



BELSHIPS

QUARTERLY REPORT – Q4 2023

19 February 2024

Belships ASA

Lilleakerveien 6D, 0283 Oslo, Norway

www.belships.com

Enterprise no: NO 930776793 MVA



STRONG RESULTS, IMPROVED OUTLOOK

HIGHLIGHTS

- EBITDA of USD 40.8m including USD 9.6m from Lighthouse Navigation
- Net result of USD 22.6m
- Declared dividend of NOK 0.60 per share
- TCE of USD 18 449 gross per day for owned fleet – 30 per cent outperformance of BSI58
- Prepaid USD 13.2m of bank debt – increasing the number of debt free vessels
- 81 per cent of ship days in Q1 2024 are fixed at USD 17 000 gross per day
- 42 per cent of ship days in the next four quarters are fixed at USD 16 700 gross per day
- Cash breakeven for 2024 of about USD 10 900 per day per vessel
- The newest Supra/Ultramax fleet with 38 ships including eight newbuildings

Subsequent events

In January, Belships made a further debt repayment of USD 13.5m, increasing the number of unencumbered vessels to four.

Belships has entered into agreements to charter out three Ultramax vessels on index-linked contracts for periods of minimum one year each. The vessels will earn a premium of between 116-120 per cent of the Baltic Supramax Index. The vessels will be delivered in February-March, after they have completed existing fixed-rate contracts. This brings the total number of vessels on floating index-linked contracts to nine and is considered attractive due to an improved market outlook.

Financial results commentary

Belships reports a net result of USD 22.6m for Q4 2023 compared to USD 15.3m in Q3 2023. The improved net result is caused by strong contract coverage, and increased contributions from the vessels on index-linked contracts. Lighthouse Navigation delivered another solid quarter with an EBITDA contribution of USD 9.6m.

Time charter equivalent earnings (TCE) in the quarter was USD 18 449 gross per vessel per day. In comparison, the Baltic Supramax Index (BSI-58) averaged USD 14 159 gross per day. The outperformance is due to a high number of fixed period time charter contracts at levels above current market rates.

Ship operating expenses amounted to USD 5 403 per vessel per day in Q4 2023 in line with USD 5 300 per vessel per day guided in estimated cash breakeven for 2023. Full year operating expenses amounted to USD 5 239 per vessel per day.

Fleet status

The fleet sailed without significant off-hire with a total of 2 743 on-hire vessel days in Q4 2023.

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



Contract coverage	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Fixed-rate contracts	81%	42%	28%	21%
Average fixed-rate (USD/day)	17 000	16 300	16 500	16 000
Open/Index-linked contracts	19%	58%	72%	79%
	100%	100%	100%	100%

Belships currently has nine 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.

Cash breakeven for 2024 is expected to be about 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.

Newbuildings

8x Ultramax bulk carriers under construction at Japanese shipyards:

BELGRACE	expected delivery Q4 2024
BELFORTUNE	expected delivery Q4 2025
BELFOX	expected delivery Q4 2025-Q1 2026
BELFUTURE	expected delivery Q1 2026
BELAVANTI	expected delivery H2 2026
BELROSSO	expected delivery H2 2026
BELTEMPO	expected delivery H1 2027
BELVICTORY	expected delivery Q2-Q3 2027

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.

Belships has no obligation to acquire any of the leased vessels.

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 9.6m for the quarter and continues to contribute to Belships profitability and dividend capacity. Lighthouse Navigation demonstrated good risk management with limited forward exposure and was able to take advantage of the improved market conditions observed in the quarter.

The average EBITDA per quarter in the last five years has been USD 8.2m.

**Sustainability**

Belships aims for high standards in corporate governance and is well placed to deliver emission cuts in line with industry ambitions for 2030. Belships publishes a sustainability report on an annual basis (ESG Report) reflecting our commitment to transparency and efforts to meet investor and stakeholder expectations.

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

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

Financial and corporate matters

At the end of the quarter, cash and cash equivalents totalled USD 128.3m, whilst interest bearing bank debt amounted to USD 103.4m, after having prepaid USD 13.2m in Q4.

An additional amount of USD 13.5m was prepaid in January. Belships now has four unencumbered vessels.

Leasing liabilities at the end of the quarter amounted to USD 461.0m.

The lease liability calculation for BELFUJI was changed to reflect the assumption that the purchase option will be exercised during the lease. All leased vessels have now been calculated with the assumption that purchase options to acquire the vessels will be exercised.

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 12.3 (USD 1.21), corresponding to a book equity ratio of 33 per cent. Value-adjusted equity is significantly higher.

Dividend policy

Belships ASA aims to distribute quarterly cash dividends targeting about 50 per cent of net result adjusted for non-recurring items. Other surplus cash flow may be used for accelerated amortisation of debt, share buy-backs or vessel acquisitions considered to be accretive to shareholders' value.

Dividend payment

Based on the financial result in Q4 2023 the Board declared a dividend payment of NOK 0.60 per share (USD 14.5m in total) equivalent to about 80 per cent of the net result adjusted for minority interests.

This brings the total dividends paid out since Q2 2021 to NOK 8.70 per share, which is 132 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 224.3m.



Market highlights

In the fourth quarter, the Baltic Supramax Index (BSI-58) averaged USD 14 159 per day – significantly up from USD 10 028 per day in the preceding quarter. The Baltic Ultramax Index (BSI-63) averaged USD 16 189 per day in the fourth quarter, up from USD 11 837 per day in the third quarter. The market peaked in December when the Supramax index reached USD 17 213 per day, which translated into almost USD 20 000 per day for Ultramax vessels.

Asset values followed suit and rose gradually in the fourth quarter. By the end of the year values were back to about the same levels as at the start of the year. Even though long-term interest rates rose during 2023, they receded in the fourth quarter, and we would opine that this contributed to rising ship values. Ship values have continued to rise in 2024, especially for modern vessels which continue to be markedly higher in demand than less economical older ships.

According to Fearnleys, preliminary estimates for Q4 2023 shipment volumes were 283 million tonnes, an all-time high, after the previous record of 279 million tonnes in the preceding quarter. The highest growth (quarter-on-quarter) was seen in iron ore (67 per cent), coal (9 per cent) and steel products (10.6 per cent). Minor bulks (-11 per cent), grains (-7 per cent) and fertilizers (-3 per cent) contributed negatively. We continue to observe a variation in growth figures of each commodity type from one quarter to another, however, total shipment volumes were up 1.2 per cent quarter on quarter, and total demand appeared robust throughout 2023.

Port congestion, as measured by the average waiting time in port for ships to discharge, continued at close to the same levels as in the third quarter. However, waiting time in port for ships to load increased somewhat due to delays in South America caused by low inland water levels. Reduced capacity in the Panama Canal also reduced efficiency, causing longer sailing distances for vessel operating in and out of the Atlantic Ocean. This effect has continued into 2024, and further inefficiencies are added from vessels avoiding transits through the Red Sea and the Suez Canal. As we have highlighted before, changes in port congestion, voyage duration and/or vessel speeds affect the overall vessel efficiency in the dry bulk market on a short-term basis more than a change in the number of newbuildings in the orderbook.

33 Supra/Ultramax vessels were delivered in Q4 2023, compared to 32 vessels in the previous quarter, according to Fearnleys. At the time of writing this report, 16 new vessels have been delivered in 2024, with about 160 scheduled for delivery this year. However, actual deliveries are likely to be slightly lower due to slippage or cancellations. Fleet growth has been around 3.5 per cent since May 2023. According to Fearnleys, this rate of fleet growth will be maintained through 2024. The 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. The orderbook for dry bulk remains close to all-time lows at about 8 per cent.

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

**Outlook**

The Baltic Exchange Supramax index is currently about USD 12 000, with Ultramax bulk carriers earning about USD 14 000 in the spot market. The FFA market (Forward Freight Agreements) has improved and currently indicates a market average of around USD 17 000 for an Ultramax bulk carrier for Q2-Q4 2024. This is a significant improvement in sentiment, and if it materialises; we would expect a meaningful increase in ship values to follow.

Lighthouse Navigation continues to deliver good results, and posted consecutive profits every quarter in 2023, which displays good risk management and execution skills. Activity has been positive so far in the first quarter of 2024 and we expect continued profitability contributing to Belships' dividend capacity.

Belships has contract coverage ensuring significantly higher profitability than the current spot market. 81 per cent of ship days in Q1 2024 are covered at about USD 17 000 per day, and 42 per cent of ship days in 2024 are covered at about USD 16 700 per day.

Furthermore, we now have nine vessels chartered out on floating rate, index-linked 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 combine meaningful leverage with a low cash breakeven of USD 10 900 per day per vessel 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 and market expectations, we expect to generate free cash flow and continue to pay quarterly dividends.



19 February 2024
THE BOARD OF BELSHIPS ASA

Peter Frølich
Chair

Frode Teigen

Sten Stenersen

Marianne Møgster

Carl Erik Steen

Birthe Cecilie Lepsøe

Jorunn Seglem

Lars Christian Skarsgård
CEO

**CONSOLIDATED STATEMENT OF INCOME***The 2023 figures are not audited*

USD 1 000		Q4 2023	Q4 2022	2023	2022
Gross freight revenue	Note	145 083	206 317	563 441	926 494
Voyage expenses		-36 170	-52 874	-139 085	-204 769
Net freight revenue	2	108 914	153 443	424 356	721 725
Management fees		2 167	758	3 408	4 228
Operating income	2	111 081	154 201	427 764	725 953
Share of result from j/v and assoc. comp.		591	5 841	6 407	30 963
T/C hire expenses		-50 077	-81 268	-194 155	-450 524
Ship operating expenses		-16 054	-15 726	-60 865	-55 571
Operating expenses management companies		-3 710	-5 239	-16 306	-22 209
General and administrative expenses		-1 022	-1 599	-5 233	-7 068
Operating expenses		-70 273	-97 991	-270 152	-504 409
EBITDA		40 807	56 210	157 612	221 544
Depreciation and amortisation	3	-12 497	-10 924	-45 738	-38 992
Gain on sale of ships	3	0	0	316	22 274
Other gains/(-losses)		-81	-1 532	350	1 342
Operating result (EBIT)		28 229	43 754	112 539	206 168
Interest income		688	558	2 527	958
Interest expenses		-7 786	-8 097	-33 184	-26 106
Other financial items		1 225	3 001	2 065	-1 877
Currency gains/(-losses)		2 251	-4 967	1 049	-2 183
Net financial items		-3 621	-9 505	-27 543	-29 208
Result before taxes		24 609	34 249	84 996	176 960
Taxes	6	-1 973	74	-7 562	-2 041
Net result from continuing operations		22 636	34 323	77 434	174 919
Result from discontinuing operation	5	0	-123	8 806	141
Net result for the period		22 636	34 200	86 240	175 060
Hereof majority interests		18 162	26 463	75 895	146 886
Hereof non-controlling interests		4 474	7 737	10 346	28 174
Earnings per share for continuing operations		0,09	0,14	0,31	0,69
Diluted earnings per share for continuing operations		0,09	0,13	0,30	0,68
Earnings per share		0,09	0,14	0,34	0,69
Diluted earnings per share		0,09	0,13	0,34	0,68

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD 1 000		Q4 2023	Q3 2022	2023	2022
Net result		22 636	34 200	86 240	175 060
<i>OCI not to be reclassified to profit or (loss) in subsequent periods:</i>					
Actuarial gain/(loss) on defined benefit plans		0	13	0	13
<i>Items that may be subsequently reclassified to profit or (loss):</i>					
Exchange differences		363	56	-29	-129
Total comprehensive income		22 999	34 269	86 211	174 944
Hereof majority interests		18 462	26 532	75 870	146 770
Hereof non-controlling interests		4 537	7 737	10 342	28 174
Majority interests from continuing operations		18 462	26 655	67 064	146 629
Majority interests from discontinuing operations		0	-123	8 806	141

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***The 2023 figures are not audited*

USD 1 000		31 Dec 2023	31 Dec 2022
NON-CURRENT ASSETS			
	<i>Note</i>		
Ships	3	731 596	747 042
Prepayment of ships		0	6 900
Property, Plant, and Equipment		883	3 702
Investments in j/v and assoc. companies		9 934	29 483
Other non-current assets		2 956	1 076
Total non-current assets		745 370	788 203
CURRENT ASSETS			
Bunker inventory		8 556	14 675
Current receivables		50 662	57 544
Cash and cash equivalents		128 276	139 871
Total current assets		187 495	212 090
Total assets		932 864	1 000 293
EQUITY AND LIABILITIES			
Equity			
Paid-in capital		141 736	158 359
Retained earnings		128 936	98 864
Non-controlling interests		34 889	40 112
Total equity		305 561	297 335
NON-CURRENT LIABILITIES			
Deferred tax	6	6 537	0
Long-term interest bearing debt	4	536 668	555 202
Other non-current liabilities		954	1 729
Total non-current liabilities		544 160	556 931
CURRENT LIABILITIES			
Current portion of interest bearing debt	4	26 735	50 053
Other current liabilities		56 408	95 974
Total current liabilities		83 144	146 027
Total equity and liabilities		932 864	1 000 293

**CONSOLIDATED STATEMENT OF CASH FLOW***The 2023 figures are not audited*

USD 1 000	31 Dec 2023	31 Dec 2022
Cash flow from operating activities		
Net result before taxes	84 996	176 960
Adjustments to reconcile profit before tax to net cash flows:		
Depreciations/impairment on fixed assets	45 738	39 031
Gain on sale of fixed assets and other gains	-666	-23 616
Share-based compensation expense	1 278	1 057
Share-based compensation payment	0	-8 150
Difference between pension exps and paid pension premium	0	13
Share of result from j/v and associated companies	-6 407	-31 065
Dividend received from j/v and associated companies	26 204	14 646
Net finance costs	27 543	29 401
Change in current items	-24 910	4 414
Interest received	2 527	962
Interest paid	-33 184	-26 106
Financing costs	-700	-1 270
Income tax paid	-1 526	-4 718
Net cash flow from operating activities	120 894	171 559
Cash flow from investing activities		
Proceeds from sale of ships	27 082	66 097
Proceeds from sale of shares in subsidiary	10 666	0
Payment of ships	0	-86 580
Additions to ships	-1 848	-2 516
Net cash flow from investing activities	35 900	-22 999
Cash flow from financing activities		
Proceeds from non-current debt	18 900	66 569
Repayment of non-current debt	-108 272	-37 014
Dividend paid	-58 752	-124 008
Dividend paid to non-controlling interests	-20 265	-19 440
Net cash flow from financing activities	-168 389	-113 893
Net change in cash and cash equivalents during the period	-11 595	34 667
Cash and cash equivalents at 1 January	139 871	105 204
Cash and cash equivalents at end of period (incl. restricted cash)	128 276	139 871

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY***The 2023 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 31 December 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	-40 795	-20 265	-79 017
Share-based payment expenses	0	0	0	1 278	0	0	1 278
NCI transactions	0	0	0	0	-5 004	4 701	-303
Net result for the period	0	0	0	0	75 918	10 322	86 240
Other comprehensive income	0	0	0	0	-49	20	-29
Total comprehensive income	0	0	0	0	75 870	10 342	86 211
Equity as at 31 December 2023	59 466	-128	62 228	20 170	128 936	34 889	305 561
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

**KEY FINANCIAL FIGURES**

		31 Dec 2023	31 Dec 2022
EBITDA	<i>USD 1000</i>	157 612	221 544
Interest coverage ratio		3.39	7.90
Current ratio		2.26	1.45
Equity ratio		0.33	0.30
Earnings per share	<i>USD</i>	0.34	0.69
Earnings per share	<i>NOK</i>	3.47	6.82
Equity per share	<i>USD</i>	1.21	1.17
Equity per share	<i>NOK</i>	12.28	11.58
Average issued shares		253 136 666	253 136 666
Diluted average issued shares (excl. treasury shares)		254 421 458	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 February 19, 2024.

**Note 2 Segment information**

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

<i>USD 1 000</i>	January - December 2023			
	<i>Lighthouse</i>			
	<i>Belships</i>	<i>Navigation</i>	<i>Eliminations</i>	<i>Total</i>
Gross freight revenue	204 845	357 070	1 525	563 441
Voyage expenses	-10 871	-130 669	2 456	-139 085
Net freight revenue	193 974	226 401	3 980	424 356
Management fees	0	7 388	-3 980	3 408
Operating income	193 974	233 790	0	427 764
Share of result from j/v and associated companies	0	6 407	0	6 407
T/C hire expenses	0	-194 155	0	-194 155
Ship operating expenses	-58 304	-2 561	0	-60 865
Operating expenses management companies	0	-16 306	0	-16 306
General and administrative expenses	-5 233	0	0	-5 233
Operating expenses	-63 537	-206 615	0	-270 152
EBITDA	130 437	27 175	0	157 612
Depreciation and amortisation	-38 582	-7 156	0	-45 738
Gain on sale of ship	316	0	0	316
Other gains/-losses	0	350	0	350
Operating result (EBIT)	92 171	20 368	0	112 539
Interest income	1 412	1 115	0	2 527
Interest expenses	-32 949	-235	0	-33 184
Other financial items	1 338	727	0	2 065
Currency gains/(-losses)	-119	1 168	0	1 049
Net financial items	-30 318	2 775	0	-27 543
Result before taxes	61 853	23 143	0	84 996
Taxes	-6 537	-1 025	0	-7 562
Net result from continuing operations	55 316	22 118	0	77 434
Result from discontinuing operation	8 806	0	0	8 806
Net result for the period	64 122	22 118	0	86 240
Hereof majority interests	64 122	11 772	0	75 895
Hereof non-controlling interests	0	10 346	0	10 346
Assets	816 370	116 494	0	932 864
Liabilities	573 585	53 718	0	627 303

**Note 2 Segment information, continued**

	January - December 2022			
	USD 1 000			
	Belships	Lighthouse Navigation	Eliminations	Total
Gross freight revenue	241 261	683 865	1 368	926 494
Voyage expenses	-14 341	-193 173	2 745	-204 769
Net freight revenue	226 920	490 692	4 113	721 725
Management fees	0	12 041	-7 813	4 228
Operating income	226 920	502 733	-3 700	725 953
Share of result from j/v and associated companies	0	30 963	0	30 963
T/C hire expenses	-1 747	-448 777	0	-450 524
Ship operating expenses	-56 551	-2 720	3 700	-55 571
Operating expenses management companies	0	-22 209	0	-22 209
General and administrative expenses	-7 068	0	0	-7 068
Operating expenses	-65 366	-442 743	3 700	-504 409
EBITDA	161 554	59 990	0	221 544
Depreciation and amortisation	-33 142	-5 850	0	-38 992
Gain on sale of ship	22 274	0	0	22 274
Other gains/losses	0	1 342	0	1 342
Operating result (EBIT)	150 686	55 482	0	206 168
Interest income	613	345	0	958
Interest expenses	-25 737	-369	0	-26 106
Other financial items	-2 163	286	0	-1 877
Currency gains/(-losses)	-3 002	819	0	-2 183
Net financial items	-30 289	1 081	0	-29 208
Result before taxes	120 397	56 563	0	176 960
Taxes	-19	-2 022	0	-2 041
Net result from continuing operations	120 378	54 541	0	174 919
Result from discontinuing operation	141	0	0	141
Net result for the period	120 519	54 541	0	175 060
Hereof majority interests	120 519	26 367	0	146 886
Hereof non-controlling interests	0	28 174	0	28 174
Assets*	833 844*	166 449	0	1 000 293
Liabilities*	615 296*	87 662	0	702 958

*) 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

**Note 2 Segment information, continued**

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

USD 1 000	Q4 - 2023				Q4 - 2022			
	Belships	Lighthouse Navigation	Elimin.	Total	Belships	Lighthouse Navigation	Elimin.	Total
Gross freight revenue	49 067	95 641	376	145 083	59 147	146 809	361	206 317
Voyage expenses	-1 933	-34 851	615	-36 170	-3 452	-49 984	562	-52 874
Net freight revenue	47 133	60 790	990	108 914	55 695	96 825	923	153 443
Management fees	0	3 157	-990	2 167	0	2 615	-1 857	758
Operating income	47 133	63 947	0	111 081	55 695	99 440	-934	154 201
Share of result from j/v and assoc. comp.	0	591	0	591	0	5 841	0	5 841
T/C hire expenses	0	-50 077	0	-50 077	222	-81 490	0	-81 268
Ship operating expenses	-14 913	-1 141	0	-16 054	-16 038	-622	934	-15 726
Operating exps. management companies	0	-3 710	0	-3 710	0	-5 239	0	-5 239
General and administrative expenses	-1 022	0	0	-1 022	-1 599	0	0	-1 599
Operating expenses	-15 935	-54 338	0	-70 273	-17 415	-81 510	934	-97 991
Operating result (EBITDA)	31 198	9 609	0	40 807	38 280	17 930	0	56 210
Depreciation and amortisation	-10 016	-2 481	0	-12 497	-9 137	-1 787	0	-10 924
Gain on sale of ship	0	0	0	0	0	0	0	0
Other gains/-losses	0	-81	0	-81	0	-1 532	0	-1 532
Operating result (EBIT)	21 183	7 047	0	28 229	29 143	14 611	0	43 754



Note 3 Ships

At the end of each reporting period, the Group assesses whether there are any impairment indicators present. The Group has concluded that the decline in freight rates seen in 2023 is an impairment indicator pursuant to IAS 36. Consequently, the group has carried out an impairment test of ships owned or recognised as right-of-use assets at the end of the quarter. Based on carried out impairment test of ships there is a significant headroom between value in use and book value for all vessels in the fleet.

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.

The BELFUJI lease liability and right-of-use asset was revised during the quarter to reflect the assumption that that purchase option will be exercised.

Specification of Lease Agreements

Lease liabilities at the end of the quarter were USD 461.0m. Corresponding right-of-use assets, including upfront payments relating to the purchase options, were recorded at USD 517.8m.

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%	11 654	17 012	1 323	27 342
BELYAMATO	2022	2022	Bareboat	2032	2026-2032	4.4%	11 021	16 501	1 372	26 149
BELTOKYO	2021	2021	Bareboat	2033	2025-2033	4.6%	9 244	17 977	1 394	25 828
BELFORCE	2021	2021	Bareboat	2031	2024-2031	4.6%	7 529	14 053	1 279	20 302
BELKNIGHT	2021	2021	Bareboat	2028	2024-2028	5.2%	9 120	11 751	1 209	19 662
BELTRADER	2021	2021	Bareboat	2031	2025-2031	5.1%	8 907	11 857	1 168	19 595
BELGUARDIAN	2021	2021	Bareboat	2031	2025-2031	5.1%	8 907	11 857	1 168	19 595
BELMAR	2021	2021	Bareboat	2031	2025-2031	5.2%	15 389	10 137	1 169	24 357
BELFAST	2021	2021	Bareboat	2031	2025-2031	6.3%	13 059	9 521	902	21 678
BELAJA	2020	2020	Bareboat	2027	2024-2027	5.7%	6 669	14 074	1 238	19 505
BELMOIRA	2020	2020	Bareboat	2027	2024-2027	5.7%	6 501	14 139	1 244	19 396
BELFUJI	2020	2020	Time Charter	2028	2024-2028	6.4%	8 667	17 871	787	25 748
BELNIKE	2020	2020	Time Charter	2027	2025-2027	5.0%	7 456	18 903	1 093	25 265
BELTANGO	2020	2020	Time Charter	2027	2025-2027	5.0%	7 254	21 179	921	27 512
BELFORTE	2019	2019	Time Charter	2026	2022-2026	5.0%	5 704	21 494	810	26 388
BELRAY	2019	2019	Bareboat	2026	2023-2026	5.6%	6 007	14 389	1 282	19 114
BELISLAND*	2016	2021	Bareboat	2032	2024-2032	4.5%	9 193	8 437	1 442	16 188
BELLIGHT*	2016	2022	Bareboat	2032	2024-2032	4.4%	8 384	9 607	1 454	16 537
BELFOREST*	2015	2022	Bareboat	2033	2025-2033	4.2%	8 634	11 274	1 465	18 443
BELHAWK*	2015	2021	Bareboat	2031	2024-2031	4.5%	9 736	7 086	1 538	15 285
Lighthouse Navigation vessels										
Texel Island	2012	2022	Time Charter	2024	N/A	5.25%	651	0	651	0
Quanzhou	2017	2023	Time Charter	2024	N/A	5.25%	1 666	0	1 666	0
Total Ships							181 348	279 117	26 575	433 890
Offices	N/A	N/A	Lease	2021-2063	N/A	5-6%	500	0	161	339
Total lease liabilities							181 848	279 117	26 735	434 229

*) 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**

	2024	2025	2026	2027	2028	Subsequent	Total
Lease payments	-46 635	-46 514	-45 550	-33 756	-17 575	-11 300	-201 330
Exercising purchase options	0	0	-58 200	-102 200	-153 295	-29 700	-343 395
Total	-46 635	-46 514	-103 750	-135 956	-170 870	-41 000	-544 725

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 102.4m. 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 Group voluntarily prepaid USD 13.2m of bank debt during the quarter.

Belships was in compliance with all covenants during the quarter.

Repayment Schedule

	2024	2025	2026	2027	2028	Subsequent	Total
Instalments	-	-9 707	-9 707	-83 824	-	-	-103 238
Interests	-7 290	-6 129	-5 528	-1 289	-	-	-20 236
Total	-7 290	-15 836	-15 235	-85 113	-	-	-123 474

**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	Q4 2023	Q4 2022	2023	2022
Management fees	0	1 211	2 569	4 768
Operating income from discontinued operations	0	1 211	2 569	4 768
Share of result from j/v and assoc. comp.	0	10	59	102
Operating expenses management companies	0	-1 344	-2 050	-4 454
Operating expenses from discontinued operations	0	-1 334	-1 991	-4 352
EBITDA from discontinued operations	0	-123	578	416
Depreciation and amortisation	0	42	-20	-39
Operating result (EBIT) from discontinued operations	0	-81	558	377
Interest income	0	1	2	4
Interest expenses	0	4	0	0
Other financial items	0	-3	-6	-18
Currency gains/(-losses)	0	-70	26	-179
Net financial items from discontinued operations	0	-68	22	-193
Result before taxes from discontinued operations	0	-149	580	184
Taxes	0	26	-96	-43
Profit after income tax of discontinued operations	0	-123	484	141
Gain on sale of the subsidiary after income tax	0	0	8 322	0
Profit from discontinued operations	0	-123	8 806	141
Hereof majority interests from discontinued operations	0	-126	8 852	142
Hereof non-controlling interests from discontinued operations	0	3	-46	-1
Net cash flow operating activities from discontinued operations	0	469	463	1 108
Net cash flow investing activities from discontinued operations	0	0	0	0
Net cash flow financing activities from discontinued operations	0	13	-879	-78

Note 6 Tax

Every quarter, Belships tax expense (income) is based on expected effective tax rate in line with IAS 34. Per 31 December, a full tax calculation has been made, which include determining the NOK equivalent taxable results for Norwegian incorporated companies. Due to developments in NOK/USD the effective tax rate was higher than estimated, this does not impact tax payable for 2023. Total taxes for the 12 months period ended 31 December 2023 at USD 7.6 million, of which USD 2.0 million relates to the fourth quarter. Effective tax rate for 2023 is 8.89 % (1.15% in 2022).

**Note 7 Subsequent events**

In January, Belships voluntarily prepaid USD 13.5m of bank debt. After this Belships has four debt free vessels in the fleet.

In January, Belships entered into agreements to charter out three vessels on index-linked contracts for periods of minimum one year each. The vessel will earn a premium of between 116-120 per cent of the Baltic Supramax Index. The vessels will deliver in February-March, after they have completed existing fixed-rate contracts. This brings the total number of vessels on floating index-linked contracts to nine.

20 LARGEST SHAREHOLDERS

Updated 9 February 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	10 049 226	3.97 %
LGT BANK AG	9 207 414	3.64 %
WENAASGRUPPEN AS	8 149 330	3.22 %
JAHATT AS	5 000 000	1.98 %
THE BANK OF NEW YORK MELLON SA/NV	2 742 695	1.08 %
STATE STREET BANK AND TRUST COMP	2 682 131	1.06 %
SAXO BANK A/S	2 543 213	1.00 %
UBS SWITZERLAND AG	2 158 958	0.85 %
J.P. MORGAN SE	2 049 937	0.81 %
SIX SIS AG	1 990 012	0.79 %
STAVANGER FORVALTNING AS	1 520 000	0.60 %
CLEARSTREAM BANKING S.A.	1 510 522	0.60 %
CITIBANK EUROPE PLC	1 192 565	0.47 %
THE BANK OF NEW YORK MELLON SA/NV	1 156 741	0.46 %
THE BANK OF NEW YORK MELLON	1 033 945	0.41 %
THE BANK OF NEW YORK MELLON SA/NV	1 020 324	0.40 %
STATE STREET BANK AND TRUST COMP	1 004 172	0.40 %
OTHER SHAREHOLDERS	50 625 481	20.00 %
TOTAL OUTSTANDING SHARES	253 136 666	100.00%

**FLEET LIST***Updated 16 February 2024*

Vessel name	Ownership	Built year	Dwt	Yard
BELVICTORY	Time Charter	2027	64 000	Japan
BELTEMPO	Time Charter	2027	64 000	Japan
BELROSSO	Time Charter	2026	64 000	Japan
BELAVANTI	Time Charter	2026	64 000	Japan
BELFUTURE	Time Charter	2026	64 000	Japan
BELFORTUNE	Time Charter	2025	64 000	Japan
BELFOX	Time Charter	2025	64 000	Japan
BELGRACE	Time Charter	2024	64 000	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