



COMPANY PRESENTATION | Q4 2020

February 2021



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

40%

Purchase options on almost half the fleet

USD 10 300

cash break-even per day

16%

Historical outperformance of Baltic Supramax index

Highlights – Q4 2020

THE MARKET IS BACK – 2021 OUTLOOK IMPROVED

- Operating income of USD 59.9 million (Q4 2019: USD 38.9m)
- EBITDA of USD 11.3m (USD 8.5m)
- Net result of USD 0.9m (USD 2.1m)
- Net TCE per ship of USD 10 502 per day versus BSI index of USD 10 211 net per day
- 33 per cent of available ship days in 2021 are booked at USD 11 716 net per day
- Positioned to take advantage of improved market with 80 per cent open vessel days in Q2-Q4 2021
- BELFORT and BELORIENT sold with delivery in Q2 2021 as part of fleet modernising with two newbuildings delivering in 2021
- Record EBITDA of USD 5.6m from management companies after rebound and expansion
- Modern fleet of 23 vessels with an average age of 5 years

Earnings summary

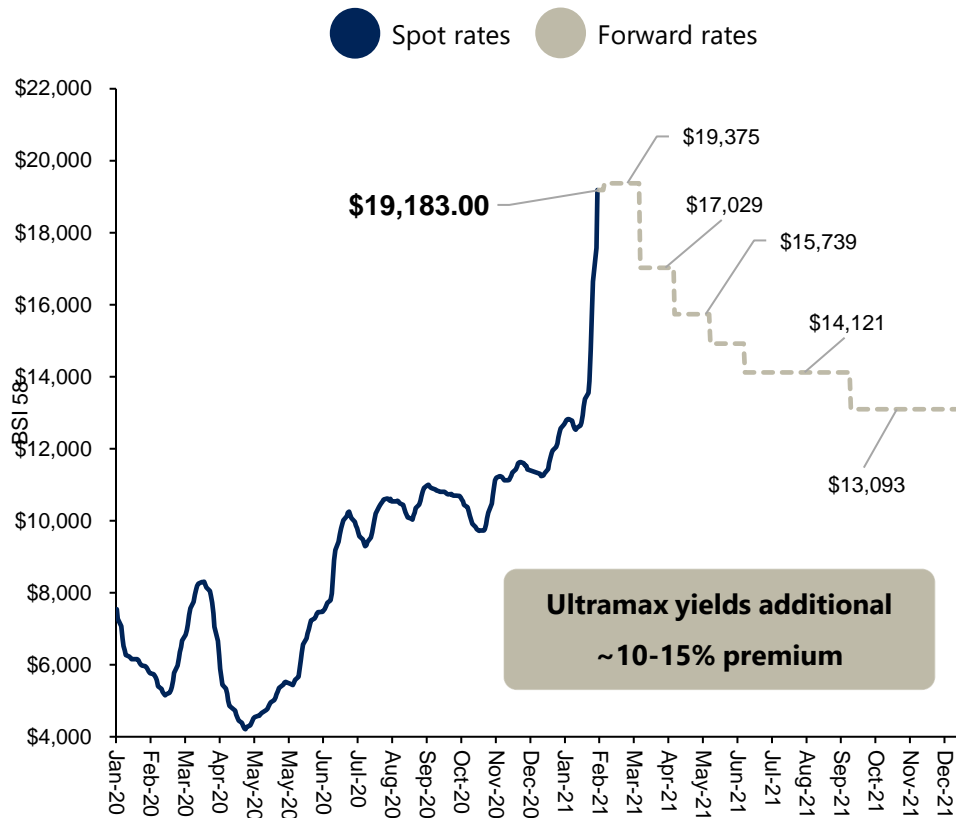
Q4 2020	Q4 2019
Average TCE USD 10 502/day	Average TCE USD 11 992/day
EBITDA USD 11.3m	EBITDA USD 7.4m
Net result USD 0.9m	Net result USD 2.1m

Financial position

Assets	Equity and liabilities
Owned ships USD 220.4m	Equity USD 150.0m (32%)
Leased ships USD 157.1m	Mortgage loans USD 141.7m
Cash and cash equivalents USD 34.0m	Lease liabilities USD 139.7m
Other assets USD 52.9m	Other liabilities USD 33.0m

Market update – Spot rates not seen in a decade

Current Supramax spot and FFA curve



CORONA (COVID-19) – With vaccines being rolled out there are clear signs of the economy recovering and pent-up demand driving the market. The pandemic has put strains on our sailing officers and crew, however we have managed to maintain safe and continued vessel operations.

CARGO – A rally in commodity markets coupled with a cold winter season has resulted in a freight market not seen in a decade. Import figures for most regions is again showing growth, after a period in 2020 where China almost single handedly spurred a rebound in the dry bulk market.

ORDERBOOK/SUPPLY - The publicly quoted order book for the Supra/Ultramax segment is below 5 per cent – historically very low. In relative terms, we are heading towards the lowest rate of supply growth in 30 years. The average sailing speed has increased, showing that the market has been able to absorb this inherent fleet supply during a sharp increase in spot rates. This is an important indicator of a stronger market sentiment.

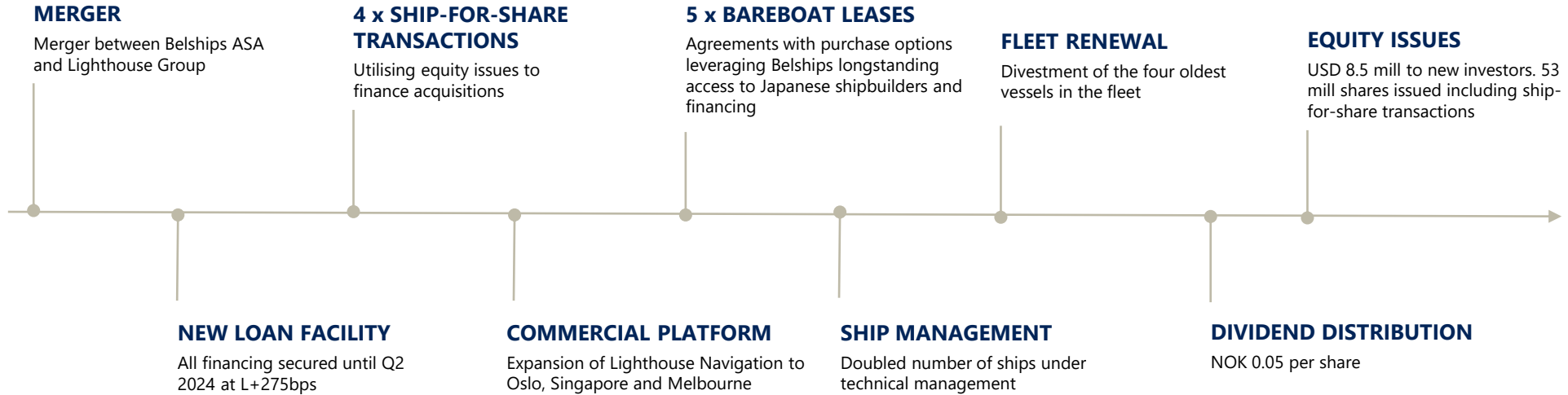
STIMULUS - Continued credit growth and economic stimulus is expected to aid a recovery in dry bulk in 2021-22 as the effects of fiscal stimulus usually lags about 12-24 months. Seaborne iron ore is predominantly driven by Chinese demand whereas minor bulks tend to correlate closer with GDP. GDP forecasts predict healthier levels of economic activity for 2021.

MARKET PROSPECTS – The market outlook has turned very bullish. With the rate of growth on the supply side diminishing and post-COVID-19 normalisation now occurring in tandem with a wider commodity rally it appears that the stars are aligning for the dry bulk market in 2021-22. The strength in dry bulk market rates has barely started to take effect on vessel values.

Proven ability to execute growth strategy



Key milestones 2019 - 2021



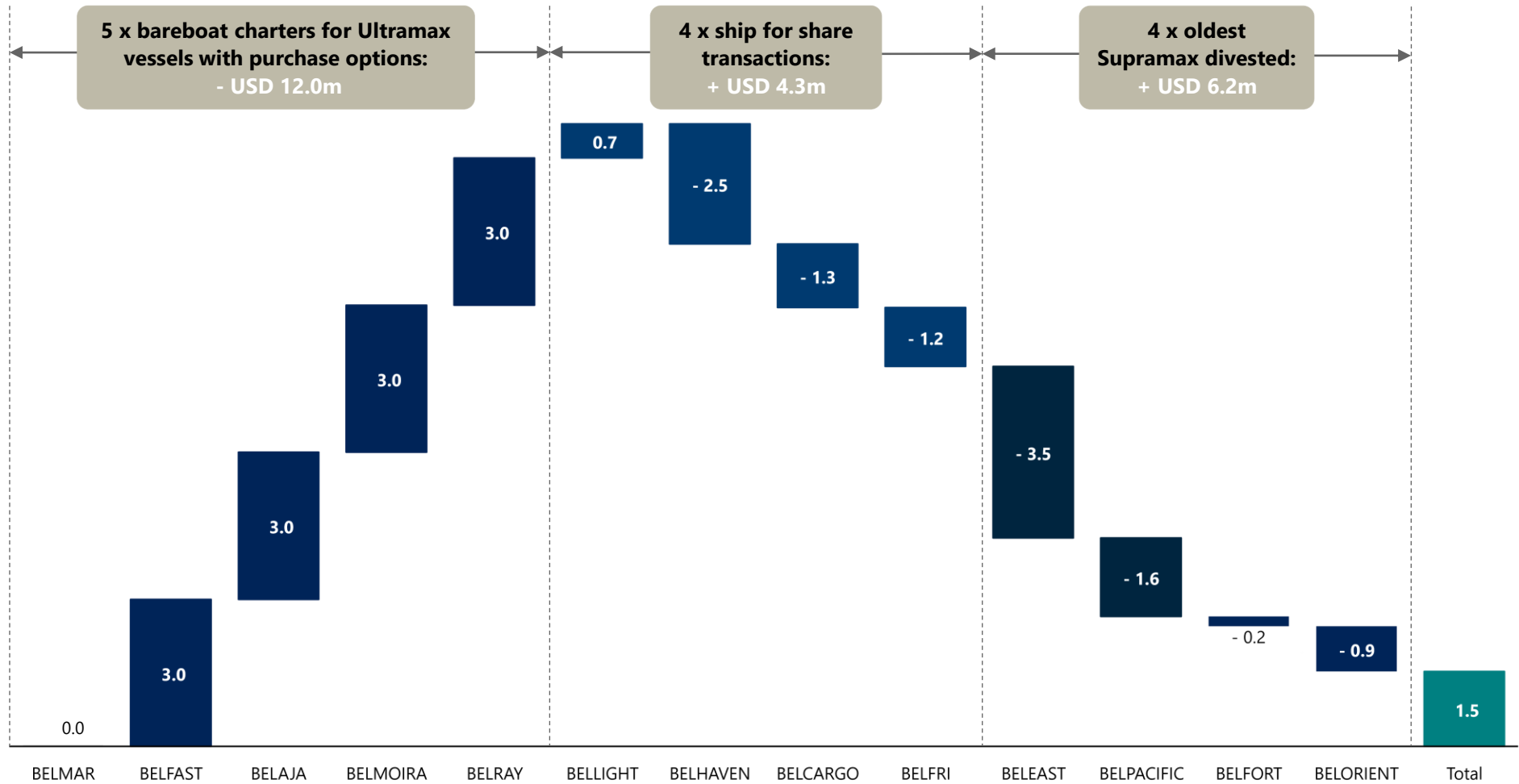
7 → 23
Bulk carriers

USD 30m → USD 180m
Market capitalisation

Pushing the growth agenda – Net cash invested USD 1.5m

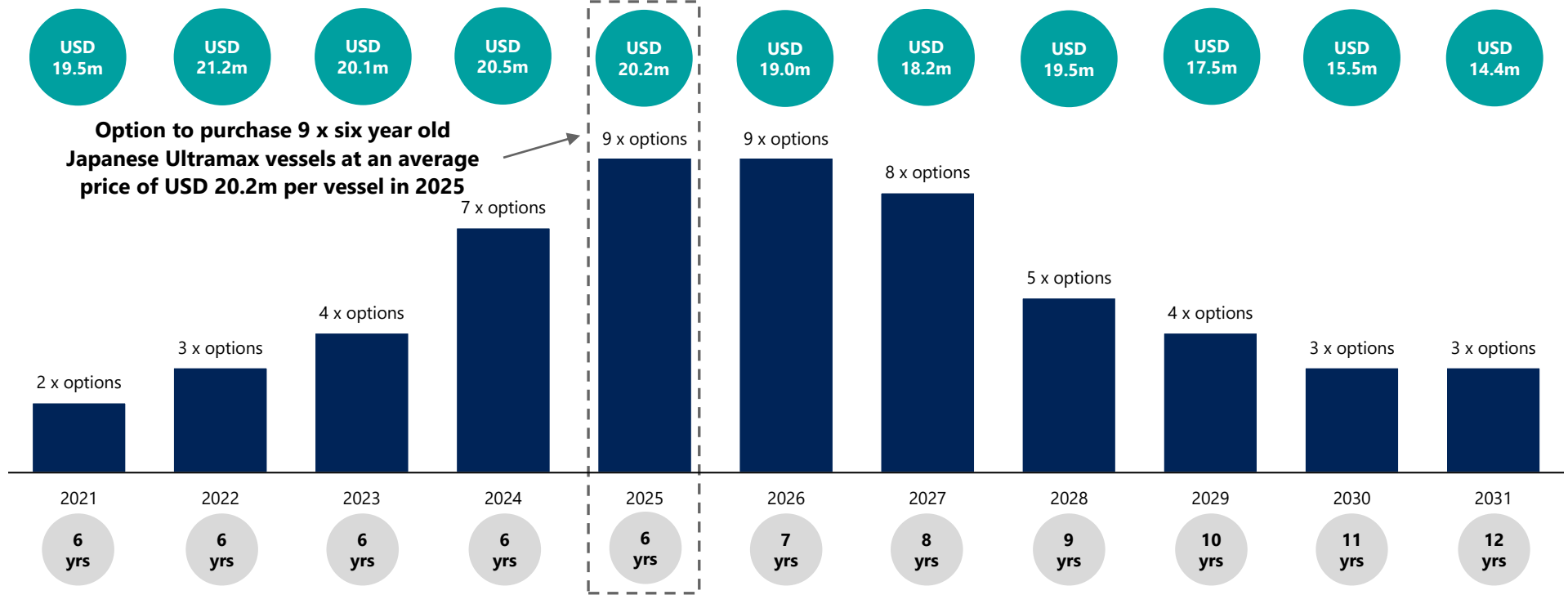


Cash effect recent transactions (USDm)



Purchase options provide upside and flexibility

Average purchase option price



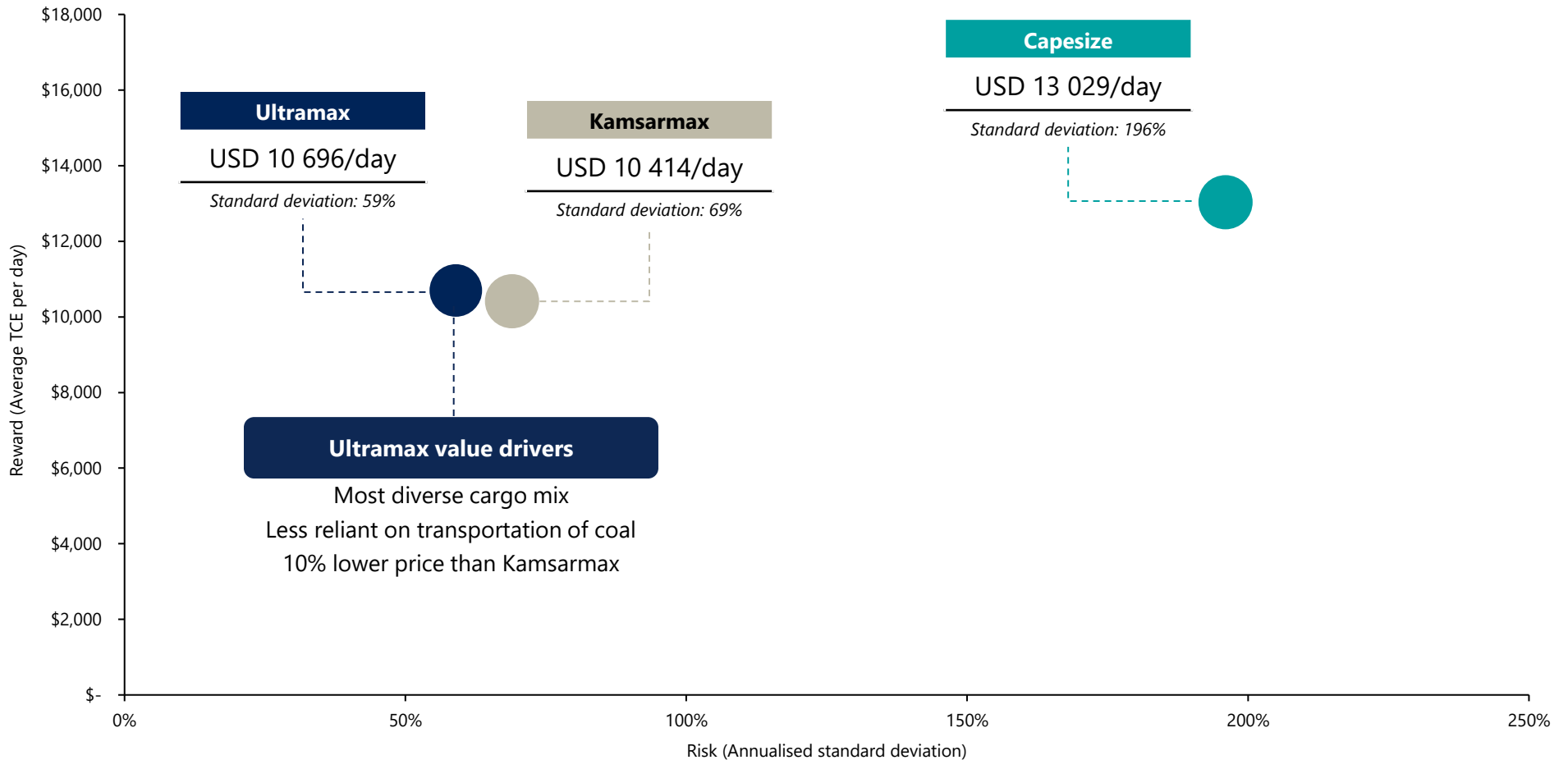
Average age of vessels

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

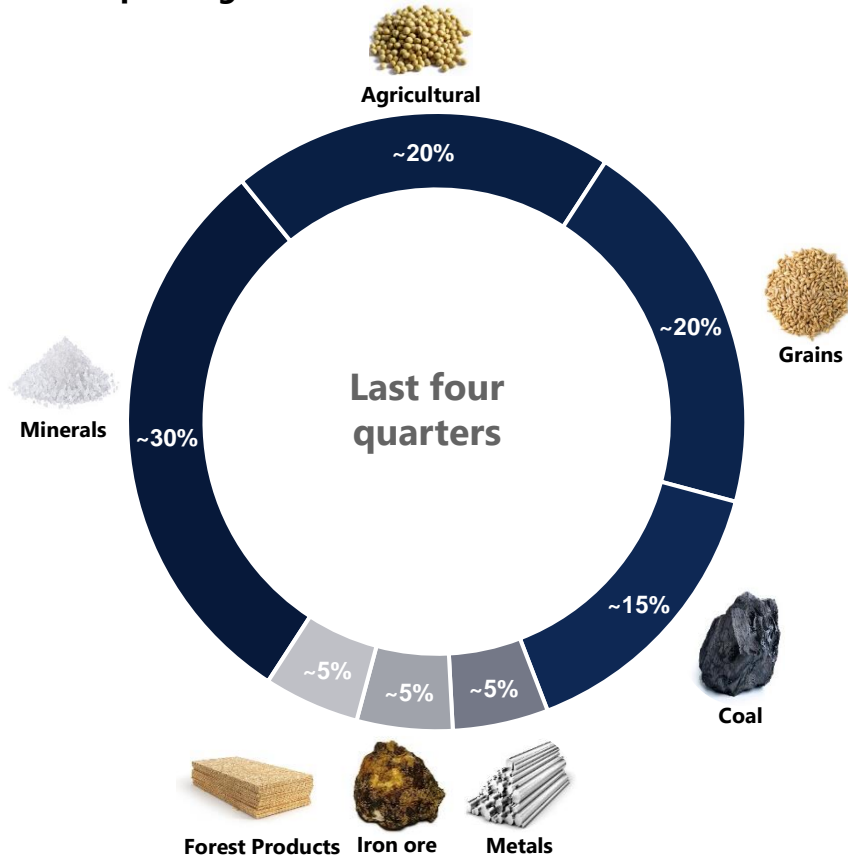
Kamsarmax: BPI82 2018-2020, BPI74 plus \$1 300 day prior to 2018

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

Source: Baltic Exchange

Supra/Ultramax - The largest geared vessel segment

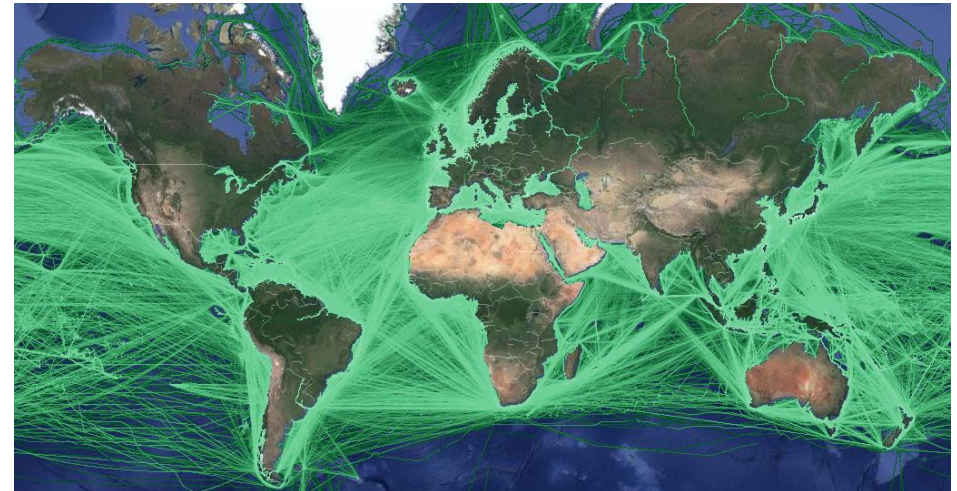
Belships' cargo mix



Diverse cargo base

- **VOLUME GROWTH** - Minor bulks demand expected to fully recover from the impact of COVID-19 increasing 5% YoY in 2021
- **COMMERCIAL PLATFORM** - Expansion of commercial platform provides additional opportunities to take full advantage of market inefficiencies

Geared vessels' trading patterns

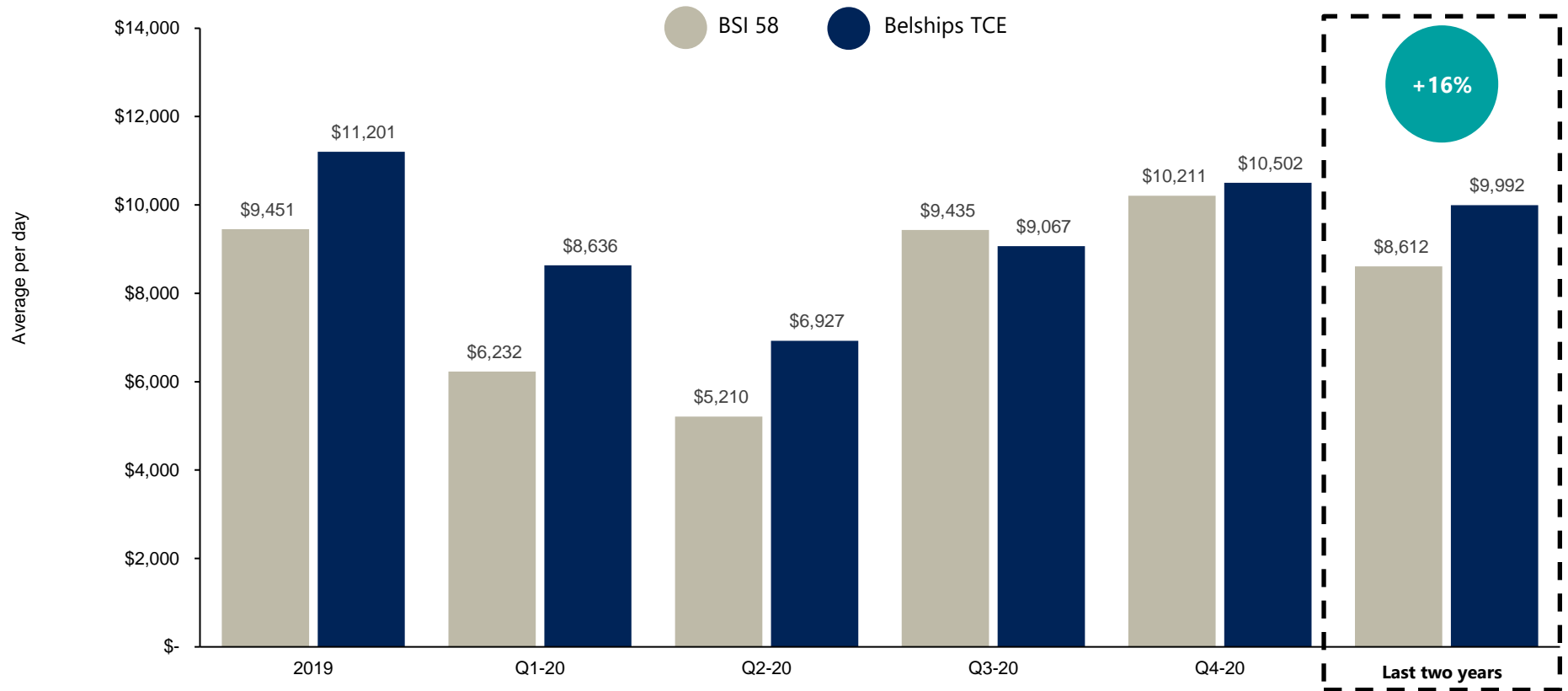


Global trading pattern

16% outperformance of the BSI index last two years



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	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
	BELLIGHT (ex 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 ¹
	BELFORT	2008	50,000	PT Pal	Owned ²

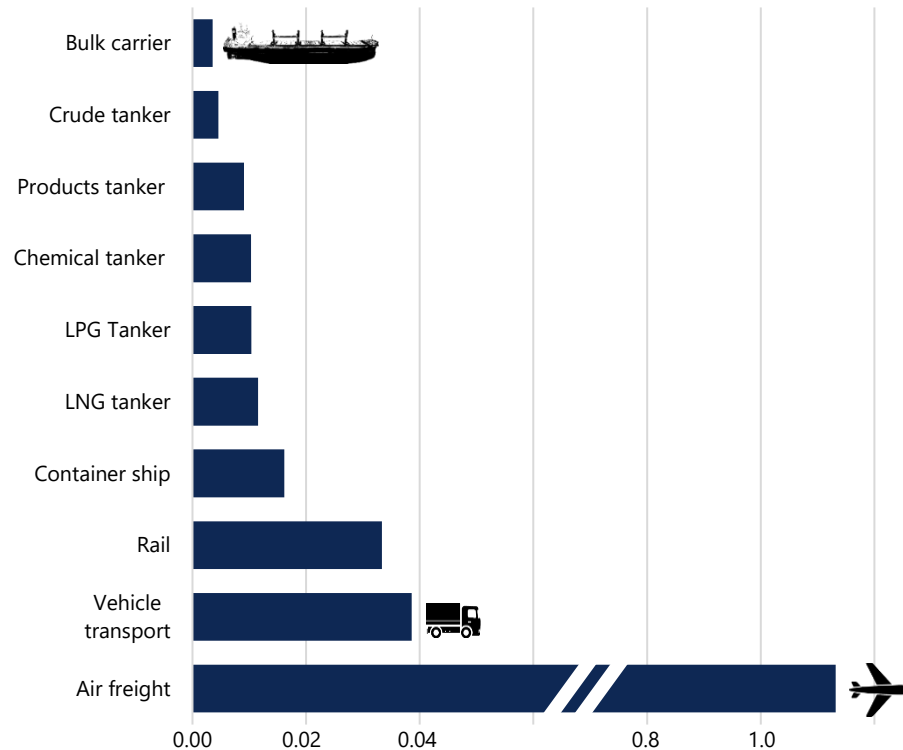
- 1) Sold with expected delivery to buyer in April/May 2021
 2) Sold with expected delivery to buyer in March/April 2021

- 1) Delivery 2H 2021 ten years bareboat charter with purchase options after fourth year
 2) Delivery January 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.

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

CO2 per tonne km



Agenda

2020

- Modernisation continues, with three fully-financed new eco Ultramax vessels being delivered in 2020
- 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
- Part of the Maritime Anti-Corruption Network (MACN) working towards the vision of a maritime industry free of corruption

2021

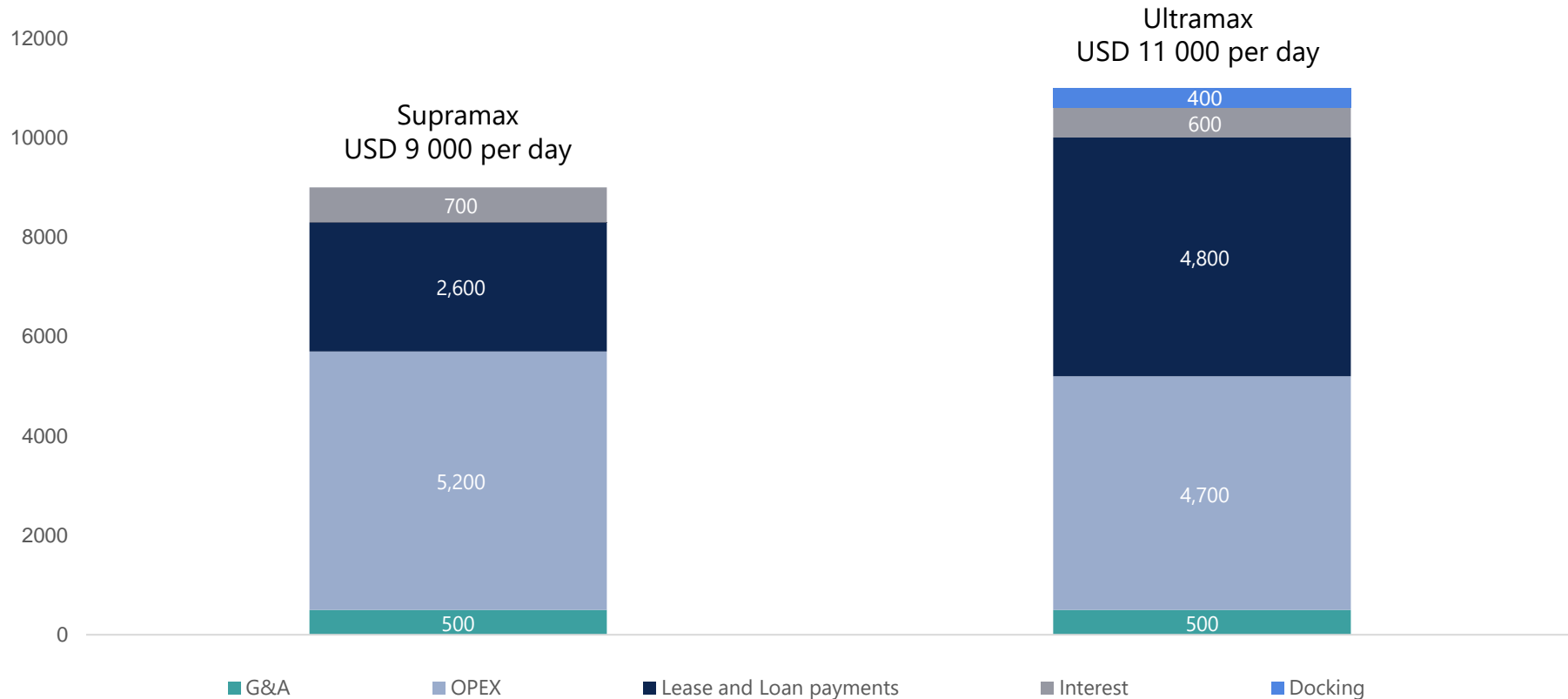
- 2 eco Ultramax newbuildings to be delivered in 2021
- Signed the Neptune declaration as part of ongoing work to mitigate impact of Covid-19 on our seafarers
- Belships will issue a separate ESG report in accordance with the Marine Transport Framework

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

Contributing towards sustainable shipping through modernisation and transparency

2021 guidance

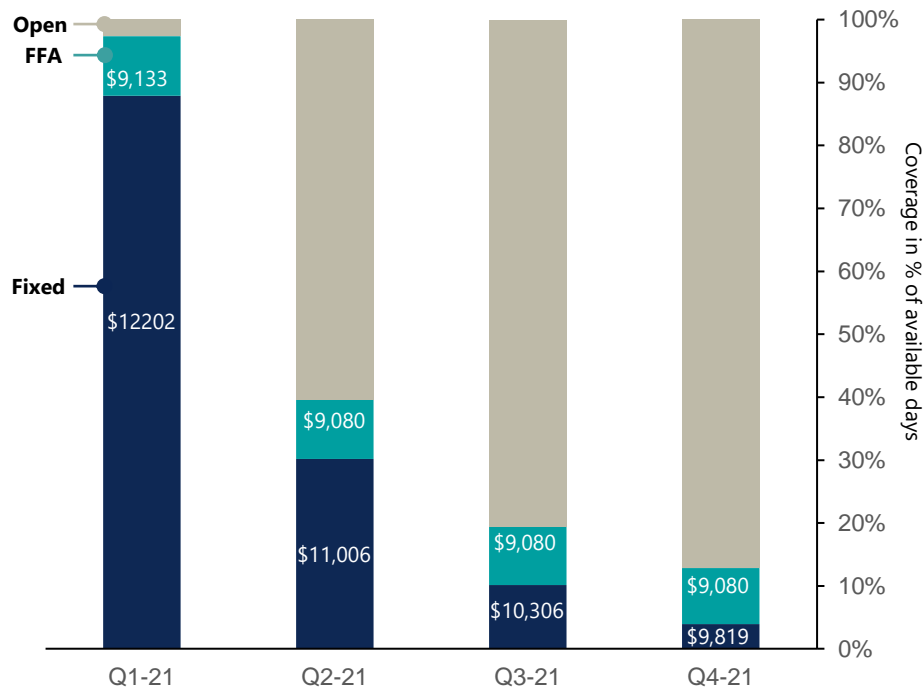
Cash break-even per day



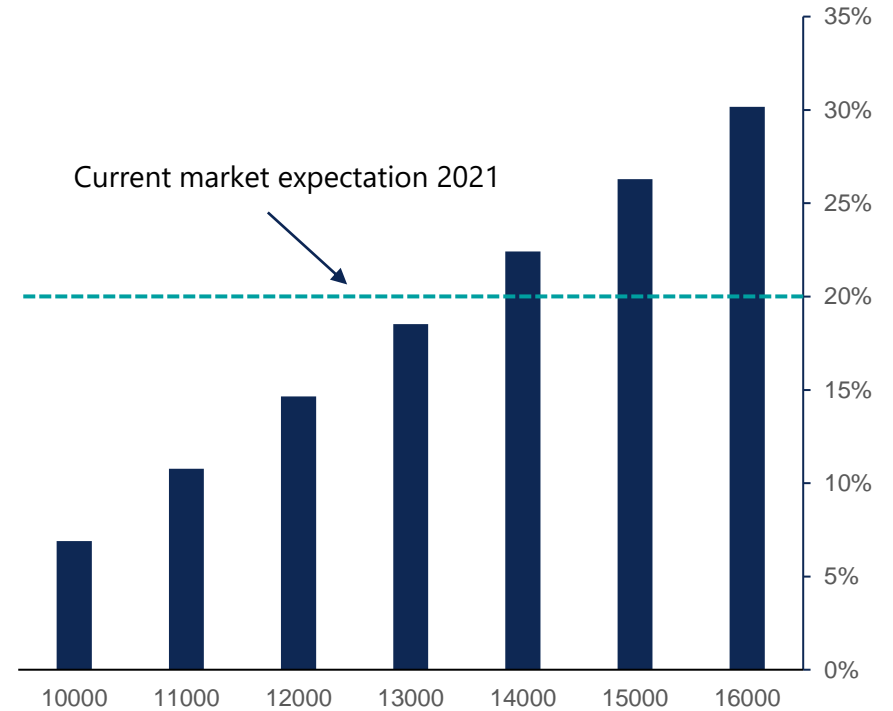
Superior cash break-even driven by low costs and competitive financing

Increasing operational leverage

Coverage 2021 (USD net per day)



Free cash flow to equity ratio 2021

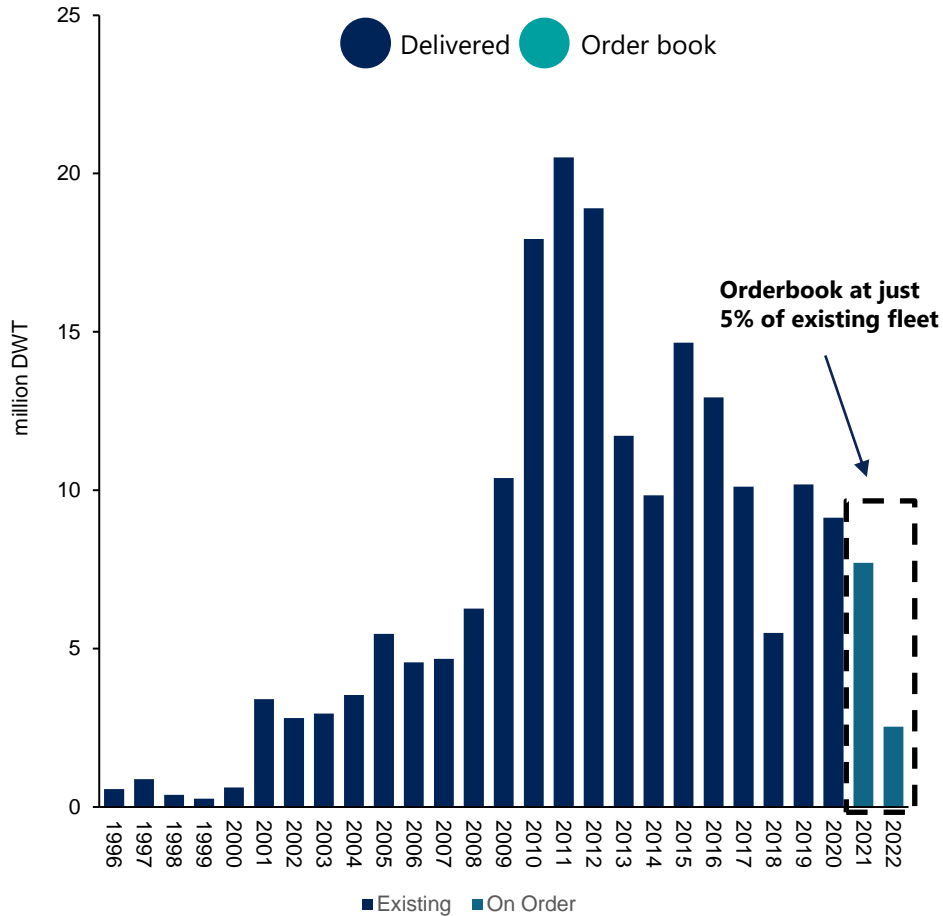


40% of 2021 (incl FFA) booked at USD 11 140 net

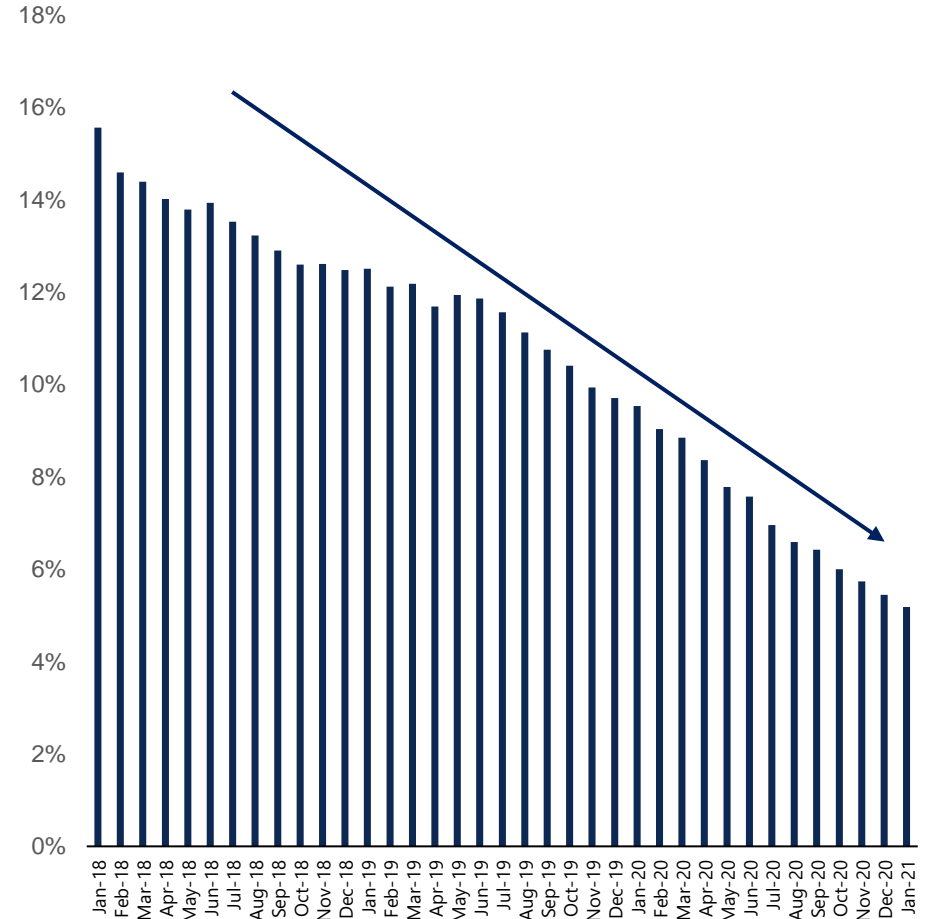
80% of days in Q2-Q4 2021 are open

Lowest fleet growth in decades

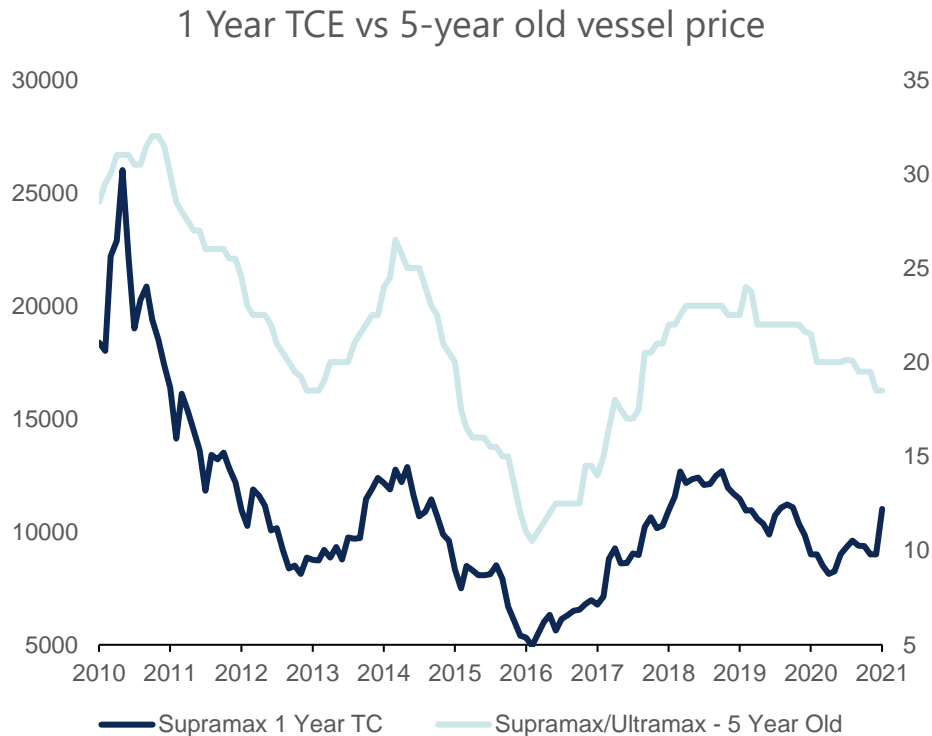
Annual schedule



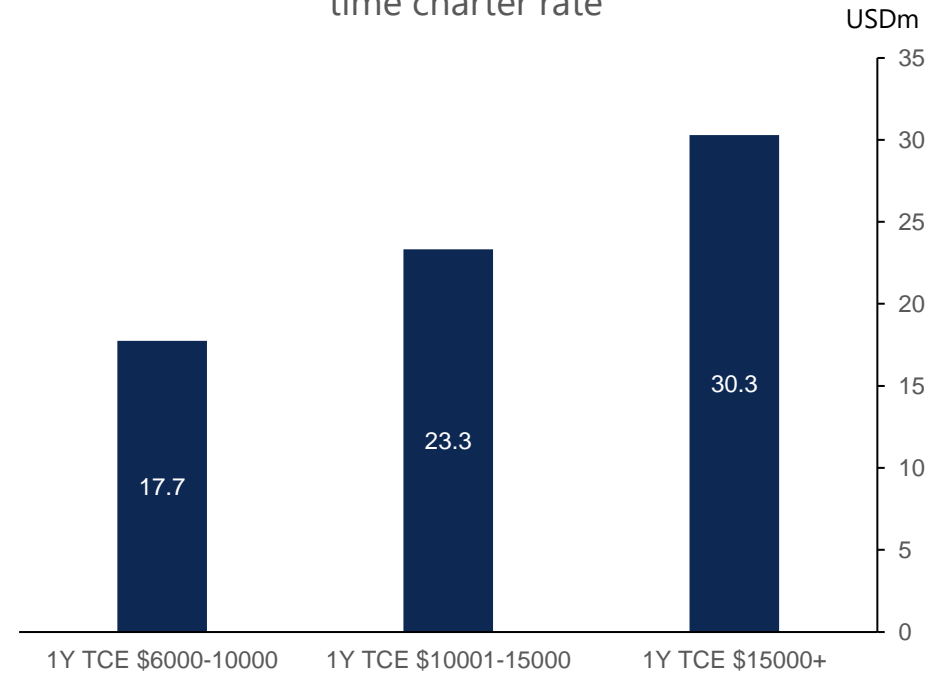
Order book in % of fleet



Significant upside in vessel values



Average 5-year old vessel prices given 1 year time charter rate



Low interest rates historically a leading indicator of value appreciation

Vessel prices are 20-25% lower than historical average given current 1Y TCE rates

Belships ASA - Investment highlights



Platform

Proven track record – with growth prospects

Governance

Simple structure, low costs and governance leader

Flexibility

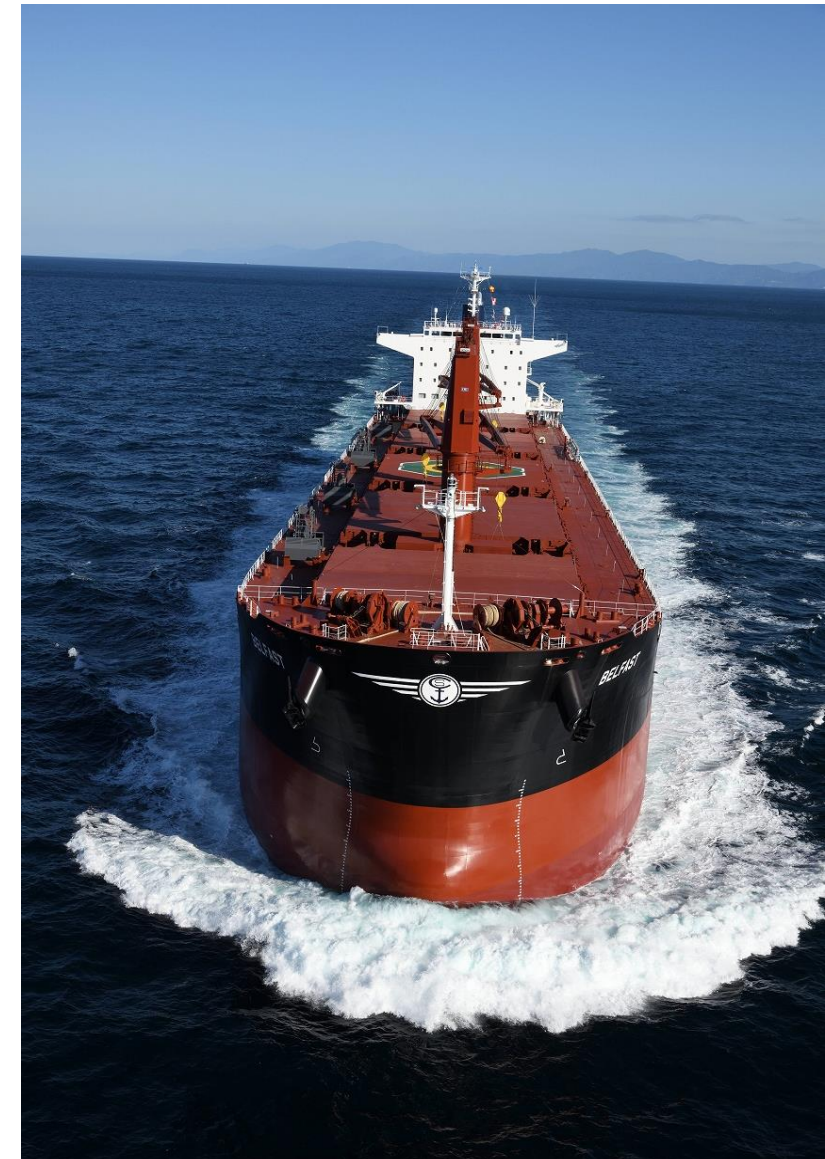
40% of the fleet with purchase options – no obligations

Leverage

High operational leverage providing significant upside

Key drivers

Infrastructure boom ahead of lowest orderbook in 30 years



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Consolidated statement of income and financial position



Consolidated statement of income

USD 1 000		Q4 2020	Q4 2019	2020	2019
Gross freight revenue	Note	78 095	48 784	220 332	153 909
Voyage expenses		-19 918	-10 008	-61 065	-30 243
Net freight revenue	2	58 177	38 776	159 267	123 666
Management fees		1 679	194	6 095	7 650
Operating income	2	59 856	38 970	165 362	131 316
Share of result from j/v and assoc. comp.		1 541	815	3 052	2 715
T/C hire expenses		-36 642	-13 958	-90 401	-49 825
Ship operating expenses		-8 673	-11 952	-38 675	-33 558
Operating expenses ship management		-1 129	-1 215	-3 490	-4 125
General and administrative expenses		-3 633	-4 133	-11 862	-11 815
Operating expenses		-48 536	-30 443	-141 376	-96 608
EBITDA		11 320	8 527	23 986	34 708
Depreciation and amortisation	3	-6 036	-9 372	-27 286	-23 074
Impairment	3	-89	0	-4 957	0
Gain on sale of ships		0	4 381	2 469	4 381
Other gains/(-losses)	6	-891	2 119	1 165	2 119
Operating result (EBIT)		4 304	5 655	-4 623	18 134
Interest income		242	99	985	283
Interest expenses		-3 233	-2 817	-13 668	-10 522
Other financial items		-340	-389	-729	-1 127
Currency gains/(-losses)		239	666	875	-13
Net financial items		-3 092	-2 441	-12 537	-11 379
Result before taxes		1 212	3 214	-17 160	6 755
Taxes		-349	-1 142	-583	-1 655
Net result		863	2 072	-17 743	5 100
Hereof majority interests		-1 742	1 243	-19 898	3 487
Hereof non-controlling interests		2 605	829	2 155	1 613
Earnings per share		0.01	0.01	-0.08	0.03
Diluted earnings per share		0.01	0.01	-0.08	0.03

Consolidated statement of financial position

USD 1 000		31 Dec 2020	31 Dec 2019
NON-CURRENT ASSETS	Note		
Intangible assets		1 770	4 629
Ships, owned	3	214 494	213 052
Ships, right-of-use assets	3	157 143	92 720
Prepayment of lease obligations on ships		3 000	6 000
Property, Plant, and Equipment		4 878	4 790
Investments in j/v and assoc. companies		2 123	3 303
Other non-current assets		5 394	8 311
Total non-current assets		388 802	332 805
CURRENT ASSETS			
Assets held for sale		5 917	0
Bunkers		5 344	5 832
Current receivables		30 431	14 576
Cash and cash equivalents		33 985	44 428
Total current assets		75 677	64 836
Total assets		464 479	397 641
EQUITY AND LIABILITIES			
Equity			
Paid-in capital		137 962	125 927
Retained earnings		5 956	25 717
Non-controlling interests		6 099	4 471
Total equity		150 017	156 115
Non-current liabilities			
Mortgage debt	4	119 561	127 249
Lease liability	5	127 754	73 646
Other non-current liabilities		2 769	3 060
Total non-current liabilities		250 084	203 955
Current liabilities			
Mortgage debt	4	22 176	9 388
Lease liability	5	11 986	7 315
Other current liabilities		30 216	20 868
Total current liabilities		64 378	37 571
Total equity and liabilities		464 479	397 641