



COMPANY PRESENTATION | Q3 2022
NOVEMBER 2022



BELSHIPS



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 10 900

cash break-even per day 2023

Founded 1918

stock listed since 1937

12 years

of annual profits

Highlights – Q3 2022

CONTRACT COVERAGE SECURES PROFITABILITY AND DIVIDEND OUTLOOK FOR 2023

- Operating income of USD 151.8m (USD 205.3m)
- EBITDA of USD 56.4m (USD 57.1m) including USD 10.1m from Lighthouse Navigation
- Net result of USD 49.8m (USD 35.2m)
- Declared dividend of USD 18.4m (NOK 0.75 per share)
- TCE of USD 24 155 gross per day for owned fleet
- 90 per cent of ship days in Q4 2022 are fixed at USD 22 900 gross per day
- 64 per cent of ship days in the next four quarters are fixed at USD 22 300 gross per day
- Modern fleet of 31 vessels with an average age below four years and daily cash breakeven for 2023 of about USD 10 900 per vessel

Earnings summary

Q3 2022	Q3 2021
Average TCE USD 24 155/day	Average TCE USD 26 714/day
EBITDA USD 56.4m	EBITDA USD 57.1m
Net result USD 49.8m	Net result USD 35.2m

Financial position

Assets	Equity and liabilities
Cash and cash equivalents USD 116.3m	Book value Equity USD 281.9m
Ships USD 724.3m	Interest bearing debt USD 585.7m
Other assets USD 133.6m	Other liabilities USD 106.6m

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

Operating about 60 vessels*

Performance

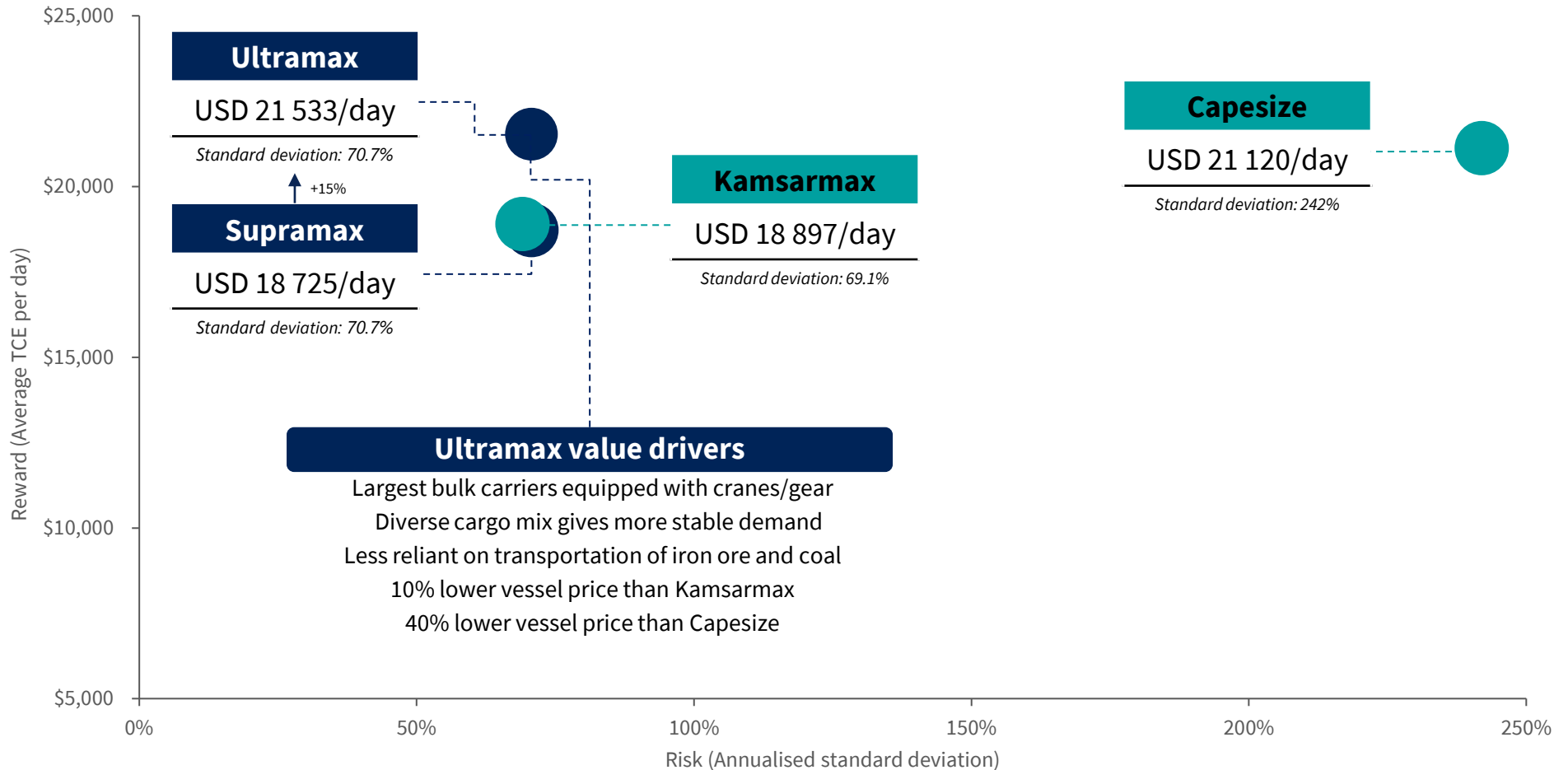
Average EBITDA of USD 9.6m last 12 quarters



Ultramax – Superior Risk/Reward



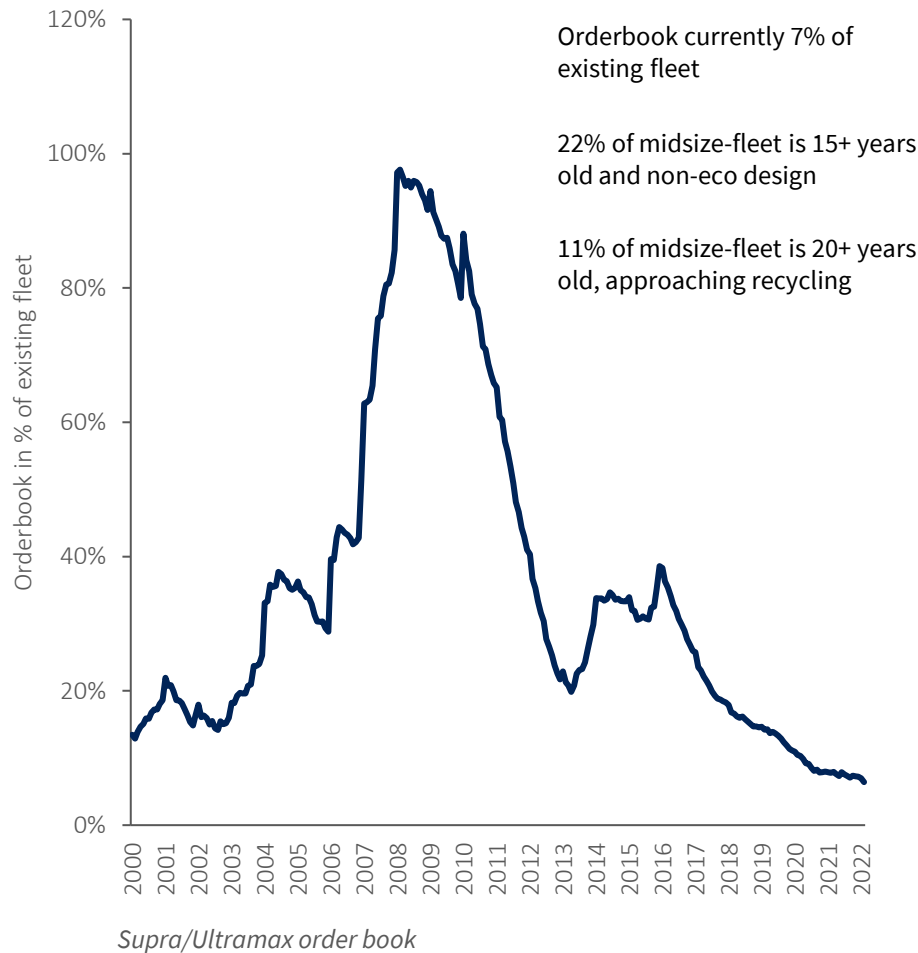
Average earnings per day - Last 3 years – Strong outperformance of index vessels



Supramax: BSI58
 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 7 per cent. In relative terms, we are heading towards the lowest rate of supply growth in 30 years.

78x Supra/Ultramax bulk carriers have been delivered year-to-date. 24x vessels are scheduled to be delivered for the remaining part of the year

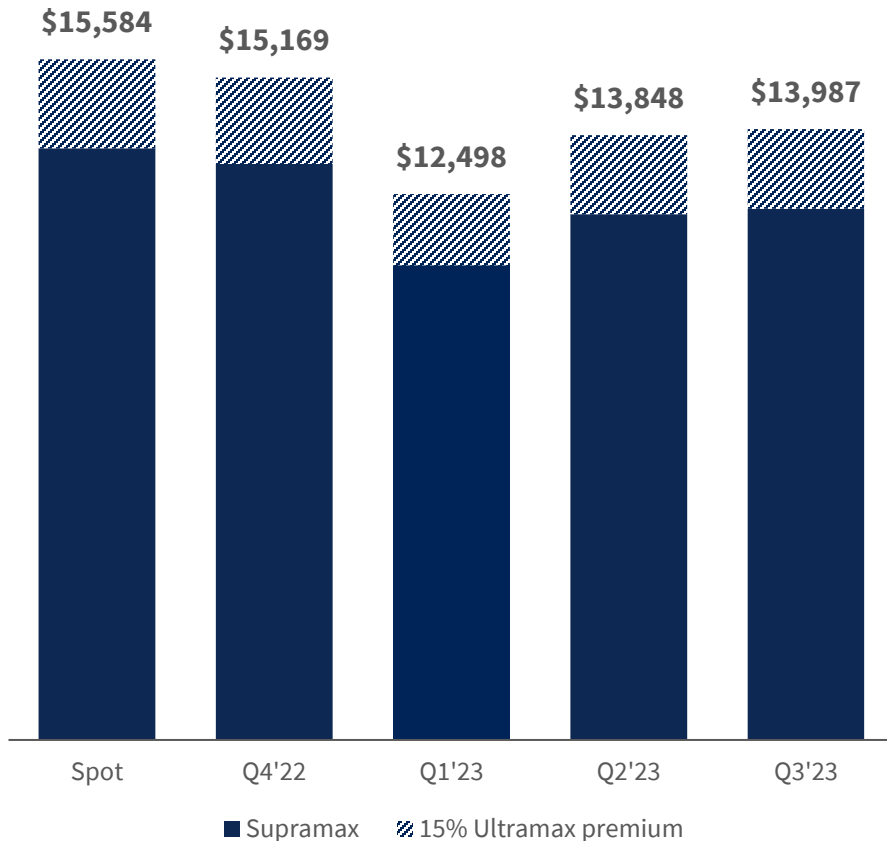
103x vessels are scheduled to be delivered in 2023, however, it may be lower as some orders are usually, delayed, cancelled or incorrectly reported.

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, cost inflation and high demand from other shipping segments has reduced the available shipbuilding capacity for bulk carriers for the next 2-3 years. A Japanese Ultramax newbuilding would today cost in the region of USD 37m with delivery in 2025.

SECONDHAND VESSEL VALUES: The value of a 5-year old Japanese-built Ultramax today is in the region of USD 30m. With current earnings, it remains 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 19 700 per day – down from 28 900 in Q2. The Baltic Exchange Supramax spot index is currently about USD 13 600. Freight Forward Agreements (FFA) currently indicate a market average of about USD 13 300 for the remaining part of the year, with Ultramax bulk carriers earning an additional premium.

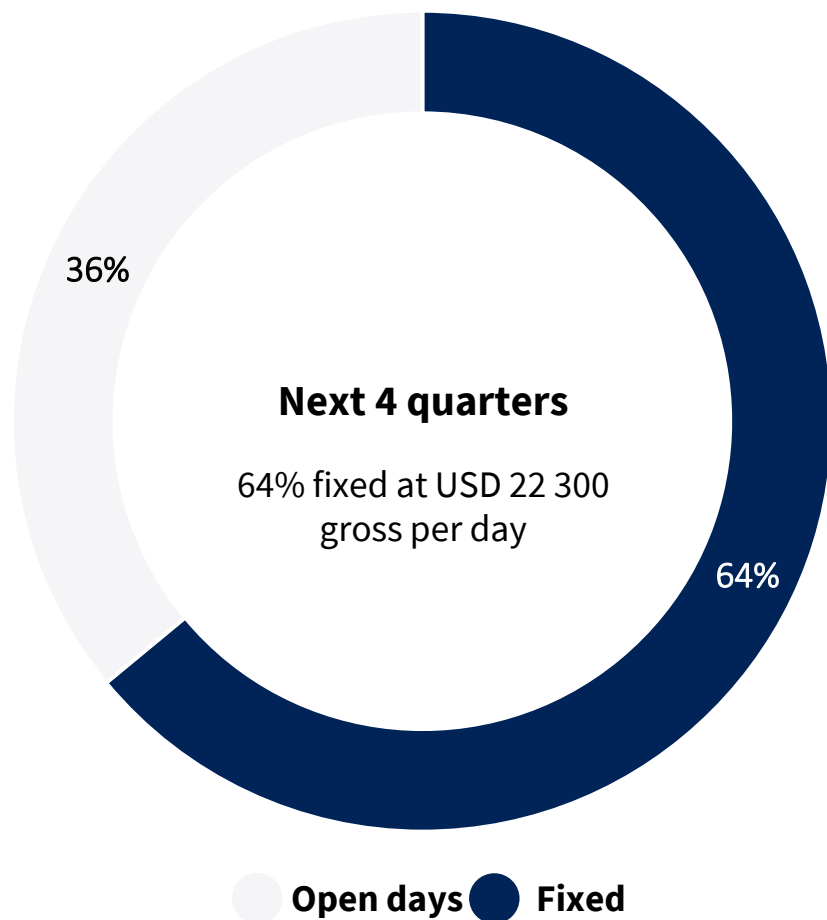
DEMAND – According to Fearnleys, total Supramax shipment volumes ended at 250 million tons, unchanged from the previous quarter. This is, however, about 5 per cent lower compared to last year, when 264 and 255 million tons were shipped in Q2 and Q3 2021, respectively.

Port congestion has reversed from earlier this year and is now close to pre-Covid normalised levels. This increase in sailing efficiency has affected rates negatively in the quarter markedly.

China has continued to fight the pandemic with severe lockdowns in major cities. The war in Ukraine exposed energy and commodity shortages which has accelerated inflation. Usual volumes of wheat, corn, fertilizers and steel products have been prevented from moving out of the Black Sea or Northwestern Russian ports. In sum, fears of demand destruction from high commodity prices and rising interest rates have subdued near term GDP forecasts.

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.

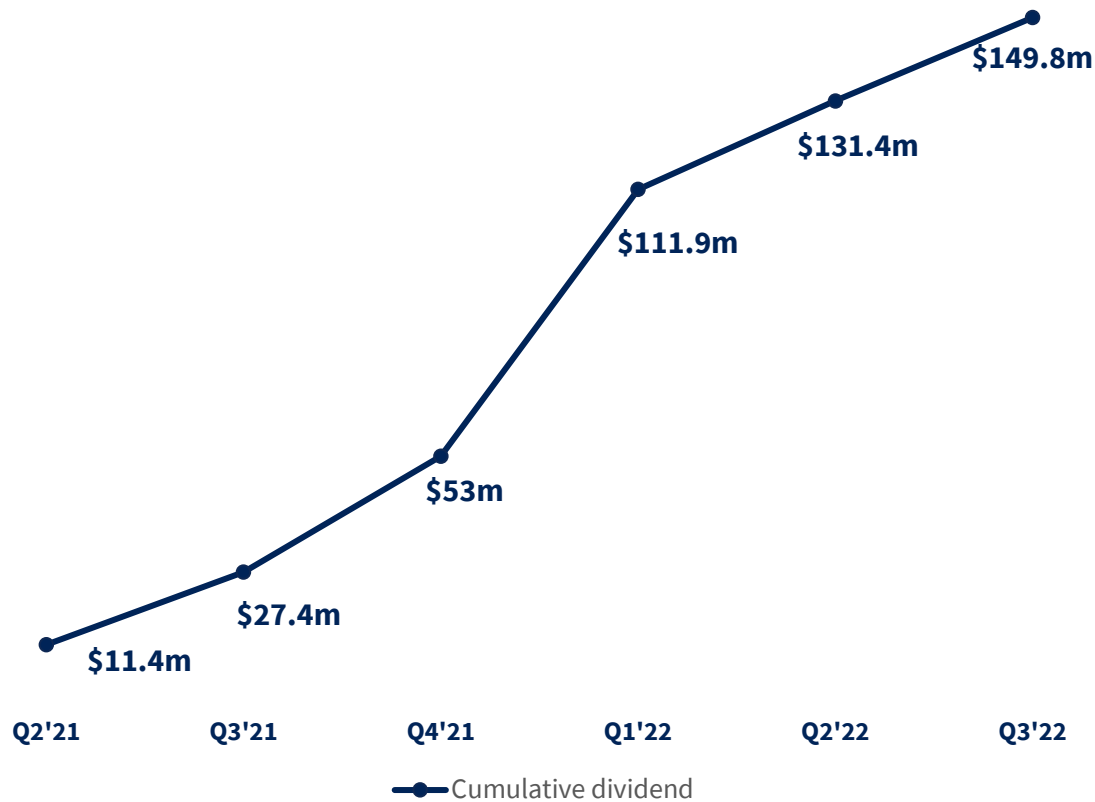
Significant de-risk: Highly Profitable Contract Coverage



Period	Contract coverage	TCE (USD/day)
Q4 2022	90 %	22 900
Q1 2023	70 %	22 500
Q2 2023	55 %	21 700
Q3 2023	43 %	21 500
Q4 2023	33 %	21 500
Q1 2024	17 %	21 500

Cash breakeven for remaining open days in 2023 is below zero

Payout since Dividend Policy Q2 2021

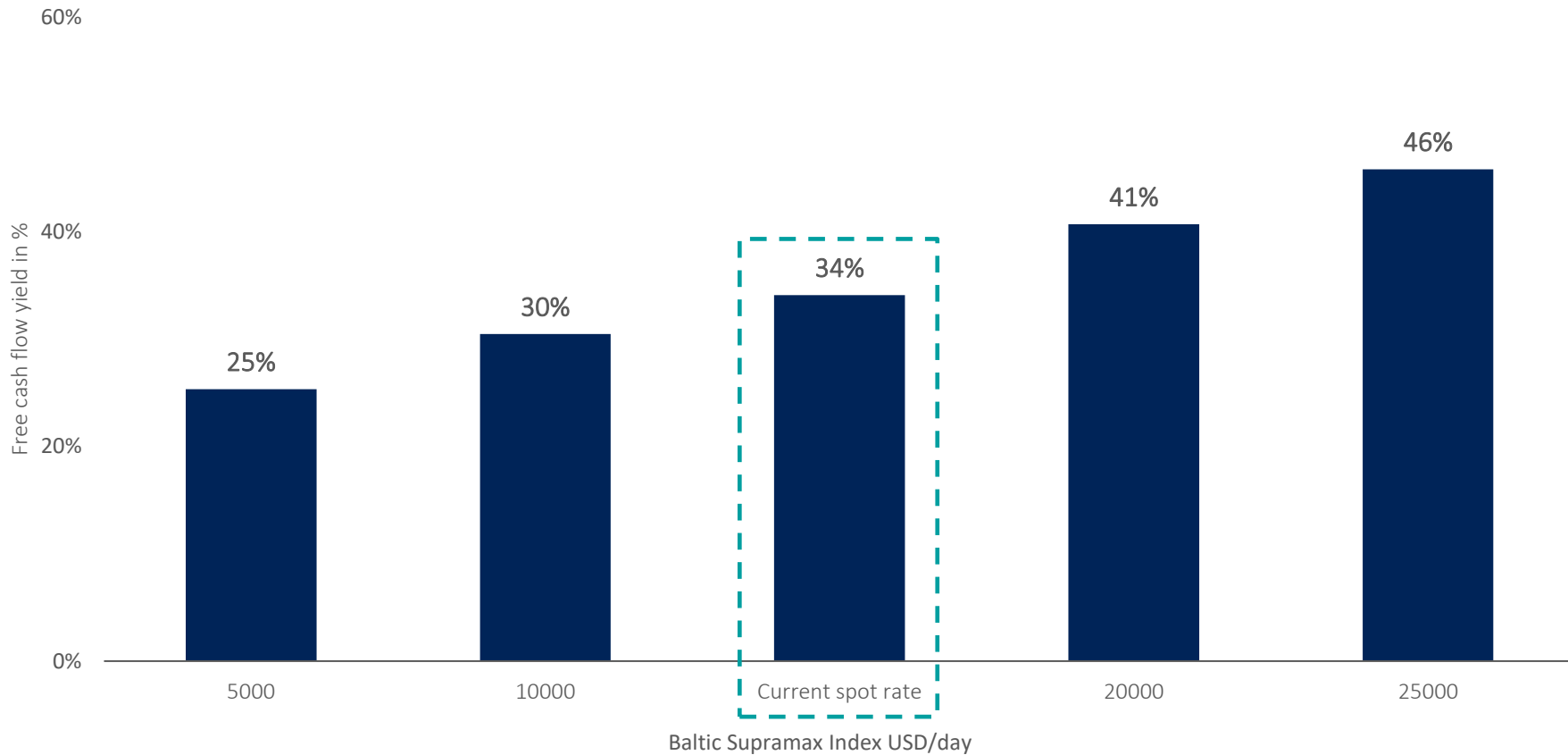


Period	Dividend per share
Q2 2021	0.40
Q3 2021	0.55
Q4 2021	0.90
Q1 2022	2.25
Q2 2022	0.75
Q3 2022	0.75
Total	5.60 NOK

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 even in lower markets

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 10.3, Share price NOK 15, BSI 13 551} – basis 9 Nov 22

Free cash flow yield basis Belships' current contract coverage and contribution from Lighthouse Navigation equal to average last 12 quarters

Belships ASA – A Safe Harbour in High Seas



Modern Ultramax Fleet

31x vessels with an average age of 3.6 years

Fully Financed

Fixed interest rates on 75% of debt

Market Uncertainty

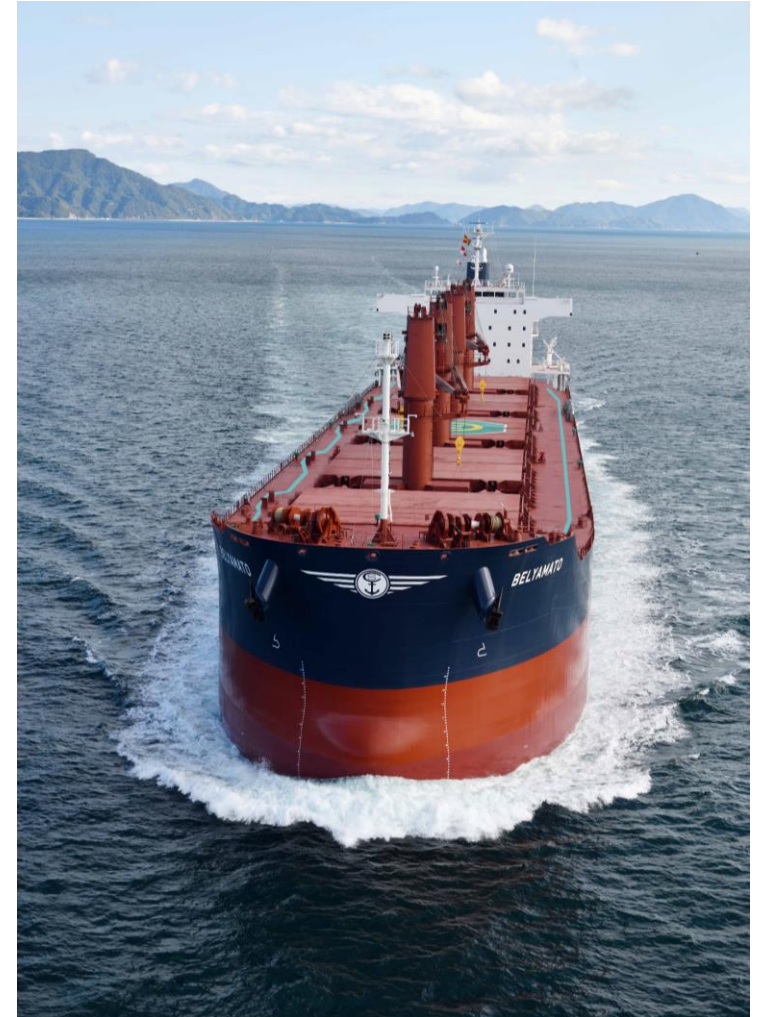
Short term headwinds vs lowest orderbook in 30 years

Solid Contract Coverage

Dividend capacity secured for 2023

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	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	2021
Gross freight revenue	Note 210 459	238 169	720 177	511 150	808 237
Voyage expenses	-59 381	-34 306	-151 895	-93 666	-164 929
Net freight revenue	2 151 078	203 863	568 282	417 484	643 308
Management fees	726	1 397	7 027	4 569	7 366
Operating income	2 151 804	205 260	575 309	422 053	650 674
Share of result from j/v and assoc. comp.	6 327	3 598	25 214	6 081	14 323
T/C hire expenses	-84 036	-125 262	-369 256	-260 187	-400 710
Ship operating expenses	-12 785	-14 675	-39 845	-35 040	-50 457
Operating expenses management companies	-3 677	-10 689	-20 080	-21 605	-30 756
General and administrative expenses	-1 218	-1 090	-5 469	-3 463	-4 795
Operating expenses	-95 389	-148 118	-409 436	-314 214	-472 395
EBITDA	56 415	57 142	165 873	107 839	178 279
Depreciation and amortisation	3 -10 814	-6 780	-28 149	-20 633	-28 735
Gain on sale of ships	3 9 966	0	22 274	0	15 333
Other gains/(-losses)	-1 695	0	2 874	-6 739	-4 048
Operating result (EBIT)	53 872	50 362	162 872	80 467	160 829
Interest income	303	224	403	655	815
Interest expenses	-7 297	-4 000	-18 013	-10 841	-15 881
Other financial items	553	-950	-4 893	-1 294	-2 308
Currency gains/(-losses)	2 626	-798	2 675	-946	-1 325
Net financial items	-3 815	-5 524	-19 828	-12 426	-18 699
Result before taxes	50 057	44 838	143 044	68 041	142 130
Taxes	-291	-9 619	-2 184	6 173	-8 708
Net result	49 766	35 219	140 860	74 214	133 422
Hereof majority interests	46 674	25 024	120 427	55 503	103 983
Hereof non-controlling interests	3 092	10 195	20 433	18 711	29 439
Earnings per share	0.20	0.14	0.56	0.29	0.54
Diluted earnings per share	0.19	0.14	0.55	0.30	0.53

Consolidated statement of financial position

USD 1 000	30 Sep 2022	30 Sep 2021	31 Dec 2021
NON-CURRENT ASSETS			
Intangible assets	Note 0	11 178	0
Ships	3 724 314	511 766	580 628
Prepayment of ships	13 500	0	0
Property, Plant, and Equipment	3 806	4 375	4 227
Investments in j/v and assoc. companies	25 057	5 779	13 997
Other non-current assets	104	2 373	821
Total non-current assets	766 781	535 471	599 673
CURRENT ASSETS			
Assets held for sale	0	21 349	23 933
Bunker inventory	15 288	14 963	16 492
Current receivables	75 893	64 031	52 332
Cash and cash equivalents	116 302	106 461	105 204
Total current assets	207 483	206 804	197 961
Total assets	974 264	742 275	797 634
EQUITY AND LIABILITIES			
Equity			
Paid-in capital	157 839	158 678	158 802
Retained earnings	91 739	49 773	82 739
Non-controlling interests	32 371	23 131	31 378
Total equity	281 949	231 582	272 919
NON-CURRENT LIABILITIES			
Long-term interest bearing debt	4 516 613	386 354	412 881
Other non-current liabilities	1 633	2 189	1 757
Total non-current liabilities	518 246	388 543	414 638
CURRENT LIABILITIES			
Current portion of interest bearing debt	4 69 133	30 243	24 467
Other current liabilities	104 936	91 907	85 610
Total current liabilities	174 069	122 150	110 077
Total equity and liabilities	974 264	742 275	797 634

Uniform and Modern Fleet of 31 Bulk Carriers



Vessel	Built	DWT	Yard
Newbuild TBN BELMONDO	2023	64 000	Imabari
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