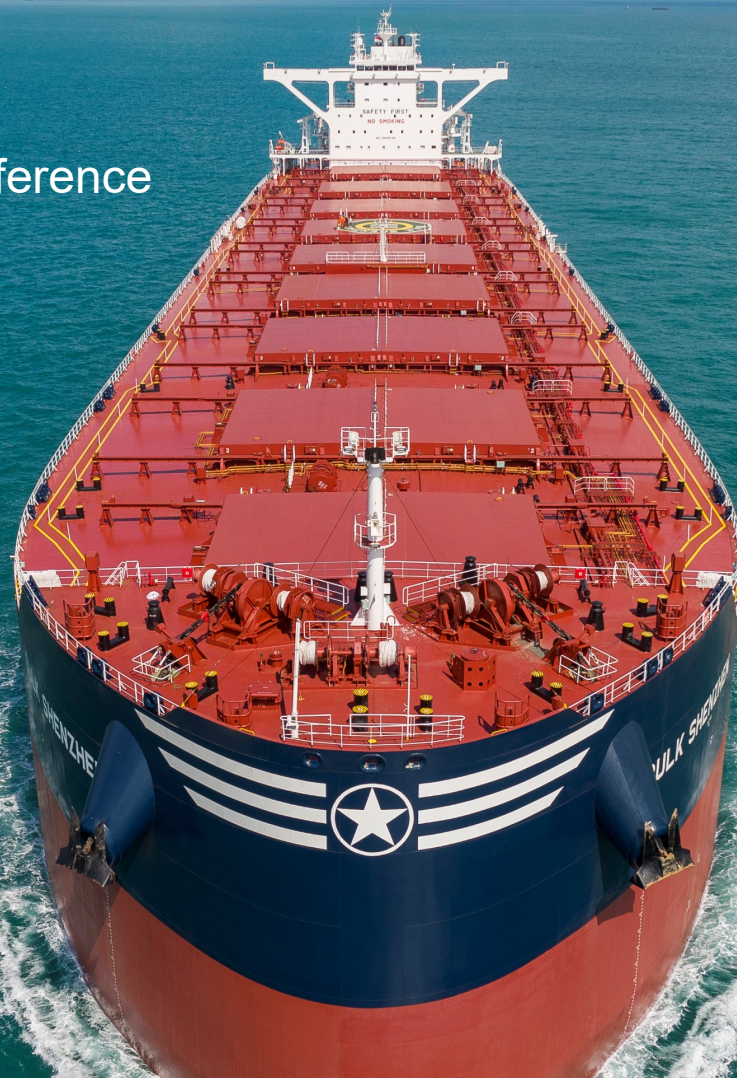


# 2020 BULKERS

2020 Bulkera Ltd.  
Pareto Securities' Energy Conference  
17 September, 2020





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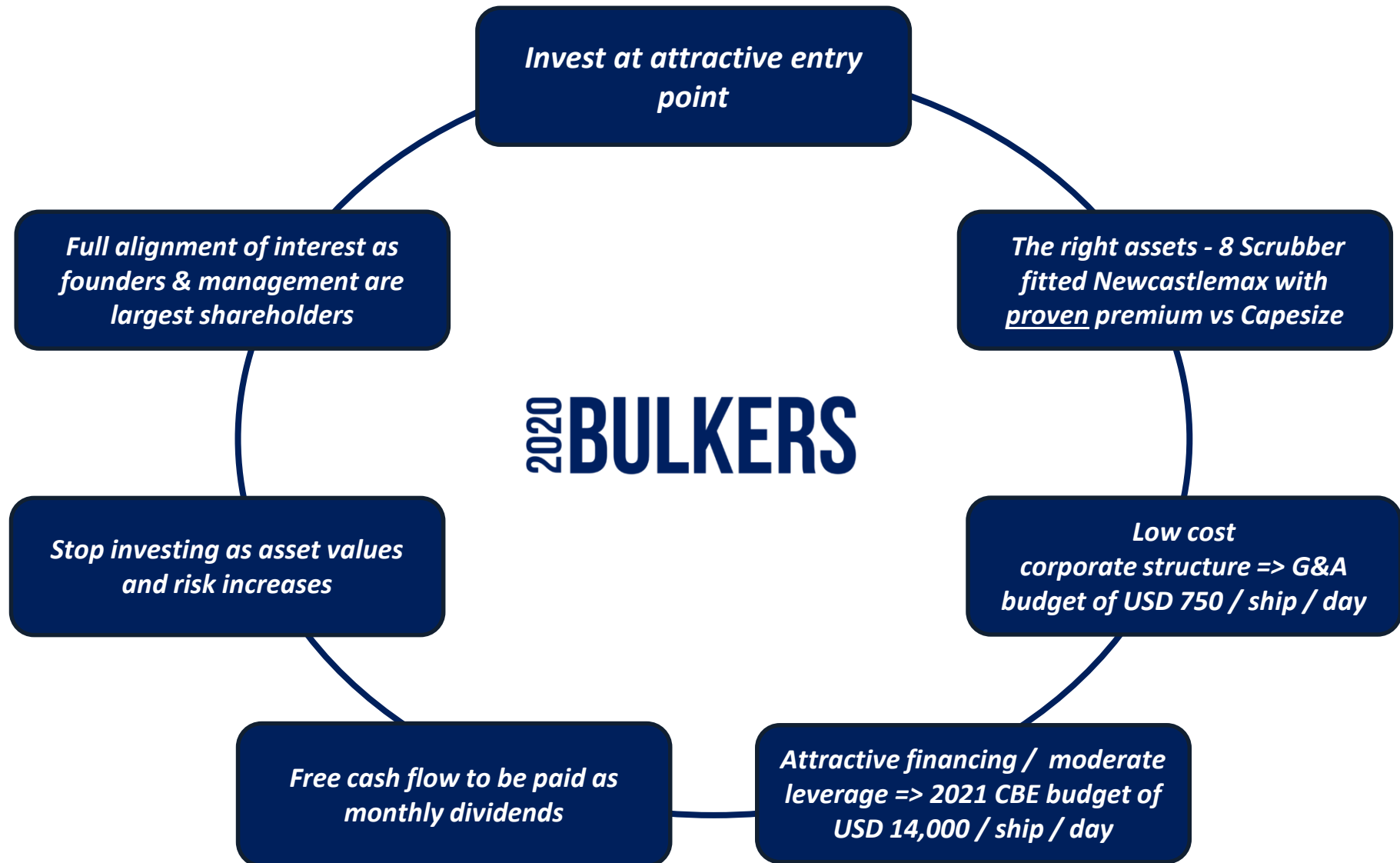
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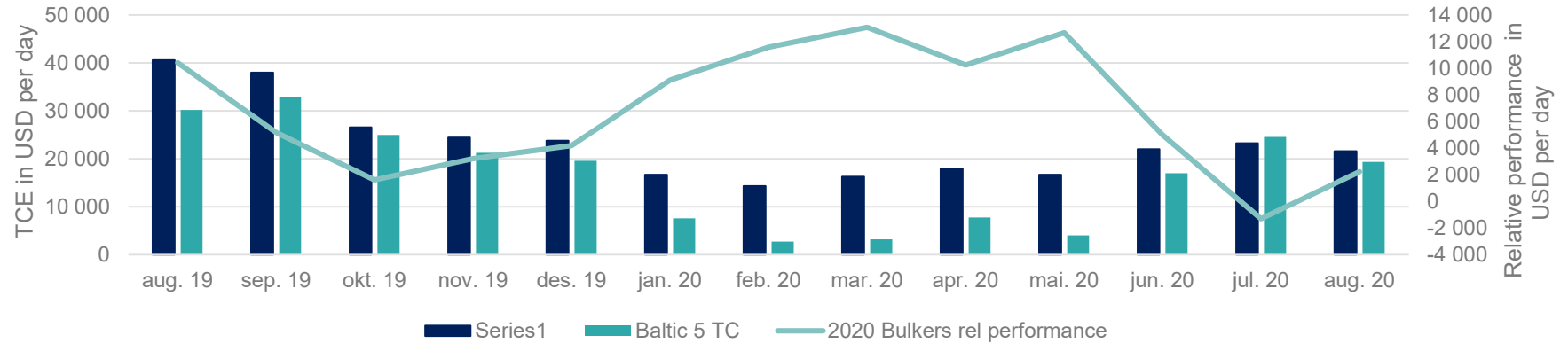
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- All vessels delivered and on contract with strong charterers
  - Strong commercial performance since delivery of first vessel in August 2019. Outperformed Capesize index 12 out of 13 months due to: Newcastlemax earnings premium vs standard Capesize and a balanced mix of fixed and index linked time charters
  - Net profit every quarter since delivery of first vessel
  - Paying monthly dividends following delivery of last newbuilding in June 2020
-

# Track record of strong commercial performance

## Commercial performance relative to Baltic 5TC index



## Balanced charter composition with solid counterparts

Ship name	Delivered	Charterer Rate		Term
Bulk Sandefjord	Aug 19	Koch	14 378 + scrubber benefit until Dec 20. Index linked + scrubber benefit thereafter	3 years
Bulk Santiago	Sep 19	Koch	19 525 until Dec 20, index linked + scrubber benefit thereafter	12 – 15 months
Bulk Seoul	Oct 19	Koch	22 250 until Dec 20, index linked + scrubber benefit thereafter	12 -16 months
Bulk Shanghai	Nov 19	Glencore	22 673	11 – 13 months
Bulk Shenzhen	Jan 20	Glencore	21 919	11 – 13 months
Bulk Sydney	Jan 20	Koch	14 002 + scrubber benefit until Dec 20. Index linked + scrubber benefit thereafter	3 years
Bulk Sao Paulo	Jun 20	Glencore	Index linked + scrubber benefit	3 years
Bulk Santos	Jun 20	Glencore	Index linked + Scrubber benefit	3 years

# Attractive cash breakeven gives downside resilience

## Cash breakeven

- Operating cash breakeven budget of ~USD 14,000 per day for 2021. Includes Opex, G&A and debt service
- Based on achieved Newcastlemax premium versus standard Capesize vessels we expect to cover our operating cash breakeven as long as standard Capesize rates are above USD 9,500 per day
- We expect to reduce our cash breakeven for open and index linked ships for 2021 below ~USD 14,000 by taking some fixed charter coverage for 2021

## 2020 Bulkers CBE vs historical Capesize rates



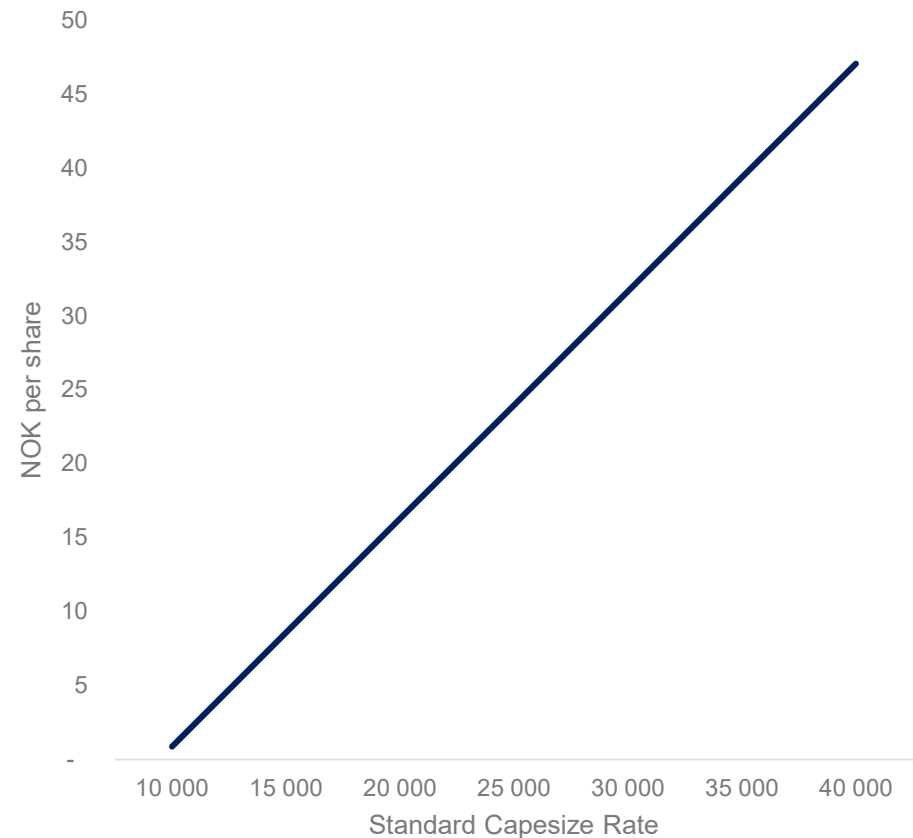
Newcastlemax premium based on current timecharters, scrubber savings based on forward curve for 2021

# Capex program concluded, dividend potential is significant

## Cash breakeven

- Monthly dividends resumed following delivery of last newbuilding in June 2020
- 2020 Bulkercs has a strategy to pay out the majority of operating free cash flow as monthly dividends

## Indicative free cash available for dividends in 2021



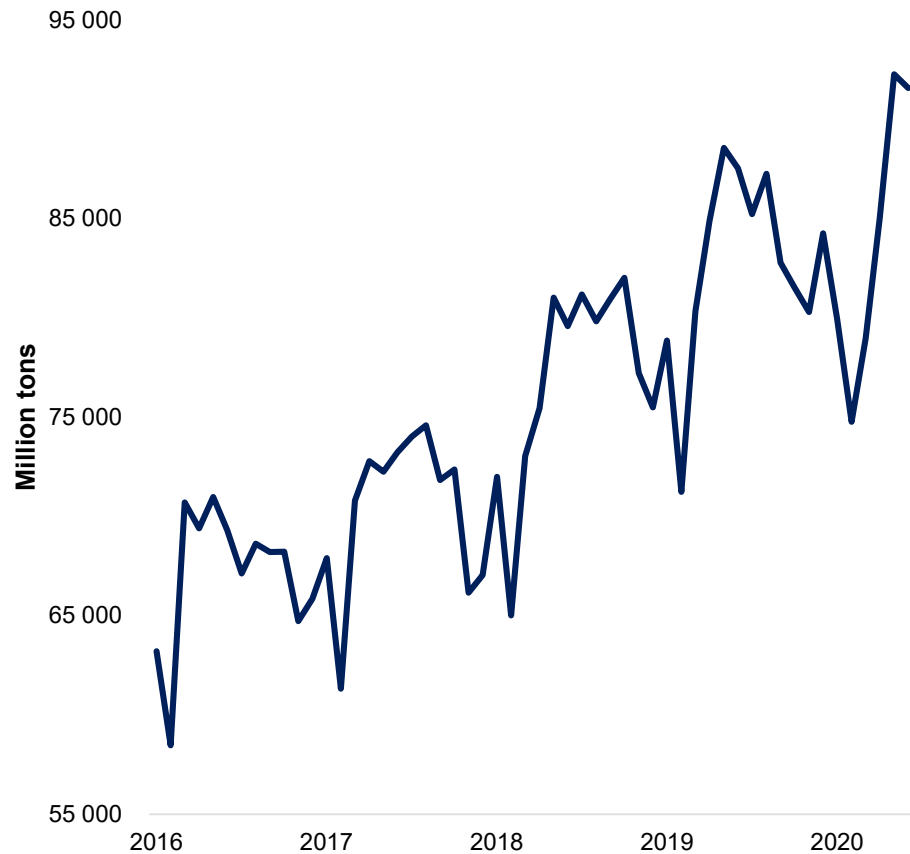
Based on current budgets, actual results may vary

# Market update

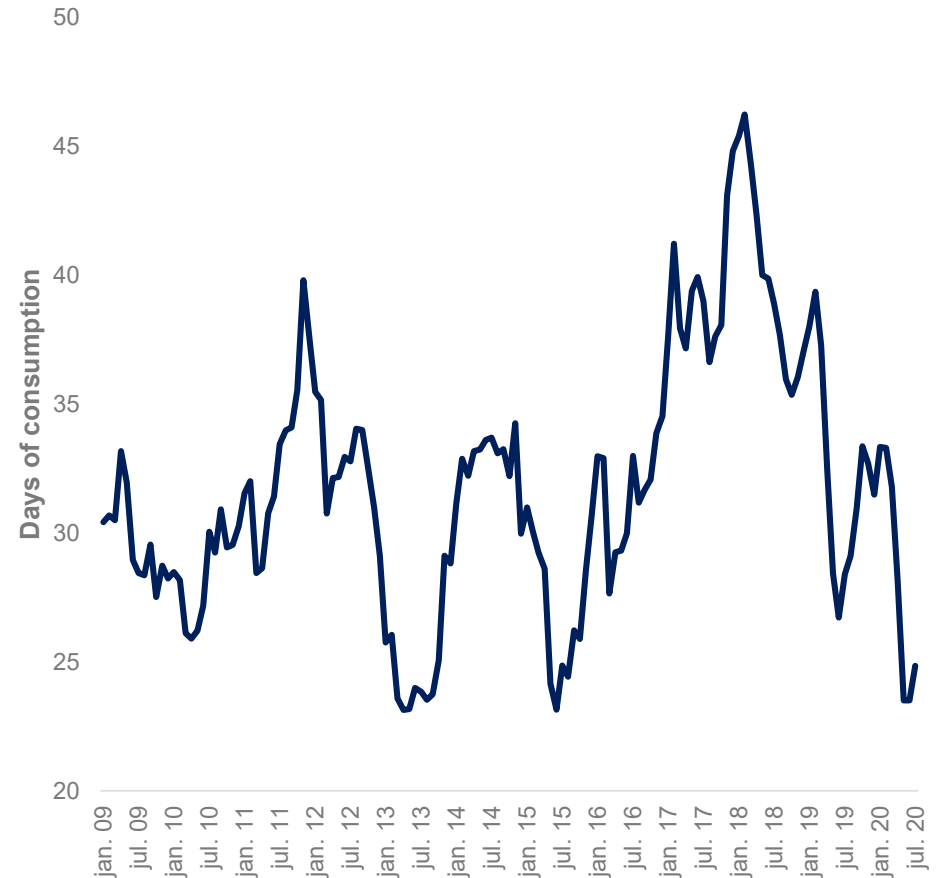


# High Chinese steel production requires more iron ore imports

## Chinese steel production are at record high levels

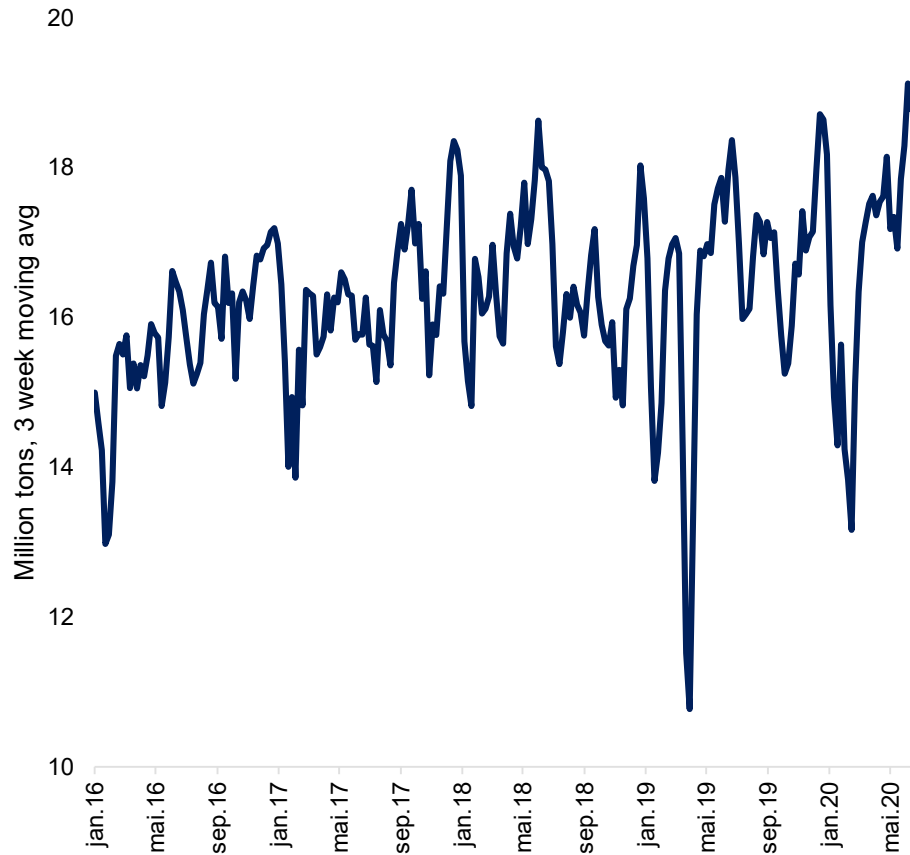


## While iron ore inventories are at low levels historically

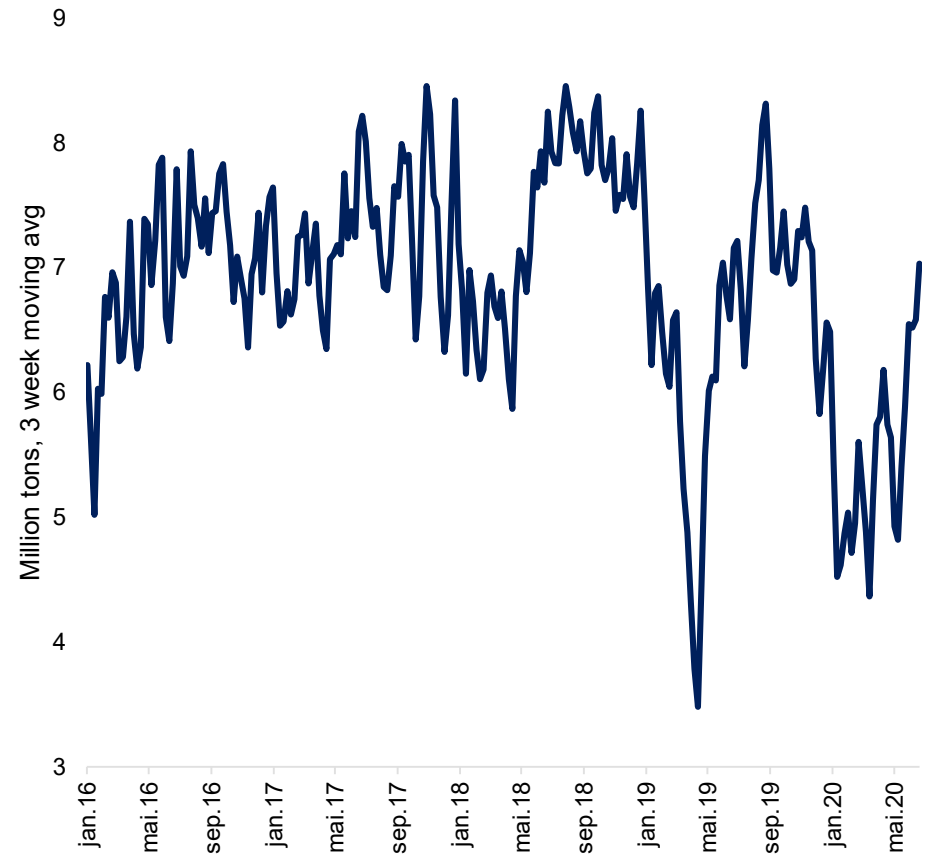


# Increased Brazilian exports is finally helping the freight market

## Australian iron ore exports at record levels in 1H 2020



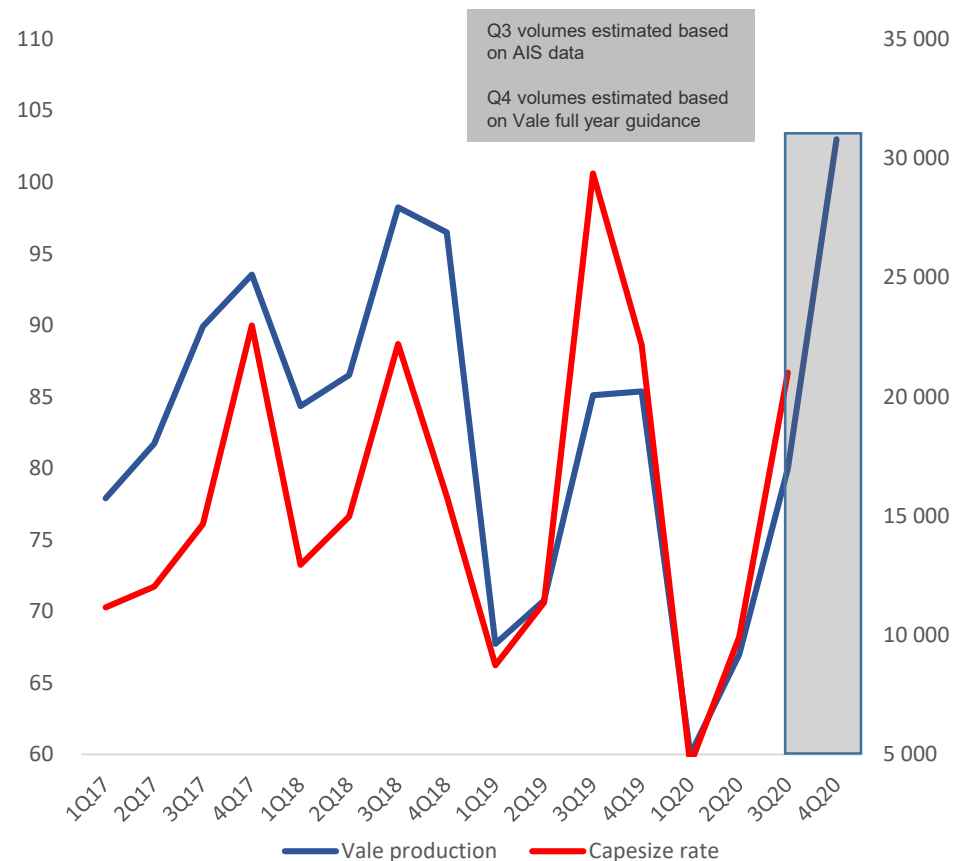
## Brazilian iron ore exports recovering after a weak 1H 2020



# Brazil iron ore exports should be picking up with Vale guiding for significant increase in production in 2H vs 1H 2020

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## Strong correlation between Vale production and Capesize rates

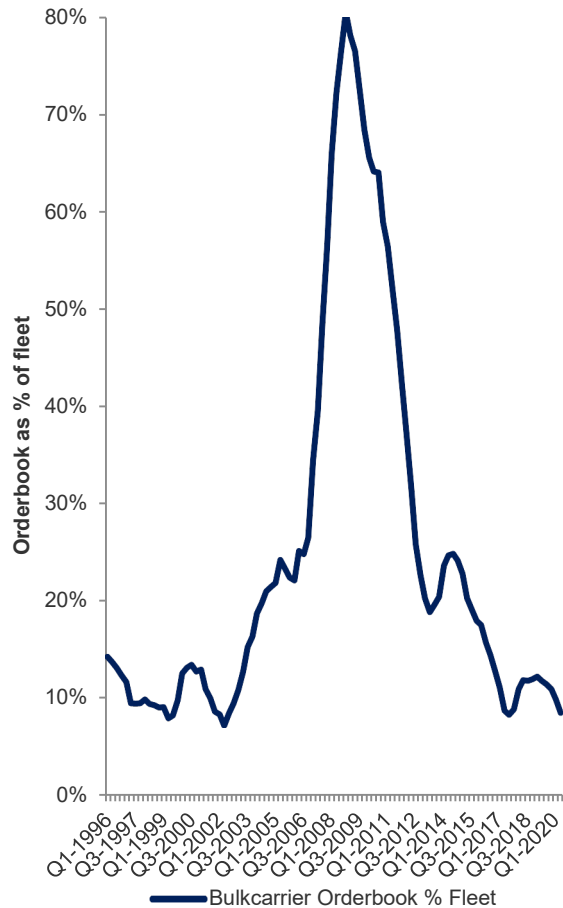


## Comments

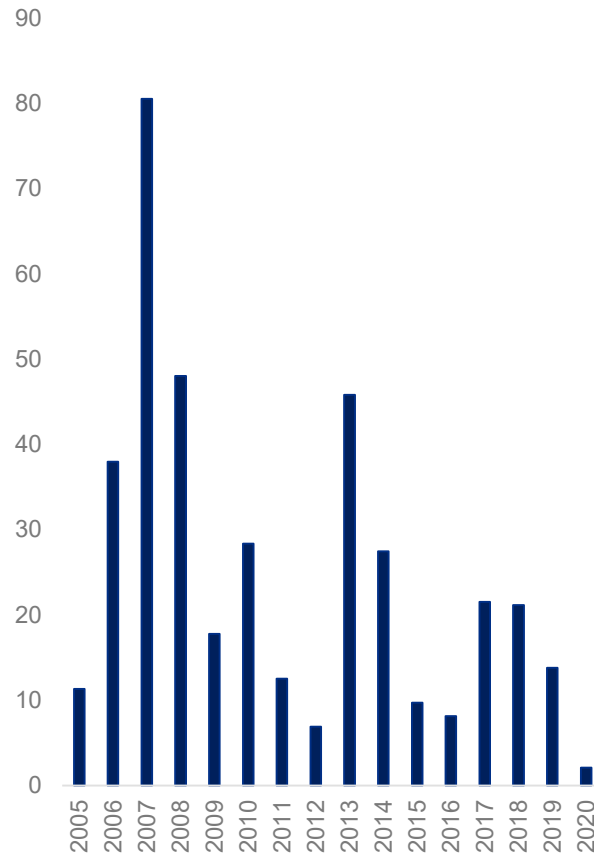
- Vale produced 60 and 67 million tons of iron ore in Q1 and Q2 2020, respectively
- AIS data indicates Vale is on a run rate of producing 80 million tons of iron ore in Q3
- Vale's guidance of 310 – 330 million tons for 2020 implies that Q4 production volumes may exceed 100 million tons
- There has historically been a strong correlation between Vale's production, Brazilian exports and observed Capesize rates

## Limited supply growth on the horizon and high scrapping activity

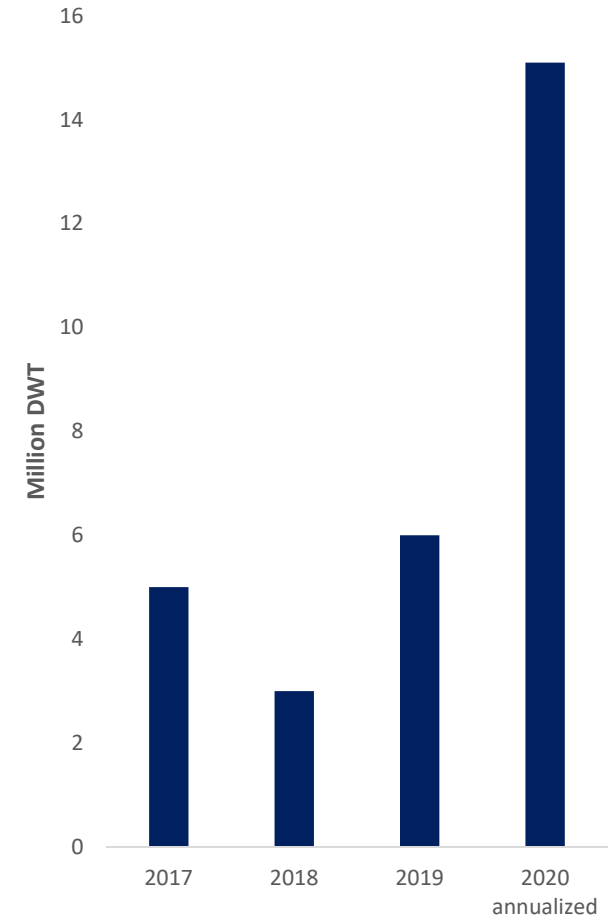
Dry bulk orderbook as % of fleet



Capesize bulk newbuild contracts



Capesize scrapping<sup>(1)</sup>



(1) Drybulk vessels larger than 100,000 dwt, Source: Clarkson Research Services Limited, Arrow Shipbroking Group, Tradewinds