

Nederlandse Beleggingsmaatschappij voor Zeeschepen NV

Semi-annual report 2022



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Content

Content	2
Management Report	3
SHORTENED CONSOLIDATED SEMI-ANNUAL REPORT JUNE 30, 2022	6
Consolidated balance sheet	6
Consolidated income statement and overview of unrealised profits	7
Consolidated statement of changes in equity	8
Consolidated cashflow statement	9
Notes to the shortened semi-annual report	10
Appendix 1: Results per ship	16

Management Report

Below we enclose the management report regarding the Nederlandse Beleggingsmaatschappij voor Zeeschepen N.V. (“NBZ”). This report constitutes a summary of the Dutch published semi-annual financial report reviewing the first 6 months of 2022.

Result first 6 months 2022

NBZ reports a profit of USD 1,303,000 over the first 6 months, or USD 1.45 per share. (First 6 months 2021: USD 531,000 or USD 0.67 per share).

The good result reflects the excellent situation in all the sub-markets in which NBZ is represented.

The main events of NBZ during the first 6 months of 2022 were:

- Profitable sales of the AS Elbia (bulk carrier, Nordic Handysize II AS) and the Vectis Falcon (MPP vessel, Super Greenship BV). Cash dividends from these two sales amounted to USD 720,000.
- Expanding its interest in Brasgas IS from 18% to 33% for a purchase price of USD 410,250.
- Upward revaluation of the future cash flows (from charter income and expected residual values) of the interests in the MPP market.
- The charterer of the MT UACC Eagle (LR tanker, UACC Bergshav Tanker II DIS) exercised its call option, with the vessel being delivered to the charterer at the end of this year. Revaluation of future income resulted in a one-off profit and a return on investment of 15% p.a. for this five-year investment.

Developments with regard to the shareholders

NBZ was established on 16 March 2005 and its shares have been listed on the NYSE/Euronext since 15 November 2011. Annexum Beheer BV is responsible for the management of NBZ.

The General Meeting of Shareholders was held on 9 June 2022. The shareholders approved the 2021 annual accounts and granted discharge from liability to the Management Board and the Supervisory Board. During this meeting, the growth strategy of the fund was discussed and growth targets were implemented, to be evaluated at the end of this year.

At the General Meeting of Shareholders, payment of an extra dividend of USD 0.37 was agreed given the good results of 2021. It was also decided to pay an interim dividend of USD 0.24 per share over the first 6 months of 2022. Altogether, on the 13th of July 2022, NBZ paid out a total of USD 0.61 per share, partly in shares and partly in cash.

Shipping markets

Covid-19 and the Russian invasion of Ukraine have both seriously impacted the shipping industry. The start of the Covid-19 pandemic in 2020 was followed by the revival of the container market and soon afterwards by the upturn of the dry bulk and multipurpose market. These strong market circumstances continued during 2021. Recently, the Ukrainian crisis has resulted in an energy crisis which has increased ton-miles for tankers and consequently considerably improved the tanker market.

Activity in the container vessel chartering market is currently slightly slower amid the traditionally quieter summer holiday season in Europe. Charter rates largely moved sideways but remain at exceptionally stable levels, with the containership time charter rate index still more than four times the

end 2020 level. Port congestion is still a serious issue in both the container market and the dry bulk market. The current container vessel orderbook is high (25%) and mainly includes tonnage above 12,000 TEU. The 2 container vessels in which NBZ participates are feeders (below 3,000 TEU). The orderbook in this smaller segment is also quite high (15%). Most of these new build container vessels will be delivered from the second half of 2023. The orderbooks for multipurpose vessels (3%) and dry bulk carriers (7%) are at an historically low level.

An important driver of the multipurpose market and to a lesser extent the dry bulk market has been the strength of the container market. The container market may slow down during the coming year, as congestion is likely to decrease and new vessels will enter the market. Currently, around 50% of NBZ investments include multipurpose vessels. However, the advantage of these vessels is that they can also carry other cargoes like project cargo and dry bulk cargoes, making them flexible and not fully dependent on the container market. On the demand side, energy projects, both carbon and renewables, will take off to secure energy independence from Russia. These projects will need multipurpose tonnage which will be a positive driver to the market.

Until very recently, the tanker market had been experiencing a long period of weak rates with average earnings of more than 50% below the 30-year average. However, since the start of the Ukraine conflict, much stronger market conditions have materialised. The main reason for this upturn is the ton-miles increase, plus demand growth in both the US and Europe, where people are travelling again (diesel, kerosine). Due to these demand developments and considering the modest tanker orderbook (6%) on the supply side, the expectations for the tanker markets are positive in the medium term (1-3 years).

In summary, the main shipping markets are all flourishing at the moment. Despite a possible (modest) recession and the large container orderbook, NBZ is cautiously optimistic. The orderbooks in all other markets in which NBZ participates are low and demand expectations are positive. Furthermore, it is expected that the new regulation to reduce CO₂ emissions (applicable from 1 January 2023), the Energy Efficiency Existing Index (EEXI) and the Carbon Intensity Indicator (CII) will have a serious impact on the total fleet capacity, because one way to apply this regulation is to reduce a vessel's speed. This capacity reduction will also have a positive influence on the shipping market.

Despite the above positive conclusions, uncertainties remain because a further escalation of the Ukrainian conflict or political conflicts elsewhere (Taiwan) could change this situation.

NBZ Investment portfolio; current status

The dry bulk carrier, the AS Elenia, owned by Nordic Handysize III AS (NBZ ownership: 3%), is on a 12 to 15-month time charter contract until January-March 2023. The four Forest Wave multipurpose (MPP) vessels (NBZ: 11.8%) are all on profit split time charter contracts until October 2024, and the two Super Greenship B.V. MPP vessels (NBZ: 5.6%) are both on time charter contracts expiring in summer 2024 and 2025. The MPP vessel, the Momentum (NBZ: 15%), is operated in a pool. NBZ's downside risk is limited due to a minimum rate agreement with the sellers of the participation.

The two container vessels partly owned by Thor Dahl Shipping AS (NBZ: 3.5%), the Thorswind and the Thorstar, are both on time charter contracts until spring 2023 and February 2025.

The two suezmax crude oil tankers, the Arctic and the Antarctic (NBZ: 3%), owned by Partankers XVII IS are both on bareboat charter contracts until 2026. The LR tanker, the Eagle, owned by UACC Bergshav Tanker II DIS (NBZ: 6.5%), is on a bareboat charter contract until the end of 2022. The charterer of this vessel has exercised the call option and the vessel will be delivered at the end of the

bareboat contract (December 2022). The two chemical vessels, the Ozden-S and the Azra-S, owned by RF Tankers AS (NBZ: 7%), are both on time charter contracts until April/May 2023.

The six gas carriers, owned by B-Gas NSG Ltd (NBZ: 1.75%), are commercially operated in the B-Gas pool and the gas carrier, the Kempton, owned by Brasgas IS (NBZ 33%), is on a 7-year bareboat charter contract until the end of 2025.

All counterparts under the above-mentioned charter contracts pay charter hire according to the agreed terms.

Investments during the first 6 months of 2022

In April 2022, NBZ expanded its interest in Brasgas IS from 18% to 33%. The acquisition price for the additional 15% shareholding amounted to USD 410,250. Brasgas IS is the owner of the gas carrier Kempton, which is on a bareboat charter to Transgas Shipping Lines SAC, Peru. The bareboat contract includes a put-call agreement at the end of the charter contract in 2025. The expected yearly return on investment is 10-15%.

Financial risks

There are financial risks associated with investing in general as well as investing in the financing of seagoing vessels. Potential investors are requested to note that the value of the Company's investments can and is expected to fluctuate. As a result, the net asset value of NBZ and thus the net asset value of the NBZ participations will be subject to fluctuation. The various risks associated with investing in NBZ are extensively described in the 2021 annual accounts and the 2019 Prospectus, dated 2 December 2019 (which can be found on the NBZ website).

Outlook

All the markets in which NBZ invests are currently performing very well. On the supply side, orderbooks in relevant markets for NBZ are low, except for the container vessel orderbook. Furthermore, with congestion still not resolved in various countries, many vessels are not sailing because they are not allowed to enter the port. Finally, new regulations to reduce emissions (applicable from 1 January 2023) will lead to a reduction in vessel speed and consequently fleet capacity. All reasons not to be overly worried on the supply side for the coming 2 years. A probable mild recession may negatively affect the demand side, but destabilisation resulting from political and military conflicts has historically led to higher market rates. In particular, the tanker market clearly benefits from rerouting cargo flows, resulting in longer distance cargo enquiries. In short, the fundamentals on the supply and demand side justify some optimism. At the same time, uncertainty remains as an escalation of the Ukrainian conflict could deepen a worldwide recession, negatively influencing trade and consequently the shipping market.

NBZ is well positioned with respect to the diversified investment portfolio. The gross return on the portfolio measured over the first half of 2022 is approximately 27%, well above the average of 14-15% measured over the 2016-2021 period. For the coming period, the Management will focus on the growth of the fund. Shareholders will be updated regarding this process around the end of the year.

Amsterdam, 23 August 2022

The Manager, Annexum Beheer BV

SHORTENED CONSOLIDATED SEMI-ANNUAL REPORT

JUNE 30, 2022

Consolidated balance sheet

(x USD 1,000)	30 June 2022	31 December 2021	30 June 2021
Assets			
Non-current assets			
Participations in ships	(1) 6,223	6,046	5,195
Investments in joint ventures	-	-	7
	<u>6,223</u>	<u>6,046</u>	<u>5,202</u>
Current assets			
Participations in ships	(1) 2,547	2,756	1,985
Other receivables	47	54	50
Cash and cash equivalents	1,709	327	490
	<u>4,303</u>	<u>3,137</u>	<u>2,525</u>
	<u>10,526</u>	<u>9,183</u>	<u>7,727</u>
Equity and liabilities			
Group Equity	(2)		
Paid-up and called-up capital	1,036	1,013	1,000
Share premium general	15,508	15,508	8,876
Share premium shares A	-	-	6,282
Revaluation reserve	4,730	3,320	2,156
Currency translation reserve	-	-	-7
General reserve	-13,078	-13,354	-12,095
Profit for the year	1,303	1,709	531
	<u>9,499</u>	<u>8,196</u>	<u>6,744</u>
Provisions			
Deferred taxes	-	-	50
	<u>-</u>	<u>-</u>	<u>50</u>
Long-term liabilities			
Bond loan	725	725	725
	<u>725</u>	<u>725</u>	<u>725</u>
Short-term liabilities			
Other liabilities	302	262	208
	<u>302</u>	<u>262</u>	<u>208</u>
	<u>10,526</u>	<u>9,183</u>	<u>7,727</u>

Consolidated income statement and overview of unrealised profits

<i>(x USD 1,000)</i>	1st half year 2022	2021
Income		
Other income	9	6
Alteration in valuations on participations in ships	(1) 1,604	2,290
Results from investments in joint ventures	-	-7
	<u>1,613</u>	<u>2,289</u>
Other results		
Transaction and investments costs	-39	-84
Interest	-22	-25
Currency results	-18	-8
	<u>-79</u>	<u>-117</u>
Operating expenses		
Management fees	108	254
Expenses feeder funds	-	-1
Other operating expenses	123	210
	<u>231</u>	<u>463</u>
Result before taxes	1,303	1,709
Corporate income tax	-	-
	<u>-</u>	<u>-</u>
Result in the reporting period	<u>1,303</u>	<u>1,709</u>
Attributable to shareholders	1,303	1,709
Result per share (x USD 1)	1.45	2.12
Average amount of shares in the reporting period	895,946	806,316

Consolidated statement of changes in equity

(x USD 1,000)

Amount	Shares A	Paid-up and called-up capital	Share premium general	Share premium shares A	Revaluation reserve	Currency translation reserve	General reserve	Total
Position as of 1 January 2021	795,658	978	8,952	6,240	1,346	-7	-11,174	6,335
Result	-	-	-	-	-	-	1,709	1,709
<i>Other changes:</i>								
Stock dividend	35,832	42	-122	80	-	-	-	-
Share issue	99,428	112	-	478	-	-	-	590
Repurchase of shares	-36,847	-43	-120	-	-	-	-	-163
Currency change in share capital	-	-76	-	-	-	-	76	-
Mutation in revaluation reserve	-	-	-	-	1,974	-	-1,974	-
Dividend	-	-	-	-	-	-	-275	-275
Transfer	-	-	6,798	-6,798	-	7	-7	-
Position as of 31 December 2021	894,071	1,013	15,508	-	3,320	-	-11,645	8,196
Result of the 1st half year	-	-	-	-	-	-	1,303	1,303
<i>Other changes:</i>								
Bonus shares	22,500	23	-	-	-	-	-23	-
Mutation in revaluation reserve	-	-	-	-	1,410	-	-1,410	-
Position as of 30 June 2022	916,571	1,036	15,508	-	4,730	-	-11,775	9,499

Consolidated cashflow statement

<i>(x USD 1,000)</i>	1st half year 2022	2021
Results from ordinary activities before taxes	1,303	1,709
Adjustments for:		
Alterations in valuation on participations in ships	(1) -1,604	-2,290
Interest income (financial lease and loans issued)	-22	-25
Change in working capital and others	87	164
Cashflow from business activities	<u>-236</u>	<u>-442</u>
Refunds from participations in ships	(1) 2,046	1,263
Investments in participations in ships	(1) -410	-1,765
Cashflow from investments activities	<u>1,636</u>	<u>-502</u>
Repurchase shares	-	-163
Receipts from issues of share	-	590
Dividends paid out	(2) -	-275
Receipts from bond loans	-	725
Cashflow from financing activities	<u>-</u>	<u>877</u>
Foreign exchange result and translation differences on cash and cash equivalents	-18	-8
Connection to cash and cash equivalents		
Increase/(decrease) of cash and cash equivalents	1,382	-75
Balance of cash and cash equivalents as at 1 January	327	402
Balance of cash and cash equivalents as at reporting period	<u>1,709</u>	<u>327</u>

Notes to the shortened semi-annual report

Profile of NBZ

Nederlandse Beleggingsmaatschappij voor Zeeschepen N.V. ("NBZ" or "the Fund") is an investment company that issues shares and thus offers individuals and legal entities the opportunity to participate in its risk-bearing capital that the company, through single ship companies and loans, invests in existing seagoing vessels. The company has its statutory seat in Rotterdam and its place of business in Amsterdam, Strawinskylaan 485.

For a detailed explanation of the company's investment policy, please refer to the 2011 Prospectus, dated 15 November 2011, the 2016 Prospectus, dated 15 April 2016, the 2019 Prospectus, dated 2 December 2019 and the 2020 Prospectus, dated 22 January 2020.

Since 12 September 2012, NBZ has been an investment institution with a closed-end structure, as a result of which possible expansion of capital will take place by means of issuing new shares. The supplement of 12 September 2012 to the Prospectus 2011 sets out the provisions relating to the closed-end structure.

As of 15 November 2011 the A shares of the company are listed on Euronext Amsterdam. Trading takes place on the basis of daily prices. The ISIN code of the A shares is NL 0010228730.

Principles for the valuation of assets and liabilities and determination of the result

This half-yearly report has been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union. In addition, the provisions under the Financial Supervision Act ('Wet op financieel toezicht') have been included in the semi-annual report to the extent they are applicable to the Fund.

This semi-annual report, for the six months ending June 30 2022, has been prepared in accordance with the IFRS standard "IAS 34, Interim Financial Reporting". Consequently, this interim report does not contain all the information and disclosures included in full financial statements and should be read in conjunction with the 2021 financial statements to obtain a complete picture.

The same accounting policies and valuation methods have been applied in this interim report as in the 2021 consolidated financial statements.

The interim report is presented in units of one thousand US dollars, unless otherwise stated.

The interim report has not been audited and/or reviewed by the external auditor.

Use of estimates and assumptions

The preparation of a semi-annual report in accordance with IFRS involves the use of estimates and assumptions in the valuation of assets and liabilities and in the preparation of the notes to the assets and liabilities as at the balance sheet date as well as in the items in the profit and loss account for the reporting period. Although these estimates are based on current market information, knowledge, and experience of the manager at the time of preparing the financial statements, actual results may ultimately differ. It is therefore possible that the results will deviate from the assumptions during the coming financial year, which may affect the carrying amount of the assets or liabilities concerned.

Determination of the fair value of investments is performed on the basis of cashflow analyses in order to arrive at an adequate valuation, these analyses contain estimates. In addition, the manager makes estimates for the collectability of receivables, the loan loss provision and the expected results for the purpose of determining deferred tax receivables.

Fair value of loans

The fair value of loans is consistent with the book value.

Fair value hierarchy

The fair value of financial assets and liabilities requiring disclosure at the level of the fair value is as follows:

<i>x USD 1,000</i>	30 June 2022			31 December 2021		
	Carrying amount	Fair value	Fair value Hierarchy	Carrying amount	Fair value	Fair value
Assets						
Participations in ships	6,436	6,436	3DCF	6,432	6,432	3DCF
Participations in ships	<u>2,334</u>	<u>2,334</u>	3RT	<u>2,370</u>	<u>2,370</u>	3RT
	<u>8,770</u>	<u>8,770</u>		<u>8,802</u>	<u>8,802</u>	

As at June 30 2022, the shareholding in Brasgas IS, Momentum CV and Nordic Handysize III AS are measured at Level 3 based on recent market transactions (3RT).

The fair value hierarchy has the following levels:

- Level 1: Fair value is based on available prices from active markets.
- Level 2: Fair value is derived from publicly available market information.
- Level 3: The following variants are used:
 - RT : Fair value is derived from market transactions
 - DCF: Fair value is derived from valuation models using the discounted cash flow method where in one or more significant inputs are based on internal data.

NBZ values loans u/g at amortized cost and investments and participations in vessels at fair value.

Seasonality

The fund's activities are not subject to a seasonal pattern.

1. Participations in ships

(x USD 1,000)

	1 st half year 2022	2021
Balance at the beginning of reporting period	8,802	6,010
Investments	410	1,765
Repayments	-2,046	-1,263
Movement fair value	1,604	2,290
Balance at the end of reporting period	<u>8,770</u>	<u>8,802</u>
Classification:		
Long-term participations	6,223	6,046
Short-term participations	2,547	2,756
Balance at the end of reporting period	<u>8,770</u>	<u>8,802</u>

Participations in ships do not have publicly available market information. However, information is available on transactions in the assets of the holdings in ships, as this information is made available by the manager of the SPVs on request. With respect to the following company, transactions took place in the first half of 2022:

	<i>Date</i>	<i>Transaction value</i>	<i>Transaction type</i>
<i>Entity</i>			
BrasGas IS	28-04-2022	USD 410,250	Purchase

Level 3 valuation based on recent market transactions

For participation in the above company, the above transaction was used as the basis for determining the fair value, with any adjustment for interest, dividends paid and capital repayment. This takes into account any events after the transaction date that may give cause to deviate from this.

NBZ tests the risk premium in its investment decision taking into account risk factors mentioned in the investment policy. The diversity of the investments explains the range of the risk premiums with which NBZ determines the fair value of the participations on the basis of the following data:

Valuation method	revenue approach, present value method
Cashflow timing	2022 through 2027
Risk-free rate	1% - 2%
Applied risk premium	5% - 11%

2. Group equity

Changes in share capital

Changes in the number of shares, the corresponding share capital and the corresponding share premium reserves are included in the consolidated statement of changes in equity.

Comparative overview intrinsic value

	<u>June 30, 22</u>	<u>Dec 31, 21</u>	<u>Dec 31, 20</u>
Equity	9,498,943	8,195,717	6,335,495
Intrinsic value per participation	10.36	9.17	7.96
Amount of participations	916,571	894,071	795,658

3. Related parties

Stichting Beleggingsrekeningen NBZ

As of June 30 2022, 916,571 shares of type A are held by Stichting Beleggingsrekeningen NBZ. Stichting Beleggingsrekeningen NBZ issues participations to investors for these shares.

Annexum Beheer B.V.

A management agreement has been entered into between the companies and Annexum Beheer B.V. with regard to the management of NBZ. This agreement sets out the activities to be performed by Annexum Beheer B.V., such as:

- performing general management tasks
- organizing share issues, approaching and negotiating with potential investors;
- preparing to make and manage investments;;
- maintaining contacts with all parties involved (investors and regulators);
- preparing and distributing financial reports etc.

Transactions with related parties take place on an arm's length basis.

4. Arrangements and commitments not shown in the balance

“Called- up capital” obligation for participations in ships

The investments UACC Bergshav II DIS and Kempton are subject to a possible callable payment obligation of additional equity “uncalled capital obligation” of USD 260,000 and USD 865,000 respectively.

5. Segmentation

The manager makes strategic allocations of investments for NBZ. Segments are determined based on periodically reviewed reports by the manager and are used for strategic choices. The manager is responsible for the investment portfolio and this has concluded that the fund has one segment. Investment decisions are based on an integrated shipping investment strategy. The manager assesses the fund's performance at the overall level of the fund.

The fund's investments focus on ship financing. Depending on the legal structure of the financing, they can be classified as loans, a participation in ships or a lease. This aspect does not affect the performance assessment.

The internal reports for the manager on the fund investments, liabilities and performance are based on the same valuation principles as used in these financial statements.

6. Disclosures under the Financial Supervision Act ('Wet op het financieel toezicht')

Total expense ratio (TER)

In accordance with art. 123.1L BGfo the company must provide insight into the level of costs related to the average net asset value. This ratio is referred to as the "Total expense ratio"(TER).

The TER of NBZ for the first half-year of 2022 amounts to 5.29% (first half-year 2021: 7.91%).

The TER is calculated as follow: total costs dividend by the average net asset value of NBZ.

- Total costs include the costs charged to the result as well as directly to shareholders' equity in the reporting period. The average net asset value of the investment institution is calculated as the sum of the net asset values divided by the number of observations.
- For NBZ, the average net asset value is based on the figures as at 31 December 2021, 31 March 2022 and 30 June 2022 weighted at the ratio 0.5:1:0.5 . The average of the net asset value of the company for the first half year of 2022 is USD 8,716,925 (first half year 2021: USD 6,510,005).

Cost comparison overview

Based on article 123 Bgfo, a comparative overview is included of the actual costs for the period January 1 2022 to June 30 2022 with those for the first six months for 2021.

<i>(x USD 1,000)</i>	Actual costs 1 January - 30 June 2022	Actual costs 1 January- 30 June 2021
Management fee	108	111
Supervisory costs	9	12
Remuneration of the supervisory board	19	19
Accounting costs	53	45
Emission costs	-	-
Other costs	42	29
Total costs	<u>231</u>	<u>216</u>

Information on voting rights and conduct policies

The voting rights on the shares held by NBZ will be exercised, if necessary, in the interest of achieving the objective of NBZ, in accordance with its Articles of Association and the investment decision guidelines as stated in the Prospectus 2020, dated January 22 2020.

Total Personal Interest Manager

As of July 1 2017, the management of NBZ is conducted by Annexum Beheer B.V. The manager does not own any NBZ shares or units.

The members of the supervisory board do not hold any shares or participations.

7. True and fair view statement ad article 5:25c section 2 sub c Wft

The Management Board of NBZ declares that, to the best of its knowledge:

- The Semi-Annual Report 2022 gives a true and fair view of the assets, liabilities, financial position as at 30 June 2022 and the result for the period 1 January 2022 to 30 June 2022.
- The manager's report gives a true and fair view of the situation as at 30 June 2022, the course of business during the reporting period 1 January 2022 to 30 June 2022 and that the report describes the essential risks with which the company is confronted.

Amsterdam, 23 August 2022

Manager

Annexum Beheer B.V. - drs. H.W. Boissevain

Supervisory Board

Mr. B. de Vries
R.G. Verburgt
Mr. Dr. M.F.M. van den Berg

Appendix 1: Results per ship

<i>(x USD 1,000)</i>	2022-06	2021-12
Income		
Michelle	-	-7
Henrietta	-	11
North Sea Gas	4	-62
Nordic Handysize	113	302
Eagle II	270	72
Parchem III	1	43
Thor Dahl Container	11	631
RF Ocean	7	-52
BrasGas	65	133
Forest Wave	641	934
SuperGreenship	277	228
Partankers	118	41
Momentum	97	9
Other income	9	6
	1,613	2,289
Other results		
Transaction and investment costs	-39	-84
Exchange result	-22	-8
Interest	-18	-25
	-79	-117
Operating expenses and taxes		
Management fee	-108	-254
Overhead costs	-123	-209
Corporate income tax NBZ N.V.		-
	-231	-463
Total consolidated result after tax	1,303	1,709