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COMPANY PRESENTATION | Q2 2023
AUGUST 2023



BELSHIPS

Our business – Dry Bulk Shipowning and Operating



**The newest
Ultramax fleet**



**Capital
discipline**



**Limited
residual risk**



**Lighthouse
Navigation**

2019.7
average year of build

USD 10 900
cash break-even

2030
Optionality

13 years
of annual profits

Highlights – Q2 2023

STRONG OPERATIONAL PERFORMANCE, FURTHER GROWTH IN THE PIPELINE

- EBITDA of USD 40.5m including USD 6.8m from Lighthouse Navigation
- Net result of USD 25.8m
- Declared dividend of NOK 0.60 per share
- TCE of USD 19 099 gross per day for owned fleet – 77 per cent outperformance of market
- Strategic partnership with V.Group and divestment of technical management business, realised book gain of USD 8.5m
- Sold 2015-built BELVEDERE, net cash of USD 10m after debt repayment
- Added 2x Ultramax newbuildings with delivery 2026-2027, zero cash invested
- 91 per cent of ship days in Q3 2023 are fixed at USD 18 100 gross per day
- 58 per cent of ship days in the next four quarters are fixed at USD 18 100 gross per day
- Cash breakeven for 2023 of about USD 10 900 per vessel per day
- The newest Supra/Ultramax fleet with 36 ships including newbuildings

Earnings summary

Average TCE USD 19 099/day	EBITDA USD 40.5m
Net result USD 25.8m	Dividend NOK 0.60 per share

Financial position

Assets	Equity and liabilities
Cash and cash equivalents USD 148.2m	Book value equity USD 300.9m
Book value ships USD 760.4m	Lease liabilities USD 457.6m
Net working capital USD -14.3m	Bank debt USD 145.0m

New Fleet – Unparalleled Optionality

36x

Ships



SUPRAMAX | ULTRAMAX

2019.7

Average Build Year

26x Japanese Leased vessels

- 75 % of debt
- All with fixed interest rates, zero covenants
- All leases with purchase options, no obligations
- Average maturity in 2032

9x Bank financed vessels

- 25 % of debt
- No covenants restricting dividend distributions
- Maturity in 2027

1x Unencumbered vessel

- BELSOUTH is debt free

Newbuildings with Zero Cash Invested

6x 64 000 DWT Ultramax Bulk Carriers

Delivery



Q4 2024



Q4 2025



Q4 2025



1H 2026



2H 2026



1H 2027

- Japanese-built 64 000 dwt Ultramax represents the highest quality and efficiency available today
- Japanese lease financing with fixed costs
- 100% leverage – No cash invested
- 7 years duration with optional period upto 10 years
- Average cash breakeven about USD 14 100/day
- Purchase options during the charter, all in USD
- No obligation to acquire any of the vessels
- A levered bet on a historically low order book

Zero impact on cash and dividend capacity during construction period

Lighthouse Navigation – Dry Bulk Operating



Track record

Profitable every year since inception in 2009

Risk Management

Skin in the game - leading employees invested

Global Operation

95 employees

Total volume

About 90 vessels in operation

Performance

The average EBITDA per quarter in the last five years has been USD 7.4m.

What we do

Operating

Parcelling & liner services

Commercial management

Agency

LIGHTHOUSE
NAVIGATION

Vessel Owners



Cargo Owners



How we create value

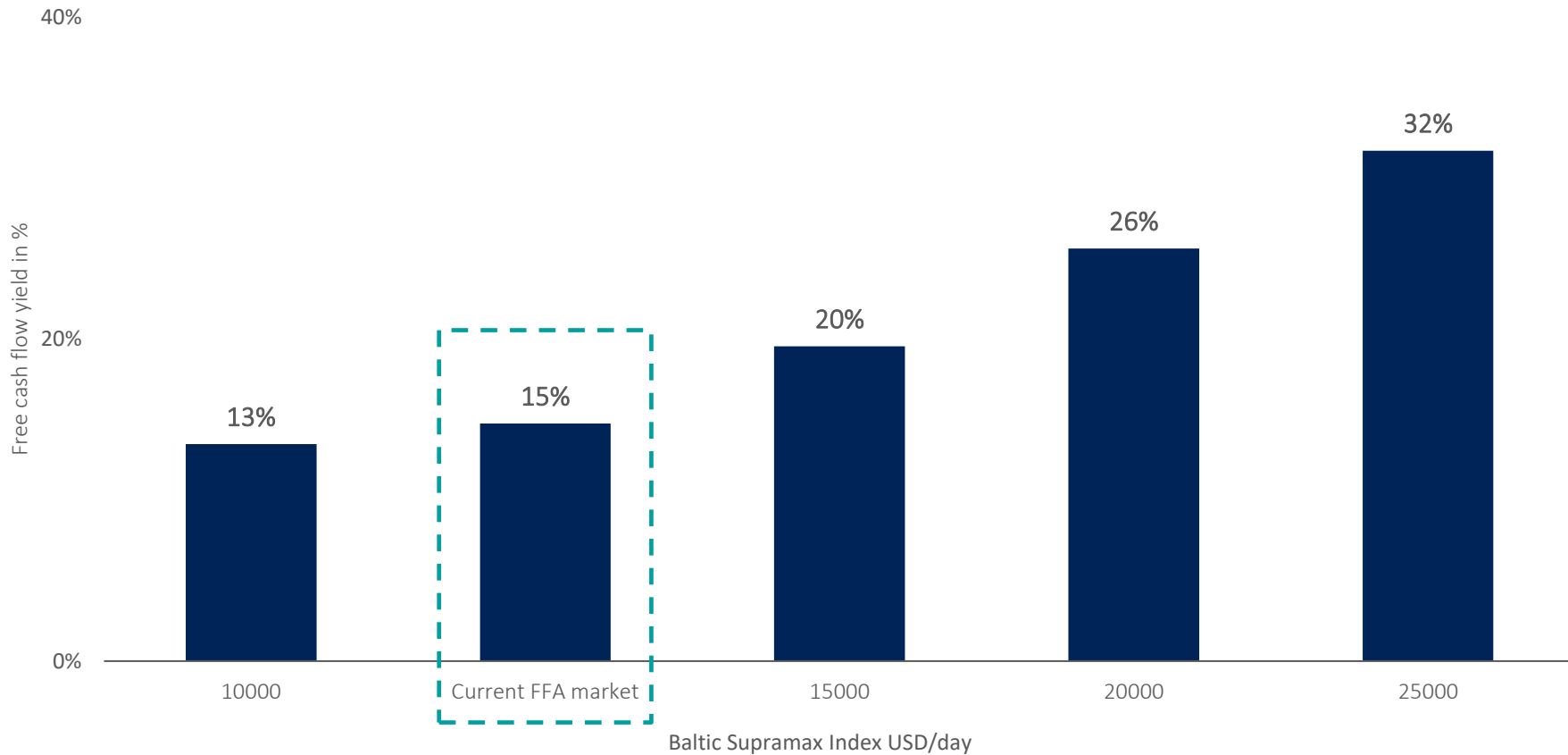
Operational efficiency

Market knowledge

Customer relations

Undervalued – Strong Downside Protection

Potential free cash flow yield next four quarters



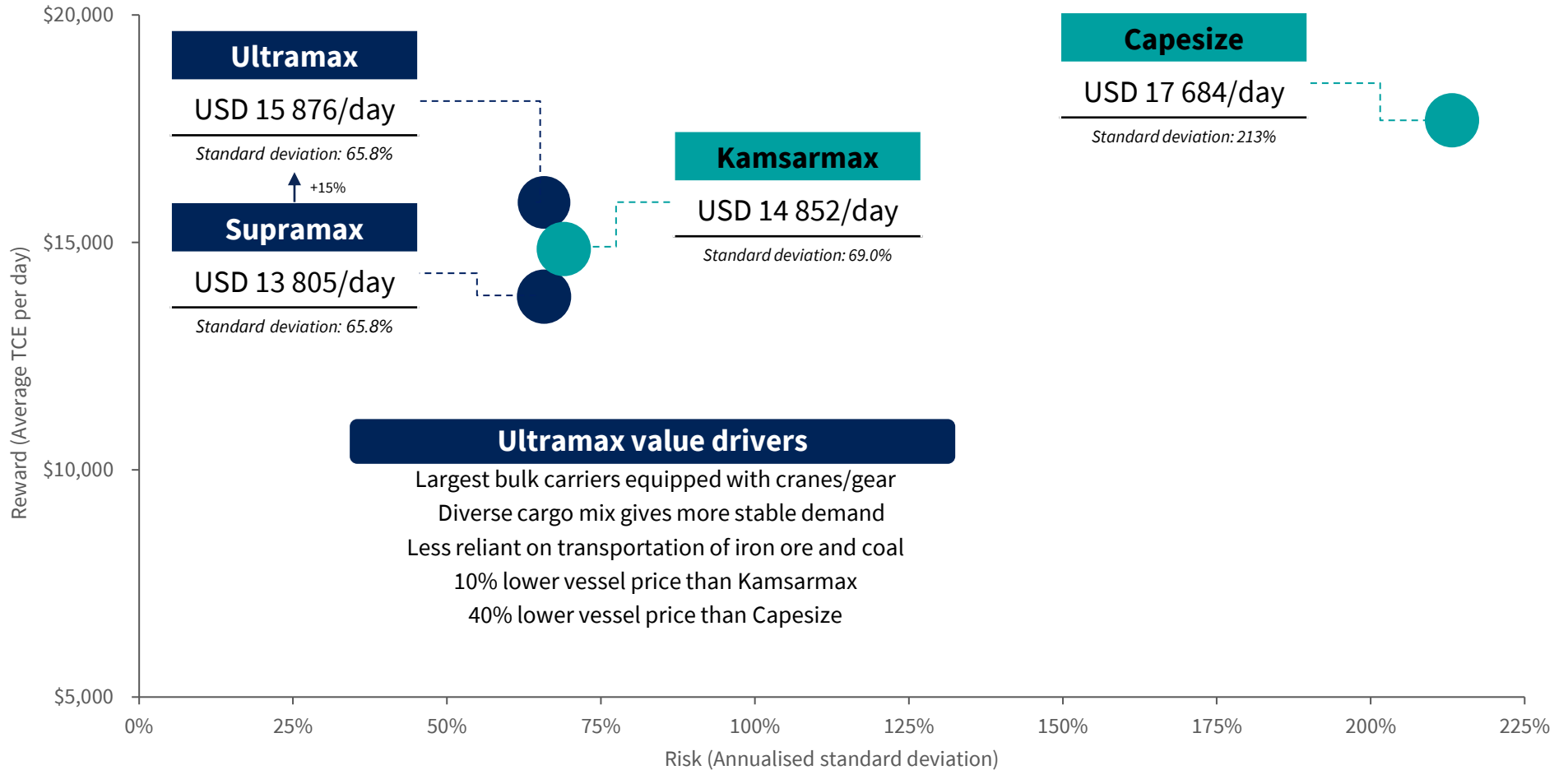
Significant free cash flow and dividend capacity even in lower markets

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 10.6, Share price NOK 17.3, BSI forward curve next four quarters} – basis 18 Aug 23

Free cash flow yield basis Belships' current contract coverage and contribution from Lighthouse Navigation per quarter equal to average last 5 years

Ultramax – Superior Risk/Reward

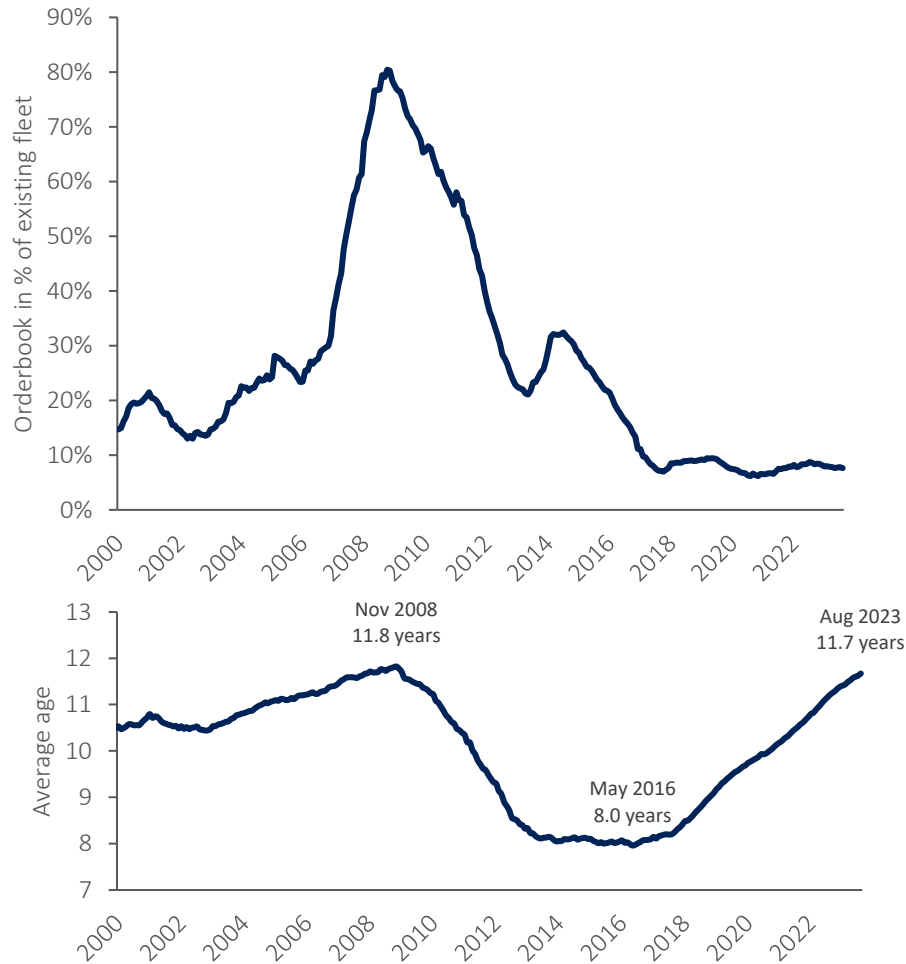
Average earnings per day last 7 years



Supramax: BSI58
 Kamsarmax: BPI82
 Capesize: BCI 5TC
 Source: Baltic Exchange

Compelling Supply Side – Historically Low Orderbook

Lowest fleet growth in decades – Ageing fleet



ORDERBOOK/SUPPLY - The order book for Supra/Ultramax bulk carriers is about 7 per cent. We are heading towards the lowest rate of supply growth in 30 years. Reduced amount of newbuildings coupled with very little scrapping/recycling has led to a consistently ageing fleet (see graph left below).

NUMBERS FOR THOUGHT: There are about 4 000 ships on the water in the 45 – 65 000 dwt bracket. Only 1/3 of these are Ultramax vessels. The rest – are smaller, older and/or non-economical.

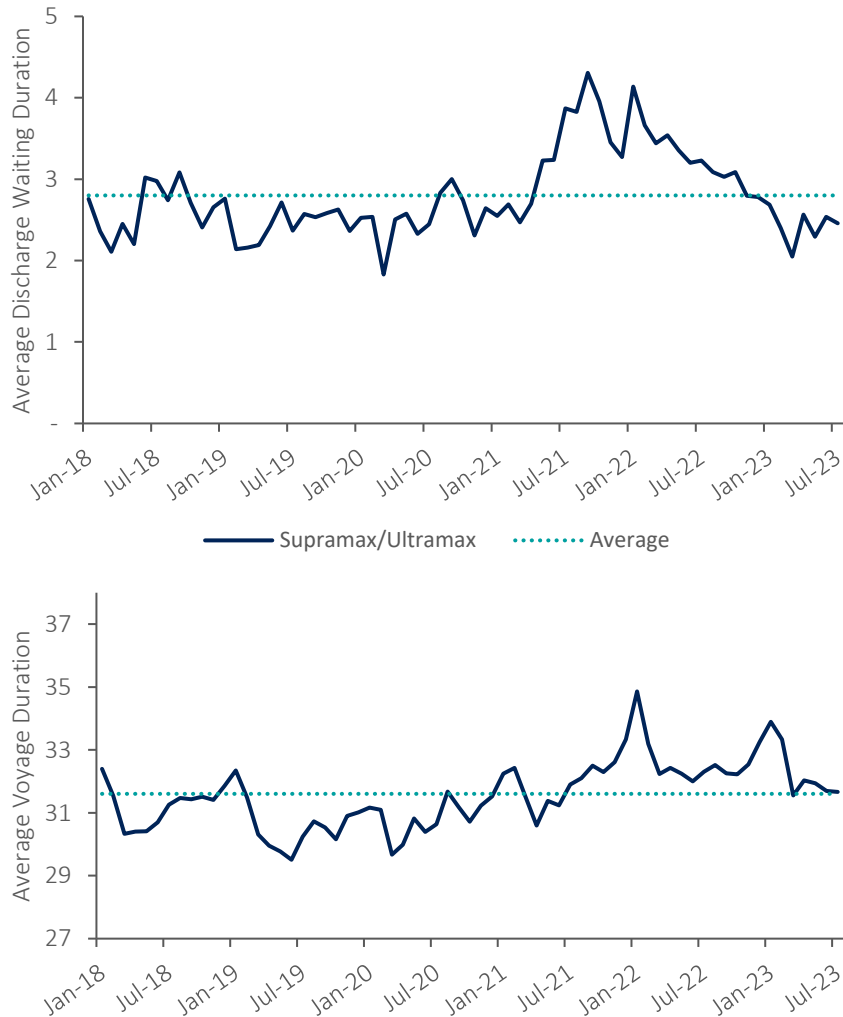
100x vessels are scheduled to be delivered in 2023. Even if newbuilding supply doubled it would take a decade to modernise the existing fleet – let alone be sufficient to scale the adaptation of new fuels like ammonia/methanol.

NEWBUILDING PRICES: Ordering activity remains low, cost inflation and high demand from other shipping segments has reduced the available shipbuilding capacity. A Japanese Ultramax newbuilding would today cost in the region of USD 37m with available delivery from end 2026 onwards.

SECONDHAND VESSEL VALUES: Secondhand values have decreased 10-15 per cent since May and are now back at about the same level as at the start of the year. Modern vessels are clearly higher in demand than older, less economical ships.

Vessel Utilisation Back to Normal – Though, Speed is Still Low

Average fleet congestion and voyage duration



THE SUPPLY SIDE: The number of new ships being delivered (the orderbook) minus the number of ships being sent for recycling represents the net fleet growth in any given quarter. However, the supply side (number of available ships) is further determined by an increase or decrease in vessel utilisation, comprising of voyage distance, waiting time in port and vessel sailing speed.

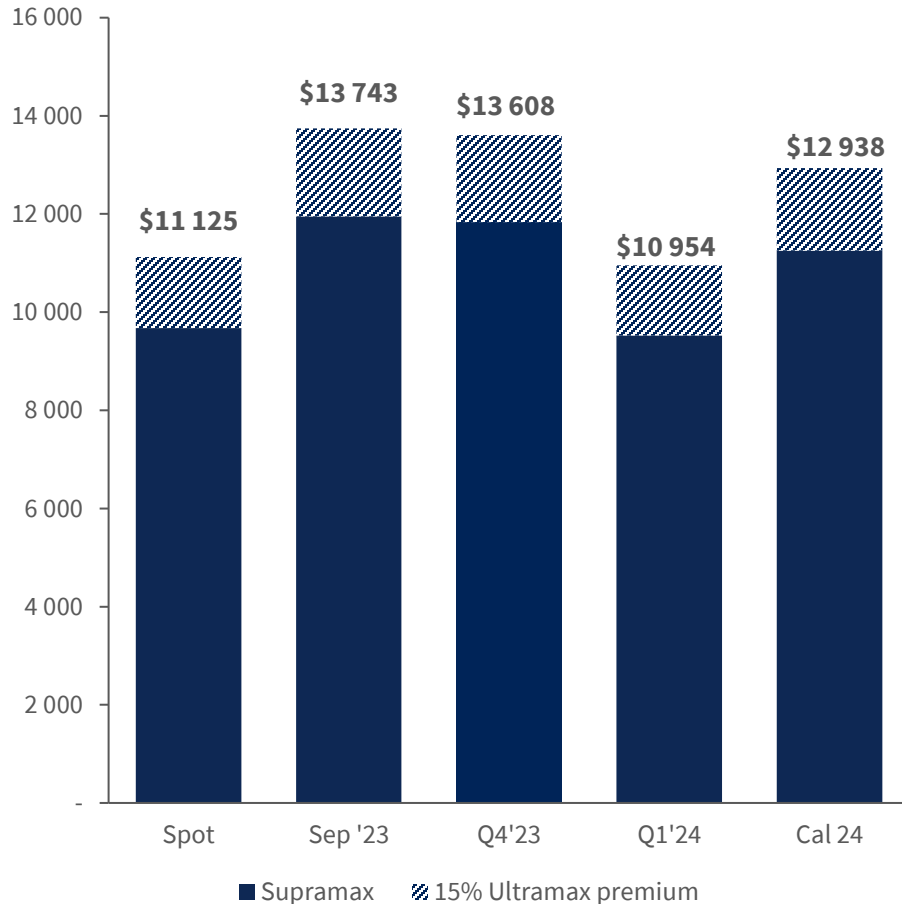
CONGESTION: The increase was primarily driven by global bottlenecks in supply chains, and now appear to have receded to pre-Covid levels.

VOYAGE DURATION: Durations spiked after the Russian invasion of Ukraine, as many countries found alternative sources for energy and commodities. Average voyages now at pre-war levels.

SAILING SPEED: Currently the average sailing speed is below theoretical maximum. If a rapid increase in rates occur, average speeds tend to increase historically. The new regulations (EEXI) in 2023 and Carbon Intensity Index (CII) from 2024 are clear signs of a new emission landscape emerging. Many old/non-economical ships have to reduce max speed in order to achieve compliance, however this has no impact on the current market. We believe it will be a competitive advantage to operate the most modern fleet possible over the next 5-10 years.

From Cold to Lukewarm – Increased Expectations

Current freight market - Spot and FFA

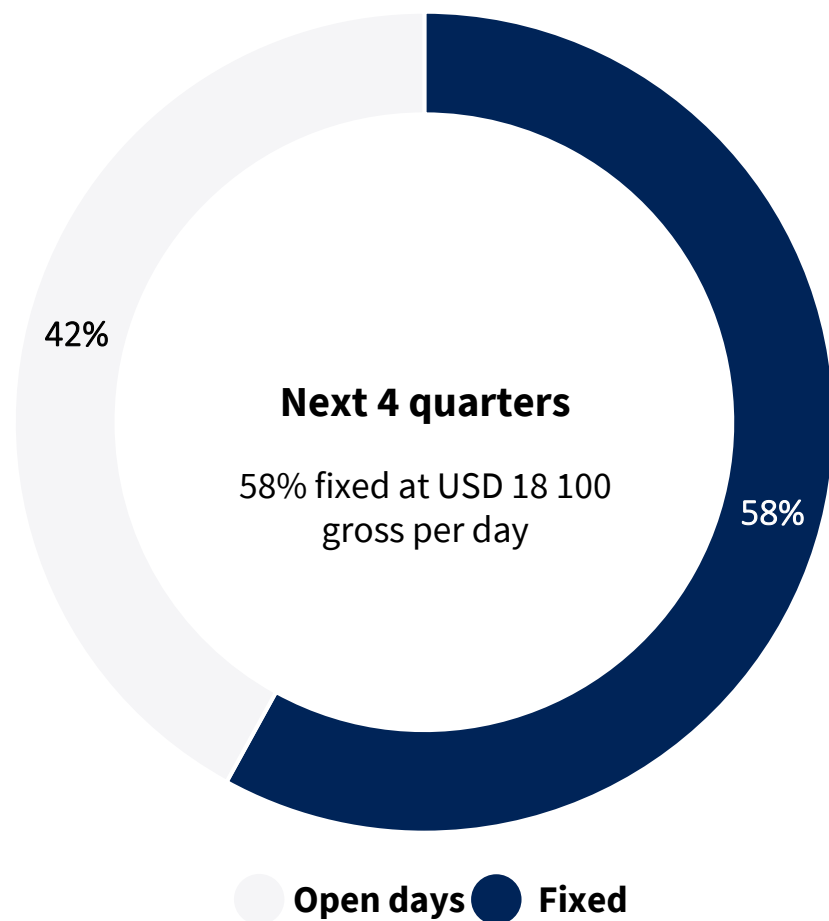


RATES – The Baltic Supramax Index (BSI-58) averaged 10 763 per day – slightly up from 10 171 in Q1. The Baltic Exchange Supramax spot index is currently about USD 9 500 after being very weak thru the summer and now seems to have bottomed out. Freight Forward Agreements (FFA) currently indicate a market average of about USD 13 500 for an Ultramax for the remaining part of the year.

DEMAND – According to Fearnleys, preliminary estimates for Q2 2023 shipment volumes were 275 million tonnes, an all-time high. Quarter-on-quarter, the highest growth was seen in minor bulks, steel products and fertilizer shipments, which all increased more than 10 per cent. Coal and grains shipments contributed negatively, falling by 4.5 and 3.5 per cent, respectively. Shipments of grains out of Ukrainian ports has come to a complete stop. Further, iron ore shipments dropped by 16 per cent, and breakbulk shipments fell by a mere half per cent.

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 interest rates has lowered GDP growth forecasts, though the risk of a recession and hard landing seems to fade. China reopening has delayed and underperformed, whilst economic stimulus is expected to support dry bulk demand in the medium term.

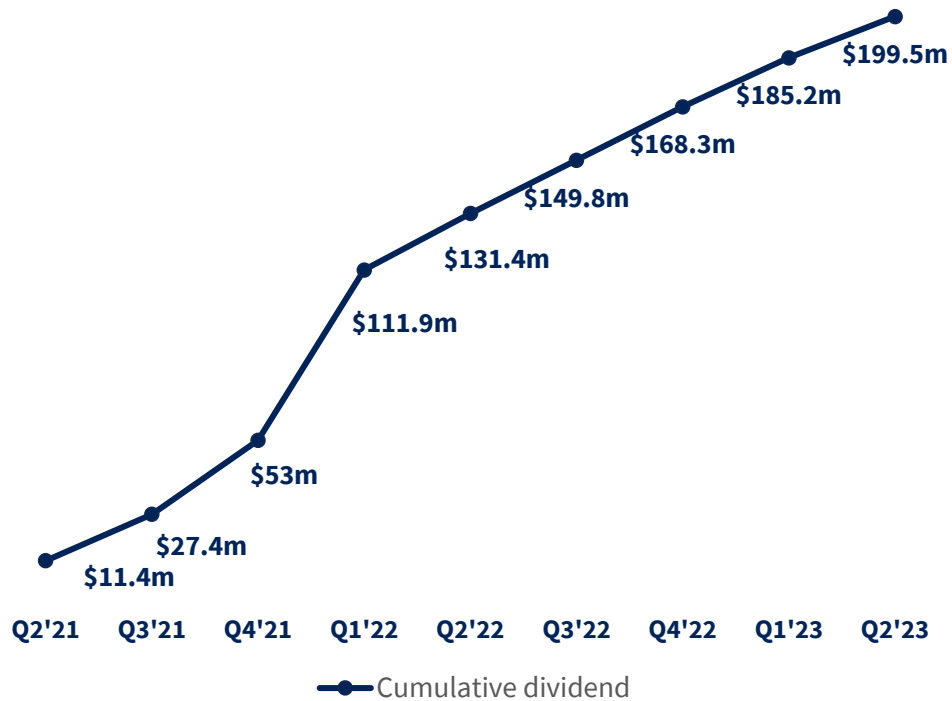
Significant de-risk: Highly Profitable Contract Coverage



Period	Contract coverage	TCE (USD/day)
Q3 2023	91 %	18 100
Q4 2023	74 %	18 200
Q1 2024	47 %	18 000
Q2 2024	17 %	17 600
Q3 2024	13 %	17 300
Q4 2024	10 %	16 100

2023 Belships cash break-even USD 10 900 per vessel per day

Payouts 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
Q4 2022	0.75
Q1 2023	0.70
Q2 2023	0.60
Total	7.65 NOK

Creating value and returning it to shareholders

The Nicest House, in an Up-and-Coming Neighbourhood

The Newest Ultramax Fleet

No need for modernisation

Low Cost and Flexible Financing

Fixed interest rates, with unique optionality

Market Dynamics

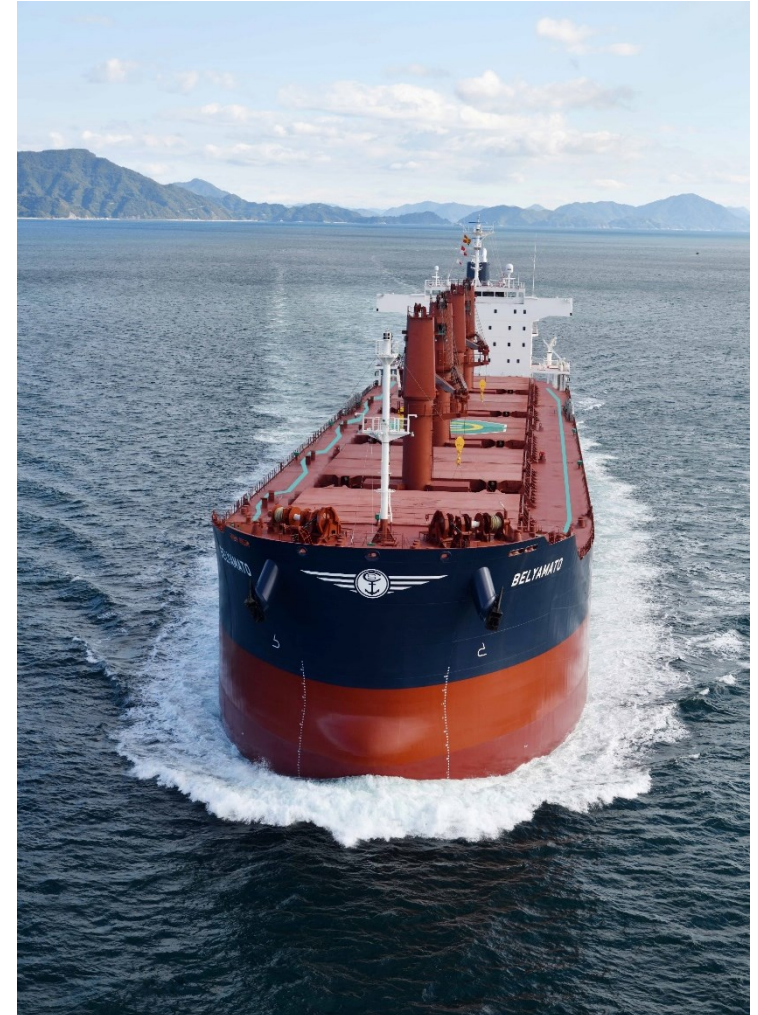
Short term headwinds vs lowest orderbook in 30 years

Dividend Capacity Secured

Solid contract coverage and cash position

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		Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022	2022
Gross freight revenue	Note	145 473	251 431	293 337	509 718	926 494
Voyage expenses		-30 898	-61 712	-67 666	-92 514	-204 769
Net freight revenue	2	114 575	189 719	225 671	417 204	721 725
Management fees		624	3 113	1 155	3 815	4 228
Operating income	2	115 199	192 832	226 826	421 019	725 953
Share of result from j/v and assoc. comp.		1 379	6 483	4 809	18 823	30 963
T/C hire expenses		-56 132	-128 402	-107 863	-285 220	-450 524
Ship operating expenses		-14 761	-13 698	-29 096	-27 060	-55 571
Operating expenses management companies		-3 731	-6 823	-8 013	-14 337	-22 209
General and administrative expenses		-1 500	-1 650	-2 840	-4 251	-7 068
Operating expenses		-74 745	-144 090	-143 003	-312 045	-504 409
EBITDA		40 454	48 742	83 823	108 974	221 544
Depreciation and amortisation	3	-11 331	-9 089	-22 602	-17 315	-38 992
Gain on sale of ships	3	0	0	0	12 308	22 274
Other gains/(-losses)		-1 073	1 075	757	4 569	1 342
Operating result (EBIT)		28 050	40 728	61 978	108 536	206 168
Interest income		559	95	971	98	958
Interest expenses		-8 551	-5 637	-17 023	-10 716	-26 106
Other financial items		371	-3 815	-182	-5 434	-1 877
Currency gains/(-losses)		-2 842	793	-690	131	-2 183
Net financial items		-10 463	-8 564	-16 924	-15 921	-29 208
Result before taxes		17 587	32 164	45 054	92 615	176 960
Taxes		-225	-680	-272	-1 864	-2 041
Net result from continuing operations		17 362	31 484	44 782	90 751	174 919
Result from discontinuing operation	5	8 458	76	8 806	343	141
Net result for the period		25 820	31 560	53 588	91 094	175 060
Hereof majority interests		24 266	27 015	47 456	73 753	146 886
Hereof non-controlling interests		1 554	4 545	6 132	17 341	28 174
Earnings per share for continuing operations		0.07	0.12	0.18	0.36	0.69
Diluted earnings per share for continuing oper.		0.07	0.12	0.18	0.36	0.69
Earnings per share		0.10	0.12	0.21	0.36	0.69
Diluted earnings per share		0.10	0.12	0.21	0.36	0.69

Consolidated statement of financial position

USD 1 000		30 Jun 2023	30 Jun 2022	31 Dec 2022
NON-CURRENT ASSETS	Note			
Ships	3	760 412	677 316	747 042
Prepayment of ships		0	13 500	6 900
Property, Plant, and Equipment		1 064	3 955	3 702
Investments in j/v and assoc. companies		7 847	18 295	29 483
Other non-current assets		1 050	472	1 076
Total non-current assets		770 373	713 538	788 203
CURRENT ASSETS				
Assets held for sale	3	0	18 651	0
Bunker inventory		9 217	33 607	14 675
Current receivables		33 055	66 899	57 544
Cash and cash equivalents		148 234	130 797	139 871
Total current assets		190 506	249 954	212 090
Total assets		960 879	963 492	1 000 293
EQUITY AND LIABILITIES				
Equity				
Paid-in capital		141 096	157 637	158 359
Retained earnings		133 879	64 002	98 864
Non-controlling interests		25 937	44 820	40 112
Total equity		300 912	266 459	297 335
NON-CURRENT LIABILITIES				
Deferred tax		0	4 595	0
Long-term interest bearing debt	4	557 482	516 445	555 202
Other non-current liabilities		845	1 676	1 729
Total non-current liabilities		558 327	522 716	556 931
CURRENT LIABILITIES				
Current portion of interest bearing debt	4	45 100	50 839	50 053
Other current liabilities		56 540	123 478	95 974
Total current liabilities		101 640	174 317	146 027
Total equity and liabilities		960 879	963 492	1 000 293

Appendix: Uniform and Modern Fleet of 36 Bulk Carriers



Vessel	Built	DWT	Yard
NEWBUILD 6	2027	64 000	Japan
NEWBUILD 5	2026	64 000	Japan
NEWBUILD 4	2026	64 000	Japan
NEWBUILD 3	2025	64 000	Japan
NEWBUILD 2	2025	64 000	Japan
NEWBUILD 1	2024	64 000	Japan
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

Vessel	Built	DWT	Yard
BELNIKE	2020	63 000	Imabari
BELTANGO	2020	64 000	Mitsui
BELFORTE	2019	64 000	Mitsui
BELRAY	2019	61 000	Shin Kurushima
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
BELFOREST	2015	61 000	Imabari
BELHAWK	2015	61 000	Imabari
BELSOUTH	2015	63 000	Hantong