



BELSHIPS

QUARTERLY REPORT – Q2 2024

22 August 2024

Belships ASA

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www.belships.com

Enterprise no: NO 930776793 MVA



STEADY COURSE – SOLID RESULTS AND CONTINUED DIVIDEND

HIGHLIGHTS

- EBITDA of USD 29.3m including USD 2.9m from operating business
- Net result of USD 18.9m
- Declared dividend of NOK 0.55 per share
- Sold two debt-free Supramax vessels (2016-built) for a total of USD 56.6m
- Declared purchase option for BELMAR (2021-built) for a price of USD 25.5m
- Acquired 2024-built Ultramax bulk carrier for USD 41m to be delivered in Q1 2025
- Expanded newbuilding program with two new leased vessels in 2027 and 2028
- Extended and amended bank financing on improved terms – new maturity Q2 2029
- TCE of USD 16 982 gross per day for owned fleet
- 83 per cent of ship days in Q3 2024 are fixed at USD 16 800 gross per day
- 41 per cent of ship days in the next four quarters are fixed at USD 16 650 gross per day
- Cash breakeven for 2024 of about USD 10 900 per day per vessel
- Uniform fleet of 41x Ultramax vessels including 12x newbuildings to be delivered 2024-2028

Financial results commentary

Belships reports a net result of USD 18.9m for the quarter compared to USD 15.7m in the previous quarter. The higher net result is primarily caused by a realised book gain following the reorganisation of the operating business.

Time charter equivalent earnings (TCE) in the quarter were USD 16 982 gross per vessel per day. In comparison, the Baltic Supramax Index (BSI-58) averaged USD 15 005 gross per day.

Ship operating expenses amounted to USD 5 148 per vessel per day during the quarter compared to USD 5 512 per vessel per day in the previous quarter. The lower operating expenses is primarily due to lower maintenance expenditure than normal during the quarter and timing differences.

Transactions

Belships entered into agreements for the sale of Supramax vessels BELFRIEND (2016) and BELTIDE (2016), for a price of USD 28.3m per vessel. BELFRIEND and BELTIDE were delivered to their new owners in August and the Company will realise a gain of approximately USD 6m in Q3 2024. The vessels were debt free, therefore total cash proceeds to the company was USD 56.6m.

The purchase option for BELMAR (2021) has been declared and closing will take place in Q4 2024. The purchase price is USD 25.5m and is significantly below current market value. The acquisition will be financed from the company's available cash.

Belships has agreed to acquire a 64 000 dwt Japanese-built Ultramax (2024-built). The purchase price is USD 41.0m and the vessel will be delivered within Q1 2025. The intention is to utilise our available Accordian Tranche which implies financing for 60 per cent of the purchase price and the remaining will be financed from the company's available cash.

Belships has expanded its newbuilding program with two new 64 000 dwt Ultramax bulk carriers which will be delivered in 2027 and 2028. The vessels are leased on similar terms as previously



announced transactions, and Belships is not required to make any down payments for these vessels.

Following the reorganisation of our operating business announced in the previous quarter, USD 10m cash as part consideration was received in July and will therefore be recorded in Q3 2024. A further cash consideration of USD 4m will be received within Q2 2025.

Belships amended a USD 90m Term Loan Facility for six vessels, which is the only senior secured bank loan in the company today. The Loan Facility has an interest rate of SOFR+195 bps which is 55 bps lower than the previous facility. The loan matures in April 2029 and the first instalment is due in 2025. Furthermore, a new undrawn Accordion Tranche of USD 100m has been made available.

Fleet status

In May, one of our vessels was involved in a collision, without human injury, and the incident caused the vessel to be off-hire for about 50 days. The vessel has been repaired and has returned to service. The financial loss for the company was limited to about USD 0.5m as this was an insured event.

The remaining fleet sailed without significant off-hire with a total of 2 673 on-hire vessel days in the quarter.

Since December last year, Belships vessels have not transited the Red Sea, and none of our vessels have been involved in any related incidents.

Contract coverage	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Fixed-rate contracts	83%	45%	29%	8%
Average fixed-rate (USD/day)	16 800	16 250	16 400	16 250
Index-linked contracts	16%	35%	31%	22%
Open/Uncontracted	1%	20%	40%	70%
	100%	100%	100%	100%

Belships currently has 11 vessels chartered out on floating index-linked contracts on varying durations, at an average premium of 117 per cent to 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.

Cash breakeven for 2024 is expected to be about USD 10 900 per vessel per day. This includes OPEX, interest and amortisation, G&A and drydocking expenditures.



Newbuildings

12x Japanese design 64 000 dwt Ultramax bulk carriers

BELGRACE	expected delivery Q3 2024
BELFORTUNE	expected delivery Q4 2025
BELFOX	expected delivery Q4 2025
BELFUTURE	expected delivery Q2 2026
BELAVANTI	expected delivery Q4 2026
BELTEMPO	expected delivery Q4 2026
BELROSSO	expected delivery Q1 2027
BELSTAR	expected delivery Q3 2027
BELVICTORY	expected delivery Q4 2027
BELNOR	expected delivery Q1 2028
BELOCEAN	expected delivery Q2 2028
BELFRIEND	expected delivery Q3 2028

All vessels are leased on time charter for a period of 7 to 10 years from delivery, with purchase options around current market levels. There is no obligation to purchase any of the vessels. Cash breakeven for the vessels upon delivery is about USD 14 300 per day on average. Belships is not using any equity, therefore this newbuilding program will not have any impact on cash and dividend capacity during the construction period.

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.

Operating business

Following the reorganisation of our operating business announced in the previous quarter, USD 10m cash as part consideration was received in July and will therefore be recorded in Q3 2024. A further cash consideration of USD 4m will be received within Q2 2025.

Furthermore, Lighthouse Navigation AS has changed its name to Norwegian Bulk Carriers AS. The company focuses on dry bulk operating in the Atlantic region and Belships ASA owns 67 per cent with the remaining shares held by leading employees.

Norwegian Bulk Carriers recorded an EBITDA of USD 2.9m for the quarter and continues to contribute to Belships profitability and dividend capacity.

The average EBITDA per quarter in the last five years for Norwegian Bulk Carriers has been USD 2.7m.

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 publishes a sustainability report on an annual basis (ESG Report) reflecting our commitment to transparency and efforts to meet investor and stakeholder expectations.



Belships was ranked in the top quartile in the Webber Research Report: 2023 ESG Scorecard, which aims to identify where each company ranks against its listed peers within the shipping industry.

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

Financial and corporate matters

At the end of the quarter, cash and cash equivalents totalled USD 92.2m, whilst interest bearing bank debt amounted to USD 89.2m.

Leasing liabilities at the end of the quarter amounted to USD 447.4m, details on a per vessel basis can be found in disclosure 4 to the financial statement.

All leased vessels are calculated with the assumption that purchase options to acquire the vessels will be exercised. However, Belships has no 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 11.9 (USD 1.12), corresponding to a book equity ratio of 33 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 2024 the Board declared a dividend payment of NOK 0.55 per share (USD 13.2m in total) equivalent to 70 per cent of the net result.

This brings the total dividends paid out since Q2 2021 to NOK 9.85 per share.

Market highlights

In the second quarter, the Baltic Supramax Index (BSI-58) averaged USD 15 005 per day – up from USD 12 961 per day in the preceding quarter. The Baltic Ultramax Index (BSI-63) averaged USD 17 065 per day in the second quarter, up from USD 15 268 per day in the preceding quarter.

Asset values continued to rise in the second quarter. According to Fearnleys assessments, a 5-year-old Japanese-built Ultramax rose from USD 34.0m to USD 35.0m, and values have increased for all vintages. This development has continued into the third quarter.

According to Fearnleys, preliminary estimates for Q2 2024 shipment volumes were an all-time high of 291 million tonnes, up from 270 million tonnes in Q1 2024. Comparing with the same quarter last year, all commodity groups were higher, with iron ore shipments growing the most at a strong 13.5 per cent. Shipments of the other major commodity groups show a growth of between 2.5 and 4.1 per cent.



Port congestion, as measured by the average waiting time in port for ships to discharge, remained at similar levels to the first quarter. However, waiting time in port for ships to load continued to drop, as did the average sea voyage duration. The total average voyage duration therefore reduced somewhat compared to first quarter levels, partly offsetting the strong growth in shipment volumes. Average vessel speeds remained relatively low however this seems to follow a trend over the past several years of decreasing normal sailing speeds.

46 Supra/Ultramax vessels were delivered in the second quarter of 2024, compared to 36 vessels in the previous quarter, according to Fearnleys. 70 vessels remain to be delivered in 2024. The number of ships delivered per quarter compares to an existing fleet of Supra/Ultramax vessels on the water today of about 4 100 in total. Fleet growth has been around 3.5 per cent since May 2023. According to Fearnleys, this rate of fleet growth will be maintained through 2024. The orderbook for dry bulk remains close to all-time lows at about 8.5 per cent compared to the existing fleet.

Relatively low newbuilding activity for dry bulk continues as higher prices as well as full orderbooks and continued high demand for other vessel segments dictate the position with shipyards. Lack of conviction and alternatives for fuel and propulsion systems also appear to restrain new orders to some extent.

Available delivery positions with reputable shipyards appear increasingly distant, with some new orders being reported in 2027, and 2028. A potential lead time of four years for a bulk carrier is unprecedented.

Outlook

The Baltic Exchange Supramax index is currently at about USD 14 250, which translates into about USD 16 500 for Ultramax bulk carriers in the spot market. The FFA market (Forward Freight Agreements) currently indicates a market average of around USD 17 500 for an Ultramax bulk carrier for the remaining part of 2024. Ship values have continued to increase, and demand is particularly strong for modern and economical vessels.

Belships has fixed-rate contract coverage for 83 per cent of ship days in Q3 2024 at about USD 16 800 per day, and 41 per cent of ship days in the next four quarters at about USD 16 650 per day. All period contracts are fixed with highly reputable and recognised charterers.

The recent declaration of the purchase option for BELMAR signals the significant value inherent in our leased vessels, which including newbuildings on order, count 32x in total. At the time of writing, we expect to declare all purchase options within expiry of each lease agreement.

Belships financing has been secured for many years ahead, and most of the debt is with fixed interest rates significantly below current market levels. Belships is therefore able to combine meaningful leverage with a low cash breakeven of USD 10 900 per day per vessel in 2024.

With 12 Ultramax newbuildings under construction for delivery between 2024 and 2028, Belships will be taking over new vessels whilst the orderbook and the rate of supply growth approaches the lowest levels in 30 years. We believe the best way for Belships to approach the green shift is to own and operate the most efficient vessels currently available, with a financing structure that gives 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 and market expectations, we expect to generate free cash flow and continue to pay quarterly dividends.

22 August 2024

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 2024 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.

22 August 2024

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 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	2023
Gross freight revenue	Note	84 562	145 473	239 340	293 337	563 441
Voyage expenses		-15 086	-30 898	-57 848	-67 666	-139 085
Net freight revenue	2	69 476	114 575	181 492	225 671	424 356
Management fees		0	624	1 507	1 155	3 408
Operating income	2	69 476	115 199	182 999	226 826	427 764
Share of result from j/v and assoc. comp.		0	1 379	2 206	4 809	6 407
T/C hire expenses		-23 014	-56 132	-86 877	-107 863	-194 155
Ship operating expenses		-14 055	-14 761	-29 766	-29 096	-60 865
Operating expenses management companies		-914	-3 731	-4 589	-8 013	-16 306
General and administrative expenses		-2 163	-1 500	-3 348	-2 840	-5 233
Operating expenses		-40 146	-74 745	-122 373	-143 003	-270 152
EBITDA		29 330	40 454	60 626	83 823	157 612
Depreciation and amortisation	3	-10 070	-11 331	-20 699	-22 602	-45 738
Gain on sale of ships	3	0	0	0	0	316
Gain on sale of subsidiary		5 951	0	5 951	0	0
Other gains/(-losses)		500	-1 073	1 187	757	350
Operating result (EBIT)		25 711	28 050	47 065	61 978	112 539
Interest income		1 081	559	2 191	971	2 527
Interest expenses		-7 340	-8 551	-14 873	-17 023	-33 184
Other financial items		-1 505	371	-1 465	-182	2 065
Currency gains/(-losses)		126	-2 842	-201	-690	1 049
Net financial items		-7 638	-10 463	-14 348	-16 924	-27 543
Result before taxes		18 073	17 587	32 717	45 054	84 996
Taxes		823	-916	1 834	-4 109	-7 562
Net result from continuing operations		18 896	16 671	34 551	40 945	77 434
Result from discontinuing operation	5	0	8 458	0	8 806	8 806
Net result for the period		18 896	25 129	34 551	49 751	86 240
Hereof majority interests		18 044	23 575	31 646	44 134	75 895
Hereof non-controlling interests		852	1 554	2 905	5 618	10 346
Earnings per share for continuing operations		0.07	0.07	0.14	0.16	0.31
Diluted earnings per share for continuing operations		0.07	0.07	0.13	0.16	0.30
Earnings per share		0.08	0.10	0.14	0.20	0.34
Diluted earnings per share		0.07	0.10	0.13	0.20	0.34

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD 1 000		Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	2023
Net result		18 896	25 129	34 551	49 751	86 240
<i>OCI that may be subsequently reclassified to profit or (loss):</i>						
Exchange differences		944	-424	771	-1 475	-29
Total comprehensive income		19 840	24 705	35 322	48 276	86 211
Hereof majority interests		18 907	23 694	32 533	43 066	75 870
Hereof non-controlling interests		933	1 011	2 789	5 211	10 342
Majority interests from continuing operations		18 907	15 236	32 533	34 260	67 064
Majority interests from discontinuing operations		0	8 458	0	8 806	8 806

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

USD 1 000		30 Jun 2024	30 Jun 2023	31 Dec 2023
NON-CURRENT ASSETS				
	Note			
Intangible assets		639	0	0
Ships	3	662 069	733 798	731 596
Property, Plant and Equipment		383	1 064	883
Investments in j/v and assoc. companies		14 000	7 847	9 934
Other non-current assets		470	1 050	2 956
Total non-current assets		677 561	743 759	745 370
CURRENT ASSETS				
Assets held for sale	3	48 598	26 614	0
Bunker inventory		5 129	9 217	8 556
Current receivables		28 752	33 055	50 662
Cash and cash equivalents		92 167	148 234	128 276
Total current assets		174 646	217 120	187 495
Total assets		852 206	960 879	932 864
EQUITY AND LIABILITIES				
Equity				
Paid-in capital		132 255	141 096	141 736
Retained earnings		142 169	130 470	128 935
Non-controlling interests		8 654	25 509	34 890
Total equity		283 078	297 075	305 561
NON-CURRENT LIABILITIES				
Deferred tax		4 453	3 837	6 537
Long-term interest-bearing debt	4	487 016	557 482	536 668
Other non-current liabilities		182	845	954
Total non-current liabilities		491 651	562 164	544 160
CURRENT LIABILITIES				
Current portion of interest-bearing debt	4	49 531	45 100	26 735
Other current liabilities		27 946	56 540	56 409
Total current liabilities		77 476	101 640	83 144
Total equity and liabilities		852 206	960 879	932 864

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

USD 1 000	30 Jun 2024	30 Jun 2023	31 Dec 2023
Cash flow from operating activities			
Net result before taxes	32 717	45 054	84 996
Adjustments to reconcile profit before tax to net cash flows:			
Depreciations/impairment on fixed assets	20 699	22 602	45 738
Gain on sale of fixed assets and other gains	-1 187	-757	-666
Share-based compensation expense	639	638	1 278
Share of result from j/v and associated companies	-2 206	-4 809	-6 407
Dividend received from j/v and associated companies	0	26 200	26 204
Net finance costs	14 348	16 924	27 543
Change in current items	-709	-11 744	-24 910
Change in working capital from disposal of subsidiary	-3 765	0	0
Interest received	2 191	971	2 527
Interest paid	-14 873	-17 023	-33 184
Financing costs	-166	-700	-700
Income tax paid	-298	-1 526	-1 526
Net cash flow from operating activities	47 391	18 668	120 893
Cash flow from investing activities			
Proceeds from sale of ships	0	0	27 082
Proceeds from sale of shares in subsidiary	2 139	10 166	10 666
Divestment of subsidiary	-36 378	0	0
Payment of ships	0	-17 995	0
Additions to ships	0	-1 325	-1 848
Other investments	58	0	0
Net cash flow from investing activities	-34 181	-9 154	35 900
Cash flow from financing activities			
Proceeds from non-current debt	90 000	16 500	18 900
Repayment of non-current debt	-108 415	-25 886	-108 272
Dividend paid	-28 593	-34 048	-58 752
Dividend paid to non-controlling interests	-2 310	-14 879	-20 265
Net cash flow from financing activities	-49 318	-58 313	-168 389
Net change in cash and cash equivalents during the period	-36 108	8 363	-11 596
Cash and cash equivalents at 1 January	128 276	139 871	139 871
Cash and cash equivalents at end of period (incl. restricted cash)	92 167	148 234	128 276

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

USD 1 000

	Majority interest				Retained Other equity	Non- controlling interests	Total equity
	Paid-in		Share premium reserves	Other paid-in equity			
	Share capital	Treasury shares	Share premium reserves	Other paid-in equity	Other equity	Non- controlling interests	Total equity
As at 30 June 2024							
Equity as at 31 December 2023	59 466	-128	62 228	20 170	128 935	34 890	305 561
Dividend paid	0	0	0	-10 120	-18 473	-2 310	-30 903
Share-based payment expenses	0	0	0	639	0	0	639
NCI transactions	0	0	0	0	-825	825	0
Sale of shares in subsidiary	0	0	0	0	0	-27 541	-27 541
Net result for the period	0	0	0	0	31 646	2 905	34 551
Other comprehensive income	0	0	0	0	887	-116	771
Total comprehensive income	0	0	0	0	32 553	2 789	35 322
Equity as at 30 June 2024	59 466	-128	62 228	10 689	142 169	8 654	283 078
As at 30 June 2023							
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
Share-based payment expenses	0	0	0	638	0	0	638
Dividend paid	0	0	0	-17 957	-16 091	-14 879	-48 927
NCI transactions	0	0	0	0	5 125	-5 428	-303
Net result for the period	0	0	0	0	44 134	5 618	49 751
Other comprehensive income	0	0	0	0	-1 562	87	-1 475
Total comprehensive income	0	0	0	0	42 572	5 704	48 276
Equity as at 30 June 2023	59 466	-128	62 228	19 530	130 470	25 509	297 075

**KEY FINANCIAL FIGURES**

		30 Jun 2024	30 Jun 2023	31 Dec 2023
EBITDA	USD 1000	60 626	83 823	157 612
Interest coverage ratio		3.16	3.64	3.39
Current ratio		2.25	2.14	2.26
Equity ratio		0.33	0.31	0.33
Earnings per share	USD	0.14	0.20	0.34
Earnings per share	NOK	1.45	2.28	3.47
Equity per share	USD	1.12	1.19	1.21
Equity per share	NOK	11.91	12.80	12.28
Average issued shares		253 136 666	253 136 666	253 136 666
Diluted average issued shares (excl. treasury shares)		256 318 771	253 462 988	254 421 458

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 Gross freight revenues 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 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 2023.

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

This report was approved by the Board of Directors on 22 August 2024.

**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.

Following the reorganisation of our operating business as previously announced in the previous quarter the segment previously known as Lighthouse Navigation is now named Operating business in the below tables.

<i>USD 1 000</i>		January - June 2024			
	<i>Belships</i>	<i>Operating business</i>	<i>Eliminations</i>	<i>Total</i>	
Gross freight revenue	90 867	148 104	369	239 340	
Voyage expenses	-5 405	-52 990	547	-57 848	
Net freight revenue	85 462	95 114	916	181 492	
Management fees	0	2 423	-916	1 507	
Operating income	85 462	97 537	0	182 999	
Share of result from j/v and associated companies	0	2 206	0	2 206	
T/C hire expenses	0	-86 877	0	-86 877	
Ship operating expenses	-29 104	-662	0	-29 766	
Operating expenses management companies	0	-4 553	0	-4 553	
General and administrative expenses	-3 384	0	0	-3 384	
Operating expenses	-32 488	-89 885	0	-122 373	
EBITDA	52 974	7 651	0	60 626	
Depreciation and amortisation	-19 377	-1 322	0	-20 699	
Gain on sale of shares in subsidiary	5 951	0	0	5 951	
Other gains/(-losses)	492	696	0	1 187	
Operating result (EBIT)	40 040	7 025	0	47 065	
Interest income	1 217	268	0	1 485	
Interest expenses	-14 853	-20	0	-14 873	
Other financial items	-1 329	570	0	-759	
Currency gains/(-losses)	-296	95	0	-201	
Net financial items	-15 261	913	0	-14 348	
Result before taxes	24 779	7 938	0	32 717	
Taxes	2 500	-666	0	1 834	
Net result from continuing operations	27 279	7 272	0	34 551	
Result from discontinuing operation	0	0	0	0	
Net result for the period	27 279	7 272	0	34 551	
Hereof majority interests	27 411	4 367	0	31 646	
Hereof non-controlling interests	0	2 905	0	2 905	
Assets	804 000	48 206	0	852 206	
Liabilities	548 249	20 878	0	569 127	

**Note 2 Segment information, continued**

<i>USD 1 000</i>				
January - June 2023				
	<i>Belships</i>	<i>Operating business</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
Net freight revenue	100 867	122 772	2 032	225 671
Management fees	0	4 224	-3 069	1 155
Operating income	100 867	126 996	-1 037	226 826
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
Operating expenses	-32 032	-112 008	1 037	-143 003
EBITDA	68 835	14 988	0	83 823
Depreciation and amortisation	-19 501	-3 101	0	-22 602
Gain on sale of shares in subsidiary	0	0	0	0
Other gains/losses	0	757	0	757
Operating result (EBIT)	49 334	12 644	0	61 978
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
Net financial items	-17 324	400	0	-16 924
Result before taxes	32 010	13 044	0	45 054
Taxes	-3 837	-272	0	-4 109
Net result from continuing operations	28 173	12 772	0	40 945
Result from discontinuing operation	8 806	0	0	8 806
Net result for the period	36 979	12 772	0	49 751
Hereof majority interests	36 979	7 155	0	44 134
Hereof non-controlling interests	0	5 618	0	5 618
Assets	854 268	106 611	0	960 879
Liabilities	619 295	44 509	0	663 804

**Note 3 Ships**

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

Belships entered into agreements for the sale of Supramax vessels BELFRIEND (2016) and BELTIDE (2016), for a price of USD 28.3m per vessel. The Company will realise a gain of approximately USD 6m in Q3 2024. BELFRIEND and BELTIDE were delivered to their new owners in August. The vessels were debt free, therefore total cash proceeds to the company was USD 56.6m.

Belships has agreed to acquire a Japanese-built Ultramax of 64 000 dwt built in 2024. The purchase price is USD 41.0m and the vessel will be delivered within Q1 2025. The intention is to utilise our available Accordian Tranche which implies financing for 60 per cent of the purchase price and the remaining will be financed from the company's available cash.

Note 4 Interest-bearing debt

The company considers all its bareboat and time charter 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 447.4m. Corresponding right-of-use assets, including upfront payments relating to the purchase options, were recorded at USD 503.0m.

Belships expanded its newbuilding program with two new 64 000 dwt Ultramax bulk carriers which will be delivered in 2027 and 2028. The vessels are leased on similar terms as previously announced transactions, and Belships is not required to make any down payments for these vessels.

The purchase option on the vessel BELMAR was declared during the quarter. The purchase price is USD 25.5m and is significantly below current market value. The vessel will be taken over in Q4 2024. The acquisition will be financed from the company's available cash.



Vessel	Built year	Leased year	Ownership	Lease maturity	Purchase option	Discount rate	NPV of lease payments	NPV of purchase option	Current	Non-current
Belships vessels										
BELMONDO	2023	2023	Bareboat	2033	2027-2033	4.7%	10 608	17 407	1 351	26 665
BELYAMATO	2022	2022	Bareboat	2032	2026-2032	4.4%	9 895	16 859	1 381	25 372
BELTOKYO	2021	2021	Bareboat	2033	2025-2033	4.6%	8 155	18 382	1 421	25 116
BELFORCE	2021	2021	Bareboat	2031	2024-2031	4.6%	6 577	14 376	1 305	19 648
BELKNIGHT	2021	2021	Bareboat	2028	2024-2028	5.2%	8 227	12 050	1 236	19 041
BELTRADER	2021	2021	Bareboat	2031	2025-2031	5.1%	8 034	12 156	1 195	18 995
BELGUARDIAN	2021	2021	Bareboat	2031	2025-2031	5.1%	8 034	12 156	1 195	18 995
BELMAR**	2021	2021	Bareboat	2024	Declared	5.2%	608	25 176	25 785	-
BELFAST	2021	2021	Bareboat	2031	2025-2031	6.3%	12 321	9 817	927	21 211
BELAJA	2020	2020	Bareboat	2027	2024-2027	5.7%	5 666	14 470	1 270	18 866
BELMOIRA	2020	2020	Bareboat	2027	2024-2027	5.7%	5 494	14 537	1 275	18 755
BELFUJI	2020	2020	Time Charter	2028	2024-2028	6.4%	7 710	18 432	810	25 332
BELNIKE	2020	2020	Time Charter	2027	2025-2027	5.0%	6 455	19 367	1 117	24 704
BELTANGO	2020	2020	Time Charter	2027	2025-2027	5.0%	6 281	21 699	941	27 039
BELFORTE	2019	2019	Time Charter	2026	2022-2026	5.0%	4 773	22 028	828	25 973
BELRAY	2019	2019	Bareboat	2026	2023-2026	5.6%	4 980	14 784	1 317	18 446
BELISLAND*	2016	2021	Bareboat	2032	2024-2032	4.5%	8 298	8 623	1 470	15 451
BELLIGHT*	2016	2022	Bareboat	2032	2024-2032	4.4%	7 458	9 818	1 482	15 794
BELFOREST*	2015	2022	Bareboat	2033	2025-2033	4.2%	7 677	11 510	1 491	17 696
BELHAWK*	2015	2021	Bareboat	2031	2024-2031	4.5%	8 824	7 243	1 568	14 498
Total Ships							146 075	300 887	49 366	397 596
Offices	N/A	N/A	Lease	2021-2063	N/A	5-6%	421	0	165	256
Total lease liabilities							146 496	300 887	49 531	397 852

*) 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.

** Declared option to purchase, conclusion is expected within Q4 2024.

Payment Schedule

	2024	2025	2026	2027	2028	Subsequent	Total
Lease payments	-12 104	-24 337	-25 031	-19 386	-9 868	-2 762	-93 488
Exercising purchase options	-25 500	0	-41 500	-118 900	-153 295	-14 700	-353 895
Total	-37 604	-24 337	-66 531	-138 286	-163 163	-17 462	-447 383

All lease agreements have fixed interest rates for the entire duration of the charters. The cash flow above includes interest payments. 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 89.2m. 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.

Belships amended a USD 90m Term Loan Facility for six vessels, which is the only senior secured bank loan in the company today. The Loan Facility has an interest rate of SOFR+195 bps which is 55 bps lower than the previous facility. The loan matures in April 2029 and the first instalment is due in 2025. Furthermore, a new undrawn Accordion Tranche of USD 100m has been made available. The lenders in the Loan Facility are DNB Bank, Nordea and Sparebank 1 SR-Bank.

Belships was in compliance with all covenants during the quarter.

**Repayment Schedule**

	2024	2025	2026	2027	2028	Subsequent	Total
Instalments	-	-8 310	-8 310	-8 310	-8 310	-56 760	-90 000
Interests	-3 150	-6 009	-5 427	-4 846	-4 264	-1 324	-25 020
Total	-3 150	-14 319	-13 737	-13 156	-12 574	-58 084	-115 020

Note 5 Discontinued operations

In June, Belships 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 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 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	2023
Management fees	0	1 299	0	2 569	2 569
Operating income from discontinued operations	0	1 299	0	2 569	2 569
Share of result from j/v and assoc. comp.	0	29	0	59	59
Operating expenses management companies	0	-1 054	0	-2 050	-2 050
Operating expenses from discontinued operations	0	-1 025	0	-1 991	-1 991
EBITDA from discontinued operations	0	274	0	578	578
Depreciation and amortisation	0	-10	0	-20	-20
Operating result (EBIT) from discontinued operations	0	264	0	558	558
Interest income	0	1	0	2	2
Other financial items	0	-3	0	-6	-6
Currency gains/(-losses)	0	-76	0	26	26
Net financial items from discontinued operations	0	-78	0	22	22
Result before taxes from discontinued operations	0	186	0	580	580
Taxes	0	-50	0	-96	-96
Profit after income tax of discontinued operations	0	136	0	484	484
Gain on sale of the subsidiary after income tax	0	8 322	0	8 322	8 322
Profit from discontinued operations	0	8 458	0	8 806	8 806
Hereof majority interests from discontinued operations	0	8 480	0	8 852	8 852
Hereof non-controlling interests from discontinued operations	0	-22	0	-46	-46
Net cash flow operating activities from discontinued operations	0	216	0	463	463
Net cash flow investing activities from discontinued operations	0	0	0	0	0
Net cash flow financing activities from discontinued operations	0	-979	0	-879	-879

**Note 6 Subsequent events**

Belships received USD 10m of the outstanding consideration from divesting its stake in Lighthouse Navigation Pte Ltd.

20 LARGEST SHAREHOLDERS

Updated 9 August 2024

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 %
DNB BANK ASA	10 044 370	3.97 %
LGT BANK AG	9 128 114	3.61 %
WENAASGRUPPEN AS	8 149 330	3.22 %
JAHATT AS	5 000 000	1.98 %
SIX SIS AG	3 479 733	1.37 %
STATE STREET BANK AND TRUST COMP	2 715 479	1.07 %
UBS Switzerland AG	2 208 390	0.87 %
THE BANK OF NEW YORK MELLON SA/NV	1 869 272	0.74 %
THE BANK OF NEW YORK MELLON SA/NV	1 595 591	0.63 %
STAVANGER FORVALTNING AS	1 520 000	0.60 %
Saxo Bank A/S	1 358 482	0.54 %
THE BANK OF NEW YORK MELLON SA/NV	1 078 706	0.43 %
CLEARSTREAM BANKING S.A.	1 070 846	0.42 %
THE BANK OF NEW YORK MELLON	1 033 945	0.41 %
J.P. MORGAN SE	1 010 000	0.40 %
SONATA AS	1 000 000	0.40 %
AS TORINITAMAR	980 100	0.39 %
OTHER SHAREHOLDERS	52 394 308	20.70 %
TOTAL OUTSTANDING SHARES	253 136 666	100.00%

**FLEET LIST***Updated 21 Aug 2024*

Vessel name	Ownership	Built year	Dwt	Yard
BELFRIEND	Time Charter	2028	64 000	Japan
BELOCEAN	Time Charter	2028	64 000	Japan
BELNOR	Time Charter	2028	64 000	Japan
BELSTAR	Time Charter	2027	64 000	Japan
BELVICTORY	Time Charter	2027	64 000	Japan
BELROSSO	Time Charter	2027	64 000	Japan
BELAVANTI	Time Charter	2026	64 000	Japan
BELTEMPO	Time Charter	2026	64 000	Japan
BELFUTURE	Time Charter	2026	64 000	Japan
BELFORTUNE	Time Charter	2025	64 000	Japan
BELFOX	Time Charter	2025	64 000	Japan
BELGRACE	Time Charter	2024	64 000	Shin Kasado
TBN BELSAKURA ¹	Owned	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
BELFOREST	Bareboat Charter	2015	61 000	Imabari
BELHAWK	Bareboat Charter	2015	61 000	Imabari
BELSOUTH	Owned	2015	63 000	Hantong

1) Acquired, vessel will be delivered within Q1 2025