



COMPANY PRESENTATION | Q2 2022
AUGUST 2022



BELSHIPS

Belships ASA – Owner and Operator of Bulk Carriers



The newest Ultramax fleet

31x bulk carriers



Strong financial position

Capital discipline and dividend policy



Corporate governance leader

Transparency and zero conflicts of interest



Lighthouse Navigation

Commercial management and operating platform

3.6 years

average vessel age

USD 10 000

cash break-even per day 2022

Founded 1918

stock listed since 1937

12 years

of annual profits

Highlights – Q2 2022

CONTINUED GROWTH, PROFITABILITY, AND DIVIDEND

- Operating income of USD 194.0m (USD 140.4m)
- EBITDA of USD 48.9m (USD 36.0m) including USD 9.4m from Lighthouse Navigation
- Net result of USD 31.6m (USD 22.5m)
- Declared dividend of USD 19.5m (NOK 0.75 per share)
- TCE of USD 24 437 gross per day for owned fleet
- Acquired five modern Ultramaxs and divested one vessel, net cash invested USD 6m
- Secured time charter contracts for five vessels for periods of about 2 years
- 97 per cent of ship days in Q3 are booked at about USD 24 200 gross per day. 72 per cent of ship days in the next four quarters are booked at about USD 23 500 gross per day.
- Modern fleet of 31 vessels with an average age below four years and daily cash breakeven for 2022 of about USD 10 000 per vessel

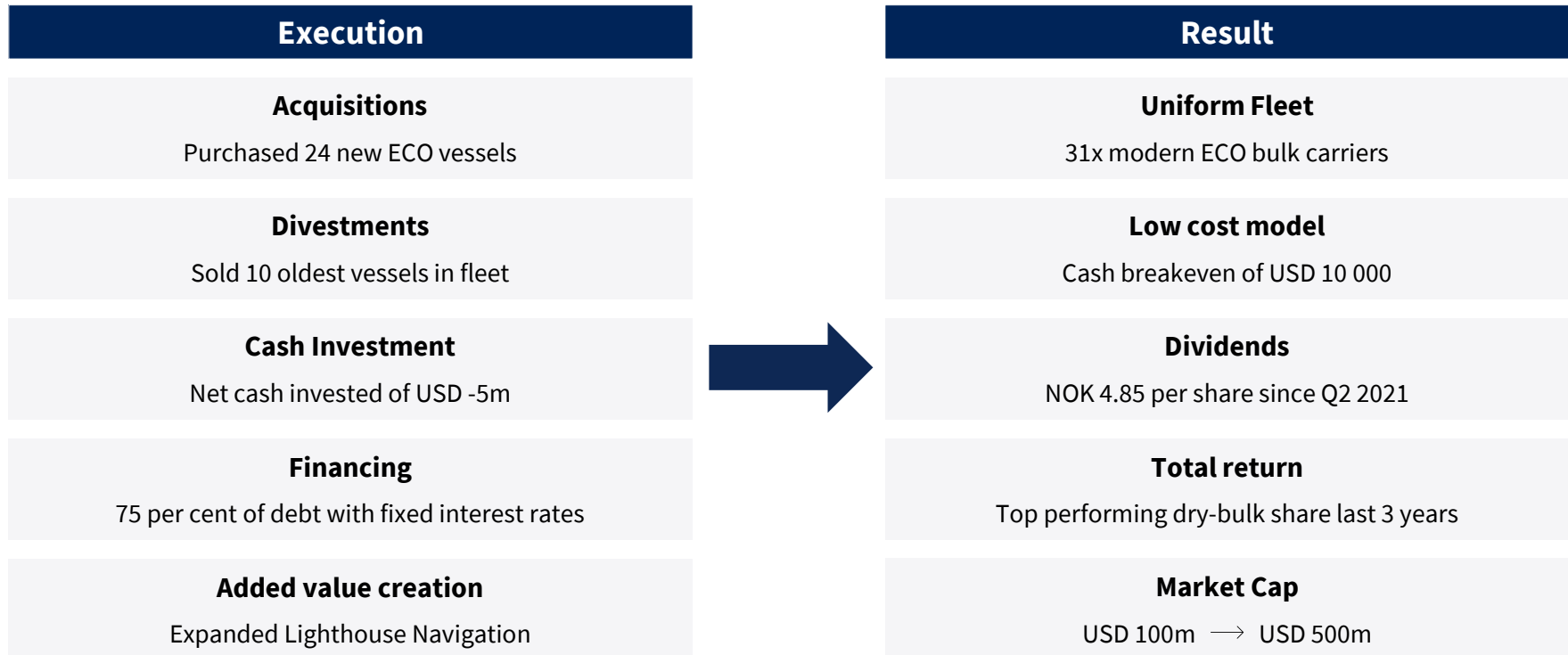
Earnings summary

Q2 2022	Q2 2021
Average TCE USD 24 437/day	Average TCE USD 18 031/day
EBITDA USD 48.9m	EBITDA USD 36.0m
Net result USD 31.6m	Net result USD 22.5m

Financial position

Assets	Equity and liabilities
Cash and cash equivalents USD 130.8m	Book value Equity USD 266.5m
Ships USD 696.0m	Interest bearing debt USD 567.3m
Other assets USD 136.7m	Other liabilities USD 129.7m

Proven Ability to Execute Growth Strategy



Lighthouse Navigation – Dry Bulk Operating

Track record

Profitable every year since inception in 2009

Risk Management

Skin in the game - leading employees invested

Growth

Offices in 4 countries with 80 employees

Volume

About 65 vessels under operation*

Performance

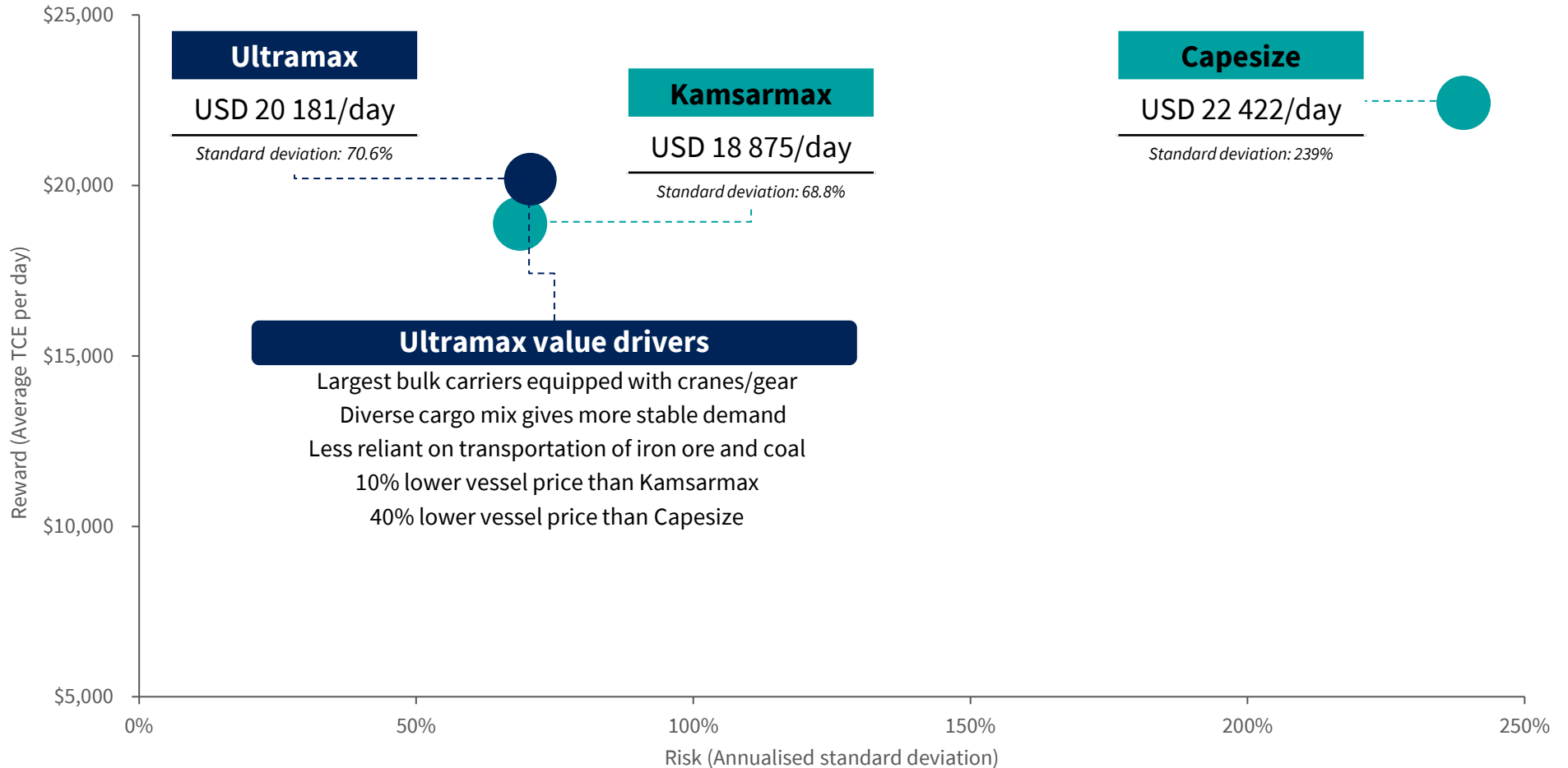
Average EBITDA of USD 12.7m last eight quarters



Ultramax – Superior Risk/Reward



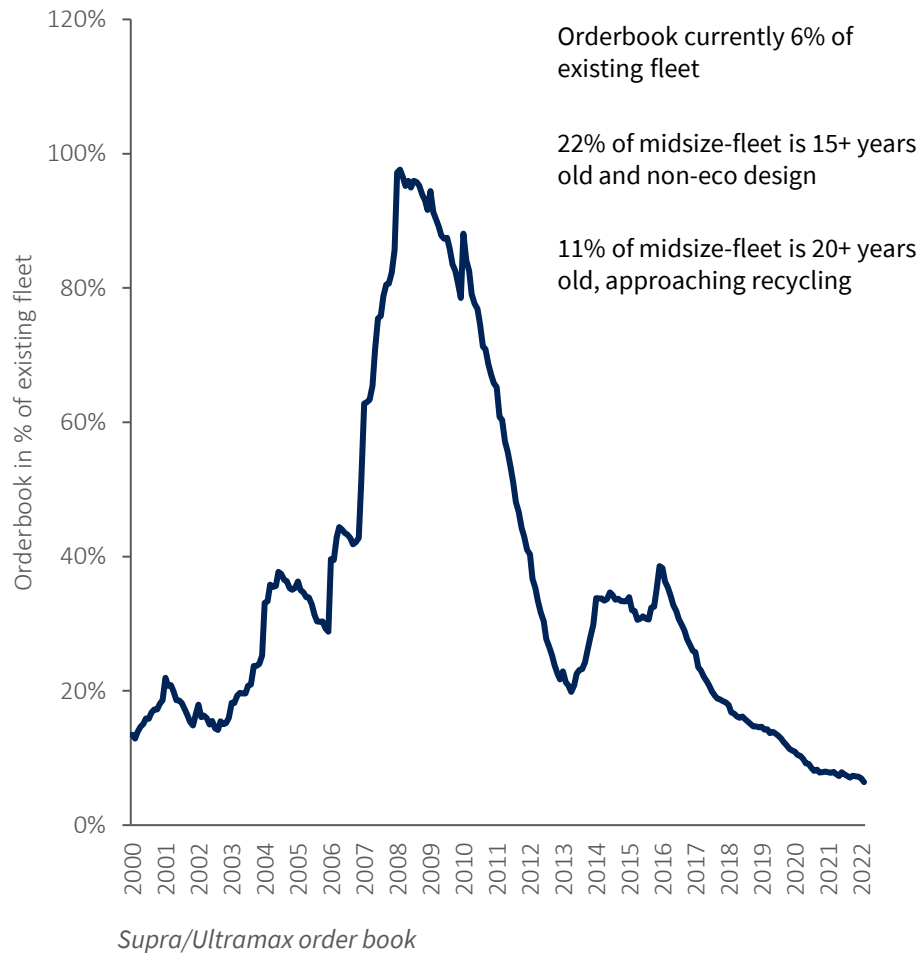
Average earnings per day - Last 3 years



Ultramax: BSI58 plus 10% premium
 Kamsarmax: BPI82
 Capesize: BCI 5TC
 Source: Baltic Exchange

Market Update – Historically Low Orderbook

Lowest fleet growth in decades



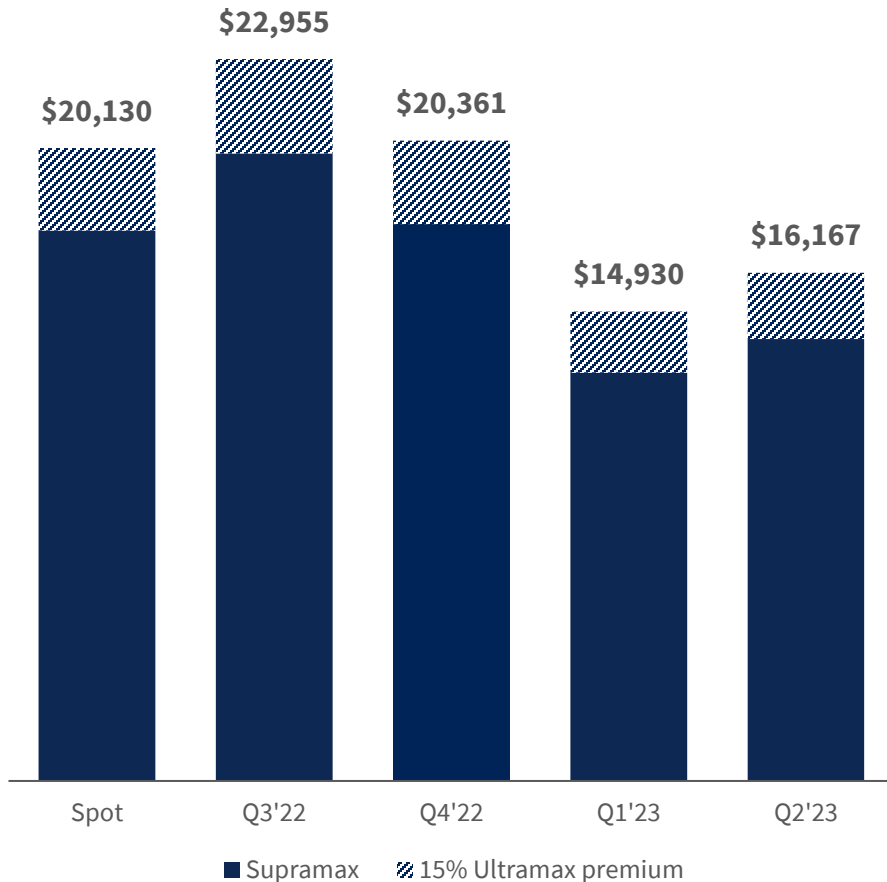
ORDERBOOK/SUPPLY - The order book for Supra/Ultramax bulk carriers is about 6 per cent. In relative terms, we are heading towards the lowest rate of supply growth in 30 years. 58 Supra/Ultramax bulk carriers have been delivered year-to-date. Only 41 vessels are scheduled to be delivered for the remaining part of the year. 103 vessels are scheduled to be delivered in 2023, however, it may be lower as some orders are usually, delayed, cancelled or incorrectly reported.

The new regulations (EEXI) in 2023 might cause a slight contraction on the supply side as older vessels may have to reduce their maximum sailing speed. However, high bunker prices have already resulted in a moderate reduction in average sailing speeds, therefore reducing the chance for any dramatic effects from new regulations in January 2023.

NEWBUILDING PRICES: Ordering activity for bulk carriers remains low, prices have increased due to rising input costs and high demand from other shipping segments. This has reduced the available shipbuilding capacity for bulk carriers for the next two years. A Japanese Ultramax newbuilding would today cost in the region of USD 38m with delivery in end 2024/beginning 2025.

SECONDHAND VESSEL VALUES: The value of a 5-year old Japanese-built Ultramax today is in the region of USD 34m. With current earnings in the region of USD 20 000 per day and net annual cash flow per vessel USD 4m, it is clearly in favour of buying existing vessels rather than contracting newbuildings.

Current freight market - Spot and FFA



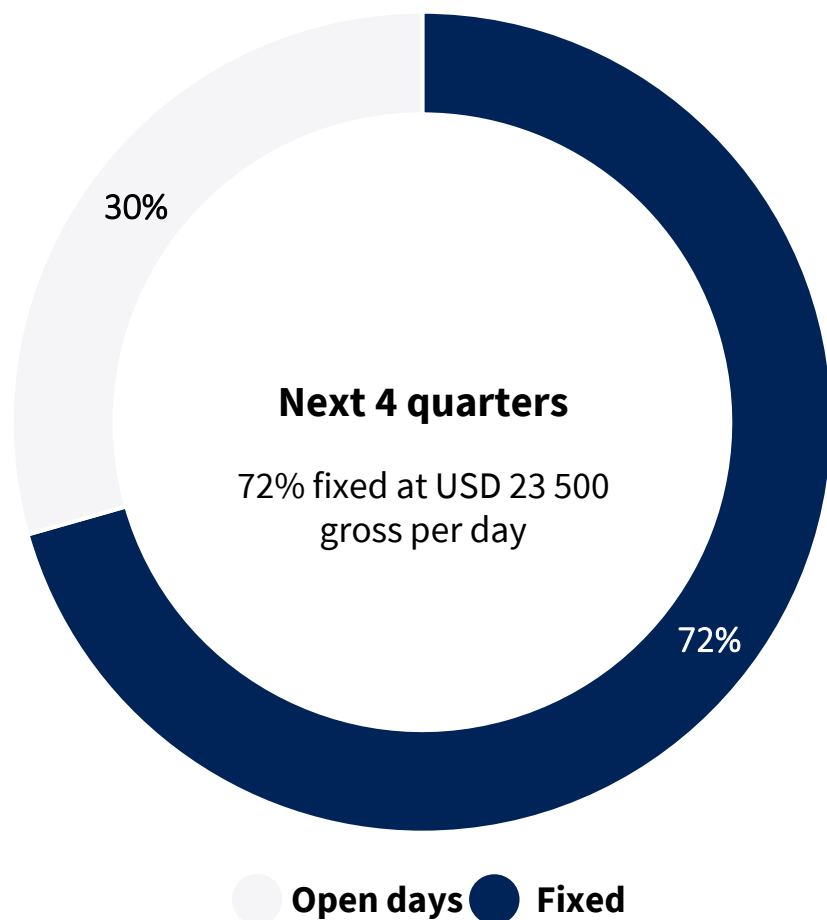
RATES – The Baltic Supramax Index (BSI-58) averaged 28 900 per day – up from USD 25 115 in the first quarter. In May rates peaked above USD 30 000 per day. The FFA market is currently trading at USD 19 000 for Supramaxes for the near term, with Ultramax earning an additional premium.

CARGO – Breakbulk/minor bulks increased 8%, whereas iron ore dropped significantly. Growth in minor bulk commodities reflect high rates of global industrial production, whereas iron ore continues to be impacted both by lower demand from China and disappointments in output from South America. Chinese steel production is still down y-o-y. Grain volumes fell 6% y-o-y, notably impacted by the lack of Ukrainian exports where ports remained closed. Coal has returned to growth with stock building in Europe and the recent ban on Russian coal into EU, this is expected to accelerate. High demand in the container markets continue to add support as some cargoes typically transported in containers are being shipped in bulk carriers. Total dry bulk volumes for Supra/Ultramax showing q-o-q growth. Shipment volumes for July also increased despite the soft rate sentiment in the same month.

CONGESTION - Port congestion in general has increased over the past three years. Extra waiting time in port has abated somewhat from earlier this year, however is still a factor in most regions.

FOOD, ENERGY AND INFRASTRUCTURE – Seaborne iron ore is predominantly driven by Chinese demand for steel production, whereas minor bulks tend to correlate closer with wider GDP growth. Rising inflation and recession fears has lowered GDP growth estimates, still positive for 2023. China economic stimulus expected to continue which tends to support infrastructure and dry bulk demand.

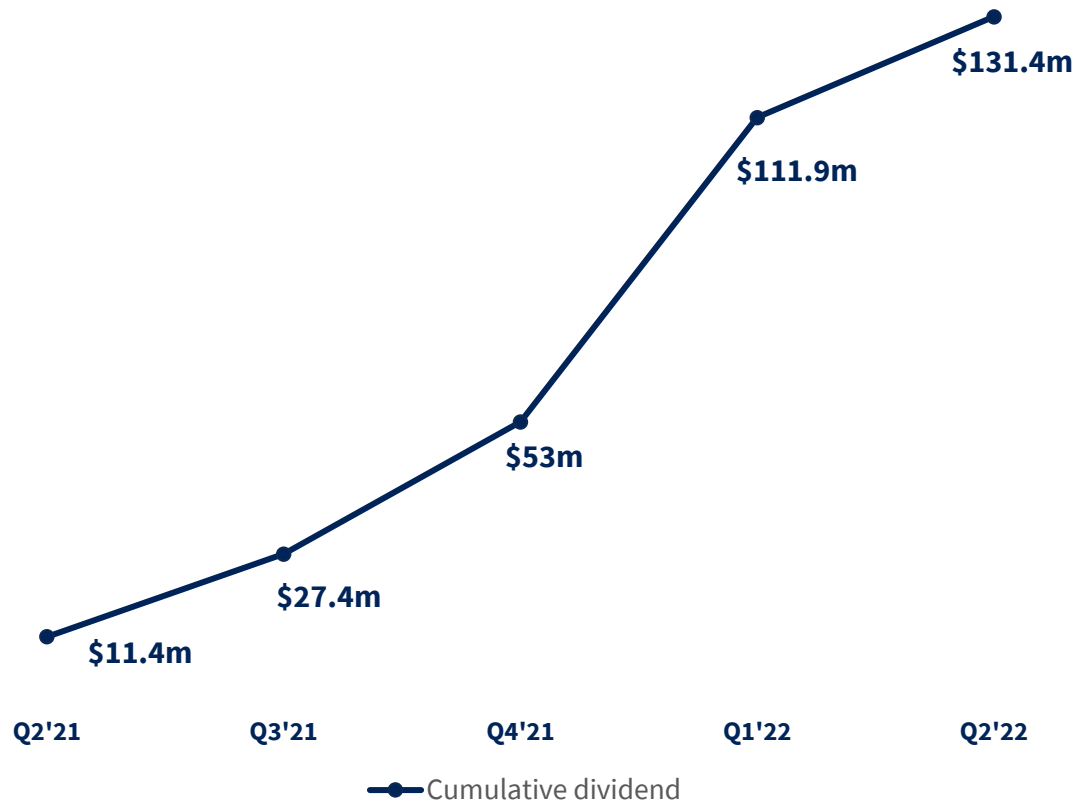
Significant de-risk: Highly Profitable Contract Coverage



Period	Contract coverage	TCE (USD/day)
Q3 2022	97 %	24 200
Q4 2022	79 %	23 400
Q1 2023	65 %	23 200
Q2 2023	50 %	22 600
Q3 2023	40 %	22 200
Q4 2023	33 %	22 000

Cash breakeven for remaining open days in 2023 is below zero

Payout since dividend policy Q2 2021

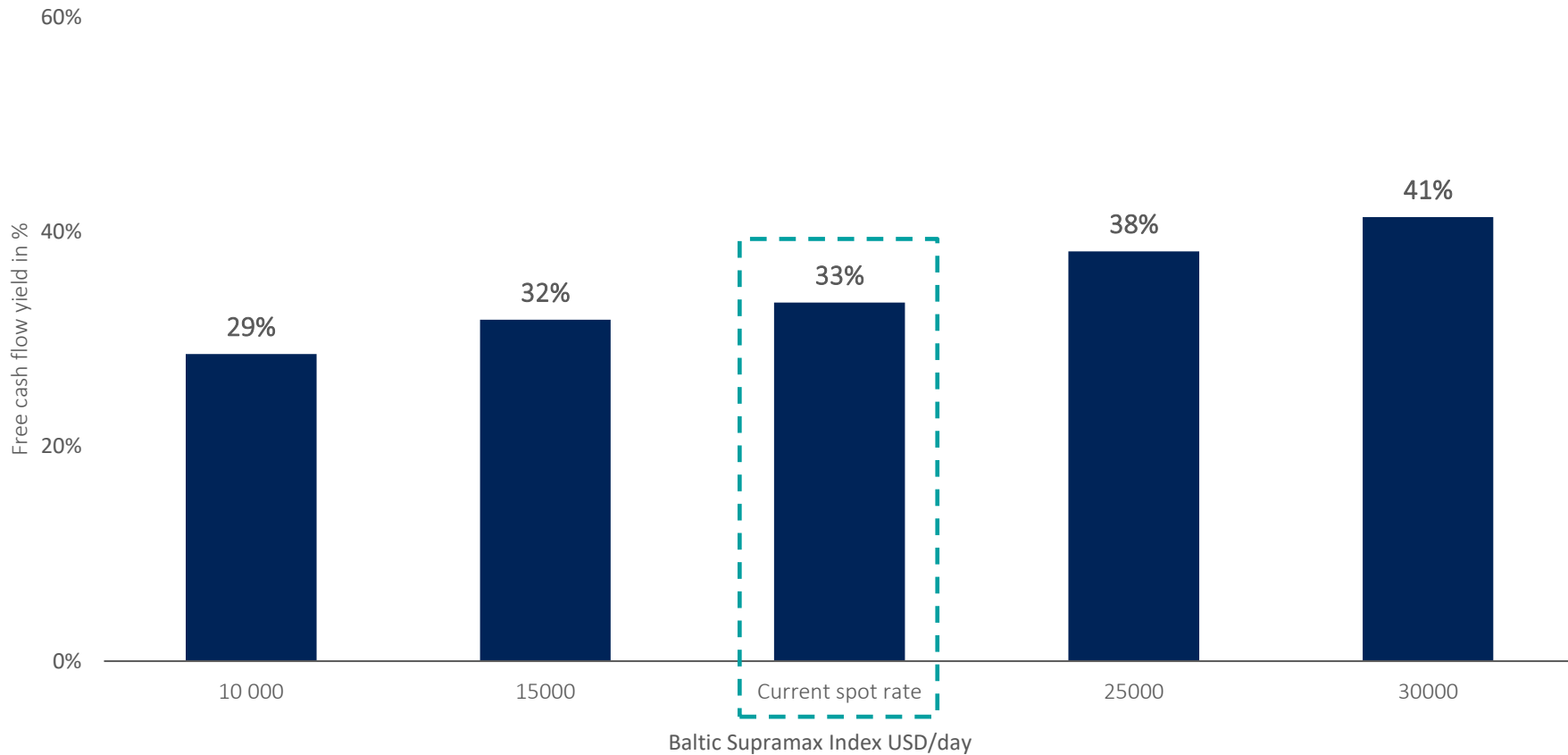


Period	Dividend per share
Q2 2021	0.40
Q3 2021	0.55
Q4 2021	0.90
Q1 2022	2.25
Q2 2022	0.75
Total	4.85 NOK

Focus on returning value to shareholders

Undervalued – Strong Downside Protection

Potential free cash flow yield next four quarters



Significant free cash flow and dividend capacity

Free cash flow is defined as: Cash flow from operations less the aggregate of i) Debt and lease payments ii) Dry docking expenses
{USD/NOK 9.7, Mcap USD 500m, BSI 17 504} – basis 11 Aug 22

Free cash flow yield basis Belships' current contract coverage and contribution from Lighthouse Navigation equal to average last eight quarters

Belships ASA - Investment Highlights



Platform

Proven track record – growth delivered

Market

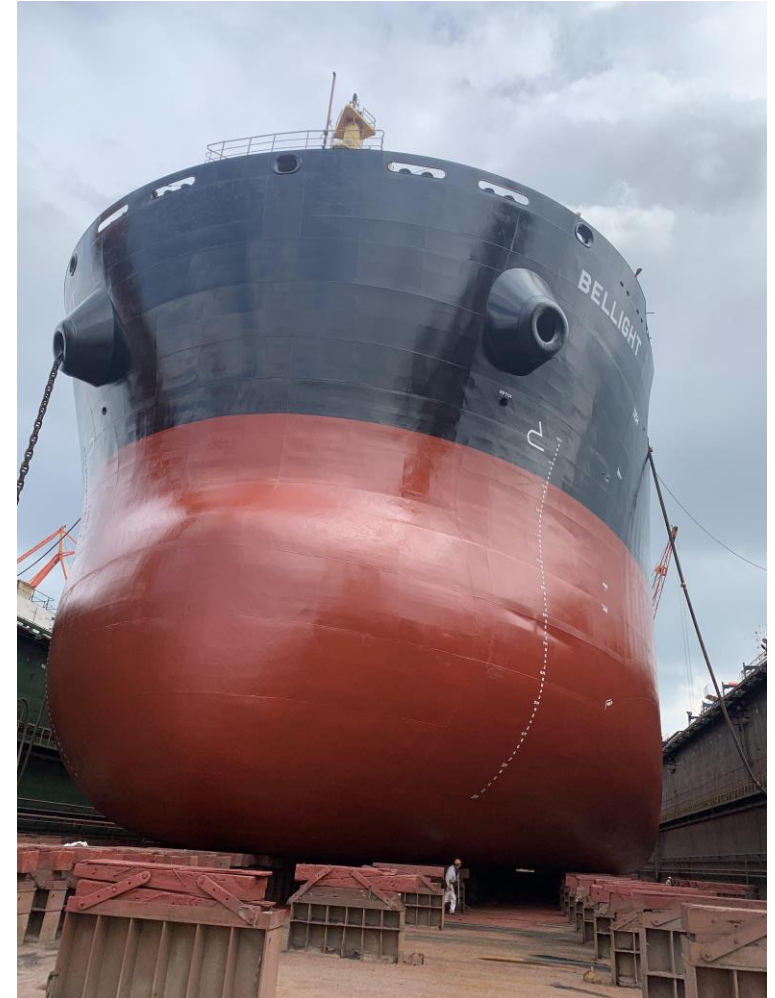
Lowest orderbook in 30 years

Visibility

Highly profitable contract coverage

Value

Discount to NAV and outsized dividend yield



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Consolidated Statement of Income and Financial Position



BELSHIPS

Consolidated statement of income

USD 1 000	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	2021
Gross freight revenue	Note 251 431	165 691	509 718	272 981	808 237
Voyage expenses	-61 712	-27 006	-92 514	-59 360	-164 929
Net freight revenue	2 189 719	138 685	417 204	213 621	643 308
Management fees	4 298	1 719	6 301	3 172	7 366
Operating income	2 194 017	140 404	423 505	216 793	650 674
Share of result from j/v and assoc. comp.	6 521	1 723	18 887	2 483	14 323
T/C hire expenses	-128 402	-88 253	-285 220	-134 925	-400 710
Ship operating expenses	-13 698	-9 550	-27 060	-20 365	-50 457
Operating expenses management companies	-7 839	-6 953	-16 403	-10 916	-30 756
General and administrative expenses	-1 650	-1 404	-4 251	-2 373	-4 795
Operating expenses	-145 068	-104 437	-314 047	-166 096	-472 395
EBITDA	48 949	35 967	109 458	50 697	178 279
Depreciation and amortisation	3 -9 099	-6 313	-17 335	-13 853	-28 735
Gain on sale of ships	3 0	0	12 308	0	15 333
Other gains/(-losses)	1 075	-5	4 569	-6 739	-4 048
Operating result (EBIT)	40 925	29 649	109 000	30 105	160 829
Interest income	96	212	100	431	815
Interest expenses	-5 637	-3 325	-10 716	-6 841	-15 881
Other financial items	-3 818	-196	-5 446	-344	-2 308
Currency gains/(-losses)	690	99	49	-148	-1 325
Net financial items	-8 669	-3 210	-16 013	-6 902	-18 699
Result before taxes	32 256	26 439	92 987	23 203	142 130
Taxes	-696	-3 951	-1 893	15 792	-8 708
Net result	31 560	22 488	91 094	38 995	133 422
Hereof majority interests	27 015	15 565	73 753	30 479	103 983
Hereof non-controlling interests	4 545	6 923	17 341	8 516	29 439
Earnings per share	0.12	0.09	0.36	0.16	0.54
Diluted earnings per share	0.12	0.09	0.35	0.16	0.53

Consolidated statement of financial position

USD 1 000	30 Jun 2022	30 Jun 2021	31 Dec 2021
NON-CURRENT ASSETS			
Intangible assets	Note 0	17 074	0
Ships	3 677 316	383 190	580 628
Prepayment of ships	13 500	12 210	0
Property, Plant, and Equipment	3 955	4 836	4 227
Investments in j/v and assoc. companies	18 295	4 176	13 997
Other non-current assets	472	2 553	821
Total non-current assets	713 538	424 039	599 673
CURRENT ASSETS			
Assets held for sale	3 18 651	0	23 933
Bunker inventory	33 607	12 220	16 492
Current receivables	66 899	39 586	52 332
Cash and cash equivalents	130 797	63 363	105 204
Total current assets	249 954	115 169	197 961
Total assets	963 492	539 208	797 634
EQUITY AND LIABILITIES			
Equity			
Paid-in capital	157 637	154 319	158 802
Retained earnings	64 002	36 499	82 739
Non-controlling interests	44 820	13 115	31 378
Total equity	266 459	203 933	272 919
NON-CURRENT LIABILITIES			
Deferred tax	4 595	0	0
Long-term interest bearing debt	4 516 445	254 434	412 881
Other non-current liabilities	1 676	2 247	1 757
Total non-current liabilities	522 716	256 681	414 638
CURRENT LIABILITIES			
Current portion of interest bearing debt	4 50 839	24 858	24 467
Other current liabilities	123 478	53 736	85 610
Total current liabilities	174 317	78 594	110 077
Total equity and liabilities	963 492	539 208	797 634

Uniform and Modern Fleet of 31 Bulk Carriers



Vessel	Built	DWT	Yard
Newbuild TBN BELMONDO	2023	64 000	Imabari
Newbuild TBN BELYAMATO	2022	64 000	Imabari
BELTOKYO	2021	64 000	Imabari
BELFORCE	2021	61 000	Dacks
BELKNIGHT	2021	61 000	Dacks
BELTRADER	2021	61 000	Dacks
BELGUARDIAN	2021	61 000	Dacks
BELMAR	2021	64 000	Imabari
BELFAST	2021	64 000	Imabari
BELAJA	2020	61 000	Shin Kurushima
BELMOIRA	2020	61 000	Shin Kurushima
BELFUJI	2020	63 000	Imabari
BELGRACE	2020	63 000	Imabari
BELTANGO	2020	64 000	Mitsui
BELFORTE	2019	64 000	Mitsui
BELRAY	2019	61 000	Shin Kurushima

Vessel	Built	DWT	Yard
BELNIPPON	2018	63 000	Imabari
BELAFONTE	2017	63 000	Imabari
BELHAVEN	2017	63 000	Imabari
BELTIGER	2017	63 000	New Times
BELISLAND	2016	61 000	Imabari
BELINDA	2016	63 000	Hantong
BELMONT	2016	63 000	Hantong
BELATLANTIC	2016	63 000	Hantong
BELLIGHT	2016	63 000	New Times
BELFRIEND	2016	58 000	Tsuneishi
BELTIDE	2016	58 000	Tsuneishi
BELVEDERE	2015	66 000	Mitsui
BELFOREST	2015	61 000	Imabari
BELHAWK	2015	61 000	Imabari
BELSOUTH	2015	63 000	Hantong