REPORT 1ST QUARTER 2019

23 May 2019

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A STRONG QUARTER ON ALL FRONTS FOR BELSHIPS ASA

HIGHLIGHTS

- Operating income of USD 31.1 million (Q1 2018: USD 20.5 m)
- EBITDA of USD 10.1 m (USD 3.8 m)
- Net result of USD 2.5 m (USD 0.7 m)
- All ships operating normally – modern fleet – average age 7 years
- USD 30.0 million fixed charter backlog
- Efficient utilization and continued outperformance of spot market
- Net earnings per ship of USD 11 359 per day vs net BSI index of 7 634
- Lighthouse Navigation approx. net result USD 1.3 million - continues to generate positive net results in challenging markets.
- New loan facility and accordion for growth at attractive terms
- Cash breakeven below USD 5 000 per day for remaining open days next 12 months
- 87% of ship days in Q2 have been booked at ~USD 10 800
- Concluded 3 vessels acquisitions with consideration paid partly in shares in April
- Positive net cash effect of ~USD 1.8 mill for the three vessel acquisitions
- Belships ASA contemplating a further equity issue and will conduct investor meetings

Vessel transactions

During April, Belships ASA announced the following acquisitions:

- M/V Viola, a 58,700 dwt bulk carrier owned by Wenaas Shipping AS, acquired at a purchase price of USD 13 million, with 50 per cent to be paid in cash and the remainder to be paid through the issuance of 8 060 650 new Belships shares to the seller at an agreed price of NOK 7.00 per share.
- M/V Sofie Victory, a 63 000 dwt bulk carrier owned by Sofie Victory AS, where Belships ASA will acquire 100 per cent of the shares in Sofie Victory AS at an agreed purchase price on an enterprise value basis of USD 24.15 million, to be adjusted for the actual transaction closing balance sheet items. The agreed transaction consideration includes the assumption of approx. USD 14 million of debt, USD 2 million to be paid in cash, and the remaining purchase price to be settled by the issuance of approx. 11 mill new Belships shares at an agreed price of NOK 7.00 per share. The vessel has an index-based time charter to ED&F Man Shipping Ltd until March 2021 with a floor rate of at USD 10 800 net per day.
- M/V Sephora, a 55 600 dwt bulk carrier owned by Prospero Maritime Ltd, for a purchase price of USD 12 million, of which 50 per cent will be paid in cash and the remainder will be settled through the issuance of 7 405 114 new Belships shares at an agreed price of NOK 7.00 per share.
- 60 per cent financing of the M/V VIOLA and M/V SEPHORA has been approved under the accordion tranche of the new loan facility, hence these three transactions are expected to be net cash positive of about USD 3.3 mill.

Fleet status
Net earnings per ship was recorded at USD 11 359 per day versus net BSI index of net 7 634 per day for the same period. This outperformance of the index is due to the optimized portfolio of period charter coverage and outsized spot earnings.
Of the spot trading ships in the fleet, net earnings of USD 9 587 per day shows a premium of ~25% to the BSI spot index was achieved.
The integration of Lighthouse Navigation into Belships ASA has shown a competitive advantage in the operation and chartering of the company's spot trading vessels.

M/V Belstar, M/V Belnor and M/V Belisland have continued the long-term contracts to Canpotex of Canada. The charter for M/V Belstar expires in June. M/V Belforest, M/V Belocean and M/V Belnippon are on time charter to Cargill.

In April the time charter for M/V Belnippon was extended to Cargill for 7-9 months at USD 10,900 net per day, and the time charter for M/V Belforest was also extended to Cargill for 11-13 months at USD 10,800 net per day.

In May, M/V Belsouth was fixed to Western Bulk Chartering for a period of 6-9 months which equates to USD 11,950 net per day for the remaining part of 2019. Together with the time charter to ED&F Man Shipping Ltd for M/V Sofie Victory, Belships ASA continues to build on the portfolio of reputable Charterers for the fleet.

Belships' charter coverage represents a future nominal gross hire of around USD 30 million.

The remaining ships are operated in the spot market by Belships' subsidiary Lighthouse Navigation in Bangkok. Lighthouse Navigation had on average 18 vessels on charter during Q1 2019, without taking into account the vessels owned by Belships ASA.

All ships have sailed without significant off-hire. The technical management for the ex-Lighthouse ships are in the process of being transferred to Belships Management (Singapore). Currently 6 ships are transferred and the remaining 3 ships will soon follow. Belships Management (Singapore) will soon have the technical management for 20 vessels, enhancing the earnings and contribute positively to the Group's EBITDA growth.

Newbuilding program
Belships' remaining newbuilding program with Imabari Shipbuilding in Japan consists of one 63 000 dwt eco-design Ultramax bulk carrier on a long-term T/C-in agreement incl. purchase option for delivery within first half 2020, hence no outstanding capital expenditure is due.

2020 Bunker differential hedge
As announced on May 10th, the Company has entered into agreement to hedge the price differential between compliant 0.5% sulphur fuel oil (VLSFO) and 3.5% sulphur fuel oil (HSFO), at USD 198 per ton for a quantity of 24,000 tons of bunkers with monthly settlements in 2020. The bunker price differential hedge reduces downside risks and represents an efficient alternative to costly installations of scrubbers, whilst retaining full utilization of the fleet and the flexibility to adjust the position as the market develops.

Financial and corporate matters

In March 2019 Belships secured a USD 140 million loan facility. The new loan is available in two tranches. An initial tranche of USD 110 replaces Belships' existing loan and strengthens the Groups working capital in addition to an accordion tranche of USD 30 mill for fleet expansion. The loan has a margin of 275 basis points with the first downpayment in Q3 2020. Under this new financial framework, the Group will be cash positive (after opex, overhead and debt service) at a day rate below USD 5,000 for the remaining open ship days in the coming 12 months. The initial tranche is based on a loan-to-value ratio (LTV) of 55%, while the accordion tranche is based on an LTV of 60%.

As at 31 March the Group's cash totaled USD 34.7 million. The mortgage debt as per 31 March was USD 105.2 million, while net lease obligation was USD 66.8 million. In addition Belships has a long-term loan facility of SGD 2 million, secured by the lease agreement for our Singapore office. The company is in compliance with all covenants.

Hedging the Group's interest exposure on bank loan is considered on an ongoing basis. The hedging level of interest rate exposure is currently around 40%.

At the end of the Q1 2019, the book value per share amounted to NOK 6.20 (USD 0.72), while the equity ratio was 39.7 %.

With effect from 1 January 2019, Belships adopted IFRS 16 Leases. The new standard is following the modified retrospective approach, and does not require any restatement of comparative information. Lease liability reflecting future lease payments, right of use asset and interest expense on the lease liability are recognized and the right of use asset is depreciated. Straight-lining of deprecation and interest charges on the lease liability will result in a higher total charge to profit or loss in the initial periods, due to the unwinding of interest on the lease liability.

Market highlights

The dry bulk market was under pressure during Q1 with the BSI-58 index averaging USD 7 634 per day (net) for the quarter as a whole, down 33% from Q1 2018. After bottoming in early February, however, spot rates have slowly improved and more so on the activity in period time charters.

The market was severely affected by the tragic tailings dam breach in Brazil, which contributed to a reduction in seaborne iron ore trade Q1 (y/y), flat coal volumes, and weak grain volumes. Iron ore constitutes a relatively minor share of supramax volumes, hence the Supramax/Ultramax segment again performed better than the largest sized vessels during a downturn. Global steel production, however, increased by 3.1% y/y, indicating that the shortfall in seaborne trade to a large extent has been compensated through destocking, which would indicate that the effect could be temporary, and should lead to a future positive demand reaction driven by restocking. The growth in transportation of minor bulks evidenced last year has continued into 2019.

Despite soft markets, scrapping has been limited in the supra- and ultramax segment. Fleet growth year to date has been around 0.9% with 1.6 million dwt delivered, of which 0.3 million dwt delivered after quarter end. Only 6 vessels has been ordered during the quarter, supporting a continued historical low orderbook. Asset values for Supramax/Ultramax bulk carriers was slightly lower during the period but have recently stabilized. Fearnleys currently estimate the value of a 5 years old ultramax at USD 22m compared to USD 24m by the end of 2018.

General optimism is set for the remaining part of 2019, in addition to next year. This is due to the relatively low supply of new ships coupled with preparations for IMO 2020, and an expectation for increased slow steaming as a result thereof, potentially reducing the supply side further.

Outlook
The Company will soon control a fleet of 19 dry bulk carriers and aims to enhance its earnings potential with a combination of charter backlog and spot exposure.

Belships' strategy going forward is to grow accretively as a fully integrated shipowner and operator of geared bulk carriers. Through the three recent vessel acquisitions, where sellers have agreed to receive partial consideration in shares, Belships has demonstrated its ability to deliver on this strategy.

Belships expects that further "ships for shares" transactions may be available, and intends to pursue such transactions where accretive, but anticipates that growth may also be achieved through cash acquisitions of vessels and long-term vessel charters.

Following the three vessel acquisitions already announced and the associated proposed issuance of approximately 26 million shares, the company has increased the free float in the Belships share, as well as broadened the shareholder base. It is Belships' intention to make further steps to increase shareholder base and improve liquidity in the share. Belships has therefore mandated Danske Bank, DNB, and Pareto Securities to arrange a series of investor meetings. Subject to, inter alia, market conditions, a smaller equity issue raising the equivalent of USD 15m may follow. Use of proceeds of the equity issue would be financing of the cash portion of further vessel acquisitions, as well as general corporate purposes.

23 May 2019

THE BOARD OF BELSHIPS ASA

Peter Frølich, Chairman

Frode Teigen   Sverre Jørgen Tidemand   Sissel Grefsrud

Carl Erik Steen   Birthe Cecilie Lepsøe   Jorunn Seglem

Lars Christian Skarsgård
CEO

CONSOLIDATED STATEMENT OF INCOME

The quarterly figures are not audited

USD 1 000	Note	**Q1 2019**	Q4 2018	Q1 2018	**2018**
Gross freight revenue		**36 040**	38 147	24 864	127 735
Voyage expenses		**-7 737**	-2 964	-5 334	-10 698
Net freight revenue	2	**28 303**	35 183	19 530	117 037
Management fees		**2 773**	1 621	967	4 865
Operating income	2	**31 076**	36 804	20 497	121 902
Share of result from j/v and associated companies		**634**	1 030	395	2 012
T/C hire expenses		**-12 515**	-23 298	-11 617	-80 014
Ship operating expenses		**-5 975**	-4 516	-4 080	-16 094
Operating expenses ship management		**-971**	-420	0	-420
General and administrative expenses		**-2 143**	-3 746	-1 406	-7 837
Operating expenses		**-20 970**	-30 950	-16 708	-102 353
EBITDA		**10 106**	5 854	3 789	19 549
Depreciation and amortisation	3	**-4 555**	-2 691	-1 847	-7 813
Purchase bargain gain		**0**	12 849	0	12 849
Operating result (EBIT)		**5 551**	16 012	1 942	24 585
Interest income		**56**	35	4	56
Interest expenses		**-2 617**	-1 535	-879	-4 754
Other financial items		**-138**	6	-315	-351
Currency gains/(-losses)		**-156**	-77	-29	-94
Net financial items		**-2 855**	-1 571	-1 219	-5 143
Result before taxes		**2 696**	14 441	723	19 442
Taxes		**-150**	-228	0	-247
Net result		**2 546**	14 213	723	19 195
Hereof majority interests		**1 838**	13 841	39	18 169
Hereof non-controlling interests		**708**	372	684	1 026
Earnings per share		**0.01**	0.11	0.01	0.20
Diluted earnings per share		**0.01**	0.11	0.01	0.20

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The quarterly figures are not audited

USD 1 000	**Q1 2019**	Q4 2018	Q1 2018	2018
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Actuarial gain/(loss) on defined benefit plans	**0**	-9	0	-9
Items that may be subsequently reclassified to profit or (loss):				
Exchange differences	**0**	13	0	53
Total comprehensive income	**2 546**	14 217	723	19 239
Hereof majority interests	**1 838**	13 831	39	18 181
Hereof non-controlling interests	**708**	386	684	1 058

BELSHIPS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The quarterly figures are not audited

USD 1 000	Note	31 Mar 2019	31 Dec 2018
NON-CURRENT ASSETS			
Intangible assets		**7 182**	8 536
Ships	3	**253 778**	230 425
Property, Plant, and Equipment		**4 183**	4 210
Investment in jv and assoc. companies		**2 897**	1 939
Other non-current assets		**59**	343
Total non-current assets		**268 099**	245 453
CURRENT ASSETS			
Inventories		**4 971**	4 230
Current receivables		**10 139**	11 897
Cash and cash equivalents		**34 736**	32 034
Total current assets		**49 846**	48 161
Total assets		**317 945**	293 614
EQUITY AND LIABILITIES			
Equity			
Paid-in capital		**96 893**	96 870
Retained earnings		**25 576**	23 738
Non-controlling interests		**3 882**	3 174
Total equity		**126 351**	123 782
Non-current liabilities			
Mortgage debt	4	**75 781**	94 513
Obligation under finance leases	4	**60 801**	38 653
Other non-current liabilities		**3 425**	3 446
Total non-current liabilities		**140 007**	136 612
Current liabilities			
Current portion of mortgage debt/lease liability	4	**34 719**	14 619
Other current liabilities		**16 868**	18 601
Total current liabilities		**51 587**	33 220
Total equity and liabilities		**317 945**	293 614

CONSOLIDATED STATEMENT OF CASH FLOW

The quarterly figures are not audited

USD 1 000	31 Mar 2019	31 Dec 2018
Cash flow from operating activities		
Net result before taxes	**2 696**	19 442
Adjustments to reconcile profit before tax to net cash flows:		
Purchase bargain gain	**0**	-12 849
Depreciations on fixed assets	**4 555**	7 813
Share-based compensation expense	**23**	5
Difference between pension exps and paid pension premium	**0**	-81
Share of result from j/v and assoc. companies	**-634**	-2 012
Net finance costs	**2 855**	5 143
Change in other short-term items	**-353**	483
Interest received	**56**	56
Interest paid	**-2 617**	-4 754
Income tax paid	**-132**	-264
Net cash flow from operating activities	**6 449**	12 982
Cash flow from investing activities		
Payment of ships	**0**	-19 430
Distribution and capital reduction from joint ventures	**0**	2 340
Net cash contribution from merger	**0**	6 709
Net cash flow from investing activities	**0**	-10 381
Cash flow from financing activities		
Proceeds from long-term debt	**0**	19 750
Repayment of long-term debt	**-3 747**	-4 161
Dividend to non-controlling interests	**0**	-846
Net cash flow from financing activities	**-3 747**	14 743
Net change in cash and cash equivalents during the period	**2 702**	17 344
Cash and cash equivalents at 1 January	**32 034**	14 690
Cash and cash equivalents at end of period	**34 736**	32 034

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

The quarterly figures are not audited

USD 1 000

	Majority interest						
	Paid-in				Retained		
As at 31 March 2019	**Share capital**	**Treasury shares**	**Share premium reserves**	**Other paid-in equity**	**Other equity**	**Non-controlling interests**	**Total equity**
Equity as at 31 December 2018	41 870	-166	18 166	37 000	23 738	3 174	123 782
Net result for the period	0	0	0	0	1 838	708	2 546
Other comprehensive income	0	0	0	23	0	0	23
Total comprehensive income	0	0	0	23	1 838	708	2 569
Equity as at 31 March 2019	**41 870**	**-166**	**18 166**	**37 023**	**25 576**	**3 882**	**126 351**

As at 31 December 2018							
Equity as at 31 December 2017	27 598	-166	4 519	0	5 557	6 567	44 075
Consideration shares completion of merger	14 272	0	13 647	0	0	0	27 919
Restructuring as part of the merger	0	0	0	37 000	0	-4 451	32 549
Net result for the period	0	0	0	0	18 169	1 026	19 195
Other comprehensive income	0	0	0	0	12	32	44
Total comprehensive income	0	0	0	0	18 181	1 058	19 239
Equity as at 31 December 2018	**41 870**	**-166**	**18 166**	**37 000**	**23 738**	**3 174**	**123 782**

KEY FINANCIAL FIGURES

		31 Mar 2019	31 Dec 2018 *
EBITDA	*USD 1000*	**10 106**	19 549
Interest coverage ratio		**2.12**	5.17
Current ratio	*%*	**96.63**	144.98
Equity ratio	*%*	**39.74**	42.16
Earnings per share	*USD*	**0.01**	0.20
Earnings per share	*NOK*	**0.12**	1.76
Equity per share	*USD*	**0.72**	0.71
Equity per share	*NOK*	**6.20**	6.14
Number of issued shares as at end of period		**175 117 993**	175 117 993
Average number of weighted shares (excluding treasury shares)		**174 569 993**	94 850 830

**) The merger between Belships and the Lighthouse companies was completed at 10 December 2018. This merger constitutes a reverse acquisition under IFRS. Figures up until 10 December 2018 reflect information from the Lighthouse group only. From 10 December 2018 legacy Belships is incorporated at fair value.*

<u>Definition of Non-IFRS financial measures</u>
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 intenton 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.

- *Current ratio* - is defined as total current assets, divided by total current liabilities
- *EBITDA* - is defined as operating result adjusted for depreciation and amortization, other gains/(losses), interest income, interest expenses and other financial items
- *EBIT* - is defined as operating result adjusted for interest income, interest expenses and other financial items
- *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

NOTES TO THE CONSOLIDATED ACCOUNTS

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 2018.
The merger between Belships and the Lighthouse companies was completed at 10 December 2018. This merger constitutes a reverse acquisition under IFRS. Comparative figures up until 10 December 2018 reflect information from the Lighthouse group only. From 10 December 2018 legacy Belships is incorporated at fair value. Since legacy Belships is the legal acquirer, financial statements are prepared based on legacy Belships accounting principles. Based on above comparative financial information referred to relates to historical financial information from Lighthouse Group. EPS is calculated based on actual outstanding shares in Belships ASA.
With effect from January 1, 2019 the company implemented IFRS 16. The implementation increased the lease liabilities and corresponding right of use assets on the asset side with USD 26.6 million.
The consolidated financial statements are presented in USD thousands unless otherwise indicated.
This report was approved by the Board of Directors on 23 May 2019.

Note 2 Segment information

USD 1 000	January - March 2019					
	Ship - L/T charter	*Ship - spot*	*Lighthouse Navigation*	*Ship managm.*	*Admin. & group trs.*	*Total*
Gross freight revenue	7 290	11 303	17 447	0	0	36 040
Voyage expenses	0	-3 655	-4 291	0	209	-7 737
Net freight revenue	**7 290**	**7 648**	**13 156**	**0**	**209**	**28 303**
Management fees	0	0	1 232	1 946	-405	2 773
Operating income	**7 290**	**7 648**	**14 388**	**1 946**	**-196**	**31 076**
Share of result from jv and assoc. comp.	0	0	634	0	0	634
T/C hire expenses	0	0	-12 515	0	0	-12 515
Ship operating expenses	-1 958	-4 426	0	0	409	-5 975
Operating expenses ship management	0	0	0	-971	0	-971
General and administrative expenses	0	-143	-1 189	0	-811	-2 143
Operating expenses	**-1 958**	**-4 569**	**-13 070**	**-971**	**-402**	**-20 970**
EBITDA	**5 332**	**3 079**	**1 318**	**975**	**-598**	**10 106**
Depreciation and amortisation	-2 397	-1 838	-20	-273	-28	-4 555
Operating result (EBIT)	**2 935**	**1 241**	**1 298**	**703**	**-626**	**5 551**
Interest income	41	0	15	0	0	56
Interest expenses	-1 430	-1 187	0	0	0	-2 617
Other financial items	-140	-8	0	10	0	-138
Currency gains/(-losses)	0	2	-15	4	-147	-156
Net financial items	**-1 529**	**-1 193**	**0**	**14**	**-147**	**-2 855**
Result before taxes	**1 406**	**48**	**1 298**	**717**	**-773**	**2 696**
Taxes	0	0	-18	-132	0	-150
Net result	**1 406**	**48**	**1 280**	**585**	**-773**	**2 546**
Hereof majority interests	1 383	48	595	585	-773	1 838
Hereof non-controlling interests	23	0	685	0	0	708

USD 1 000	January - March 2018					
	Ship - L/T charter	*Ship - spot*	*Lighthouse Navigation*	*Ship managm.*	*Admin. & group trs.*	*Total*
Gross freight revenue	0	7 635	17 229	0	0	24 864
Voyage expenses	0	-833	-4 684	0	183	-5 334
Net freight revenue	**0**	**6 802**	**12 545**	**0**	**183**	**19 530**
Management fees	0	0	1 150	0	-183	967
Operating income	**0**	**6 802**	**13 695**	**0**	**0**	**20 497**
Share of result from j/v and assoc. comp.	0	0	395	0	0	395
T/C hire expenses	0	0	-11 617	0	0	-11 617
Ship operating expenses	0	-4 080	0	0	0	-4 080
Operating expenses ship management	0	0	0	0	0	0
General and administrative expenses	0	-254	-1 152	0	0	-1 406
Operating expenses	**0**	**-4 334**	**-12 374**	**0**	**0**	**-16 708**
EBITDA	**0**	**2 468**	**1 321**	**0**	**0**	**3 789**
Depreciation and amortisation	0	-1 826	-21	0	0	-1 847
Purchase bargain gain	0	0	0	0	0	0
Operating result (EBIT)	**0**	**642**	**1 300**	**0**	**0**	**1 942**
Interest income	0	0	4	0	0	4
Interest expenses	0	-879	0	0	0	-879
Other financial items	0	-315	0	0	0	-315
Currency gains/(-losses)	0	-2	-27	0	0	-29
Net financial items	**0**	**-1 196**	**-23**	**0**	**0**	**-1 219**
Result before taxes	**0**	**-554**	**1 277**	**0**	**0**	**723**
Taxes	0	0	0	0	0	0
Net result	**0**	**-554**	**1 277**	**0**	**0**	**723**
Hereof majority interests	0	-554	593	0	0	39
Hereof non-controlling interests	0	0	684	0	0	684

Note 3 Ships

Belships has assessed its recoverable amount on its ships. No impairment indicators exists as of 31 March 2019. The useful life, which is considered as the economic life of the ships, has been estimated to 25 years. Residual value is estimated based on steelprices of the ships.

Note 4 Mortgage debt/Lease obligations

Mortgage debt as of 31 March 2019 was USD 105.2 million. A new loan facility is replacing the existing loan in 2nd quarter. The first drawdown of this facility amounting to USD 89 million was made on 6 May 2019. Arrangement fee and other transaction costs related to the mortgage debt, were initially recorded as a reduction of the debt in the balance sheet, and are subsequently amortized over the loan period in accordance with the amortized cost principle.
Net bareboat obligation as at 31 March was USD 40.0 million, of which USD 2.2 million is classified as current. The bareboat obligation is related to M/S Belforest and M/S Belisland. These two ships are included in the balance sheet as financial leases.

Net timecharter obligation as at 31 March was USD 25.9 million, of which USD 3.1 million is classified as current. The timecharter obligation is related to M/S Belnippon. The ship is included in the balance sheet as operational lease.

Note 5 Related parties

The subsidiary Belships Management AS provides accounting services to Sonata AS, which is owned by the board member Sverre J. Tidemand and his family. Fees amounted to 15 for Q1 2019 (Dec 2018: 10).
Fees are in line with prevailing market rates. This agreement will be terminated end of Q2 2019.

No loans were issued or security provided with respect to the company's shareholders or associated parties.

In accordance with the authorisation given to the Board at last Annual general meeting, options to buy 200 000 shares at NOK 5.36 was awarded to employees in Belships Oslo in December 2018. No options have been exercised. Market value of the options amounted to NOK 1.80 per share and calculated cost amounting to 23 was accounted for in profit and loss. The options can be exercised unto the date of the next AGM.

Share option plan chief executive officer

The CEO in Belships, Lars Christian Skarsgård was in March 2019 granted options to subscribe for up to five million shares in the company with an exercise price of NOK 6 per share. The options can be exercised in the period between 36 months and 60 months from 15 March 2019. The company may honour exercised options by delivery of new shares in a share issue, by sale of existing shares, or by way cash settlement (i.e. payment of the difference between the market price of the shares less the exercise price). Options that have not been exercised will lapse if Skarsgård terminates his position as CEO or if he is terminated from his position with cause. If Skarsgård is terminated from his position without cause during the first 12 months, 2/3 of the options will lapse and if he is terminated from his position without cause during the first 24 months, 1/3 of the options will lapse. If Skarsgård is terminated without cause during the exercise period, the options will lapse unless they are exercised within three months.

Note 6 Subsequent events

During April, Belships ASA announced the following acquisitions:

- M/V Viola, a 58,700 dwt bulk carrier owned by Wenaas Shipping AS, for a purchase price of USD 13 million. 50 per cent will be paid in cash and the rest will be financed through the issuance of 8 060 650 new Belships shares at an agreed price of NOK 7.00 per share.
- M/V Sofie Victory, a 63 000 dwt bulk carrier owned by Sofie Victory AS, where Belships ASA will acquire 100 per cent of the shares in Sofie Victory AS for a purchase price of Usd 24.15 mill. The agreed transaction price consists of abt USD 14 mill debt, while USD 2 mill will be paid in cash and the remaining by the issuance of new Belships shares at an agreed price of NOK 7.00 per share. The vessel has a long-term charter to ED&F Man Shipping Ltd for 24 months at USD 11 000 net per day.
- M/V Sephora, a 55 600 dwt bulk carrier owned by Prospero Maritime Ltd, for a purchase price of USD 12 million. 50 per cent will be paid in cash and the rest will be financed through the issuance of 7 405 114 new Belships shares at an agreed price of NOK 7.00 per share.

No other material events have taken place after 31 March 2019.

Note 7 Main shareholders as at 20 May 2019

Name	Number of shares	%
KONTRARI AS	95 822 108	54.72%
KONTRAZI AS	37 463 265	21.39%
SONATA AS	17 461 778	9.97%
LGT BANK AG	11 853 828	6.77%
PERSHING LLC	3 535 838	2.02%
UBS SWITZERLAND AG	3 003 782	1.72%
CLEARSTREAM BANKING S.A.	1 619 678	0.92%
KBC BANK NV	1 591 508	0.91%
BELSHIPS ASA	498 000	0.28%
AS TORINITAMAR	360 000	0.21%
TORU NAGATSUKA	330 000	0.19%
ASL HOLDING AS	225 000	0.13%
KJELL EGIL LARSEN	160 000	0.09%
OLE KETIL TEIGEN	152 465	0.09%
ROBERT WIKERØY	100 000	0.06%
LACASA AS	50 000	0.03%
CARL ERIK STEEN	49 154	0.03%
ABG SUNDAL COLLIER ASA, MEGLERKTO INNLAND	40 676	0.02%
OLE MAGNUS HOLMEN	40 131	0.02%
BENT GUSTAV SAANUM	35 000	0.02%
OTHER SHAREHOLDERS	725 782	0.41%
TOTAL OUTSTANDING SHARES	175 117 993	100.00%

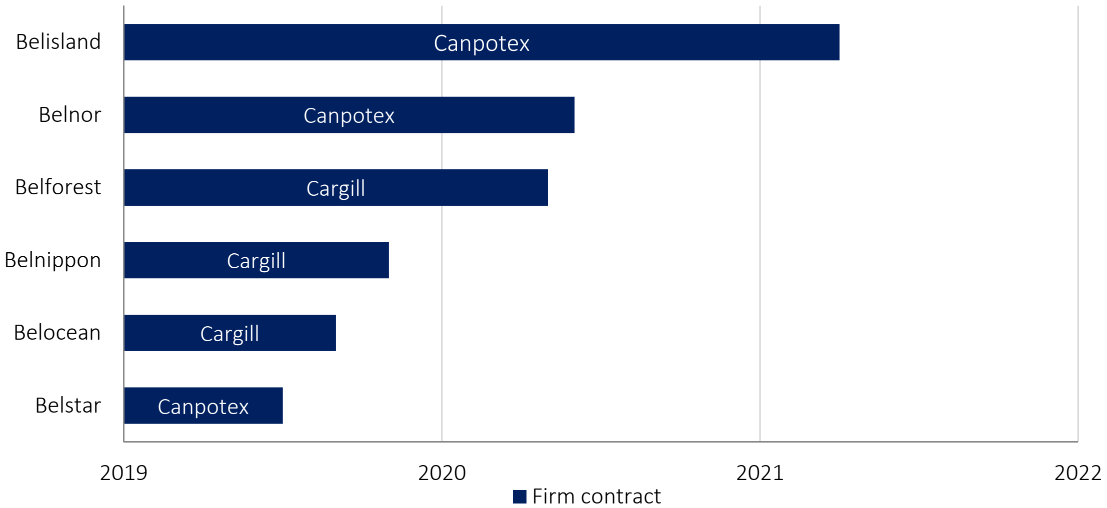
FLEET LIST

As at 31 March 2019

Ship	Ownership	Built year	Dwt	Employment	T/C-rate (net USD/day)
Supramax					
M/V Belstar	100 %	2009	58 018	T/C to 06/19	16 000
M/V Belnor	100 %	2010	58 018	T/C to 05/20	16 000
M/V Belocean	100 %	2011	58 018	T/C to 08/19	11 550
M/V Eastern Light	100 %	2006	50 223	Spot	
M/V Pacific Light	100 %	2007	50 198	Spot	
M/V Bering Light	100 %	2008	50 292	Spot	
M/V Orient Light	100 %	2008	50 292	Spot	
Ultramax					
M/V Belforest	BBC	2015	61 320	T/C to 04/20	10 800
M/V Belisland	BBC	2016	61 252	T/C to 03/21	17 300
M/V Belnippon [1]	TC	2018	63 000	T/C to 10/19	10 900
M/V Belpareil	100 %	2015	63 200	Spot	
M/V Belsouth	100 %	2015	63 200	Spot	
M/V Belinda	100 %	2016	63 200	Spot	
M/V Belmont	100 %	2016	63 200	Spot	
M/V Atlantic Light	100 %	2016	63 200	Spot	
Imabari newbuilding [2]	TC	2020	63 000		

1) *Delivered in January 2018 for long-term lease with purchase option. Charter period is eight years with three annual renewal options. Purchase option may be exercised at the end of year 4 to JPY 3.01 billion, with an annual decrease of JPY 110 million.*
2) *Delivery during 1st half of 2020 for long-term lease with purchase option. Charter period is eight years with two annual renewal options.*

TIMECHARTER COVERAGE



Canpotex: One of the world's largest potash exporters, selling over 10 million tonnes of potash every year, representing about one-third of global capacity. Canpotex is a joint venture that is wholly owned by the two Saskatchewan potash producers, Mosaic and Nutrien.

Cargill: Largest private US company in terms of revenue, with USD 109.7bn in revenues in 2017 and ~150,000 employees worldwide. Major business areas within agricultural services, crop and livestock, food, health and pharmaceuticals, and industrial and financial risk management.