



COMPANY PRESENTATION | Q4 2022
FEBRUARY 2023



BELSHIPS

Our business – Dry Bulk Shipowning and Operating



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

4 years

average vessel age

USD 10 900

cash break-even per day 2023

Founded 1918

stock listed since 1937

13 years

of annual profits

Highlights – Q4 2022

CONTRACT COVERAGE SECURES PROFITABILITY AND DIVIDEND OUTLOOK

- Operating income of USD 155.4m (USD 228.6m)
- EBITDA of USD 56.1m (USD 70.4m) including USD 18.0m from Lighthouse Navigation
- Net result of USD 34.2m (USD 59.2m)
- Declared dividend of USD 18.5m (NOK 0.75 per share)
- TCE of USD 22 359 gross per day for owned fleet
- 95 per cent of ship days in Q1 2023 are fixed at USD 20 300 gross per day
- 67 per cent of ship days in the next four quarters are fixed at USD 19 800 gross per day
- Modern fleet of 31 vessels with an average age of four years and daily cash breakeven for 2023 of about USD 10 900 per vessel

Earnings summary

Average TCE USD 22 359/day	EBITDA USD 56.1m
Net result USD 34.2m	Dividend NOK 0.75 per share

Financial position

Assets	Equity and liabilities
Cash and cash equivalents USD 139.9m	Book value equity USD 297.3m
Book value ships USD 747.3m	Lease liabilities USD 463.4m
Net working capital USD 15.3m	Bank debt USD 141.8m

Lighthouse Navigation – Dry Bulk Operating

Track record

Profitable every year since inception in 2009

Risk Management

Skin in the game - leading employees invested

Volume

About 65 vessels under operation*

Performance

Average EBITDA of USD 10.8m last twelve quarters

How Lighthouse Creates Value

Operational efficiency

Parcelling & Liner services

Market knowledge

Customer relations



Lighthouse Navigation
Commercial Operator

Vessel Owners



Cargo Owners



*Excluding Belships Owned Vessels

Fully Financed – Unparalleled Optionality

20x Japanese Lease vessels

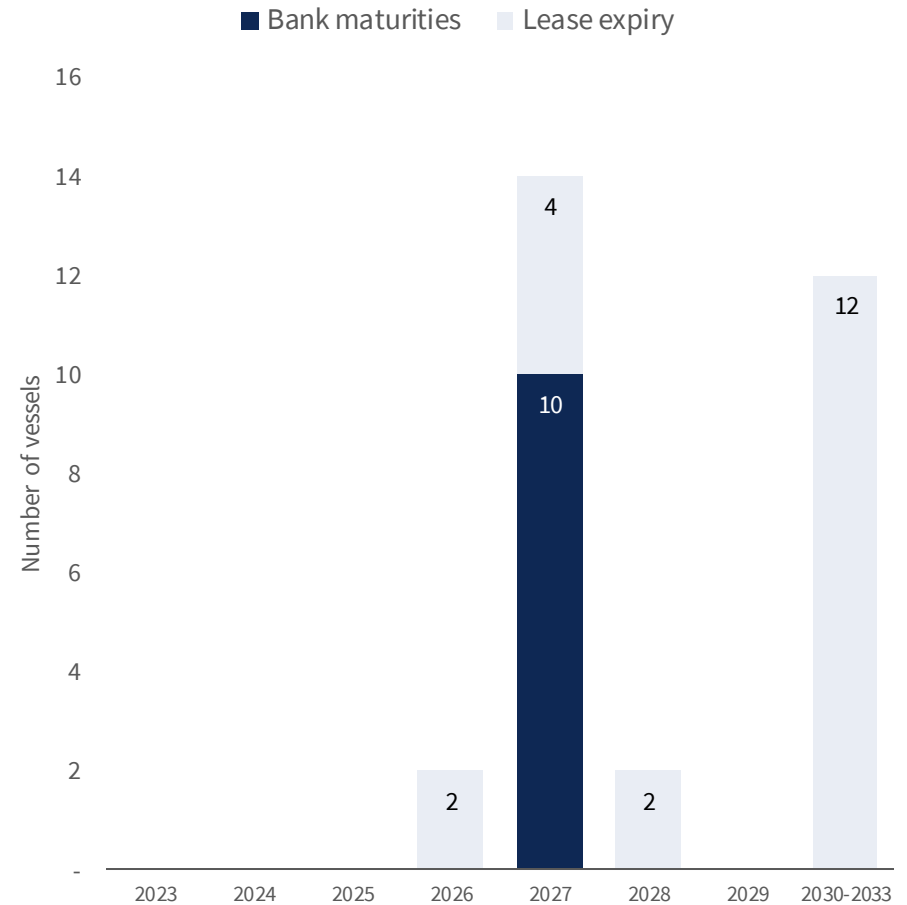
- 75% of total interest bearing debt
- All with fixed interest rates, zero covenants
- All leases with purchase options
- There are zero obligations to purchase vessels at end of leases
- Long duration with expiry Q3 2026 – Q1 2033
- Average all-in cost of 5.1%

10x Bank financed vessels

- 25% of total interest bearing debt
- No covenants restricting dividend distributions
- No maturities before Q1 2027
- No installments until 2024
- LIBOR + 2.25%

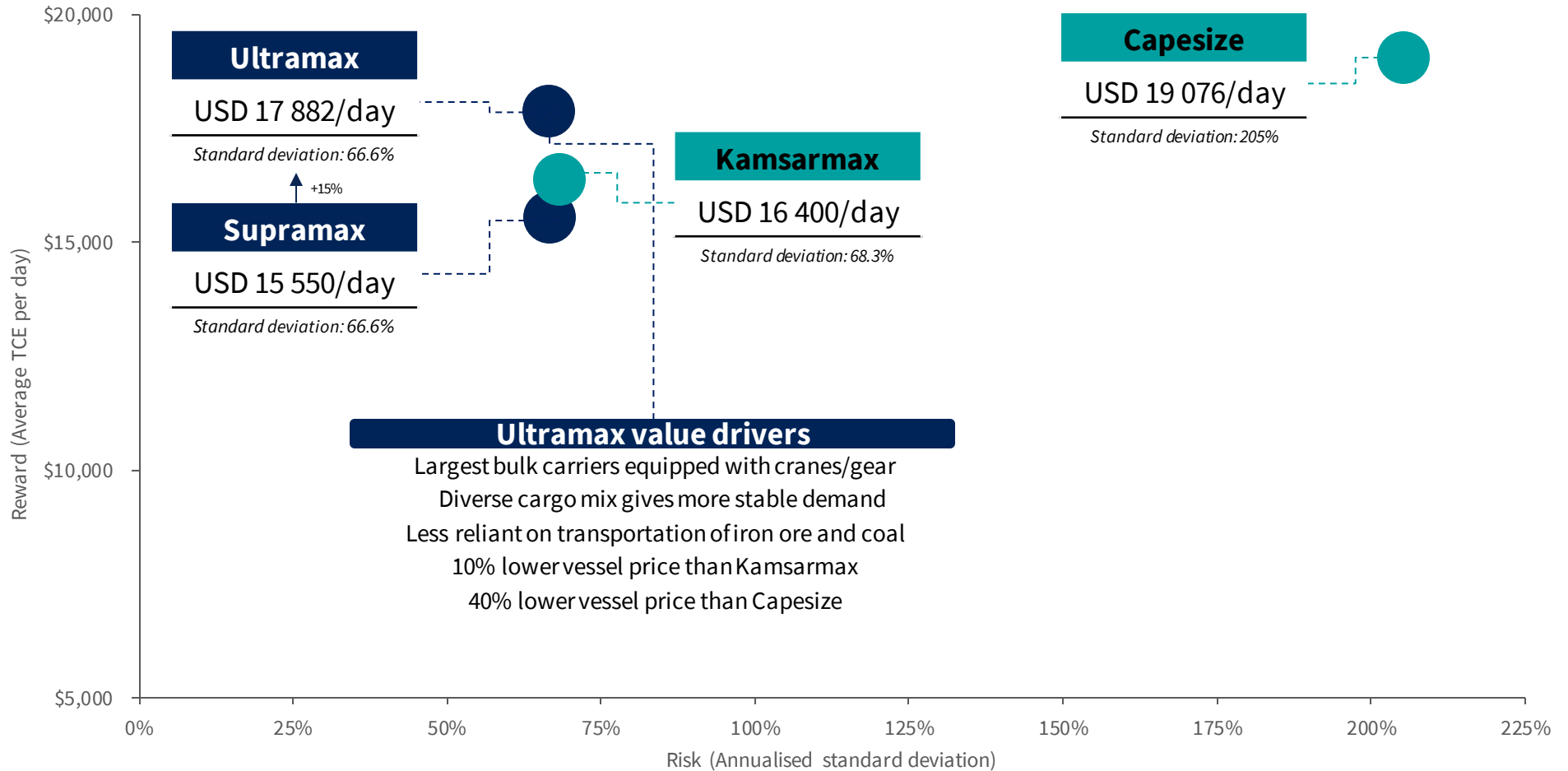
1x Unencumbered vessel

- BELSOUTH (2015) is debt free



Ultramax – Superior Risk/Reward

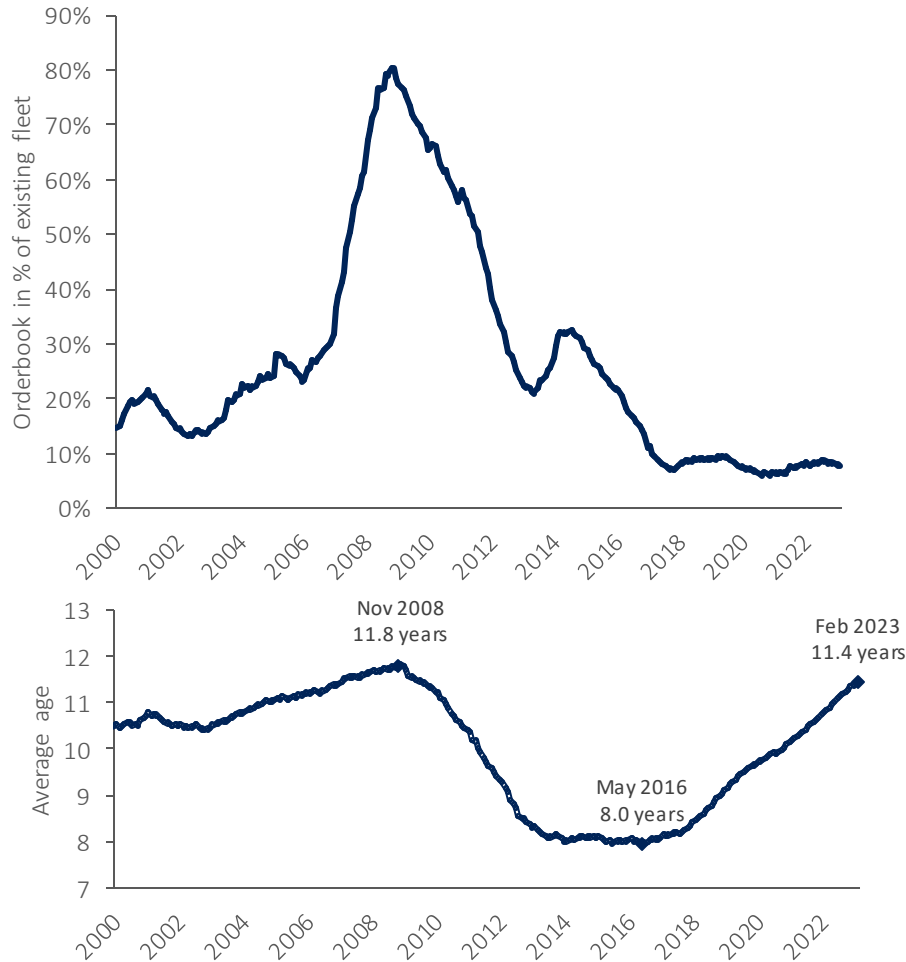
Average earnings per day last 5 years



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. In relative terms, 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: Currently there are 3 900 ships on the water in the 45 – 65 000 dwt bracket. Only 1 300 of these are Ultramax vessels. The rest – 66 per cent are smaller, older and/or non-economical.

103x vessels are scheduled to be delivered in 2023. We expect less than 100x Ultramax newbuildings will be delivered in 2024 and 2025 as well. Even with doubled newbuilding supply it would take more than a decade to modernise the existing fleet – let alone sufficient to scale the adaptation of new fuels like ammonia/methanol.

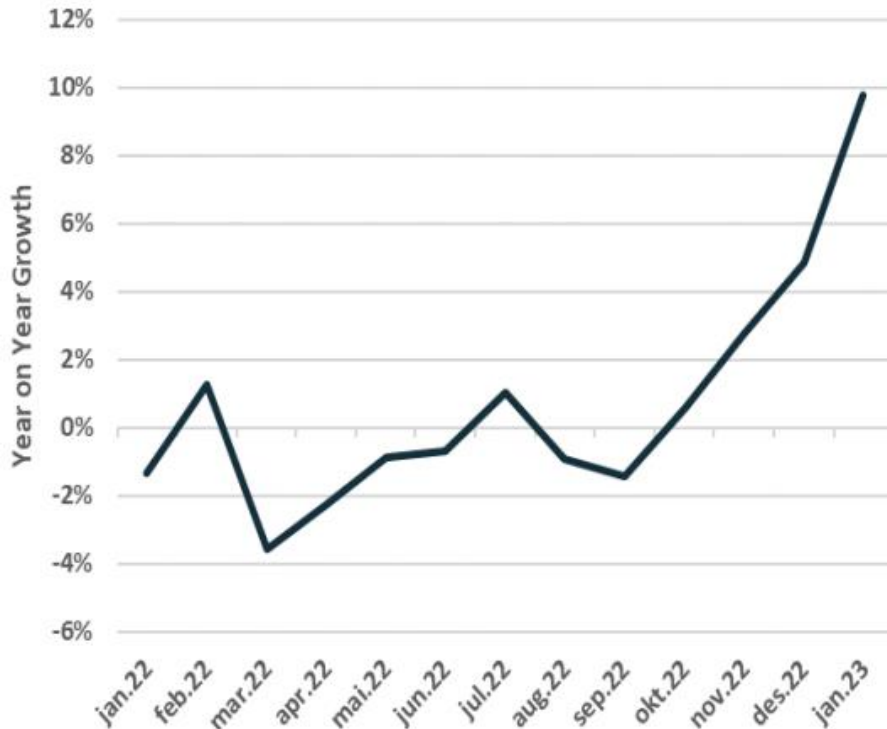
REGULATIONS: The new regulations (EEXI) in 2023 may cause ships to reduce max speed, however, the dry bulk fleet is already operating well below max speed. Carbon Intensity Index (CII) will potentially have greater effect, but this is more for the medium/long term.

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 36-37m with delivery in 2025/2026.

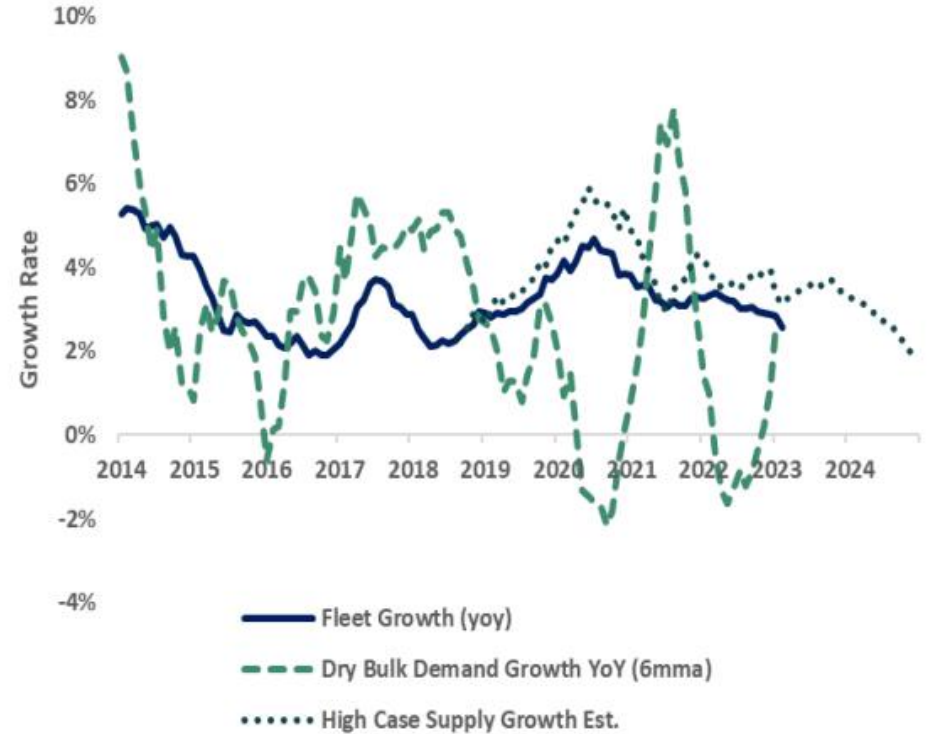
SECONDHAND VESSEL VALUES: Secondhand values decreased about 20 per cent during 2H 2022. Values for new/modern vessels held up better than old ships. We now see market increasing again and estimate values about 5 per cent up from bottom in December.

Leading Indicators Turning Positive

Dry Bulk Demand Growth Year on Year

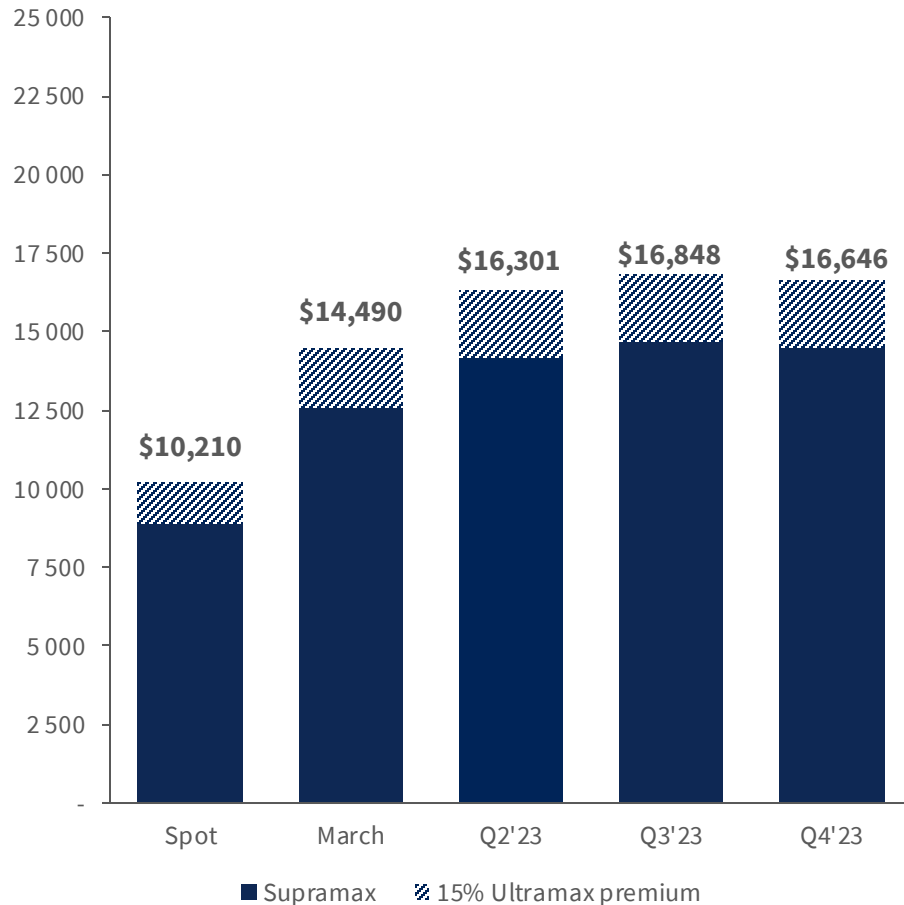


Dry Bulk Demand Growth (6-mos avg.) vs Supply Growth



Market Finally Coming Alive, But There's A Lot To Catch Up

Current freight market - Spot and FFA



RATES – The Baltic Supramax Index (BSI-58) averaged 14 800 per day – down from 19 700 in Q3 and 28 900 in Q2. The Baltic Exchange Supramax spot index is currently about USD 8 878. Freight Forward Agreements (FFA) currently indicate a market average of about USD 16 000 (!!) for an Ultramax for the remaining part of the year.

DEMAND – According to Fearnleys, total Supramax shipment volumes has surprised positively YTD 2023. Figures for January at 92m tonnes close to all time high, boding well for the rest of the year.

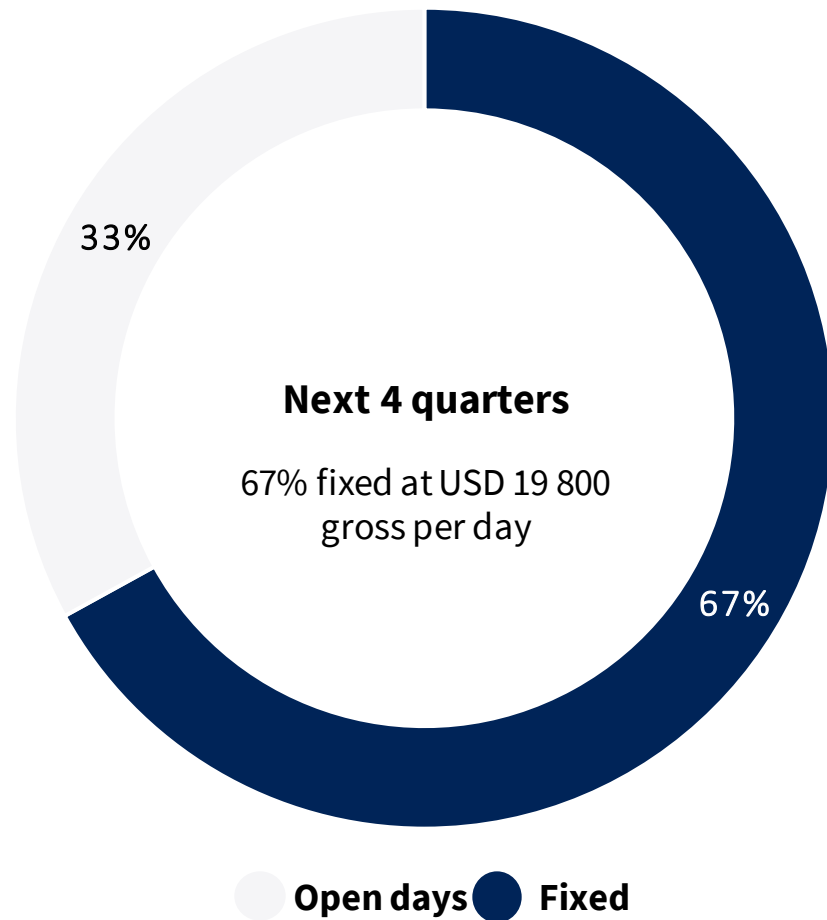
Port congestion normalised to pre-COVID levels. Congestion may again increase this year, however we believe that it could be offset by an increase in the average sailing speed of the vessels.

China reopened post-COVID, now after Lunar New Year, activity picking up. The war in Ukraine exposed energy and commodity shortages which accelerated inflation. Degree of inflation seems to persist, long interest rates edging up. Fair chance of increased exports of wheat, corn, fertilizers out of Black Sea in 2023 compared to 2022.

Minor bulks shipment growth turned positive over last couple of months – contrary to belief that the weak container markets would hamper this for Supra/Ultramax. Weakness for large bulk/Capesizes, on supply issues from South America.

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, though indicators are mostly positive for 2023. China has already reopened post-COVID and coupled with economic stimulus is expected to support dry bulk demand in the near term.

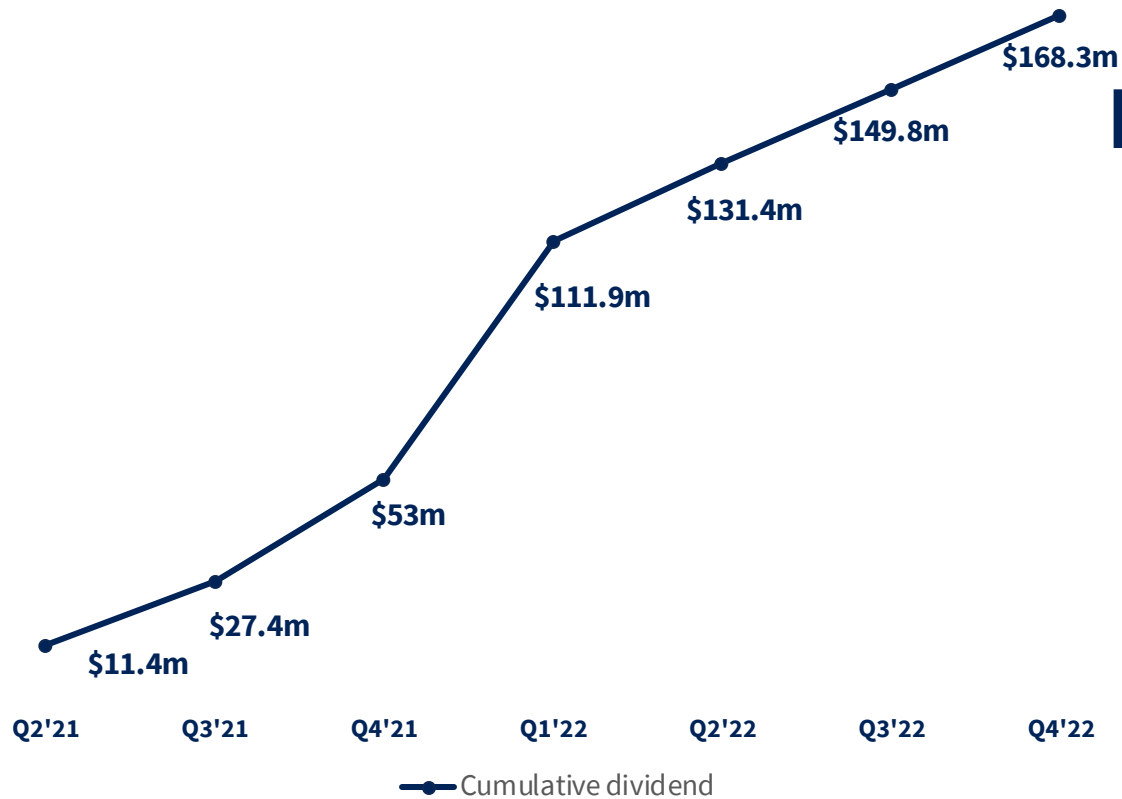
Significant de-risk: Highly Profitable Contract Coverage



Period	Contract coverage	TCE (USD/day)
Q1 2023	95 %	20 300
Q2 2023	71 %	19 700
Q3 2023	57 %	19 400
Q4 2023	47 %	19 200
Q1 2024	25 %	19 700
Q2 2024	5 %	21 100

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
Total	6.35 NOK

Creating value and returning it to shareholders

A Safe Harbour in High Seas

Modern Ultramax Fleet

31x vessels with an average age of 4 years

Fully Financed

Fixed interest rates on 75% of debt

Market Uncertainty

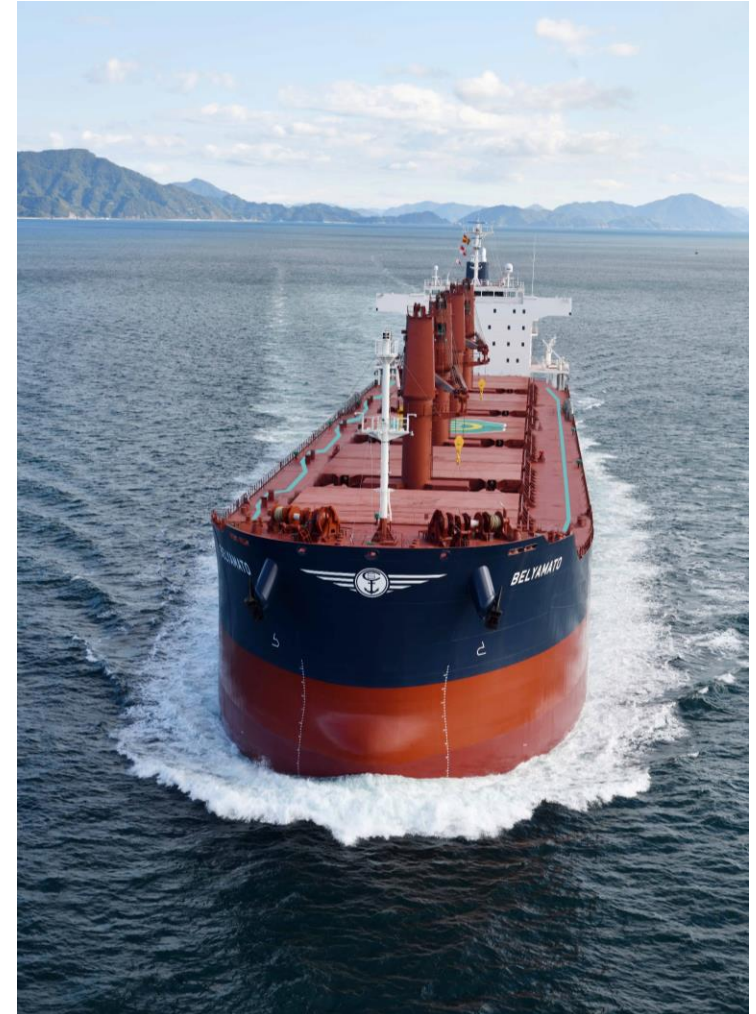
Short term headwinds vs lowest orderbook in 30 years

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



Consolidated statement of income

USD 1 000		Q4 2022	Q4 2021	2022	2021
Gross freight revenue	Note	206 317	297 087	926 494	808 237
Voyage expenses		-52 874	-71 263	-204 769	-164 929
Net freight revenue	2	153 443	225 824	721 725	643 308
Management fees		1 969	2 797	8 996	7 366
Operating income	2	155 412	228 621	730 721	650 674
Share of result from j/v and assoc. comp.		5 851	8 242	31 065	14 323
T/C hire expenses		-81 268	-140 523	-450 524	-400 710
Ship operating expenses		-15 726	-15 417	-55 571	-50 457
Operating expenses management companies		-6 583	-9 151	-26 663	-30 756
General and administrative expenses		-1 599	-1 332	-7 068	-4 795
Operating expenses		-99 325	-158 181	-508 761	-472 395
EBITDA		56 087	70 440	221 960	178 279
Depreciation and amortisation	3	-10 882	-8 102	-39 031	-28 735
Gain on sale of ships	3	0	15 333	22 274	15 333
Other gains/(-losses)		-1 532	2 691	1 342	-4 048
Operating result (EBIT)		43 673	80 362	206 545	160 829
Interest income		559	160	962	815
Interest expenses		-8 093	-5 040	-26 106	-15 881
Other financial items		2 998	-1 014	-1 895	-2 308
Currency gains/(-losses)		-5 037	-379	-2 362	-1 325
Net financial items		-9 573	-6 273	-29 401	-18 699
Result before taxes		34 100	74 089	177 144	142 130
Taxes		100	-14 881	-2 084	-8 708
Net result		34 200	59 208	175 060	133 422
Hereof majority interests		26 459	48 480	146 886	103 983
Hereof non-controlling interests		7 741	10 728	28 174	29 439
Earnings per share		0.14	0.23	0.69	0.54
Diluted earnings per share		0.13	0.23	0.68	0.53

Consolidated statement of financial position

USD 1 000		31 Dec 2022	31 Dec 2021
NON-CURRENT ASSETS	Note		
Ships	3	747 042	580 628
Prepayment of ships		6 900	0
Property, Plant, and Equipment		3 702	4 227
Investments in j/v and assoc. companies		29 483	13 997
Other non-current assets		1 076	821
Total non-current assets		788 203	599 673
CURRENT ASSETS			
Assets held for sale	3	0	23 933
Bunker inventory		14 675	16 492
Current receivables		57 544	52 332
Cash and cash equivalents		139 871	105 204
Total current assets		212 090	197 961
Total assets		1 000 293	797 634
EQUITY AND LIABILITIES			
Equity			
Paid-in capital		158 359	158 802
Retained earnings		98 864	82 739
Non-controlling interests		40 112	31 378
Total equity		297 335	272 919
NON-CURRENT LIABILITIES			
Long-term interest bearing debt	4	555 202	412 881
Other non-current liabilities		1 729	1 757
Total non-current liabilities		556 931	414 638
CURRENT LIABILITIES			
Current portion of interest bearing debt	4	50 053	24 467
Other current liabilities		95 974	85 610
Total current liabilities		146 027	110 077
Total equity and liabilities		1 000 293	797 634

Uniform and Modern Fleet of 31 Bulk Carriers



Vessel	Built	DWT	Yard
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

Appendix: Belships ASA – Group Structure

