



BELSHIPS

QUARTERLY REPORT – Q3 2023

9 November 2023

Belships ASA

Lilleakerveien 6D, 0283 Oslo, Norway

www.belships.com

Enterprise no: NO 930776793 MVA

**SOLID RESULTS IN CHALLENGING MARKETS, FURTHER GROWTH IN THE PIPELINE****HIGHLIGHTS**

- EBITDA of USD 33.0m
- Net result of USD 15.3m
- Declared dividend of NOK 0.45 per share
- TCE of USD 17 905 gross per day for owned fleet – 78 per cent outperformance of market
- Added 2x Ultramax newbuildings with delivery 2026-27, zero cash invested
- Prepaid USD 13.2m of bank debt – two debt free vessels in the fleet
- 87 per cent of ship days in Q4 2023 are fixed at USD 17 800 gross per day
- 42 per cent of ship days in the next four quarters are fixed at USD 17 800 gross per day
- Cash breakeven for 2024 is expected to remain unchanged at USD 10 900 per day
- The newest Supra/Ultramax fleet with 38 ships including eight newbuildings

Financial results commentary

Belships reports a net result of USD 15.3m for Q3 2023. Profitable contract coverage and a positive contribution from Lighthouse Navigation ensured a strong result in a weak market.

Time charter equivalent earnings (TCE) in the quarter was USD 17 905 gross per vessel per day. In comparison, the Baltic Supramax Index (BSI-58) averaged USD 10 028 gross per day. The strong outperformance is due to a high number of fixed period time charter contracts at levels significantly above current market rates.

Ship operating expenses amounted to USD 5 102 per vessel per day in Q3 2023 compared to USD 5 300 per vessel per day as guided in the estimated cash breakeven for 2023. Despite inflationary pressures, the reduction has been achieved through strong operational performance and no serious incidents in the quarter.

Fleet status

One vessel was drydocked in the quarter. The remaining fleet sailed without significant off-hire with a total of 2 759 on-hire vessel days in Q3 2023.

Contract coverage	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Fixed-rate contracts	87%	50%	17%	13%
Average fixed-rate (USD/day)	17 800	17 800	17 600	17 300
Index-linked contracts	10%	17%	13%	3%
Open	3%	33%	70%	84%
	100%	100%	100%	100%

Belships currently has five vessels chartered out on floating index-linked contracts on varying durations, at an average premium of 116 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.



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.

Cash breakeven for 2024 is expected to remain unchanged at USD 10 900 per day.

Transactions

In August, BELVEDERE was delivered to its new owner. Net cash after repayment of outstanding loan was USD 10.0m and the book gain was USD 0.3m, in accordance with the previously announced sale of the vessel.

In September, Belships entered into agreement for two Ultramax bulk carriers for delivery 2H 2026 and Q2-Q3 2027, bringing the total number of newbuildings to eight. The vessels are leased on similar terms as previously announced transactions, and Belships is not required to make any down payments for these vessels.

Newbuildings

64 000 dwt Ultramax bulk carriers under construction at Japanese shipyards:

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 H2 2026 (new)

NEWBUILD 7 expected delivery H1 2027

NEWBUILD 8 expected delivery Q2-Q3 2027 (new)

The vessels are leased on time charter for a period of 7 to 10 years from date of delivery with purchase options around current market levels during the charter. Belships is not required to make any downpayment for these transactions. Therefore, this will not impact cash and dividend capacity during construction. Cash breakeven for the vessels upon delivery is about USD 14 200 per day on average.

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.

Lighthouse Navigation

Lighthouse Navigation recorded an EBITDA of USD 2.6m for the quarter and contributed to Belships dividend capacity despite weak market conditions. The dry bulk operating business continues to demonstrate good risk management with limited forward exposure.

The average EBITDA per quarter in the last five years has been USD 7.7m.

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.

In July, 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 138.9m, whilst interest bearing bank debt amounted to USD 115.5m. Belships prepaid USD 13.2m of outstanding bank debt in the quarter and now have two unencumbered vessels in the fleet.

Leasing liabilities at the end of the quarter amounted to USD 449.9m. 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 12.5 (USD 1.18), corresponding to a book equity ratio of 32 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 Q3 2023 the Board declared a dividend payment of NOK 0.45 per share (USD 10.3m in total) equivalent to about 68 per cent of the net result adjusted for minority interests.

This brings the total dividends paid out since Q2 2021 to NOK 8.10 per share, which is 123 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 209.8m.

Market highlights

In the third quarter, the Baltic Supramax Index (BSI-58) averaged USD 10 028 per day – slightly down from USD 10 763 in the preceding quarter. The market development was rather volatile as rates recovered from very low levels of USD 7 500 in June and peaked at above USD 14 000 end of quarter. Ultramax vessels typically earn a premium of about 15 per cent to the standard Baltic Supramax Index (BSI-58).

Asset values were stable during the quarter, however, in September values started to increase again and this trend continued into the fourth quarter. Still, asset values are lower now compared



to the start of the year. New and modern vessels continue to be markedly higher in demand than less economical older ships.

According to Fearnleys, preliminary estimates for Q3 2023 shipment volumes were 282 million tonnes, an all-time high again, after 275 million tonnes in the preceding quarter. The highest growth (quarter-on-quarter) was seen in minor bulks (7 per cent), coal (7 per cent) and grains (4 per cent). Iron Ore (-15 per cent), breakbulk cargoes (-11 per cent) and steel products (-7 per cent) contributed negatively. Fertilizer shipments were up slightly in volume, by two per cent. Importantly, overall volumes continue to grow and show that the demand side is stable and resilient despite the turmoil in financial markets and concerns over inflation and interest rates.

Port congestion, as measured by the average waiting time in port for ships to discharge, continued to reduce during the third quarter. Coupled with shorter, albeit marginal, average voyage durations – this contributed to slightly less favourable supply-side fundamentals. Average sailing speeds remain relatively unchanged. Current levels of port congestion are now 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.

39 Supra/Ultramax vessels were delivered in Q3 2023, compared to 33 vessels in the previous quarter, according to Fearnleys. In October, only seven vessels were delivered, and 19 remain on schedule to be delivered before year-end.

Year-on-year, the fleet grew by 3.5 per cent in the third quarter, about the same rate as in the second quarter. According to Fearnleys, fleet growth is likely to remain around this level for the next year. 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. With an orderbook-to-fleet of about 7-8 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 orders. Higher input costs as well as full orderbooks and continued high demand 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 Baltic Exchange Supramax index is currently about USD 12 000, with Ultramax bulk carriers earning an additional premium of about 15 per cent.

Lighthouse Navigation continues to deliver good results. They have reduced positions ahead of an expected slower end-of-year period in the markets. We expect continued profitability contributing to Belships' dividend capacity.

Belships has contract coverage ensuring significantly higher profitability than current market levels with a majority of the fleet on fixed-rate period time charter contracts with varying durations. 87 per cent of ship days in Q4 2023 are covered at about USD 17 800 per day, and 50 per cent of ship days in Q1 2024 covered at about USD 17 800 per day.



Furthermore, we have five vessels chartered out on floating index-rate contracts. This is because we believe the rates and market sentiment has a good probability of improving during the next year, and Belships has the right to convert to fixed rate during the charter period. 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 with fixed interest rates significantly below current market levels. Belships is therefore able to retain a very low cash breakeven and we expect it to remain unchanged in 2024.

With eight 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 own and operate 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 free cash flow and continue to pay quarterly dividends.

9 November 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 <i>CEO</i>	

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

USD 1 000		Q3 2023	Q3 2022	YTD Q3 2023	YTD Q3 2022	2022
Gross freight revenue	Note	125 020	210 459	418 357	720 177	926 494
Voyage expenses		-35 249	-59 381	-102 915	-151 895	-204 769
Net freight revenue	2	89 771	151 078	315 442	568 282	721 725
Management fees		85	-345	1 241	3 470	4 228
Operating income	2	89 857	150 733	316 683	571 752	725 953
Share of result from j/v and assoc. comp.		1 007	6 299	5 816	25 122	30 963
T/C hire expenses		-36 215	-84 036	-144 078	-369 256	-450 524
Ship operating expenses		-15 714	-12 785	-44 810	-39 845	-55 571
Operating expenses management companies		-4 583	-2 633	-12 596	-16 970	-22 209
General and administrative expenses		-1 371	-1 218	-4 211	-5 469	-7 068
Operating expenses		-56 876	-94 373	-199 879	-406 418	-504 409
EBITDA		32 981	56 360	116 804	165 334	221 544
Depreciation and amortisation	3	-10 640	-10 753	-33 242	-28 068	-38 992
Gain on sale of ships	3	316	9 966	316	22 274	22 274
Other gains/(-losses)		-326	-1 695	431	2 874	1 342
Operating result (EBIT)		22 331	53 878	84 310	162 414	206 168
Interest income		868	302	1 839	400	958
Interest expenses		-8 375	-7 293	-25 398	-18 009	-26 106
Other financial items		1 022	556	840	-4 878	-1 877
Currency gains/(-losses)		-512	2 653	-1 202	2 784	-2 183
Net financial items		-6 998	-3 782	-23 922	-19 703	-29 208
Result before taxes		15 333	50 096	60 388	142 711	176 960
Taxes		-32	-251	-304	-2 115	-2 041
Net result from continuing operations		15 301	49 845	60 083	140 596	174 919
Result from discontinuing operation	5	0	-79	8 806	264	141
Net result for the period		15 301	49 766	68 889	140 860	175 060
Hereof majority interests		15 047	46 670	62 503	120 423	146 886
Hereof non-controlling interests		254	3 096	6 386	20 437	28 174
Earnings per share for continuing operations		0,06	0,20	0,24	0,56	0,69
Diluted earnings per share for continuing operations		0,06	0,19	0,24	0,55	0,68
Earnings per share		0,06	0,20	0,27	0,56	0,69
Diluted earnings per share		0,06	0,19	0,27	0,55	0,68

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD 1 000		Q3 2023	Q3 2022	YTD Q3 2023	YTD Q3 2022	2022
Net result		15 301	49 766	68 889	140 860	175 060
<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 subsequently reclassified to profit or (loss):</i>						
Exchange differences		1 083	-100	-392	-185	-129
Total comprehensive income		16 384	49 666	68 497	140 675	174 944
Hereof majority interests		15 790	46 485	62 199	120 238	146 770
Hereof non-controlling interests		594	3 181	6 298	20 437	28 174
Majority interests from continuing operations		15 790	46 564	53 393	119 974	146 629
Majority interests from discontinuing operations		0	-79	8 806	264	141

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

USD 1 000		30 Sep 2023	30 Sep 2022	31 Dec 2022
NON-CURRENT ASSETS				
	<i>Note</i>			
Ships	3	723 305	724 314	747 042
Prepayment of ships		0	13 500	6 900
Property, Plant, and Equipment		972	3 806	3 702
Investments in j/v and assoc. companies		9 006	25 057	29 483
Other non-current assets		1 082	104	1 076
Total non-current assets		734 365	766 781	788 203
CURRENT ASSETS				
Bunker inventory		9 938	15 288	14 675
Current receivables		45 044	75 893	57 544
Cash and cash equivalents		138 934	116 302	139 871
Total current assets		193 915	207 483	212 090
Total assets		928 281	974 264	1 000 293
EQUITY AND LIABILITIES				
Equity				
Paid-in capital		141 416	157 839	158 359
Retained earnings		127 149	91 739	98 864
Non-controlling interests		29 577	32 371	40 112
Total equity		298 142	281 949	297 335
NON-CURRENT LIABILITIES				
Long-term interest bearing debt	4	537 889	516 613	555 202
Other non-current liabilities		828	1 633	1 729
Total non-current liabilities		538 717	518 246	556 931
CURRENT LIABILITIES				
Current portion of interest bearing debt	4	27 512	69 133	50 053
Other current liabilities		63 909	104 936	95 974
Total current liabilities		91 422	174 069	146 027
Total equity and liabilities		928 281	974 264	1 000 293

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

USD 1 000	30 Sep 2023	30 Sep 2022	31 Dec 2022
Cash flow from operating activities			
Net result before taxes	60 388	142 711	176 960
Adjustments to reconcile profit before tax to net cash flows:			
Depreciations/impairment on fixed assets	33 242	28 149	39 031
Gain on sale of fixed assets and other gains	-747	-25 148	-23 616
Share-based compensation expense	958	-7 613	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	-5 816	-25 214	-31 065
Dividend received from j/v and associated companies	17 957	14 646	14 646
Net finance costs	23 922	19 828	29 401
Change in current items	-14 922	-3 213	4 414
Interest received	1 839	403	962
Interest paid	-25 398	-18 013	-26 106
Financing costs	-700	-580	-1 270
Income tax paid	-1 526	-4 718	-4 718
Net cash flow from operating activities	89 196	121 238	171 559
Cash flow from investing activities			
Proceeds from sale of ships	27 082	66 097	66 097
Proceeds from sale of shares in subsidiary	10 666	0	0
Payment of ships	-17 995	-69 606	-86 580
Additions to ships	-1 728	-2 180	-2 516
Net cash flow from investing activities	18 025	-5 689	-22 999
Cash flow from financing activities			
Proceeds from non-current debt	16 500	48 387	66 569
Repayment of non-current debt	-56 256	-28 806	-37 014
Dividend paid	-48 146	-124 032	-124 008
Dividend paid to non-controlling interests	-20 255	0	-19 440
Net cash flow from financing activities	-108 158	-104 451	-113 893
Net change in cash and cash equivalents during the period	-937	11 098	34 667
Cash and cash equivalents at 1 January	139 871	105 204	105 204
Cash and cash equivalents at end of period (incl. restricted cash)	138 934	116 302	139 871

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

USD 1 000

	Majority interest				Retained	Non-controlling interests	Total equity
	Paid-in		Share premium reserves	Other paid-in equity			
	Share capital	Treasury shares					Other equity
As at 30 September 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
Dividend paid	0	0	0	-17 957	-30 189	-20 255	-68 401
Share-based payment expenses	0	0	0	958	0	0	958
NCI transactions	0	0	0	0	-4 868	4 565	-303
Net result for the period	0	0	0	0	63 692	5 198	68 889
Other comprehensive income	0	0	0	0	-349	-43	-392
Total comprehensive income	0	0	0	0	63 343	5 155	68 497
Equity as at 30 September 2023	59 466	-128	62 228	19 850	127 149	29 577	298 142
As at 30 September 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	-963	-6 650	0	-7 613
Dividend paid	0	0	0	0	-104 592	-19 440	-124 032
Net result for the period	0	0	0	0	120 427	20 433	140 860
Other comprehensive income	0	0	0	0	-185	0	-185
Total comprehensive income	0	0	0	0	120 242	20 433	140 675
Equity as at 30 September 2022	59 466	-128	62 228	36 273	91 739	32 371	281 949

**KEY FINANCIAL FIGURES**

		30 Sep 2023	30 Sep 2022	31 Dec 2022
EBITDA	<i>USD 1000</i>	116 804	165 334	221 544
Interest coverage ratio		3.32	9.02	7.90
Current ratio		2.12	1.19	1.45
Equity ratio		0.32	0.29	0.30
Earnings per share	<i>USD</i>	0.27	0.56	0.69
Earnings per share	<i>NOK</i>	2.89	6.04	6.82
Equity per share	<i>USD</i>	1.18	1.11	1.17
Equity per share	<i>NOK</i>	12.51	12.09	11.58
Average issued shares		253 136 666	253 136 666	253 136 666
Diluted average issued shares (excl. treasury shares)		253 874 644	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 November 8, 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>		January - September 2023			
	<i>Belships</i>	<i>Lighthouse Navigation</i>	<i>Eliminations</i>	<i>Total</i>	
Gross freight revenue	155 779	261 430	1 149	418 357	
Voyage expenses	-8 938	-95 818	1 841	-102 915	
Net freight revenue	146 841	165 611	2 990	315 442	
Management fees	0	4 231	-2 990	1 241	
Operating income	146 841	169 842	0	316 683	
Share of result from j/v and associated companies	0	5 816	0	5 816	
T/C hire expenses	0	-144 078	0	-144 078	
Ship operating expenses	-43 391	-1 420	0	-44 810	
Operating expenses management companies	0	-12 596	0	-12 596	
General and administrative expenses	-4 211	0	0	-4 211	
Operating expenses	-47 602	-152 277	0	-199 879	
EBITDA	99 238	17 566	0	116 804	
Depreciation and amortisation	-28 566	-4 675	0	-33 242	
Gain on sale of ship	316	0	0	316	
Other gains/-losses	0	431	0	431	
Operating result (EBIT)	70 988	13 321	0	84 310	
Interest income	963	876	0	1 839	
Interest expenses	-25 222	-176	0	-25 398	
Other financial items	488	351	0	840	
Currency gains/(-losses)	-981	-221	0	-1 202	
Net financial items	-24 751	829	0	-23 922	
Result before taxes	46 237	14 151	0	60 388	
Taxes	0	-304	0	-304	
Net result from continuing operations	46 237	13 847	0	60 083	
Result from discontinuing operation	8 806	0	0	8 806	
Net result for the period	55 043	13 847	0	68 889	
Hereof majority interests	55 043	7 460	0	62 503	
Hereof non-controlling interests	0	6 386	0	6 386	
Assets	829 207	99 074	0	928 281	
Liabilities	585 342	44 797	0	630 139	

**Note 2 Segment information, continued**

<i>USD 1 000</i>		January - September 2022			
	<i>Belships</i>	<i>Lighthouse Navigation</i>	<i>Eliminations</i>	<i>Total</i>	
Gross freight revenue	182 114	537 056	1 007	720 177	
Voyage expenses	-10 889	-143 189	2 183	-151 895	
Net freight revenue	171 225	393 867	3 190	568 282	
Management fees	0	9 426	-5 956	3 470	
Operating income	171 225	403 293	-2 766	571 752	
Share of result from j/v and associated companies	0	25 122	0	25 122	
T/C hire expenses	-1 969	-367 287	0	-369 256	
Ship operating expenses	-40 513	-2 098	2 766	-39 845	
Operating expenses management companies	0	-16 970	0	-16 970	
General and administrative expenses	-5 469	0	0	-5 469	
Operating expenses	-47 951	-361 233	2 766	-406 418	
EBITDA	123 274	42 060	0	165 334	
Depreciation and amortisation	-24 005	-4 063	0	-28 068	
Gain on sale of ship	22 274	0	0	22 274	
Other gains/losses	0	2 874	0	2 874	
Operating result (EBIT)	121 543	40 871	0	162 414	
Interest income	233	167	0	400	
Interest expenses	-17 757	-254	2	-18 009	
Other financial items	-5 041	163	0	-4 878	
Currency gains/(-losses)	2 674	110	0	2 784	
Net financial items	-19 891	186	2	-19 703	
Result before taxes	101 652	41 057	2	142 711	
Taxes	-19	-2 096	0	-2 115	
Net result from continuing operations	101 633	38 961	2	140 596	
Result from discontinuing operation	264	0	0	264	
Net result for the period	101 897	38 961	2	140 860	
Hereof majority interests	101 897	18 524	2	120 423	
Hereof non-controlling interests	0	20 437	0	20 437	
Assets*	812 871*	161 393	0	974 264	
Liabilities*	594 283*	98 032	0	692 315	

*) Amounts includes assets of 4 632 and liabilities of 1 665 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
Net freight revenue	51 450	58 653	993	111 096	54 263	172 149	1 073	227 485
Management fees	0	2 561	-2 030	531	0	2 820	-2 118	702
Operating income	51 450	61 214	-1 037	111 627	54 263	174 969	-1 045	228 187
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
Operating expenses	-16 244	-53 051	1 037	-68 258	-16 594	-152 407	1 045	-167 956
Operating result (EBITDA)	35 206	8 163	0	43 369	37 669	22 562	0	60 231
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
Operating result (EBIT)	25 512	8 416	0	33 928	42 241	25 586	0	67 827

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
Net freight revenue	49 417	64 119	1 039	114 575	55 531	133 227	961	189 719
Management fees	0	1 663	-1 039	624	0	4 973	-1 860	3 113
Operating income	49 417	65 782	0	115 199	55 531	138 200	-899	192 832
Share of result from j/v and assoc. comp.	0	1 379	0	1 379	0	6 484	0	6 484
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
Operating expenses	-15 788	-58 957	0	-74 745	-16 378	-128 610	899	-144 089
Operating result (EBITDA)	33 629	6 825	0	40 454	39 153	9 590	0	48 743
Depreciation and amortisation	-9 807	-1 524	0	-11 331	-7 458	-1 651	0	-9 109
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
Operating result (EBIT)	23 822	4 228	0	28 050	31 695	9 014	0	40 709

USD 1 000	Q3 - 2023				Q3 - 2022			
	Belships	Lighthouse Navigation	Elimin.	Total	Belships	Lighthouse Navigation	Elimin.	Total
Gross freight revenue	54 912	69 732	377	125 020	64 078	146 014	367	210 459
Voyage expenses	-8 938	-26 892	581	-35 249	-2 647	-57 523	789	-59 381
Net freight revenue	45 974	42 839	958	89 771	61 431	88 491	1 156	151 078
Management fees	0	7	79	85	0	1 633	-1 978	-345
Operating income	45 974	42 846	1 037	89 857	61 431	90 124	-822	150 733
Share of result from j/v and assoc. comp.	0	1 007	0	1 007	0	6 299	0	6 299
T/C hire expenses	0	-36 215	0	-36 215	-1 061	-82 975	0	-84 036
Ship operating expenses	-14 199	-479	-1 037	-15 714	-12 700	-907	822	-12 785
Operating exps. management companies	0	-4 583	0	-4 583	0	-2 633	0	-2 633
General and administrative expenses	-1 371	0	0	-1 371	-1 218	0	0	-1 218
Operating expenses	-15 570	-40 269	-1 037	-56 876	-14 979	-80 216	822	-94 373
Operating result (EBITDA)	30 403	2 578	0	32 981	46 452	9 908	0	56 360
Depreciation and amortisation	-9 065	-1 574	0	-10 640	-8 811	-1 942	0	-10 753
Gain on sale of ship	316	0	0	316	9 966	0	0	9 966
Other gains/-losses	0	-326	0	-326	0	-1 695	0	-1 695
Operating result (EBIT)	21 654	677	0	22 331	47 607	6 271	0	53 878

**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 delivered to its new owner. Net cash after repayment of outstanding loan was USD 10.0m and the book gain was USD 0.3m.

Belships entered into agreement for two Ultramax bulk carriers for delivery 2H 2026 and Q2-Q3 2027, bringing the total number of newbuildings to eight. The vessels are leased on similar terms as previously announced transactions, and Belships is not required to make any down payments for these vessels.

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 449.9m. Corresponding right-of-use assets, including upfront payments relating to the purchase options, were recorded at USD 519.6m.

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%	12 171	16 818	1 308	27 681
BELYAMATO	2022	2022	Bareboat	2032	2026-2032	4.4%	11 532	16 325	1 358	26 500
BELTOKYO	2021	2021	Bareboat	2033	2025-2033	4.6%	9 784	17 779	1 378	26 185
BELFORCE	2021	2021	Bareboat	2031	2024-2031	4.6%	8 000	13 894	1 264	20 629
BELKNIGHT	2021	2021	Bareboat	2028	2024-2028	5.2%	9 561	11 604	1 193	19 972
BELTRADER	2021	2021	Bareboat	2031	2025-2031	5.1%	9 338	11 710	1 154	19 894
BELGUARDIAN	2021	2021	Bareboat	2031	2025-2031	5.1%	9 338	11 710	1 154	19 894
BELMAR	2021	2021	Bareboat	2031	2025-2031	5.2%	15 803	10 008	1 154	24 657
BELFAST	2021	2021	Bareboat	2031	2025-2031	6.3%	13 421	9 376	888	21 910
BELAJA	2020	2020	Bareboat	2027	2024-2027	5.7%	7 163	13 880	1 220	19 823
BELMOIRA	2020	2020	Bareboat	2027	2024-2027	5.7%	6 998	13 944	1 226	19 716
BELFUJI	2020	2020	Time Charter	2028	2024-2028	6.4%	9 521	0	1 980	7 541
BELNIKE	2020	2020	Time Charter	2027	2025-2027	5.0%	7 978	21 009	968	28 019
BELTANGO	2020	2020	Time Charter	2027	2025-2027	5.0%	7 733	20 923	909	27 747
BELFORTE	2019	2019	Time Charter	2026	2022-2026	5.0%	6 107	19 178	889	24 396
BELRAY	2019	2019	Bareboat	2026	2023-2026	5.6%	6 510	14 195	1 264	19 441
BELISLAND*	2016	2021	Bareboat	2032	2024-2032	4.5%	9 637	8 345	1 426	16 556
BELLIGHT*	2016	2022	Bareboat	2032	2024-2032	4.4%	8 844	9 504	1 439	16 909
BELFOREST*	2015	2022	Bareboat	2033	2025-2033	4.2%	9 108	11 158	1 449	18 817
BELHAWK*	2015	2021	Bareboat	2031	2024-2031	4.5%	10 189	7 009	1 521	15 678
Lighthouse Navigation vessels										
Texel Island	2012	2022	Time Charter	2024	N/A	5.25%	2 212	0	2 212	0
Total Ships							190 948	258 369	27 353	421 964
Offices	N/A	N/A	Lease	2021-2063	N/A	5-6%	539	0	159	380
Total lease liabilities							191 487	258 369	27 512	422 344

*) 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	-11 765	-46 818	-46 696	-45 732	-33 938	-28 892	-213 841
Exercising purchase options	0	0	0	-55 800	-105 000	-159 995	-320 795
Total	-11 765	-46 818	-46 696	-101 532	-138 938	-188 887	-534 636

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 115.5m. 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	0	0	-11 025	-11 025	-94 506	0	-116 555
Interests	-2 115	-8 414	-7 994	-7 205	-2 262	0	-27 989
Total	-2 115	-8 414	-19 018	-18 229	-96 767	0	-144 544

**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	Q3 2023	Q3 2022	YTD Q3 2023	YTD Q3 2022	2022
Management fees	0	1 071	2 569	3 557	4 768
Operating income from discontinued operations	0	1 071	2 569	3 557	4 768
Share of result from j/v and assoc. comp.	0	27	59	92	102
Operating expenses management companies	0	-1 044	-2 050	-3 110	-4 454
Operating expenses from discontinued operations	0	-1 017	-1 991	-3 018	-4 352
EBITDA from discontinued operations	0	-54	578	539	416
Depreciation and amortisation	0	-60	-20	-81	-39
Operating result (EBIT) from discontinued operations	0	-6	558	458	377
Interest income	0	1	2	3	4
Interest expenses	0	-4	0	-4	0
Other financial items	0	-3	-6	-15	-18
Currency gains/(-losses)	0	-27	26	-109	-179
Net financial items from discontinued operations	0	-33	22	-125	-193
Result before taxes from discontinued operations	0	-39	580	333	184
Taxes	0	-40	-96	-69	-43
Profit after income tax of discontinued operations	0	-79	484	264	141
Gain on sale of the subsidiary after income tax	0	0	8 322	0	0
Profit from discontinued operations	0	-79	8 806	264	141
Hereof majority interests from discontinued operations	0	-54	8 852	268	142
Hereof non-controlling interests from discontinued operations	0	-25	-46	-4	-1
Net cash flow operating activities from discontinued operations	0	205	463	639	1 108
Net cash flow investing activities from discontinued operations	0	0	0	0	0
Net cash flow financing activities from discontinued operations	0	0	-879	-91	-78

Note 6 Subsequent events

There were no subsequent events after the balance sheet date.



20 LARGEST SHAREHOLDERS

Updated 6 November 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%
DNB BANK ASA	10 040 670	3.97%
LGT BANK AG	9 375 214	3.70%
WENAASGRUPPEN AS	8 149 330	3.22%
AL MARITIME HOLDING PTE LTD	5 269 922	2.08%
JAHATT AS	5 000 000	1.98%
SAXO BANK A/S	2 671 889	1.06%
STATE STREET BANK AND TRUST COMP	2 573 024	1.02%
UBS SWITZERLAND AG	2 160 838	0.85%
SIX SIS AG	2 158 033	0.85%
THE BANK OF NEW YORK MELLON SA/NV	1 718 212	0.68%
STAVANGER FORVALTNING AS	1 520 000	0.60%
CITIBANK EUROPE PLC	1 305 140	0.52%
THE BANK OF NEW YORK MELLON	1 033 945	0.41%
SONATA AS	1 000 000	0.40%
CLEARSTREAM BANKING S.A.	982 500	0.39%
INTERACTIVE BROKERS LLC	954 011	0.38%
BANQUE PICTET & CIE SA	902 604	0.36%
OTHER SHAREHOLDERS	48 821 344	19.29%
TOTAL OUTSTANDING SHARES	253 136 666	100.00%

**FLEET LIST***Updated 8 November 2023*

Vessel name	Ownership	Built year	Dwt	Yard
NEWBUILD 8 (new)	Time Charter	2027	64 000	Japan
NEWBUILD 7	Time Charter	2027	64 000	Japan
NEWBUILD 6 (new)	Time Charter	2026	64 000	Japan
NEWBUILD 5	Time Charter	2026	64 000	Japan
NEWBUILD 4	Time Charter	2026	64 000	Japan
NEWBUILD 3	Time Charter	2025	64 000	Japan
NEWBUILD 2	Time Charter	2025	64 000	Japan
NEWBUILD 1	Time Charter	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