



COMPANY PRESENTATION | Q1 2021

May 2021



BELSHIPS

Belships ASA – Owner and Operator of Bulk Carriers



The most attractive midsize fleet

26x
Supra/Ultramax bulk carriers



Fully integrated shipowner and operator

Quality in-house management platforms delivering profits



Strong financial position and sponsors

Capital discipline and track record of accretive growth



Leading in corporate governance

Track record for transparency and zero conflicts of interest

5 years

average fleet age

5 offices

global company, local presence

USD 10 500

cash break-even per day

Founded 1918

stock listed since 1937

Highlights – Q1 2020



BELSHIPS

IMPROVED MARKET OUTLOOK AND INTRODUCTION OF DIVIDEND POLICY

- Operating income of USD 76.4 million (USD 31.7m)
- EBITDA of USD 14.7m (USD 4.9m)
- Net result of USD 16.5m (USD 0.2m)
- Net TCE per ship of USD 12 162 per day versus BSI index of USD 16 140 net per day
- EBITDA of USD 3.7m from management companies proving continued strong performance
- Private placement successfully completed
- Entered into agreement to acquire 4xUltramax newbuilding resales with delivery 2H 2021 financed through bareboat agreements with average cash breakeven of USD 10 800 per day
- Acquired a 2017-built bulk carrier for USD 21.75m in a cash and shares transaction
- Two vessels fixed for 1 year time charter at USD 21 250 and USD 22 000 gross per day
- 31 per cent of available ship days in the next four quarters are booked at about USD 16 200 net per day
- Introduction of dividend policy
- Modern fleet of 26 vessels with an average age of 5 years and average cash breakeven of about USD 10 500 per day

Earnings summary

Q1 2021	Q1 2020
Average TCE USD 12 162/day	Average TCE USD 8 636/day
EBITDA USD 14.7m	EBITDA USD 4.9m
Net result USD 16.5m	Net result USD 0.2m

Financial position

Assets	Equity and liabilities
Owned ships USD 206.6m	Equity USD 182.9m (35%)
Leased ships USD 182.2m	Mortgage loans USD 134.9m
Cash and cash equivalents USD 51.6m	Lease liabilities USD 161.8m
Other assets USD 89.3m	Other liabilities USD 50.1m

Proven ability to execute growth strategy



Key milestones 2019 - 2021



From 7 → 26 bulk carriers

Net cash invested USD 17.2m

USD 30m → USD 280m

Market capitalisation increase

Lighthouse Navigation – Commercial operations

Lighthouse Navigation was established in 2009 and is the commercial arm of Belships ASA providing chartering and operations with a long track record and experience from the dry cargo market. The commercial trading activities have expanded and is now present in Bangkok, Oslo, Singapore and Melbourne. Lighthouse is also the commercial manager of seven handysize vessels owned by SFL Corporation Ltd.

Track record

Profitable every year since its inception in 2009

Vessels under management

More than 70 vessels managed during the quarter

Expanding operation

Present in 4 countries with over 80 employees

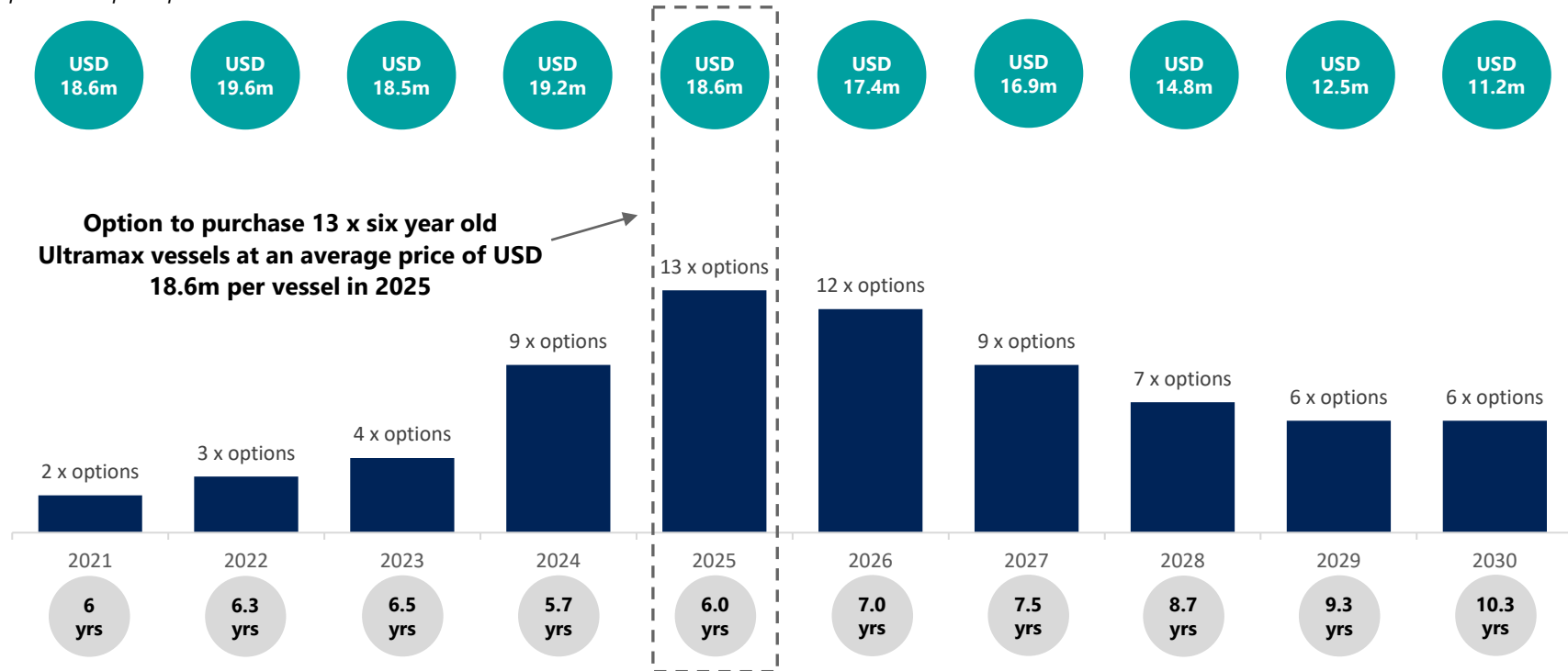
Low risk profile

Hands-on approach with leading employees invested



Purchase options provide upside and flexibility

Average purchase option price



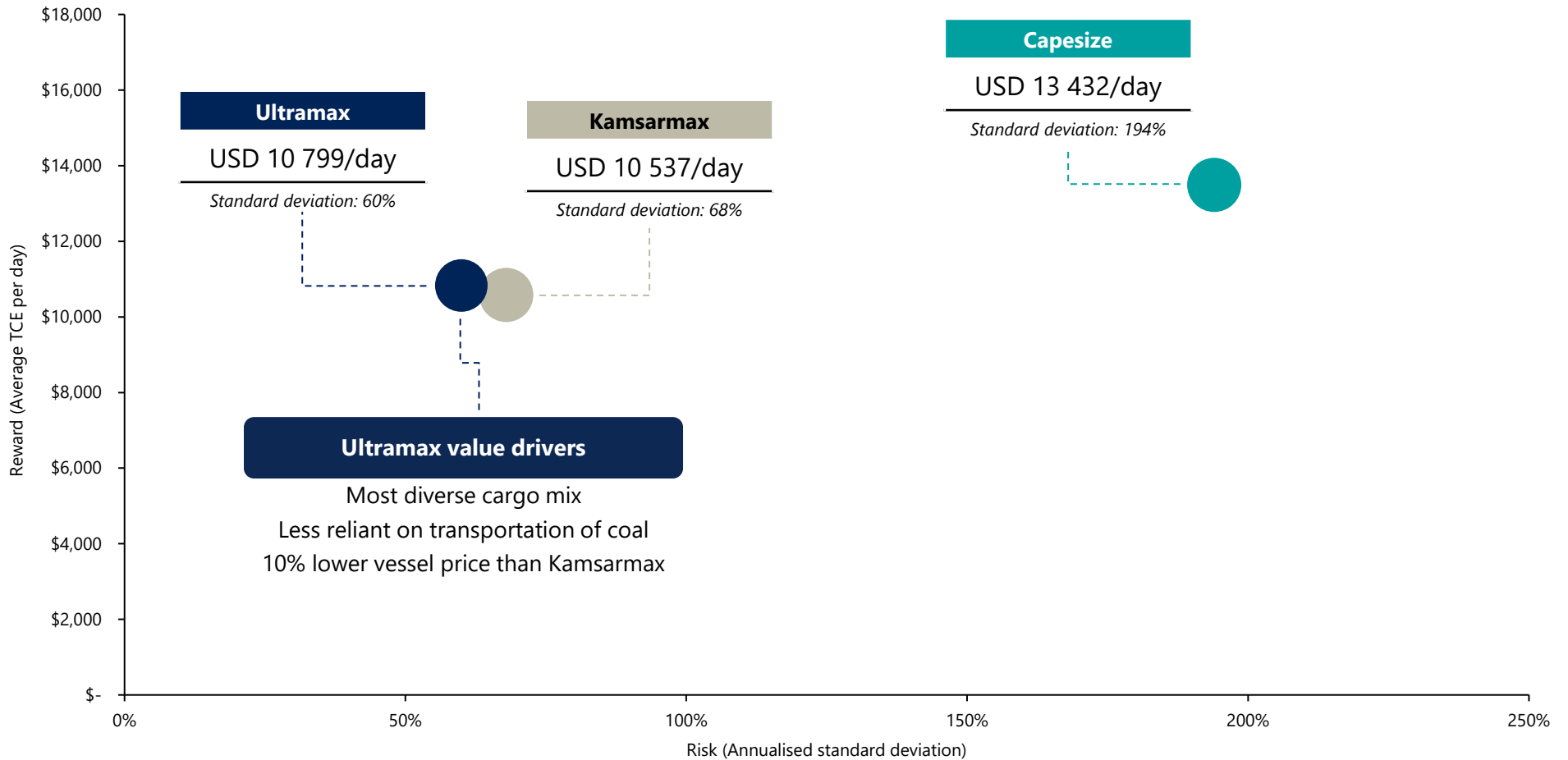
Average age of vessels

Purchase options on 50% of current fleet

No purchase obligations on any 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

Uniform fleet of 26 Supra/Ultramax bulk carriers

Ultramax

	Vessel	Built	DWT	Yard	Ownership
21 x Ultramax	BELFORCE (NEWBUILD)	2021	61,000	Dacks	BB-in ¹
	BELKNIGHT (NEWBUILD)	2021	61,000	Dacks	BB-in ²
	BELTRADER (NEWBUILD)	2021	61,000	Dacks	BB-in ³
	BELGUARDIAN (NEWBUILD)	2021	61,000	Dacks	BB-in ³
	BELMAR (NEWBUILD)	2021	64,000	Imabari	BB-in ³
	BELFAST	2021	64,000	Imabari	BB-in ⁴
	BELAJA	2020	61,000	Shin Kurushima	BB-in ⁵
	BELMOIRA	2020	61,000	Shin Kurushima	BB-in ⁵
	BELFUJI	2020	63,000	Imabari	TC-in ⁶
	BELRAY	2019	61,000	Shin Kurushima	BB-in ⁷
	BELNIPPON	2018	63,000	Imabari	TC-in ⁸
	BELHAVEN	2017	63,000	Imabari	Owned
	BELTIGER (TO BE DELIVERED)	2017	63,000	New Times	Owned ⁹
	BELISLAND	2016	61,000	Imabari	BB-in ¹⁰
	BELFOREST	2015	61,000	Imabari	BB-in ¹¹
	BELINDA	2016	63,000	Hantong	Owned
	BELMONT	2016	63,000	Hantong	Owned
	BELATLANTIC	2016	63,000	Hantong	Owned
	BELLIGHT	2016	63,000	New Times	Owned
	BELPAREIL	2015	63,000	Hantong	Owned
	BELSOUTH	2015	63,000	Hantong	Owned

- 1) On delivery 2H 2021 10 years bareboat charter with purchase options after third year
- 2) On delivery 2H 2021 7 years bareboat charter with purchase options after third year
- 3) On delivery 2H 2021 10 years bareboat charter with purchase options after fourth year
- 4) Delivered Q1 2021 10 years bareboat charter with purchase options after fourth year
- 5) Delivered Q1 2020 7 years bareboat charter with purchase options after fourth year
- 6) Delivered Q1 2020 8 years time charter with purchase options after fourth year
- 7) 7 years bareboat with purchase options after fourth year
- 8) 8 years time charter with purchase options after fourth year
- 9) Expected delivery Q2/Q3 2021
- 10) 15 years bareboat charter with purchase options after fifth year
- 11) 12 years bareboat charter with purchase options after third year

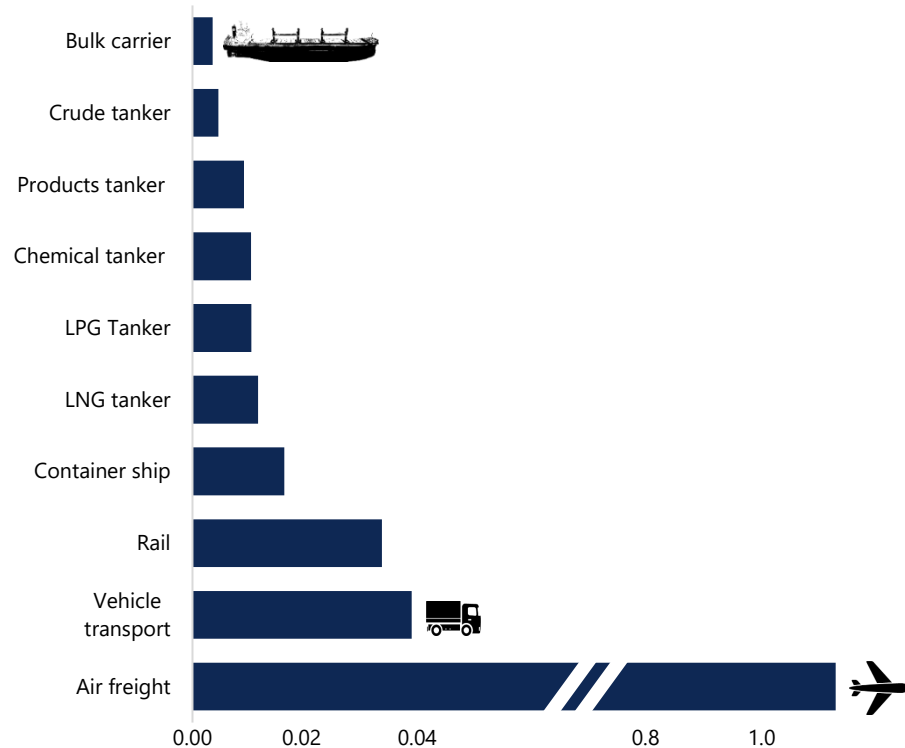
Supramax

	Vessel	Built	DWT	Yard	Ownership
5 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

The group has no purchase obligations on any of the lease agreements

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

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

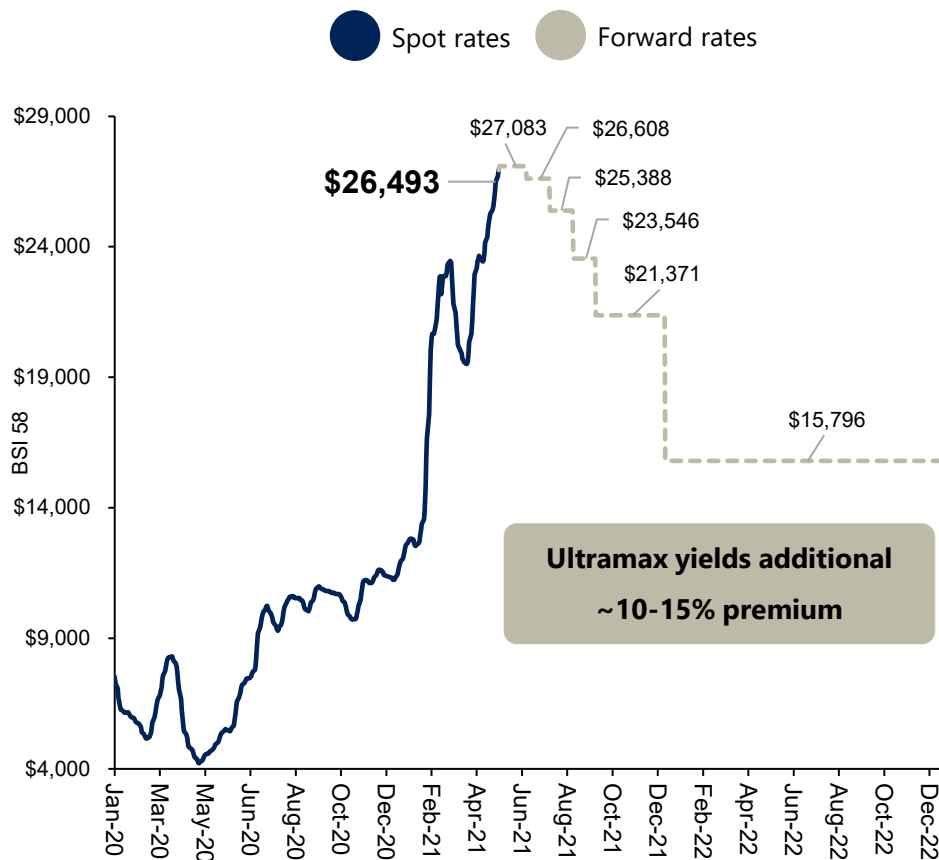
2021

- 6 x 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
- Issued first comprehensive ESG report in accordance with the Marine Transport Framework

Contributing towards sustainable shipping through modernisation and transparency

Market update – strongest 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 after a cold winter season resulted in the strongest start to the year in a decade. Import figures for most regions are again showing growth, after a period in 2020 where China almost single handedly spurred a rebound in the dry bulk market. Global steel production is running high as evidenced by prices for iron ore has passed USD 200 per ton displaying very strong economics in steel production margins.

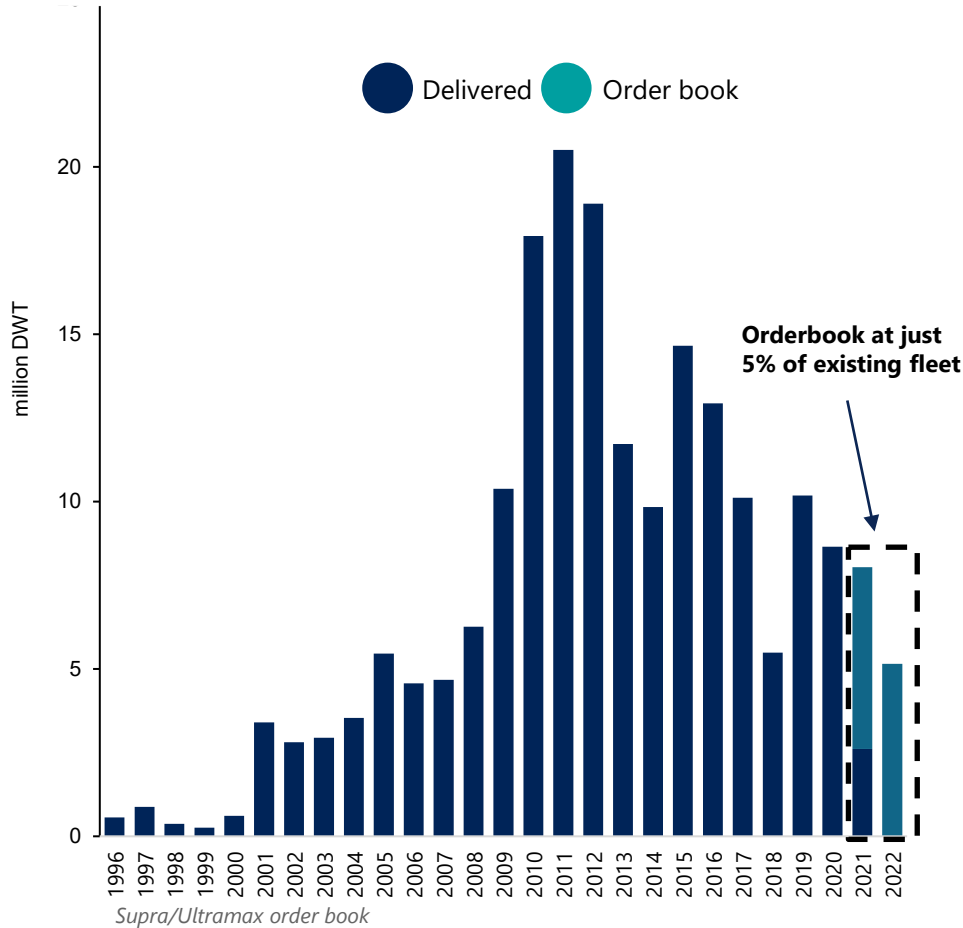
ORDERBOOK/SUPPLY - The publicly quoted order book for the Supra/Ultramax segment is below 5 per cent – historically very low. In relative terms, we are heading towards the lowest rate of supply growth in 30 years. The average sailing speed has increased, showing that the market has been able to absorb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

STIMULUS AND ECONOMIC GROWTH – Continued credit growth and economic stimulus is expected to support the dry bulk market in 2021-23 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. Forecasts for GDP growth in 2021 have been continuously revised upwards. General consensus points towards healthy levels of economic activity for 2022.

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. Even though ship values have started to increase, there is significant potential for upside should the market for ships reflect rates and values according to historical correlations.

Current freight rates supported by strong fundamentals

Lowest fleet growth in decades

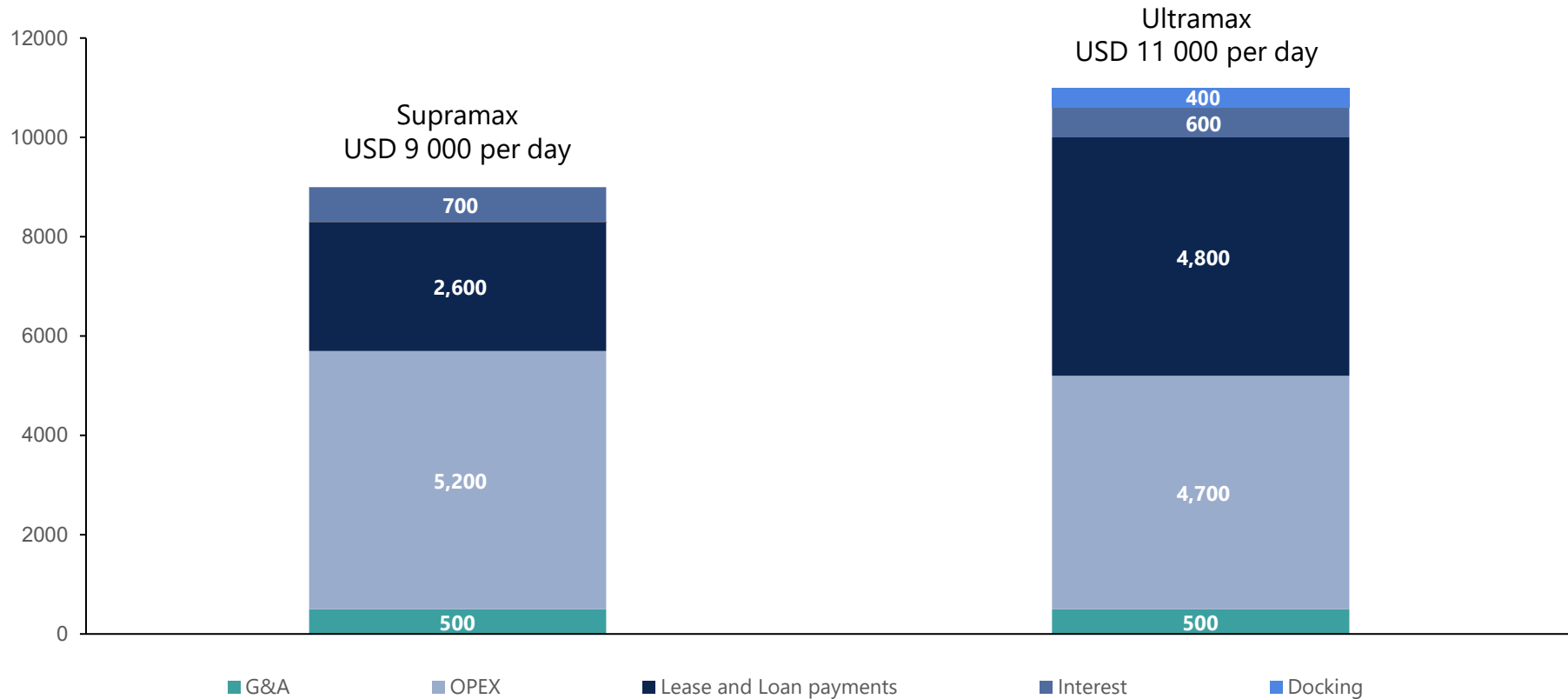


Surging commodity prices



2021 Guidance

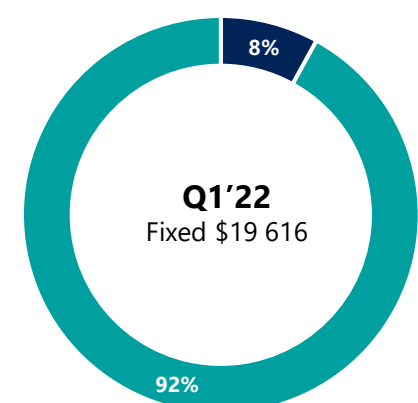
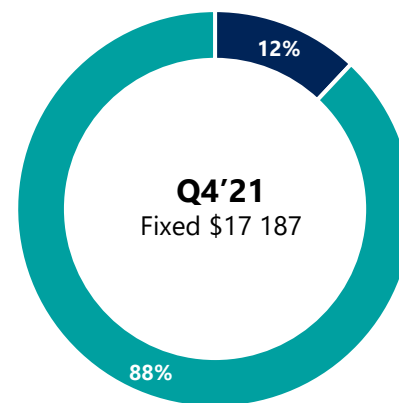
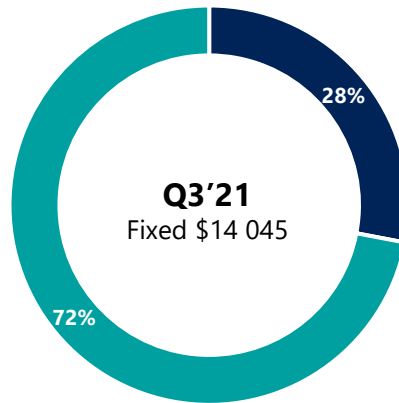
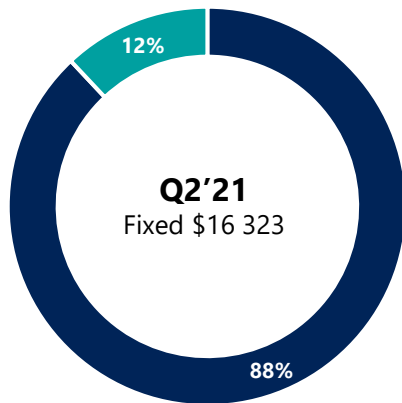
Cash break-even per segment



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

Majority of fleet open next twelve months

● Fixed ● Open days

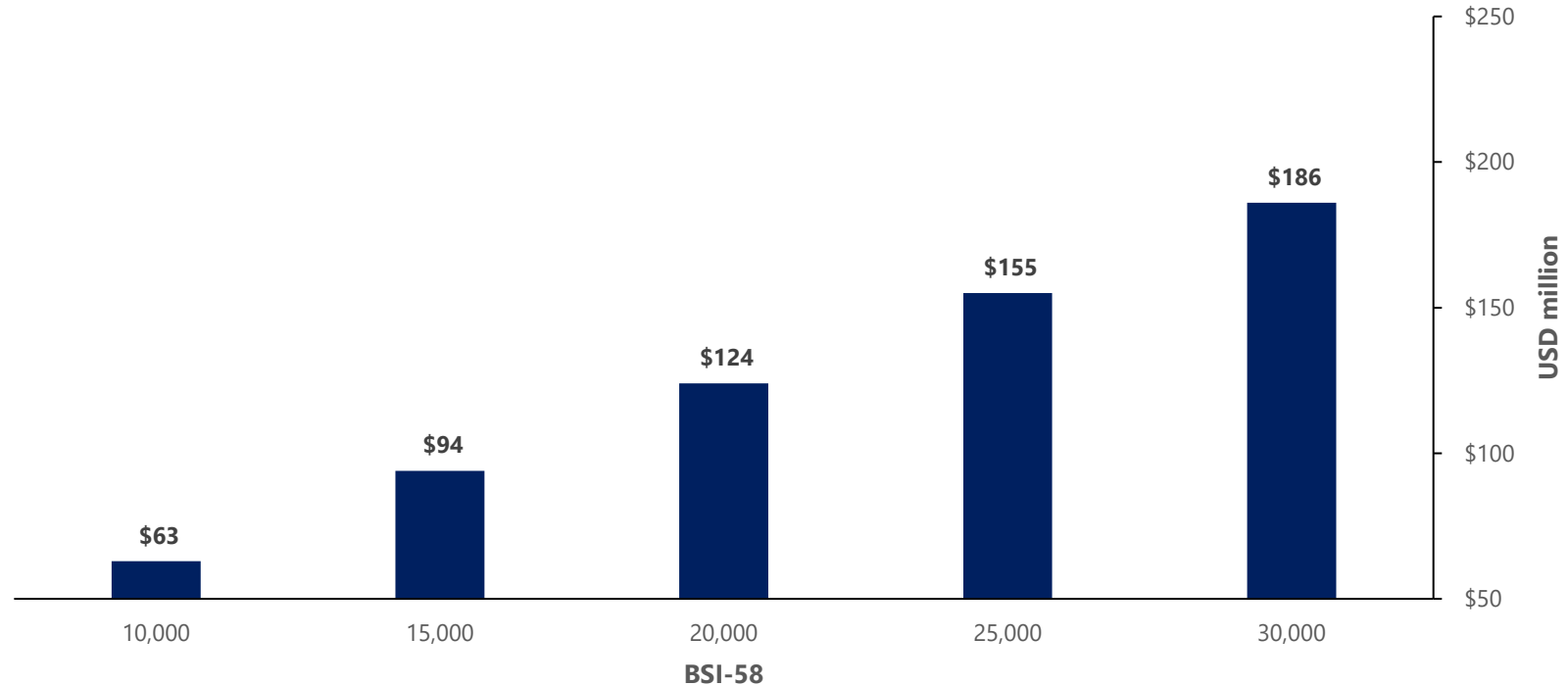


31 per cent of available ship days in the next four quarters are booked at about USD 16 200 net per day

Cash flow scenarios enabling significant dividend capacity



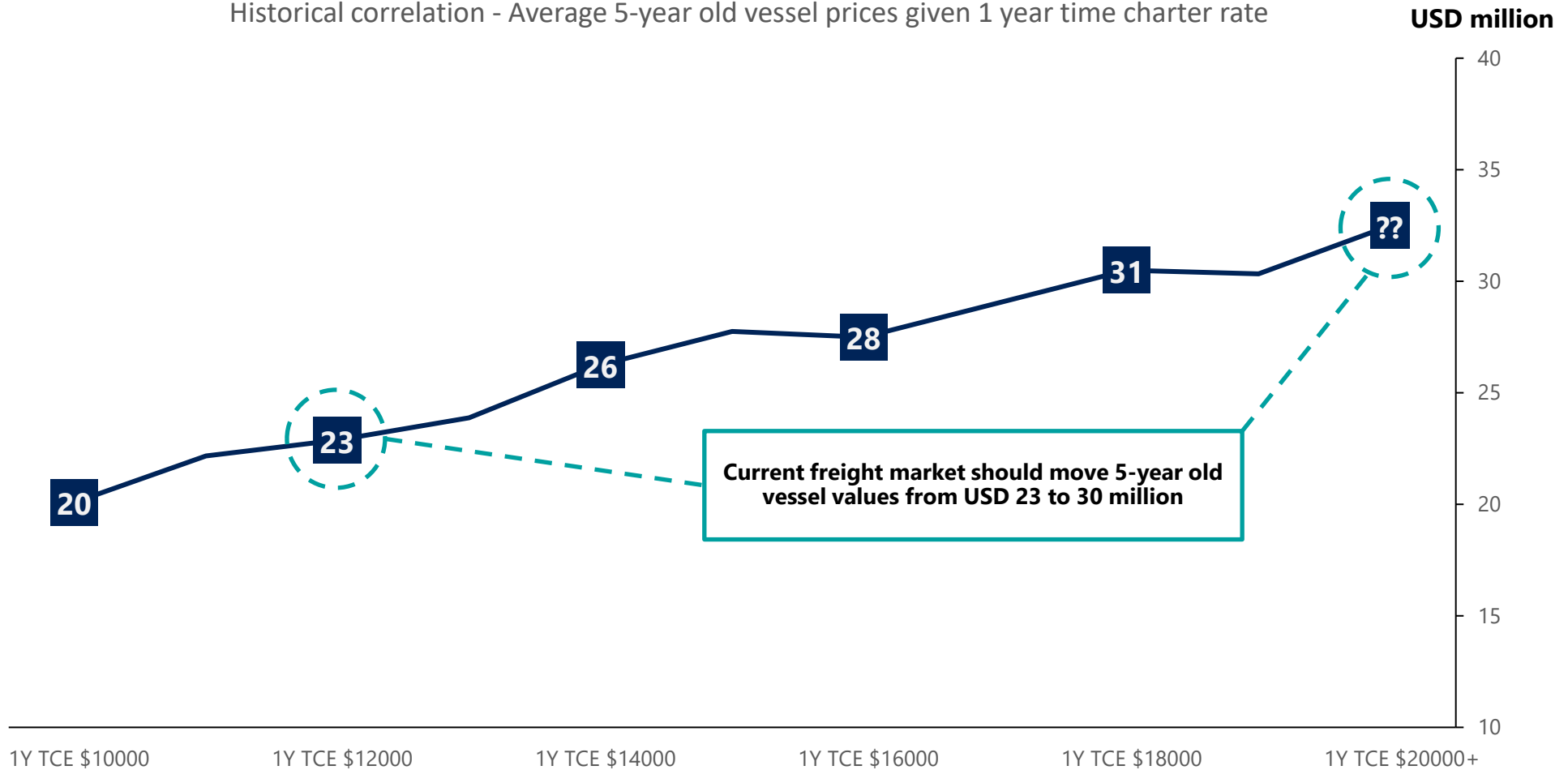
Cash flow from operations in 2021 given freight rates



Introducing quarterly dividends commencing Q2 2021, targeting 50% of net income

Significant upside in vessel values

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



Belships ASA - Investment highlights

Platform

Proven track record – growth delivered

Governance

Simple structure, low costs and governance leader

Flexibility

More than 50% of the fleet with purchase options – no obligations

Leverage

High operational leverage providing significant upside and dividend capacity

Key drivers

Infrastructure boom ahead of 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 25 May 2021 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	Q1 2021	Q1 2020	2020
Gross freight revenue	Note 107 290	49 475	220 332
Voyage expenses	-32 354	-17 792	-61 065
Net freight revenue	2 74 936	31 683	159 267
Management fees	1 453	1 873	6 095
Operating income	2 76 389	33 556	165 362
Share of result from j/v and assoc. comp.	760	573	3 052
T/C hire expenses	-46 672	-15 583	-90 401
Ship operating expenses	-10 815	-9 901	-38 675
Operating expenses ship management	-914	-961	-3 490
General and administrative expenses	-4 018	-2 831	-11 862
Operating expenses	-61 659	-28 703	-141 376
EBITDA	14 730	4 853	23 986
Depreciation and amortisation	3 -7 540	-6 728	-27 286
Impairment	3 0	0	-4 957
Gain on sale of ships	0	2 469	2 469
Other gains/(-losses)	6 -6 734	2 936	1 165
Operating result (EBIT)	456	3 530	-4 623
Interest income	219	250	985
Interest expenses	-3 516	-3 639	-13 668
Other financial items	-148	-224	-729
Currency gains/(-losses)	-247	272	875
Net financial items	-3 692	-3 341	-12 537
Result before taxes	-3 236	189	-17 160
Taxes	8 19 743	-37	-583
Net result	16 507	152	-17 743
Hereof majority interests	14 914	0	-19 898
Hereof non-controlling interests	1 593	152	2 155
Earnings per share	0.07	0.00	-0.08
Diluted earnings per share	0.07	0.00	-0.08

Consolidated statement of financial position

USD 1 000	31 Mar 2021	31 Mar 2020	31 Dec 2020	
NON-CURRENT ASSETS	Note			
Intangible assets	8	19 752	3 910	1 770
Ships, owned	3	206 590	206 184	214 494
Ships, right-of-use assets	3	182 205	161 230	157 143
Prepayment of lease obligations on ships		0	0	3 000
Property, Plant, and Equipment		5 002	4 438	4 878
Investments in j/v and assoc. companies		3 492	2 803	2 123
Other non-current assets		119	17 706	5 394
Total non-current assets		417 160	396 271	388 802
CURRENT ASSETS				
Asset held for sale	3	6 701	0	5 917
Bunkers		9 551	7 593	5 344
Current receivables		44 701	11 014	30 431
Cash and cash equivalents		51 570	34 809	33 985
Total current assets		112 523	53 416	75 677
Total assets		529 683	449 687	464 479
EQUITY AND LIABILITIES				
Equity				
Paid-in capital	7	154 206	126 077	137 962
Retained earnings		20 980	25 717	5 956
Non-controlling interests		7 692	4 623	6 099
Total equity		182 878	156 417	150 017
Non-current liabilities				
Mortgage debt	4	115 942	126 181	119 561
Lease liability	5	151 285	134 412	127 754
Other non-current liabilities		2 264	3 191	2 769
Total non-current liabilities		269 491	263 784	250 084
Current liabilities				
Mortgage debt	4	18 953	3 388	22 176
Lease liability	5	10 482	9 129	11 986
Other current liabilities		47 879	16 969	30 216
Total current liabilities		77 314	29 486	64 378
Total equity and liabilities		529 683	449 687	464 479