and international maritime regulatory authorities, but also the moral and ethical behaviour as set by our culture. Belships reports on safety and environment in the annual report. Belships does not tolerate any corrupt practices with our suppliers, customers or government entities affecting our business. Belships do pay attention to the working conditions and safety within our own operations. Please see the separate statement of corporate social responsibility that appears as a section of the annual report in its own right.

OUTLOOK

When most parts of the world were expecting to see the end of the pandemic, a new crisis appeared. The conflict in Ukraine has brought war to Europe in a manner not seen in a generation. Geopolitical risks, energy shortages and inflationary pressures have accelerated, and a humanitarian crisis is unfolding with devastating consequences.

High commodity prices are expected to be coupled with demand for restocking of all major raw materials for energy, food and industrial production.

The Baltic Exchange Supramax index YTD 2022 has averaged about USD 25 000 per day with Ultramaxes earning an additional premium.

The sentiment in the market is firm, and strong bulk markets are expected in the near term. Freight Forward Agreements (FFA) for Supramax currently indicate a market average of about USD 27 000 for the rest of the year.

As we mentioned in previous reports, the supply side as observed from the number of deliveries and the publicly quoted orderbook for our segment is historically low. We therefore remain positive to the prospects for the dry bulk market.

We are focused on capital discipline and returning capital to shareholders. A competitive return for our shareholders is to be obtained through increase in the value of the company's shares and the payment of dividends, as measured by the total return.

Lighthouse Navigation has had a strong start to 2022. Based on Belships' current contract coverage, we expect to generate significant free cash flow and continue to pay quarterly dividends as announced with our dividend policy. Additionally, an extraordinary dividend payment is planned for Q1 2022.

Belships has a modern fleet of 27 Supra/ Ultramax bulk carriers with an average age of 3.7 years and daily cash breakeven for 2022 of about USD 10 000 per vessel.

Oslo, 11 April 2022

Peter Frølich *Chairman of the Board*	Jorunn Seglem *Board member*	Birthe Cecilie Lepsøe *Board member*	Marianne Møgster *Board member*
Carl Erik Steen *Board member*	Frode Teigen *Board member*	Sverre J. Tidemand *Board member*	Lars Christian Skarsgård *Chief Executive Officer*

Directors' responsibility statement

The Board and Chief Executive Officer have today considered and approved the annual report and financial statements for the Belships group and its parent company Belships ASA for 2021.

The Board has based this declaration on reports and statements from the Group's chairman and CEO, on the results of the group's activities and on other information that is essential to assess the Group's position, provided to the Board of the parent company under obligation by the Group's administration and subsidiaries.

To the best of our knowledge:

- the 2021 financial statements for the Group and parent company have been prepared in accordance with all applicable accounting standards
- the information provided in the financial statements gives a true and fair representation of the Group and parent company's assets, liabilities, profit and overall financial position as of 31 December 2021
- the annual report provides a true and fair overview of:
  - the development, profit and financial position of the Group and parent company
  - the most significant risks and uncertainties facing the Group and the parent company

Oslo, 11 April 2022

Peter Frølich *Chairman of the Board*	Jorunn Seglem *Board member*	Birthe Cecilie Lepsøe *Board member*	Marianne Møgster *Board member*
Carl Erik Steen *Board member*	Frode Teigen *Board member*	Sverre J. Tidemand *Board member*	Lars Christian Skarsgård *Chief Executive Officer*

Modern fleet with average age of 3.7 years

Supramax and Ultramax bulk carriers are very versatile, equipped with cranes ("geared") in order to load and discharge a mulitude of cargoes, and can enter most ports of the world. All of our ships are of eco-design combining high cargo capacity with lower fuel / energy consumption.

Vessel	Type	Built	DWT	Yard	Flag
Newbuild TBN BELMONDO	Ultramax	2023	64 000	Imabari	Norwegian
Newbuild TBN BELYAMATO	Ultramax	2022	64 000	Imabari	Norwegian
BELTOKYO	Ultramax	2021	64 000	Imabari	Panama
BELFORCE	Ultramax	2021	61 000	Dacks	Norwegian
BELKNIGHT	Ultramax	2021	61 000	Dacks	Norwegian
BELTRADER	Ultramax	2021	61 000	Dacks	Norwegian
BELGUARDIAN	Ultramax	2021	61 000	Dacks	Norwegian
BELMAR	Ultramax	2021	64 000	Imabari	Norwegian
BELFAST	Ultramax	2021	64 000	Imabari	Panama
BELAJA	Ultramax	2020	61 000	Shin Kurushima	Panama
BELMOIRA	Ultramax	2020	61 000	Shin Kurushima	Panama
BELFUJI	Ultramax	2020	63 000	Imabari	Panama
BELRAY	Ultramax	2019	61 000	Shin Kurushima	Panama
BELNIPPON	Ultramax	2018	63 000	Imabari	Panama
BELHAVEN	Ultramax	2017	63 000	Imabari	Norwegian
BELTIGER	Ultramax	2017	63 000	New Times	Norwegian
BELISLAND	Ultramax	2016	61 000	Imabari	Norwegian
BELINDA	Ultramax	2016	63 000	Hantong	Norwegian
BELMONT	Ultramax	2016	63 000	Hantong	Norwegian
BELATLANTIC	Ultramax	2016	63 000	Hantong	Norwegian
BELLIGHT	Ultramax	2016	63 000	New Times	Norwegian
BELFRIEND	Supramax	2016	58 000	Tsuneishi	Norwegian
BELTIDE	Supramax	2016	58 000	Tsuneishi	Norwegian
BELFOREST	Ultramax	2015	61 000	Imabari	Norwegian
BELHAWK	Ultramax	2015	61 000	Imabari	Norwegian
BELPAREIL	Ultramax	2015	63 000	Hantong	Norwegian
BELSOUTH	Ultramax	2015	63 000	Hantong	Norwegian

Total	Average age	DWT
27 Vessels	3.7 Years	1.68 million


BELAJA

Consolidated statement of income

1 January - 31 December		Consolidated	
USD 1 000	Note	**2021**	2020
OPERATING INCOME			
Gross freight income		**808 237**	220 332
Voyage expenses		**-164 929**	-61 065
Net freight income		**643 308**	159 267
Management fees		**7 366**	6 095
Total operating income	4,5	**650 674**	165 362
OPERATING EXPENSES			
Share of result from joint venture and associated companies	11	**14 323**	3 052
T/C hire expenses	7	**-400 710**	-90 401
Ship operating expenses	20	**-50 457**	-38 675
Operating expenses ship management	20	**-30 756**	-11 861
Payroll expenses	14	**-2 691**	-2 072
Other general administrative expenses	15	**-2 104**	-1 419
Total operating expenses		**-472 395**	-141 376
EBITDA		**178 279**	23 986
Depreciations and amortisation	6	**-28 735**	-27 286
Impairment	6	**0**	-4 957
Gain on sale of ships	6	**15 333**	2 469
Other gains/(losses)		**-4 048**	1 165
Operating result (EBIT)		**160 829**	-4 623
FINANCIAL INCOME AND EXPENSES			
Interest income		**815**	985
Interest expenses	7	**-15 881**	-13 668
Other financial items		**-2 308**	-729
Currency exchange gain/(loss)		**-1 325**	875
Net financial items		**-18 699**	-12 537
Net result before tax		**142 130**	-17 160
Tax	19	**-8 708**	-583
Net result for the year		**133 422**	-17 743
Hereof majority interests		**103 983**	-19 898
Hereof non-controlling interests	11	**29 439**	2 155
Earnings per share (USD)	13	**0.54**	-0.08
Diluted earnings per share (USD)	13	**0.53**	-0.08

Consolidated statement of comprehensive income

1 January-31 December		Consolidated	
USD 1 000	Note	**2021**	2020
Net result for the year		**133 422**	-17 743
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial gain/(loss) on defined benefit plan	17	**3**	-10
Items that may be subsequently reclassified to profit or (loss):			
Exchange differences		**-74**	63
Total comprehensive income		**133 351**	-17 690
Hereof majority interests		**103 912**	-19 761
Hereof non-controlling interests		**29 439**	2 071

Consolidated statement of financial position

As at 31 December		Consolidated	
USD 1 000	Note	**2021**	2020
NON-CURRENT ASSETS			
Intangible assets			
Contracts		**0**	1 770
Tangible fixed assets			
Ships	6	**580 628**	371 637
Prepayment of ships		**0**	3 000
Property, Plant and Equipment	6	**4 227**	4 878
Total fixed assets		**584 855**	379 515
Financial fixed assets			
Investments in j/v and associated companies	11	**13 997**	2 123
Cash and cash equivalents (restricted)	8	**185**	205
Other non-current receivables		**636**	5 189
Total financial assets		**14 818**	7 517
Total non-current assets		**599 673**	388 802
CURRENT ASSETS			
Ships held for sale	6	**23 933**	5 917
Bunker inventory		**16 492**	5 344
Trade debtors		**19 086**	11 574
Other receivables	10	**33 246**	18 857
Cash and cash equivalents (restricted)	8	**200**	188
Cash and cash equivalents	8	**105 004**	33 797
Total current assets		**197 961**	75 677
Total assets		**797 634**	464 479
EQUITY			
Paid-in capital		**158 802**	137 962
Retained earnings		**82 739**	5 956
Non-controlling interests		**31 378**	6 099
Total equity	12	**272 919**	150 017
LIABILITIES			
Provision for liabilities			
Pension obligations	17	**842**	760
Other non-current liabilities			
Long term interest bearing debt	7	**412 881**	247 315
Other non-current liabilities		**915**	2 009
Total other non-current liabilities		**413 796**	249 324
Current liabilities			
Current portion of interest bearing debt	7	**24 467**	34 162
Tax payable	19	**8 620**	745
Public taxes and duties payable		**657**	600
Trade creditors		**6 813**	12 511
Other current liabilities	10	**69 520**	16 360
Total current liabilities		**110 077**	64 378
Total liabilities		**524 715**	314 462
Total equity and liabilities		**797 634**	464 479

Oslo, 11 April 2022

Peter Frølich
Chairman of the Board

Jorunn Seglem
Board member

Birthe Cecilie Lepsøe
Board member

Marianne Møgster
Board member

Carl Erik Steen
Board member

Frode Teigen
Board member

Sverre J. Tidemand
Board member

Lars Christian Skarsgård
Chief Executive Officer

Consolidated statement of cash flow

1 January - 31 December		Consolidated	
USD 1 000	Note	**2021**	2020
CASH FLOW FROM OPERATIONS			
Net result before tax		**142 130**	-17 160
Adjustments to reconcile result before tax to net cash flows:			
Depreciations/impairment on fixed assets	6	**28 735**	32 243
Gain on sale of ships	6	**-15 333**	-2 469
Share-based compensation expense	16	**500**	545
Difference between pension expenses and paid pension premium	17	**-19**	-66
Share of result from joint venture and associated companies	11	**-14 323**	-3 052
Net finance costs		**18 699**	12 537
Working capital adjustments:			
Change in trade debtors and trade creditors		**-13 210**	506
Change in other current items		**19 462**	4 422
Interest received		**815**	985
Interest paid	7	**-15 881**	-13 668
Financing costs		**-1 276**	0
Income tax paid	19	**-852**	-1 119
Net cash flow from operating activities		**149 447**	13 704
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of ships	6	**62 541**	0
Payment of ships	6	**-90 454**	-15 250
Received instalments from sale of ships		**12 661**	2 615
Payment of other investments		**-5 022**	-5 672
Net cash flow from investing activities		**-20 274**	-18 307
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from non-current debt	7,18	**52 360**	14 700
Paid-in capital (net)		**15 952**	0
Repayment of non-current debt	7,18	**-95 015**	-20 101
Sold treasury shares		**129**	0
Dividend paid		**-31 380**	-439
Net cash flow from financing activities		**-57 954**	-5 840
Net change in cash and cash equivalents during the period		**71 219**	-10 443
Cash and cash equivalents at 1 January		**33 985**	44 428
Cash and cash equivalents at 31 December *		**105 204**	33 985

*) Includes restricted cash. See note 8 for further details.

Consolidated statement of changes in equity

USD 1 000	Majority interest: Paid-in: Share capital	Majority interest: Paid-in: Treasury shares	Majority interest: Paid-in: Share premium	Majority interest: Paid-in: Other equity	Majority interest: Retained: Other equity	Non-controlling interest	Total equity
2021							
Equity as at 31 December 2020	53 617	-166	47 775	36 736	5 956	6 099	150 017
Share issue	5 849	0	14 453	0	0	0	20 302
Sale of treasury shares	0	38	0	0	91	0	129
Share-based payment expense	0	0	0	500	0	0	500
Dividend paid	0	0	0	0	-27 220	-4 160	-31 380
Net result for the year	0	0	0	0	103 983	29 439	133 422
Other comprehensive income	0	0	0	0	-71	0	-71
Total comprehensive income	0	0	0	0	103 912	29 439	133 351
Equity as at 31 December 2021	**59 466**	**-128**	**62 228**	**37 236**	**82 739**	**31 378**	**272 919**
2020							
Equity as at 31 December 2019	50 403	-166	39 499	36 191	25 717	4 471	156 115
Share issue	3 214	0	8 276	0	0	0	11 490
Share-based payment expense	0	0	0	545	0	0	545
NCI transactions	0	0	0	0	0	-443	-443
Net result for the year	0	0	0	0	-19 898	2 155	-17 743
Other comprehensive income	0	0	0	0	137	-84	53
Total comprehensive income	0	0	0	0	-19 761	2 071	-17 690
Equity as at 31 December 2020	**53 617**	**-166**	**47 775**	**36 736**	**5 956**	**6 099**	**150 017**

Notes to the consolidated accounts

All amounts in the notes are in USD 1 000 unless otherwise stated

NOTE 1 GENERAL INFORMATION

Belships ASA is a fully integrated owner and operator of dry bulk ships. Belships ASA is a public limited liability company that is incorporated and domiciled in Norway and listed on the Oslo Stock Exchange. The head office is located in Lilleakerveien 6D in Oslo, Norway. Copies of the consolidated financial statements may be downloaded from www.belships.com, or by inquiry to the company's head office. The consolidated financial statements have been approved by the Board on 11 April 2022. Belships has obained approval from Oslo Stock Exchange and Norwegian tax authorities to publish its financial statements only in English.

NOTE 2 SUMMARY OF THE MOST IMPORTANT ACCOUNTING PRINCIPLES USED

A) BASIS OF PREPARATION

The consolidated financial statements of Belships ASA (the "Parent Company"), and all its subsidiaries (the "Group"), have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The Group accounts have been prepared on a historical cost basis, except for derivatives and shares held for trading, which are measured at fair value.

The Group accounts are presented with uniform accounting principles for identical transactions and events under otherwise identical conditions.

The annual accounts are presented on a going concern basis.

The Board considers that the conditions for a going concern are in place.

B) CONSOLIDATION PRINCIPLES

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Unrealised gains from transactions with affiliated companies are eliminated with the Group's share of the company/enterprise.

Unrealised losses are likewise eliminated, but only to the degree that there is no indication of loss of value on the asset being sold internally.

C) CURRENCY TRANSACTIONS

Functional currency and reporting currency
Accounting transactions undertaken by respective Group companies use the currency ordinarily used by the financial environment in which they operate (functional currency). The Group accounts are presented in USD.

The accounts for the units in the Group which have a functional currency different from the Group's reporting currency, convert their accounts into the reporting currency according to the following guidelines:

- Assets and debts are converted according to conversion rates on the balance sheet date
- Income and costs are converted according to yearly average conversion rates

Transactions in foreign currency
Transactions in foreign currency are converted to the functional currency at the rate at time of the transaction. Monetary items in foreign currency are converted into functional currency using the rate at the balance sheet date. Non-monetary items which are measured at historical cost expressed in foreign currency, are converted into functional currency using the currency rate at the time of the transaction.

Non-monetary items, which are measured at fair value expressed in foreign currency, are converted at the currency rate on the date of measurement. Currency rate changes are recognised continuously against profit and loss during the accounting period. Currency rates at year end was NOK 0.1134 (2020: NOK 0.1172) and SGD 0.7385 (2020: SGD 0.7566).

D) ACCOUNTS RECEIVABLE

Trade and other receivables are measured at transaction price upon initial recognition and subsequently measured at amortized costs.

E) TANGIBLE FIXED ASSETS

Tangible fixed assets are measured at acquisition cost, net of accumulated depreciation and impairments losses. When assets are sold or divested, the carrying amount is deducted and any gains or losses are recognised in the profit and loss account. Acquisition cost for tangible fixed assets is the purchase price, including taxes and charges and expenses directly related to preparing the asset for use. Expenses incurred after the asset has been put to use, are recognised in the profit and loss account, whereas other expenses which are expected to create future financial gains are capitalised. An estimated docking element is recognised as a separate component of the ship for depreciation purposes on the first occasion a ship is booked in the accounts. The amount corresponds to the estimated docking costs for the period. The docking component is depreciated on a straight-line basis over the period to the next planned drydocking. Residual value has been taken into account, and this is estimated based on steel value of the ship at the balance sheet date less estimated cost to demolish the ship. Book value is compared to market value and value in use to assess the need for any further impairment compared to the ordinary depreciation plan. At the end of each reporting period, every fixed asset is assessed for impairment indicators as described under section O) Impairment of assets. The depreciation period and method are assessed annually and are based on the management's estimates of the ships' future useful life. The same applies to residual value.

In accordance with IFRS, the ships have been separated into components for depreciation purposes. The ships excluding capitalized drydocking are depreciated as one unit, as the value of any part of the ship with a useful lifetime other than 25 years is considered to be insignificant.

Depreciation is calculated on a straight-line basis over the estimated useful life of the ships taking its residual value into consideration. The useful life, which is also considered as the economic life of the ships, has been estimated to 25 years. Residual value is estimated based on steel prices of the ships less cost to demolish and is reassessed every year-end. Dry docking expenses are depreciated until next planned dry docking, typically 30-60 months.

Other assets have a useful life of 3-5 years, except for the office premises in Singapore in which the useful life is estimated at 57 years.

F) LEASING

The liability arising from leasing agreements is recognised at net present value of remaining lease payments, discounted using the interest rate implicit in the lease. Interests are charged to the statement of income over the lease period. The associated right-of-use asset equals the initial lease liability adjusted for payments made before the lease commencement date and initial direct costs. After the commencement date, the right-of-use asset is depreciated in accordance with the requirements in IAS 16 Property, Plant and Equipment. At the end of each reporting period, every right of use asset is assessed for impairment indicators as described under section O) Impairment of assets.

The Group has chosen the option to allocate the service component embedded in all long-term time charter contracts to ship operation expenses.

The Group has also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

G) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual obligations of the relevant instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL") or at amortized cost. The Group determines the classification of financial instruments at initial recognition. Currently, the Group does not apply hedge accounting

Classification and measurement

Financial instruments at fair value through profit and loss

This category comprises financial assets and liabilities held for trading, including all derivative instruments. Financial instruments in this category are initially recorded at fair value, and transaction costs are expensed in the consolidated statement of profit and loss. Realized and unrealized gains and losses arising from changes in the fair value are included in the consolidated statements of profit and loss in the period in which they arise.

Financial instruments at amortized cost

Financial assets and liabilities in this category are initially recognized at fair value, and subsequently carried at amortized cost, using the effective interest method less any allowance for impairment. This category includes accounts receivable, accounts payable, loans, lease liabilities and other borrowings.

Financial assets at Fair value through profit and loss ("FVTPL")

The Group currently has some minor equity investments not considered significant (see note 11) in unlisted shares. Financial assets at FVTPL are carried in the statements of financial position at fair value with net changes in fair value recognized in profit or loss.

Impairment of trade receivables and contract assets

At each reporting date, the Company measures the loss allowance for the trade receivables and contract asset at an amount equal to the lifetime expected credit losses. For accounts receivables and contract assets, the Group uses a simplified approach in calculating expected credit losses. The Company recognizes a loss allowance using factors including aging of accounts, historical experience, customer concentration, customer creditworthiness and current industry and economic trends. An impairment loss, amounting to any difference between the carrying amount of the loss allowance and the expected credit losses at the reporting date, is recognized in the consolidated statement of profit and loss. Expected credit loss is immaterial.

Derivative financial instruments and hedging

The Group uses derivative financial instruments to reduce its exposure related to fluctuations interest rates.

Derivative instruments are recognized in the consolidated statements of financial position at their fair values. Realized and unrealized gains and losses attributable to derivative instruments are recognized as other financial items, net, as they arise.

Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at FVTPL, loans and borrowings or payables.

All financial liabilities are recognized initially at fair value and, in the case of loans/borrowings and payables net of directly attributable transaction costs. The group's financial liabilities include trade and other payables and loans.

The subsequent measurement depends on classification. No financial liabilities have currently been designated at FVTPL. Interest-bearing loans are after initial recognition measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liability through the amortization process or when derecognized.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, using assumptions that market participants would use when pricing the asset or liability.

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted market prices included in Level 1 are directly or indirectly observable.
- Level 3: Inputs are unobservable.

H) PROVISIONS

A provision is recognised when the company has a liability (legal or constructive) as a result of a previous event and where it is probable (more probable than not) that there will be a financial settlement as a result of this liability and that the size of the sum can be reliably determined. If the effect is material, the provision is estimated by discounting the expected future cash flow with a discount rate before tax which reflects the market's evaluation of the time value of money and, if relevant, risks specifically connected to the liability.

A provision is recognised for any unavoidable net loss arising from the contract, the unavoidable cost under a contract reflect the least net cost of exiting from the contract, i.e. the lower of the cost of fulfilling the contract; and any compensation of penalties arising from failure to fulfil the contract.

I) EQUITY

(i) Debt and equity
Financial instruments are classified as debt or equity according to the underlying substance of the contractual agreement. Interest, dividend, gains and losses related to a financial instrument classified as debt, is presented as income or expense.

(ii) Treasury shares
Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium. Share options exercised during the reporting period are fulfilled with treasury shares.

(iii) Costs related to equity transactions
Transaction costs directly related to equity transactions are charged directly against the equity after tax deductions.

J) REVENUE RECOGNITION

Revenue recognition in the Group relates to three different types of revenue;

- Time Charter (freight income)
- Voyage charter (freight income)
- Other revenues such as technical, crewing, port agency, logistical and management fees.

Time Charter
The Group considers time charter contracts to contain both lease and service components. For time charter contracts where the Group acts as lessor and which does not transfer substantially all risks and rewards incidental to ownership of the ship are accounted as operational leases. Revenues are recognised in accordance with IFRS 15 and the Group only recognises time charter revenue when the ships are on-hire. The contract period starts when the ships is made available to the customer and ends on agreed return date. When the ships are off-hire the Group does not recognise any time charter revenues except if the contracts can be negotiated with rates and for periodical maintenance days in accordance with contract, on which revenue is recognised. Time charter agreements where the Group acts as lessee are accounted in accordance with IFRS 16 (See item F.

Voyage Charter
In a Voyage Charter contract, the charterer hires the ship to transport a specific agreed-upon cargo for a single voyage. The consideration for such a contract is determined on the basis of a freight rate per metric ton of cargo carried or occasionally on a lump sum basis. The charterer is responsible for any short loading of cargo or dead freight. The voyage charter party generally has standard payment terms of 90/95% freight paid within three to five days after completion of loading.

We have determined that our voyage charter contracts consist of a single performance obligation of transporting the cargo within a specified period. Therefore, the performance obligation is met evenly as the voyage progresses through recognition of revenues and costs on a straight line basis over the estimated voyage days from the commencement of loading to completion of discharge.

Costs to obtain a voyage contract is immediately expensed as the Group has elected to apply the optional practical expedients for contracts expected to be recognized within a year.

Other revenue/Management fee
The Group also provides technical services, crewing, port agency and logistical services on ships not operated by the Group. Revenue on such services are recognised over time, as the performance obligation is satisfied over time.

For such revenue, the Group has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date. This revenue is classified as Management fees.

K) EMPLOYEE BENEFITS

Defined contribution pension scheme
All current employees in Norwegian companies are member of the company's defined contribution scheme. The premium is charged as incurred by operations. Social security tax expense is recognized based on the pension plan payments.

Defined benefit pension scheme
Actuarial gains and losses arising from changes in actuarial assumptions are recognised as other comprehensive income in the period in which they arise. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The company has unfunded pension liabilities. These relate to early retirement and pension to persons, that have not been included in the service pension scheme. Pension obligations are estimated by an independent actuary.

L) INVESTMENT IN ASSOCIATES AND JOINT VENTURES

A joint venture is a type of joint arrangement whereby the parties that have joint control have the right to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of the arrangement, which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investments in joint ventures and associates are accounted for by using the equity method. Under this method, the investment is initially recognized at cost. Goodwill relating the associate or joint venture is included in the carrying amount of the investment and not tested for impairment individually.

The income statement reflects the Group's share of the net result after tax of the associate or joint venture. Any depreciation or amortization of the Group's excess values are included the net result from the joint ventures.

Any change in other comprehensive income of the associate or joint venture is presented separately in the Group's other comprehensive income.

M) CONTINGENT ASSETS AND OBLIGATIONS

Contingent liabilities are not recognised in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities in which the possibility of loss is considered remote.

Contingent assets are not recognised in the annual accounts but are disclosed if there is a certain probability that a significant benefit will be added to the Group.

N) TAXES ON INCOME

Tax expenses consist of tax payable and changes in deferred tax. Deferred tax/tax assets are calculated on all differences between accounting values and tax values of assets and liabilities, with the exception of temporary differences related to investments in subsidiaries, affiliated companies or jointly controlled enterprises when the Group controls when the temporary differences will be reversed, and that is not expected to occur in the foreseeable future.

Deferred tax assets are recognised when it is likely that the company will have sufficient profit for tax purposes in subsequent periods that will enable the company to utilize the tax asset. Similarly, the company will reduce the deferred tax asset to the extent the company no longer regards it as being likely that it can utilize the deferred tax asset.

Deferred tax liabilities and deferred tax assets are measured on the basis of prevailing tax rates for the companies in the Group where temporary differences have occurred, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Tax payable is calculated with the tax rate in the actual tax regime. Deferred tax liabilities and deferred tax assets are entered at nominal value calculated with the tax rate in the actual tax regime and are classified as long-term liability or intangible fixed asset in the balance sheet. Tax payable and deferred tax are entered directly against equity to the extent the tax items relate to equity transactions.

In addition to companies subject to ordinary taxation in Norway, Singapore and China, the Group consists of companies within the shipping taxation scheme in Norway and Singapore. The deferred tax positions associated with the different tax regimes cannot be offset. A corresponding situation also applies to tax positions between jointly controlled operations and the rest of the Group. These cannot be offset.

O) IMPAIRMENT OF ASSETS

At the end of each reporting period, every ship is assessed for impairment indicators. The same applies when events or changes occur that may entail that the asset's carrying amount may not be recovered. In assessing the need for impairments, assets are grouped at the lowest level at which there is identifiable and predominantly independent cash inflows, which means per ship. Impairment is calculated as the difference between the asset's carrying amount and the value considered as recoverable. The recoverable amount is the higher of the asset's fair value less cost to sell and its value-in-use to the Group. Value-in-use is calculated by discounting anticipated future cash flows from the asset. When it is assumed that the asset's value is lower than its carrying amount, an impairment loss is recognised.

Impairment loss recognised in earlier periods is reversed only in case of changes to the estimates used to determine the recoverable amount. However, the reversal amount may only be so high that book value after reversal at most corresponds to the value at which the asset would have been registered if it had not been impaired earlier. Such reversals are recorded in the profit and loss.

P) BORROWING COSTS

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Q) EVENTS AFTER THE BALANCE SHEET DATE

New information after the balance sheet date regarding the company's financial position as of the balance sheet date is taken into consideration in the annual accounts. Events after the balance sheet date that do not affect the company's financial position as of the balance sheet date, but which will have an impact on the company's financial position in the future are disclosed if significant.

R) SHARE-BASED PAYMENTS

Employees and management in Belships ASA have received options to purchase company shares. Market value of the awarded options is measured at time of the award and charged to expense over the vesting period as a payroll cost with corresponding increase in other paid-in equity. The market value of the options granted is estimated using the Black and Scholes option pricing model.

S) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, bank deposits and other short-term and in particular liquid investments to be redeemed within 3 months. Cash and cash equivalents are recognised at nominal values in the balance sheet.

T) RESTRICTED DEPOSITS

Restricted cash include all deposits in separate accounts, which will be used to cover accrued taxes withheld for employees and deposits provided as security for certain guarantees.

U) REPORTING BY SEGMENTS

Operating segments are components of a business that are evaluated regularly by the chief operating decision maker for the purpose of assessing performance and allocating resources. The Groups chief operating decision maker is the CEO. The Group is divided into the operating segments dry bulk and technical management. The dry bulk segment is further divided into 2 reportable segments: own ships (owned or leased) and operation/commercial management (Lighthouse Navigation), which is how the information is presented to the Management and the Board. Transactions between the business units are based on market conditions. Segment turnover, segment costs and segment results include transactions between segments.

V) RELATED PARTY TRANSACTIONS

Transactions with related parties are carried out at market terms. See note 9 for further information.

W) CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. Liquid assets include cash, bank deposits (restricted and unrestricted) and other short-term investments which can be converted to cash within 3 months. For restricted deposits, see note 8.

X) CLASSIFICATION FINANCIAL POSITION

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is considered current when it is:

- expected to be realised or intended to sold or consumed in normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period

or

- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is considered current when it is:

- expected to be settled in normal operating cycle
- held primarily for the purpose of trading
- due to be settled within twelve months after the reporting period

or

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Y) NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE

Assets are classified as held-for-sale when the following criteria are met:

- Management has committed to a plan to sell the asset
- The asset is available for immediate sale in its present condition
- The sale of the asset is highly probable to be completed within a one year period
- The asset is being actively marketed at a sale price that is reasonable in relation to its current market value.

Assets classified as held-for-sale are measured at the lower of their carrying value or fair value less the costs of disposal. Held-for-sale assets are no longer depreciated and are shown separately in the financial statements.

NOTE 3 USE OF ESTIMATES AND JUDGEMENT IN PREPARATION OF THE ANNUAL ACCOUNTS

Preparing the annual accounts in accordance with IFRS as adopted by EU requires the management to use estimates and assumptions affecting the amounts reported in the accounts with notes. The management assumptions and valuations are based on past experience and on miscellaneous other factors assumed to be reasonable and appropriate. This applies in particular to impairment assessment of ships. Future events can entail a change in these estimates. Estimates and the underlying assumptions are evaluated on an ongoing basis.

Changes in accounting estimates are entered in the period when the changes occur. If the changes also apply to future periods, the effect is distributed over the current and future periods and appears in the current note.

IMPAIRMENT ASSESSMENT – SHIPS

The Group assess whether there are any impairment indicators present at the end of each reporting period. If an impairment indicator is identified, the Group carries out impairment tests pursuant to IAS 36. The Group also assess whether previous recorded impairment charges should be reversed.

Impairment test calculations demand a significant degree of estimation. The Group considers each ship as a separate cash generating unit and has compared recoverable amounts against carrying amounts at the end of the year. Recoverable amounts are based on observable market values or value in use calculations. Value-in-use values have been derived from calculation of present value of estimated cash flows over the useful life of the ship.

The value-in-use calculations of the Group's owned and leased ships are mainly sensitive to changes in revenue and cost of capital assumptions. Revenues have been based on the ships current contracts and long-term historical rates for equivalent ships. The useful life of assets and the method of depreciation are evaluated yearly. Remaining useful life is estimated on the date of the presentation of accounts.

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NOTE 4 REVENUE

Belships has entered into period time charters with various parties during 2021 The remaining fleet have been operated in the spot market by Belships' subsidiary Lighthouse Navigation. Net earnings in 2021 per ship for the entire fleet amount to USD 21 226 versus BSI index of USD 25 431 net per day. The inherent lag in our business means that when the spot markets fall, our outperformance will tend to be higher. Conversely, when the market rises, our performance will tend to lag on a short-term basis. It is also affected by a certain number of period time charter contracts which contribute to our contract coverage for 2022-2023.

PERIOD TIME CHARTERS

Vessel	USD per day	Commencement	Duration months	Domicile
BELTOKYO	*Index-linked	Dec-21	22 - 26	Switzerland
BELRAY	23 000	Jul-21	21 - 24	Switzerland
BELFORCE	24 000	Sep-21	22 - 25	United States
BELFUJI	24 000	Jun-21	22 - 25	United States
BELAJA	22 250	Dec-21	12 - 14	United States
BELNIPPON	22 000	Jun-21	11 - 13	United States
BELISLAND	22 000	Sep-21	21 - 24	United States
BELFOREST	21 250	Jun-21	11 - 13	United States
BELMONT	10 500	Dec-20	11 - 13	United States
BELKNIGHT	35 500	Aug-21	5 - 7	Singapore
BELATLANTIC	35 000	Aug-21	3 - 6	Singapore
BELTRADER	34 000	Aug-21	5 - 7	Hong Kong
BELMAR	41 000	Sep-21	5 - 7	Hong Kong
BELGUARDIAN	24 700	Dec-21	10 - 12	Netherlands
BELHAWK	35 000	Nov-21	3 - 5	Netherlands
BELHAVEN	26 250	Oct-21	21 - 24	Netherlands
BELFAST	25 000	Dec-21	11 - 13	Netherlands
BELMOIRA	23 000	Jun-21	22 - 24	United States
BELINDA	27 000	Sep-21	10 - 12	Bermuda
BELSOUTH	25 250	Oct-21	23 - 25	Denmark

*TCE linked to 115% of BSI-58 index

NOTE 5 SEGMENT INFORMATION

The segment reporting is in accordance with the reporting to the Chief Operating Decision Maker (CEO).

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The Group's financing and income taxes are managed on a Group basis but are allocated to applicable operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The group has one customer in 2021 which accounted for more than 10% of the total turnover in the group, no customer accounted for more than 10% in 2020. Beyond that, the group has three customers in 2021 and two customers in 2020 that account for more than 10% of total turnover in any segment.

The operating segments have worldwide activities. Shipping in general offers a global service covering major global trade routes. There are no particular focus on geographic region for ships as the charterers decide trade routes on individual basis. Consequently, no geographical segments have been presented other than the domicile of the largest charterers listed under note 4.

1 January - 31 December 2021	Own ships	Lighthouse Navigation	Ship management	Admini-stration	Group transactions	Total
Gross freight revenue	190 530	616 583	0	0	1 124	808 237
Voyage expenses	-19 871	-147 278	0	0	2 220	-164 929
Net freight revenue	170 659	469 305	0	0	3 344	643 308
Management fees	0	9 530	4 576	0	-6 740	7 366
Operating income	170 659	478 835	4 576	0	-3 396	650 674
Share of result from j/v and associated companies	0	14 305	18	0	0	14 323
T/C hire expenses	0	-400 710	0	0	0	-400 710
Ship operating expenses	-52 174	-1 679	0	0	3 396	-50 457
Operating expenses ship management	0	-26 609	-4 147	0	0	-30 756
General and administrative expenses	-970	0	0	-3 825	0	-4 795
Operating expenses	-53 144	-414 693	-4 129	-3 825	3 396	-472 395
Operating result (EBITDA)	117 515	64 142	447	-3 825	0	178 279
Depreciation and amortisation	-26 460	-1 872	-159	-244	0	-28 735
Gain on sale of ship	15 333	0	0	0	0	15 333
Other gains/(losses)	-6 739	2 691	0	0	0	-4 048
Operating result	99 649	64 961	288	-4 069	0	160 829
Interest income	763	45	4	3	0	815
Interest expenses	-15 700	-125	-10	-46	0	-15 881
Other financial items	-2 022	-11	-12	-263	0	-2 308
Currency gains/(-losses)	-1 492	48	42	77	0	-1 325
Net financial items	-18 451	-43	24	-229	0	-18 699
Result before tax	81 198	64 918	312	-4 298	0	142 130
Tax	0	-8 666	-42	0	0	-8 708
Net result	81 198	56 252	270	-4 298	0	133 422
Hereof majority interests	81 198	26 914	169	-4 298	0	103 983
Hereof non-controlling interests	0	29 338	101	0	0	29 439
Assets	639 162	136 090	6 067	16 315	0	797 634
Liabilities	447 787	73 451	1 495	1 982	0	524 715
Cash flow from operating activities	99 584	54 396	-880	-3 653	0	149 447
Cash flow from investing activities	-19 598	-676	0	0	0	-20 274
Cash flow from financing activities	-42 655	-4 160	0	-11 139	0	-57 954

1 January - 31 December 2020	Own ships	Lighthouse Navigation	Ship management	Admini-stration	Group transactions	Total
Gross freight revenue	77 955	142 377	0	0	0	220 332
Voyage expenses	-16 953	-45 870	0	0	1 758	-61 065
Net freight revenue	61 002	96 507	0	0	1 758	159 267
Management fees	0	6 167	5 480	0	-5 552	6 095
Operating income	61 002	102 674	5 480	0	-3 794	165 362
Share of result from j/v and associated companies	0	3 058	-6	0	0	3 052
T/C hire expenses	0	-90 401	0	0	0	-90 401
Ship operating expenses	-41 213	-1 256	0	0	3 794	-38 675
Operating expenses ship management	0	0	-3 490	0	0	-3 490
General and administrative expenses	-358	-8 371	0	-3 133	0	-11 862
Operating expenses	-41 571	-96 970	-3 496	-3 133	3 794	-141 376
EBITDA	19 431	5 704	1 984	-3 133	0	23 986
Depreciation and amortisation	-24 717	-2 165	-221	-183	0	-27 286
Impairment	-4 957	0	0	0	0	-4 957
Gain on sale of ship	2 469	0	0	0	0	2 469
Other gains	1 165	0	0	0	0	1 165
Operating result	-6 609	3 539	1 763	-3 316	0	-4 623
Interest income	937	21	17	10	0	985
Interest expenses	-13 537	-97	-16	-18	0	-13 668
Other financial items	-724	-21	16	0	0	-729
Currency gains/(-losses)	926	-13	-38	0	0	875
Net financial items	-12 398	-110	-21	-8	0	-12 537
Result before tax	-19 007	3 429	1 742	-3 324	0	-17 160
Tax	-250	6	-339	0	0	-583
Net result	-19 257	3 435	1 403	-3 324	0	-17 743
Hereof majority interests	-19 257	1 496	1 187	-3 324	0	-19 898
Hereof non-controlling interests	0	1 939	216	0	0	2 155
Assets	409 261	42 348	5 036	7 834	0	464 479
Liabilities	286 584	23 946	2 352	1 580	0	314 462
Cash flow from operating activities	5 205	6 985	1 473	-2 058	0	11 606
Cash flow from investing activities	-18 307	0	0	764	0	-17 543
Cash flow from financing activities	-4 067	-355	-84	0	0	-4 506

NOTE 6 SHIPS AND OTHER FIXED ASSETS

	Ships, owned			Ships, right-to-use assets				
	Ships	Capitalised drydocking expenses	Total	Ships	Capitalised drydocking expenses	Total	**Ships, total**	**Property, plant and equipment**
2021								
Cost per 1 January	250 905	14 067	264 972	165 745	4 225	169 970	434 942	4 195
Additions	75 650	5 709	81 359	210 112	8 522	218 634	299 993	486
Disposals	-56 307	-5 052	-61 359	-50	0	-50	-61 409	-140
Cost per 31 December	270 248	14 724	284 972	375 807	12 747	388 554	673 526	4 541
Depreciations per 1 January	38 217	6 344	44 561	11 547	1 280	12 827	57 388	23
Depreciation for the year**	9 451	2 359	11 810	13 676	1 381	15 057	26 867	658
Impairment	0	0	0	0	0	0	0	0
Disposals	-12 788	-2 502	-15 290	0	0	0	-15 290	-1
Depreciations per 31 December	34 880	6 201	41 081	25 223	2 661	27 884	68 965	680
Book value per 31 December	235 368	8 523	243 891	350 584	10 086	360 670	604 561	3 861
Other non-depreciable assets	0	0	0	0	0	0	0	366
Total book value per 31 December	235 368	8 523	243 891*	350 584	10 086	360 670	604 561	4 227
2020								
Cost per 1 January	232 092	9 435	241 527	99 072	1 449	100 521	342 048	4 552
Additions	23 615	5 564	29 179	73 588	2 776	76 364	105 543	1 245
Disposals	-4 802	-932	-5 734	-6 915	0	-6 915	-12 649	-1 602
Cost per 31 December	250 905	14 067	264 972	165 745	4 225	169 970	434 942	4 195
Depreciations per 1 January	23 485	4 990	28 475	7 418	383	7 801	36 276	453
Depreciation for the year**	9 989	2 378	12 367	10 959	897	11 856	24 223	792
Impairment	4 957	0	4 957	0	0	0	4 957	0
Disposals	-214	-1 024	-1 238	-6 830	0	-6 830	-8 068	-1 222
Depreciations per 31 December	38 217	6 344	44 561	11 547	1 280	12 827	57 388	23
Book value per 31 December	212 688	7 723	220 411	154 198	2 945	157 143	377 554	4 172
Other non-depreciable assets	0	0	0	0	0	0	0	706
Total book value per 31 December	212 688	7 723	220 411*	154 198	2 945	157 143	377 554	4 878

*) The amount includes "Ships held for sale" amounting to 23 933 in 2021 and 5 917 in 2020.

**) Total depreciations in Consolidated statement of profit and loss includes depreciations on charter-party agreements which amounted to 1 210 in 2021 (2020: 2 271). For more information about depreciations on charter-party agreements, see note 4 in our Annual report 2019.

See note 7 for further details related to period time charters.

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SPESIFICATION OF THE GROUP'S SHIPS

	Built year	Ownership	Cost price	Accumulated ordinary depreciation	Capitalised drydocking expenses	Accumulated depreciation on capitalised dd. expenses	Book value
BELPAREIL	2015	100 %	24 492	-5 836	767	-268	19 155
BELSOUTH	2015	100 %	24 535	-5 570	1 143	-343	19 765
BELINDA	2016	100 %	24 569	-5 272	920	-263	19 954
BELMONT	2016	100 %	24 596	-5 216	986	-206	20 160
BELATLANTIC	2016	100 %	24 360	-4 888	1 620	-746	20 346
BELSTAR	2009	100 %	11 899	-1 819	1 120	-552	10 648
BELOCEAN	2011	100 %	13 912	-2 000	1 680	-306	13 286
BELLIGHT	2016	100 %	22 825	-2 285	1 184	-225	21 499
BELHAVEN	2016	100 %	23 410	-1 484	330	-285	21 971
BELTIGER	2017	100 %	21 650	-305	100	-100	21 345
BELTIDE	2016	100 %	27 000	-205	1 000	-33	27 762
BELFRIEND	2016	100 %	27 000	0	1 000	0	28 000
Ships, owned			270 248	-34 880	11 850	-3 327	243 891
BELFOREST	2015	BBC	24 920	-3 170	776	-194	22 332
BELISLAND*	2016	BBC	25 838	-3 233	1 136	-496	23 245
BELRAY	2019	BBC	27 351	-2 121	700	-303	25 627
BELAJA	2020	BBC	26 962	-1 847	1 000	-383	25 732
BELMOIRA	2020	BBC	26 961	-1 846	1 000	-383	25 732
BELFAST	2021	BBC	26 964	-880	1 000	-183	26 901
BELTRADER	2021	BBC	24 953	-295	1 000	-67	25 591
BELGUARDIAN	2021	BBC	24 953	-295	1 000	-67	25 591
BELKNIGHT	2021	BBC	25 453	-339	1 000	-67	26 047
BELFORCE	2021	BBC	26 343	-274	1 000	-50	27 019
BELMAR	2021	BBC	27 083	-322	1 000	-66	27 695
BELHAWK*	2015	BBC	21 437	-167	783	-33	22 020
BELTOKYO	2021	BBC	32 925	-100	1 000	-16	33 809
BELFUJI	2020	TC	15 876	-3 886	0	0	11 990
BELNIPPON	2018	TC	17 468	-7 478	0	0	9 990
ALAM MUTIARA	2012	TC	3 518	-2 169	0	0	1 349
Ships, right-of-use assets			379 005	-28 422	12 395	-2 308	360 670
Total fleet			649 253	-63 302	24 245	-5 635	604 561

*) BELISLAND and BELHAWK are accounted for as owned vessels in accordance with IAS 16. Belships has elected to present these vessels under ships, right-to-use assets in the disclosure as this better reflects the economic substance of the entered into sale leaseback transactions.

FLEET

The group controlled a fleet of 27 ships at the end of the year. Ship transactions during the year include delivery of the 7 newbuildings BELFAST, BELMAR, BELGUARDIAN, BELTRADER, BELKNIGHT, BELFORCE and BELTOKYO, delivery of the 4 secondhand vessels BELTIGER, BELHAWK, BELFRIEND and BELTIDE and sale of the 7 oldest vessels BELFORT, BELORIENT, BELFRI, BELCARGO, BELSTAR, BELNOR and BELOCEAN. Belships also entered into agreements for the acquisition of the 2 newbuilding resales BELYAMATO and BELMONDO with expected delivery in November 2022 and January 2023 respectively.

IMPAIRMENT TESTS

At the end of each reporting period, the Group assess whether there are any impairment indicators present. The company has concluded that no impairment indicators were present at the end of the year.

NOTE 7 LEASE AGREEMENTS

The company considers all of its bareboat agreements to meet the lease definition under IFRS 16, while the long-term time charter contracts contain both lease and service components. During 2021 the group entered into 9 bareboat lease agreements.

T/C HIRE EXPENSES

T/C hire expenses of USD 400.7m relates to chartering activity in Lighthouse Navigation. Expenses comprise short-term hire of tonnage and services from other shipowners.

SPECIFICATION OF LEASE AGREEMENTS

Lease liabilities	Built year	Leased year	Ownership	Lease maturity	Purchase option	Discount rate	Net present value of lease payments	Net present value of purchase option	Current	Non-current
Ships										
BELRAY	2019	2019	Bareboat	2026	2023-2026	5.57%	10 214	12 539	1 147	21 606
BELNIPPON	2018	2018	T/C	2025	2022-2025	6.63%	13 377	-	1 948	11 429
BELISLAND*	2016	2021	Bareboat	2028	2024-2032	4.46%	12 802	7 513	1 315	19 000
BELFOREST	2015	2015	Bareboat	2025	2015-2025	5.88%	7 702	9 417	1 331	15 788
BELFUJI	2020	2020	T/C	2027	2024-2027	6.37%	10 226	-	2 331	7 895
BELMOIRA	2020	2020	Bareboat	2027	2024-2027	5.70%	11 177	11 743	1 110	21 810
BELAJA	2020	2020	Bareboat	2027	2024-2027	5.71%	11 277	11 736	1 103	21 910
ALAM MUTIARA	2012		T/C	2022	N/A	5.00%	1 397	-	1 397	-
BELFAST	2021	2021	Bareboat	2031	2025-2031	6.32%	16 566	7 652	794	23 424
BELMAR	2021	2021	Bareboat	2031	2025-2031	5.25%	18 936	8 747	1 050	26 633
BELTRADER	2021	2021	Bareboat	2028	2025-2031	5.11%	12 603	10 321	1 054	21 870
BELGUARDIAN	2021	2021	Bareboat	2028	2025-2031	5.11%	12 603	10 321	1 054	21 870
BELKNIGHT	2021	2021	Bareboat	2028	2024-2028	5.15%	12 882	10 222	1 090	22 014
BELFORCE	2021	2021	Bareboat	2027	2024-2028	4.65%	11 488	12 475	1 163	22 800
BELHAWK*	2015	2021	Bareboat	2028	2024-2031	4.46%	13 336	6 358	1 404	18 290
BELTOKYO	2021	2021	Bareboat	2027	2025-2033	4.54%	13 548	16 194	1 271	28 470
Total ships							190 134	135 238	20 562	304 810
Offices	N/A	N/A	Lease	2021-2063	N/A	5-6%	1 065		389	676

*) The bareboat charters for BELISLAND and BELHAWK are accounted for as financial liability under IFRS 9. Belships has elected to present these vessels under lease liabilities in the disclosure as this better reflects the economic substance of the entered into sale leaseback transactions.

Lease maturity for bareboat leases is when Belships expect to exercise the purchase option.

PAYMENT SCHEDULE

	2022	2023	2024	2025	2026	Subsequent	Total
Lease payments	37 878	40 245	40 355	40 237	36 763	71 833	267 311
Exercising purchase options	-	-	-	-	33 387	177 695	211 082
Total	37 878	40 245	40 355	40 237	70 150	249 527	478 392

The payment schedule takes into account subsequent events, refer to disclosure 23.

LOAN FACILITIES

The group entered into a new USD 140m loan facility in April 2019. The first tranche of USD 110m replaced existing loan arrangements. The second tranche of USD 30m was made available for fleet expansion. Additional tranches totalling USD 33.6m was made available for the acquisition of BELFRIEND and BELTIDE during 2021. The initial loan of USD 140m has a margin of 275 basis points over LIBOR and matures in Q2 2024, the additional tranches totalling USD 33.6m has a margin of 230 basis points over LIBOR and matures in Q2 2024. The USD 14m loan acquired as part of the acquisition of shares in Bellight AS was repaid during the year. Total outstanding under the loan facilities at the end of the year was USD 110.9m. Arrangement fee and other transaction costs related to the mortgage debt were initially recorded as a reduction of the debt in the balance sheet, and subsequently amortised over the loan period in accordance with the amortised cost principle.

The group has several covenant requirements including requirements related to equity ratio, net working capital and available liquidity. The group was in compliance with all covenants during and at the end of the year.

REPAYMENT SCHEDULE

	2022	2023	2024	2025	2026	Subsequent	Total
Instalments	-	9 414	9 414	9 414	9 414	78 015	115 671
Interests	3 239	3 107	2 843	2 580	2 316	1 092	15 177
Total	**3 239**	**12 521**	**12 257**	**11 994**	**11 730**	**79 107**	**130 848**

The repayment schedule takes into account subsequent events, refer to disclosure 23.

NOTE 8 BANK DEPOSITS

The Group's bank balance amounted to USD 105 389 (2020: 34 190) at year end. Short-term restricted cash is related to employees withholding tax.

NOTE 9 RELATED PARTIES

No loans are issued or security provided with respect to the company's shareholders or associated parties.

NOTE 10 RECEIVABLES AND LIABILITIES

Current receivables consist mainly of accrued revenues, and receivables related to operation of the ships. Other current liabilities mainly include current liability related to the ordinary operation of the ships. All current receivables and liabilities are due within 12 months.

NOTE 11 INVESTMENTS AND GROUP COMPANIES

COMPANIES INCLUDED IN THE CONSOLIDATED ACCOUNTS

		Business location	Main activity	Ownerchip/ voting percentage
	Belships Shipholding AS	Oslo	Shipping	100.00 %
	Belships Shipholding II AS	Oslo	Shipping	100.00 %
	Bel Ship I AS	Oslo	Shipping	100.00 %
	Bel Ship II AS	Oslo	Shipping	100.00 %
	Belpareil AS	Oslo	Shipping	100.00 %
	Belsouth AS	Oslo	Shipping	100.00 %
	Belinda AS	Oslo	Shipping	100.00 %
	Belmot AS	Oslo	Shipping	100.00 %
	Belatlantic AS	Oslo	Shipping	100.00 %
	Belhaven AS	Oslo	Shipping	100.00 %
	Beltiger AS	Oslo	Shipping	100.00 %
	Beltide AS	Oslo	Shipping	100.00 %
	Belfriend AS	Oslo	Shipping	100.00 %
	Beleast AS	Oslo	Shipping	100.00 %
	Belpacific AS	Oslo	Shipping	100.00 %
	Belfort AS	Oslo	Shipping	100.00 %
	Belorient AS	Oslo	Shipping	100.00 %
	Belstar AS	Oslo	Shipping	100.00 %
	Belnor Ship AS	Oslo	Shipping	100.00 %
	Belocean AS	Oslo	Shipping	100.00 %
	Belcargo AS	Oslo	Shipping	100.00 %
	Belfri AS	Oslo	Shipping	100.00 %
	Bellight AS	Oslo	Shipping	100.00 %
	Belships Lighthouse AS	Oslo	Shipping	100.00 %
1	Lighthouse Navigation Management AS	Oslo	Commercial management	50.01 %
2	Lighthouse Navigation Pte Ltd	Singapore	Commercial management	50.01 %
3	Belships Management (Singapore) Pte Ltd	Singapore	Technical management	100.00 %
1	**Lighthouse Navigation Management AS**			
	Lighthouse Navigation AS	Oslo	Commercial management	100,00 %
2	**Lighthouse Navigation Pte Ltd**			
	Afri-Bulk Navigation Private Limited	Singapore	Commercial management	100.00 %
	Lighthouse Maritime Limited	Hong Kong	Commercial management	100.00 %
	Lighthouse Navigation Co Ltd	Thailand	Commercial management	100.00 %
	Siam Thara Agency Co Ltd	Thailand	Agency	57.50 %
3	**Belships Management (Singapore) Pte Ltd**			
	Belships (Tianjin) Ship Management & Consultancy Co Ltd	China	Crewing	75.00 %
	Belships (Shanghai) Shipmanagement Co Ltd	China	Crewing	100.00 %

INVESTMENT IN JOINT VENTURES (JV) AND ASSOCIATED COMPANIES (AC)

	Business location	JV / AC	Ownership/ voting percentage
Orient Asia Lines Ltd	Hong Kong	JV	50.00 %
Orient Asia Lines BV	The Netherlands	JV	50.00 %
Lineco Holding BV	The Netherlands	JV	50.00 %
Belships (Myanmar) Shipmanagement Limited	Myanmar	AC	40.00 %
Belchem Philippine Incorporation	Philippine	AC	24.00 %

THE SHARE OF PROFIT AND LOSS AND BALANCE SHEET ITEMS FOR INVESTMENTS IN JOINT VENTURES AND ASSOCIATES ARE RECOGNIZED BASED ON EQUITY METHOD:

	Orient Asia Lines BV	LineCo Holding BV	Total
2021			
Gross revenue	1 075	0	1 075
EBITDA	671	-5	666
EBIT	671	-5	666
Net result	671	27 938	28 609
Total comprehensive income	671	27 938	28 609
Group's share of profit for the year	335	13 969	14 305 *
Non-current assets	0	25 472	25 472
Current assets	1 068	2 218	3 286
Total assets	1 068	27 690	28 758
Non-current liabilities	0	0	0
Current liabilties	376	15	391
Total liabilities	376	15	391
Total equity opening balance	70	3 988	4 058
Profit for the year	671	27 938	28 609
Capital distribution/reduction	-49	-4 888	-4 937
Total equity closing balance	692	27 039	27 731
Owners interest	346	13 519	13 865
Minor share in other associated companies			132
Book value of owner interest			13 997

*) A share of the result amounting to 18 in a minor associated company is not included in the table.

	Orient Asia Lines BV	LineCo Holding BV	Total
2020			
Gross revenue	1 786	0	1 786
EBITDA	1 539	0	1 539
EBIT	1 539	0	1 539
Net result	1 539	0	1 539
Total comprehensive income	1 539	4 564	6 103
Group's share of profit for the year	770	2 282	3 052
Non-current assets	0	5 595	5 595
Current assets	431	176	607
Total assets	431	5 771	6 202
Non-current liabilities	0	0	0
Current liabilities	361	1 923	2 284
Total liabilities	361	1 923	2 284
Total equity opening balance	1 523	1 373	2 896
Profit for the year	1 539	4 564	6 103
Capital distribution/reduction	-2 992	-1 949	-4 941
Total equity closing balance	70	3 988	4 058
Owner's interest	35	1 994	2 029
Minor share in other associated companies			94
Book value of owner interests			2 123

NOTE 12 EQUITY

SHARE CAPITAL

Belships ASA's 253 136 666 shares, each with a face value of NOK 2.00, was as of 31 December 2021 distributed among 2990 shareholders. Each share has one vote.

NUMBER OF SHARES

	2021	2020
Ordinary shares, issued and paid-in per 1 January	**228 175 404**	212 224 705
Share issue	**24 961 262**	15 950 699
Ordinary shares, issued and paid-in per 31 December	**253 136 666**	228 175 404
Dividend paid (NOK per share)	**0.95**	0.00

TREASURY SHARES

The company holds 371 800 treasury shares in total with an average cost price of NOK 10.70 as of 31 December 2021.

AUTHORISATION TO ISSUE NEW SHARES

At the Annual general meeting in 2021 the Board received authorisation to issue up to 120 million new shares. In March 2021 a total of 20 million shares were issued at NOK 7.00 per share. In August 2021 a total of 4 961 262 shares were issued at NOK 7.50 per share as part of consideration for the vessel BELTIGER.

THE 20 LARGEST SHAREHOLDERS IN BELSHIPS ASA AT 31 DECEMBER 2021

	Number of shares	Percentage
1 Kontrari AS	103 000 000	40.69 %
2 Kontrazi AS	32 500 000	12.84 %
3 Sonata AS	12 747 492	5.04 %
4 LGT Bank AG	11 515 918	4.55 %
5 Jakob Hatteland Holding AS	11 000 000	4.35 %
6 Meglerkonto Innland DNB NOR Bank ASA	9 973 286	3.94 %
7 Wenaasgruppen AS	8 149 330	3.22 %
8 Jahatt AS	5 000 000	1.98 %
9 Saxo Bank A/S	3 176 972	1.26 %
10 Stavanger Forvaltning AS	2 750 000	1.09 %
11 UBS Switzerland AG	2 615 792	1.03 %
12 Barclays Capital Sec. Ltd Firm	2 259 911	0.89 %
13 J.P. Morgan Bank Luxembourg S.A.	1 765 050	0.70 %
14 Ole Ketil Teigen	1 500 000	0.59 %
15 J.P. Morgan Securities PLC	1 228 955	0.49 %
16 The Bank Of New York Mellon SA/NV	1 178 157	0.47 %
17 SIX SIS AG	1 164 580	0.46 %
18 Cape Invest AS	976 078	0.39 %
19 August Ringvold Agentur AS	810 509	0.32 %
20 Caceis Bank Spain SA	757 743	0.30 %
Total 20 largest shareholders	214 069 773	84.57 %
Other shareholders	39 066 893	15.43 %
Total number of shares	253 136 666	100.00 %

NUMBER OF SHARES OWNED BY BOARD MEMBERS IN BELSHIPS ASA

	Note	Number of shares	Outstanding options
Peter Frølich (chairman)		100 000	0
Frode Teigen	1	135 500 000	0
Sverre J. Tidemand	2	12 747 492	0
Carl Erik Steen		179 154	0
Birthe Cecilie Lepsøe		7 500	0
Jorunn Seglem		35 000	0
Marianne Møgster		0	0

NUMBER OF SHARES OWNED BY THE MANAGEMENT IN BELSHIPS ASA

	Note	Number of shares	Outstanding options
Lars Christian Skarsgård, CEO *	3	544 900	5 000 000
Osvald Fossholm, CFO	4	35 000	49 300

*) See note 16 for more information about separate share option plan.

1) Includes shares held by Kontrari AS and Kontrazi AS, companies controlled by Frode Teigen.
2) Includes shares held by Sonata AS, a company in which Sverre J. Tidemand controls.
3) Includes shares held by AS Torinitamar, a company owned by Lars Christian Skarsgård.
4) Includes shares held by Krino Invest AS, a company owned by Osvald Fossholm.

For changes in equity, see separate statement.

NOTE 13 EARNINGS PER SHARE

Basic earnings per share is the ratio between net result of the year attributable to ordinary equity holders (i.e. net profit with dividend deducted) and the issued average number of shares outstanding during the period.

When calculating diluted earnings per share, net result attributable to ordinary equity holders and the number of issued average outstanding shares are adjusted for share options. In "the denominator" all share options (see note 16) which are "in-the-money" and exercisable are taken into consideration. In the calculations, share options are considered as having been converted at the time they were awarded.

AVERAGE NUMBER OF SHARES

Average number of issued shares	245 981 508
Treasury shares	-371 800
Average number of options outstanding	5 049 300
Diluted average issued number of shares	250 659 008

EARNINGS PER SHARE

	2021
Net result for the year	133 422
Earnings per share	0.54
Diluted earnings per share	0.53

NOTE 14 SALARIES, NUMBER OF EMPLOYEES

	2021	2020
Salaries	**1 704**	1 134
Social security tax	**310**	223
Pension expenses	**140**	134
Other allowances	**537**	581
Total payroll expenses	**2 691**	2 072

Number of full-time office staff in 2021 was 154 for the Group of which 19 in the Norwegian companies.

Payroll expenses in Singapore and Bangkok are reclassified as operating expenses ship management. See note 20 for more details.

LOAN TO EMPLOYEES

No loans to employees exist at year-end 2021.

REMUNERATION

2021	Chief executive officer	Financial director
Salary	464	223
Pension expenses	23	24
Share-based payment expense	500	2
Other remuneration	2	18

Remuneration in accordance with the Accounting Act § 7-31b is presented in note 11 in the parent company accounts. Other remuneration includes telephone, insurance agreements etc.

BONUS

No bonus scheme was adopted for 2021.

SHARE OPTIONS

Share options to the employees are described in note 16. The Chief Executive Officer has a separate option scheme which is also described in note 16.

REMUNERATION TO THE BOARD

	2021	2020
The Board	**233**	170
Audit committee	**20**	9
Nomination committee	**6**	5

Board members are not awarded share options

THE GROUP'S FEES TO THE AUDITOR (EXCLUDING VAT)

	2021	2020
Remuneration for audit services	**288**	242
Other assurance services	**17**	21
Assistance related to tax	**49**	76
Other audit related assistance	**52**	54
Total	**406**	393

NOTE 15 OTHER GENERAL ADMINISTRATIVE EXPENSES

	2021	2020
Office expenses	**179**	223
Furniture, office supplies	**336**	222
Travelling, entertainment costs	**17**	35
Other services	**1 227**	630
Other general administrative expenses	**345**	309
Total administrative expenses	**2 104**	1 419

Administration expenses in Singapore and Bangkok are reclassified as operating expenses ship management. See note 20 for more details.

NOTE 16 OPTIONS TO EMPLOYEES

At the Annual general meeting (AGM) in 2019, the Board was authorised to issue up to 200 000 share options to employees in Belships ASA. The option price is 105% of closing share price on the day of the AGM. The authorization is valid for two years. In accordance with this authorisation, options to buy 200 000 shares at NOK 8.79 were awarded in November 2019. No options have been exercised.

At the AGM in 2020, the Board was authorised to issue up to 200 000 share options to employees. The option price is 105% of closing share price on the day of the AGM. The authorization is valid for two years. In accordance with this authorisation, options to buy 200 000 shares at NOK 6.20 were awarded in November 2020. 16 200 options have been exercised.

The above mentioned option programs require a service period of 12 months before they can be exercised. The option can be exercised after one year from the date of the AGM which approved the option program and runs unto the date of the next AGM. The option programs include all employees in the parent company. The employees must be employed in the company at the time when the options can be exercised in order to have a right to exercise them.

SUMMARY OF OUTSTANDING OPTIONS

	2021	2020
Outstanding options 1 January	**5 400 000**	5 400 000
Awarded	**0**	200 000
Exercised	**-16 200**	0
Not exercised	**-334 500**	-200 000
Outstanding options 31 December	**5 049 300**	5 400 000

EMPLOYEE SHARE OPTION PLAN

Fair value of options has been calculated using the Black and Scholes options pricing model. The fair value of options awarded in 2019 and 2020 was NOK 2.60 and NOK 1.17, respectively. The fair value of outstanding share options are calculated at time of award and charged against profit and loss over the period until they can be exercised. The cost related to the share options above amounted to 2 in 2021.

SHARE OPTION PLAN CHIEF EXECUTIVE OFFICER

The CEO in Belships, Lars Christian Skarsgård was in March 2019 granted options to subscribe for up to five million shares in the Company with an exercise price of NOK 6 per share. The options can be exercised in the period between 36 months and 60 months from 15 March 2019. The company may honour exercised options by delivery of new shares in a share issue, by sale of existing shares, or by way cash settlement (i.e. payment of the difference between the market price of the shares less the exercise price). Options that have not been exercised will lapse if Skarsgård terminates his position as CEO or if he is terminated from his position with cause. If Skarsgård is terminated from his position without cause during the first 12 months, 2/3 of the options will lapse and if he is terminated from his position without cause during the first 24 months, 1/3 of the options will lapse. If Skarsgård is terminated without cause during the exercise period, the options will lapse unless they are exercised within three months.

The fair value of the options at time of award was NOK 2.57 per share. The calculated cost of USD 500 has been recognised as an expense in 2021.

The following forms the basis for the calculation:

Share price at the time the option was awarded: The share price is set as equal to the stock exchange share price when the option was awarded.

Exercise price per option: The exercise price was 105 % of the stock exchange market price when the option was awarded.

Volatility: Historic volatility set as indication of future volatility. Expected volatility equals a historic volatility of 39%.

Duration of options: It is assumed that all employees will exercise their options when the service period has been completed.

Dividend: Estimated dividend per share is NOK 0 per year.

Risk free interest rate: Interest rate used as a basis for calculating options is equal to the interest rate on government bonds over the duration of the options, i.e. 2% for 2020.

Decrease in the number of employees: Expected reduction is 0.

NOTE 17 PENSIONS

DEFINED CONTRIBUTION SCHEME

The Norwegian employees are member of the company's defined contribution scheme, which is in line with the occupational pension scheme for employees in Norway in accordance with the Act on Mandatory occupational pensions. Annual payable cost is reflected in the income statements and the company does not have any future liabilities related to this scheme. Total costs amounted to 144 (144) in 2021. Pension costs in Singapore and Lighthouse Navigation AS in Oslo are reclassified as under operating expenses in management companies and amounted to 221 (203) in 2021.

DEFINED BENEFIT SCHEME

In addition to defined contribution scheme, the legacy Belships has unfunded pension liabilities which are covered through the daily operations. These relate to early retirement and pension to persons, that have not been included in the defined contribution scheme. There are 4 retired persons included in this scheme.

Pension commitments are calculated by an independent actuary. The basis for the calculation is shown below. The mortality table (K2013) for Norway is used in the calculations.

Social security costs are recorded based on net pension obligation in the balance sheet included estimate discrepancy. Change in the pension obligation for the subsidiary Lighthouse Navigation Pte Ltd amounted to 111 (43) in 2021, and includes 20 persons.

	2021	2020
ASSUMPTIONS		
Discount rate	**1.90 %**	1.70 %
Future wage adjustment	**2.75 %**	2.25 %
Pension adjustment	**0 %**	0 %
G-adjustment	**2.50 %**	2.00 %
Return on pension plan assets	**1.90 %**	1.70 %
CHANGES IN THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION		
1 January	**760**	745
Interest cost	**118**	27
Benefits paid	**-25**	-28
Actuarial losses on obligation	**-3**	10
Currency exchange gain/(loss)	**-8**	6
As at 31 December	**842**	760
PENSION EXPENSES IN CONSOLIDATED ACCOUNTS		
Pension expenses defined benefit scheme	**-4**	-10
Pension expenses defined contribution scheme	**144**	144
Net pension expenses in consolidated accounts	**140**	134

Pension expenses in Singapore and Bangkok are reclassified as operating expenses ship management. See note 20 for more details.

NOTE 18 FINANCIAL MARKET RISK

Financial market risk is considered to be the risk of changes in foreign exchange rates and interest rates that may affect the value of the Group's assets, obligations and future cash flows.

Belships has a continuing focus on its risk exposure. Derivatives may be used to reduce financial market risk, but are only used to hedge specific exposures. When use of derivatives are considered appropriate, only well-known conventional derivative instruments are considered, i.e. OTC agreements such as swaps, options and forward freight agreements. Derivative transactions are only made with reputable financial institutions. Credit risk relating to these derivatives is therefore limited.

Belships is only using derivatives to reduce or limit risk related to fluctuations in interest and foreign exchange rates.

Financial derivatives are not used to obtain financial revenues through fluctuating interest rates, nor are financial derivatives used when there is no underlying exposure.

INTEREST RATE RISK

The long-term interest rate is still at a low level. Belships strategy is to manage interest risk. Hedging the Group's interest exposure is considered on an ongoing basis. Entering into interest rate hedging agreements are based on developments in the interest rate market and internal analysis.

The table below shows the sensitivity related to changes in interest rate levels. The calculation includes total interest-bearing debt.

SENSITIVITY TO CHANGES IN INTEREST RATE LEVELS

	2021
Change in the interest rate level in basis points	-100/+100
Effect on result before tax	1109/-1109

AVERAGE EFFECTIVE INTEREST RATE ON DEBT (%)

	2021
Interest bearing loans	3.11
Financial leases	5.34

CAPITAL STRUCTURE AND EQUITY CAPITAL

The primary objective of the Group's capital management is to achieve best possible credit rating, and to maximize the shareholders values. The company's goal is to maintain an equity capital ratio of at least 35%. The equity ratio is calculated by dividing the book equity to total assets as shown below:

	2021
Total equity as at 31 December	272 919
Total assets	797 634
Equity ratio as at 31 December	34%

Net debt is defined as interest-bearing debt (short and long-term) and accounts payable less cash. Equity comprises paid-in equity and retained earnings.

	2021
Interest bearing debt	437 348
Other current liabilities	85 610
Cash reserves	105 389
Net debt	417 569
Equity	272 919
Total equity and net debt	690 488
Net debt ratio	40 %

LIQUIDITY RISK

Liquidity risk is the risk that suitable sources of funding for the Group's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash balances, credit facilities and other financial resources to maintain financial flexibility under dynamic market conditions. The Group's principal source of liquidity are operating cash flows from its operational assets. In addition to its operating cash flows, the Group relies on the debt capital markets for long-term funding. At year-end 2021 the Group has outstanding interest bearing debt of USD 110.9 million and USD 326.4 million in lease liability. Available cash and cash equivalents amount to USD 105.4 million.

CREDIT RISK

There will always be a credit risk related to the Group's business. Belships monitors this risk and the strategy is to carefully select counterparts. The ships acquired through the merger are secured on medium to long-term charter contracts, toward two customers, Canpotex Shipping Services Ltd and Cargill. Those customers are considered to be solid and reputable counterparts. Other ships operate under short-term spot engagements with a broader customer base. The customers are often recurring, however, the risk related to any specific customer's insolvency or inability to compensate for the services provided is low.

CURRENCY RISK

The functional currency of Belships is USD as the majority of the Group's transactions are denominated in USD. Currency risks arise in connection with transactions that are completed in other currencies than USD, mainly in NOK or THB. This applies mainly to administrative expenses, salaries and declaration of ship purchase options.

FAIR VALUE MEASUREMENTS

The valuation has the following classification of levels for measuring fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Valuation based on other observable factors, either directly (prices) or indirectly (derived from prices) than quoted prices included within level 1 of the asset or obligation.

Level 3: Valuation based on factors not taken from observable markets (not observable assumptions).

Fair value is defined as present value of future cash flows. For the above derivatives, fair value is confirmed by the financial institution, which is counterpart. The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts. The long-term liabilities have floating interest rate with a fixed margin. The margin is considered not to have significantly changed since drawing date, thus carrying amount is considered a reasonable estimate of fair value.

SUMMARY OF FINANCIAL ASSETS AND OBLIGATIONS

			Non-cash charges			
	01.01.2021	Cash Flows	Interest charges	Changes in fair values	Other	31.12.2021
Interest bearing loans	141 737	-31 730	-	-	-906	110 913
Financial leases*	139 740	-10 925	-	-	197 620	326 435
Total	281 447	-42 655	-	-	196 714	437 348

*) The bareboat charters for BELISLAND and BELHAWK are accounted for as financial liability under IFRS 9. Belships have elected to present these vessels under Financial leases in the disclosure as this better reflects the economic substance of the entered into sale leaseback transactions.

ASSETS AND OBLIGATIONS MEASURED AT FAIR VALUE

	Level 1		Level 2		Level 3		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
Financial investments	542	764					542	764
Total	542	764					542	764

FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST

	2021
Interest bearing loans	110 913
Financial leases	326 435
Total	437 348

The fair value of credit facilities and obligations under financial leases is estimated by discounting future cash flows using rates currently available for debt on similar items. The obligations under financial leases as of 31 December 2021 reflects best timing estimate of declaring purchase options. Further, the lease agreements are newly entered into, and there has not been any significant changes in the credit risk of the Group. Fair value of the obligations under financial leases are therefore not considered to be materially different from book value as of the reporting date. The group has not made observations indicating that there has been any significant difference between the fair value and carrying amount except for un-amortised loan transaction costs.

NOTE 19 TAXES

TONNAGE TAX

The Companies subject to Tonnage tax are exempt from ordinary tax on their shipping income. Companies within the tonnage tax system in Norway and in Singapore pay a tonnage fee based on the size of the ship. Tonnage tax is recognized as other operating expenses.

ORDINARY TAXATION

Further, in Norway, Thailand and Singapore the Group has several management companies subject to ordinary income tax, with a tax rate from 16 % to 22 %. In Norway, the Group has a significant tax loss carried forward, currently without any convincing evidence of utilizing the tax losses. Accordingly, no deferred tax asset related to temporary differences is recorded related to the Norwegian companies within ordinary tax regime.

In Singapore and in Thailand there are minimal temporary differences related to the commercial and ship management operation. In Thailand the Company has a tax payable related to ordinary company taxation of USD 4 914 (2020: USD -6) and payable tax in Singapore amounting to USD 42 (2020: USD 339).

RECONCILIATION OF THE YEAR'S INCOME TAX EXPENSE

	2021	2020
Result for the year before tax	**142 130**	-17 160
Result from companies within the tonnage tax regime	**-43 380**	-549
Net result for companies subject to ordinary company taxation	**98 750**	-17 709
Statutory tax rate (Norway)	**22 %**	22 %
Estimated tax expense at statutory rate	**21 725**	-3 896
Net non tax related expenses/(income)	**-970**	698
Results from joint venture and associated companies	**-3 151**	-671
Difference between Norwegian, Singapore and Thailand regional national tax	**-4 115**	-542
Tax effect of deferred tax asset not recorded in the balance sheet incl. exchange rate effect	**-4 781**	4 994
Total income tax expense/(income)	**8 708**	583

TAX LOSS CARRIED FORWARD

The Group had a tax loss carried forward of USD 66.4m as at 31 December 2021 in Norway. No deferred tax benefits are recognised in the balance sheet. Taxable income subject to ordinary Norwegian taxation does not indicate any reporting of deferred tax benefits.

Calculation of deferred taxes is based on temporary differences between statutory books and tax values which exist at the end of the year.

In accordance with IAS 12 for treatment of taxes, tax reducing temporary differences and tax increasing temporary differences that are reversed, or can be reversed in the same period and jurisdiction are assessed and the amount recorded net.

Future tax payable in the Group is expected to be related to ship management and commercial operation in Singapore and in Thailand. In Norway the group has significant tax losses.

DEFERRED TAX PER 31 DECEMBER

	2021	2020
Temporary differences		
Deferred sale gain/(loss) fixed asset	**32 373**	-1 344
Property, plant and equipment	**7 125**	31 239
Pensions	**-244**	-276
Other temporary differences	**-2 547**	-764
Total temporary differences	**36 707**	28 855
Non-deductible interest cost carry forward ordinary tax regime	**-2 730**	-6 969
Tax loss carried forward ordinary tax regime	**-66 436**	-107 371
Net temporary differences	**-32 459**	-85 485
Nominal tax rate on deferred tax	**22 %**	22 %
Deferred tax assets	**-7 141**	-18 807
Deferred tax assets recognised in the Balance sheet	**0**	0
Deferred tax assets not recognised in the Balance sheet	**-7 141**	-18 807

NOTE 20 SPECIFICATIONS OPERATING EXPENSES AND OTHER FINANCIAL ITEMS

	2021	2020
Ship operating expenses		
Crew expenses	**23 949**	19 255
Maintenance and spare parts	**4 759**	8 292
Insurance	**2 529**	2 178
Other ship operating expenses	**19 220**	8 950
Total ship operating expenses	**50 457**	38 675
Operating expenses management companies		
Administration costs	**25 017**	8 230
General & selling expenses	**4 481**	2 666
Fixed costs	**1 257**	965
Total operating expenses management companies	**30 756**	11 861

NOTE 21 ENVIRONMENTAL ISSUES

The company has not been charged any penalties due to breach of environmental rules and regulations, and is not committed to implement any specific actions in that respect.

NOTE 22 CONTINGENCIES

The Board is not aware of any material disputes the company may be in involved in as at 31 December 2021.

NOTE 23 SUBSEQUENT EVENTS

Belships has entered into agreements to sell and lease back BELLIGHT and BELFOREST on bareboat charters for 10 and 11.5 years, respectively. The lease agreements have fixed rates for the entire period with an average cost of capital of about 4.4 per cent. Net cash effect upon delivery will be about USD 14.0m in total in Q1 2022.

Belships has agreed to a new USD 116m loan facility. Proceeds from the facility will be used to repay all outstanding amounts under the existing credit facility with two vessels being left unencumbered. The new loan has a reduced margin of 225 basis points and a loan-to-value ratio of 55 per cent, with the first instalment in 2023 and final maturity in 2027. Lenders for the new loan facility are DNB Bank and Sparebank 1 SR-Bank. The agreement is conditional upon certain steps to be completed by the parties involved. Conclusion is expected within Q1 2022.

Belships has entered into agreement to sell and lease back BELYAMATO. The bareboat charter is for 10 years. The lease agreement has a fixed rate for the entire period with an average cost of capital of 4.6 per cent. Belships paid a sum of USD 4.0m as downpayment upon signing the agreement.

Belships has entered into agreement for a period time charter contract for a period of about 22-26 months at a gross rate of USD 23 750 per day. Belships has entered into agreement to sell and lease back BELMONDO. The bareboat charter is for 10 years. The lease agreement has a fixed rate for the entire period with an average cost of capital of 4.8 per cent.

Belships paid a sum of USD 4.5m as downpayment upon signing the agreement.


BELKNIGHT


BELFORCE

Income statement

1 January - 31 December		**Belships ASA**	
USD 1 000	Note	**2021**	2020
OPERATING INCOME			
Freight income	2	**22 270**	24 955
Other operating income		**793**	679
Gain on sale of non-current assets	3	**17 505**	0
Total operating income		**40 568**	25 634
OPERATING EXPENSES			
T/C hire	3	**-8 636**	-8 459
Ship operating expenses		**-3 924**	-9 376
Payroll expenses	4,8,10	**-2 691**	-2 074
Other general administrative expenses	11	**-1 748**	-1 206
Depreciation of fixed assets	3	**-2 634**	-5 498
Total operating expenses		**-19 632**	-26 613
Operating result		**20 936**	-979
FINANCIAL INCOME AND EXPENSES			
Share dividend		**0**	1 038
Interest income		**3**	10
Interest income on loan to subsidiary	5	**4 117**	3 160
Interest expenses		**-3 086**	-6 643
Other financial items	5	**142 200**	2 792
Currency exchange gain/-loss		**-876**	649
Net financial items		**142 358**	1 007
Net result before tax		**163 294**	28
Income tax expense	16	**0**	0
Net result for the year		**163 294**	28
Appropriations of net result:			
Transfer from/(to) other retained earnings		**-163 294**	-28
Total		**-163 294**	-28

Balance sheets

As at 31 December USD 1 000	Note	Belships ASA 2021	 2020
FIXED ASSETS			
Tangible fixed assets			
Ships	3	**80**	121 941
Prepayment of ships		**0**	3 000
Other fixed assets	3	**209**	595
Total tangible fixed assets		**289**	125 536
Financial fixed assets			
Shares in subsidiaries	9	**38 701**	13 101
Loan to subsidiaries	5	**133 327**	95 922
Other non-current receivables	12	**2**	17
Total financial assets		**172 030**	109 040
Total fixed assets		**172 318**	234 576
CURRENT ASSETS			
Bunker inventory		**0**	425
Trade debtors		**186**	947
Intercompany balances	5	**158 881**	3 235
Other receivables		**1 820**	2 316
Cash and cash equivalents	6	**14 002**	2 236
Total current assets		**174 889**	9 158
Total assets		**347 207**	243 734
EQUITY			
Paid-in capital			
Share capital		**59 466**	53 617
Treasury shares		**-125**	-166
Share premium reserve		**62 228**	47 775
Other paid-in capital		**10 018**	36 736
Total paid-in capital		**131 587**	137 962
Retained earnings			
Other equity		**140 637**	-22 750
Total equity	7	**272 224**	115 212
LIABILITIES			
Non-current liabilities			
Lease commitments		**0**	102 426
Pension obligations	8	**244**	276
Other non-current liabilities		**0**	51
Intercompany balances	5	**47 445**	15 574
Total non-current liabilities		**47 689**	118 326
Current liabilities			
Lease commitments, current portion		**0**	5 708
Public taxes and duties payable		**206**	239
Trade creditors		**1 043**	110
Intercompany balances	5	**23 976**	1585
Other current liabilities		**2 069**	2 554
Total current liabilities		**27 294**	10 196
Total liabilities		**74 983**	128 522
Total equity and liabilities		**347 207**	243 734

Oslo, 11 April 2022

Peter Frølich
Chairman of the Board

Jorunn Seglem
Board member

Birthe Cecilie Lepsøe
Board member

Marianne Møgster
Board member

Carl Erik Steen
Board member

Frode Teigen
Board member

Sverre J. Tidemand
Board member

Lars Christian Skarsgård
Chief Executive Officer

Cash flow statement

1 January - 31 December		Belships ASA	
USD 1 000	Note	**2021**	2020
CASH FLOW FROM OPERATIONS			
Net result before tax		**163 294**	28
Adjustments to reconcile result before tax to net cash flows:			
Gain on sale of non-current assets	3	**-17 505**	0
Depreciation of fixed assets	3	**2 634**	5 498
Share-based payment transaction expense	4	**502**	545
Difference between pension exps and paid pension premium	8	**-19**	-21
Net finance items		**-142 358**	-1 007
Working capital adjustments:			
Change in trade debitors and trade creditors		**1 694**	-469
Change in intercompany balances		**-118 809**	-1 802
Change in other short-term items		**912**	2 034
Interest received		**4 121**	3 170
Interest paid		**-3 086**	-6 643
Net other financial items		**141 323**	2 792
Net cash flow from operations		**32 702**	4 126
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in fixed assets	3	**-13 113**	-4 816
Sale proceeds from fixed asset disposals	3	**508**	0
Dividends received	8	**0**	1 038
Shares in subsidiary		**-11**	0
Change in intercompany balances	5	**5 754**	2 895
Change in other investments		**15**	21
Net cash flow from investing activities		**-6 847**	-862
CASH FLOW FROM FINANCING ACTIVITIES			
Share issue	7	**16 286**	0
Dividend paid		**-27 220**	0
Instalments lease commitments		**-3 155**	-5 279
Net cash flow from financing activities		**-14 089**	-5 279
Net change in cash and cash equivalents		**11 766**	-2 016
Cash and cash equivalents at 1 January		**2 236**	4 251
Cash and cash equivalents at 31 December		**14 002**	2 235
Restricted bank deposits	6	**116**	160

NOTE 1 ACCOUNTING POLICIES

Belships ASA is an owner and operator of subsidiaries owning dry bulk ships. At the end of the year, the Group controlled a fleet of 25 ships.

The company is also providing commercial management and ship management services through subsidiaries. The company is a public limited liability company incorporated and domiciled in Norway and listed on Oslo Stock Exchange. The head office is located in Lilleakerveien 6D in Oslo, Norway.

The financial statements have been approved by the Board on 11 April 2022.The accounts are prepared in accordance with Norwegian Generally Accepted Accounting Principles (NGAAP).

The accounts form part of the consolidated accounts of Belships ASA. The consolidated financial statements have been prepared in accordance with IFRS as adopted by EU.

Belships has obtained approval from Oslo Stock Exchange and Norwegian tax authorities to only publish its financial statements in English.

All amounts in the notes are in USD 1 000 unless otherwise stated.

A) CLASSIFICATION OF BALANCE SHEET ITEMS

Assets intended for long-term ownership or use are classified as fixed assets. Other assets inclusive accounts receivable within 12 months are classified as current assets. Liabilities due within 12 months, are classified as short-term liabilities. Current assets are reported at the lower of cost and net realisable value, while current liabilities are carried at the nominal value at drawdown date.

B) TAXES ON INCOME

Tax expenses consist of tax payable and changes in deferred tax. Deferred tax/tax assets are calculated on all differences between accounting values and tax values of assets and liabilities.

Deferred tax assets are included in the balance sheets when it is likely that the company will have sufficient profit for tax purposes in subsequent periods that will enable the company to utilize the tax asset. The company records previously unrecorded deferred tax assets to the extent it has become likely that the company can utilize the deferred tax asset. Similarly, the company will reduce the deferred tax asset to the extent the company no longer regards it as being likely that it can utilize the deferred tax asset.

Deferred tax and deferred tax asset are measured on the basis of expected future tax rates.

Deferred tax and deferred tax assets are entered at nominal value and are classified as financial fixed assets (long-term liability) on the balance sheet.

Tax payable and deferred tax are booked directly against equity to the extent the tax items relate to equity transactions.

C) TANGIBLE FIXED ASSETS

Tangible fixed assets are measured at acquisition cost, net of accumulated depreciation and impairments losses. When assets are sold or divested, the carrying amount is deducted and any gains or losses are recognised in the income statement. Acquisition cost for tangible fixed assets is the purchase price, including taxes and charges and expenses directly related to preparing the asset for use. Expenses incurred after the asset has been put to use, are recognised in the income statement, whereas other expenses which are expected to create future financial gains are capitalised.

An estimated docking element is recognised as a separate component of the ship for depreciation purposes on the first occasion a ship is booked in the accounts. The amount corresponds to the estimated docking costs for the period. The docking component is depreciated on a straight-line basis over the period to the next planned drydocking.

Residual value has been taken into account, and this is estimated based on steel value of the ship at the balance sheet date less estimated cost to demolish the ship.

Book value is compared to market value and value in use to assess the need for any further impairment compared to the ordinary depreciation plan. The depreciation period and method are assessed annually and are based on the management's estimates of the ships' future useful life. The same applies to residual value.

The ships are depreciated as one unit, as the value of any part of the ship with a useful lifetime other than 25 years is considered to be insignificant.

D) IMPAIRMENT OF ASSETS

At the end of each quarter, every ship is assessed for impairment indicators. The same applies when events or changes occur that may entail that the asset's carrying amount may not be recovered. In assessing the need for impairments, assets are grouped at the lowest level at which there is identifiable and predominantly independent cash inflows, which means per ship. Impairment is calculated as the difference between the asset's carrying amount and the value considered as recoverable. The recoverable amount is the higher of the asset's fair value less cost to sell and its value in use to the Company. Value in use is calculated by discounting anticipated future cash flows from the asset. When it is assumed that the asset's value is lower than its carrying amount, an impairment loss is recognised.

Impairment loss recognised in earlier periods is reversed only in case of changes to the estimates used to determine the recoverable amount. However, the reversal amount may only be so high that book value after reversal at most corresponds to the value at which the asset would have been registered if it had not been impaired earlier. Such reversals are recorded in the income statement.

E) LEASING

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date. Leases are classified as financial leases if the terms of the lease agreement transfers substantially all the risks and rewards incidental to ownership of an asset. All other leases are classified as operating lease.

Assets financed under financial leases are capitalized at inception of the lease at the fair value of the leased vessel or, if lower, at the present value of the minimum lease payments. The corresponding lease obligation is recognized as a liability in the balance sheet. Lease payments are split between interest cost and reduction of the lease liability. Interest cost is recognized in the income statement.

Financial leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. For operating leases, the payments (time charter hire or bareboat hire) are recognized as an expense on a straight line basis over the term for the lease.

F) INVESTMENTS IN OTHER COMPANIES

Investments in subsidiaries and jointly controlled companies are accounted for in the parent company using the cost method.

At the end of each year, each investment in subsidiaries is assessed for impairment indicators. When it is assumed that the investment's value is lower than its carrying amount, an impairment loss is recognised.

G) ACCOUNTS RECEIVABLE

Accounts receivable are booked at nominal amount less expected loss.

H) CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. Liquid assets includes cash, bank deposits (restricted and unrestricted) and other short-term investments, which can be converted to cash within 3 months. For restricted deposits, see note 6.

I) EQUITY

(i) Treasury shares
Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium. Share options exercised during the reporting period are fulfilled with treasury shares.

(ii) Costs related to equity transactions
Transaction costs directly related to equity transactions are charged directly against the equity after tax deductions.

J) EMPLOYEE BENEFITS

Defined contribution pension scheme
All employees are member of the company's defined contribution scheme. The premium is charged as incurred by operations. Social security tax expense is recognized based on the pension plan payments.

Defined benefit pension scheme
The company has unfunded pension liabilities. These relate to early retirement and pension to persons, that have not been included in the service pension scheme. Pension obligations are estimated by an independent actuary.

K) PROVISIONS

A provision is recorded when the company has a liability (legal or constructive) as a result of a previous event, where it is likely (more likely than not) that there will be a financial settlement as a result of this liability and that the size of the sum can be reliably determined. If the effect is considerable, the provision is calculated by discounting the expected future cash flow with a discount rate before tax, which reflects the market's evaluation of the time value of money and, if relevant, risks specifically connected to the liability.

Provisions for loss-creating contracts are included when the company's expected income from a contract is lower than the inevitable costs which were incurred in discharging the obligations of the contract.

L) REVENUE RECOGNITION

Gains will be taken to income when it is likely that transactions will generate future financial gains which will be attributable to the company and the sum can be reliably estimated. Interest rate income is taken to income based on effective interest method according to when it is earned.

Dividend received from subsidiaries is accounted for in the same year as dividend has been accrued for in the subsidiary. If such dividend exceeds the prorata share of retained earnings after the acquisition of the shares, such excess portion represents repayment of capital and reduces the acquisition cost accordingly.

M) TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currency are converted at the rate at the time of the transaction. Monetary items in foreign currency are converted into USD using the rate on the balance sheet date. Non-monetary items which are measured at historical rates expressed in foreign currencies, are converted into USD using the currency rate at the time of the transaction.

Non-monetary items which are measured at market value expressed in foreign currency are converted at the currency rate on the balance sheet date. Currency rate changes are charged against income during the accounting period.

N) CONTINGENT GAINS AND LOSSES

Provisions are made for contingent losses deemed probable and quantifiable. Contingent gains are not recognised.

O) RELATED PARTY TRANSACTIONS

Transactions with related parties are carried out at market terms. See note 15 for further information.

P) EVENTS AFTER THE BALANCE SHEET DATE

New information after the balance sheet date regarding the company's financial position as of the balance sheet date is taken into consideration in the annual accounts. Events after the balance sheet date that do not affect the company's financial position as of the balance sheet date, but which will have an impact on the company's financial position in the future are revealed if significant.

Q) USE OF ESTIMATES IN PREPARATION OF THE ANNUAL ACCOUNTS

The management has used estimates and assumptions that have affected assets, debt, income, costs and information on potential liabilities. This applies particularly to pension liabilities and share-based remuneration. Future events can entail a change in these estimates. Estimates and the underlying assumptions are evaluated on an ongoing basis. Changes in accounting estimates are entered in the period when the changes occur. If the changes also apply to future periods, the effect is distributed over the current and future periods.

R) EARNINGS PER SHARE

Earnings per share are calculated by dividing the net result by a weighted, average number of shares in the reporting period. Diluted earnings per share are calculated on the basis the dilution effect of issued options and convertible loans, if any.

S) SHARE-BASED REMUNERATION

The employees in Belships ASA have received options to purchase shares in the company. The market value of the awarded options is measured at the time of the award and charged to expense over the vesting period as a wage cost with corresponding increase in other paid-in equity. The market value of the options granted is estimated using the Black and Scholes option pricing model.

NOTE 2 REVENUE

BELNIPPON and BELFUJI have mainly been chartered to Cargill in 2021, a leader within agricultural services.

NOTE 3 FIXED ASSETS

	Ships			Other fixed assets		
	Ships	Capitalised drydocking expenses	Total	Depreciable assets	Non Depreciable assets	Total
2021						
Cost price						
As at 1 January	130 954	5 276	136 230	282	469	751
Additions	26 964	1 739	28 703	78	0	78
Disposals	-157 710	-7 015	-164 725	-62	-408	-470
As at 31 December	208	0	208	298	61	359
Depreciations						
As at 1 January	11 996	2 293	14 289	99	57	156
Depreciation for the year	2 173	370	2 542	92	0	92
Impairment	0	0	0	0	0	0
Disposals	-14 041	-2 662	-16 703	-41	-57	-98
As at 31 December	128	0	128	150	0	150
Book value at 31 December	80	0	80	148	61	209
Depreciation	25 yrs	30-60 mos		3 - 5 yrs		

Depreciation method: Straight Line

SHIPS IN BELSHIPS ASA

Belships ASA was controlling the ships BELFOREST, BELISLAND, BELNIPPON, BELRAY, BELFUJI, BELMOIRA and BELAJA. During 2021, the company took delivery of the newbuilding BELFAST (Imabari). Except for Belnippon and Belfuji, the charter contracts were transferred to the subsidiary Belships Shipholding II AS during 2021. A gain of 17 505 related to the transfer is recognized in the income statement.

The timecharter agreements for BELNIPPON and BELFUJI are treated as operational leases. Hire payments amounted to 8 636 in 2021. Maturity of the lease agreements are 2025 and 2028 respectively.

OTHER FIXED ASSETS

Depreciable assets include vehicles, office furniture and office equipment. Depreciation period is 3-5 years. Non-depreciable assets include apartment and art, which is being tested for impairment annually.

NOTE 4 OPTIONS TO EMPLOYEES

At the Annual general meeting (AGM) in 2019, the Board was authorised to issue up to 200 000 share options to employees in Belships ASA. The option price is 105% of closing share price on the day of the AGM. The authorization is valid for two years. In accordance with this authorisation, options to buy 200 000 shares at NOK 8.79 were awarded in November 2019. No options have been exercised.

At the AGM in 2020, the Board was authorised to issue up to 200 000 share options to employees. The option price is 105% of closing share price on the day of the AGM. The authorization is valid for two years. In accordance with this authorisation, options to buy 200 000 shares at NOK 6.20 were awarded in November 2020. 16 200 options have been exercised.

The above mentioned option programs require a service period of 12 months before they can be exercised. The option can be exercised after one year from the date of the AGM which approved the option program and runs unto the date of the next AGM. The option programs include all employees in the parent company. The employees must be employed in the company at the time when the options can be exercised in order to have a right to exercise them.

SUMMARY OF OUTSTANDING OPTIONS

	2021	2020
Outstanding options 1 January	**5 400 000**	5 400 000
Awarded	**0**	200 000
Exercised	**-16 200**	0
Not exercised	**-334 500**	-200 000
Outstanding options 31 December	**5 049 300**	5 400 000

EMPLOYEE SHARE OPTION PLAN

Fair value of options has been calculated using the Black and Scholes options pricing model. The fair value of options awarded in 2019 and 2020 was NOK 2.60 and NOK 1.17, respectively. The fair value of outstanding share options are calculated at time of award and charged against profit and loss over the period until they can be exercised. The cost related to the share options above amounted to 2 in 2021.

SHARE OPTION PLAN CHIEF EXECUTIVE OFFICER

The CEO in Belships, Lars Christian Skarsgård was in March 2019 granted options to subscribe for up to five million shares in the Company with an exercise price of NOK 6 per share. The options can be exercised in the period between 36 months and 60 months from 15 March 2019. The company may honour exercised options by delivery of new shares in a share issue, by sale of existing shares, or by way cash settlement (i.e. payment of the difference between the market price of the shares less the exercise price). Options that have not been exercised will lapse if Skarsgård terminates his position as CEO or if he is terminated from his position with cause. If Skarsgård is terminated from his position without cause during the first 12 months, 2/3 of the options will lapse and if he is terminated from his position without cause during the first 24 months, 1/3 of the options will lapse. If Skarsgård is terminated without cause during the exercise period, the options will lapse unless they are exercised within three months.

The fair value of the options at time of award was NOK 2.57 per share. The calculated cost of USD 500 has been recognised as an expense in 2021.

The following forms the basis for the calculation:

Share price at the time the option was awarded: The share price is set as equal to the stock exchange share price when the option was awarded.

Exercise price per option: The exercise price was 105 % of the stock exchange market price when the option was awarded.

Volatility: Historic volatility set as indication of future volatility. Expected volatility equals a historic volatility of 39%.

Duration of options: It is assumed that all employees will exercise their options when the service period has been completed.

Dividend: Estimated dividend per share is NOK 0 per year.

Risk free interest rate: Interest rate used as a basis for calculating options is equal to the interest rate on government bonds over the duration of the options, i.e. 2% for 2020.

Decrease in the number of employees: Expected reduction is 0.

NOTE 5 INTERCOMPANY BALANCES

No interest is calculated on current intercompany balances, as these items are only considered as ordinary operating balances.

Interest at market terms is calculated on non-current intercompany balances, and the balance fall due when the cash position allows it. Calculated interest income on non-current intercompany balances amounted to 4 117 (2020: 3 160).

The company acting as guarantor of long-term interest bearing debt in subsidiaries. Fee amounted to 1 947 (2 794) related to this guarantee is recognized in the income statement.

NOTE 6 BANK DEPOSITS

Total bank deposit amounted to 14 002 (2 236) at year-end. Restricted funds for withholding tax for employees amounted to 116 (160) at 31 December 2021.

NOTE 7 EQUITY

	Paid-in				Retained	
	Share capital	Treasury shares	Shares premium res.	Other equity	Other equity	Total
Equity per 31 December 2020	53 617	-166	47 775	36 736	-22 750	115 212
Share issue	5 849	0	14 453	0	0	20 302
Dividend	0	0	0	-27 220	0	-27 220
Remeasurements loss	0	0	0	0	3	3
Sold treasury shares	0	41	0	0	90	131
Share-based payments	0	0	0	502	0	502
Result for the year	0	0	0	0	163 294	163 294
Equity per 31 December 2021	59 466	-125	62 228	10 018	140 637	272 224

SHARE CAPITAL

Belships ASA's 253 136 666 shares, each with a face value of NOK 2.00, was as of 31 December 2021 distributed among 2 990 shareholders. Each share has one vote.

	2021	2020
Number of shares		
Ordinary shares, issued and paid-in per 1 January	**228 175 404**	212 224 705
Share issue	**24 961 262**	15 950 699
Ordinary shares, issued and paid-in per 31 December	**253 136 666**	228 175 404
Dividend paid (NOK per share)	0.95	0.00

TREASURY SHARES

The company holds 371 800 treasury shares in total with an average cost price of NOK 10.70 as of 31 December 2021.

AUTHORISATION TO ISSUE NEW SHARES

At the Annual general meeting in 2021 the Board received authorisation to issue up to 120 million new shares. In March 2021 a total of 20 million shares were issued at NOK 7.00 per share. In August 2021 a total of 4 961 262 shares were issued at NOK 7.50 per share as part of consideration for the vessel BELTIGER.

THE 20 LARGEST SHAREHOLDERS IN BELSHIPS ASA AT 31 DECEMBER 2021

	Number of shares	Percentage
1 Kontrari AS	103 000 000	40.69 %
2 Kontrazi AS	32 500 000	12.84 %
3 Sonata AS	12 747 492	5.04 %
4 LGT Bank AG	11 515 918	4.55 %
5 Jakob Hatteland Holding AS	11 000 000	4.35 %
6 Meglerkonto Innland DNB NOR Bank ASA	9 973 286	3.94 %
7 Wenaasgruppen AS	8 149 330	3.22 %
8 Jahatt AS	5 000 000	1.98 %
9 Saxo Bank A/S	3 176 972	1.26 %
10 Stavanger Forvaltning AS	2 750 000	1.09 %
11 UBS Switzerland AG	2 615 792	1.03 %
12 Barclays Capital Sec. Ltd Firm	2 259 911	0.89 %
13 J.P. Morgan Bank Luxembourg S.A.	1 765 050	0.70 %
14 Ole Ketil Teigen	1 500 000	0.59 %
15 J.P. Morgan Securities PLC	1 228 955	0.49 %
16 The Bank Of New York Mellon SA/NV	1 178 157	0.47 %
17 SIX SIS AG	1 164 580	0.46 %
18 Cape Invest AS	976 078	0.39 %
19 August Ringvold Agentur AS	810 509	0.32 %
20 Caceis Bank Spain SA	757 743	0.30 %
Total 20 largest shareholders	214 069 773	84.57 %
Other shareholders	39 066 893	15.43 %
Total number of shares	253 136 666	100.00 %

NUMBER OF SHARES OWNED BY BOARD MEMBERS IN BELSHIPS ASA

	Note	Number of shares	Outstanding options
Peter Frølich (chairman)		100 000	0
Frode Teigen	1	135 500 000	0
Sverre J. Tidemand	2	12 747 492	0
Carl Erik Steen		179 154	0
Birthe Cecilie Lepsøe		7 500	0
Jorunn Seglem		35 000	0
Marianne Møgster		0	0

NUMBER OF SHARES OWNED BY THE MANAGEMENT IN BELSHIPS ASA

	Note	Number of shares	Outstanding options
Lars Christian Skarsgård, CEO *	3	544 900	5 000 000
Osvald Fossholm, CFO	4	35 000	49 300

*) See note 4 for more information about separate share option plan.

1) Includes shares held by Kontrari AS and Kontrazi AS, companies controlled by Frode Teigen.
2) Includes shares held by Sonata AS, a company in which Sverre J. Tidemand controls.
3) Includes shares held by AS Torinitamar, a company owned by Lars Christian Skarsgård.
4) Includes shares held by Krino Invest AS, a company owned by Osvald Fossholm.

NOTE 8 PENSIONS

DEFINED CONTRIBUTION SCHEME

All the employees in the parent company are member of a defined contribution scheme, which is in line with the occupational pension scheme for employees in Norway in accordance with the Act on Mandatory occupational pensions. Annual payable cost is reflected in the income statements and the company does not have any future liabilities related to this scheme. Total costs amounted to 144 in 2021.

DEFINED BENEFIT SCHEME

In addition to defined contribution scheme, the legacy Belships has unfunded pension liabilities which are covered through the daily operations. These relate to early retirement and pension to persons, that have not been included in the defined contribution scheme. There are 4 retired persons included in this scheme.

Pension commitments are calculated by an independent actuary. The basis for the calculation is shown below. The mortality table (K2013) for Norway is used in the calculations.

Social security costs are recorded based on net pension obligation in the balance sheet included estimate discrepancy.

ASSUMPTIONS

	2021	2020
Discount rate	**1.90 %**	1.70 %
Future wage adjustment	**2.75 %**	2.25 %
Pension adjustment	**0%**	0%
G-adjustment	**2.50 %**	2.00 %
Return on pension plan assets	**1.90 %**	1.70 %
Composition of the net pension obligations		
Net pension obligations as at 1 January	**276**	303
Interest on accrued pension obligations	**-4**	-10
Employer benefits paid	**-25**	-27
Actuarial (gains)/losses on obligation	**-3**	10
Net pension obligations as at 31 December	**244**	276
Net pension expenses		
Pension expenses defined benefit plan	**-4**	-10
Pension expenses defined contribution scheme	**144**	144
Total pension expenses	**140**	134

NOTE 9 SHARES

	Business office	Time of purchase	Cost price	Ownership/ Voting share	Equity	Result of the year	Book value
Shares in subsidiaries							
Belships Mgmt (Singapore) Pte Ltd	Singapore	31.12.83	1 375	100 %	2 722	1 419	1 375
Belships Lighthouse AS	Oslo	27.01.93	25 191	100 %	728	2 908	615
Belships Shipholding AS	Oslo	05.02.19	25 595	100 %	43 165	71 017	25 595
Belships Shipholding II AS	Oslo	20.05.21	12	100 %	125	24 214	12
Bellight AS	Oslo	03.06.19	11 100	100 %	2 535	4 513	11 100
Lighthouse Navigation AS	Oslo	09.12.85	4	34 %	20 747	20 245	4
Total							38 701

Belships ASA

NOTE 10 SALARIES, NUMBER OF EMPLOYEES

	2021	2020
Salaries	**1 704**	1 134
Social security tax	**310**	223
Pension expenses	**140**	134
Share-based payment	**502**	545
Other allowances	**35**	36
Total payroll expenses	**2 691**	2 074

The average number of employees in 2021 was 9 (2020: 9).

REMUNERATION

2021	CEO	Financial director
Salaries	464	223
Share-based payment transaction exp.	500	2
Pension expenses	23	24
Other allowances	2	18
Total	990	267

Other allowances include telephone, insurance agreements etc. There exist no severance pay agreement.

SHARE OPTIONS

For information about share options, see note 4. The CEO has a separate option scheme which also is described in note 4.

REMUNERATION TO THE BOARD

	2021	2020
The Board	**233**	170
Audit committee	**20**	9
Nomination committee	**6**	5

Board members are not awarded share options

GUIDELINES FOR THE REMUNERATION OF THE EXECUTIVE MANAGEMENT OF BELSHIPS ASA

In conformity with the provisions of section 6-16a of the Norwegian Public Limited Liability Companies Act, the Board has prepared the following statement on the company's guidelines for the remuneration of the executive management:

- Belships will have a competitive bonus scheme to ensure that the company will have the necessary capacity and competence.
- Belships will seek to have fixed salaries at market terms. There will also be a variable part (bonuses and share options), which will be evaluated annually.

FEES TO THE AUDITOR (EXCLUDING VAT)

	2021	2020
Remuneration for audit services	**79**	59
Other assurance services	**9**	11
Assistance related to tax matters	**5**	21
Other audit related assistance	**28**	22
Total	**121**	112

LOANS TO EMPLOYEES

There exist no loans to employees at year-end 2021.

NOTE 11 OTHER GENERAL ADMINISTRATIVE EXPENSES

	2021	2020
Office expenses	**179**	223
Other services	**703**	390
Data, office equipment a.o.	**333**	222
Communication, advertising	**40**	82
Travel expenses	**17**	35
Other general administrative expenses	**477**	255
Total	**1 748**	1 206

NOTE 12 RECEIVABLES AND LIABILTIES

CURRENT FLEET

BELNIPPON was delivered in January 2018. The ship is leased on time charter for a period of 8 years with purchase options from year 4 and onwards.

BELFUJI was delivered in January 2020. The ship is leased on time charter for a period of 8 years with purchase options from year 4 and onwards.

The company has no obligation to purchase the vessels.

PAYMENT SCHEDULE

	2022	2023	2024	2025	2026	Subsequent	Total
Operational leases	8 760	8 760	8 784	8 760	4 198	5 244	44 506

All current receivables and liabilities are due within 12 months.

NOTE 13 SUBSEQUENT EVENTS

The CEO of Belships ASA, Lars Christian Skarsgård, has in March 2022 exercised all his 5 million options in the Company against cash settlement by the Company. The share options were granted to Skarsgård when he was appointed as the new CEO of the Company in 2019. The amount payable per share was equal to NOK 18.64 less the strike price of NOK 4.10.

Furthermore, the board of directors of the Company decided to grant Skarsgård 5 million new options to subscribe for up to 5 million shares in the Company with an exercise price of NOK 18.64 per share. The options can be exercised in the period between 36 months and 60 months from the date of grant.

Belships ASA transfered in January 2022 the timecharter agreements for BELNIPPON and BELUFJI to the subsidiary Belships Shipholding II AS, recognising a gain of USD 9.8 million.

NOTE 14 FINANCIAL MARKET RISK

CURRENCY RISK

Currency risks arise in connection with transactions that are completed in other currencies than USD, and consist mainly of administrative expenses in NOK. No currency hedging agreements have been entered into.

The company does not use hedge accounting.

CREDIT RISK

There will always exist a credit risk related to the company's business. Belships monitors this risk and the strategy is to carefully select counterparts. Historical losses have been limited.

NOTE 15 RELATED PARTIES

The company receives a commission for acting as guarantor for mortgage debt in the subsidiary Belships Shipholding AS. The fee amounted to 1 947 (2 794) in 2021. The company received a management fee of USD 0.8 million in 2021 from its subsidiaries for auditing, accounting, project management and board fees.

All intercompany transactions have been conducted to market terms.

Except for the above mentioned, it has not been issued loans or provided security to or from shareholders or related parties.

The company's bareboat charter contracts were transferred to the subsidiary Belships Shipholding II AS during 2021. A gain of 17 505 related to the transfer is recognized in the income statement.

NOTE 16 TAX

TAX RESULT FOR THE YEAR FOR BELSHIPS ASA

	2021	2020
Result for the year before tax	**163 294**	28
Change in temporary differences	**2 967**	-4 997
Permanent differences / other	**-137 161**	-4 144
Tax basis for the year	**29 100**	-9 113
Use of tax losses carry forward	**-29 100**	0
Basis for tax payable	**0**	-9 113
Taxes payable (22%)	**0**	0
Total income tax expense	**0**	0

In accordance with NGAAP, tax reducing temporary differences and tax increasing temporary differences that are reversed, or can be reversed in the same period are assessed and the amount recorded net.

RECONCILIATION OF TAX EXPENSE

	2021	2020
Result for the year before tax	**163 294**	28
Statutory tax rate	**22 %**	22 %
Estimated tax expense at statutory rate	**35 925**	6
Permanent differences / other	**-30 175**	-912
Expected tax expense	**5 749**	-906
Translation differences	**375**	-177
Change in not recognized deferred tax assets	**-6 124**	1 084
Actual tax expense	**0**	0
Effective tax percentage	**0 %**	0 %

DEFERRED TAX PER 31 DECEMBER

	2021	2020
Deferred sale fixed asset gain/(loss)	**22 001**	-343
Pension obligations	**-244**	-276
Temporary differences fixed assets	**-52**	26 043
Sum temporary differences included in change in temporary differences	**21 705**	25 425
Impairment loss shares in subsidiaries abroad	**0**	0
Tax loss carried forward	**-43 976**	-75 532
Net temporary differences	**-22 273**	-50 108
Nominal tax rate on deferred tax	**22 %**	22 %
Deferred tax assets	**-4 900**	-11 024
Deferred tax assets in the Balance sheet	**0**	0
Deferred tax assets not recorded in the Balance sheet	**-4 900**	-11 024

To the General Meeting of Belships ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Belships ASA, which comprise:

- The financial statements of the parent company Belships ASA (the Company), which comprise the balance sheets as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of Belships ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and

- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 3 years from the election by the general meeting of the shareholders on 23 May 2019 for the accounting year 2019.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The Groups business activity increased compared to last year due to more vessels operated, and the freight rates increased to a high level during 2021. Despite improved market conditions in 2021, the carrying amount of ships is a significant part of the total assets, and consequently have been an area of focus also for the 2021 audit. We have not identified regulatory changes, transactions or other events that qualified as new key audit matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of ships	
Refer to note 2E, 2O (important accounting policies) and note 6, where management explains how they assess values of ships (owned ships and right to use assets). The group holds ships with a carrying amount of tUSD 580 628 as at 31 December 2021. The ships comprise 73% of total assets. No impairment has been recognized during 2021.	We evaluated and challenged management's assessment of impairment indicators and the process by which the assessment was performed. We assessed management's accounting policy against the requirements in IFRS, and we obtained explanations on how the requirements of IAS 36 were met. We also assessed the consistency year on year of how the accounting policy was adhered to.
Indicators of impairment for the ships were assessed and not considered present during 2021 and consequently management has not performed an impairment test. Management considered among others the estimated fair value less cost of sale for the ships, and assessed market conditions in the dry bulk market, including factors such as contract rates and contract coverage. Management is also considering other external and internal factors of relevance. The estimated fair value less cost of sale is based on valuation reports from two independent ship brokers.	We obtained the valuation reports used by management when estimating fair value less cost of sale of the ships. We assessed the competence and objectivity of the external brokers, and we also had interviews with representatives from the broker firms to understand how the fair value estimates were compiled. We also satisfied ourselves that the brokers were provided with the appropriate input to perform an estimate of fair value, such as build date, build location and key metrics of the vessels. We concluded that management had a sufficient understanding of the valuation reports and of the basis of which they were prepared We also did a reperformance of the comparison of estimated fair values less cost of sale to the carrying amount of each ship.
Management considers each ship to be a cash generating unit ("CGU") in their	We challenged management on whether other internal or external factors may be present that could

assessment of impairment indicators, consequently we assessed for impairment indicators on the same basis.

We focus on this area due to the magnitude of amounts and the judgement inherent in the assessment of indicators of impairment.

reasonably trigger the need of an impairment test. Examples of factors we discussed with management were contract coverage, future capex in relation to new requirements and the liquidity in the market for similar vessels.

We evaluated the disclosures made in note 2E, 2O and 6 without exceptions noted.

No matters of consequence arose from the procedures described above.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name '5967007LIEEXZXJCKO49-2021-12-31-en' have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Stavanger, 11 April 2022
PricewaterhouseCoopers AS

Tom Notland

Tom Notland
State Authorised Public Accountant


BELNIPPON

Corporate governance as adopted by the board on 18 February 2022

Good corporate governance is a prerequisite for cooperation based on trust between the company's owners, its board and management, with a view to achieving the objective of long-term growth and the greatest possible value for its shareholders over time.

Transparency and fairness creates value

All relevant parties must be confident that the company is soundly operated and that the corporate governance is well defined, fit for purpose and carried out with integrity and independence.

Belships' competitiveness hinges on stakeholders' and prospective customers' trust in the company's integrity and ethical behavior. Board members, management and employees will therefore always strive to uphold and develop trust in the company. Belships' values and ethical guidelines are intended to safeguard good corporate ethics.

Pursuant to section 3-3 (B) of the Norwegian Accounting Act and the Code (as defined below), the board reviews and updates the company's principles for corporate governance on an annual basis. This report is included in the company's annual report.

IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Belships' corporate governance policy is based on "The Norwegian Code of Practice for Corporate Governance" (the "Code"), most recently revised on 14 October 2021 and issued by the Norwegian Corporate Governance Policy Board. The policy is designed to establish a basis for good corporate governance to support achievement of the company's core objectives on behalf of its shareholders, including the achievement of sustainable profitability.

By pursuing the principles of corporate governance, the board and management contributes to achieving open communication, equal rights for all shareholders and good control and corporate governance mechanisms. The board assesses and discusses the corporate governance policy on a yearly basis.

Belships aspire to comply with the recommendations of the Code. If the Code is deviated from, the deviation is described and explained in the relevant section of this statement.

THE BUSINESS

The company's business is clearly described in the company's articles of association and is as follows:

"The objective of the company is shipping, charter brokerage and purchase and sale of vessels, offshore operations, participation in the exploration for and the production of petroleum, trade and industry as well as participation in companies of any sort with similar objectives."

The board of directors has defined clear objectives, strategies and risk profiles for the company's business. These objectives, strategies and risk profiles contributes to the company's value creation for the shareholders in a sustainable manner, which also implies that the board of directors takes economic, social and environmentally considerations into account when setting and monitoring the objectives, strategies and risk profiles.

The objectives, strategies and risk profiles are evaluated on a yearly basis.

EQUITY AND DIVIDEND

Capital structure

As at 31 December 2021, the company had a total booked equity of USD 273 million, corresponding to an equity ratio of 34%. The board deems the liquidity position of the company to be satisfactory, with cash and cash equivalents of USD 105 million. The company had mortgage debt of USD 111 million as of 31 December 2021 and a net lease obligation of USD 326 million.

The board is of the view that the capital structure of the company is appropriate to the company's objectives, strategies and risk profile.

Dividend policy

Belships ASA aims to distribute quarterly cash dividends targeting about 50 per cent of net result adjusted for non-recurring items. Other surplus cash flow may be used for accelerated amortisation of debt, share buy-backs or vessel acquisitions considered to be accretive to shareholders' value.

Belships believes this approach will create value for shareholders and has the flexibility to manage the company and support the continued growth.

The board will ask for an authorization to distribute dividend at the general meeting in 2022.

Authorisations to the board of directors

At the general meeting in 2021, the board was granted an authorization to increase the share capital with up to NOK 800 000 (corresponding to 400 000 new shares, each with a par value of NOK 2). The authorization can be used in connection with the company's share option program for employees. The authorization is valid until the general meeting in 2022, but not longer than 30 June 2022. At the general meeting in 2021, the board was also granted an authorization to increase the share capital with up to NOK 240 000 000 (corresponding to 120 000 000 new shares, each with a par value of NOK 2). This authorization covers more than one purpose, but the board is of the view that such authorization gives the board a flexibility to increase the share capital either in connection with acquisitions, to raise equity or a combination of the two, depending on the specific needs of the company. The authorization is valid until the general meeting in 2022, but not longer than 30 June 2022. The board was also granted an authorization to, on behalf of the company, acquire up to 20 000 000 treasury shares (corresponding to a total par value of NOK 40 000 000) at the board's discretion. The authorization was not limited to a specific purpose in order to give the board sufficient flexibility.

EQUAL RIGHTS FOR SHAREHOLDERS

When increasing share capital through the issue of new shares for cash payment, the company's shareholders have normally a pre-emptive right to subscribe for the new shares. If the board resolves to carry out an increase in share capital and waive the pre-emptive rights of existing shareholders on the basis of an authorization granted to the board, this will only be done where justified in light of the company's and the shareholders' interests. Such justification will be published in connection with the announcement of the increase in capital. On 9 March 2021, the board of directors resolved to increase the share capital based on the authorizations granted at the general meeting in 2020 by completing a private placement in which the pre-emptive right for shareholders to subscribe for the new shares was deviated from. The board of directors had carefully considered such deviation and resolved that the Private Placement is in the best interests of the Company and its shareholders. The full conclusion the board of directors was disclosed in the stock exchange announcement regarding the completion of the private placement.

The board was given an authorization at the general meeting in 2021 to acquire treasury shares. No such transactions have taken place in 2021 or 2022.

Any transactions the company carries out in its own shares should be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. If there is limited liquidity in the company's shares, the company should consider other ways to ensure equal treatment of all shareholders.

SHARES AND NEGOTIABILITY

The shares in Belships are freely negotiable and there are no restrictions on any party's ability to own, trade or vote for the share in the company.

GENERAL MEETING

The board seeks to ensure that the company's shareholders can participate in the general meeting either through physical or electronic presence and that the resolutions and any supporting documentation are sufficiently detailed, comprehensive and specific allowing shareholders to understand and form a view on all matters to be considered at the general meeting.

In the notice of the general meeting, it may be decided that shareholders who wish to take part in the general meeting, either in person or by proxy, must notify the company to this effect by a deadline of up to two (2) days before the general meeting.

The chairman and 2 members of the board were present at the general meeting in 2021.

The board has previously considered the need for an independent chairman for the general meeting on a case to case basis. The company's annual general meeting in 2021 was chaired by the chairman of the board. The general meeting is able to elect an independent chair for the general meeting if it wishes to.

Shareholders should be able to vote on each individual matter, including on each individual candidate nominated for election. Shareholders who cannot attend the meeting in person should be given the opportunity to vote. The company should design the form for the appointment of a proxy to make voting on each individual matter possible and should nominate a person who can act as a proxy for shareholders.

NOMINATION COMMITTEE

The company's articles of association state that the company shall have a nomination committee of two or three members. The members of the committee, including the chairman, shall be elected by the general meeting. Unless otherwise resolved by the general meeting, the elections shall be held every two years. The nomination committee shall make recommendations to the general meeting for the election of shareholder elected board members and members of the nomination committee and the remuneration to the members of the board and the nomination committee. The remuneration to the members of the nomination committee shall be resolved by the general meeting. The general meeting has established guidelines for the nomination committee. The nomination committee does not include any executive personnel or any


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member of the company's board of directors. The committee will hold individual discussions with each member of the board of directors. The members of the nomination committee are currently Vegard Gjerde and Kristian Falnes. Both were reelected by the annual general meeting in 2021. The nomination committee held 1 meeting before the 2021 general meeting.

BOARD — COMPOSITION AND INDEPENDENCE

The board consists of seven members and one observer, and the board is made up of directors with broad experience and knowledge of the sector in order to attend to the common interests of all shareholders and meet the company's need for expertise, capacity and diversity. Four directors are independent of day-to-day management, the majority shareholder and major business connections. The board does not include members of the executive management. The chairman of the board is elected by the general meeting. The term of office for the board members is one year, and members may be re-elected. Further information regarding the expertise of the members of the board and information on their record of attendance at board meetings is included in the annual report. Board members are encouraged to own shares in the company, and 6 of 7 directors own shares in the company. Further information regarding the board is included the annual report.

THE WORK OF THE BOARD OF DIRECTORS

The board has the final responsibility for the management and organization of the company and supervising routine management and business activities. This involves that the board is responsible for establishing control arrangements to secure that the company operates in accordance with the adopted values and Code of Conduct as well as with shareholders' expectations of good corporate governance. The board primarily looks after the interests of all the shareholders, but is also responsible for the company's other stakeholders.

The board's main task is to ensure that the company develops and creates value. Furthermore the board shall contribute to the shaping of and implementation of the Group's strategy, ensure appropriate supervision and control of management and in other ways ensure that the Group is well operated and organized.

The board sets the objectives for the financial performance and adopts the company's plans and budgets. Items of major strategic or financial importance for the Group are the responsibility of the board.

The board hires the CEO, defines his or her work description and authority and sets his or her salary and other compensation. The board each year produces an annual plan for its work as recommended. The board have adopted instructions for its own work and for the executive management. The rules of procedure that apply to the Chief Executive Officer specify his or her responsibilities and the decisions that have to be approved by the board.

The board can decide to deviate from instructions in certain cases. The board and executive personnel shall make the company aware of any material interests that they may have in items to be considered by the board. The board will also be chaired by some other member of the board if the board is to consider matters of a material character in which the chairman of the board is, or has been, personally involved.

The board instruction outline how the board of directors and executive management shall handle agreements with related parties, including that the board on a case-to-case bases shall consider whether an independent valuation shall be obtained. The board of directors will present any such agreements in their annual directors' report.

The board receives regular financial reports on the Group's economic and financial status. The board establishes an annual plan for its work and evaluates its performance and expertise annually. The board meets at least 6 times a year and receives a monthly report on the company's operations. In addition, the board is consulted on or informed about matters of special importance.

Audit committee

The audit committee consists of Birthe Cecilie Lepsøe (chairman) and Peter Frølich. The committee's objective is to act as a preparatory working committee and support in connection with the board's supervisory roles with respect to financial reporting and the effectiveness of the company's internal control system. The members of the audit committee are independent of the company and at least one member of the audit committee is competent in respect of finance and audit. The board has prepared rules of procedure for the audit committee. The committee has held 5 meetings since the annual general meeting in 2021.

Remuneration committee

A remuneration committee has not been established. Remuneration tasks are handled by the board.

RISK MANAGEMENT AND INTERNAL CONTROL

The board is responsible for ensuring that the company has sound internal control and believes that the systems for risk management implemented by the company are appropriate in relation to the extent and nature of the company's activities. The board annually reviews the company's most important areas of exposure to risk and its internal control arrangements.

REMUNERATION TO THE BOARD

The company endeavors to grant directors a remuneration based on market terms, which reflect the responsibility, expertise, time commitment and the complexity of the company's activities.

The remuneration to directors is approved by the company's annual general meeting. The remuneration of the board should not be linked to the company's performance. The company should not grant share options to members of its board. Members of the board and/or companies with which they are associated should not take on specific assignments for the company in addition to their appointment as a member of the board. If they do nonetheless take on such assignments, this should be disclosed to the full board. The remuneration for such additional duties should be approved by the board. Any remuneration in addition to normal directors' fees should be specifically identified in the annual report.

REMUNERATION TO THE EXECUTIVE MANAGEMENT

The board has prepared guidelines for the remuneration of the executive management, pursuant to the law, which are submitted to the general meeting. These guidelines support Belships' commercial strategy, long-term interests and financial viability.

A report on the salary and other remuneration to the executive management will be prepared in accordance with the rules of the Norwegian Public Companies Act and relevant regulations.

The company has a share option scheme that applies to all employees in the head office of Belships ASA, including the executive management. In addition, the Chief Executive Officer has a separate option arrangement. General meeting has voted separately on the approval of the authorization to the board to issue shares to honor the option program.

Performance-related remuneration is subject to an absolute limit.

INFORMATION AND COMMUNICATION

Belships regards timely and accurate information as essential for obtaining a price for the share that will reflect the company's underlying value and prospects. The company keeps Oslo Stock Exchange, the stock market and shareholders fully updated through interim reports, annual reports and press releases on important events. The company also has a website, which is regularly updated. The company's financial calendar is published on the company's website and through the Oslo Stock Exchange publication system. All shareholders have equal access to financial and other material company information.

COMPANY TAKEOVER

The board has established guidelines for how to act in the event of a take-over bid. If such a bid should be made, the board considers it important that shareholders are treated equally and that the company's operations are not unnecessarily disturbed. The board shall ensure that shareholders are given sufficient information and time to form a view of the offer. The board shall not seek to prevent or obstruct takeover bids for the company's business or shares unless there are particular reasons to do so. Any agreement with a bidder for the shares of the company that acts to limit the company's ability to arrange other bids for the company's shares should only be entered into where such an agreement clearly is in the common interest of the company and the shareholders. This provision shall also apply to any agreement on the payment of financial compensation to a bidder if the bid does not proceed. In the event of a take-over bid for the company's shares, the board shall not exercise authorizations or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting subsequent to the announcement of the bid. If an offer is made for the shares in the company, the board shall issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case, it shall explain the basis on which specific members of the board have excluded themselves from the board's statement. Before issuing its final statement the board shall arrange for an evaluation of the financial aspects of the bid from an independent expert. The evaluation shall include an explanation and shall be made public no later than at the time the board's statement is made public.

AUDITOR

The auditor submits the main features of the company's annual audit plan to the audit committee. The auditor is always invited to be present during the board's discussion of the annual accounts. At this meeting the board is briefed on the annual accounts and any other issues of particular concern to the auditor. Part of the meeting is also executed without the presence of the CEO and other executive management. The board has implemented guidelines in respect of use of the auditor by the executive management for services other than the audit. The board reviews the company's internal control procedures together with the auditor at least annually. The company's auditor is PricewaterhouseCoopers AS. The auditing and counseling fees appear from the notes to the accounts. The board makes a running assessment of whether the audit is performed in a satisfactory manner.

AIMING FOR THE BEST STANDARDS OF CORPORATE GOVERNANCE

Ship Management

Belships performs all commercial and technical management in-house and has no related party transactions.

Board Independence

Belships board of directors consists of seven members, whereof four are independent. Since 2007, more than 40 per cent of the board has been represented by female board members.

Finance and vessel transactions

Belships utilizes only external advisors or brokers in any transactions and no related third parties.

Board Policy

The board has separate Audit and Board Nomination committees. Belships does not have any shareholder disenfranchisement policies such as poison pills or similar.

Transparency

The company and board maintain sound principles of transparency and fairness in regard to availability of information, presentations and practices.


BELFOREST
EGERSUND

Belships' main contribution to society is to develop a sustainable and value-creating business for our customers, employees and shareholders. Our aim is to ensure that our business practices as well as our investments are sustainable and contribute to economic development, with care for the environmental and social impact we have on society.

Strong commitment to quality and responsibility

Belships has identified certain material sustainability challenges relating to the Company, as well as their potential impact on the Company's business. This Corporate Social Responsibility Policy presents how Belships integrates the most material sustainability issues into its business strategies and processes.

MISSION AND CORE VALUES

Belships has a clearly defined mission statement and a set of core values which we believe will ensure that the Company continues to grow and develop its value creating and sustainable business.

Our mission

- To be a leading provider of shipping transportation services

Our core values

- Deliver Quality to our Customers
- Preserve Safety and the Environment
- A place for Learning and Teamwork for our People
- Create Value for our Shareholders

Our core values are reflected in everything we do. They are an integrated part of how we conduct our business.

APPLICABILITY

This Corporate Social Responsibility Policy applies to all employees and all members of the board of directors of the Company and of the Company's subsidiaries and to any other person or entity acting for or on behalf of the Company.

The policies set out in the Corporate Social Responsibility Policy should be read and understood in conjunction with Belships' Code of Conduct and the guidelines and obligations contained therein.

OUR CSR AMBITIONS – MAIN AREAS OF FOCUS

Environment

International shipping contributes to global emissions of greenhouse gases (GHG) through consumption of bunkers. Although international shipping is a contributor to global emissions, it produces substantially less emissions per unit distance than other methods of transportation when carrying a shipment.

Belships recognizes its environmental responsibility and strives to comply with and maintain high standards in order to reduce the environmental impact from its operations. The Company is focusing on reducing bunkers consumption, which is the main source of the shipping sector's emissions of CO2, NOX and SOX.

Belships' ambition is to optimize energy consumption to reduce its environmental impact, by investing in new ships and designs, but also taking measures aimed at reducing the footprint of existing vessels where possible.

Belships is certified with Environmental Management Systems Certificate ISO 14001 as well as ISO 9001:2000. The certificates are issued by the classification society and establish environmental standards and implementation routines. Continuous efforts are made in order to reduce the general waste produced by the ships and to dispose of waste onshore in a controlled manner at approved port waste reception facilities. The fleet complies with the IMO recommendations on waste management.

Pollution by invasive species carried with ballast water has become an important issue. Most of our ships have ballast water treatment systems in place. Belships is actively preparing for the expected implementation of regulations on ballast water treatment entering into force. In fact, some of our third party managed ships have already started to use ballast water treatment system.

Belships is closely monitoring the development of all environmental regulation. The Company will continue to comply with all legislation and follow best practices to minimize the Company's impact on the environment.

Human rights and labour rights

It is Belships' policy to integrate attention to human rights and labor rights into its existing business processes. In practice, a large part of the human and labor rights agenda is covered by the Company's health and safety efforts. The health and safety of our employees is a key priority for Belships. As an international and multi-cultural employer, the Company respects international and local legislation, including the provision of the International Labour Organization's Maritime Labour Convention of 2006 (the "MLC"). The MLC is commonly known as the "seafarers' bill of rights", and sets out seafarers' right to decent working conditions, including elements such as minimum age of seafarers, payment of wages, hours of work or rest, onboard medical care, paid annual leave and freedom of association.

Belships' employees are a key resource to the Company. The Company will continue to focus on attracting and keeping the best qualified and motivated employees. As a global organization, Belships has a diversified working environment in which employment, promotions, responsibility and job enrichment are based on qualifications and abilities and not on gender, age, race, sexual orientation and political or religious views. The Company does not tolerate discrimination in any form.

Belships aims to continuously provide and enhance healthy, high-quality working conditions, both onshore and onboard vessels. Crewing and technical management is conducted from Belships' subsidiaries in Singapore and China. These companies also have external customers and offer ship management services to ship owners worldwide. A dedicated and well-trained ship- and onshore team monitors the health, safety, environment and quality performance.

Belships' goal is to run the operations of the Company with zero fatal accidents. This goal was achieved in 2017, 2018, 2019 and 2020.

Attracting and retaining qualified seafarers remain an area of strategic importance for Belships. The objective is to strengthen Belships' brand and image. To ensure a continued recruitment of dedicated and qualified officers, Belships is engaged in training of seafarers and education of cadets and has 140 cadet positions onboard the Company's vessels. The Company will continue to develop and implement crew welfare initiatives in order to meet the Company's ambition of maintaining the retention rate and thereby create safe and well performing vessels.

Piracy, hi-jacking and kidnapping continues to represent a significant risk in certain regions of the world. To create a safe environment for our crew and vessels, the Company has adopted best managementpractices consistent with the industry standards and recommendations from governing bodies. Specifically, all of our ships are registered with the EU Naval Force (Maritime security centre) which co-ordinates ship's' transit schedules with the appropriate naval ships in the Gulf of Aden and Somali basin. An internal risk assessment is also made prior entering into a voyage in any part of the world. Depending on the present conditions and individual risk factors for the particular ship, preventive measures are evaluated for each transit in accordance with Belships' policy. There were no incidents of attempted hijackings of ships in the Belships fleet in 2017, 2018 2019 and 2020.

Anti-corruption

Belships believes that corruption prevents wellfunctioning business processes and curbs economic development. Belships focuses on transparency in its business practices, supports free enterprise and competes in a fair and ethical manner.

Corruption or corrupt behaviour is not accepted by Belships, and we will actively strive to fight it.

BELSHIPS ASA

Lilleakerveien 6D
P O Box 23 Lilleaker, N-0216 Oslo, Norway
Organization no. 930 776 793 MVA

www.belships.com

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