



# **BELSHIPS**

## **QUARTERLY REPORT – Q2 2023**

*21 August 2023*

**Belships ASA**

Lilleakerveien 6D, 0283 Oslo, Norway

[www.belships.com](http://www.belships.com)

Enterprise no: NO 930776793 MVA



## **STRONG OPERATIONAL PERFORMANCE, FURTHER GROWTH IN THE PIPELINE**

### **HIGHLIGHTS**

- EBITDA of USD 40.5m including USD 6.8m from Lighthouse Navigation
- Net result of USD 25.8m
- Declared dividend of NOK 0.60 per share
- TCE of USD 19 099 gross per day for owned fleet – 77 per cent outperformance of market
- Strategic partnership with V.Group and divestment of technical management business, realised book gain of USD 8.5m
- Sold 2015-built BELVEDERE, net cash of USD 10m after debt repayment
- Added 2x Ultramax newbuildings with delivery 2026-2027, zero cash invested
- 91 per cent of ship days in Q3 2023 are fixed at USD 18 100 gross per day
- 58 per cent of ship days in the next four quarters are fixed at USD 18 100 gross per day
- Cash breakeven for 2023 of about USD 10 900 per vessel per day
- The newest Supra/Ultramax fleet with 36 ships including newbuildings

### **Subsequent events**

Belships has expanded its newbuilding program with 2x 64 000 dwt Ultramax bulk carriers which will be delivered in 2H 2026 and 1H 2027. Belships now has a total of six newbuildings under construction at Japanese shipyards with delivery between 2024 and 2027. All six vessels are leased on time charter for a period of 7 to 10 years, with purchase options around current market levels during the charter. There is no obligation to purchase any of the vessels. Cash breakeven for the vessels upon delivery is about USD 14 100 per day on average. Belships is not required to make any down payments for these transactions. Therefore, this newbuilding program will not have any impact on cash and dividend capacity during the construction period.

### **Financial results commentary**

Belships reports a net result of USD 25.8m for Q2 2023, compared to a net result of USD 31.6m for Q2 2022. Despite challenging market conditions, the strong result in Q2 2023 is due to profitable contract coverage and the realised gain from divesting the technical management company.

Despite lower market rates, net freight revenue for the Belships fleet was USD 49.4m, largely unchanged from USD 55.5m in Q2 2022. This is due to fleet growth in the period and significant contract coverage securing stable earnings.

Ship operating expenses amounted to USD 5 065 per vessel per day in Q2 2023 compared to USD 5 642 in Q2 2022. Despite inflationary pressures, the reduction has been achieved as a result of strong operational performance and continued improvement in fleet quality.

### **Fleet status**

Time charter equivalent earnings (TCE) per ship in the quarter was recorded at USD 19 099 gross per day. The Baltic Supramax Index (BSI-58) averaged USD 10 763 gross per day in Q2 2023. The strong outperformance is due to a high number of fixed period time charter contracts at levels significantly above current market rates.



One vessel was drydocked in the quarter. The remaining fleet sailed without significant off-hire with a total of 2 778 on-hire vessel days in Q2 2023.

Summary of current fixed-rate contract coverage:

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Contract coverage	91%	74%	47%	17%	13%	10%
TCE rate (USD/day)	18 100	18 200	18 000	17 600	17 300	16 100

Separately, Belships currently has four vessels chartered-out on floating index-linked time charter for a period of about one year, at a premium above the Baltic Supramax Index (BSI-58). Belships has the option to convert any part of the remaining period to a fixed rate based on the prevailing FFA curve from time to time.

Estimated cash breakeven for 2023 is USD 10 900 per vessel per day. This includes OPEX of USD 5 300, interest and amortisation of USD 4 850, G&A of USD 450 and drydocking expenses of USD 300 per vessel per day.

### Transactions

Belships entered into an agreement for the sale of BELVEDERE, an Ultramax bulk carrier built in 2015. Net cash was about USD 10.0m after repayment of outstanding loan and the net sales price was about the same as book value. The ship was delivered to its new owner in August.

### Newbuildings

Delivery schedule for newbuilding program:

- NEWBUILD 1 expected delivery Q4 2024
- NEWBUILD 2 expected delivery Q4 2025
- NEWBUILD 3 expected delivery Q4 2025/Q1 2026
- NEWBUILD 4 expected delivery Q1 2026
- NEWBUILD 5 expected delivery H2 2026
- NEWBUILD 6 expected delivery H1 2027

The Japanese-designed bulk carriers entering the fleet represent the highest quality and lowest fuel consumption available in the market today and will contribute to further reduce Belships' carbon emissions on an intensity-basis.

### Belships Management (Singapore)

Belships agreed to divest its 100 per cent shareholding in Belships Management (Singapore) Pte Ltd., the technical and crew management company which manages dry bulk vessels for Belships ASA and other international clients. Closing of the transaction was completed on 30th June 2023, and a book gain of USD 8.5m was recorded in Q2 2023.

Furthermore, Belships entered into a strategic partnership with V.Group for technical and crew management for the Belships fleet. V.Group is a leading ship management and marine solutions provider, serving more than 3 500 ships globally. This will ensure our fleet will continue to be maintained to the highest standards and will also accelerate the digitalisation of our fleet and operations.

**Lighthouse Navigation**

Lighthouse Navigation delivered another good quarter with an EBITDA of USD 6.8m. Despite unfavourable market conditions, the dry bulk operating business continues to demonstrate good execution and risk management.

The average EBITDA per quarter in the last five years has been USD 7.4m.

**Sustainability**

Belships aims for high standards in corporate governance and is well placed to deliver emission cuts in line with industry ambitions for 2030. Belships published a comprehensive sustainability report for 2022 (ESG Report) during the quarter reflecting our commitment to transparency and efforts to meet investor and stakeholder expectations.

Belships' vessels are compliant with the new emission regulations from IMO without additional investments signalling the competitive advantage of owning a very modern fleet.

**Financial and corporate matters**

At the end of the quarter, cash and cash equivalents totalled USD 148.2m, whilst interest bearing bank debt amounted to USD 145.0m.

Leasing liabilities at the end of the quarter amounted to USD 457.6m. These liabilities have been calculated with the assumption that all purchase options to acquire Ultramax bulk carriers on bareboat and time-charter lease agreements will be exercised except BELFUJI. Belships has no contractual obligation to acquire any of the leased vessels.

All lease agreements have fixed interest rates for the entire duration of the contracts and all purchase options are denominated in USD.

At the end of the quarter, book value per share amounted to NOK 12.8 (USD 1.19), corresponding to a book equity ratio of 31 per cent. Value-adjusted equity is significantly higher.

**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.

**Dividend payment**

Based on the financial result in Q2 2023 the Board declared a dividend payment of NOK 0.60 per share (USD 14.3m in total) equivalent to about 60 per cent of the net result adjusted for minority interests.

This brings the total dividends paid out since Q2 2021 to NOK 7.65 per share, which is about 115 per cent of the share price from the time of the merger between Belships and the Lighthouse Group in December 2018. Total declared dividends amount to USD 199.5m.

**Market highlights**

In the second quarter, the Baltic Supramax Index (BSI-58) averaged USD 10 763 per day – slightly up from USD 10 171 in the preceding quarter. Asset values were stable during the quarter, however, a softening trend emerged in June as spot market rates dropped below USD 8 000 per day. In



general, asset values are at about the same level as at the start of the year, with modern vessels continuing to be markedly higher in demand than less economical older ships.

According to Fearnleys, preliminary estimates for Q2 2023 shipment volumes were 275 million tonnes, an all-time high. Quarter-on-quarter, the highest growth was seen in minor bulks, steel products and fertilizer shipments, which all increased more than 10 per cent. Coal and grains shipments contributed negatively, falling by 4.5 and 3.5 per cent, respectively. Shipments of grains out of Ukrainian ports has since come to a complete stop. Further, iron ore shipments dropped by 16 per cent, and breakbulk shipments fell by a mere half per cent.

Port congestion, as measured by the average waiting time in port for ships to discharge, continued to reduce during the second quarter. Coupled with shorter, albeit marginal, average voyage durations – this contributed to less favourable supply-side fundamentals. Average sailing speeds remain relatively unchanged. Current levels of port congestion are now back at pre-Covid normalised levels. As we have highlighted before, changes in port congestion, voyage duration and/or vessel speeds affect the overall vessel efficiency in the dry bulk market on a short term basis more than a change in the number of newbuildings in the orderbook.

33 Supra/Ultramax vessels were delivered in Q2 2023, compared to 34 vessels in the previous quarter according to Fearnleys. For the remainder of 2023, less than 50 vessels are scheduled to be delivered. However, the actual number of deliveries may be lower given that some orders are delayed or incorrectly reported.

Fleet growth has increased from below 3 per cent since Q2 2022 (which was the lowest rate observed in the last 20 years), to 3.5 per cent. According to Fearnleys, fleet growth is likely to remain around this level for the remainder of this year before dropping to 2.5 per cent in 2024. The number of ships delivered per quarter compares to an existing fleet of Supra/Ultramax vessels today of about 4 000 in total. With an orderbook-to-fleet of around 7 per cent, we are approaching the lowest rate of supply growth in 30 years.

Relatively low newbuilding activity for dry bulk continues as the lack of conviction and alternatives for fuel and propulsion systems appear to restrain new ordering. Higher input costs as well as full orderbooks for other vessel segments dictate the position with shipyards. Available delivery positions with reputable shipyards remain distant, at least two and a half years ahead. For the premier Japanese shipyards, available delivery positions are even later – more than 3 years from now.

## **Outlook**

The sentiment in dry bulk markets remain muted, however, the Baltic Exchange Supramax spot index has turned up from low levels and is currently about USD 9 500. The Forward Freight Agreements (FFA) for Supramax have improved, and currently indicate a market average of about USD 12 000 for the remaining part of the year, with Ultramax bulk carriers earning an additional premium of about 15 per cent.

Lighthouse Navigation continues to deliver good results. We expect continued profitability contributing to Belships' dividend capacity.

Belships has contract coverage ensuring significantly higher profitability than current market levels with most of the fleet on fixed-rate period time charter contracts with varying durations.



91 per cent of ship days in Q3 2023 are covered at about USD 18 100 per day, and 74 per cent of ship days in Q4 2023 covered at about USD 18 200 per day. 58 per cent of ship days in the next four quarters are fixed at about the same rate of USD 18 100 per day.

All period contracts are fixed with highly reputable and recognised charterers in the dry bulk market. Furthermore, Belships financing has been secured for many years ahead, and most of the debt is with fixed interest rates significantly below current market levels.

During the summer, we have chartered out four of our vessels on floating index-rate contracts. This is because we believe the rates and market sentiment have a good probability of improving in the near term.

With six Ultramax newbuildings under construction for delivery between 2024 and 2027, Belships will be taking over new vessels whilst the orderbook and the rate of supply growth approaches the lowest levels in 30 years. Since they are all leased without Belships investing any cash, this will not affect our dividend capacity before delivery. We believe the best way for Belships to approach the green shift is to secure the most efficient vessels currently available, with a financing structure which gives us unparalleled optionality and flexibility.

We are focused on financial discipline and returning capital to our shareholders. A competitive return for our shareholders is to be obtained through an increase in the value of the company's shares and the payment of dividends, as measured by the total return. Based on Belships' current contract coverage, we expect to generate significant free cash flow and continue to pay quarterly dividends.

21 August 2023

THE BOARD OF BELSHIPS ASA

Peter Frølich  
*Chair*

Frode Teigen

Sten Stenersen

Marianne Møgster

Carl Erik Steen

Birthe Cecilie Lepsøe

Jorunn Seglem

Lars Christian Skarsgård  
*CEO*

**Responsibility statement**

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2023 has been prepared in accordance with IAS 34 - Interim Financial Reporting, and gives a true and fair view of the Company's assets, liabilities, financial position and result for the period.

We also confirm to the best of our knowledge that the financial review includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements.

21 August 2023

THE BOARD OF BELSHIPS ASA

Peter Frølich  
*Chairman*

Frode Teigen

Sten Stenersen

Marianne Møgster

Carl Erik Steen

Birthe Cecilie Lepsøe

Jorunn Seglem

**CONSOLIDATED STATEMENT OF INCOME***The quarterly figures are not audited*

USD 1 000		Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022	2022
Gross freight revenue	Note	145 473	251 431	293 337	509 718	926 494
Voyage expenses		-30 898	-61 712	-67 666	-92 514	-204 769
<b>Net freight revenue</b>	2	<b>114 575</b>	<b>189 719</b>	<b>225 671</b>	<b>417 204</b>	<b>721 725</b>
Management fees		624	3 113	1 155	3 815	4 228
<b>Operating income</b>	2	<b>115 199</b>	<b>192 832</b>	<b>226 826</b>	<b>421 019</b>	<b>725 953</b>
Share of result from j/v and assoc. comp.		1 379	6 483	4 809	18 823	30 963
T/C hire expenses		-56 132	-128 402	-107 863	-285 220	-450 524
Ship operating expenses		-14 761	-13 698	-29 096	-27 060	-55 571
Operating expenses management companies		-3 731	-6 823	-8 013	-14 337	-22 209
General and administrative expenses		-1 500	-1 650	-2 840	-4 251	-7 068
<b>Operating expenses</b>		<b>-74 745</b>	<b>-144 090</b>	<b>-143 003</b>	<b>-312 045</b>	<b>-504 409</b>
<b>EBITDA</b>		<b>40 454</b>	<b>48 742</b>	<b>83 823</b>	<b>108 974</b>	<b>221 544</b>
Depreciation and amortisation	3	-11 331	-9 089	-22 602	-17 315	-38 992
Gain on sale of ships	3	0	0	0	12 308	22 274
Other gains/(-losses)		-1 073	1 075	757	4 569	1 342
<b>Operating result (EBIT)</b>		<b>28 050</b>	<b>40 728</b>	<b>61 978</b>	<b>108 536</b>	<b>206 168</b>
Interest income		559	95	971	98	958
Interest expenses		-8 551	-5 637	-17 023	-10 716	-26 106
Other financial items		371	-3 815	-182	-5 434	-1 877
Currency gains/(-losses)		-2 842	793	-690	131	-2 183
<b>Net financial items</b>		<b>-10 463</b>	<b>-8 564</b>	<b>-16 924</b>	<b>-15 921</b>	<b>-29 208</b>
<b>Result before taxes</b>		<b>17 587</b>	<b>32 164</b>	<b>45 054</b>	<b>92 615</b>	<b>176 960</b>
Taxes		-225	-680	-272	-1 864	-2 041
<b>Net result from continuing operations</b>		<b>17 362</b>	<b>31 484</b>	<b>44 782</b>	<b>90 751</b>	<b>174 919</b>
Result from discontinuing operations	5	8 458	76	8 806	343	141
<b>Net result for the period</b>		<b>25 820</b>	<b>31 560</b>	<b>53 588</b>	<b>91 094</b>	<b>175 060</b>
Hereof majority interests		24 266	27 015	47 456	73 753	146 886
Hereof non-controlling interests		1 554	4 545	6 132	17 341	28 174
Earnings per share for continuing operations		0.07	0.12	0.18	0.36	0.69
Diluted earnings per share for continuing oper.		0.07	0.12	0.18	0.36	0.69
Earnings per share		0.10	0.12	0.21	0.36	0.69
Diluted earnings per share		0.10	0.12	0.21	0.36	0.69

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

USD 1 000		Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022	2022
<b>Net result</b>		<b>25 820</b>	<b>31 560</b>	<b>53 588</b>	<b>91 094</b>	<b>175 060</b>
<i>OCI not to be reclassified to profit or (loss) in subsequent periods:</i>						
Actuarial gain/(loss) on defined benefit plans		0	0	0	0	13
<i>Items that may be subseq. reclassified to profit or (loss):</i>						
Exchange differences		-424	-62	-1 475	-85	-129
<b>Total comprehensive income</b>		<b>25 396</b>	<b>31 498</b>	<b>52 113</b>	<b>91 009</b>	<b>174 944</b>
Hereof majority interests		<b>24 385</b>	26 953	<b>46 409</b>	73 753	146 770
Hereof non-controlling interests		<b>1 011</b>	4 545	<b>5 704</b>	17 256	28 174
Majority interests from continuing operations		<b>15 927</b>	26 877	<b>37 603</b>	73 410	146 629
Majority interests from discontinuing operations		<b>8 458</b>	76	<b>8 806</b>	343	141



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***The quarterly figures are not audited*

USD 1 000		<b>30 Jun 2023</b>	30 Jun 2022	31 Dec 2022
<b>NON-CURRENT ASSETS</b>				
	<i>Note</i>			
Ships	3	<b>733 798</b>	677 316	747 042
Prepayment of ships		<b>0</b>	13 500	6 900
Property, Plant, and Equipment		<b>1 064</b>	3 955	3 702
Investments in j/v and assoc. companies		<b>7 847</b>	18 295	29 483
Other non-current assets		<b>1 050</b>	472	1 076
<b>Total non-current assets</b>		<b>743 759</b>	713 538	788 203
<b>CURRENT ASSETS</b>				
Assets held for sale	3	<b>26 614</b>	18 651	0
Bunker inventory		<b>9 217</b>	33 607	14 675
Current receivables		<b>33 055</b>	66 899	57 544
Cash and cash equivalents		<b>148 234</b>	130 797	139 871
<b>Total current assets</b>		<b>217 120</b>	249 954	212 090
<b>Total assets</b>		<b>960 879</b>	963 492	1 000 293
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Paid-in capital		<b>141 096</b>	157 637	158 359
Retained earnings		<b>133 879</b>	64 002	98 864
Non-controlling interests		<b>25 937</b>	44 820	40 112
<b>Total equity</b>		<b>300 912</b>	266 459	297 335
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax		<b>0</b>	4 595	0
Long-term interest bearing debt	4	<b>557 482</b>	516 445	555 202
Other non-current liabilities		<b>845</b>	1 676	1 729
<b>Total non-current liabilities</b>		<b>558 327</b>	522 716	556 931
<b>CURRENT LIABILITIES</b>				
Current portion of interest bearing debt	4	<b>45 100</b>	50 839	50 053
Other current liabilities		<b>56 540</b>	123 478	95 974
<b>Total current liabilities</b>		<b>101 640</b>	174 317	146 027
<b>Total equity and liabilities</b>		<b>960 879</b>	963 492	1 000 293

**CONSOLIDATED STATEMENT OF CASH FLOW***The quarterly figures are not audited*

USD 1 000	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Cash flow from operating activities</b>			
Net result before taxes	45 054	92 615	176 960
Adjustments to reconcile profit before tax to net cash flows:			
Depreciations/impairment on fixed assets	22 602	17 335	39 031
Gain on sale of fixed assets and other gains	-757	-16 877	-23 616
Share-based compensation expense	638	-7 815	1 057
Share-based compensation payment	0	0	-8 150
Difference between pension exps and paid pension premium	0	0	13
Share of result from j/v and associated companies	-4 809	-18 887	-31 065
Dividend received from j/v and associated companies	26 200	14 564	14 646
Net finance costs	16 924	16 013	29 401
Change in current items	-11 744	12 296	4 414
Interest received	971	100	962
Interest paid	-17 023	-10 716	-26 106
Financing costs	-700	-1 015	-1 270
Income tax paid	-1 526	-4 982	-4 718
<b>Net cash flow from operating activities</b>	<b>75 830</b>	<b>92 631</b>	<b>171 559</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of ships	0	36 597	66 097
Proceeds from sale of shares in subsidiary	10 166	0	0
Payment of ships	-17 995	-30 073	-86 580
Additions to ships	-1 325	-2 177	0
Other investments	0	0	-2 516
<b>Net cash flow from investing activities</b>	<b>-9 154</b>	<b>4 347</b>	<b>-22 999</b>
<b>Cash flow from financing activities</b>			
Proceeds from non-current debt	16 500	29 816	66 569
Repayment of non-current debt	-25 886	-11 547	-37 014
Dividend paid	-34 048	-89 654	-124 008
Dividend paid to non-controlling interests	-14 879	0	-19 440
<b>Net cash flow from financing activities</b>	<b>-58 313</b>	<b>-71 385</b>	<b>-113 893</b>
Net change in cash and cash equivalents during the period	8 363	25 593	34 667
Cash and cash equivalents at 1 January	139 871	105 204	105 204
<b>Cash and cash equivalents at end of period (incl. restricted cash)</b>	<b>148 234</b>	<b>130 797</b>	<b>139 871</b>

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY***The quarterly figures are not audited*

USD 1 000

	Majority interest						Non-controlling interests	Total equity
	Paid-in				Retained			
	Share capital	Treasury shares	Share premium reserves	Other paid-in equity	Other equity			
<b>As at 30 June 2023</b>								
Equity as at 31 December 2022	59 466	-128	62 228	36 793	98 864	40 112	297 335	
Share issue	0	0	0	56	0	0	56	
Dividend paid	0	0	0	-17 957	-16 091	-14 879	-48 927	
Share-based payment expenses	0	0	0	638	0	0	638	
NCI transactions	0	0	0	0	5 125	-5 428	-303	
Net result for the period	0	0	0	0	47 456	6 132	53 588	
Other comprehensive income	0	0	0	0	-1 475	0	-1 475	
Total comprehensive income	0	0	0	0	45 981	6 132	52 113	
<b>Equity as at 30 June 2023</b>	<b>59 466</b>	<b>-128</b>	<b>62 228</b>	<b>19 530</b>	<b>133 879</b>	<b>25 937</b>	<b>300 912</b>	
<b>As at 30 June 2022</b>								
Equity as at 31 December 2021	59 466	-128	62 228	37 236	82 739	31 378	272 919	
Share-based payment expense	0	0	0	-1 165	-6 650	0	-7 815	
Dividend paid	0	0	0	0	-85 755	-3 899	-89 654	
Net result for the period	0	0	0	0	73 753	17 341	91 094	
Other comprehensive income	0	0	0	0	-85	0	-85	
Total comprehensive income	0	0	0	0	73 668	17 341	91 009	
<b>Equity as at 30 June 2022</b>	<b>59 466</b>	<b>-128</b>	<b>62 228</b>	<b>36 071</b>	<b>64 002</b>	<b>44 820</b>	<b>266 459</b>	

**KEY FINANCIAL FIGURES**

		<b>30 Jun 2023</b>	30 Jun 2022	31 Dec 2022
EBITDA	<i>USD 1000</i>	<b>83 823</b>	108 974	221 544
Interest coverage ratio		<b>3.64</b>	10.13	7.90
Current ratio		<b>2.14</b>	1.43	1.45
Equity ratio		<b>0.31</b>	0.28	0.30
Earnings per share	<i>USD</i>	<b>0.21</b>	0.36	0.69
Earnings per share	<i>NOK</i>	<b>2.28</b>	3.59	6.82
Equity per share	<i>USD</i>	<b>1.19</b>	1.05	1.17
Equity per share	<i>NOK</i>	<b>12.80</b>	10.49	11.58
Average issued shares		<b>253 136 666</b>	253 136 666	253 136 666
Diluted average issued shares (excl. treasury shares)		<b>253 462 988</b>	257 764 866	257 764 866

**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. Due to the recent establishment of the enlarged Group, Management is in the initial phase of assessing its external financial reporting and performance measures are therefore subject to change.

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.

- *Time charter equivalent (TCE)* - is defined as freight revenues less voyage expenses divided by the number of available on-hire days
- *Current ratio* - is defined as total current assets, divided by total current liabilities
- *EBITDA* - is the earnings before interest, taxes, depreciation and amortisation
- *EBIT* - is the earnings before interest and taxes. It can be calculated by the result before tax added by the interest
- *Equity ratio* - is equal to shareholders' equity including non-controlling interest, divided by total assets
- *Interest coverage ratio* - is equal to earnings before interest and taxes (EBIT), divided by interest expenses
- *Book equity per share* - is defined as total equity, divided by number of issued shares at end of period

**NOTES TO THE CONSOLIDATED ACCOUNTS**

*The consolidated financial statements are presented in USD thousands unless otherwise indicated*

**Note 1 Accounting principles**

These interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting”. They do not include all of the information required for full annual financial reporting and should be read in conjunction with the consolidated financial statements of Belships for the year ended 31 December 2022.

EPS is calculated on the basis of average number of outstanding shares in the period in Belships ASA.

This report was approved by the Board of Directors on August 20, 2023.

**Note 2 Segment information**

The company has restated previously reported segment information to reflect changes in the reportable segments caused by the divestment of Belships Management Singapore and changes in management reporting in the group.

<i>USD 1 000</i>				
<b>January - June 2023</b>				
	<i>Belships</i>	<i>Lighthouse Navigation</i>	<i>Eliminations</i>	<i>Total</i>
Gross freight revenue	100 867	191 698	772	293 337
Voyage expenses	0	-68 926	1 260	-67 666
<b>Net freight revenue</b>	<b>100 867</b>	<b>122 772</b>	<b>2 032</b>	<b>225 671</b>
Management fees	0	4 224	-3 069	1 155
<b>Operating income</b>	<b>100 867</b>	<b>126 996</b>	<b>-1 037</b>	<b>226 826</b>
Share of result from j/v and associated companies	0	4 809	0	4 809
T/C hire expenses	0	-107 863	0	-107 863
Ship operating expenses	-29 192	-941	1 037	-29 096
Operating expenses management companies	0	-8 013	0	-8 013
General and administrative expenses	-2 840	0	0	-2 840
<b>Operating expenses</b>	<b>-32 032</b>	<b>-112 008</b>	<b>1 037</b>	<b>-143 003</b>
<b>EBITDA</b>	<b>68 835</b>	<b>14 988</b>	<b>0</b>	<b>83 823</b>
Depreciation and amortisation	-19 501	-3 101	0	-22 602
Other gains/-losses	0	757	0	757
<b>Operating result (EBIT)</b>	<b>49 334</b>	<b>12 644</b>	<b>0</b>	<b>61 978</b>
Interest income	530	441	0	971
Interest expenses	-16 886	-137	0	-17 023
Other financial items	-450	268	0	-182
Currency gains/(-losses)	-518	-172	0	-690
<b>Net financial items</b>	<b>-17 324</b>	<b>400</b>	<b>0</b>	<b>-16 924</b>
<b>Result before taxes</b>	<b>32 010</b>	<b>13 044</b>	<b>0</b>	<b>45 054</b>
Taxes	0	-272	0	-272
<b>Net result from continuing operations</b>	<b>32 010</b>	<b>12 772</b>	<b>0</b>	<b>44 782</b>
Result from discontinuing operations	8 806	0	0	8 806
<b>Net result for the period</b>	<b>40 816</b>	<b>12 772</b>	<b>0</b>	<b>53 588</b>
Hereof majority interests	40 816	6 640	0	47 456
Hereof non-controlling interests	0	6 132	0	6 132
Assets	854 268	106 611	0	960 879
Liabilities	615 458	44 509	0	659 967

**Note 2 Segment information, continued**

<i>USD 1 000</i>				
<b>January - June 2022</b>				
	<i>Belships</i>	<i>Lighthouse Navigation</i>	<i>Eliminations</i>	<i>Total</i>
Gross freight revenue	118 036	391 042	640	509 718
Voyage expenses	-8 242	-85 666	1 394	-92 514
<b>Net freight revenue</b>	<b>109 794</b>	<b>305 376</b>	<b>2 034</b>	<b>417 204</b>
Management fees	0	7 793	-3 978	3 815
<b>Operating income</b>	<b>109 794</b>	<b>313 169</b>	<b>-1 944</b>	<b>421 019</b>
Share of result from j/v and associated companies	0	18 823	0	18 823
T/C hire expenses	-908	-284 312	0	-285 220
Ship operating expenses	-27 813	-1 191	1 944	-27 060
Operating expenses management companies	0	-14 337	0	-14 337
General and administrative expenses	-4 251	0	0	-4 251
<b>Operating expenses</b>	<b>-32 972</b>	<b>-281 017</b>	<b>1 944</b>	<b>-312 045</b>
<b>EBITDA</b>	<b>76 822</b>	<b>32 152</b>	<b>0</b>	<b>108 974</b>
Depreciation and amortisation	-15 194	-2 121	0	-17 315
Gain on sale of ship	12 308	0	0	12 308
Other gains/losses	0	4 569	0	4 569
<b>Operating result (EBIT)</b>	<b>73 936</b>	<b>34 600</b>	<b>0</b>	<b>108 536</b>
Interest income	57	41	0	98
Interest expenses	-10 608	-108	0	-10 716
Other financial items	-5 507	73	0	-5 434
Currency gains/(-losses)	86	45	0	131
<b>Net financial items</b>	<b>-15 972</b>	<b>51</b>	<b>0</b>	<b>-15 921</b>
<b>Result before taxes</b>	<b>57 964</b>	<b>34 651</b>	<b>0</b>	<b>92 615</b>
Taxes	0	-1 864	0	-1 864
<b>Net result from continuing operations</b>	<b>57 964</b>	<b>32 787</b>	<b>0</b>	<b>90 751</b>
Result from discontinuing operations	343	0	0	343
<b>Net result for the period</b>	<b>58 307</b>	<b>32 787</b>	<b>0</b>	<b>91 094</b>
Hereof majority interests	58 307	15 446	0	73 753
Hereof non-controlling interests	0	17 341	0	17 341
Assets	756 535*	206 957	0	963 492
Liabilities	579 625*	117 408	0	697 033

\*) Amounts includes assets of 4 484 and liabilities of 1 433 from discontinuing operations


**Note 2 Segment information, continued**

USD 1 000	Q1 - 2023				Q1 - 2022			
	Belships	Lighthouse Navigation	Elimin.	Total	Belships	Lighthouse Navigation	Elimin.	Total
Gross freight revenue	54 482	92 998	384	147 864	58 606	199 361	320	258 287
Voyage expenses	-3 032	-34 345	609	-36 768	-4 343	-27 212	753	-30 802
<b>Net freight revenue</b>	<b>51 450</b>	<b>58 653</b>	<b>993</b>	<b>111 096</b>	<b>54 263</b>	<b>172 149</b>	<b>1 073</b>	<b>227 485</b>
Management fees	0	2 561	-2 030	531	0	2 820	-2 118	702
<b>Operating income</b>	<b>51 450</b>	<b>61 214</b>	<b>-1 037</b>	<b>111 627</b>	<b>54 263</b>	<b>174 969</b>	<b>-1 045</b>	<b>228 187</b>
Share of result from j/v and assoc. comp.	0	3 430	0	3 430	0	12 339	0	12 339
T/C hire expenses	0	-51 731	0	-51 731	0	-156 818	0	-156 818
Ship operating expenses	-14 904	-468	1 037	-14 335	-13 993	-414	1 045	-13 362
Operating exps. management companies	0	-4 282	0	-4 282	0	-7 514	0	-7 514
General and administrative expenses	-1 340	0	0	-1 340	-2 601	0	0	-2 601
<b>Operating expenses</b>	<b>-16 244</b>	<b>-53 051</b>	<b>1 037</b>	<b>-68 258</b>	<b>-16 594</b>	<b>-152 407</b>	<b>1 045</b>	<b>-167 956</b>
<b>Operating result (EBITDA)</b>	<b>35 206</b>	<b>8 163</b>	<b>0</b>	<b>43 369</b>	<b>37 669</b>	<b>22 562</b>	<b>0</b>	<b>60 231</b>
Depreciation and amortisation	-9 694	-1 577	0	-11 271	-7 736	-470	0	-8 206
Gain on sale of ship	0	0	0	0	12 308	0	0	12 308
Other gains/-losses	0	1 830	0	1 830	0	3 494	0	3 494
<b>Operating result (EBIT)</b>	<b>25 512</b>	<b>8 416</b>	<b>0</b>	<b>33 928</b>	<b>42 241</b>	<b>25 586</b>	<b>0</b>	<b>67 827</b>

USD 1 000	Q2 - 2023				Q2 - 2022			
	Belships	Lighthouse Navigation	Elimin.	Total	Belships	Lighthouse Navigation	Elimin.	Total
Gross freight revenue	46 385	98 700	388	145 473	59 430	191 681	320	251 431
Voyage expenses	3 032	-34 581	651	-30 898	-3 899	-58 454	641	-61 712
<b>Net freight revenue</b>	<b>49 417</b>	<b>64 119</b>	<b>1 039</b>	<b>114 575</b>	<b>55 531</b>	<b>133 227</b>	<b>961</b>	<b>189 719</b>
Management fees	0	1 663	-1 039	624	0	4 973	-1 860	3 113
<b>Operating income</b>	<b>49 417</b>	<b>65 782</b>	<b>0</b>	<b>115 199</b>	<b>55 531</b>	<b>138 200</b>	<b>-899</b>	<b>192 832</b>
Share of result from j/v and assoc. comp.	0	1 379	0	1 379	0	6 483	0	6 483
T/C hire expenses	0	-56 132	0	-56 132	-908	-127 494	0	-128 402
Ship operating expenses	-14 288	-473	0	-14 761	-13 820	-777	899	-13 698
Operating exps. management companies	0	-3 731	0	-3 731	0	-6 823	0	-6 823
General and administrative expenses	-1 500	0	0	-1 500	-1 650	0	0	-1 650
<b>Operating expenses</b>	<b>-15 788</b>	<b>-58 957</b>	<b>0</b>	<b>-74 745</b>	<b>-16 378</b>	<b>-128 611</b>	<b>899</b>	<b>-144 090</b>
<b>Operating result (EBITDA)</b>	<b>33 629</b>	<b>6 825</b>	<b>0</b>	<b>40 454</b>	<b>39 153</b>	<b>9 589</b>	<b>0</b>	<b>48 742</b>
Depreciation and amortisation	-9 807	-1 524	0	-11 331	-7 458	-1 631	0	-9 089
Gain on sale of ship	0	0	0	0	0	0	0	0
Other gains/-losses	0	-1 073	0	-1 073	0	1 075	0	1 075
<b>Operating result (EBIT)</b>	<b>23 822</b>	<b>4 228</b>	<b>0</b>	<b>28 050</b>	<b>31 695</b>	<b>9 033</b>	<b>0</b>	<b>40 728</b>



**Note 3 Ships**

At the end of each reporting period, the Company assesses whether there are any impairment indicators present. The Company has concluded that there are no impairment indicators pursuant to IAS 36.

BELVEDERE was sold during the quarter and has been delivered to its new Owner in August 2023.

**Note 4 Interest bearing debt**

The company considers all its bareboat agreements to meet the lease definition under IFRS 16. The long-term time charter contracts contain both lease and service components.

**Specification of Lease Agreements**

Lease liabilities at the end of the quarter were USD 457.6m. Corresponding right-of-use assets, including upfront payments relating to the purchase options, were recorded at USD 514.8m.

Vessel	Built year	Leased year	Ownership	Lease maturity	Purchase option	Discount rate	NPV of lease payments	NPV of purchase option	Current	Non-current
<b>Belships vessels</b>										
BELMONDO	2023	2023	Bareboat	2033	2027-2033	4.7%	12 682	16 626	1 293	28 015
BELYAMATO	2022	2022	Bareboat	2032	2026-2032	4.4%	11 928	16 151	1 326	26 753
BELTOKYO	2021	2021	Bareboat	2033	2025-2033	4.6%	10 317	17 582	1 362	26 537
BELFORCE	2021	2021	Bareboat	2031	2024-2031	4.6%	8 465	13 737	1 250	20 953
BELKNIGHT	2021	2021	Bareboat	2028	2024-2028	5.2%	9 997	11 458	1 178	20 277
BELTRADER	2021	2021	Bareboat	2031	2025-2031	5.1%	9 764	11 565	1 139	20 190
BELGUARDIAN	2021	2021	Bareboat	2031	2025-2031	5.1%	9 764	11 565	1 139	20 190
BELMAR	2021	2021	Bareboat	2031	2025-2031	5.2%	16 210	9 881	1 139	24 953
BELFAST	2021	2021	Bareboat	2031	2025-2031	6.3%	13 779	9 233	874	22 138
BELAJA	2020	2020	Bareboat	2027	2024-2027	5.7%	7 650	13 689	1 203	20 136
BELMOIRA	2020	2020	Bareboat	2027	2024-2027	5.7%	7 487	13 752	1 209	20 030
BELFUJI	2020	2020	Time Charter	2028	2024-2028	6.4%	10 109	0	1 967	8 143
BELNIKE	2020	2020	Time Charter	2027	2025-2027	5.0%	8 468	20 756	957	28 267
BELTANGO	2020	2020	Time Charter	2027	2025-2027	5.0%	8 207	20 671	898	27 980
BELFORTE	2019	2019	Time Charter	2026	2022-2026	5.0%	6 557	18 944	878	24 624
BELRAY	2019	2019	Bareboat	2026	2023-2026	5.6%	7 007	14 004	1 247	19 764
BELISLAND*	2016	2021	Bareboat	2032	2024-2032	4.5%	10 072	8 255	1 409	16 918
BELLIGHT*	2016	2022	Bareboat	2032	2024-2032	4.4%	9 298	9 401	1 423	17 276
BELFOREST*	2015	2022	Bareboat	2033	2025-2033	4.2%	9 582	11 043	1 435	19 191
BELHAWK*	2015	2021	Bareboat	2031	2024-2031	4.5%	10 637	6 933	1 504	16 066
<b>Lighthouse Navigation vessels</b>										
Texel Island	2012	2022	Time Charter	2024	N/A	5.25%	3 752	0	3 752	0
<b>Total Ships</b>							<b>201 732</b>	<b>255 247</b>	<b>28 580</b>	<b>428 399</b>
<b>Offices</b>	N/A	N/A	Lease	2021-2063	N/A	5-6%	577	0	156	421

\*) The bareboat charters for BELHAWK, BELFOREST, BELLIGHT and BELISLAND 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 sale leaseback transactions.

**Payment Schedule**

	2023	2024	2025	2026	2027	Subsequent	Total
Lease payments	-23 635	-47 001	-46 831	-45 732	-33 938	-28 678	-225 815
Exercising purchase options	0	0	0	-55 800	-105 000	-159 995	-320 795
<b>Total</b>	<b>-23 635</b>	<b>-47 001</b>	<b>-46 831</b>	<b>-101 532</b>	<b>-138 938</b>	<b>-188 673</b>	<b>-546 610</b>

All lease agreements have fixed interest rates for the entire duration of the charters. Belships has no obligation to purchase any of the leased vessels. All purchase options are denominated in USD.



**Loan Facilities**

Interest bearing bank debt at the end of the quarter amounted to USD 145.0m. Transactions costs related to the mortgage debt were initially recorded as a reduction of debt in the balance sheet and is subsequently amortised over the loan period in accordance with the amortised cost principle. The refinancing of the vessel BELVEDERE was finalised during the quarter using available bank financing on similar terms as the other bank financed vessels.

Belships was in compliance with all covenants during the quarter.

**Repayment Schedule**

	2023	2024	2025	2026	2027	Subsequent	Total
Instalments	-16 364	0	-12 343	-12 343	-104 910	0	-145 959
Interests	-4 849	-9 304	-8 910	-8 026	-2 497	0	-33 586
<b>Total</b>	<b>-21 212</b>	<b>-9 304</b>	<b>-21 252</b>	<b>-20 369</b>	<b>-107 407</b>	<b>0</b>	<b>-179 545</b>

**Note 5 Discontinued operations**

Belships ASA has entered into an agreement to divest its 100 per cent shareholding in Belships Management (Singapore) Pte Ltd., a technical and crew management company established in 1983, which currently manages dry bulk vessels for Belships ASA and other international clients. The shares have been acquired by a company in V. Group. An office lease in Singapore is in process of being sold, and the proceeds will be received by Belships ASA. Closing of the transaction was completed on 30th June 2023.

Furthermore, Belships has entered into a strategic partnership with V. Group for Belships' fleet and ship management business. Following the acquisition by V. Group, Belships Management (Singapore) will continue to be the sole provider of ship management services to Belships ASA, leveraging V. Group's unique and fully scalable ship management platform. The Belships Management (Singapore) organisation will be integrated into V. Group, forming an industry-leading centre of expertise for dry bulk operations. This partnership was formalised on 30th June 2023.

**Discontinued operations**

Discontinued operations include intercompany transactions between Belships Management Singapore and the ship owning companies in Belships ASA. Deferred consideration for the office lease is included under current receivables in the balance sheet.

USD 1 000	Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022	2022
Management fees	1 299	1 185	2 569	2 486	4 768
<b>Operating income from discontinued operations</b>	<b>1 299</b>	<b>1 185</b>	<b>2 569</b>	<b>2 486</b>	<b>4 768</b>
Share of result from j/v and assoc. comp.	29	38	59	65	102
Operating expenses management companies	-1 054	-1 016	-2 050	-2 066	-4 454
<b>Operating expenses from discontinued operations</b>	<b>-1 025</b>	<b>-978</b>	<b>-1 991</b>	<b>-2 002</b>	<b>-4 352</b>
<b>EBITDA from discontinued operations</b>	<b>274</b>	<b>207</b>	<b>578</b>	<b>485</b>	<b>416</b>
Depreciation and amortisation	-10	-10	-20	-21	-39
<b>Operating result (EBIT) from discontinued operations</b>	<b>264</b>	<b>197</b>	<b>558</b>	<b>464</b>	<b>377</b>
Interest income	1	1	2	2	4
Other financial items	-3	-3	-6	-12	-18
Currency gains/(-losses)	-76	-103	26	-82	-179
<b>Net financial items from discontinued operations</b>	<b>-78</b>	<b>-105</b>	<b>22</b>	<b>-92</b>	<b>-193</b>
<b>Result before taxes from discontinued operations</b>	<b>186</b>	<b>92</b>	<b>580</b>	<b>372</b>	<b>184</b>
Taxes	-50	-16	-96	-29	-43
<b>Profit after income tax of discontinued operations</b>	<b>136</b>	<b>76</b>	<b>484</b>	<b>343</b>	<b>141</b>
Gain on sale of the subsidiary after income tax	8 322	0	8 322	0	0
<b>Profit from discontinued operations</b>	<b>8 458</b>	<b>76</b>	<b>8 806</b>	<b>343</b>	<b>141</b>
Hereof majority interests from discontinued operations	158	81	530	322	142



Hereof non-controlling interests from discontinued operations	-22	-5	-46	21	-1
Net cash flow operating activities from discontinued operations	216	179	463	434	1 108
Net cash flow investing activities from discontinued operations	0	0	0	0	0
Net cash flow financing activities from discontinued operations	-979	-103	-879	-91	-78

**Note 6 Subsequent events**

Belships has expanded its newbuilding program with 2x 64 000 dwt Ultramax bulk carriers which will be delivered in 2H 2026 and 1H 2027. Belships now has a total of six newbuildings under construction in Japan between 2024 and 2027. All six vessels are leased on time charter for a period of 7 to 10 years, with purchase options around current market levels during the charter. There is no obligation to purchase any of the vessels. Cash breakeven for the vessels upon delivery will be about USD 14 100 per vessel per day. Belships is not required to make any down payments for these transactions. Therefore, this newbuilding program will not have any impact on cash and dividend capacity during the construction period.



## 20 LARGEST SHAREHOLDERS

Updated 11 August 2023

Shareholder	Number of shares	%
KONTRARI AS	104 000 000	41.08%
KONTRAZI AS	32 500 000	12.84%
JAKOB HATTELAND HOLDING AS	11 000 000	4.35%
MEGLERKONTO INNLAND DNB BANK ASA	9 692 276	3.83%
LGT BANK AG	9 325 214	3.68%
WENAASGRUPPEN AS	8 149 330	3.22%
JAHATT AS	5 000 000	1.98%
AL MARITIME HOLDING PTE LTD	4 607 595	1.82%
SAXO BANK A/S	2 662 332	1.05%
STATE STREET BANK AND TRUST COMP	2 516 110	0.99%
UBS SWITZERLAND AG	2 150 009	0.85%
SIX SIS AG	1 937 584	0.77%
STAVANGER FORVALTNING AS	1 520 000	0.60%
CACEIS BANK SPAIN SA	1 305 140	0.52%
THE BANK OF NEW YORK MELLON SA/NV	1 211 956	0.48%
VERDIPAPIRFONDET DNB SMB	1 210 009	0.48%
ANDREAS NARTEN UGLAND	1 161 297	0.46%
THE BANK OF NEW YORK MELLON	1 042 798	0.41%
THE BANK OF NEW YORK MELLON	1 033 945	0.41%
SONATA AS	1 000 000	0.40%
OTHER SHAREHOLDERS	50 111 071	19.80%
<b>TOTAL OUTSTANDING SHARES</b>	<b>253 136 666</b>	<b>100.00%</b>

**FLEET LIST***Updated 20 Aug 2023*

Vessel name	Ownership	Built year	Dwt	Yard
NEWBUILD 6	Time Charter <sup>1</sup>	2027	64 000	Japan
NEWBUILD 5	Time Charter <sup>2</sup>	2026	64 000	Japan
NEWBUILD 4	Time Charter <sup>3</sup>	2026	64 000	Japan
NEWBUILD 3	Time Charter <sup>4</sup>	2025	64 000	Japan
NEWBUILD 2	Time Charter <sup>5</sup>	2025	64 000	Japan
NEWBUILD 1	Time Charter <sup>6</sup>	2024	64 000	Japan
BELMONDO	Bareboat Charter	2023	64 000	Imabari
BELYAMATO	Bareboat Charter	2022	64 000	Imabari
BELTOKYO	Bareboat Charter	2021	64 000	Imabari
BELFORCE	Bareboat Charter	2021	61 000	Dacks
BELKNIGHT	Bareboat Charter	2021	61 000	Dacks
BELTRADER	Bareboat Charter	2021	61 000	Dacks
BELGUARDIAN	Bareboat Charter	2021	61 000	Dacks
BELMAR	Bareboat Charter	2021	64 000	Imabari
BELFAST	Bareboat Charter	2021	64 000	Imabari
BELAJA	Bareboat Charter	2020	61 000	Shin Kurushima
BELMOIRA	Bareboat Charter	2020	61 000	Shin Kurushima
BELFUJI	Time Charter	2020	63 000	Imabari
BELNIKE	Time Charter	2020	63 000	Imabari
BELTANGO	Time Charter	2020	64 000	Mitsui
BELFORTE	Time Charter	2019	64 000	Mitsui
BELRAY	Bareboat Charter	2019	61 000	Shin Kurushima
BELNIPPON	Owned	2018	63 000	Imabari
BELAFONTE	Owned	2017	63 000	Imabari
BELHAVEN	Owned	2017	63 000	Imabari
BELTIGER	Owned	2017	63 000	New Times
BELISLAND	Bareboat Charter	2016	61 000	Imabari
BELINDA	Owned	2016	63 000	Hantong
BELMONT	Owned	2016	63 000	Hantong
BELATLANTIC	Owned	2016	63 000	Hantong
BELLIGHT	Bareboat Charter	2016	63 000	New Times
BELFRIEND	Owned	2016	58 000	Tsuneishi
BELTIDE	Owned	2016	58 000	Tsuneishi
BELFOREST	Bareboat Charter	2015	61 000	Imabari
BELHAWK	Bareboat Charter	2015	61 000	Imabari
BELSOUTH	Owned	2015	63 000	Hantong

- 1) *Expected delivery H1 2027, 10 yr time charter with purchase options after fourth year*
- 2) *Expected delivery H2 2026, 10 yr time charter with purchase options after fourth year*
- 3) *Expected delivery Q1 2026, 10 yr time charter with purchase options after fourth year*
- 4) *Expected delivery Q4 2025/Q1 2026, 10 yr time charter with purchase options after fourth year*
- 5) *Expected delivery Q4 2025, 10 yr time charter with purchase options after fourth year*
- 6) *Expected delivery Q4 2024, 10 yr time charter with purchase options after fourth year*

*There are no purchase obligations on any of the above lease agreements. All purchase options are denominated in USD.*