



BELSHIPS



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QUARTERLY REPORT – Q4 2022

22 February 2023

Belships ASA

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www.belships.com

Enterprise no: NO 930776793 MVA



CONTRACT COVERAGE SECURES PROFITABILITY AND DIVIDEND OUTLOOK

HIGHLIGHTS

- Operating income of USD 155.4m (USD 228.6m)
- EBITDA of USD 56.1m (USD 70.4m) including USD 18.0m from Lighthouse Navigation
- Net result of USD 34.2m (USD 59.2m)
- Declared dividend of NOK 0.75 per share
- TCE of USD 22 359 gross per day for owned fleet
- 95 per cent of ship days in Q1 2023 are fixed at USD 20 300 gross per day
- 67 per cent of ship days in the next four quarters are fixed at USD 19 800 gross per day
- Modern fleet of 31 vessels with an average age of four years and daily cash breakeven for 2023 of about USD 10 900 per vessel

Subsequent events

BELMONDO, an Ultramax newbuilding of 64 000 dwt was delivered in January 2023 from Imabari Shipyard in Japan.

Financial results commentary

Belships reports a net result of USD 34.2m for Q4 2022, compared to a net result of USD 59.2m for Q4 2021. The reduction is mainly caused by a lower freight market in Q4 2022, and significant realised gains on the sale of BELFRI, BELCARGO and BELNOR in Q4 2021.

Net freight revenue for owned vessels was USD 55.7m in Q4 2022 compared to USD 64.7m in Q4 2021. The reduction in net freight revenue is driven by a reduction in TCE from USD 30 489 in Q4 2021 to USD 22 359 in Q4 2022, partially offset by an increase in the number of on-hire vessel days due to fleet growth.

Ship operating expenses amounted to USD 16.0m in Q4 2022 unchanged from USD 16.0m in Q4 2021. Increased vessel days in Q4 2022 due to fleet growth is offset by non-recurring vessel costs incurred in Q4 2021.

Fleet status

Time charter equivalent (TCE) earnings per ship in the quarter was recorded at USD 22 359 gross per day. BELFORTE, BELRAY and BELFUJI were drydocked in the quarter. The remaining fleet sailed without significant off-hire with a total of 2 663 on-hire vessel days in Q4 2022.

The Baltic Supramax Index (BSI) averaged USD 14 800 gross per day in the fourth quarter. Relative performance versus spot indices is affected by a high number of fixed period time charter contracts that contribute to our coverage for 2023 at levels far above current market rates.

During the quarter Belships continued to add new period time charter contracts increasing contract coverage for 2023 to 67 per cent at USD 19 800 gross per day.



	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Contract coverage	95%	71%	57%	47%	25%	5%
TCE rate (USD/day)	20 300	19 700	19 400	19 200	19 700	21 100

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

Transactions

BELYAMATO, an Ultramax newbuilding of 64 000 dwt was delivered in November 2022 from Imabari Shipyard in Japan.

The Japanese-designed bulk carriers entering the fleet represent the highest quality and lowest fuel consumption available in the market today.

Lighthouse Navigation

Lighthouse Navigation delivered another strong quarter with EBITDA of USD 18.0m. The result includes a reversal of provisions for potential loss-making contracts of USD 7.9m.

This brings the annual EBITDA for 2022 to USD 60.0m and average EBITDA in the last 12 quarters to USD 10.8m.

Sustainability

Belships aims for the highest standards in corporate governance and is well placed to deliver emission cuts in line with industry ambitions for 2030. Belships will publish a comprehensive sustainability report for 2022 (ESG Report) in April 2023 reflecting our ongoing commitment to transparency and meeting investor and stakeholder expectations.

Belships is compliant with the emission regulations from IMO in 2023 (EEXI) without additional CAPEX signalling the competitive advantage of Belships modern eco-fleet.

The new Norwegian Transparency Act entered into force 1 July 2022 and Belships has taken the necessary steps to be compliant.

Financial and corporate matters

At the end of the quarter, cash and cash equivalents totalled USD 139.9m, whilst interest bearing bank debt amounted to USD 141.8m.

Leasing liabilities at the end of the quarter amounted to USD 463.4m. Leasing liabilities have been calculated with the assumption that all purchase options to acquire Ultramax bulk carriers on bareboat and time-charter agreements will be exercised except BELFUJI. Belships have no contractual obligations to acquire any of the leased vessels.

All lease agreements have fixed interest rates for the entire duration of the contracts.

At the end of the quarter, book value per share amounted to NOK 11.51 (USD 1.17), corresponding to a book equity ratio of 30 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 the fourth quarter 2022 the Board declared a dividend payment of NOK 0.75 per share (USD 18.5m) equivalent to about 70 per cent of net result adjusted for net minority interests.

This brings the total dividends paid out since the inception of the dividend policy in Q2 2021 to NOK 6.35 per share (USD 168.3m).

Market highlights

In the fourth quarter, the Baltic Supramax Index (BSI-58) averaged USD 14 800 per day – down from USD 19 400 in the third quarter. As a result of falling spot market earnings, asset values corrected as well. According to Fearnleys, second hand values in general dropped by about 20 per cent from June to December. Values for modern vessels appear to hold better than those of older vintages.

According to Fearnleys, total Supra/Ultramax shipment volumes ended at 264 million tons, up from 250 million tons in the previous quarter. Volumes shipped during Q4 2022 were the highest for the year, and just shy of the record 266 million tons shipped during Q2 2021.

Demand improved probably due to the early signs of a recovery in China as well as a general rebound in global economic growth after an overall weak 2022. Shipments of breakbulk cargoes declined slightly due to the correction in the container markets. Coal shipments increased to the highest level of the year and was the biggest contributor to the general shipment volume increase in Q4 2022. Other commodity groups like grains, fertilizers and steels were unchanged from the third quarter.

Port congestion reversed to around pre-Covid normalised levels. Even though bunker prices were lower, the average sailing speed also reduced somewhat. As we have highlighted before, changes in both congestion and speed can significantly affect the overall vessel efficiency in the dry bulk market. Congestion may again increase, however, it could be offset by a slight increase in sailing speed, hence on the balance this should be neutral in 2023.

China continued to fight the pandemic with severe lockdowns in major cities. During Q4 2022 it became clear that a change in policy was underway and is now unfolding in 2023. The war in Ukraine reduced usual volumes of wheat, corn, fertilizers and steel products in 2022, and volumes from the Black Sea are expected to rise this year.

According to Clarksons, 29 Supra/Ultramax vessels at a total of 1.8m deadweight were delivered during the fourth quarter, about the same volume as in the previous quarter. On a year-on-year basis, Supra/Ultramax fleet growth was below three per cent through all of 2022, which is the lowest rate seen in the last 20 years. The number of new deliveries is expected to be slightly higher in Q1 2023 and then taper off thru the year, before dropping towards 1.5 per cent in 2024.



The number of ships delivered each quarter compares to an existing fleet of Supra/Ultramax vessels today of about 3 900. With a total orderbook of around 7 per cent, we are soon approaching the lowest rate of supply growth in 30 years.

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 container and gas vessels dictate the position with shipyards. Available delivery positions with shipyards remain distant, at least two years ahead.

Outlook

The sentiment in dry bulk markets continued to soften in January, and the Baltic Exchange Supramax spot index is currently about USD 9 000. Even though spot market rates have fallen drastically, both FFA and period rates are holding steady and indicating that we have passed the bottom of the market. The Forward Freight Agreements (FFA) currently indicate a market average of about USD 14 500 for the remaining part of the year, with Ultramax bulk carriers earning an additional premium of about 15 per cent.

Belships has contract coverage ensuring higher profitability than current market levels. 95 per cent of ship days in Q1 2023 are covered at about USD 20 300 per day, and 67 per cent of ship days in the next four quarters are fixed at about USD 19 800 per day. All period contracts are fixed with highly reputable and recognised charterers in the dry bulk market. Belships financing has been secured for many years ahead, and most of the debt is secured with fixed interest rates.

Lighthouse Navigation continues to deliver very good results. We expect lower activity in Q1 2023 in line with seasonality in the dry bulk market. However, we continue to see very good profitability and Lighthouse is expected to continue contributing to Belships' dividend capacity.

With normal seasonality, it is likely that spot market rates will increase from Q2 onwards, and towards second half of this year we expect a positive market development based on increased activity from China reopening and some pent-up demand effects after last year. However, the pace of this recovery is uncertain, and we are comfortably positioned with highly profitable contract coverage for the meantime.

Looking further ahead, the supply side as observed from the number of deliveries and the publicly quoted orderbook for dry bulk is historically low. We therefore remain more optimistic in terms of medium to long term market prospects.

We are focused on capital discipline and returning capital to 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. Since we announced a new dividend policy in Q2 2021, we have returned a total of NOK 6.35 per share (USD 168.3m) to shareholders and at the same time we have continued to deliver profitable growth and fleet expansion.

Belships owns a modern fleet of 31 Supra/Ultramax bulk carriers with an average age of about four years and daily cash breakeven for 2023 of about USD 10 900 per vessel. 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.



22 February 2023

THE BOARD OF BELSHIPS ASA

Peter Frølich
Chairman

Frode Teigen

Sten Stenersen

Marianne Møgster

Carl Erik Steen

Birthe Cecilie Lepsøe

Jorunn Seglem

Lars Christian Skarsgård
CEO

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

USD 1 000		Q4 2022	Q4 2021	2022	2021
Gross freight revenue	Note	206 317	297 087	926 494	808 237
Voyage expenses		-52 874	-71 263	-204 769	-164 929
Net freight revenue	2	153 443	225 824	721 725	643 308
Management fees		1 969	2 797	8 996	7 366
Operating income	2	155 412	228 621	730 721	650 674
Share of result from j/v and assoc. comp.		5 851	8 242	31 065	14 323
T/C hire expenses		-81 268	-140 523	-450 524	-400 710
Ship operating expenses		-15 726	-15 417	-55 571	-50 457
Operating expenses management companies		-6 583	-9 151	-26 663	-30 756
General and administrative expenses		-1 599	-1 332	-7 068	-4 795
Operating expenses		-99 325	-158 181	-508 761	-472 395
EBITDA		56 087	70 440	221 960	178 279
Depreciation and amortisation	3	-10 882	-8 102	-39 031	-28 735
Gain on sale of ships	3	0	15 333	22 274	15 333
Other gains/(-losses)		-1 532	2 691	1 342	-4 048
Operating result (EBIT)		43 673	80 362	206 545	160 829
Interest income		559	160	962	815
Interest expenses		-8 093	-5 040	-26 106	-15 881
Other financial items		2 998	-1 014	-1 895	-2 308
Currency gains/(-losses)		-5 037	-379	-2 362	-1 325
Net financial items		-9 573	-6 273	-29 401	-18 699
Result before taxes		34 100	74 089	177 144	142 130
Taxes		100	-14 881	-2 084	-8 708
Net result		34 200	59 208	175 060	133 422
Hereof majority interests		26 459	48 480	146 886	103 983
Hereof non-controlling interests		7 741	10 728	28 174	29 439
Earnings per share		0.14	0.23	0.69	0.54
Diluted earnings per share		0.13	0.23	0.68	0.53

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD 1 000		Q4 2022	Q4 2021	2022	2021
Net result		34 200	59 208	175 060	133 422
<i>Other comprehensive income not to be reclassified to profit or (loss) in subsequent periods:</i>					
Actuarial gain/(loss) on defined benefit plans		0	3	13	3
<i>Items that may be subsequently reclassified to profit or (loss):</i>					
Exchange differences		56	-149	-129	-74
Total comprehensive income		34 256	59 062	174 944	133 351
Hereof majority interests		26 515	48 334	146 770	103 912
Hereof non-controlling interests		7 741	10 728	28 174	29 439

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

USD 1 000		31 Dec 2022	31 Dec 2021
NON-CURRENT ASSETS			
Ships	Note 3	747 042	580 628
Prepayment of ships		6 900	0
Property, Plant, and Equipment		3 702	4 227
Investments in j/v and assoc. companies		29 483	13 997
Other non-current assets		1 076	821
Total non-current assets		788 203	599 673
CURRENT ASSETS			
Assets held for sale	3	0	23 933
Bunker inventory		14 675	16 492
Current receivables		57 544	52 332
Cash and cash equivalents		139 871	105 204
Total current assets		212 090	197 961
Total assets		1 000 293	797 634
EQUITY AND LIABILITIES			
Equity			
Paid-in capital		158 359	158 802
Retained earnings		98 864	82 739
Non-controlling interests		40 112	31 378
Total equity		297 335	272 919
NON-CURRENT LIABILITIES			
Long-term interest bearing debt	4	555 202	412 881
Other non-current liabilities		1 729	1 757
Total non-current liabilities		556 931	414 638
CURRENT LIABILITIES			
Current portion of interest bearing debt	4	50 053	24 467
Other current liabilities		95 974	85 610
Total current liabilities		146 027	110 077
Total equity and liabilities		1 000 293	797 634

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

USD 1 000	31 Dec 2022	31 Dec 2021
Cash flow from operating activities		
Net result before taxes	177 144	142 130
Adjustments to reconcile profit before tax to net cash flows:		
Depreciations/impairment on fixed assets	39 031	28 735
Gain on sale of ships and other gains	-23 616	-15 333
Share-based compensation expense	-7 093	500
Difference between pension exps and paid pension premium	13	-19
Share of result from j/v and associated companies	-31 065	-14 323
Dividend received from j/v and associated companies	14 646	0
Net finance costs	29 401	18 699
Change in current items	4 230	6 252
Interest received	962	815
Interest paid	-26 106	-15 881
Financing costs	-1 270	-1 276
Income tax paid	-4 718	-852
Net cash flow from operating activities	171 559	149 447
Cash flow from investing activities		
Proceeds from sale of ships	66 097	62 541
Payment of ships	-86 580	-90 454
Received instalments from sale of ships	0	12 661
Additions to ships	-2 516	0
Other investments	0	-5 022
Net cash flow from investing activities	-22 999	-20 274
Cash flow from financing activities		
Proceeds from non-current debt	66 569	52 360
Paid-in capital (net)	0	15 952
Repayment of non-current debt	-37 014	-95 015
Sold treasury shares	0	129
Dividend paid	-143 448	-31 380
Net cash flow from financing activities	-113 893	-57 954
Net change in cash and cash equivalents during the period	34 667	71 219
Cash and cash equivalents at 1 January	105 204	33 985
Cash and cash equivalents at end of period (incl. restricted cash)	139 871	105 204

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY***The quarterly 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					
As at 31 December 2022							
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	-443	-6 650	0	-7 093
Dividend paid	0	0	0	0	-124 008	-19 440	-143 448
NCI transactions	0	0	0	0	13	0	13
Net result for the period	0	0	0	0	146 886	28 174	175 060
Other comprehensive income	0	0	0	0	-116	0	-116
Total comprehensive income	0	0	0	0	146 770	28 174	174 944
Equity as at 31 December 2022	59 466	-128	62 228	36 793	98 864	40 112	297 335
As at 31 December 2021							
Equity as at 31 December 2020	53 617	-166	47 775	36 736	5 956	6 099	150 017
Share issue, net of transaction costs	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 period	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

**KEY FINANCIAL FIGURES**

		31 Dec 2022	31 Dec 2021
EBITDA	<i>USD 1000</i>	221 960	178 279
Interest coverage ratio		7.91	10.13
Current ratio		1.45	1.80
Equity ratio		0.30	0.34
Earnings per share	<i>USD</i>	0.69	0.53
Earnings per share	<i>NOK</i>	6.82	4.65
Equity per share	<i>USD</i>	1.17	1.08
Equity per share	<i>NOK</i>	11.58	9.51
Average issued shares		253 136 666	253 136 666
Diluted average issued shares (excl. treasury shares)		257 764 866	250 609 708

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 2021.

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 February 21, 2023.

Note 2 Segment information

	January - December 2022					
	USD 1 000					
	Own ships	Lighthouse Navigation	Ship managm.	Admin.	Group transacts	Total
Gross freight revenue	241 261	683 865	0	0	1 368	926 494
Voyage expenses	-14 341	-193 173	0	0	2 745	-204 769
Net freight revenue	226 920	490 692	0	0	4 113	721 725
Management fees	0	12 041	4 768	0	-7 813	8 996
Operating income	226 920	502 733	4 768	0	-3 700	730 721
Share of result from j/v and assoc. co.	0	30 963	102	0	0	31 065
T/C hire expenses	-1 747	-448 777	0	0	0	-450 524
Ship operating expenses	-56 551	-2 720	0	0	3 700	-55 571
Operating exps management comp.	0	-22 209	-4 454	0	0	-26 663
General and administrative expenses	-555	0	0	-6 513	0	-7 068
Operating expenses	-58 853	-442 743	-4 352	-6 513	3 700	-508 761
EBITDA	168 067	59 990	416	-6 513	0	221 960
Depreciation and amortisation	-32 961	-5 779	-110	-181	0	-39 031
Gain on sale of ship	22 274	0	0	0	0	22 274
Other gains/-losses	0	1 342	0	0	0	1 342
Operating result (EBIT)	157 380	55 553	306	-6 694	0	206 545
Interest income	519	345	4	94	0	962
Interest expenses	-25 697	-365	-4	-40	0	-26 106
Other financial items	-2 135	286	-18	-28	0	-1 895
Currency gains/(-losses)	-677	819	-179	-2 325	0	-2 362
Net financial items	-27 990	1 085	-197	-2 299	0	-29 401
Result before taxes	129 390	56 638	109	-8 993	0	177 144
Taxes	-19	-2 022	-43	0	0	-2 084
Net result	129 371	54 616	66	-8 993	0	175 060
Hereof majority interests	129 371	26 441	67	-8 993	0	146 886
Hereof non-controlling interests	0	28 175	-1	0	0	28 174
Assets	800 321	166 449	4 108	29 415	0	1 000 293
Liabilities	612 967	87 662	1 326	1 003	0	702 958

**Note 2 Segment information, continued**

January - December 2021						
USD 1 000						
	<i>Own ships</i>	<i>Lighthouse Navigation</i>	<i>Ship managm.</i>	<i>Admin.</i>	<i>Group transacts</i>	<i>Total</i>
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 assoc. comp.	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 exps management companies	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
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 (EBIT)	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 taxes	81 198	64 918	312	-4 298	0	142 130
Taxes	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


Note 2 Segment information, continued

USD 1 000	Q1 - 2022					Q1 - 2021				
	Own ships	LHN	Ship mgmt	Adm/ Grp.tr	Total	Own ships	LHN	Ship mgmt	Adm/ Grp.tr	Total
Gross freight revenue	58 606	199 361	0	320	258 287	27 504	79 197	0	589	107 290
Voyage expenses	-4 343	-27 212	0	753	-30 802	-4 354	-28 000	0	0	-32 354
Net freight revenue	54 263	172 149	0	1 073	227 485	23 150	51 197	0	589	74 936
Management fees	0	2 820	1 301	-2 118	2 003	0	1 687	1 089	-1 323	1 453
Operating income	54 263	174 969	1 301	-1 045	229 488	23 150	52 884	1 089	-734	76 389
Share of result from j/v and assoc. co.	0	12 339	27	0	12 366	0	761	-1	0	760
T/C hire expenses	0	-156 818	0	0	-156 818	0	-46 672	0	0	-46 672
Ship operating expenses	-13 993	-414	0	1 045	-13 362	-11 135	-414	0	734	-10 815
Operating exps management comp.	0	-7 514	-1 050	0	-8 564	0	-3 049	-914	0	-3 963
General and administrative expenses	-167	0	0	-2 434	-2 601	-95	0	0	-874	-969
Operating expenses	-14 160	-152 407	-1 023	-1 389	-168 979	-11 230	-49 374	-915	-140	-61 659
Operating result (EBITDA)	40 103	22 562	278	-2 434	60 509	11 920	3 510	174	-874	14 730
Depreciation and amortisation	-7 672	-470	-30	-64	-8 236	-6 982	-469	-42	-47	-7 540
Gain on sale of ship	12 308	0	0	0	12 308	0	0	0	0	0
Other gains/-losses	0	3 494	0	0	3 494	-6 734	0	0	0	-6 734
Operating result (EBIT)	44 739	25 586	248	-2 498	68 075	-1 796	3 041	132	-921	456

USD 1 000	Q2 - 2022					Q2 - 2021				
	Own ships	LHN	Ship mgmt	Adm/ Grp.tr	Total	Own ships	LHN	Ship mgmt	Adm/ Grp.tr	Total
Gross freight revenue	59 430	191 681	0	320	251 431	36 840	128 917	0	-66	165 691
Voyage expenses	-3 899	-58 454	0	641	-61 712	-4 267	-23 513	0	774	-27 006
Net freight revenue	55 531	133 227	0	961	189 719	32 573	105 404	0	708	138 685
Management fees	0	4 096	2 062	-1 860	4 298	0	2 108	1 016	-1 405	1 719
Operating income	55 531	137 323	2 062	-899	194 017	32 573	107 512	1 016	-697	140 404
Share of result from j/v and assoc. co.	0	6 461	60	0	6 521	0	1 725	-2	0	1 723
T/C hire expenses	-908	-127 494	0	0	-128 402	0	-88 253	0	0	-88 253
Ship operating expenses	-13 820	-777	0	899	-13 698	-9 828	-419	0	697	-9 550
Operating exps management comp.	0	-6 093	-1 746	0	-7 839	0	-6 053	-900	0	-6 953
General and administrative expenses	-79	0	0	-1 571	-1 650	-82	0	0	-1 322	-1 404
Operating expenses	-14 807	-127 903	-1 686	-672	-145 068	-9 910	-93 000	-902	-625	-104 437
Operating result (EBITDA)	40 724	9 420	376	-1 571	48 949	22 663	14 512	114	-1 322	35 967
Depreciation and amortisation	-7 420	-1 602	-39	-38	-9 099	-5 720	-467	-42	-84	-6 313
Other gains/-losses	0	1 075	0	0	1 075	-5	0	0	0	-5
Operating result (EBIT)	33 304	8 893	337	-1 609	40 925	16 938	14 045	72	-1 406	29 649

USD 1 000	Q3 - 2022					Q3 - 2021				
	Own ships	LHN	Ship mgmt	Adm/ Grp.tr	Total	Own ships	LHN	Ship mgmt	Adm/ Grp.tr	Total
Gross freight revenue	64 078	146 014	0	367	210 459	55 334	182 553	0	282	238 169
Voyage expenses	-2 647	-57 523	0	789	-59 381	-5 060	-30 065	0	819	-34 306
Net freight revenue	61 431	88 491	0	1 156	151 078	50 274	152 488	0	1 101	203 863
Management fees	0	2 510	194	-1 978	726	0	2 360	1 077	-2 040	1 397
Operating income	61 431	91 001	194	-822	151 804	50 274	154 848	1 077	-939	205 260
Share of result from j/v and assoc. co.	0	6 322	5	0	6 327	0	3 594	4	0	3 598
T/C hire expenses	-1 061	-82 975	0	0	-84 036	0	-125 262	0	0	-125 262
Ship operating expenses	-12 700	-907	0	822	-12 785	-15 191	-423	0	939	-14 675
Operating exps ship management co.	0	-3 363	-314	0	-3 677	0	-9 507	-1 182	0	-10 689
General and administrative expenses	-131	0	0	-1 087	-1 218	-20	0	0	-1 070	-1 090
Operating expenses	-13 892	-80 923	-309	-265	-95 389	-15 211	-131 598	-1 178	-131	-148 118
Operating result (EBITDA)	47 539	10 078	-115	-1 087	56 415	35 063	23 250	-101	-1 070	57 142
Depreciation and amortisation	-8 769	-1 991	-12	-42	-10 814	-6 225	-465	-38	-52	-6 780
Gain on sale of ship	9 966	0	0	0	9 966	0	0	0	0	0
Other gains/-losses	0	-1 695	0	0	-1 695	0	0	0	0	0
Operating result (EBIT)	48 736	6 392	-127	-1 129	53 872	28 838	22 785	-139	-1 122	50 362



USD 1 000	Q4 - 2022					Q4 - 2021				
	Own ships	LHN	Ship mgmt	Adm/ Grp.trs	Total	Own ships	LHN	Ship mgmt	Adm/ Grp.trs	Total
Gross freight revenue	59 147	146 809	0	361	206 317	70 852	225 916	0	319	297 087
Voyage expenses	-3 452	-49 984	0	562	-52 874	-6 190	-65 700	0	627	-71 263
Net freight revenue	55 695	96 825	0	923	153 443	64 662	160 216	0	946	225 824
Management fees	0	2 615	1 211	-1 857	1 969	0	3 375	1 394	-1 972	2 797
Operating income	55 695	99 440	1 211	-934	155 412	64 662	163 591	1 394	-1 026	228 621
Share of result from j/v and assoc. co.	0	5 841	10	0	5 851	0	8 225	17	0	8 242
T/C hire expenses	222	-81 490	0	0	-81 268	0	-140 523	0	0	-140 523
Ship operating expenses	-16 038	-622	0	934	-15 726	-16 020	-423	0	1 026	-15 417
Operating exps ship management	0	-5 239	-1 344	0	-6 583	0	-8 000	-1 151	0	-9 151
General and administrative expenses	-178	0	0	-1 421	-1 599	-773	0	0	-559	-1 332
Operating expenses	-15 994	-81 510	-1 334	-487	-99 325	-16 793	-140 721	-1 134	467	-158 181
Operating result (EBITDA)	39 701	17 930	-123	-1 421	56 087	47 869	22 870	260	-559	70 440
Depreciation and amortisation	-9 100	-1 716	-29	-37	-10 882	-7 533	-471	-37	-61	-8 102
Gain on sale of ships	0	0	0	0	0	15 333	0	0	0	15 333
Other gains/-losses	0	-1 532	0	0	-1 532	0	2 691	0	0	2 691
Operating result (EBIT)	30 601	14 682	-152	-1 458	43 673	55 669	25 090	223	-620	80 362



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 the recent decline in freight rates seen is an impairment indicator pursuant to IAS 36. Consequently, Belships carried out an impairment test of ships owned or recognised as right-of-use assets at the end of the quarter.

The Company considers each ship as a separate cash-generating unit and has compared recoverable amounts against carrying amounts at the end of the quarter. Recoverable amounts are based on value-in-use and have been derived from calculation of present value of estimated cash flows over the useful life of the ship. Assumptions represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the ships. The value-in-use calculations are mainly sensitive to changes in revenue and cost of capital assumptions. Revenues have been based on current contracts and long-term historical rates for equivalent ships derived from the Baltic Supramax index (BSI-58). OPEX and CAPEX estimates have been derived from the budgets approved by Board of Directors.

At the end of Q4 2022, recoverable amounts were higher than carrying amounts for all ships and no impairments were recorded.

BELYAMATO, an Ultramax newbuilding of 64 000 dwt was delivered in November 2022 from Imabari Shipyard in Japan.

Note 4 Interest bearing debt

The company considers all of 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 463.4m. Corresponding right-of-use assets, including upfront payments relating to the purchase options, were recorded at USD 547.3m.

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										
BELYAMATO	2022	2022	Bareboat	2032	2026-2032	4.4%	12 981	15 809	1 294	27 496
BELTOKYO	2021	2021	Bareboat	2033	2025-2033	4.6%	11 282	17 191	1 330	27 143
BELFORCE	2021	2021	Bareboat	2031	2024-2031	4.7%	9 377	13 423	1 218	21 581
BELKNIGHT	2021	2021	Bareboat	2028	2024-2028	5.2%	10 836	11 180	1 147	20 869
BELTRADER	2021	2021	Bareboat	2031	2025-2031	5.1%	10 587	11 283	1 109	20 762
BELGUARDIAN	2021	2021	Bareboat	2031	2025-2031	5.1%	10 587	11 283	1 109	20 762
BELMAR	2021	2021	Bareboat	2031	2025-2031	5.2%	17 004	9 628	1 106	25 526
BELFAST	2021	2021	Bareboat	2031	2025-2031	6.3%	14 470	8 954	845	22 579
BELAJA	2020	2020	Bareboat	2027	2024-2027	5.7%	8 595	13 314	1 167	20 743
BELMOIRA	2020	2020	Bareboat	2027	2024-2027	5.7%	8 431	13 381	1 174	20 637
BELFUJI	2020	2020	Time Charter	2028	2024-2028	6.4%	10 945	-	1 885	9 060
BELGRACE	2020	2020	Time Charter	2027	2025-2027	5.0%	9 478	20 259	931	28 806
BELTANGO	2020	2020	Time Charter	2027	2025-2027	5.0%	9 167	20 176	874	28 468
BELFORTE	2019	2019	Time Charter	2026	2022-2026	5.0%	7 448	18 485	854	25 080
BELRAY	2019	2019	Bareboat	2026	2023-2026	5.6%	7 978	13 626	1 212	20 392
BELAFONTE	2017	2017	Time Charter	2023	Declared	5.1%	567	20 331	20 899	-
BELISLAND*	2016	2021	Bareboat	2032	2024-2032	4.4%	10 917	8 081	1 375	17 624
BELLIGHT*	2016	2022	Bareboat	2032	2024-2032	4.4%	10 178	9 203	1 380	18 001
BELFOREST*	2015	2022	Bareboat	2033	2025-2033	4.2%	10 491	10 817	1 402	19 907
BELHAWK*	2015	2021	Bareboat	2031	2024-2031	4.5%	11 506	6 784	1 467	16 823
Lighthouse Navigation vessels										
Texel Island	2012	2022	Time Charter	2023	N/A	5.3%	6 724	-	6 082	642
Total Ships							209 550	253 209	49 857	412 902



Offices N/A N/A Lease 2021-2063 N/A 5-6% 675 175 500

**) 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	-47 362	-47 007	-46 831	-45 730	-33 931	-28 678	-249 539
Exercising purchase options	-20 500	-	-	-55 800	-105 000	-160 095	-341 395
Total	-67 862	-47 007	-46 831	-101 530	-138 931	-188 773	-590 934

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.

Loan Facilities

Interest bearing bank debt at the end of the quarter amounted to USD 141.8m. 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	-	-12 798	-12 798	-12 798	-104 610	-	-143 004
Interests	-9 541	-9 246	-8 365	-7 510	-1 720	-	-36 382
Total	-9 541	-22 044	-21 163	-20 308	-106 330	-	-179 386

Note 5 Subsequent events

BELMONDO, an Ultramax newbuilding of 64 000 dwt was delivered in January 2023 from Imabari Shipyard in Japan.



20 LARGEST SHAREHOLDERS

Updated 21 February 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	9 952 313	3.93%
LGT BANK AG	9 774 379	3.86%
WENAASGRUPPEN AS	8 149 330	3.22%
JAHATT AS	5 000 000	1.98%
AL MARITIME HOLDING PTE LTD	4 290 000	1.69%
SAXO BANK A/S	2 806 198	1.11%
UBS SWITZERLAND AG	2 616 492	1.03%
CLEARSTREAM BANKING S.A.	2 279 284	0.90%
SIX SIS AG	1 915 988	0.76%
STATE STREET BANK AND TRUST COMP	1 889 742	0.75%
STAVANGER FORVALTNING AS	1 618 035	0.64%
MORGAN STANLEY & CO. INTERNATIONAL	1 615 386	0.64%
CACEIS BANK SPAIN SA	1 458 230	0.58%
VERDIPAPIRFONDET DNB SMB	1 248 962	0.49%
SONATA AS	1 000 000	0.40%
AUGUST RINGVOLD AGENTUR AS	810 509	0.32%
SEB CMU/SECFIN POOLED ACCOUNT	791 195	0.31%
OTHER SHAREHOLDERS	48 420 623	19.13%
TOTAL OUTSTANDING SHARES	253 136 666	100.00%

**FLEET LIST**

Updated 22 Feb 2023

Ship	Ownership	Built year	Dwt	Yard
BELMONDO	BBC ¹	2023	64 000	Imabari
BELYAMATO	BBC ²	2022	64 000	Imabari
BELTOKYO	BBC ³	2021	64 000	Imabari
BELFORCE	BBC ⁴	2021	61 000	Dacks
BELKNIGHT	BBC ⁵	2021	61 000	Dacks
BELTRADER	BBC ⁶	2021	61 000	Dacks
BELGUARDIAN	BBC ⁶	2021	61 000	Dacks
BELMAR	BBC ⁷	2021	64 000	Imabari
BELFAST	BBC ⁸	2021	64 000	Imabari
BELAJA	BBC ⁹	2020	61 000	Shin Kurushima
BELMOIRA	BBC ⁹	2020	61 000	Shin Kurushima
BELFUJI	TC ¹⁰	2020	63 000	Imabari
BELGRACE	TC ¹¹	2020	63 000	Imabari
BELTANGO	TC ¹¹	2020	64 000	Mitsui
BELFORTE	TC ¹²	2019	64 000	Mitsui
BELRAY	BBC ⁹	2019	61 000	Shin Kurushima
BELNIPPON	Owned	2018	63 000	Imabari
BELAFONTE	TC ¹³	2017	63 000	Imabari
BELHAVEN	Owned	2017	63 000	Imabari
BELTIGER	Owned	2017	63 000	New Times
BELISLAND	BBC ¹⁴	2016	61 000	Imabari
BELINDA	Owned	2016	63 000	Hantong
BELMONT	Owned	2016	63 000	Hantong
BELATLANTIC	Owned	2016	63 000	Hantong
BELLIGHT	BBC ¹⁵	2016	63 000	New Times
BELFRIEND	Owned	2016	58 000	Tsuneishi
BELTIDE	Owned	2016	58 000	Tsuneishi
BELVEDERE	Owned	2015	66 000	Mitsui
BELFOREST	BBC ¹⁶	2015	61 000	Imabari
BELHAWK	BBC ¹⁷	2015	61 000	Imabari
BELSOUTH	Owned	2015	63 000	Hantong

- 1) Delivered January 2023, 10 yr bareboat charter with purchase options after fourth year
- 2) Delivered November 2022, 10 yr bareboat charter with purchase options after fourth year
- 3) 12 yr bareboat charter with purchase options after fourth year
- 4) 10 yr bareboat charter with purchase options after third year
- 5) 7 yr bareboat charter with purchase options after third year
- 6) 10 yr bareboat charter with purchase options after fourth year
- 7) 10 yr bareboat charter with purchase options after fourth year
- 8) 10 yr bareboat charter with purchase options after fourth year
- 9) 7 yr bareboat charter with purchase options after fourth year
- 10) 8 yr time charter with purchase options after fourth year
- 11) 5 yr remaining time charter with purchase options from H2 2025
- 12) 4.5 yr remaining time charter with purchase options from H2 2022
- 13) Declared purchase option, conclusion is expected within Q1 2023
- 14) 11 yr bareboat charter with purchase options after third year
- 15) 10 yr bareboat charter with purchase options after second year
- 16) 10.5 yr bareboat charter with purchase options after third year
- 17) 9.5 yr bareboat charter with purchase options after third year

There are no purchase obligations on any of the above lease agreements.