



BELSHIPS

QUARTERLY REPORT – Q3 2024

14 November 2024

Belships ASA

www.belships.com

Enterprise no: NO 930776793 MVA



SOLID RESULT AND DIVIDEND AMIDST INCREASED MARKET UNCERTAINTY

HIGHLIGHTS

- EBITDA of USD 27.0m including USD 1.5m from Norwegian Bulk Carriers
- Net result of USD 19.3m
- Declared dividend of NOK 0.50 per share, in addition to the extraordinary dividend of NOK 1.00 per share paid in October
- Sold two debt-free Supramax vessels (2016-built) for a total of USD 56.6m with a book gain of USD 6.5m
- First newbuilding BELGRACE was delivered in September and entered a contract of about 18 months at USD 16 500 gross per day
- TCE of USD 16 724 gross per day for owned fleet
- 80 per cent of ship days in Q4 2024 are fixed at USD 16 200 gross per day
- 37 per cent of ship days in the next four quarters are fixed at USD 16 200 gross per day
- Cash breakeven for 2024 of about USD 10 900 per day per vessel
- Uniform fleet of 42x Ultramax vessels including 12x newbuildings

Subsequent events

Belships has expanded its newbuilding program with one new 64 000 dwt Ultramax bulk carrier which will be delivered during the second half of 2027. The vessel is leased on similar terms as other lease agreements previously announced, and Belships is not required to make any down payments for this vessel.

USD 8.3m of bank debt has been voluntarily repaid in November, reducing outstanding bank debt to USD 81.0m. After this, no instalments are due before 2026.

Financial results commentary

Belships reports a net result of USD 19.3m compared to USD 18.9m in the previous quarter. The result in both quarters included extraordinary book gains of about USD 6m, which relates to the sale of BELTIDE and BELFRIEND in this quarter and the reorganisation of the operating business in the previous quarter.

Time charter equivalent earnings (TCE) in the quarter were USD 16 724 gross per vessel per day. In comparison, the comparable Baltic Exchange index for Ultramax vessels (BSI-63) averaged USD 16 591 gross per day.

Ship operating expenses amounted to USD 5 514 per vessel per day compared to USD 5 391 per vessel per day year-to-date. The increase in operating expenses is primarily due to a higher number of crew changes in the quarter.

Transactions

BELFRIEND (2016) and BELTIDE (2016) were delivered to their new owners in July and August. A gain of USD 6.5m has been realised. After these sales Belships' fleet consists solely of modern Ultramax bulk carriers.



Following the reorganisation of our operating business, USD 10m cash as part consideration was received in July. A further cash consideration of USD 4m will be received within Q2 2025.

Fleet status

One vessel was drydocked in the quarter. The remaining fleet sailed without significant off-hire with a total of 2 613 on-hire vessel days in the quarter.

Belships' vessels are not transiting the Red Sea nor the Black Sea, and none of our vessels have been involved in any related incidents.

Contract coverage	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Fixed-rate contracts	80%	41%	15%	14%
Average fixed-rate (USD/day)	16 200	16 300	15 900	15 900
Index-linked contracts	15%	31%	22%	18%
Open/Uncontracted	5%	28%	63%	68%
	100%	100%	100%	100%

Belships currently has 10x vessels chartered out on, index-linked, contracts on varying durations, at an average premium of 103 per cent to the corresponding Baltic index for Ultramax vessels (BSI-63). Belships has the option to convert any portion of the remaining period to a fixed rate, based on the prevailing FFA curve at any given time.

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

Newbuildings

Japanese-design 64 000 dwt Ultramax bulk carriers

One further newbuilding agreement has been entered into, to be named BELCARGO.

Updated delivery schedule:

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
BELCARGO	expected delivery Q3 2027 (new)
BELVICTORY	expected delivery Q3 2027
BELNOR	expected delivery Q1 2028
BELOCEAN	expected delivery Q3 2028
BELFRIEND	expected delivery Q3 2028



All vessels are leased on time charter for periods up to a maximum 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-design 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

Norwegian Bulk Carriers (NBC) recorded an EBITDA of USD 1.5m for the quarter. Despite the challenging market conditions NBC 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 2.5m.

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: 2024 ESG Scorecard. The research report aims to identify where each company ranks against its listed peers within the shipping industry.

Financial and corporate matters

At the end of the quarter, cash and cash equivalents totalled USD 153.6m, whilst interest bearing bank debt amounted to USD 89.3m.

Leasing liabilities at the end of the quarter amounted to USD 475.0m, details on a per-vessel basis can be found in disclosure 4 of 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 12.01 (USD 1.14), 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 payments**

Based on the financial result in Q3 2024 the Board declared a dividend payment of NOK 0.50 per share (USD 11.4m in total) equivalent to 59 per cent of the net result.

In addition, an extraordinary dividend of NOK 1.00 per share was paid out in October.

This brings the total dividends paid out since Q2 2021 to NOK 11.35 per share.

Market highlights

In the third quarter, the Baltic index for Ultramax vessels (BSI-63) averaged USD 16 591 per day - down from USD 17 065 per day in the preceding quarter. This new Ultramax index will replace the Baltic Supramax Index (BSI-58) which averaged USD 14 542 per day in the same quarter.

According to Fearnleys, preliminary estimates for Q3 2024 shipment volumes were 283 million tonnes, down from the all-time high of 289 million tonnes in Q2 2024. Comparing with the same quarter last year, volumes of steel products and other minor bulks were higher, whereas iron ore, coal, fertilizers, and grains saw year-on-year declines.

Port congestion, as measured by the average waiting time in port for ships to discharge, fell slightly compared to the second quarter. However, waiting time in port for ships to load increased by as much as the waiting time in discharge ports fell. The total average voyage duration was similar to that of the second quarter staying at comparable levels. Average vessel speeds remain relatively low, this seems to follow a trend over the past several years of decreasing normal sailing speeds.

46x Supra/Ultramax vessels were delivered in the third quarter of 2024, compared to 48x vessels in the second quarter, according to Fearnleys. 36x 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 increased slightly in the last months, to 4.2 per cent. This rate of fleet growth can be expected to increase towards 5.0 per cent in 2025, then decrease again in 2026 and 2027. The total dry bulk orderbook to existing fleet ratio stands at just below 10.0 per cent, which is still at historical lows.

Relatively low newbuilding activity for dry bulk continues, as higher prices, 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 average spot market rate for Ultramax vessels according to the Baltic Exchange is currently at about USD 13 000, displaying a weak trend in October and November. The FFA market (Forward Freight Agreements) currently indicates a market average of around USD 14 000 for the next twelve months. Ship values have showed softer development in the fourth quarter. Modern and economical vessels continue to be in higher demand than older vintages.

Belships has fixed-rate contract coverage for 80 per cent of ship days in Q4 2024 at about USD



16 200 per day, and 37 per cent of ship days in the next four quarters at about USD 16 200 per day. All period contracts are fixed with highly reputable and recognised charterers.

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. There is significant inherent value in the lease agreements, which also includes the newbuilding program.

With 12x Ultramax newbuildings under construction for delivery between 2025 and 2028, Belships will be taking delivery of 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.

Over the next four years, Belships has a very flexible position where the company can decide to either utilise the newbuilding program for growth, or as replacement for existing tonnage. In case of the latter, this would potentially free up substantial capital.

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.

14 November 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 <i>CEO</i>	

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

USD 1 000		Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	2023
Gross freight revenue	Note	86 058	145 473	239 340	293 337	563 441
Voyage expenses		-18 737	-30 898	-57 848	-67 666	-139 085
Net freight revenue	2	67 321	114 575	181 492	225 671	424 356
Management fees		1 380	624	1 507	1 155	3 408
Operating income	2	68 701	89 857	251 699	316 683	427 764
Share of result from j/v and assoc. comp.		0	1 007	2 206	5 816	6 407
T/C hire expenses		-25 124	-36 215	-112 000	-144 078	-194 155
Ship operating expenses		-14 718	-15 714	-44 484	-44 810	-60 865
Operating expenses management companies		-983	-4 583	-5 536	-12 596	-16 306
General and administrative expenses		-916	-1 371	-4 299	-4 211	-5 233
Operating expenses		-41 741	-56 876	-164 114	-199 879	-270 152
EBITDA		26 960	32 981	87 586	116 804	157 612
Depreciation and amortisation	3	-8 926	-10 640	-29 625	-33 242	-45 738
Gain on sale of ships	3	6 537	316	6 537	316	316
Gain on sale of subsidiary	6	0	0	5 951	0	0
Other gains/(-losses)		-926	-326	262	431	350
Operating result (EBIT)		23 646	22 331	70 711	84 310	112 539
Interest income		2 595	868	4 786	1 839	2 527
Interest expenses		-7 652	-8 375	-22 525	-25 398	-33 184
Other financial items		-669	1 022	-2 134	840	2 065
Currency gains/(-losses)		-41	-512	-242	-1 202	1 049
Net financial items		-5 767	-6 998	-20 115	-23 922	-27 543
Result before taxes		17 879	15 333	50 596	60 388	84 996
Taxes		1 445	-1 480	3 279	-5 589	-7 562
Net result from continuing operations		19 324	13 853	53 875	54 799	77 434
Result from discontinuing operation	5	0	0	0	8 806	8 806
Net result for the period		19 324	13 853	53 875	63 605	86 240
Hereof majority interests		18 801	13 599	50 447	57 733	75 895
Hereof non-controlling interests		523	254	3 428	5 872	10 346
Earnings per share for continuing operations		0.08	0.05	0.21	0.22	0.31
Diluted earnings per share for continuing operations		0.08	0.05	0.21	0.22	0.30
Earnings per share		0.08	0.05	0.21	0.25	0.34
Diluted earnings per share		0.08	0.05	0.21	0.25	0.34

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD 1 000		Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	2023
Net result		19 324	13 853	53 875	63 605	86 240
<i>OCI that may be subsequently reclassified to profit or (loss):</i>						
Exchange differences		-442	1 083	328	-392	-29
Total comprehensive income		18 881	14 936	54 203	63 213	86 211
Hereof majority interests		17 506	14 342	50 972	56 915	75 870
Hereof non-controlling interests		1 376	594	3 231	6 298	10 342
Majority interests from continuing operations		17 506	14 342	50 972	48 109	67 064
Majority interests from discontinuing operations		0	0	0	8 806	8 806

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

USD 1 000		30 Sep 2024	30 Sep 2023	31 Dec 2023
NON-CURRENT ASSETS				
	<i>Note</i>			
Ships	3	687 069	723 305	731 596
Property, Plant and Equipment		345	972	883
Investments in j/v and assoc. companies		0	9 006	9 934
Other non-current assets		470	1 082	2 956
Total non-current assets		687 883	734 365	745 370
CURRENT ASSETS				
Bunker inventory		8 835	9 938	8 556
Other current assets		27 860	45 044	50 662
Cash and cash equivalents		153 604	138 934	128 276
Total current assets		190 299	193 915	187 495
Total assets		878 182	928 281	932 864
EQUITY AND LIABILITIES				
Equity				
Paid-in capital		132 575	141 416	141 736
Retained earnings		147 570	121 864	128 935
Non-controlling interests		9 095	29 577	34 890
Total equity		289 241	292 858	305 561
NON-CURRENT LIABILITIES				
Deferred tax		3 301	5 285	6 537
Long-term interest-bearing debt	4	514 240	537 889	536 668
Other non-current liabilities		182	828	954
Total non-current liabilities		517 723	544 001	544 160
CURRENT LIABILITIES				
Current portion of interest-bearing debt	4	50 027	27 512	26 735
Other current liabilities		21 191	63 909	56 409
Total current liabilities		71 218	91 422	83 144
Total equity and liabilities		878 182	928 281	932 864

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

USD 1 000	30 Sep 2024	30 Sep 2023	31 Dec 2023
Cash flow from operating activities			
Net result before taxes	50 596	60 388	84 996
Adjustments to reconcile profit before tax to net cash flows:			
Depreciations/impairment on fixed assets	29 625	33 242	45 738
Gain on sale of fixed assets and other gains	-6 799	-747	-666
Share-based compensation expense	959	958	1 278
Share of result from j/v and associated companies	-2 206	-5 816	-6 407
Dividend received from j/v and associated companies	0	17 957	26 204
Net finance costs	20 115	23 922	27 543
Change in current items	-1 635	-14 922	-24 910
Change in working capital from disposal of subsidiary	-3 765	0	0
Interest received	4 786	1 839	2 527
Interest paid	-22 525	-25 398	-33 184
Financing costs	-976	-700	-700
Income tax paid	-822	-1 526	-1 526
Net cash flow from operating activities	67 355	89 196	120 893
Cash flow from investing activities			
Proceeds from sale of ships	57 912	27 082	27 082
Proceeds from sale of shares in subsidiary	12 139	10 666	10 666
Divestment of subsidiary	-36 378	0	0
Payment of ships	0	-17 995	0
Additions to ships	-548	-1 728	-1 848
Other investments	-204	0	0
Net cash flow from investing activities	32 921	18 025	35 900
Cash flow from financing activities			
Proceeds from non-current debt	90 000	16 500	18 900
Repayment of non-current debt	-121 006	-56 256	-108 272
Dividend paid	-41 632	-48 146	-58 752
Dividend paid to non-controlling interests	-2 310	-20 255	-20 265
Net cash flow from financing activities	-74 947	-108 158	-168 389
Net change in cash and cash equivalents during the period	25 328	-937	-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)*	153 604	138 934	128 276

**) Cash and cash equivalents at 1 January consisted of USD 54.1m in bank deposits and USD 74.1 in liquidity funds. By the end of Q3, the balance consisted of USD 53.3m in bank deposits and USD 100.3m liquidity funds.*

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

USD 1 000

	Majority interest				Retained	Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium reserves	Other paid-in equity			
As at 30 September 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	-31 512	-2 310	-43 942
Share-based payment expenses	0	0	0	959	0	0	959
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	50 447	3 428	53 875
Other comprehensive income	0	0	0	0	525	-197	328
Total comprehensive income	0	0	0	0	50 972	3 231	54 203
Equity as at 30 September 2024	59 466	-128	62 228	11 009	147 570	9 095	289 241
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
Share-based payment expenses	0	0	0	958	0	0	958
Dividend paid	0	0	0	-17 957	-30 189	-20 255	-68 401
NCI transactions	0	0	0	0	-4 868	4 565	-303
Net result for the period	0	0	0	0	57 733	5 872	63 605
Other comprehensive income	0	0	0	0	-325	-67	-392
Total comprehensive income	0	0	0	0	57 408	5 805	63 213
Equity as at 30 September 2023	59 466	-128	62 228	19 850	121 215	30 227	292 858

**KEY FINANCIAL FIGURES**

		30 Sep 2024	30 Sep 2023	31 Dec 2023
EBITDA	<i>USD 1000</i>	87 586	116 804	157 612
Interest coverage ratio		3.14	3.32	3.39
Current ratio		2.61	2.12	2.26
Equity ratio		0.33	0.32	0.33
Earnings per share	<i>USD</i>	0.21	0.25	0.34
Earnings per share	<i>NOK</i>	2.24	2.67	3.47
Equity per share	<i>USD</i>	1.14	1.16	1.21
Equity per share	<i>NOK</i>	12.01	12.29	12.28
Average issued shares		253 136 666	253 136 666	253 136 666
Diluted average issued shares (excl. treasury shares)		258 134 540	253 874 644	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 14 November 2024.

**Note 2 Segment information**

The company has revised previously reported segment information to reflect changes in the reportable segments in H1 2023, 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 - September 2024		
	<i>Belships</i>	<i>Operating business</i>	<i>Eliminations</i>	<i>Total</i>
Gross freight revenue	134 567	190 465	366	325 398
Voyage expenses	-8 054	-69 081	550	-76 585
Net freight revenue	126 513	121 384	916	248 813
Management fees	0	3 802	-916	2 886
Operating income	126 513	125 187	0	251 699
Share of result from j/v and associated companies	0	2 206	0	2 206
T/C hire expenses	0	-112 000	0	-112 000
Ship operating expenses	-43 822	-662	0	-44 484
Operating expenses management companies	0	-5 536	0	-5 536
General and administrative expenses	-4 299	0	0	-4 299
Operating expenses	-48 121	-115 992	0	-164 114
EBITDA	78 392	9 194	0	87 586
Depreciation and amortisation	-28 303	-1 322	0	-29 625
Gain on sale of ship	6 537	0	0	6 537
Gain on sale of shares in subsidiary	5 951	0	0	5 951
Other gains/-losses	0	262	0	262
Operating result (EBIT)	62 577	8 133	0	70 711
Interest income	3 663	1 123	0	4 786
Interest expenses	-22 505	-20	0	-22 525
Other financial items	-2 136	2	0	-2 134
Currency gains/(-losses)	-297	55	0	-242
Net financial items	-21 275	1 160	0	-20 115
Result before taxes	41 302	9 294	0	50 596
Taxes	3 750	-471	0	3 279
Net result from continuing operations	45 052	8 822	0	53 875
Result from discontinuing operation	0	0	0	0
Net result for the period	45 052	8 822	0	53 875
Hereof majority interests	45 052	5 394	0	50 447
Hereof non-controlling interests	0	3 428	0	3 428
Assets	838 933	39 249	0	878 182
Liabilities	574 361	14 580	0	588 941

**Note 2 Segment information, continued**

USD 1 000				
January - September 2023				
	<i>Belships</i>	<i>Operating business</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
Gain on sale of shares in subsidiary	0	0	0	0
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	-5 285	-304	0	-5 589
Net result from continuing operations	40 952	13 847	0	54 799
Result from discontinuing operation	8 806	0	0	8 806
Net result for the period	49 758	13 847	0	63 605
Hereof majority interests	49 758	7 460	0	57 218
Hereof non-controlling interests	0	6 386	0	6 386
Assets	829 207	99 074	0	928 281
Liabilities	590 626	44 797	0	635 423


Note 2 Segment information, continued

USD 1 000	Q1 - 2024				Q1 - 2023			
	Belships	Operating business	Elimin.	Total	Belships	Operating business	Elimin.	Total
Gross freight revenue	45 476	108 927	375	154 778	54 482	92 998	384	147 864
Voyage expenses	-2 643	-40 661	541	-42 762	-3 032	-34 345	609	-36 768
Net freight revenue	42 833	68 266	916	112 016	51 450	58 653	993	111 096
Management fees	0	2 423	-916	1 507	0	2 561	-2 030	531
Operating income	42 833	70 689	0	113 522	51 450	61 214	-1 037	111 627
Share of result from j/v and assoc. comp.	0	2 206	0	2 206	0	3 430	0	3 430
T/C hire expenses	0	-63 863	0	-63 863	0	-51 731	0	-51 731
Ship operating expenses	-15 049	-662	0	-15 710	-14 904	-468	1 037	-14 335
Operating exps. management companies	0	-3 674	0	-3 674	0	-4 282	0	-4 282
General and administrative expenses	-1 185	0	0	-1 185	-1 340	0	0	-1 340
Operating expenses	-16 234	-65 993	0	-82 227	-16 244	-53 051	1 037	-68 258
Operating result (EBITDA)	26 600	4 696	0	31 295	35 206	8 163	0	43 369
Depreciation and amortisation	-9 307	-1 322	0	-10 629	-9 694	-1 577	0	-11 271
Other gains/-losses	278	410	0	688	0	1 830	0	1 830
Operating result (EBIT)	17 570	3 783	0	21 354	25 512	8 416	0	33 928
USD 1 000	Q2 - 2024				Q2 - 2023			
	Belships	Operating business	Elimin.	Total	Belships	Operating business	Elimin.	Total
Gross freight revenue	45 392	39 176	-6	84 562	46 385	98 700	388	145 473
Voyage expenses	-2 763	-12 329	6	-15 086	3 032	-34 581	651	-30 898
Net freight revenue	42 629	26 848	0	69 476	49 417	64 119	1 039	114 575
Management fees	0	0	0	0	0	1 663	-1 039	624
Operating income	42 629	26 848	0	69 476	49 417	65 782	0	115 199
Share of result from j/v and assoc. comp.	0	0	0	0	0	1 379	0	1 379
T/C hire expenses	0	-23 014	0	-23 014	0	-56 132	0	-56 132
Ship operating expenses	-14 055	0	0	-14 055	-14 288	-473	0	-14 761
Operating exps. management companies	0	-878	0	-878	0	-3 731	0	-3 731
General and administrative expenses	-2 199	0	0	-2 199	-1 500	0	0	-1 500
Operating expenses	-16 254	-23 892	0	-40 146	-15 788	-58 957	0	-74 745
Operating result (EBITDA)	26 375	2 956	0	29 330	33 629	6 825	0	40 454
Depreciation and amortisation	-10 070	0	0	-10 070	-9 807	-1 524	0	-11 331
Gain on sale of shares in subsidiary	5 951	0	0	5 951	0	0	0	0
Other gains/-losses	214	286	0	500	0	-1 073	0	-1 073
Operating result (EBIT)	22 470	3 241	0	25 711	23 822	4 228	0	28 050
USD 1 000	Q3 - 2024				Q3 - 2023			
	Belships	Operating business	Elimin.	Total	Belships	Operating business	Elimin.	Total
Gross freight revenue	43 700	42 361	-3	86 058	54 912	69 732	377	125 020
Voyage expenses	-2 649	-16 091	3	-18 737	-8 938	-26 892	581	-35 249
Net freight revenue	41 051	26 270	0	67 321	45 974	42 839	958	89 771
Management fees	0	1 380	0	1 380	0	7	79	85
Operating income	41 051	27 650	0	68 701	45 974	42 846	1 037	89 857
Share of result from j/v and assoc. comp.	0	0	0	0	0	1 007	0	1 007
T/C hire expenses	0	-25 124	0	-25 124	0	-36 215	0	-36 215
Ship operating expenses	-14 718	0	0	-14 718	-14 199	-479	-1 037	-15 714
Operating exps. management companies	0	-983	0	-983	0	-4 583	0	-4 583
General and administrative expenses	-916	0	0	-916	-1 371	0	0	-1 371
Operating expenses	-15 634	-26 107	0	-41 741	-15 570	-40 269	-1 037	-56 876
Operating result (EBITDA)	25 417	1 543	0	26 960	30 403	2 578	0	32 981
Depreciation and amortisation	-8 926	0	0	-8 926	-9 065	-1 574	0	-10 640
Gain on sale of ship	6 537	0	0	6 537	316	0	0	316
Other gains/-losses	-492	-434	0	-926	0	-326	0	-326
Operating result (EBIT)	22 537	1 109	0	23 646	21 654	677	0	22 331

**Note 3 Ships**

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

Belships has expanded its newbuilding program with one new 64 000 dwt Ultramax bulk carrier which will be delivered during second half of 2027. The vessel is leased on similar terms as other lease agreement previously announced, and Belships is not required to make any down payments for this vessel.

USD 8.3m has been voluntarily repaid in November, reducing outstanding bank debt to USD 81.0m. After this, no instalments are due before 2026.

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 475.0m. Corresponding right-of-use assets, including upfront payments relating to the purchase options, were recorded at USD 530.5m.

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

The 12x newbuildings have purchase options starting from year 4 until the end of each charter period. The first purchase option ranges from USD 34-38m and decreases by USD 1.5m pro rata per annum. The minimum time charter hire payments amount to USD 256.2m (average duration per vessel of about 7 years) and consists of daily charter hire, excluding an estimated service element of USD 6 000/day. During the lease period for the vessels there is no obligation to declare the purchase options on any of the vessels.

Payment schedule of committed future leases

	2025	2026	2027	2028	2029	Subsequent	Total
Lease payments	-1 093	-10 140	-21 443	-33 386	-36 847	-153 335	-256 245
Total	-1 093	-10 140	-21 443	-33 386	-36 847	-153 335	-256 245

At year-end 2023, the minimum payments amounted to USD 169.8m, based on 8x newbuildings.



Overview of Leases Accounted for under IFRS 9 & 16

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%	10 073	17 608	1 366	26 314
BELYAMATO	2022	2022	Bareboat	2032	2026-2032	4.4%	9 370	17 040	1 396	25 015
BELTOKYO	2021	2021	Bareboat	2033	2025-2033	4.6%	7 597	18 588	1 438	24 747
BELFORCE	2021	2021	Bareboat	2031	2024-2031	4.6%	6 089	14 540	1 320	19 309
BELKNIGHT	2021	2021	Bareboat	2028	2024-2028	5.2%	7 769	12 203	1 252	18 719
BELTRADER	2021	2021	Bareboat	2031	2025-2031	5.1%	7 586	12 308	1 210	18 684
BELGUARDIAN	2021	2021	Bareboat	2031	2025-2031	5.1%	7 586	12 308	1 210	18 684
BELMAR**	2021	2021	Bareboat	2024	Declared	5.2%	0	25 500	25 500	0
BELFAST	2021	2021	Bareboat	2031	2025-2031	6.3%	11 941	9 969	942	20 968
BELAJA	2020	2020	Bareboat	2027	2024-2027	5.7%	5 151	14 672	1 288	18 535
BELMOIRA	2020	2020	Bareboat	2027	2024-2027	5.7%	4 976	14 740	1 294	18 422
BELFUJI	2020	2020	Time Charter	2028	2024-2028	6.4%	7 224	18 718	822	25 120
BELNIKE	2020	2020	Time Charter	2027	2025-2027	5.0%	5 942	19 603	1 131	24 414
BELTANGO	2020	2020	Time Charter	2027	2025-2027	5.0%	5 783	21 964	953	26 795
BELFORTE	2019	2019	Time Charter	2026	2022-2026	5.0%	4 296	22 300	838	25 757
BELGRACE	2024	2024	Time Charter	2031	2028-2034	7.4%	15 872	17 913	487	33 297
BELRAY	2019	2019	Bareboat	2026	2023-2026	5.6%	4 456	14 985	1 336	18 105
Leased ships accounted for under IFRS 16							121 711	284 959	43 784	362 885
BELISLAND*	2016	2021	Bareboat	2032	2024-2032	4.5%	7 839	8 717	1 486	15 070
BELLIGHT*	2016	2022	Bareboat	2032	2024-2032	4.4%	6 984	9 925	1 498	15 410
BELFOREST*	2015	2022	Bareboat	2033	2025-2033	4.2%	7 188	11 629	1 507	17 310
BELHAWK*	2015	2021	Bareboat	2031	2024-2031	4.5%	8 356	7 322	1 585	14 092
Leased ships accounted for under IFRS 9							30 366	37 593	6 077	61 883
Total Ships							152 077	322 552	49 861	424 768
Offices	N/A	N/A	Lease	2021-2063	N/A	5-6%	380	0	166	215
Total lease liabilities							152 457	322 552	50 027	424 982

*) 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 of Lease Liabilities

	2024	2025	2026	2027	2028	Subsequent	Total
Lease payments	-11 880	-47 150	-46 183	-34 212	-18 066	-15 212	-172 702
Exercising purchase options	-25 500	0	-41 500	-118 900	-153 295	-44 200	-383 395
Total	-37 380	-47 150	-87 683	-153 112	-171 361	-59 412	-556 097

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 89.3m. 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 has 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. The loan matures in April 2029. Belships also has an Accordion Tranche of USD 100m available.

Belships was in compliance with all covenants during the quarter.

**Repayment Schedule of Bank Debt**

	2024	2025	2026	2027	2028	Subsequent	Total
Instalments	-8 310	0	-8 310	-8 310	-8 310	-56 760	-90 000
Interests	-1 575	-5 739	-5 427	-4 846	-4 264	-1 324	-23 175
Total	-9 885	-5 739	-13 737	-13 156	-12 574	-58 084	-113 175

Note 5 Discontinued operations

In June 2023, 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. 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 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	2023
Management fees	0	0	0	2 569	2 569
Operating income from discontinued operations	0	0	0	2 569	2 569
Share of result from j/v and assoc. comp.	0	0	0	59	59
Operating expenses management companies	0	0	0	-2 050	-2 050
Operating expenses from discontinued operations	0	0	0	-1 991	-1 991
EBITDA from discontinued operations	0	0	0	578	578
Depreciation and amortisation	0	0	0	-20	-20
Operating result (EBIT) from discontinued operations	0	0	0	558	558
Interest income	0	0	0	2	2
Other financial items	0	0	0	-6	-6
Currency gains/(-losses)	0	0	0	26	26
Net financial items from discontinued operations	0	0	0	22	22
Result before taxes from discontinued operations	0	0	0	580	580
Taxes	0	0	0	-96	-96
Profit after income tax of discontinued operations	0	0	0	484	484
Gain on sale of the subsidiary after income tax	0	0	0	8 322	8 322
Profit from discontinued operations	0	0	0	8 806	8 806
Hereof majority interests from discontinued operations	0	0	0	8 852	8 852
Hereof non-controlling interests from discontinued operations	0	0	0	-46	-46
Net cash flow operating activities from discontinued operations	0	0	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	0	0	-879	-879

**Note 6 Sale of subsidiary and transactions with non-controlling interests**

Belships entered into an agreement to divest its stake of 50 per cent in Lighthouse Navigation Pte Ltd in April 2024. In exchange for these shares, Belships acquired 33 per cent of the shares in Norwegian Bulk Carriers Management AS, increasing Belships' direct ownership to 67 per cent in the company. In addition, Belships received a cash consideration of USD 10m in July 2024 and is due USD 4m in additional cash consideration by the end of Q2 2025. This transaction was aimed at focusing and simplifying Belships' investment within the dry bulk operating business. Lighthouse Navigation Pte Ltd was consolidated on a 100 per cent basis prior to the transaction and the gain on sale of shares realised in the second quarter is the difference between the consideration receivable in cash from the shares and the reduction in equity from deconsolidation of Lighthouse Navigation Pte Ltd. The agreement does not restrict Belships from continuing a global operating business and consequently the transaction is not reported as discontinued operations.

Note 7 Subsequent events

USD 8.3m of bank debt has been voluntarily repaid in November, reducing outstanding bank debt to USD 81.0m. After this, no instalments are due before 2026.

20 LARGEST SHAREHOLDERS

Updated 4 November 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	10 008 970	3.95 %
LGT BANK AG	9 327 801	3.68 %
WENAASGRUPPEN AS	8 149 330	3.22 %
JAHATT AS	5 000 000	1.98 %
SIX SIS AG	3 710 841	1.47 %
STATE STREET BANK AND TRUST COMP	3 061 648	1.21 %
UBS Switzerland AG	2 221 105	0.88 %
STAVANGER FORVALTNING AS	1 520 000	0.60 %
Saxo Bank A/S	1 420 776	0.56 %
THE BANK OF NEW YORK MELLON SA/NV	1 236 488	0.49 %
GLAAMENE INDUSTRIER AS	1 164 314	0.46 %
TIGERSTADEN MARINE AS	1 000 000	0.40 %
SONATA AS	1 000 000	0.40 %
AS TORINITAMAR	980 100	0.39 %
CLEARSTREAM BANKING S.A.	869 135	0.34 %
THE BANK OF NEW YORK MELLON	794 636	0.31 %
NORDNET LIVSFORSIKRING AS	778 249	0.31 %
OTHER SHAREHOLDERS	53 393 273	21.08 %
TOTAL OUTSTANDING SHARES	253 136 666	100.00%

**FLEET LIST**

Vessel name	Ownership	Built year	Dwt	Yard
BELFRIEND	Time Charter	2028	64 000	Imabari
BELOCEAN	Time Charter	2028	64 000	Imabari
BELNOR	Time Charter	2028	64 000	Imabari
BELVICTORY	Time Charter	2027	64 000	Imabari
BELCARGO	Time Charter	2027	64 000	Nacks
BELSTAR	Time Charter	2027	64 000	Imabari
BELROSSO	Time Charter	2027	64 000	Imabari
BELTEMPO	Time Charter	2026	64 000	Imabari
BELAVANTI	Time Charter	2026	64 000	Imabari
BELFUTURE	Time Charter	2026	64 000	Imabari
BELFOX	Time Charter	2025	64 000	Imabari
BELFORTUNE	Time Charter	2025	64 000	Imabari
BELGRACE	Time Charter	2024	64 000	Imabari
TBN BELSAKURA ¹	Owned	2024	64 000	Imabari
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) Expected delivery Q1 2025