



COMPANY PRESENTATION | Q4 2021
FEBRUARY 2022



Belships ASA – Owner and Operator of Bulk Carriers



The newest Ultramax fleet

27x 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

3.7 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 – Q4 2021

RECORD QUARTER – IMPROVED DIVIDEND AND MARKET OUTLOOK

- Operating income of USD 235.2m (USD 59.9m)
- EBITDA of USD 70.4m (USD 11.3m) including USD 22.9m from Lighthouse Navigation
- Net result of USD 59.2m (USD 0.9m)
- Declared dividend of USD 25.6m (NOK 0.90 per share)
- Extraordinary dividend payment planned for Q1 2022
- Net TCE of USD 28 965 per day for owned fleet
- Acquired three new bulk carriers
- Sold the three oldest vessels with significant gains
- 88 per cent of ship days in Q1 are booked at about USD 23 900 net per day. 65 per cent of ship days in the next four quarters are booked at about USD 23 000 net per day.
- Modern fleet of 27 vessels with an average age of 3.7 years and daily cash breakeven for 2022 of about USD 10 000 per vessel

Subsequent events

- New USD 116m loan facility replacing all existing credit facilities with two vessels being left unencumbered. The new loan has a reduced margin of 225 basis points, LTV of 55 per cent, with the first instalment in 2023 and final maturity in 2027. Lenders for the new loan facility are DNB Bank and Sparebank 1 SR-Bank.
- BELLIGHT, BELFOREST and BELYAMATO refinanced on new Japanese leases. The agreements have fixed rates for about 10 years with an average cost of capital of about 4.5 per cent.

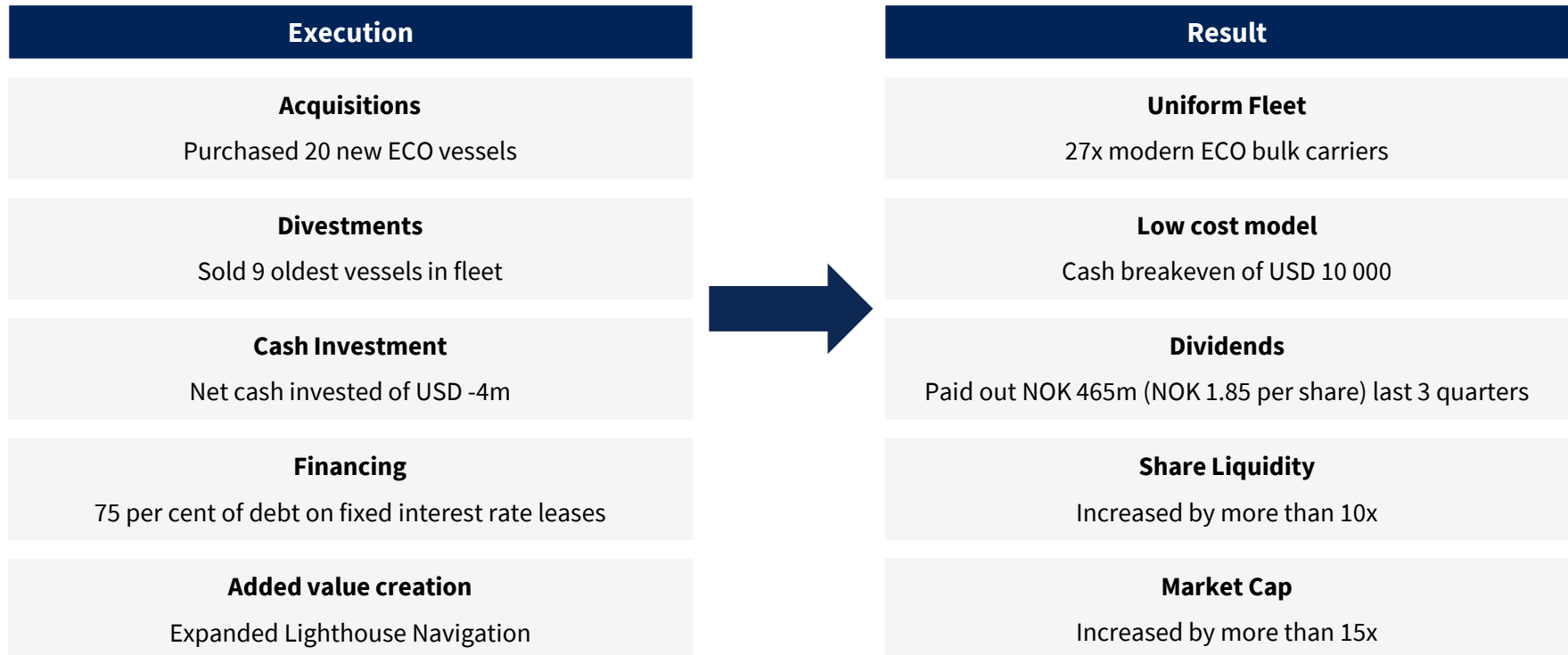
Earnings summary

Q4 2021	Q4 2020
Average TCE USD 28 965/day	Average TCE USD 10 502/day
EBITDA USD 70.4m	EBITDA USD 11.3m
Net result USD 59.2m	Net result USD 0.9m

Financial position

Assets	Equity and liabilities
Cash and cash equivalents USD 105.2m	Book value Equity USD 272.9m
Ships USD 580.6m	Interest bearing debt USD 437.3m
Other assets USD 111.8m	Other liabilities USD 87.4m

Proven Ability to Execute Growth Strategy



Lighthouse Navigation – Commercial Operations

Track record

Profitable every year since its inception in 2009

Performance

Average EBITDA of USD 16.0m last four quarters

Volume

About 70 vessels under operation

Growth

Offices in 4 countries with 80 employees

Risk

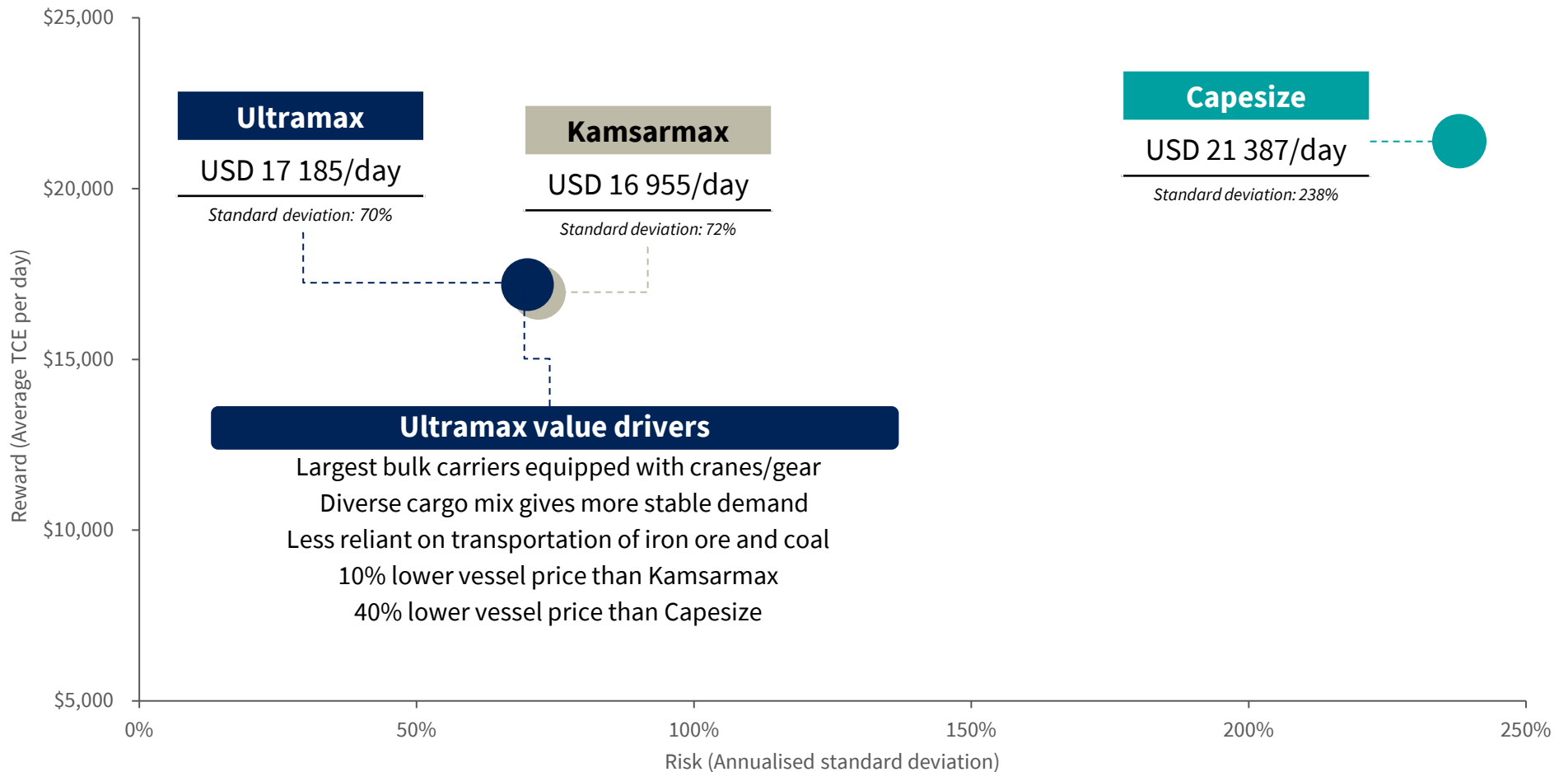
Skin in the game - leading employees invested



Ultramax – Superior Risk/Reward



Average earnings per day - last 3 years



Ultramax: BSI58 plus 10% premium. BSI58 is BSI52 plus \$293 per day prior to 2015

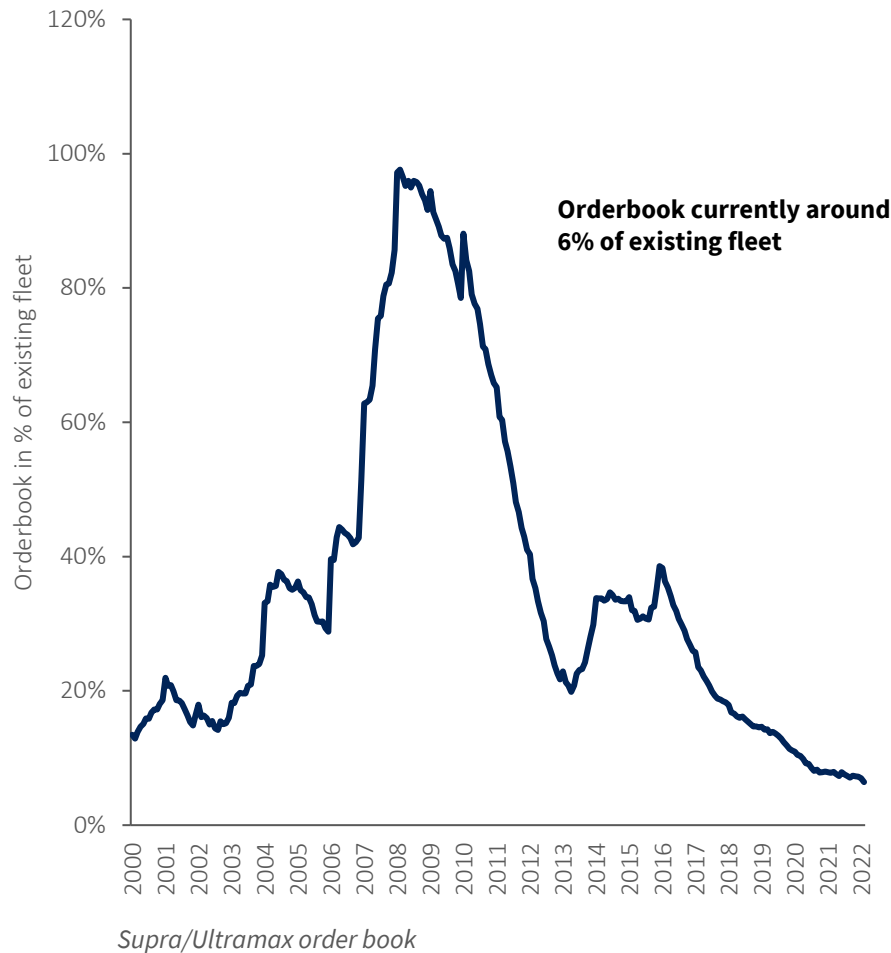
Kamsarmax: BPI82 2018-2021, BPI74 plus \$1 300 day prior to 2018

Capesize: BCI 5TC 2014-2021, BCI 4TC prior to 2014

Source: Baltic Exchange

Positive Outlook – Low Orderbook – Undervalued Ships

Lowest fleet growth in decades



ORDERBOOK/SUPPLY - The order book for Supra/Ultramax bulk carriers is below 6 per cent. In relative terms, we are heading towards the lowest rate of supply growth in 30 years. 18 Supra/Ultramax bulk carriers were delivered in January and zero so far in February. Only 89 vessels are scheduled to be delivered for the remaining part of the year. However, it might be even lower, as some registered orders usually are cancelled, deferred or simply incorrect. 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.

NEWBUILDING PRICES: Whilst ordering activity for bulk carriers has been relatively low, prices have increased due to rising steel prices and high demand from other shipping segments. This has reduced the available shipbuilding capacity for bulk carriers in the near term. A Japanese Ultramax newbuilding would today cost in the region of USD36m with delivery in 2H 2024.

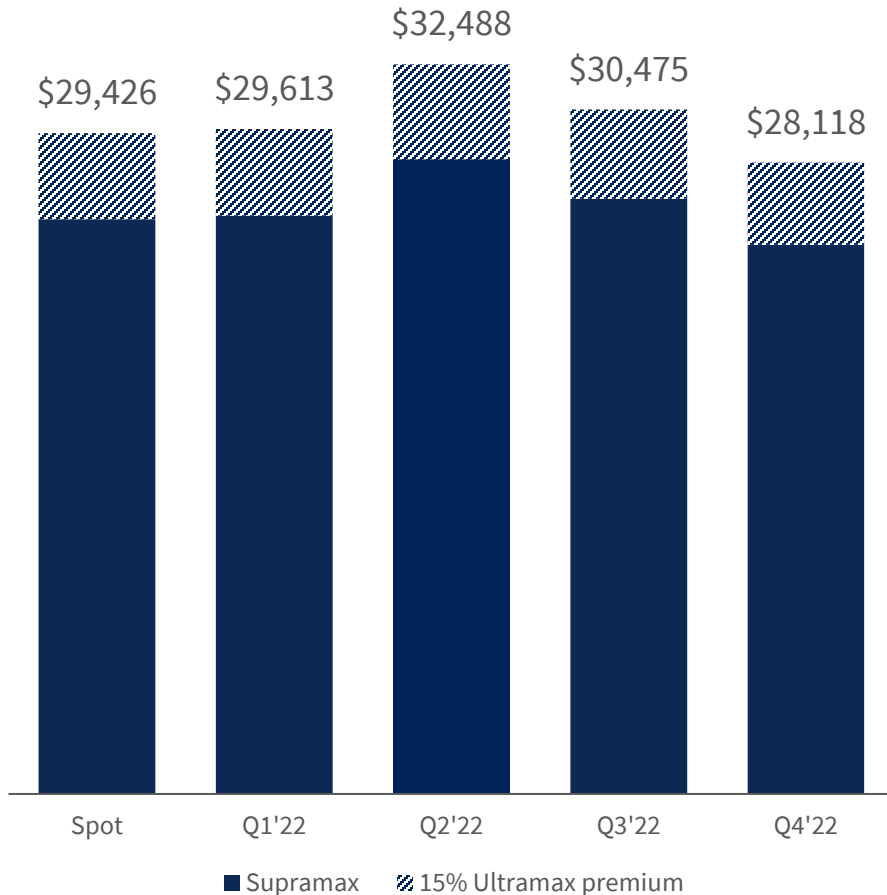
SECONDHAND VESSEL VALUES: Today's 1 year time charter contracts for Ultramax vessels are in the region of USD 28-30 000 per day. Net annual cash flow per vessel is currently Usd 6m+.

Rates for such contracts have been above USD 20 000 since beginning 2021, pointing to historically low ship valuations in relation to earnings.

Following the historical pattern of very high correlation between earnings and prices for secondhand bulk carriers, the value of a five-year old Japanese vessel should be significantly higher than today, and at least equal to the cost of a newbuilding with 2-year forward delivery.

Market Update – Highly profitable levels

Current Spot market spot and FFA



RATES – The New Year displayed softening spot rates, in line with usual seasonality. This is a reminder that freights are sensitive to swings both ways regardless of fundamentals. However, Ultramax again outperform larger vessel segments on the back of more stable volumes in minor bulk commodities. The FFA market is currently trading at levels of close to USD 30 000 for Ultramax for the remaining part of 2022.

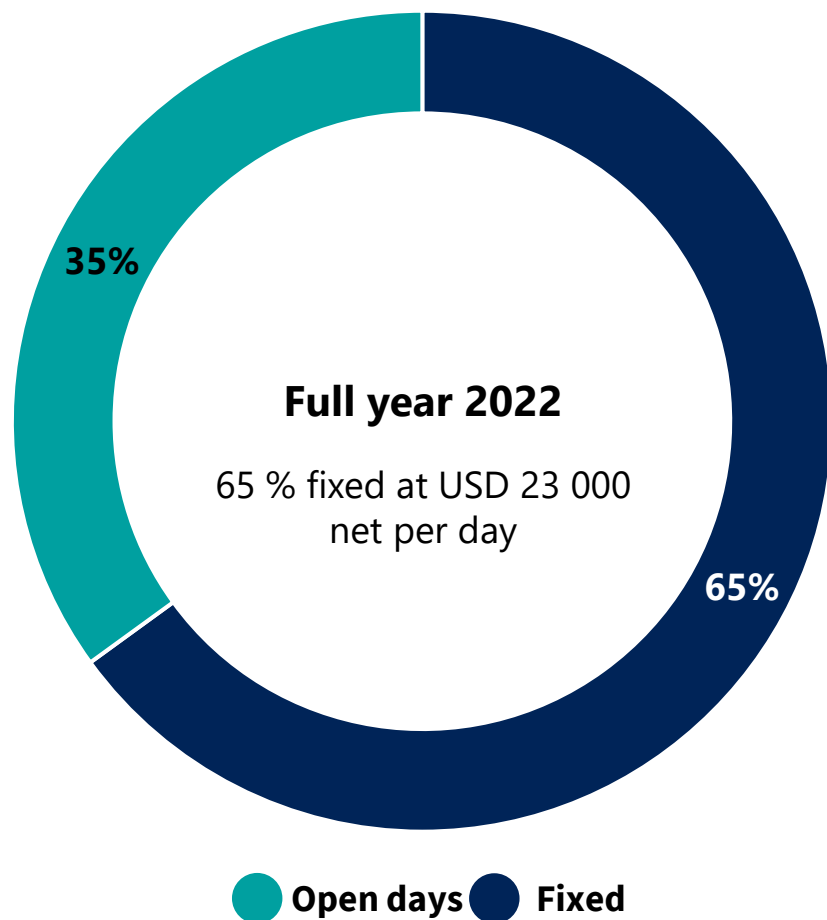
CONGESTION – Port closures and vessel waiting times especially in Asia are causing fleet inefficiencies which contribute to tighter market dynamics. Every bulk carrier spent on average two extra days in port compared to 2020. This may seem a short term inefficiency, however, this trend has been increasing over the past several years.

CARGO – Curbs in Chinese steel production and intervention in coal markets reduced export volumes, and freight rates were markedly weaker in January. Recently, the sentiment has significantly improved and expectations are high for increased demand growth in the next couple of months. Furthermore, very high demand in the container markets continue to add support as some cargoes typically transported in containers is being shipped in bulk carriers. This is a swing factor to watch carefully as one should expect normalised trade flows over time.

GREEN SHIFT, INFRASTRUCTURE BOOM, ENERGY CRISIS – All three contribute to dry bulk demand and have accelerated during the past 12-24 months.

ECONOMIC STIMULUS AND GROWTH – Credit growth and economic stimulus is positive for the dry bulk market. Seaborne iron ore is predominantly driven by Chinese demand, whereas minor bulks tend to correlate closer with wider GDP growth. General consensus points toward continued economic growth in 2022.

Significant de-risk: Highly Profitable Contract Coverage



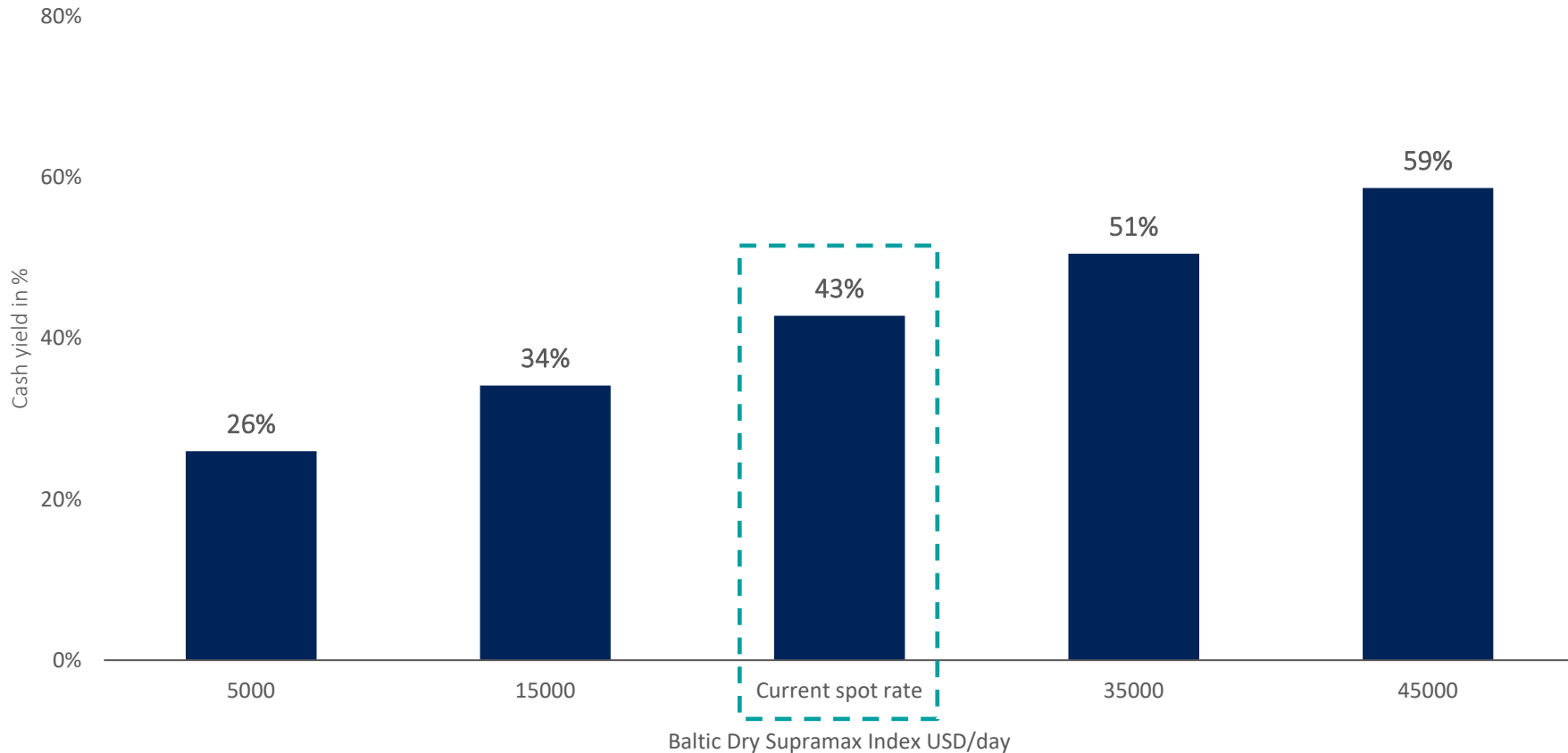
Period	Contract coverage	Net TCE (USD/day)
Q1 2022	88 %	23 900
Q2 2022	62 %	22 400
Q3 2022	53 %	22 300
Q4 2022	43 %	22 200
Q1 2023	34 %	22 000
Q2 2023	24 %	22 100

Cash breakeven for remaining open days in 2022 below zero

Undervalued – Strong Downside Protection



Potential cash yield from operations in 2022



Significant free cash flow and dividend capacity

Belships ASA - Investment Highlights

Platform

Proven track record – growth delivered

Governance

Simple structure, low costs and transparency leader

Visibility

Highly profitable contract coverage

Key drivers

Infrastructure/raw materials boom and the lowest orderbook in 30 years



Important Information



This presentation has been prepared by Belships ASA (the “Company”) exclusively for information purposes. This presentation is confidential and may not be copied, distributed, reproduced, published or passed on, directly or indirectly, in whole or in part, or disclosed by any recipient, to any other person (whether within or outside such person's organisation or firm) or published in whole or in part, by any medium or in any form for any purpose or under any circumstances.

The information in this presentation speaks as of 17 February 2022 and the Company assumes no obligation to amend, correct or update the information in this presentation. None of the Company or any of their respective directors, officers, employees, agents, affiliates, advisors or any person acting on their behalf, shall have any liability whatsoever, (whether direct or indirect, in contract, tort or otherwise) for any loss whatsoever arising from any use of this presentation, or otherwise arising in connection with this presentation.

The contents of this presentation shall not be construed as legal, business or tax advice, and the furnishing of this presentation should not be considered as the giving of investment advice by the Company or any of its directors, officers, agents, employees or advisers. Prospective investors should consult its own legal, business or tax advisor as to legal, business or tax advice.

This presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. The forward-looking statements contained in this presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of the Company or subsidiaries or any such person’s directors, officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecasted developments.

This presentation has been prepared for information purposes only, and does not constitute or form part of, and should not be construed as, any offer, invitation or recommendation to purchase, sell or subscribe for any securities in any jurisdiction and neither the issue of the information nor anything contained herein shall form the basis of or be relied upon in connection with, or act as an inducement to enter into, any investment activity.

This presentation is subject to Norwegian law and any dispute arising in respect of this presentation is subject to the exclusive jurisdiction of Norwegian courts with Oslo district court as legal venue.

Consolidated Statement of Income and Financial Position



Consolidated statement of income

USD 1 000	Q4		Q4	
	2021	2020	2021	2020
Gross freight revenue	Note 297 087	78 095	808 237	220 332
Voyage expenses	-71 263	-19 918	-164 929	-61 065
Net freight revenue	2 225 824	58 177	643 308	159 267
Management fees	2 797	1 679	7 366	6 095
Operating income	2 228 621	59 856	650 674	165 362
Share of result from j/v and assoc. comp.	8 242	1 541	14 323	3 052
T/C hire expenses	-140 523	-36 642	-400 710	-90 401
Ship operating expenses	-15 417	-8 673	-50 457	-38 675
Operating expenses management companies	-9 151	-3 627	-30 756	-11 861
General and administrative expenses	-1 332	-1 135	-4 795	-3 491
Operating expenses	-158 181	-48 536	-472 395	-141 376
EBITDA	70 440	11 320	178 279	23 986
Depreciation and amortisation	3 -8 102	-6 036	-28 735	-27 286
Impairment	3 0	-89	0	-4 957
Gain on sale of ships	3 15 333	0	15 333	2 469
Other gains/(-losses)	2 691	-891	-4 048	1 165
Operating result (EBIT)	80 362	4 304	160 829	-4 623
Interest income	160	242	815	985
Interest expenses	-5 040	-3 233	-15 881	-13 668
Other financial items	-1 014	-340	-2 308	-729
Currency gains/(-losses)	-379	239	-1 325	875
Net financial items	-6 273	-3 092	-18 699	-12 537
Result before taxes	74 089	1 212	142 130	-17 160
Taxes	5 -14 881	-349	-8 708	-583
Net result	59 208	863	133 422	-17 743
Hereof majority interests	48 480	-1 742	103 983	-19 898
Hereof non-controlling interests	10 728	2 605	29 439	2 155
Earnings per share	0.23	0.01	0.54	-0.08
Diluted earnings per share	0.23	0.01	0.53	-0.08

Consolidated statement of financial position

USD 1 000	31 Dec	
	2021	2020
NON-CURRENT ASSETS	Note	
Intangible assets	0	1 770
Ships	3 580 628	371 637
Prepayment of ships	0	3 000
Property, Plant, and Equipment	4 227	4 878
Investments in j/v and assoc. companies	13 997	2 123
Other non-current assets	821	5 394
Total non-current assets	599 673	388 802
CURRENT ASSETS		
Assets held for sale	3 23 933	5 917
Bunkers	16 492	5 344
Current receivables	52 332	30 431
Cash and cash equivalents	105 204	33 985
Total current assets	197 961	75 677
Total assets	797 634	464 479
EQUITY AND LIABILITIES		
Equity		
Paid-in capital	158 802	137 962
Retained earnings	82 739	5 956
Non-controlling interests	31 378	6 099
Total equity	272 919	150 017
Non-current liabilities		
Long term interest bearing debt	4 412 881	247 315
Other non-current liabilities	1 757	2 769
Total non-current liabilities	414 638	250 084
Current liabilities		
Current portion of interest bearing debt	4 24 467	34 162
Other current liabilities	85 610	30 216
Total current liabilities	110 077	64 378
Total equity and liabilities	797 634	464 479

Uniform and Modern Fleet of 27 Bulk Carriers



Vessel	Built	DWT	Yard
Newbuild <i>TBN BELMONDO</i>	2023	64 000	Imabari
Newbuild <i>TBN BELYAMATO</i>	2022	64 000	Imabari
BELTOKYO	2021	64 000	Imabari
BELMAR	2021	64 000	Imabari
BELFAST	2021	64 000	Imabari
BELFORCE	2021	61 000	Dacks
BELKNIGHT	2021	61 000	Dacks
BELTRADER	2021	61 000	Dacks
BELGUARDIAN	2021	61 000	Dacks
BELAJA	2020	61 000	Shin Kurushima
BELMOIRA	2020	61 000	Shin Kurushima
BELFUJI	2020	63 000	Imabari
BELRAY	2019	61 000	Shin Kurushima
BELNIPPON	2018	63 000	Imabari

Vessel	Built	DWT	Yard
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
BELFOREST	2015	61 000	Imabari
BELHAWK	2015	61 000	Imabari
BELPAREIL	2015	63 000	Hantong
BELSOUTH	2015	63 000	Hantong