



COMPANY PRESENTATION | Q3 2020
NOVEMBER 2020



BELSHIPS

Belships ASA – Owner and Operator of Bulk Carriers



The most attractive midsize fleet

23x
Supra/Ultramax geared bulk carriers



Efficient ship operations

Expanding the commercial platform under Lighthouse Navigation



Strong financial position and sponsors

Capital discipline and track record of accretive growth



Corporate governance leader

Maximum transparency and zero conflicts of interest

5 years

average fleet age

19%

outperformance of index

2024

financing secured

1918

More than a hundred years of history

40%

Purchase options on almost half the fleet

USD 4,900

OPEX per day

USD 9,800

cash break-even per day

2030

On course to deliver emission cuts ahead of target

Highlights – Q3 2020

MARKET REBOUND – POSITIONING FOR 2021

- Operating income of USD 43.3 million (Q3 2019: USD 31.7m)
- EBITDA of USD 5.9m (USD 8.1m)
- Net result of USD -4.2m (USD 0.3m)
- Net TCE per ship of USD 9 067 per day versus BSI index of USD 9 435 net per day
- 75% of remaining ship days in 2020 are booked at USD 9 000 net per day
- All financing secured till May 2024 onwards after refinancing of SOFIE VICTORY
- Imabari newbuilding delivery amended from Q4 2020 to Q1 2021
- Belships regarded as leading within corporate governance by Danske Bank and on course for delivering emission cuts in line with industry ambitions for 2030
- Commercial platform expanded - Lighthouse Navigation
- Modern fleet of 23 vessels with an average age of 5 years including newbuildings

Earnings summary

Q3 2020	FY 2019
Average TCE USD 9 067/day	Average TCE USD 11 201/day
EBITDA USD 5.9m	EBITDA USD 34.7m
Net result USD -4.2m	Net result USD 5.1m

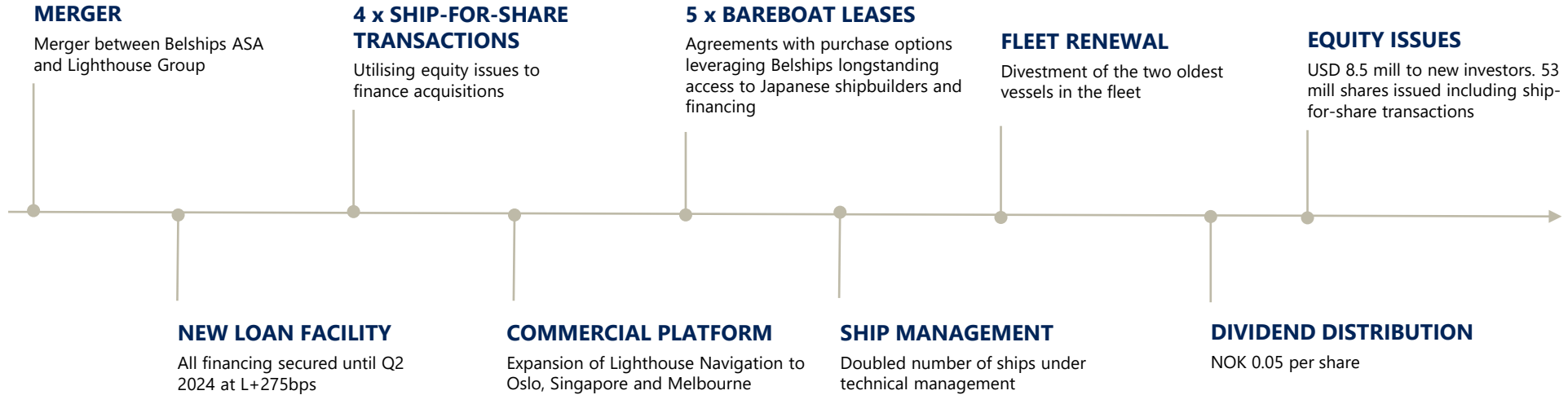
Financial position

Assets	Equity and liabilities
Owned ships USD 223.5m	Equity USD 149.4m (32%)
Leased ships USD 160.7m	Mortgage loans USD 142.7m
Cash and cash equivalents USD 35.5m	Lease liabilities USD 143.9m
Other assets USD 44.2m	Other liabilities USD 27.9m

Proven ability to execute growth strategy



Key milestones 2019 - 2020



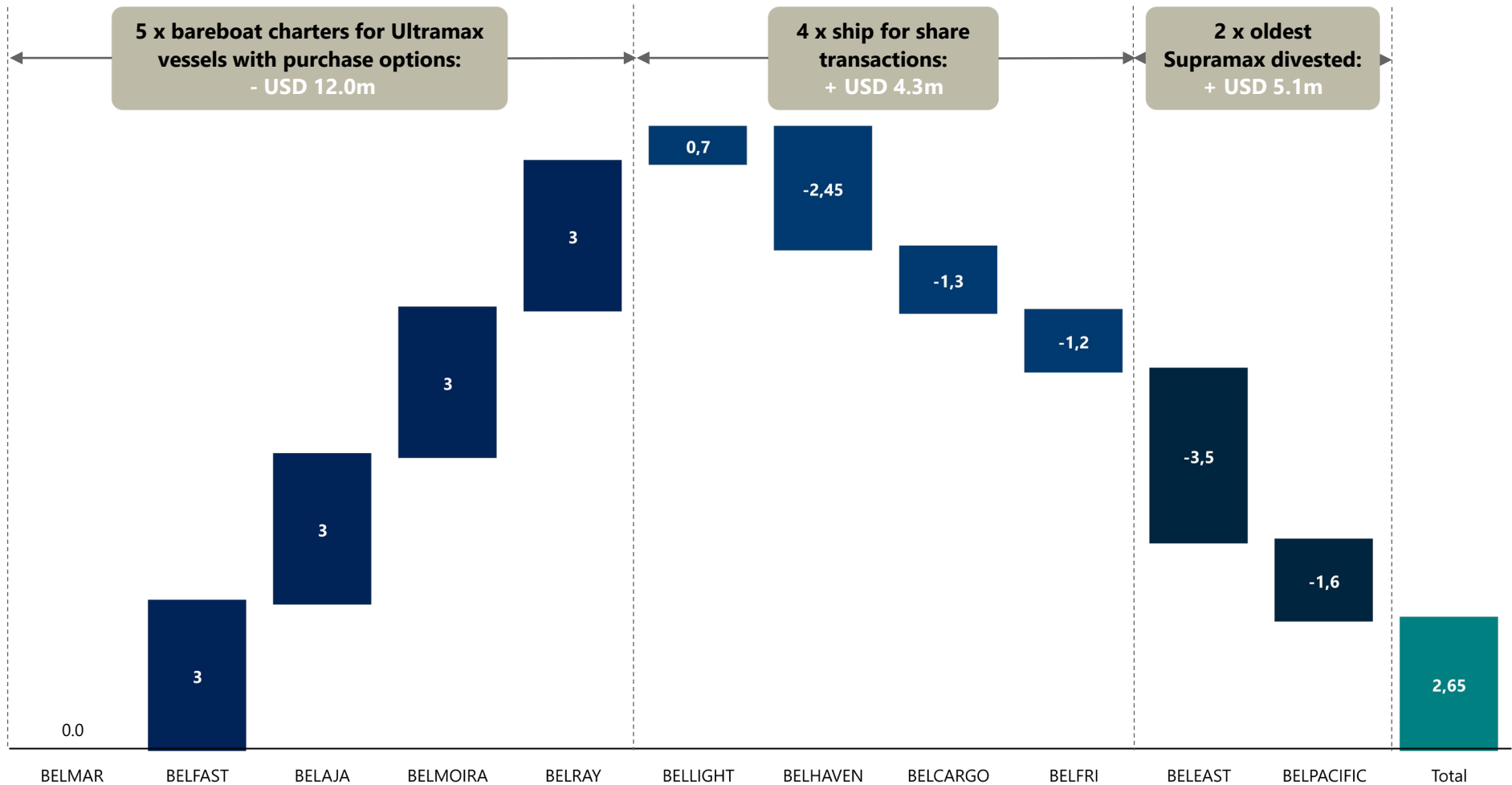
7 → 23
Bulk carriers

USD 30m → USD 150m
Market capitalisation

Pushing the growth agenda – net cash invested USD 2.7m

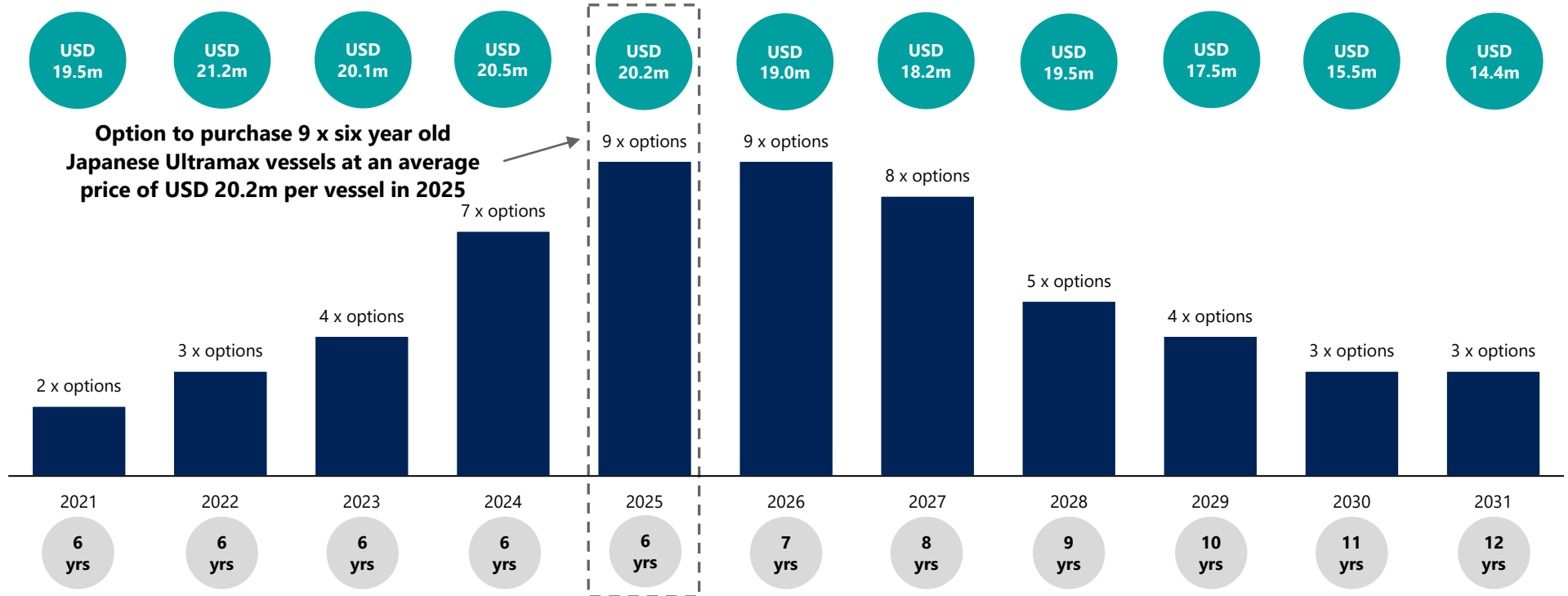


Cash effect recent transactions (USDm)



Purchase options provide flexibility and upside

Average purchase option price



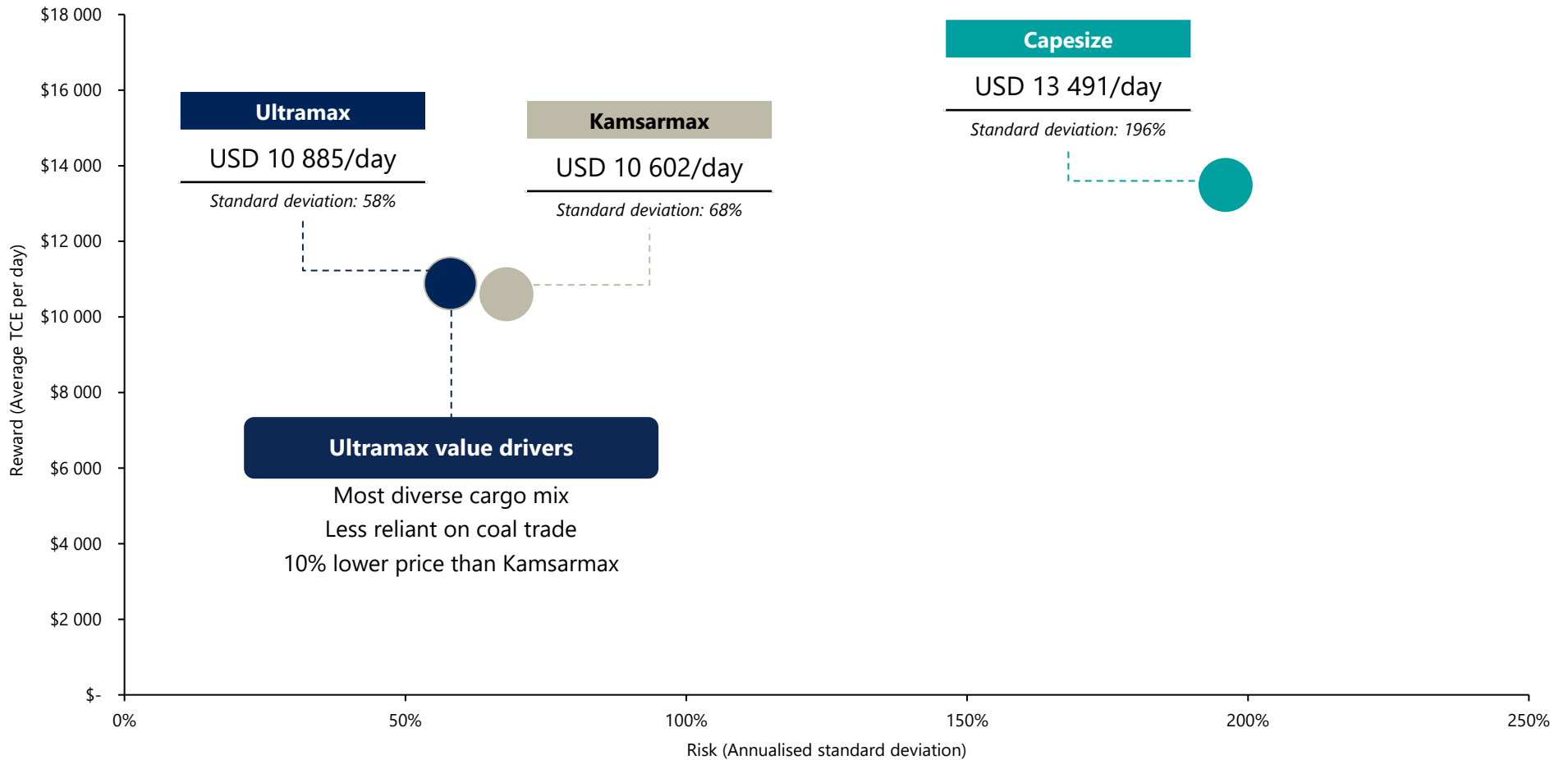
Average age of vessels

Purchase options on 40% of current fleet

No purchase obligations related to any of the leased vessels

Ultramax segment – superior risk/reward

Average earnings per day - last 10 years



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

Kamsarmax: BPI82 2018-2020, BPI74 plus \$1 300 day prior to 2018

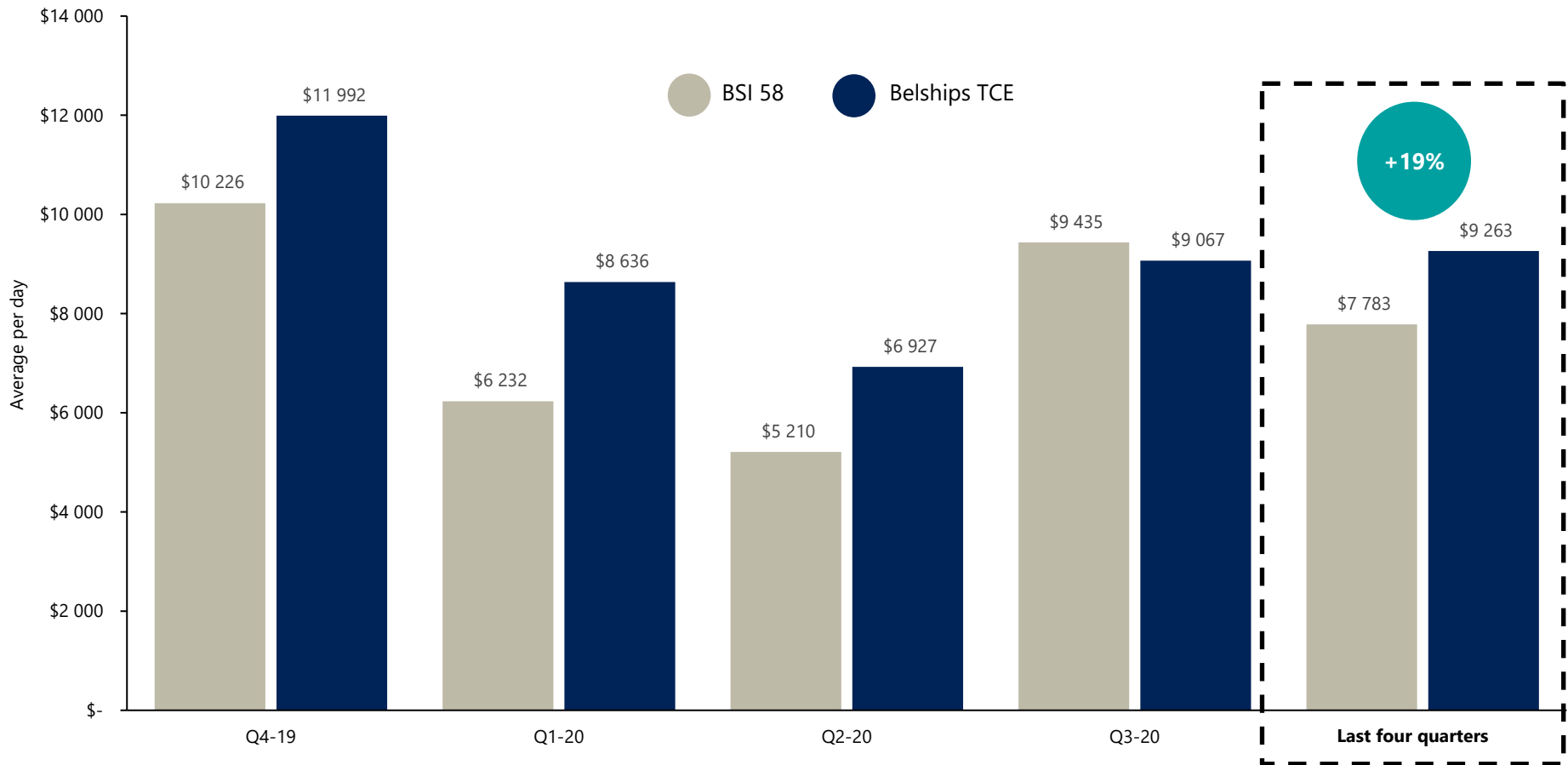
Capesize: BCI 5TC 2014-2020, BCI 4TC prior to 2014

Source: Baltic Exchange

19% outperformance of the BSI index last four quarters



Belships TCE vs BSI 58 (net per day)



Uniform fleet of 23 Supra/Ultramax bulk carriers



Ultramax

	Vessel	Built	DWT	Yard	Ownership
16 x Ultramax	BELMAR (NEWBUILD)	2021	64,000	Imabari	BB-in ¹
	BELFAST (NEWBUILD)	2021	64,000	Imabari	BB-in ²
	BELAJA	2020	61,000	Shin Kurushima	BB-in ⁴
	BELMOIRA	2020	61,000	Shin Kurushima	BB-in ⁴
	BELFUJI	2020	63,000	Imabari	TC-in ³
	BELRAY	2019	61,000	Shin Kurushima	BB-in ⁵
	BELNIPPON	2018	63,000	Imabari	TC-in ⁶
	BELHAVEN	2017	63,000	Imabari	Owned
	BELISLAND	2016	61,000	Imabari	BB-in ⁷
	BELFOREST	2015	61,000	Imabari	BB-in ⁸
	BELINDA	2016	63,000	Hantong	Owned
	BELMONT	2016	63,000	Hantong	Owned
	BELATLANTIC	2016	63,000	Hantong	Owned
	SOFIE VICTORY	2016	63,000	New Times	Owned
	BELPAREIL	2015	63,000	Hantong	Owned
	BELSOUTH	2015	63,000	Hantong	Owned

Supramax

	Vessel	Built	DWT	Yard	Ownership
7 x Supramax	BELOCEAN	2011	58,000	Dayang	Owned
	BELNOR	2010	58,000	Dayang	Owned
	BELSTAR	2009	58,000	Dayang	Owned
	BELCARGO	2008	58,000	Tsuneishi	Owned
	BELFRI	2007	55,000	Kawasaki	Owned
	BELORIENT	2008	50,000	PT Pal	Owned
	BELFORT	2008	50,000	PT Pal	Owned

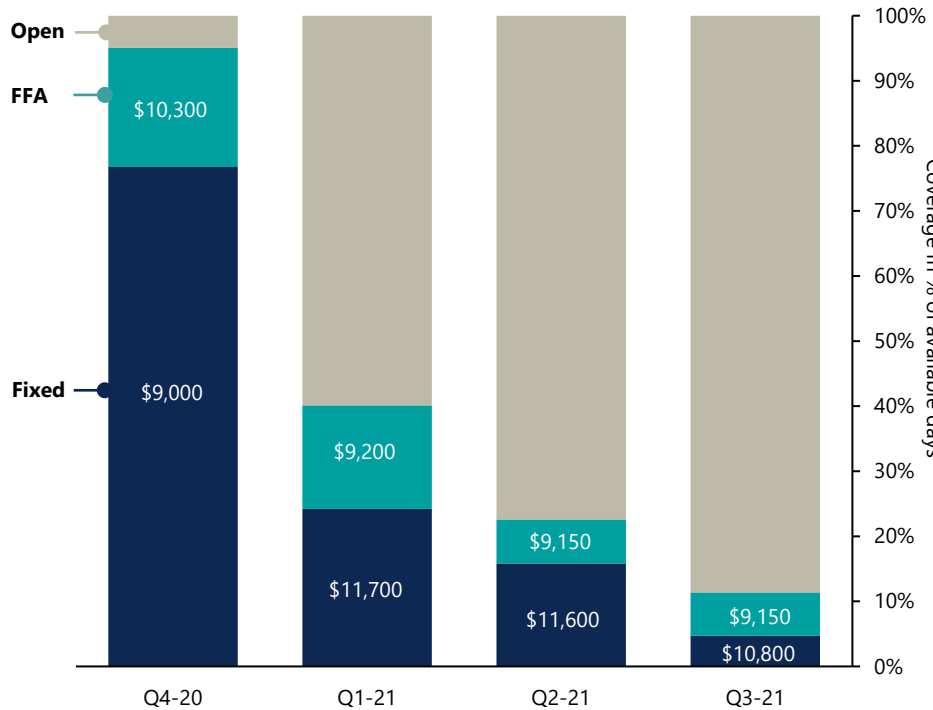
BELFAST and PACIFIC LIGHT have been delivered to Marti Shipping & Ship Management of Turkey for bareboat charter and subsequent sale.

- 1) Delivery 2H 2021 ten years bareboat charter with purchase options after fourth year.
- 2) Delivery January/February 2021 ten years bareboat charter with purchase options after fourth year
- 3) Delivered January 2020 eight years time charter with purchase options after fourth year
- 4) Delivered Q1 2020 seven years bareboat charter with purchase options after fourth year
- 5) Delivered October 2019 seven years bareboat with purchase options after fourth year
- 6) Delivered January 2018 eight years time charter with purchase options after fourth year
- 7) Delivered 2016 fifteen years bareboat charter with purchase options after fifth year
- 8) Delivered 2015 twelve years bareboat charter with purchase options after third year

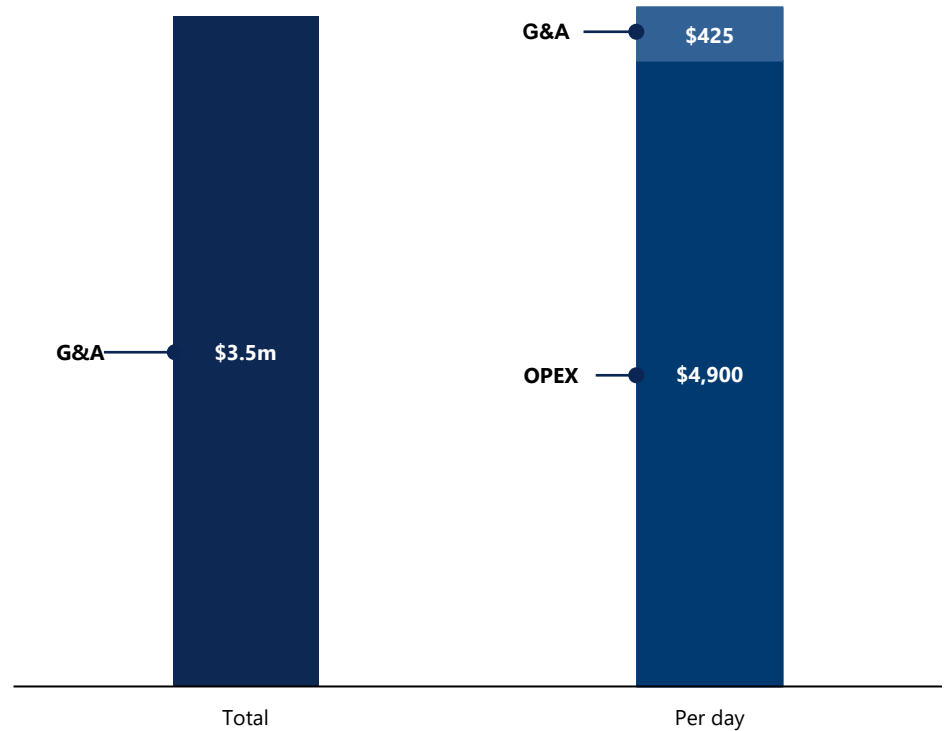
There are no purchase obligations on any of the above lease agreements.

Increasing upside as markets recover

Coverage next four quarters (USD net per day)



OPEX and G&A – 2020 guidance

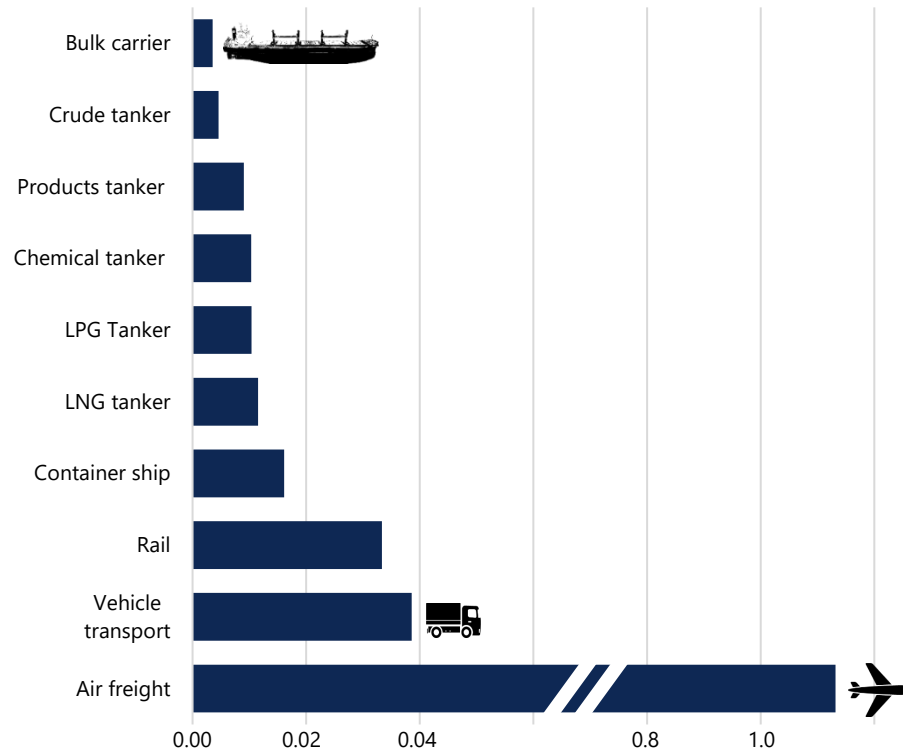


40% of next four quarters (incl FFA) are booked at USD 9 800 net per day

Low G&A and OPEX compared to peers

Belships is determined to be proactive and contribute to a sustainable shipping industry

CO2 per tonne km



Shipping is the most energy efficient means of transporting goods and resources

Agenda

2019

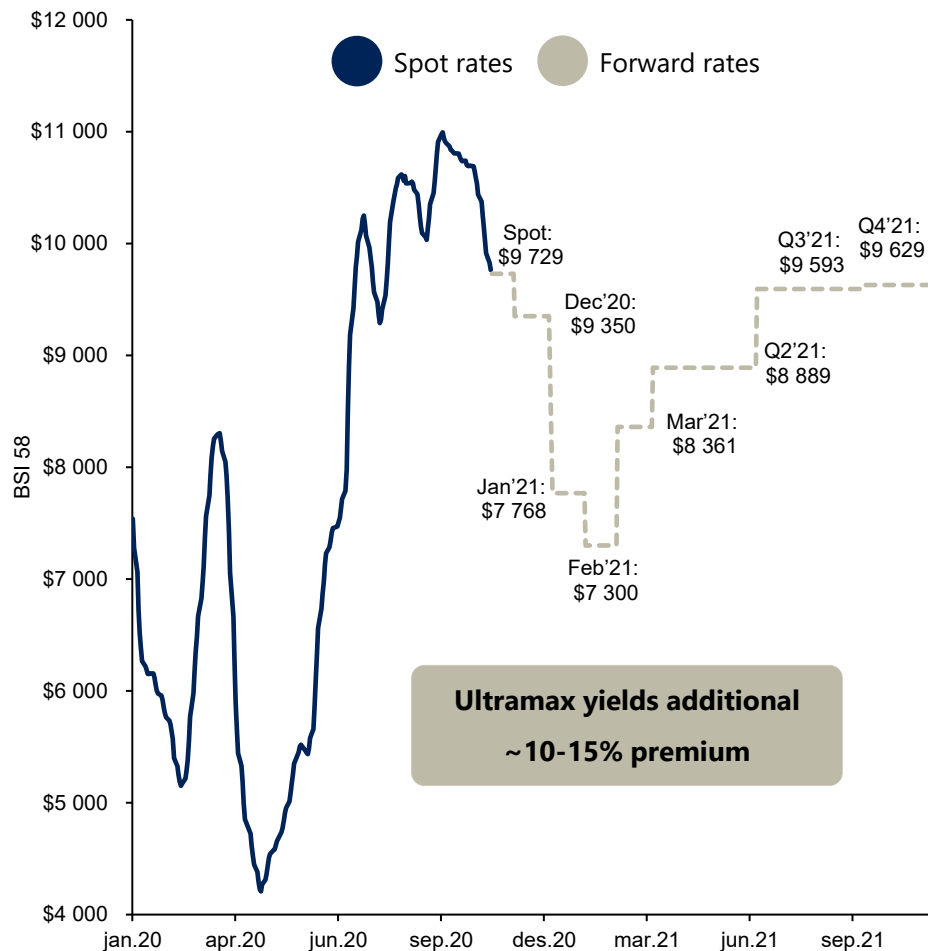
- ESG reporting implemented
- Completed a carbon intensity study based on design and trading characteristics of the entire fleet
- Commenced divestment of older vessels
- 1 eco Ultramax from Japan delivered October 2019
- Achieved 5 per cent reduction y-o-y as measured by EEOI (g CO2 per tonne-mile)

2020-2021

- Modernisation continues, with three fully-financed new eco Ultramax vessels being delivered in 2020
- 2 eco Ultramax newbuildings to be delivered in 2021
- New carbon footprint study initiated with DNVGL
- Belships regarded as leading within corporate governance by Danske Bank and on course for delivering emission cuts in line with industry ambitions for 2030

Reducing carbon footprint through modernisation and transparency

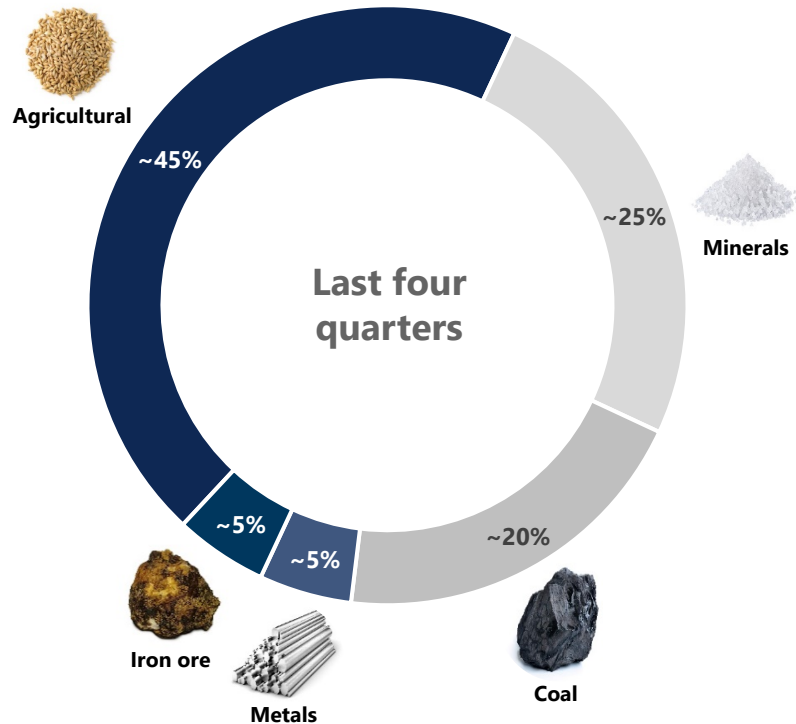
Current Supramax spot and FFA curve



- **CORONA (COVID-19)** - The effects of the outbreak and the restrictions imposed to mitigate the spread of the disease continue. It is still extremely challenging to manage crew changes which is central to preserving health and safety. GDP statistics for Q2 display a historic decline in economic activity. Dry bulk markets have rebounded strongly from the bottom.
- **CARGO** - The rebound in Q3 has been driven by Chinese imports and predominantly a surge in grain and iron ore volumes. Chinese ore imports during July reached all time high levels whilst inventory levels were well below historical levels. This is evidence of a very active steel making industry and that the effects of stimulus into the Chinese economy are noticeable.
- **ORDERBOOK/SUPPLY** - The publicly quoted order book for all dry bulk vessels in 2020-2022 is now around 7 per cent. For the Supra/Ultramax segment alone the figure is 5 per cent – historically very low. In relative terms, we are heading towards the lowest rate of supply growth in almost 30 years. The average sailing speed has increased, showing that the market has been able to absorb this inherent fleet supply during a rebound in spot rates. This is important as a strong market recovery is dependent upon an improvement in the fleet utilisation.
- **STIMULUS** - Continued credit growth and economic stimulus in China is expected to aid a recovery in dry bulk in 2021-22 as the effects of fiscal stimulus usually lags about 12-24 months. Seaborne iron ore is predominantly driven by Chinese demand whereas minor bulks tend to correlate closer with GDP.
- **MARKET RECOVERY PROSPECTS** - The near-term outlook is flatter after having posted relatively strong gains in Q3. Towards the end of the year there are question marks to iron ore volumes and reductions in Chinese coal imports. From next year, however, against a backdrop of falling supply growth and post-COVID-19 normalisation we believe we are seeing the early signs of a potentially tight market in 2021-22.

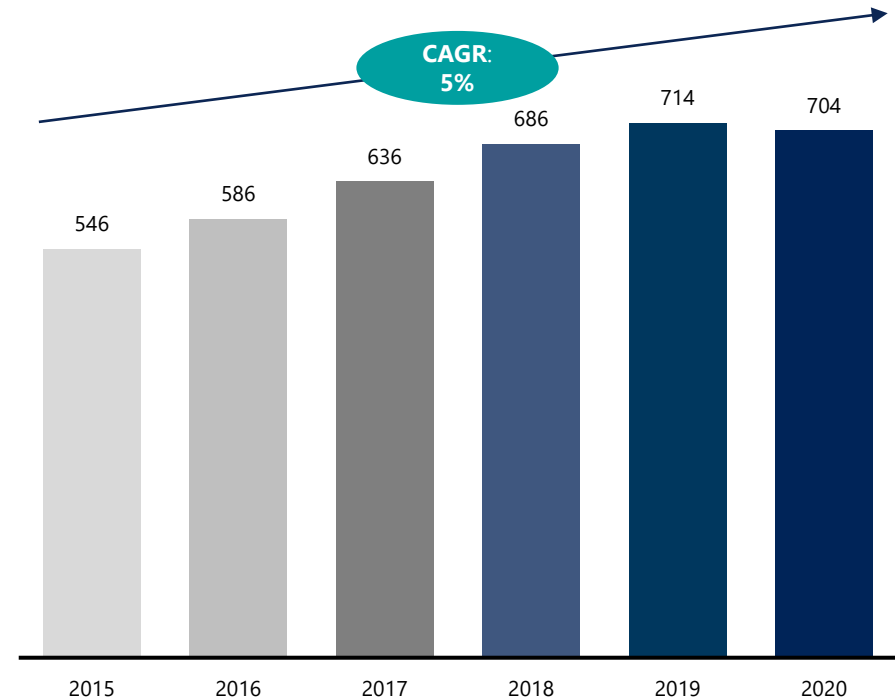
Diversified cargo base – volume expected to increase

Belships' cargo mix



Minor bulks volume development

January – September (million mt)

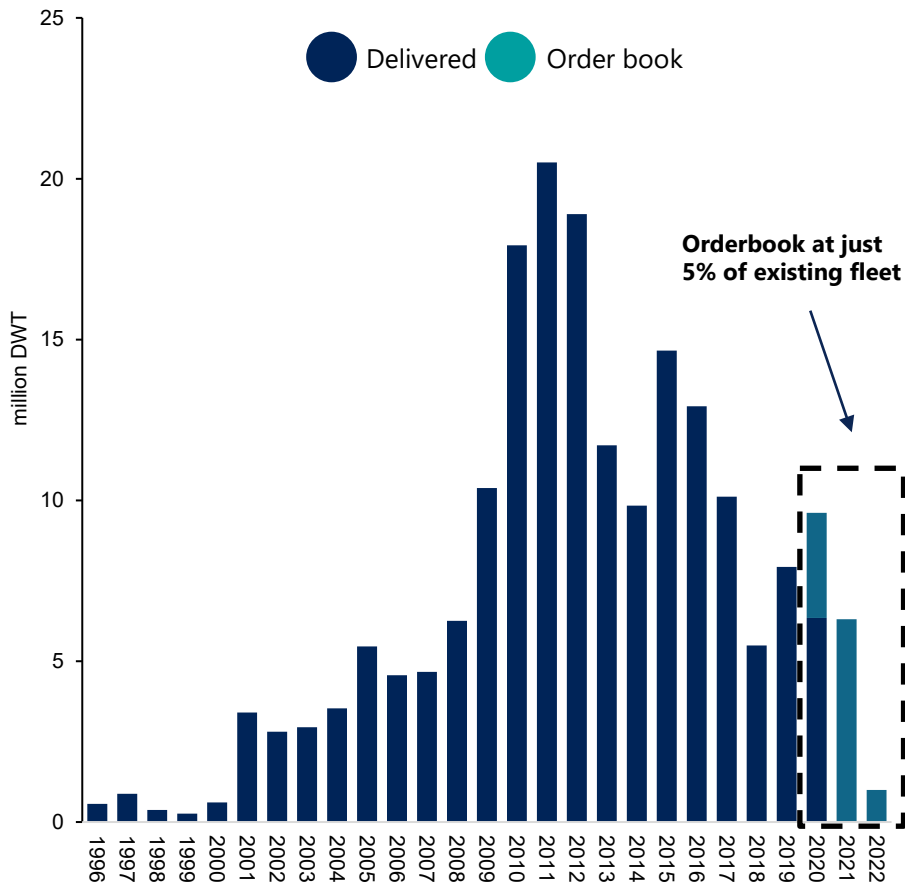


Diverse cargo base reduces risk

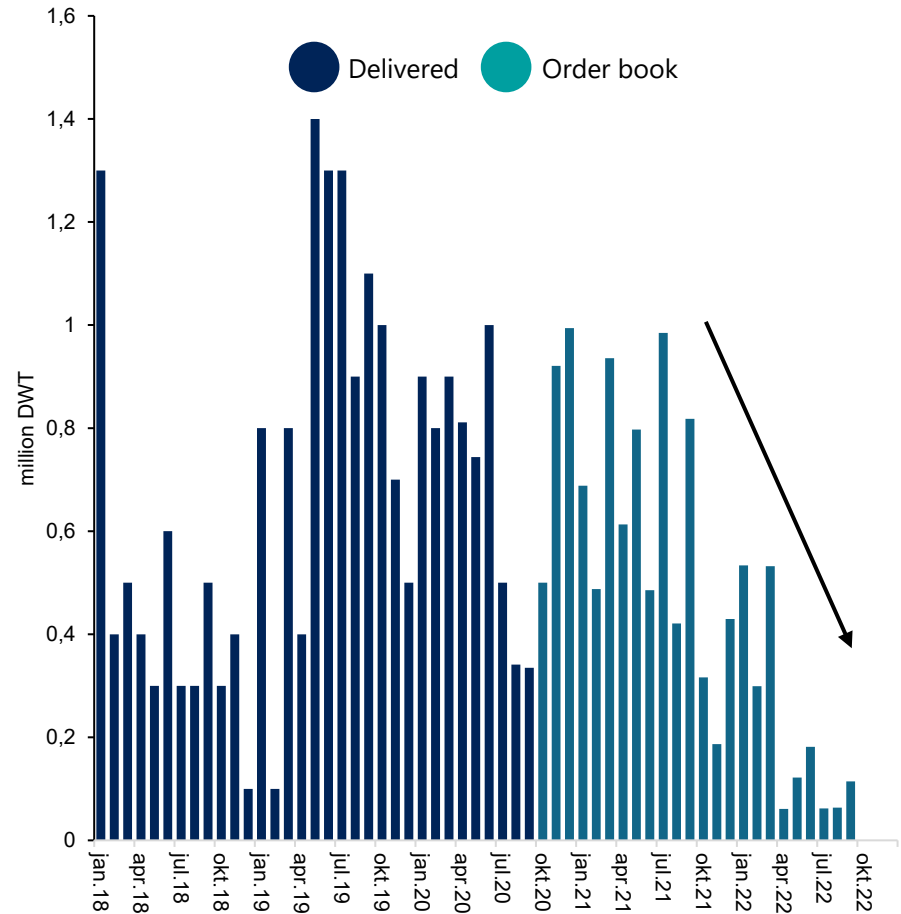
Shipments year-to-date hampered by lockdowns

Potentially lowest fleet growth in more than 20 years

Annual schedule



Monthly schedule



Growth

- Capacity to increase the fleet to 30 vessels
- Focused on ship-for-share deals or optional leases
- Build on commercial platform

Liquidity

- Continue to build free float through ship for shares transactions where accretive
- Capital markets and IR

Capital discipline

- Low costs and cash break-even
- Strong balance sheet

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 11 November 2020 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	Q3 2020	Q3 2019	2019
Gross freight revenue	54 889	33 822	153 909
Voyage expenses	-12 591	-4 430	-30 243
Net freight revenue	42 298	29 392	123 666
Management fees	1 035	2 308	7 650
Operating income	43 333	31 700	131 316
Share of result from j/v and assoc. comp.	196	658	2 715
T/C hire expenses	-23 484	-11 231	-49 825
Ship operating expenses	-10 634	-9 166	-33 558
Operating expenses ship management	-535	-1 023	-4 125
General and administrative expenses	-2 936	-2 839	-11 815
Operating expenses	-37 393	-23 601	-96 608
EBITDA	5 940	8 099	34 708
Depreciation and amortisation	-6 823	-4 445	-23 074
Impairment	0	0	0
Gain on sale of ships	0	0	4 381
Other gains/(-losses)	-282	0	2 119
Operating result (EBIT)	-1 165	3 654	18 134
Interest income	236	71	283
Interest expenses	-3 386	-2 436	-10 522
Other financial items	-13	-250	-1 127
Currency gains/(-losses)	282	-491	-13
Net financial items	-2 881	-3 106	-11 379
Result before taxes	-4 046	548	6 755
Taxes	-127	-199	-1 655
Net result	-4 173	349	5 100
Hereof majority interests	-4 260	321	3 487
Hereof non-controlling interests	87	28	1 613
Earnings per share	-0.02	0.00	0.03
Diluted earnings per share	-0.02	0.00	0.03

Consolidated statement of financial position

USD 1 000	30 Sep 2020	30 Sep 2019	31 Dec 2019
NON-CURRENT ASSETS			
Intangible assets	2 506	6 650	4 629
Ships, owned	223 500	220 350	213 052
Ships, right-of-use assets	160 667	64 831	92 720
Prepayment of lease obligations on ships	3 000	6 000	6 000
Property, Plant, and Equipment	4 312	3 892	4 790
Investments in j/v and assoc. companies	1 883	3 496	3 303
Other non-current assets	13 392	0	8 311
Total non-current assets	409 260	305 219	332 805
CURRENT ASSETS			
Bunkers	6 174	2 232	5 832
Current receivables	13 053	17 675	14 576
Cash and cash equivalents	35 453	43 736	44 428
Total current assets	54 680	63 643	64 836
Total assets	463 940	368 862	397 641
EQUITY AND LIABILITIES			
Equity			
Paid-in capital	137 830	126 704	125 927
Retained earnings	7 633	25 228	25 717
Non-controlling interests	3 937	3 893	4 471
Total equity	149 400	155 825	156 115
Non-current liabilities			
Mortgage debt	132 313	121 767	127 249
Lease liability	124 484	50 514	73 646
Other non-current liabilities	2 364	2 317	3 060
Total non-current liabilities	259 161	174 598	203 955
Current liabilities			
Mortgage debt	10 368	15 414	9 388
Lease liability	19 375	4 375	7 315
Other current liabilities	25 636	18 650	20 868
Total current liabilities	55 379	38 439	37 571
Total equity and liabilities	463 940	368 862	397 641