

Prospectus

2020 BULKERS

2020 Bulkiers Ltd.

(An exempted company limited by shares incorporated under the laws of Bermuda)

Transfer of listing of the Company's Shares from Oslo Axess to Oslo Stock Exchange

This prospectus (the "**Prospectus**") has been prepared in connection with transfer of listing from Oslo Axess to Oslo Stock Exchange (the "**Listing**") of all depository receipts, each with a par value of USD 1.00 (the "**Shares**"), in 2020 Bulkiers Ltd (the "**2020 Bulkiers**" or the "**Company**"), an exempted company limited by shares incorporated under the laws of Bermuda (together with its consolidated subsidiaries, the "**Group**"). The Prospectus serves as a listing prospectus pursuant to section 7-3 of the Norwegian Securities Trading Act.

The Shares, being the depository receipts that represents the beneficial interests in the Company's underlying common shares (the "**Common Shares**"), are registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form under the name of a "share" and will be listed and traded on Oslo Oslo Stock Exchange in the form of depository receipts as "shares in 2020 Bulkiers Ltd.". Accordingly, all references to "Shares" in this Prospectus shall in the context of the securities to be listed and traded on Oslo Stock Exchange refer to the depository receipts for the underlying Common Shares. All Shares will rank in parity with one another and each carry one vote. Further, except where the context otherwise requires, all references to "Shares" in this Prospectus shall either be a reference to both the "Shares" and the "Common Shares", or a reference to the depository receipts of the Common Shares, or a reference to the "Common Shares", as applicable.

The Shares of the Company have since 12 July 2019 been listed on Oslo Axess with ticker code "2020". The Company's Shares have been approved for listing on Oslo Stock Exchange on 28 October 2020. It is expected that the first day of listing on Oslo Stock Exchange will be on or about 2 November 2020. The Shares will be listed on the Oslo Stock Exchange under the Company's current ticker code "2020".

Clarksons Platou Securities AS is acting as the Company's Financial Advisor in connection with the Listing (the "**Financial Advisor**").

Investing in the Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk Factors" beginning on page 10 when considering an investment in the Company.

This Prospectus does not constitute an offer or invitation to buy, subscribe or sell the securities described herein and the Prospectus relates solely to the Listing.

Financial Advisor

Clarksons Platou Securities AS

The date of this Prospectus is 29 October 2020

IMPORTANT INFORMATION

This Prospectus has been prepared by 2020 Bulkers Ltd. to provide information about the Company and its business solely for use in connection with the transfer of the Company's listing from Oslo Axess to Oslo Stock Exchange. All Sections of the Prospectus should be read in context with the information included in Section 4 "General Information". For definitions of certain other terms used throughout this Prospectus, see Section 18 "Definitions and Glossary".

Readers are expressly advised that the securities are exposed to financial and legal risk and they should therefore read this Prospectus in its entirety, in particular Section 2 "Risk Factors". The contents of this Prospectus are not to be construed as legal, financial or tax advice. Each reader should consult his, her or its own legal adviser, independent financial adviser, or tax adviser for legal, financial or tax advice.

This Prospectus dated 29 October 2020 has been prepared by 2020 Bulkers Ltd. to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and as implemented in Norway (the "**Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. Investors should make their own assessment as to the suitability of investing in the securities. This Prospectus is drawn up according to annex 1 and 13 to the Prospectus Regulation.

The information contained herein is as of the date of this Prospectus and subject to change, completion, and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Shares between the time when this Prospectus was approved and the date of listing of the Shares on OSE, will be included in a supplement to this Prospectus. This is the only obligation of the Company to update the Prospectus and the publication and distribution of this Prospectus does not, under any circumstances, imply that there will be no change in the Company's affairs or that the information herein will continue to be correct as of any date subsequent to the date of this Prospectus.

The contents of this Prospectus shall not be construed as legal, business or tax advice. None of the Company or the Financial Advisor, or any of its respective employees, affiliates, or advisors, is making any representation. Each reader of this Prospectus should consult its own legal advisor, independent financial adviser, or tax advisor. If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, lawyer, accountant, or other professional adviser.

No person is authorized to give information or to make any representation in connection with the transactions described herein. If any such information is given or made, it must not be relied upon as having been authorized by the Company or the Financial Advisor or by any of the employees, affiliates, or advisors of any of the foregoing.

No action has been or will be taken in any jurisdiction other than Norway by the Company that would permit the possession or distribution of this Prospectus, any documents relating thereto, or any amendment or supplement thereto, in any country or jurisdiction where this is unlawful or specific action for such purpose is required. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus may come are required by the Company to inform themselves about and to observe such restrictions. Neither the Company nor the Financial Advisor shall be responsible or liable for any violation of such restrictions by investors. The restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations in relation to this Prospectus that are not known or identified at the date of this Prospectus may apply in various jurisdictions.

The Shares have not been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any security regulatory authority of any state or other jurisdiction in the United States. This Prospectus has not been approved nor reviewed by the US Securities and Exchange Commission and is not for general distribution in the United States. Accordingly, the securities described in the Prospectus may not be offered, pledged, sold, resold, granted, delivered, allotted, taken up, or otherwise transferred, as applicable, in the United States, except pursuant to an effective registration statement under the U.S. Securities Act or in transactions that are exempt from, or in transactions not subject to, registration under the U.S. Securities Act, and in each case in compliance with any applicable state securities laws.

This Prospectus is governed by and shall be construed in accordance with Norwegian law. The courts of Norway, with Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. Securities may be offered or sold in Bermuda only in compliance with provisions of the Companies Act 1981, Investment Business Act 2003, the Exchange Control Act of 1972, and related regulations of Bermuda that regulate the sale of securities in Bermuda. In addition, specific permission is required from the Bermuda Monetary Authority ("**BMA**"), pursuant to the provisions of the Exchange Control Act of 1972 and related regulations, for all issuances and transfers of securities of Bermuda companies, other than in cases where the BMA has granted a general permission. The BMA, in its policy dated 1 June 2005, provides that where any equity securities of a Bermuda company, which would include our common shares, are listed on an appointed stock exchange (Oslo Stock Exchange is deemed to be an appointed stock exchange under Bermuda law), general permission is given for the issue and subsequent transfer of any securities of such company, including the Shares, from and/or to a non-resident of Bermuda, for as long as any equity securities of the company remain so listed. None of the BMA, the Minister of Finance of Bermuda or the Registrar of Companies accept any responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed in this Prospectus.

TABLE OF CONTENTS

1	SUMMARY	5
1.1	INTRODUCTION - WHO IS THE ISSUER OF THE SECURITIES?	6
1.2	KEY FINANCIAL INFORMATION ON THE ISSUER	7
1.3	KEY INFORMATION ON THE SECURITIES	8
1.4	KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET	9
2	RISK FACTORS.....	10
2.1	RISKS RELATED TO OUR BUSINESS	10
2.2	RISKS RELATED TO APPLICABLE LAWS REGULATIONS	11
2.3	RISKS RELATED TO FINANCING	12
2.4	RISKS RELATED TO THE SHARES	14
3	RESPONSIBILITY FOR THE PROSPECTUS	15
4	GENERAL INFORMATION	16
4.1	DATE OF INFORMATION	16
4.2	OTHER IMPORTANT INVESTOR INFORMATION	16
4.3	PRESENTATION OF FINANCIAL AND OTHER INFORMATION	16
4.4	CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	17
4.5	OTHER INFORMATION	18
4.6	EXCHANGE RATES	18
4.7	APPROVAL OF PROSPECTUS	18
5	THE LISTING	19
5.1	ADMISSION TO TRADING	19
5.2	ADVISORS	19
6	DIVIDENDS AND DIVIDEND POLICY	20
6.1	DIVIDEND POLICY	20
6.2	LEGAL CONSTRAINTS ON THE DISTRIBUTION OF DIVIDENDS	20
6.3	MANNER OF DIVIDEND PAYMENTS	20
7	INDUSTRY AND MARKET OVERVIEW	21
7.1	INTRODUCTION	21
7.2	OVERVIEW OF THE DRY BULK SHIPPING MARKET	21
7.3	KEY DRIVERS FOR THE DRY BULK SHIPPING MARKET	23
7.4	FUTURE MARKET EXPECTATIONS	29
7.5	COMPETITIVE LANDSCAPE	29
8	BUSINESS OVERVIEW	30
8.1	INTRODUCTION	30
8.2	LEGAL STRUCTURE OF THE GROUP	30
8.3	HISTORY AND IMPORTANT EVENTS	31
8.4	CORPORATE STRATEGY	33
8.5	BUSINESS DESCRIPTION	33
8.6	HEALTH AND SAFETY MATTERS	36
8.7	INSURANCE	37
8.8	LEGAL PROCEEDINGS	37
8.9	DEPENDENCY ON CONTRACTS, PATENTS, LICENSES ETC.	37
8.10	REGULATIONS	37
8.11	OVERVIEW OF REGULATORY DISCLOSURES OVER THE LAST 12 MONTHS RELEVANT AS AT THE DATE OF THIS PROSPECTUS	39
9	CAPITALISATION AND INDEBTEDNESS	40
9.1	INTRODUCTION	40
9.2	CAPITALISATION	40
9.3	INDEBTEDNESS	41
9.4	WORKING CAPITAL STATEMENT	41

9.5	CONTINGENT AND INDIRECT INDEBTEDNESS	41
10	SELECTED FINANCIAL AND OTHER INFORMATION	42
10.1	INTRODUCTION AND BASIS FOR PREPARATION	42
10.2	SUMMARY OF ACCOUNTING POLICIES AND PRINCIPLES	42
10.3	HISTORICAL FINANCIAL INFORMATION.....	42
10.4	INDEPENDENT AUDITOR	48
11	OPERATING AND FINANCIAL REVIEW	49
11.1	OVERVIEW	49
11.2	FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS.....	49
11.3	INCOME STATEMENT	50
11.4	STATEMENT OF FINANCIAL CONDITIONS	51
11.5	LIQUIDITY AND CAPITAL RESOURCES	52
11.6	INVESTMENTS AND DIVESTMENTS	55
11.7	CRITICAL ACCOUNTING POLICIES AND ESTIMATES.....	56
11.8	SIGNIFICANT CHANGES.....	57
12	BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE.....	58
12.1	INTRODUCTION	58
12.2	THE BOARD OF DIRECTORS.....	58
12.3	MANAGEMENT	60
12.4	REMUNERATION AND BENEFITS	62
12.5	BONUS PROGRAMME AND SHARE INCENTIVE SCHEME	63
12.6	BENEFITS UPON TERMINATION	63
12.7	PENSION AND RETIREMENT BENEFITS.....	63
12.8	LOANS AND GUARANTEES.....	63
12.9	EMPLOYEES.....	64
12.10	NOMINATION COMMITTEE	64
12.11	AUDIT COMMITTEE	64
12.12	REMUNERATION COMMITTEE.....	64
12.13	CORPORATE GOVERNANCE	64
12.14	CONFLICT OF INTERESTS	65
13	RELATED PARTY TRANSACTIONS	66
14	CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL.....	67
14.1	COMPANY CORPORATE INFORMATION	67
14.2	LEGAL STRUCTURE	67
14.3	SHARE CAPITAL AND SHARE CAPITAL HISTORY	68
14.4	ADMISSION TO TRADING	68
14.5	DESCRIPTION OF THE SHARES.....	68
14.6	OWNERSHIP STRUCTURE	70
14.7	AUTHORISATIONS TO INCREASE THE SHARE CAPITAL.....	71
14.8	AUTHORISATION TO ACQUIRE TREASURY SHARES	71
14.9	OTHER FINANCIAL INSTRUMENTS	71
14.10	SHAREHOLDER RIGHTS	71
14.11	SUMMARY OF CERTAIN RIGHTS OF THE COMPANY'S SHAREHOLDERS UNDER BERMUDA LAW, THE MEMORANDUM OF ASSOCIATION AND THE BYE-LAWS	71
14.12	REGISTRATION OF THE SHARES	77
14.13	REQUIREMENT TO PROVIDE INFORMATION TO THE COMPANY	79
14.14	SHAREHOLDER AGREEMENTS.....	79
15	SECURITIES TRADING IN NORWAY	80
15.1	INTRODUCTION	80
15.2	TRADING AND SETTLEMENT	80
15.3	INFORMATION, CONTROL AND SURVEILLANCE.....	80
15.4	THE VPS AND TRANSFER OF SHARES.....	81
15.5	SHAREHOLDER REGISTER – NORWEGIAN LAW.....	81
15.6	FOREIGN INVESTMENT IN SHARES LISTED IN NORWAY	81
15.7	DISCLOSURE OBLIGATIONS.....	81

15.8	INSIDER TRADING.....	81
15.9	MANDATORY OFFER REQUIREMENT.....	82
15.10	COMPULSORY ACQUISITION	82
15.11	FOREIGN EXCHANGE CONTROLS	83
16	TAXATION	84
16.1	BERMUDA TAXATION APPLICABLE TO THE COMPANY.....	84
16.2	OTHER JURISDICTIONS AND GENERAL TAX ISSUES.....	84
16.3	THE SHAREHOLDERS	84
16.4	NORWEGIAN TAXATION	85
17	ADDITIONAL INFORMATION.....	87
17.1	AUDITOR AND ADVISORS.....	87
17.2	DOCUMENTS ON DISPLAY	87
17.3	INCORPORATION BY REFERENCE.....	88
18	DEFINITIONS AND GLOSSARY	89

1 SUMMARY

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Company's securities involves inherent risk and an investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the claimant investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

1.1 Introduction - Who is the issuer of the securities?

Name of the securities	2020 Bulkera Ltd.														
ISIN	BMG 9156K1018														
Issuer	2020 Bulkera Ltd.														
Issuer's domicile, country and law of incorporation and operation	Bermuda														
Issuer's legal form	Exempted company with limited liability														
Issuer's principal activities	Owner of dry-bulk shipping vessels														
Issuer's office and postal address	S.E. Pearman Building, 2nd floor, 9 Par-la-Ville Road, Hamilton HM11, Bermuda														
Issuer's LEI (Legal Entity Identifier)	549300402C8KQEW78U64														
Issuer's phone number	+1 441 737 0152														
Issuer's e-mail	N/A														
Issuer's website	www.2020bulkera.com Note that the information on the website does not form part of the Prospectus unless that information is specifically expressed to be incorporated by reference into the Prospectus														
Issuer's major shareholders	<table> <tr> <th>Shareholder</th><th>Shareholding</th></tr> <tr> <td>Drew Holdings Ltd.</td><td>32.4 %</td></tr> <tr> <td>DNB Luxembourg S.A.</td><td>10.8 %</td></tr> <tr> <td>Wealins S.A.</td><td>9.2 %</td></tr> <tr> <td>Clearstream Banking S.A.</td><td>6.9 %</td></tr> <tr> <td>MH Capital AS¹</td><td>6.7 %</td></tr> </table>	Shareholder	Shareholding	Drew Holdings Ltd.	32.4 %	DNB Luxembourg S.A.	10.8 %	Wealins S.A.	9.2 %	Clearstream Banking S.A.	6.9 %	MH Capital AS ¹	6.7 %		
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Identity of the issuer's directors and management	<table> <tr> <td>Alexandra Kate Blankenship</td><td>Chair of the Board of 2020 Bulkera Ltd</td></tr> <tr> <td>Neil Glass</td><td>Director of 2020 Bulkera Ltd</td></tr> <tr> <td>Jens Martin Arveschoug Jensen</td><td>Director of 2020 Bulkera Ltd</td></tr> <tr> <td>Georgina Sousa</td><td>Director and Company Secretary of 2020 Bulkera Ltd</td></tr> <tr> <td>Magnus Halvorsen</td><td>Chief Executive Officer of 2020 Bulkera Management AS</td></tr> <tr> <td>Vidar Hasund</td><td>Chief Financial Officer of 2020 Bulkera Management AS</td></tr> <tr> <td>Olav Eikrem</td><td>Chief Technical Officer of 2020 Bulkera Management AS</td></tr> </table>	Alexandra Kate Blankenship	Chair of the Board of 2020 Bulkera Ltd	Neil Glass	Director of 2020 Bulkera Ltd	Jens Martin Arveschoug Jensen	Director of 2020 Bulkera Ltd	Georgina Sousa	Director and Company Secretary of 2020 Bulkera Ltd	Magnus Halvorsen	Chief Executive Officer of 2020 Bulkera Management AS	Vidar Hasund	Chief Financial Officer of 2020 Bulkera Management AS	Olav Eikrem	Chief Technical Officer of 2020 Bulkera Management AS
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Vidar Hasund	Chief Financial Officer of 2020 Bulkera Management AS														
Olav Eikrem	Chief Technical Officer of 2020 Bulkera Management AS														
The Issuer's auditor	PricewaterhouseCoopers AS, with business registration number 987 009 713, and registered address at Dronning Eufemias gate 71, 0194 Oslo, Norway														
The competent authority approving the Prospectus	The Financial Supervisory Authority of Norway (Nw.: Finanstilsynet)														
Visiting address, the Financial Supervisory Authority of Norway	Revierstredet 3, 0151 Oslo														
Postal address, the Financial Supervisory Authority of Norway	Postboks 1187 Sentrum 0107 Oslo														
E-mail, the Financial Supervisory Authority of Norway	post@finansstilsynet.no														
Date of approval of this Prospectus	29 October 2020														

¹ Controlled by Magnus Halvorsen, CEO of 2020 Bulkera Management AS

1.2 Key financial information on the issuer

Key financial information regarding issuer

The table below sets out selected data from the Group's Unaudited Condensed Consolidated Financial Statements for the three and six months ended 30 June 2020 and Audited Consolidated Financial Statements for the year ended 31 December 2019, 2018 and 2017².

Summary of Consolidated Statement of Operations

	(Audited) 12 months to December 31, 2019	(Audited) 12 months to December 31, 2018 ³	(Audited) Sept. 26 - Dec. 31 2017	(Unaudited) 6 months to June 30, 2020	(Unaudited) 6 months to June 30, 2019
(In millions of US\$ except per share data)					
Total operating revenues	9.1	-	-	18.6	-
Operating profit (loss)	0.9	(0.8)	(0.1)	7.2	(2.4)
Net income (loss)	(0.4)	(0.8)	(0.1)	2.7	(2.4)
Basic earnings (loss) per share	(0.02)	(0.08)	(0.06)	0.12	(0.15)

Summary of Consolidated Balance Sheet

	(Unaudited) June 30, 2020	(Audited) December 31, 2019	(Audited) December 31, 2018 ⁴	(Audited) December 31, 2017
(In millions of US\$)				
Total assets	398.6	283.1	68.8	15.0
Total equity	137.9	138.1	68.3	14.9

Summary of Consolidated Statements of Cash Flows

	(Audited) 12 months to December 31, 2019	(Audited) 12 months to December 31, 2018 ⁵	(Unaudited) 6 months to June 30, 2020	(Unaudited) 6 months to June 30, 2019
Net cash provided by (used in) operating activities	5.1	(0.5)	7.5	(1.1)
Net cash used in investing activities	(126.3)	(59.5)	(123.8)	(67.2)
Net cash provided by financing activities	141.1	54.2	112.5	68.5

² The annual account for 2017 solely accounts for the period 26 September 2017 (date of incorporation) to 31 December 2017

³ The Company's auditor made an explanatory note in the 2018 audit report due to remaining financing to be raised for the newbuilding contracts and general working capital purposes. This is described in section 10.4.

⁴ The Company's auditor made an explanatory note in the 2018 audit report due to remaining financing to be raised for the newbuilding contracts and general working capital purposes. This is described in section 10.4.

⁵ The Company's auditor made an explanatory note in the 2018 audit report due to remaining financing to be raised for the newbuilding contracts and general working capital purposes. This is described in section 10.4.

Key risks specific to the issuer	<p>Risks related to our business</p> <ul style="list-style-type: none"> - The Company is subject to certain risks with respect to the dry bulk market and the Company's counterparties on contracts - Outbreaks of epidemic and pandemic diseases, such as the COVID-19 outbreak, and governmental responses thereto have and could further adversely affect our business <p>Risks related to applicable laws regulations</p> <ul style="list-style-type: none"> - Changes in, or interpretation of, tax laws applicable to the Group - The Group is subject to complex laws and regulations, including environmental laws and regulations that can adversely affect its business, results of operations and financial condition - Failure to comply with applicable anti-corruption laws, sanctions or embargoes, could result in fines, civil and/or criminal penalties, and charter party terminations and have an adverse effect on the Group's business <p>Risks related to financing</p> <ul style="list-style-type: none"> - Borrowing and leverage - Reduced ownership in the Company by companies controlled by Tor Olav Trøim, Fredrik Halvorsen and Magnus Halvorsen, or other "change of control" events, may cause mandatory prepayment under the Term Loan Facility Agreement - Interest rate and currency fluctuations including hedging transactions
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1.3 Key information on the securities

1.3.1 What are the main features of the securities?

The securities' type, class and ISIN	The Common Shares have been issued under the Bermuda Companies Act and are registered in book-entry form with the VPS under ISIN BMG 9156K1018.
The securities' currency, denomination, par value, the number of securities issued and the term of the securities	The Shares are traded in NOK on Oslo Stock Exchange. The Shares currency and denomination is USD. As of the date of this Prospectus, the Company's authorized share capital is USD 75,000,000 represented by 75,000,000 Common Shares with a par value of USD 1.00. The Company has one class of Shares in issue and all Shares provide equal rights in the Company. Each of the Shares carries one vote.
The rights attached to the securities	The Company has one class of Shares in issue, and all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The rights attaching to the Shares are described in Section 14.11 "Summary of certain rights of the Company's shareholders under Bermuda law, the Memorandum of Association and the Bye-laws".
Restrictions on the free transferability of the securities	The securities are free of any restrictions of transferability.
Dividend policy	Under the Company's Bye-laws, its Board may declare cash dividends or distributions, and may also pay a fixed cash dividend biannually or on other dates. The Board's intention is to distribute monthly dividends to shareholders. Any dividends declared in the future will be at the sole discretion of the Board and will depend upon earnings, market prospects, current capital expenditure programs and investment opportunities. The timing and amount of dividends, if any, is at the discretion of the Board. The Company cannot guarantee that its Board will declare dividends in the future.
Key risks related to the shares	<p>Investors may not be able to exercise their voting rights for Shares registered in a nominee account.</p> <p>Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares.</p>

1.3.1 Where will the securities be traded?

The securities will be traded on Oslo Stock Exchange under its current ticker symbol "2020".

1.4 Key information on the offer of securities to the public and/or the admission to trading on a regulated market

1.4.1 Under which conditions and timetable can I invest in the security?

The Company expects the first day of trading of its Shares on Oslo Stock Exchange to be on or about 2 November 2020.

1.4.2 Why is the prospectus being produced?

This Prospectus has been prepared in connection with the transfer of the Company's Listing of the Shares from Oslo Axess to Oslo Stock Exchange.

2 RISK FACTORS

An investment in the securities involves inherent risk. Before making an investment decision with respect to the securities, investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are relevant to an investment in the securities. An investment in the securities is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the securities. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value and trading price of the securities, resulting in the loss of all or part of an investment in the same. In each category below the most material risks, in the Company's assessment, are set out first, considering the negative impact on the Company and the probability of the occurrence of each risk. The information in this Section 2 is as of the date of this Prospectus.

2.1 Risks related to our business

2.1.1 Counterparty risk in the dry bulk market

The Company has entered, and may enter in the future, into various contracts, including newbuilding contracts (with related refund guarantees), charter parties with our customers, loan agreements with our lenders, and vessel management, pooling arrangements and other agreements with other entities, which subject us to counterparty risks. Should a counterparty fail to honour its obligations under any such contract, the Company could sustain significant losses which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Charterers are sensitive to the commodity markets and may be impacted by market forces affecting commodities. In addition, in depressed market conditions, charterers may have incentive to renegotiate their charters or default on their obligations under charters. Should a charterer in the future fail to honour its obligations under agreements with the Company, it may be difficult to secure substitute employment for the Company's vessels, and any new charter arrangements the Company secures on the spot market or on charters may be at lower rates, depending on the then existing charter rate levels, compared to the rates currently being charged for our vessels. In addition, if the charterer of a vessel in the Company's fleet that is used as collateral under one or more of our loan agreements defaults on its charter obligations to the Company or the Company fails to comply with the Company's obligations under a charter party, such default may trigger or constitute an event of default under the Company's loan agreements, which may allow the bank to exercise remedies under the Company's loan agreements.

2.1.2 Outbreaks of epidemic and pandemic diseases, such as the COVID-19 outbreak

During the current Covid-19 pandemic, the Company's vessels are facing operational disruptions, including delays in provision of goods, services and in particular personnel. Port immigration restrictions of the ports in which our vessels operate and quarantine requirements related to Covid-19 in these ports are currently and will continue to cause significant challenges for our crew changes at the scheduled intervals until the pandemic dies out or effective vaccination and medication is available world-wide. The vessels' crew work on a rotation-basis, and the crew members regularly depends on transportation, including international air transport for such rotation. Crew employment contracts may also be extended within the limitations outlined by the MLC-2006 until ships can call the few port hubs allowing crew repatriation and travels to and from the ship. Despite implementation of quarantine periods and extensive Covid-19 testing prior to departure from home country, new crew members joining a ship represent a risk for spreading the virus onboard. This may affect the ships ability to operate and the entire ship may be quarantined and off-hired until verified Covid-19 free. Measures to minimize risk i.e. quarantine period, Covid-19 testing, travel restrictions, reduced number of available airline flights to the few port hubs allowing crew change, may add significant operational costs. The extent of the continued impact of COVID-19 on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. The Covid-19 pandemic may have an adverse impact on our business including our ability to keep our vessels employed at all times.

2.2 Risks related to applicable laws regulations

2.2.1 *The Group is subject to complex laws and regulations*

Tax

Norwegian authorities amended Norway's tax code in 2018, by including a provision in the tax rules whereby a non-Norwegian company (such as the Company or a subsidiary) may be considered tax resident in Norway if it has its "effective place of management in Norway". This is further described in section 16.2. No assurance can be given that Norway will not claim that the Company or any subsidiary is tax resident in its jurisdiction, which may increase taxes payable for the Company.

The international aspects of the Group's business

The Group's operations will be subject to numerous international and local laws, regulations, treaties and conventions in force in international waters and the jurisdictions in which its vessels operate or are registered, which can significantly affect the ownership and operation of its vessels.

Compliance with such laws and regulations, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lives of the Group's vessels. Compliance with such laws and regulations may also require the Group to obtain certain permits or authorizations prior to commencing operations. Failure to obtain such permits or authorizations could materially impact the Group's business results of operations, financial condition and ability to pay cash distributions by delaying or limiting its ability to accept charterers. The Group may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions including greenhouse gases, the management of ballast and bilge waters, maintenance and inspection, elimination of tin-based paint, development and implementation of emergency procedures and insurance coverage or other financial assurance of its ability to address pollution incidents.

Environmental law

Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. In certain circumstances, these laws and requirements may impose strict liability, rendering the Group liable for environmental and natural resource damages without regard to negligence or fault on the Group's part. Implementation of new environmental laws or regulations applicable to dry bulk vessels may subject the Group to fines, penalties and/or increased costs; may limit the operational capabilities of its vessels; and could materially and adversely affect its operations and financial condition. The Group may be required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. While, the Group currently maintains insurance coverage of the type and in amounts it believes to be customary in the industry (ref. section 8.7), there can be no assurance that the Group's insurance will be sufficient to cover all such risks or that any claims will not have a material adverse effect on the Group's business, financial condition, results of operations and cash flows. Additionally, the Group cannot predict the cost of compliance with any new environmental protection and other laws and regulations that may become effective in the future. Reference is also made to section 8.10.5 "Environmental Laws and Regulations" for a more detailed description of the Environmental Laws and Regulations.

Insufficient insurance to cover environmental claims

The Group is required by various governmental agencies to obtain certain permits, licenses and certificates with respect to its operations and to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. Any such insurance may not be sufficient to cover all such liabilities and it may be difficult to obtain adequate coverage on acceptable terms in certain market conditions. Claims against the Group's vessels whether covered by insurance or not may result in a material adverse effect on the Company's business, result of operations, cash flows and financial condition.

Economic and other sanctions

Many economic sanctions can relate to our business, including prohibitions on doing business with certain countries or governments, as well as prohibitions on dealings of any kind with entities and individuals that appear on sanctioned party lists issued by the United States, the EU, and other jurisdictions (and, in some cases, entities owned or controlled by such listed entities and individuals). For example, on charterers' instructions, vessels may from time to time call on ports located in countries subject to sanctions imposed by the United States, the EU or other applicable jurisdictions. If

the Company is found to be in violation of such applicable sanctions, the Company's results of operations may be adversely affected or we may suffer reputational harm.

As another example, charterers or other parties that the Group enter into contracts with, may be affiliated with persons or entities that are the subject of sanctions imposed by the United States, the EU or other applicable jurisdictions as a result of the annexation of Crimea by Russia in 2014 or subsequent developments in eastern Ukraine. If the Company determines that such sanctions require it to terminate contracts, there would be risk of loss and periods of off-hire, and there is a connected risk of reputational harm.

Although the Group believes that it is in compliance with applicable sanctions laws and regulations, and intends to maintain such compliance, there can be no assurance that it will be in compliance in the future, particularly as the relevant sanctions restrictions are often ambiguous and change regularly. Any such violation could result in fines or other penalties that could severely impact the Group's ability to access U.S. and European capital markets and conduct its business, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in the Group. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of the Group's operations, which in turn could have an adverse effect on the Group's results.

2.2.2 Failure to comply with applicable anti-corruption laws, sanctions or embargoes

The Group expects to operate its vessels in a number of countries, such as China, Brazil, Singapore and in some developing economies, which can involve inherent risks associated with fraud, bribery and corruption and where strict compliance with anti-corruption laws may conflict with local customs and practices. As a result, the Group may be subject to risks under the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act 2010, the Bermuda Bribery Act 2016 and similar laws in other jurisdictions that generally prohibit companies and their intermediaries from making, offering or authorizing improper payments to government officials for the purpose of obtaining or retaining business.

The Group is required to do business in accordance with applicable anti-corruption laws as well as sanctions and embargo laws and regulations (including U.S. Department of the Treasury Office of Foreign Assets Control requirements) and the Group has adopted policies and procedures, including a code of business conduct and ethics, which are designed to promote legal and regulatory compliance with such laws and regulations. However, either due to the Group's acts or omissions or due to the acts or omissions of others, including the Group's employees, agents, local sponsors or others, the Group may be determined to be in violation of such applicable laws and regulations or such policies and procedures. Any such violation could result in substantial fines, sanctions, deferred settlement agreements, civil and/or criminal penalties and curtailment of operations in certain jurisdictions and the seizure of the Group's vessels and other assets, and might as a result materially adversely affect the Group's business, financial condition and results of operations.

The Group's customers in relevant jurisdictions could seek to impose penalties or take other actions adverse to the Group's interests. In addition, actual or alleged violations could damage the Group's reputation and ability to do business and could cause investors to view the Group negatively and adversely affect the market for the Shares. Furthermore, detecting, investigating and resolving actual or alleged violations are expensive and can consume significant time and attention of executive and senior management regardless of the merit of any allegation.

2.3 Risks related to financing

2.3.1 Borrowing

The company is financed with the following, (i) Term Loan Facility Agreement of USD 180 million from a syndicate of banks comprising Danske Bank A/S (as Facility Agent and Security Agent), Nordea Bank Abp, filial i Norge and and Skandinaviska Enskilda Banken AB (publ) (the "Term Loan Facility Agreement Lenders") (the "Term Loan Facility Agreement"), (ii) the raised gross proceeds of USD 142.4 million through thirteen private placements since the Company's inception, and (iii) the USD 84 million Ocean Yield sale leaseback financing for its two Newcastlemax vessels, Bulk Seoul and Bulk Shanghai. Reference is also made to section 11.5.3 for an overview of the "Financing arrangements".

The Group cannot be sure that it will be able to generate cash flow in amounts that is sufficient to satisfy the repayment of the obligations under these debt facilities. If the Group is not able to satisfy these obligations, it may have to undertake alternative financing plans or sell assets. In addition, debt service payments under these facilities and (as applicable) the Group's future credit facilities may limit funds otherwise available for working capital, capital expenditures, payment of cash distributions and other purposes. If the Group is unable to meet its debt obligations, or if it otherwise defaults under its credit facilities, the Group's lenders could declare the debt, together with accrued interest and fees, to be immediately due and payable and enforce on mortgages over one, or all of the vessels in the Group's fleet, which could

result in the acceleration of other indebtedness that the Group may have at such time and the commencement of similar foreclosure proceedings by other lenders.

The restrictions imposed by the Group's financing mentioned in section 11.5.3 may for example limit the Group's flexibility to enter into agreements in respect of business opportunities, obtain additional financing, restructure the Group's operations, vessel management and/or corporate structure. Such restrictions and limitations on the Group may cause unsuitable structures and additional costs for the Group and limit the Group's options with regard to improving the efficiency of its corporate structure, vessel operation and financial structure.

The market value of dry bulk vessels is likewise sensitive to, among other things, changes in the dry bulk market, with vessel values deteriorating in times when dry bulk rates are falling or anticipated to fall and improving when charter rates are rising or anticipated to rise. Such conditions may result in the Group not being in compliance with its loan covenants. In such a situation, unless the Group's lenders are willing to provide further waivers of covenant compliance or modifications to the Group's covenants, or would be willing to refinance its indebtedness, the Group may have to sell vessels in its fleet and/or seek to raise additional capital in the equity markets in order to comply with its material loan covenants, see section 11.5.3. Furthermore, if the value of the Group's vessels deteriorates significantly, the Group may have to record an impairment adjustment in its financial statements, which would adversely affect its financial results and further hinder its ability to raise capital. The fair market value of the Group's vessels may decline, which could limit the amount of funds that the Group can borrow, cause the Group to breach certain financial covenants, or result in an impairment charge, and cause the Group to incur a loss if it sells vessels following a decline in their market value.

If the Group breaches any covenants and is not able to obtain covenant waivers or modifications, the Group's lenders could require it to post additional collateral, enhance equity and liquidity, increase interest payments, pay down indebtedness to a level where the Group is in compliance with loan covenants, sell vessels in its fleet, or they could accelerate the Group's indebtedness, any of which would impair its ability to continue to conduct its business. If the Group's indebtedness is accelerated, it might not be able to refinance its debt or obtain additional financing and it could lose its vessels if its lenders foreclose on their liens. In addition, if the Group finds it necessary to sell its vessels at a time when vessel prices are low, the Group will recognize losses and a reduction in its earnings, which could affect its ability to raise additional capital necessary for it to comply with its loan agreements.

2.3.2 *Reduced ownership in the Company by companies controlled by Tor Olav Trøim, Fredrik Halvorsen and Magnus Halvorsen, or other "change of control" events*

The Group's Term Loan Facility Agreement includes provisions of mandatory prepayment, and in case of inter alia the following events, the Term Loan Facility Agreement Lenders may require mandatory prepayment of the withdrawn loan in its entirety: (a) if companies owned and controlled by Tor Olav Trøim, Fredrik Halvorsen and/or Magnus Halvorsen and/or any trust created for the benefit of any of them ceases, in aggregate to own and hold, directly or indirectly, 25% or more of all the issued share capital of the Company, or ceases to have the power to cast, or control the casting of, more than 25% of the maximum number of votes that might be cast at a general meeting of the Company; or (b) if any person or group of persons acting in concert (other than Tor Olav Trøim, Fredrik Halvorsen and/or Magnus Halvorsen and/or any trust created for the benefit of any of them) at any time (i) own and hold, directly or indirectly, the higher of (x) 33.3% or more or (y) a percentage equal to or higher than the aggregate percentage owned by trusts created for the benefit of and/or companies controlled by Tor Olav Trøim, Fredrik Halvorsen and/or Magnus Halvorsen, of all the issued share capital of the Company; or (ii) have, directly or indirectly, the power to cast, or control the casting of, the higher of (x) more than 33.3% or (y) a percentage equal to or higher than the aggregate percentage which may be cast by trusts created for the benefit of and/or companies controlled by Tor Olav Trøim, Fredrik Halvorsen and/or Magnus Halvorsen, of the maximum number of votes that might be cast at a general meeting of the Company.

Any request for mandatory prepayment may have a material adverse effect for the Group. There can be no assurance that the Group will be able to procure new financing or that the terms of any new financing will be favourable. If the Group is unable to procure new financing or the terms of any new financing is less favourable, the results of operations or financial condition could adversely be affected.

2.3.3 *Interest rate and currency fluctuations*

The Company expects to generate revenues and incur operating expenses in U.S. dollars and the majority of the general and administrative expenses are denominated in NOK. This difference could lead to fluctuations in net income due to changes in the value of the USD relative to NOK. Expenses incurred in currencies against which the USD falls in value can increase, decreasing earnings. A weaker USD could lead to higher expenses payable.

The interest rate on the term loan facility and sale lease-back financing are based on LIBOR plus a margin and are hence exposed to fluctuations in interest rates. In April 2020, the Company entered into interest rate swap agreements for a

notional amount of approximately US\$177 million, effectively securing an all-in interest rate of approximately 3% for the outstanding loan under the term loan facility. The notional amounts in the interest rate swaps have the same amortization profile as the term loan facility.

The Group may mitigate the currency and residual interest rate risk through the use of financial derivatives. Any use of financial derivatives would involve certain risks, including the risk that losses on a hedged position could exceed the notional amount invested in the instrument and the risk that the counterparty to the derivative transaction may be unable or unwilling to satisfy its contractual obligations, which could have an adverse effect on our results.

2.4 Risks related to the Shares

2.4.1 Investors may not be able to exercise their voting rights for Shares registered in a nominee account

The Shares, being the depository receipts that represent the beneficial interests in the Common Shares, are recorded in a sub-register of shareholders in the VPS. This is maintained by the Registrar on the terms as set out in the Registrar Agreement.

The Registrar Agreement is based upon the Registrar being the sole shareholder on record in the Company's register of members in Bermuda. The interest of each shareholder in the Shares recorded in the VPS is thus the beneficial ownership to such Common Shares – the nominal ownership (and the right to exercise all shareholder rights) remaining with the Registrar.

Hence, the shareholders must exercise their shareholder rights through the Registrar by authorising the Registrar to vote their Shares in accordance with instruction given in the Company's shareholder meetings.

The terms of the Registrar Agreement entitle a holder of beneficial ownership to Shares in the VPS register to demand that such Shareholder's ownership is recorded directly in the Company's register of members in Bermuda following which such shareholder may be able to exercise his/her/its shareholder rights directly.

Beneficial owners of Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to instruct the Registrar to vote such Shares unless their beneficial ownership is re-registered in their names with the VPS prior to the Company's general meeting of shareholders (the "**General Meeting**"). The Company cannot guarantee that beneficial owners of Shares will receive the notice of a general meeting of shareholders of the Company in time to instruct their nominees to either effect a reregistration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the transfer of the Company's Listing of the Shares from Oslo Axess to Oslo Stock Exchange.

The members of the Board of Directors accept responsibility for the information contained in this Prospectus and declare that, the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and makes no omission likely to affect its import.

29 October 2020

**The Board of Directors of
2020 Bulkera Ltd.**

Jens Martin Arveschoug Jensen
Director

Neil Glass
Director

Alexandra Kate Blankenship
Director

Georgina Sousa
Director

This Prospectus is valid for a period of 12 months from the date of approval by the Financial Supervisory Authority of Norway (the "Norwegian FSA"). The Prospectus was approved on 29 October 2020 by the Norwegian FSA, as competent authority under the Regulation (EU) 2017/1129. The Norwegian FSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129. The approval from the Norwegian FSA shall not be considered as an endorsement of the Company that is the subject of this prospectus.

4 GENERAL INFORMATION

4.1 Date of Information

The information contained in this Prospectus is current as at the date of the Prospectus and is subject to change or amendment without notice. Except as required by applicable law and Oslo Stock Exchange rules the Company does not undertake any duty to update the information in this Prospectus. The publication of this Prospectus shall not under any circumstances create any implication that there has been no change in the Company's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

4.2 Other important investor information

The Company has furnished the information in this Prospectus. The Financial Advisor makes no representation or warranty, whether express or implied, as to the accuracy, completeness or verification of the information in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Financial Advisor, whether as to the past or the future. The Financial Advisor disclaims, to the fullest extent permitted by applicable law, any and all liability, whether arising in tort, contract or otherwise which they might otherwise have in respect of this Prospectus or any such statement.

The Financial Advisor is acting exclusively for the Company and no-one else in connection with the Listing. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Listing and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Listing or any transaction or arrangement referred to herein.

None of the Company, the Financial Advisor, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk Factors".

In connection with the Listing, the Financial Advisor and any of its respective affiliates, acting as an investor for its own account, may take up Shares and in that capacity may retain, purchase or sell for its own account such securities and any Shares or related investments and may offer or sell such Shares or other investments otherwise than in connection with the Listing. Accordingly, references in the Prospectus to Shares being placed should be read as including any offering or placement of Shares to the Financial Advisor or any of their respective affiliates acting in such capacity. The Financial Advisor does not intend to disclose the extent of any such investment or transactions other than in accordance with legal or regulatory obligation to do so. In addition, the Financial Advisor or its affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Financial Advisor (or its affiliate) may from time to time acquire, hold or dispose of Shares.

4.3 Presentation of financial and other information

4.3.1 Financial information

The Company's audited consolidated financial statements for the years ended 31 December 2017⁶, 31 December 2018 and 31 December 2019 (the "**Consolidated Financial Statements**") have been prepared in accordance with accounting principles generally accepted in the United States of America. The Consolidated Financial Statements have been audited by PricewaterhouseCoopers AS (the "**PwC**") and their report is included therein. The Condensed Consolidated Financial Statements for the three and six months ended 30 June 2020 are unaudited.

The Company and the majority of its subsidiaries have the US\$ as their functional currency because the majority of their revenues, expenses and financing are denominated in US\$. Accordingly, the Group's reporting currency is also US\$.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly.

4.3.2 Industry and Market Data

To the extent not otherwise indicated, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends, market positions, industry trends, competition in the industry in which the Company operates and similar information are estimates based on data compiled by professional organisations,

⁶ The annual account for 2017 solely accounts for the period 26 September 2017 (date of incorporation) to 31 December 2017

consultants and analysts; in addition to market data from other external and publicly available sources, including market data from Clarksons Research Services Limited (a company owned by Clarksons PLC, the ultimate parent company of Clarksons Platou Securities), as well as the Company's knowledge of the markets. Market data from Clarksons Research Services Limited is not publicly available, but can be obtained against payment by contacting Clarksons Research Services Limited, London.

While the Company has compiled, extracted, and reproduced industry and market data from external sources, the Company has not independently verified the correctness of such data. The Company cautions prospective investors not to place undue reliance on the mentioned data. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified, however, source references to websites shall not be deemed as incorporated by reference to this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Prospectus.

4.4 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and anticipated financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" and, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear, among other areas, in the following sections in this Prospectus, Section 7 "Industry and Market Overview", Section 8 "Business overview" and Section 11 "Operating and Financial Review" and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Company, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Company's future business development and financial performance, and the industry in which the Company operates, such as, but not limited to, statements relating to:

- the Company's strategy, outlook and growth prospects;
- the Company's operational and financial objectives, including statements relating to expectations for the financial year 2020 and statements as to the Company's medium or long-term growth, margin, and dividend policy;
- the competitive nature of the business in which the Company operates, the competitive pressure and competitive environment in general;
- earnings, cash flow, dividends and other expected financial results and conditions;
- the expected growth and other developments of the industries in which the Company operates;
- the Company's planned investments;
- forecasts;
- the Company's liquidity, capital resources, capital expenditures, and access to funding; and
- economic, legal, social and political developments in the markets in which the Company operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

The risks that could affect the Company's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "Risk Factors".

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk Factors" or a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

4.5 Other Information

In this Prospectus, all references to **"NOK"** are to the lawful currency of Norway, all references to **"EUR"** are to the lawful currency of the EU, and all references to **"U.S. dollar" or "USD"** are to the lawful currency of the United States of America.

In this Prospectus all references to **"EU"** are to the European Union and its Member States as of the date of this Prospectus; all references to **"EEA"** are to the European Economic Area and its member states as of the date of this Prospectus; and all references to **"US", "U.S." or "United States"** are to the United States of America.

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly.

4.6 Exchange rates

The following table sets out the annual average of monthly rates in the Norwegian Kroner exchange rate against USD over the years ended 31 December 2019, 2018 and 2017, and up until the date of the Prospectus (29 December is the last recorded date by the Central Bank of Norway for the financial periods ending 31 December 2017 and 31 December is the last recorded date by the Central Bank of Norway for the financial periods ending 31 December 2018 and 2019).

Fiscal year/year to date	Average	High	Low	Period end
2018	8.1338	8.7631	7.6579	8.6885
2019	8.8037	9.2607	8.4108	8.7803
YTD 2020 ⁷	9,5006	11.4031	8.7076	9.3539

4.7 Approval of Prospectus

The Prospectus has been approved by the Norwegian FSA, as competent authority under the Prospectus Regulation. The Norwegian FSA only approved the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The approval from Norwegian FSA shall not be considered as an endorsement of the Company. Investors should make their own assessment as to the suitability of investing in the securities. The Prospectus has been prepared in accordance with annex 1 and 13 of the Prospectus Regulation.

⁷ As per 28 October 2020

5 THE LISTING

5.1 Admission to trading

On 30 September 2020, the Company submitted an application for listing of the Shares on Oslo Stock Exchange.

In its meeting held on 28 October 2020, the board of directors of the Oslo Stock Exchange approved the Company's listing application. The Company expects the first day of trading of its Shares on Oslo Stock Exchange to be on or about 2 November 2020. The Company will be listed on Oslo Stock Exchange under its current ticker symbol "2020".

The Shares of the Company have since 12 July 2019 been publicly traded on Oslo Axess. The Shares are not listed on another stock exchange or regulated market, and no application has been made for listing, on any stock exchange or regulated market other than Oslo Stock Exchange.

5.2 Advisors

The Financial Advisor of the Listing is Clarksons Platou Securities AS.

Ro Sommernes advokatfirma DA is acting as Norwegian legal counsel to the Company and MJM Limited is acting as Bermuda legal counsel to the Company.

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividend policy

Under the Company's Bye-laws, its Board may declare cash dividends or distributions, and may also pay a fixed cash dividend biannually or on other dates. The Board's intention is to distribute monthly dividends to shareholders. Any dividends declared in the future will be at the sole discretion of the Board and will depend upon earnings, market prospects, current capital expenditure programs and investment opportunities. The timing and amount of dividends, if any, is at the discretion of the Board. The Company cannot guarantee that its Board will declare dividends in the future.

The table below sets out the dividend resolved by the Company since incorporation:

Date	Dividends
6 November 2019	USD 0.055/Share
3 December 2019	USD 0.08/Share
9 January 2020	USD 0.04/Share
10 February 2020	USD 0.03/Share
12 August 2020	USD 0.01/Share
8 September 2020	USD 0.03/Share
7 October 2020	USD 0.06/Share

6.2 Legal constraints on the distribution of dividends

A Bermuda company may not, as per Section 54 of the Bermuda Companies Act, declare or pay a dividend, or make a distribution out of contributed surplus equity, if there are reasonable grounds for believing that (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the Company's assets would thereby be less than its liabilities or in circumstances that would result in an unlawful reduction of share capital or share premium.

"Contributed Surplus", for the purpose of Section 54 of the Bermuda Companies Act, includes proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to the Company.

Under the Bye-laws, the Board may declare dividends and distributions without the approval of the shareholders in general meetings.

6.3 Manner of dividend payments

The Shares will be priced and traded in NOK on Oslo Stock Exchange and any future dividends on the Shares will be declared in USD. The declared dividend in USD will be translated to NOK (NOK is required distribution currency by VPS) on the day the share is traded ex dividend for distribution through VPS.

For VPS account holders that have a NOK account linked to their VPS account, dividends will be credited directly to such NOK account. Investors that are residing in Norway but have not linked a NOK account to the VPS account will receive dividends by giro payment. For investors registered in the VPS Register whose address is outside Norway and who have not supplied its VPS account administrator with details of any Norwegian kroner account, payments of dividends will be denominated in the currency of the bank account of the relevant investor, and will be paid to the investors through the registrar. Investors registered in the VPS register who have not supplied their VPS account administrator with details of their bank account, will not receive payment of dividends unless they register their bank account details on their VPS account, and thereafter inform the registrar about said account. Dividends will be credited automatically to the VPS registered investors accounts, or in lieu of such registered account, at the time when the investor has provided the registrar with their bank account details, without the need for investors to present documentation proving their ownerships. Investors' right to payment of dividends will lapse three years following the payment date for those investors who have not registered their bank account details with the registrar within such date. Following the expiry of such date, the remaining, undistributed dividends will be returned from the registrar to the Company.

Exchange of funds will be executed in accordance with the standard procedures of DNB Bank ASA (the Company's registrar), Foreign Payments Department. The exchange rate(s) applied will be DNB Bank ASA's exchange rate on the date and time of day for execution of the exchange.

7 INDUSTRY AND MARKET OVERVIEW

7.1 Introduction

The Company currently owns six of the Newcastlemax vessels and two of the Newcastlemax vessels are leased in and operated by subsidiaries wholly owned by the Company. The vessels were constructed at New Times Shipyard in China and delivered between August 2019 and June 2020.

Dates of delivery	
"BULK SANDEFJORD"	07/08/2019
"BULK SANTIAGO"	19/09/2019
"BULK SEOUL"	30/10/2019
"BULK SHANGHAI"	06/11/2019
"BULK SHENZHEN"	06/01/2020
"BULK SYDNEY"	21/01/2020
"BULK SAO PAULO"	04/06/2020
"BULK SANTOS"	16/06/2020

2020 Bulkers fixes its vessels for trading worldwide, however the key trades for Newcastlemax vessels are Brazil to China and Australia to China. Newcastlemax vessels are generally used for transportation of iron ore. The largest producers of iron ore are Australia and Brazil, while the largest importers are China and Japan.

The figure below shows the Newcastlemax global trade patterns for the last twelve months:



Figure 1: Global Newcastlemax fleet trade density overview
Source: Clarksons Research Services Limited, Clarksons SeaNet⁸

7.2 Overview of the dry bulk shipping market

The dry bulk shipping market is a diverse and global market dealing with the seaborne transportation of major and minor dry bulk commodities. Iron ore, coal and grain are considered as the major bulk commodities, while alumina / bauxite, steel products, forest products, fertilizers, and others constitute the minor bulk commodities. Many of these products are correlated to general economic activity, and seaborne transportation follows several patterns reflecting geographical,

⁸ Data extraction from 8 September 2020, SeaNet (<https://net.sea.live/map>) is behind a payment wall.

economical, and seasonal differences. The below figure illustrates the composition of seaborne bulk products being transported for the full year of 2019.

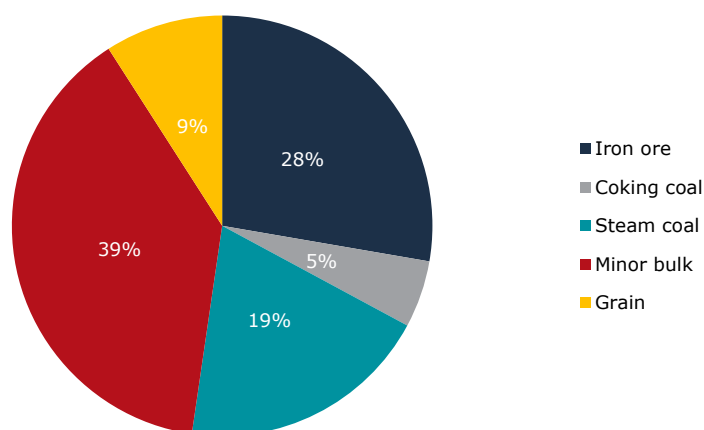


Figure 2: Composition of seaborne dry bulk product transportation

Source: Clarksons Research Services Limited, Shipping Intelligence Network⁹

The fleet used to carry these dry bulk commodities consists of oceangoing vessels of various sizes and characteristics. Larger vessels will benefit from economies of scale and are best suited for long hauls between large ports, while smaller vessels have the flexibility to enter smaller ports.

- **Capesize (and larger):** Generally used as a term to describe vessels above 100,000 dwt carrying capacity. These vessels mainly carry iron ore and coal, and rely on port facilities for the loading and discharging of their cargo. They are involved in long-haul iron ore transportation on routes such as Brazil and Australia to China, and coal shipments on long-haul routes.
 - **Very Large Ore Carrier (VLOC):** Denotes vessels with carrying capacity of around 400,000 dwt.
 - **Wozmax:** Denotes vessels with carrying capacity of around 250,000 dwt.
 - **Newcastlemax:** Denotes the largest vessel able to enter the port of Newcastle, Australia with a carrying capacity around 210,000 dwt.
 - **Capesize:** Denotes vessels with a carrying capacity of 100,000 dwt to 180,000 dwt, representing the largest share of vessels in the Capesize segment.
- **Panamax:** Denotes the largest vessel size that can pass fully laden through the Panama Canal, i.e. vessels between 65,000 dwt to 99,999 dwt. These vessels carry a mix of all major and some minor bulks, and generally rely on port facilities for loading and discharging.
 - **Kamsarmax:** Denotes the largest vessel that can enter the world's largest Bauxite port, Port Kamsar in the Republic of Guinea. Generally, between 80,000 dwt to 89,000 dwt, these vessels are often considered a sub-set of the "Panamax" family which would fall under "Post-Panamax" size. Most Kamsarmax bulk carriers are primarily devoted to the bauxite trade but there are Kamsarmax vessels in the world fleet that will carry mostly agricultural products, coal, cement, iron ore or fertilizers.
- **Handymax:** Denotes bulk carrier vessels with carrying capacity between 40,000 dwt to 64,999 dwt, which transport many minor bulks, in addition to some of the major bulk cargoes on relatively short-haul routes.
 - **Ultramax:** Denotes vessels between approximately 60,000 dwt to 64,999 dwt (and in some cases up to 69,999 dwt) designed to carry bulk cargoes including coal, iron ore, grain, and cement.
 - **Supramax:** Denotes vessels between approximately 50,000 and 59,999 dwt, which are flexible to carry all major and minor bulks, and typically have cargo gear to allow for loading and discharging independent of port facilities.
- **Handysize:** Denotes bulk carrier vessels with carrying capacity between 10,000 dwt to 39,999 dwt, which are principally used for transporting a wide range of minor bulk commodities on short-haul routes. Many of these vessels are equipped to transport specialized cargoes such as logs, woodchips, and cement.

⁹ Data extraction from Shipping Intelligence Network ("SIN") (<https://sin.clarksons.net/>) on 28 October 2020, SIN is behind a payment wall.

Trade statistics show that iron ore voyages have increased its share of volumes transported in dry bulk vessels from 45% in 2000 to 51% in 2019. In 2019, coal (steam coal and coking coal combined) represented 45% of dry bulk volumes, down from 52% in 2000; while Bauxite has increased from 3% in 2000 to 5% in 2019. The historical development of the shipping of commodities using dry bulk vessels is shown in the figure below.

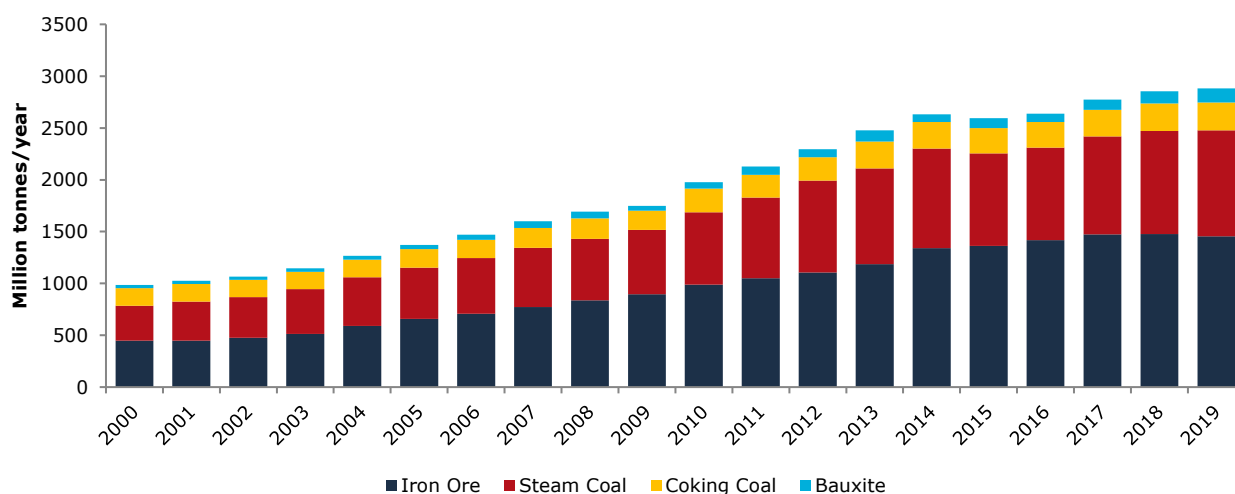


Figure 3: Seaborne dry bulk trade volume by commodity (2000-2019)
Source: Clarksons Research Services Limited, Shipping Intelligence Network¹⁰, GTIS

7.3 Key drivers for the dry bulk shipping market

7.3.1 Demand and supply balance of the dry bulk shipping market

Trade of dry bulk commodities is affected both by global and regional economic activities, as it follows economic, political, regulatory, and seasonal trends. In this sense, the changes in the dry bulk trade have been in line with the world economy, which has been performing relatively well compared to past years. The dry bulk trade growth is estimated to have expanded by a fairly moderate 0.5% in full year 2019, with volumes reaching 5.3 billion tonnes. Trade in terms of tonne-miles¹¹ looks to have grown by a slightly healthier 2.8%. Real tonnage demand is estimated to have increased at a greater rate, due to longer distances, increasing ballasting factors and higher congestion.

The gradual improvement in the dry bulk market can also be analysed in terms of supply and demand for ship capacity available in deadweight tonnage (dwt). The relatively slower growth of the dry bulk fleet compared to the growth in dwt demand has led to increasing utilization rate of the fleet since 2016.

Demand for transportation of bulk commodities has varied considerably over time, with an uneven upwards trend. Figure 4 below provides an illustration of demand growth between years 1990-2019. Additionally, it shows the composition of seaborne bulk trade across different products over the years and a compounded annual trade growth rate of 4.0% since 1990. While there is uncertainty in respect of future development after the Covid-19 pandemic, there is reason to believe that a modest growth can be expected (around 4.5% from 2020 to 2021), assuming no major setback in global economies. These uncertainties can be driven by government regulations, international regulations, economic instability and other factors that are difficult to predict.

¹⁰ Data extraction from Shipping Intelligence Network ("SIN") (<https://sin.clarksons.net/>) on 28 October 2020, SIN is behind a payment wall.

¹¹ Tonne-miles is a statistical unit of freight transportation equivalent to a ton of freight moved one mile

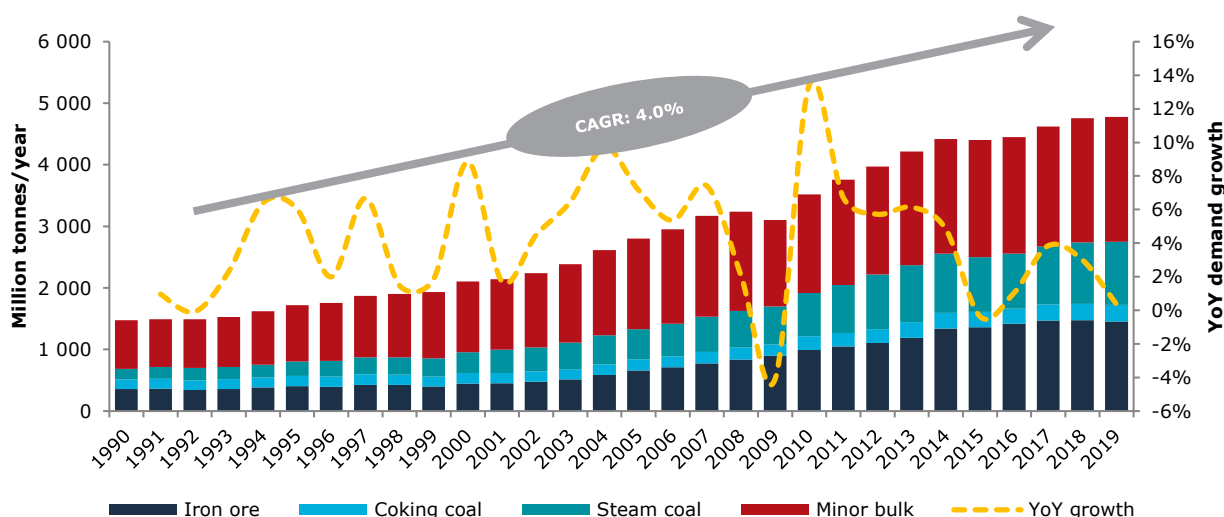


Figure 4: Historical development of seaborne dry bulk transportation (1990-2019)

Source: Clarksons Research Services Limited, Shipping Intelligence Network¹²

Global seaborne trade of coal grew by 2% in 2019. During December 2018, Chinese coal imports decreased by 47% month-over-month and 55% year-over-year to just 10.2 million tonnes. The sharp fall in Chinese coal imports at the end of the year reflects strict port restrictions introduced by the government in mid-November in order to support the domestic coal mining industry and prevent prices from falling as domestic production expands rapidly. However, Chinese imports have recovered in 2019 as delayed cargo was able to pass the port inspections and as of May 2019, Chinese coal imports was up 8.9% in 2019. In relation to the Covid-19 pandemic, the Chinese coal import dropped towards the end of 2019 due to reduced industry activities in the country. In 2020, Chinese coal import has recovered and 1H 2020 is at 1H 2019 levels. Global iron ore trade reduced by 1.46% in 2019, while China's seaborne iron ore imports fell 0.3% to 1,047 million tonnes, reflecting the first decline since 2010. However, on a global scale, iron ore trade seems to have remained more in balance as several countries have imported higher volumes as compared with the same period last year. Similarly, coal imports to South Korea, the Philippines, Thailand, Vietnam and Malaysia saw in total significant increases, mainly driven by expanding capacity in coal-fired power plants. Indian coal imports have also recovered back to 2014 levels after three years of decline. However, the Covid-19 pandemic has significantly decreased Indian coal import in 2020, and the country is still at low import levels. Europe has also reduced coal imports in 2020 due to the economic effects from the Covid-19 pandemic and changed energy mix in the region.

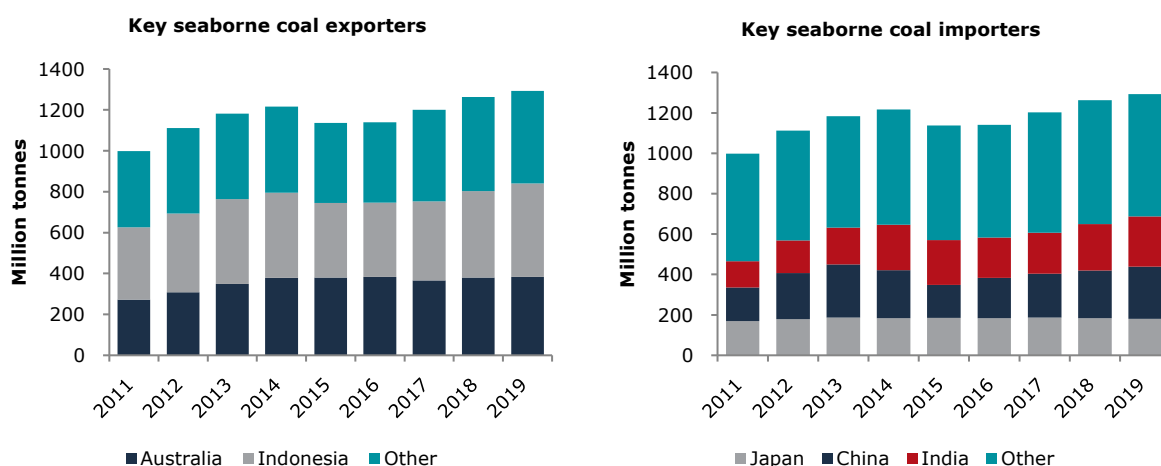


Figure 5 & 6: Key seaborne coal exporters and importers (2011-2019)

Source: Clarksons Research Services Limited, Shipping Intelligence Network¹³

¹² Data extraction from Shipping Intelligence Network ("SIN") (<https://sin.clarksons.net/>) on 28 October 2020, SIN is behind a payment wall.

¹³ Data extraction from Shipping Intelligence Network ("SIN") (<https://sin.clarksons.net/>) on 28 October 2020, SIN is behind a payment wall.

Figure 7 below illustrates historical iron ore and coal imports to China from January 2005 to August 2020.

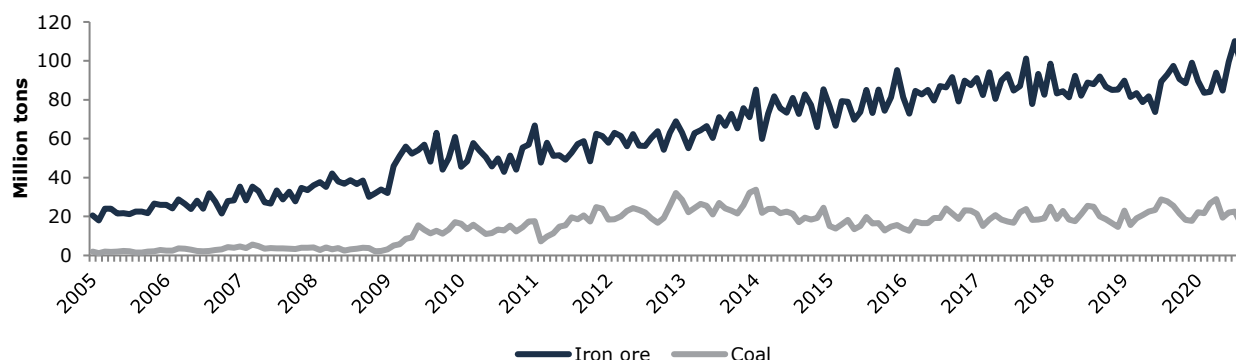


Figure 7: Historical iron ore and coal imports into China

Source: Clarksons Research Services Limited, Shipping Intelligence Network¹⁴

Since 2012, the global iron ore trade has grown 4.0% CAGR. During 2018, the iron ore trade was impacted by weaker shipments to China as a result of drawdown in iron ore inventories, as well as increased scrap use in the country's steel industry, both of which are elaborated further in detail below. China as the largest importer of iron ore, represented the only country globally with double digit market share of iron ore imports in 2019, with 72.0% of global imports. Australia and Brazil are the two largest iron ore exporters today. In 2019, Australia exported 57.5% of global iron ore exports while Brazil was responsible for 23.2% of exports. In 2019, total Australian shipments increased moderately by 0.2% and total Brazilian shipments decreased by 12.8%, impacted by a number of supply disruptions, while shipments from India and South Africa increased. In 2020, the Brazilian production has since the beginning of July been the main driver for increasing freight rates in the Capesize market. The Brazilian weekly iron ore exports have recently been back to levels witnessed in the previous years at this time of the year.

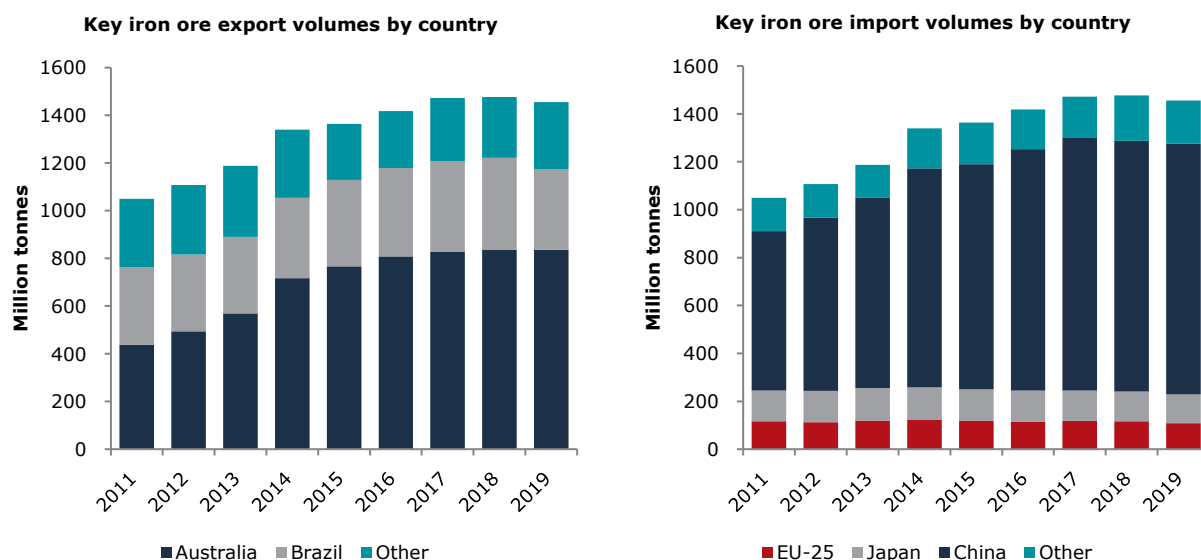


Figure 8 & 9: Key iron ore export and import volumes by country (2011-2019)

Source: Clarksons Research Services Limited, Shipping Intelligence Network¹⁵

¹⁴ Data extraction from Shipping Intelligence Network ("SIN") (<https://sin.clarksons.net/>) on 28 October 2020, SIN is behind a payment wall.

¹⁵ Data extraction from Shipping Intelligence Network ("SIN") (<https://sin.clarksons.net/>) on 28 October 2020, SIN is behind a payment wall.

As the biggest iron ore importer, where China chooses to supply its iron ore and consequently its buying activity within the iron ore space is vital for the movement of tonnage globally. There are several factors worth noting when looking at the Chinese iron ore buying activity, including but not limited to: i) growth of Chinese economy, ii) the difference in quality of iron ore produced domestically in China vs what can be imported, iii) steel prices and consequently steel margins for varying quality of iron ore produced globally, iv) iron ore inventory build-up in China, v) proportion of scrap vs iron ore used as raw material in steel production, vi) use of iron ore based steel mills vs electric steel mills, and vii) environmental concerns.

The gradual phase out of low quality and high cost iron ore produced in China (Fe content on average around 20%) and the increasing demand for steel have historically been the main drivers of iron ore imports into China; given the highest quality of iron ore produced in Brazil with above 65% Fe content and relatively lower quality iron ore produced in Australia with a Fe content range of 58-62%, where the higher content of Fe represents a higher quality of iron ore. Another factor affecting the increased demand for higher quality of iron ore is the recent environmental efforts shown by the Chinese government.

During 2019, China increased its domestic production of iron ore by 58 million tonnes, while reducing its imports by an estimated 1 million tonnes. Further, Chinese steel production grew by 3.9% year over year as of end of July 2020. So far in 2020, the robust trend in Chinese steel production has continued with a growth of 12.0% year to date for the months of January through July in 2020. If the growth in steel production persists, it is likely that the drawdown in domestic inventories eventually ends and increased imports will be needed.

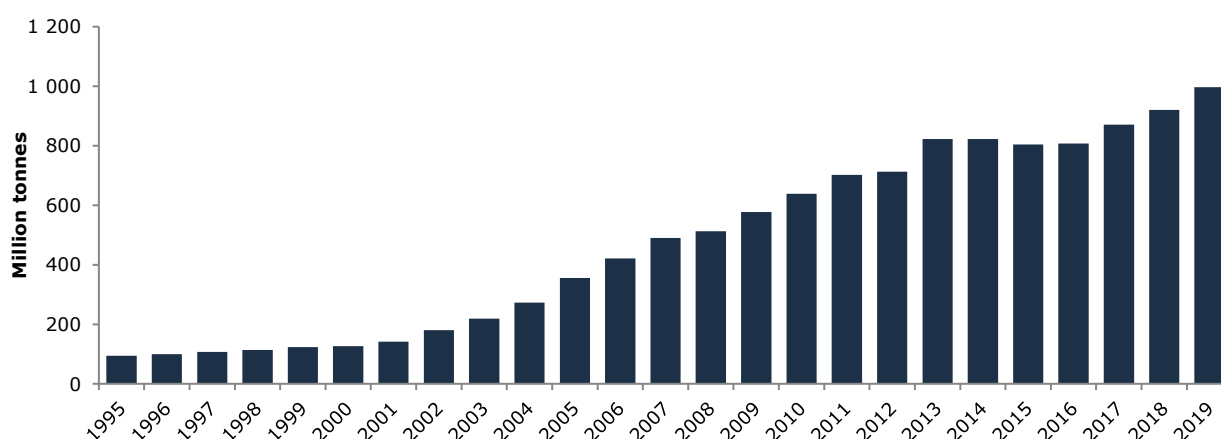


Figure 10: Chinese steel production

Source: Clarksons Research Services Limited, Shipping Intelligence Network¹⁶

With regards to seaborne trade of iron ore, the volumes traded in 2019 were negatively impacted by the suspended production following the collapse of a tailing dam operated by Vale in Brazil. Additionally, bad weather affected shipments out of Vale's northern systems, while a cyclone negatively impacted exports out of West Australia. These disruptions had a material negative impact on the Capesize market in Q1 and early Q2 2019. However, towards the second half of the second quarter of 2019, Capesize rates steadily improved as operations in Australia and Vale's Northern systems normalized and Vale announced the restart of the Brucutu mine with 30 million tonnes of annual production capacity. Brazilian export volumes in first half of 2020 were negatively impacted as a consequence of maintenance and repairs to mining infrastructure, as well as a severe rainy season. Production and export levels have recovered in recent months, which has supported a recovery in Capesize rates. Production guidance from Vale, Brazil's largest iron ore miner suggests that iron ore export volumes will increase further in Q4. Historically there has been a strong correlation between Brazilian export volumes and observed Capesize freight rates. China commodity imports decreased during the first half of 2020 due to lockdowns.

There are several factors influencing the supply side of dry bulk shipping, with the most fundamental factors being the orderbook from the shipyards and the amount of ships that are being scrapped each year. The underlying drivers behind

¹⁶ Data extraction from Shipping Intelligence Network ("SIN") (<https://sin.clarksons.net/>) on 28 October 2020, SIN is behind a payment wall.

how many ships that are being ordered and scrapped at any given time has to do with i) the current fleet size, ii) the age of the fleet, iii) government and international shipping regulations iv) future market expectations v) access to financing and vi) other factors that can potentially affect the shipping cycle. The development of supply in dry bulk vessels since 1996 is illustrated in the figure below.

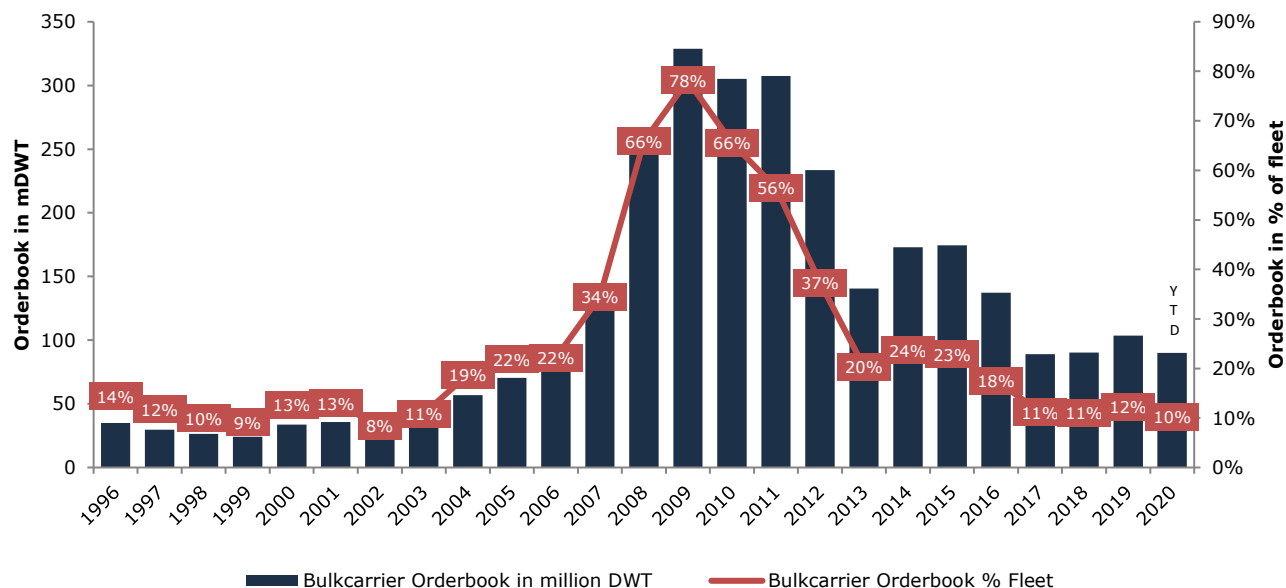


Figure 11: Historical development of the dry bulk fleet (1996-2020YTD)

Source: Clarksons Research Services Limited, Shipping Intelligence Network¹⁷

At year-end 2019, the average size of the total dry bulk fleet in number of vessels is recorded to be 2.1% and 4.3% larger than at year-end 2018 and 2017, respectively. In terms of million dwt, year-end 2019 dry bulk fleet is 2.9% and 5.9% larger than at year-end 2018 and 2017, respectively. These growth levels are historically low when considered within the evolution of dry bulk fleet.

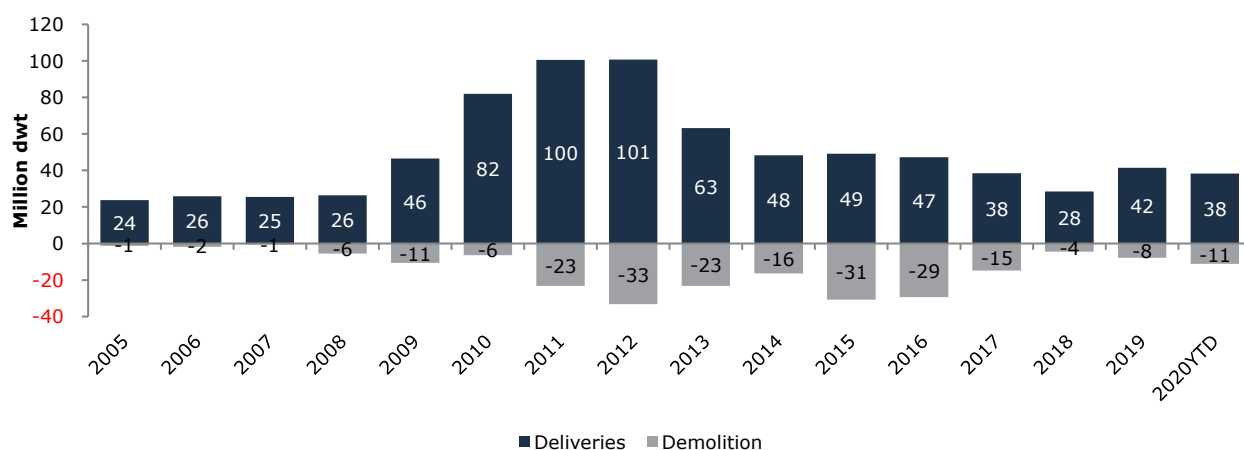


Figure 12: Historical development of dry bulk fleet in deliveries and demolitions

Source: Clarksons Research Services Limited, Shipping Intelligence Network¹⁸

¹⁷ Data extraction from Shipping Intelligence Network ("SIN") (<https://sin.clarksons.net/>) on 28 October 2020, SIN is behind a payment wall.

¹⁸ Data extraction from Shipping Intelligence Network ("SIN") (<https://sin.clarksons.net/>) on 28 October 2020, SIN is behind a payment wall.

In terms of the Capesize vessel segment, during 2019, 80 Capesize vessels of a combined 19.0 million dwt were delivered, up 33.5% year-over-year in dwt terms. Meanwhile, 104 vessels of a combined 17.9 million dwt were ordered in 2018. As a result, the Capesize orderbook stood at 226 vessels of 59.2 million dwt at the end of 2019, up 15% from the end of 2018. Meanwhile, demolition in the Capesize sector increased by 88% year-over-year in dwt terms last year, with 29 vessels of 5.9 million dwt sold for recycling in 2019. As a result, fleet growth in the Capesize sector picked up from 3.4% in 2018 to 3.9% in dwt terms in full year 2019. As of September 2020, the dry bulk segment has seen a total of 33.9 dwt million in deliveries, 19.0 dwt million of which consisted of the Capesize segment and 9.0 dwt million in demolition, 6.8 dwt million of which consisted of the Capesize segment.

Similar to many other shipping segments, the varying balance between supply and demand in the dry bulk trade caused by varying levels of demand for commodities in line with global and regional economies and available fleet to serve these needs, are corrected with responses of the market rates and asset (vessel) values. However, the resulting market rates can fluctuate significantly as seen from Figure 13 and 14 below, which illustrate the volatility of Capesize earnings through Baltic 5TC Capesize Index¹⁹ and Baltic Dry Index²⁰. Dayrates for Capesize vessels are considered to be the benchmark for Newcastlemax vessels, as Newcastlemax vessels trade at a premium to Capesize vessels. As of the date of this Prospectus, all Company vessels are fixed on rates that reflect significant premiums to a standard Capesize vessel at the time of entering into the respective timecharter.

As of 28 October 2020, average earnings for Capesize 5 T/C routes are at USD 17,881 per day, compared to USD 25,362 and USD 19,078 for the same point in 2019 and 2018, respectively. Average rates for 2020 YTD are at USD 13,007 per day, while it was USD 17,466 and USD 16,921 as of the same date in 2019 and 2018, respectively. In addition, currently Baltic Dry Index stands at 1,384, with an average of 1,036 for 2020YTD; compared to an average of 1,803 and 1,519 for the same period in 2019 and 2018, respectively.

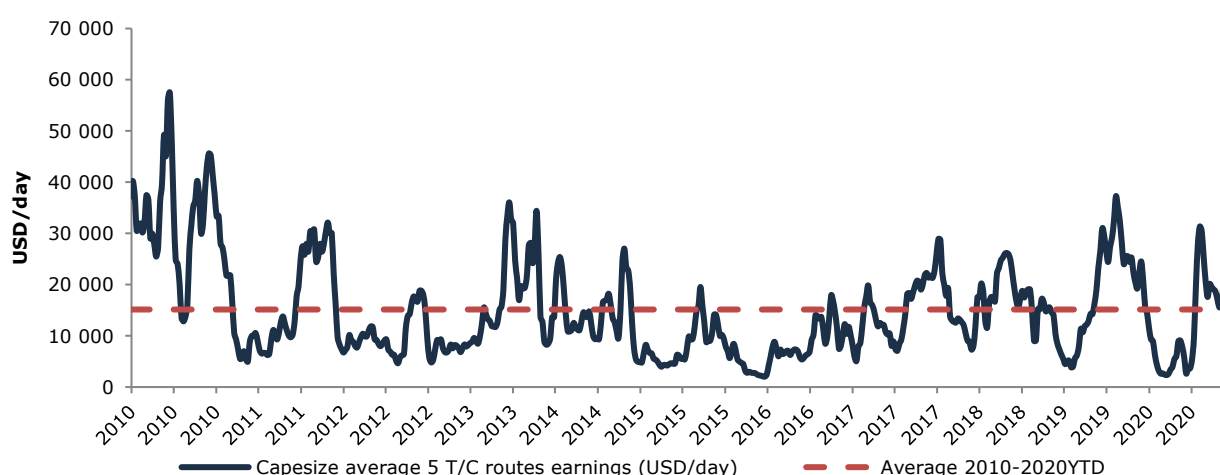


Figure 13: Development of Capesize historical earnings (USD/day) (2010-2020YTD)²¹

Source: Clarksons Research Services Limited, Shipping Intelligence Network²²

¹⁹ Note: Baltic 5TC Capesize Index is a composite index of five Capesize routes time charter averages, published by the Baltic Exchange.

²⁰ Note: Baltic Exchange Dry Index is a composite index of the dry bulk time charter averages, weighted for 40% average Capesize TC rates, 30% average Panamax TC rates, and 30% average Supramax TC rates.

²¹ Note: An analysis of a longer historical time frame (2003-2020YTD) produces greater volatility in rates and a significantly higher average of USD 36,457 per day; a rate that is higher than rates achieved in Capesize time charter market since end of 2013.

²² Data extraction from Shipping Intelligence Network ("SIN") (<https://sin.clarksons.net/>) on 28 October 2020, SIN is behind a payment wall.



Figure 14: Development of Baltic Dry Index (2014-2020YTD)

Source: Clarksons Research Services Limited, Shipping Intelligence Network²³

7.4 Future market expectations

The Company's view for the dry bulk market is that supply of vessels is likely to grow at a slower pace than demand for vessels over the next few years, creating an improved demand/supply balance, following a period of oversupply. As most relevant shipyards have sold out their capacity for constructing Newcastlemax vessels up until mid-2022, there is a certain degree of visibility for the supply growth for the coming years.

The Company believes that supply of vessels may be modest in a historical perspective, caused by a tapering off in delivery of new vessels and a high degree of scrapping of older vessels. Older vessels may be scrapped due to high fuel consumption, lack of maintenance, uneconomical upgrading requirements caused by new regulations, as well as other factors.

If the Company's expectations of modest growth in the fleet proves to be correct, and the demand for dry bulk transportation is stable or increasing, the Company believes that rates for dry bulk vessels will recover, and that dry bulk vessel values may subsequently increase accordingly. This as a result of increased capacity utilization over a smaller fleet on the freight market.

7.5 Competitive landscape

Dry bulk carrier is a competitive industry with market participants ranging from large multinational companies to smaller regional companies with fewer units. Competition for the transportation of dry bulk commodities can be intense and depends on price, location, size, age, condition, acceptability of the vessel and its operators, as well as the ability to secure contracts with charterers. The Company is not aware of any particular relative disadvantages compared to other industry participants.

²³ Data extraction from Shipping Intelligence Network ("SIN") (<https://sin.clarksons.net/>) on 28 October 2020, SIN is behind a payment wall.

8 BUSINESS OVERVIEW

8.1 Introduction

The Company is a limited liability company organized and existing under the laws of Bermuda pursuant to Bermuda law in general and to Companies Act 1981 of Bermuda in particular. The Company's registered commercial and legal name is 2020 Bulkera Ltd. The Company was incorporated in Bermuda on 26 September 2017, and has its registered office located at S.E. Pearman Building, 2nd floor, 9 Par-la-Ville Road, Hamilton HM11, Bermuda and the Company's main telephone number at that address is +1 441 737 0152. The Company's Bermuda registration number is 52905.

The underlying Common Shares have been issued under the Bermuda Companies Act. Up to the listing on Oslo Stock Exchange, the Shares, being the depository receipts that represent the beneficial interests in the Common Shares, have been listed on the Oslo Axess list under the ticker "2020" with LEI number 549300402C8KQEW78U64, and have been tradeable within the Norwegian VPS system. Nominal ownership to the underlying Common Shares is vested in the Registrar who is the sole shareholder on record in the Company's register of members in Bermuda. The Company has established a sub-register of shareholders in the VPS where beneficial ownership to the underlying Common Shares nominally held by the Registrar is recorded. It is thus the Shares, being the depository receipts that represent the beneficial interests in the Common Shares, which can be traded on the Oslo Stock Exchange. The Company has concluded an agreement with the Registrar pursuant to which, inter alia, the Registrar is obligated to exercise the shareholder rights of the beneficial owners thereto as recorded in the VPS Register in accordance with such instructions as they provide. Further, the Registrar is obligated to distribute all notices of general meetings, dividends and other communications and/or distribution to the shareholder forthwith. Finally, a shareholder on record in the VPS register can, at any time, demand that his beneficial ownership to the underlying Common Shares are recorded directly in the Company's register of members thus allowing such shareholder to exercise his/her/its shareholder rights directly.

The Group is an international owner and operator of dry bulk carriers. The Company is the ultimate parent company in the Group. The operations of the Group are and will continue to be carried out by individual companies within the Group.

The Group currently has eight Newcastlemax dry bulk vessels on water built at New Times Shipyard in China, which were delivered between August 2019 and June 2020. Six of the newbuildings are owned by the Company through six vessel-owning subsidiaries and two of the Newcastlemax vessels are leased in and operated by subsidiaries wholly owned by the Company, each whose purpose is to hold and operate such asset only. The Company has purchase obligations at the end of the charter periods, see section 11.5.3 below. The 208,000 dwt Newcastlemax dry bulk carriers have been delivered with exhaust scrubbers and ballast water treatment systems (the "BWTS").

The additional cargo capacity, as well as the favourable fuel consumption compared to a Baltic type²⁴ Capesize vessel is expected to generate a significant TCE premium compared to a Baltic type Capesize. Having a scrubber-fitted fleet created a favourable exposure to the potential price spread between high and low sulphur bunkers, which has led to cost savings following the implementation of the IMO Sulphur cap which took effect from 1 January 2020 (the "IMO 2020"). The Company's vessels are able to burn Heavy Fuel Oil (HFO), which is available at a discount to compliant bunker fuels with a maximum sulphur content of 0.5%, which is the required fuel for commercial vessels without exhaust gas scrubber systems.

8.2 Legal structure of the Group

8.2.1 Overview

The Company owns six vessels and leases two vessels through 100% owned subsidiaries.

The subsidiaries are incorporated in Liberia. 2020 Bulkera Sandefjord Inc. and 2020 Bulkera Santiago Inc. were incorporated on 23 March 2017, 2020 Bulkera Seoul Inc. and 2020 Bulkera Shanghai Inc. were incorporated on 19 December 2017 and 2020 Bulkera Shenzhen Inc., 2020 Bulkera Sydney Inc., 2020 Bulkera Sao Paulo Inc. and 2020 Bulkera Santos Inc. were incorporated on 23 January 2018. The details of the vessel-owning and vessel-leasing companies follows from the chart below.

²⁴ Baltic type is a reference vessel description used for calculating the Baltic 5TC index

The Company also owns 100% of the shares in 2020 Bulkera Management AS, a Norwegian registered limited liability company incorporated by the Company, with company registration number 921 059 450 and its registered address at Tjuvholmen Allé 3, 0252 Oslo, Norway. The purpose of 2020 Bulkera Management AS is to provide day-to-day management services to the Group on the terms of the Management Agreement. These terms limit the authority of 2020 Bulkera Management AS to take decisions on behalf of the individual companies within the Group to minor issues within such overall decisions as the Board shall have made.

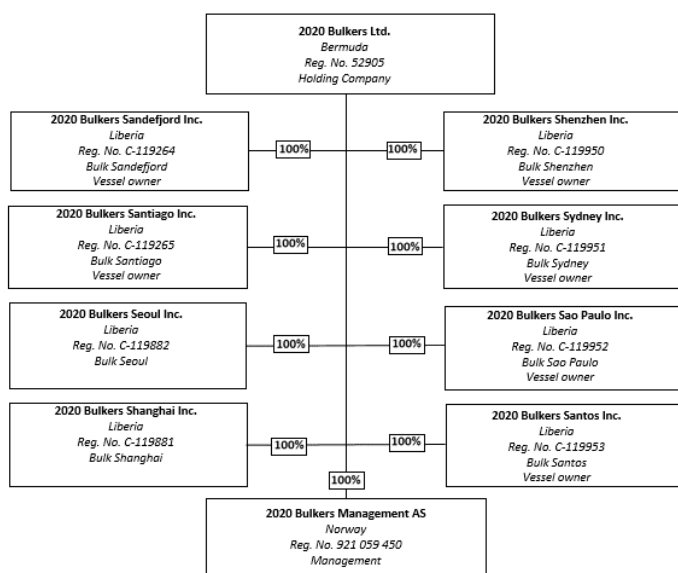


Figure 1: Legal structure of the Group.

8.3 History and important events

2020 Bulkera Ltd was incorporated on 26 September 2017, to give exposure to an expected recovery in the dry bulk market, capitalizing on the historically low newbuilding prices.

The table below provides an overview of key events in the history of 2020 Bulkera's activities. From and including establishment, all main events within the relevant legal entities have been addressed:

Date	Event
26 September 2017	• 2020 Bulkera Ltd was incorporated.
27 September 2017	• The Company entered into a firm contract for two Newcastlemax dry bulk vessels from New Times SB shipyard with options for further two and four ships.
27 November 2017	• The Company issued 5,000,000 shares each with a par value of USD 1.00.
4 December 2017	• 2020 Bulkera Ltd was listed on N-OTC with ticker code "2020".
20 December 2017	• The Company declared the options for construction of two Newcastlemax dry bulk vessels from New Times SB shipyard.
28 December 2017	• The Company completed a private placement of 1,150,000 shares, each at a subscription price of USD 4.35 per share, raising net proceeds of USD 5 million.
26 January 2018	• The Company declared the option for construction of four Newcastlemax dry bulk vessels from New Times SB shipyard, taking the total orders to eight vessels.
26 February 2018	• The Company completed a private placement of 2,000,000 shares, each at a subscription price of USD 5.00 per share, raising net proceeds of USD 10 million.
22 March 2018	• The Company completed a private placement of 576,923 shares, each at a subscription price of USD 5.20 per share, raising net proceeds of USD 3 million.

26 April 2018	<ul style="list-style-type: none"> The Company completed a private placement of 1,666,667 shares, each at a subscription price of USD 5.40 per share, raising net proceeds of USD 9 million. The Company exercised its option with New Times SB shipyard to have all its eight newbuildings delivered with scrubbers.
25 June 2018	<ul style="list-style-type: none"> The Company entered into a three year, index linked, time charter with Koch Supply and Trading. The index linked charter reflects a 31% premium to the Baltic 5TC index and also includes a profit sharing mechanism for fuel cost savings generated by the scrubber.
17 July 2018	<ul style="list-style-type: none"> The Company completed a private placement of 800,000 shares, each at a subscription price of USD 7.50 per share, raising net proceeds of USD 6 million.
16 August 2018	<ul style="list-style-type: none"> The Company completed a private placement of 750,000 shares, each at a subscription price of USD 8.00 per share, raising net proceeds of USD 6 million.
30 August 2018	<ul style="list-style-type: none"> 2020 Bulkera Management AS established as a subsidiary (by way of shelf company acquisition).
16 October 2018	<ul style="list-style-type: none"> The Company completed a private placement of 631,579 shares, each at a subscription price of USD 9.50 per share, raising net proceeds of USD 6 million.
15 November 2018	<ul style="list-style-type: none"> The Company completed a private placement of 736,843 shares, each at a subscription price of USD 9.50 per share, raising net proceeds of USD 7 million.
19 December 2018	<ul style="list-style-type: none"> The Company completed a private placement of 757,894 shares, each at a subscription price of USD 9.50 per share, raising net proceeds of USD 7.2 million.
5 February 2019	<ul style="list-style-type: none"> The Company completed a private placement of 300,000 shares, each at a subscription price of USD 10.00 per share, raising net proceeds of USD 3.0 million.
14 February 2019	<ul style="list-style-type: none"> The Company signed a Term Loan Facility Agreement of USD 240 million with five years maturity and 18 years repayment profile.
3 April 2019	<ul style="list-style-type: none"> The Company entered into a 12-15 month time charter agreement with Koch Supply and Trading for Bulk Sandefjord, at a fixed rate of USD 19,525 per day, gross.
23 April 2019	<ul style="list-style-type: none"> The Company entered into a convertible debenture agreement of USD 8.0 million with shareholders Drew Holdings Ltd., Ubon AS, Titan Credit Master Fund and MH Capital AS. The debt was settled through conversion into 888,888 new shares at a price of USD 9.00 per share in the private placement completed on 23 May 2019.
25 April 2019	<ul style="list-style-type: none"> The Company entered into a 12-16 month time charter agreement with Koch Supply and Trading for Bulk Santiago, at a fixed rate of USD 22,250 per day, gross.
23 May 2019	<ul style="list-style-type: none"> The Company completed the Private Placement of 7,800,000 shares, each at a subscription price of USD 9.00 per share, raising net proceeds of USD 68.7 million.
1 July 2019	<ul style="list-style-type: none"> On July 1, 2019 the Company signed a Revolving Credit Facility Agreement of USD 5.5 million with Drew Holdings Limited (a trust established for the benefit of Tor Olav Trøim). The Revolving Credit Facility Agreement was cancelled during the fourth quarter of 2019.
12 July 2019	<ul style="list-style-type: none"> The Company's shares were listed on the Oslo Axess under the ticker symbol "2020".
7 August 2019	<ul style="list-style-type: none"> The Company took delivery of the 208,000 dwt Newcastlemax, Bulk Sandefjord. Upon departing New Times Shipyard, the Bulk Sandefjord commenced the three-year index-linked time charter with Koch Industries (amended from the initial 12-15 month contract agreed 3 April 2019).
19 September 2019	<ul style="list-style-type: none"> The Company took delivery of the 208,000 dwt Newcastlemax, Bulk Santiago. Upon departing New Times Shipyard, the Bulk Santiago commenced a 12-15 month time charter with Koch Industries (amended from the initial 12-15 month contract agreed 25 April 2019).
14 October 2019	<ul style="list-style-type: none"> The Company entered into an 11-13 month index-linked time charter for Bulk Shanghai with ST Shipping, a 100% owned subsidiary of Glencore.
15 October 2019	<ul style="list-style-type: none"> The Company entered into a sale and leaseback arrangement with Ocean Yield for the Bulk Seoul and Bulk Shanghai.
23 October 2019	<ul style="list-style-type: none"> The Company entered into an 11-13 month index-linked time charter for Bulk Shenzhen with ST Shipping, a 100% owned subsidiary of Glencore.
31 October 2019	<ul style="list-style-type: none"> The Company took delivery of the 208,000 dwt Newcastlemax, Bulk Seoul. Upon departing New Times shipyard, the Bulk Seoul commenced a 23-25 month time charter with Koch Industries.
6 November 2019	<ul style="list-style-type: none"> The Company took delivery of the 208,000 dwt Newcastlemax, Bulk Shanghai. Upon departing New Times shipyard, the Bulk Shanghai commenced the 11-13 month index-linked time charter with ST Shipping, a 100% owned subsidiary of Glencore.
6 November 2019	<ul style="list-style-type: none"> The Company declared its first dividend of USD 0.055/share for October.
3 December 2019	<ul style="list-style-type: none"> The Company declared a dividend of USD 0.08/share for November.

9 January 2020	<ul style="list-style-type: none"> The Company declared a dividend of USD 0.04/share for December.
6 January 2020	<ul style="list-style-type: none"> The Company took delivery of the 208,000 dwt Newcastlemax, Bulk Shenzhen. Upon departing New Times Shipyard, the Bulk Shenzhen commenced a 11-13 month time charter with ST Shipping, a 100% owned subsidiary of Glencore.
21 January 2020	<ul style="list-style-type: none"> The Company took delivery of the 208,000 dwt Newcastlemax, Bulk Sydney. Upon departing New Times Shipyard, the Bulk Sydney commenced a 36 month index-linked time charter with Koch Industries.
12 and 20 February 2020	<ul style="list-style-type: none"> The Company converted the index-linked charter hire for Bulk Shenzhen and Bulk Shanghai into fixed rate charter hire at US\$21,919 per day, gross and US\$22,673 per day, gross, respectively, for the remainder of 2020.
10 February 2020	<ul style="list-style-type: none"> The Company declared a dividend of USD 0.03/share for January.
23 April 2020	<ul style="list-style-type: none"> The Company entered into interest swap arrangements for a notional amount of approximately US\$177 million, effectively securing an all-in interest rate of 3% for the fully drawn amount under the term loan facility.
6 May 2020	<ul style="list-style-type: none"> The Company converted the index-linked charter hire for Bulk Sandefjord and Bulk Sydney into fixed rate charter hire at US\$14,378 per day, gross and US\$14,002 per day, gross, respectively, for the remainder of 2020. The vessels will in addition earn a profit share based on the fuel cost saving generated by the scrubbers.
4 June 2020	<ul style="list-style-type: none"> The Company took delivery of the 208,000 dwt Newcastlemax, Bulk Sao Paulo. Upon departing New Times Shipyard, the Bulk Sao Paulo commenced a 35-37 month index-linked time charter with ST Shipping, a 100% owned subsidiary of Glencore.
16 June 2020	<ul style="list-style-type: none"> The Company took delivery of the 208,000 dwt Newcastlemax, Bulk Santos. Upon departing New Times Shipyard, the Bulk Santos commenced a 35-37 month index-linked time charter with ST Shipping, a 100% owned subsidiary of Glencore.
12 August 2020	<ul style="list-style-type: none"> The Company re-instated the monthly dividend payment and declared a dividend of US\$0.01/share for July.
8 September 2020	<ul style="list-style-type: none"> The Company declared a dividend of USD 0.03/share for August 2020.
18 September 2020	<ul style="list-style-type: none"> The Company has extended the time charter for Bulk Shanghai with ST Shipping, a fully owned subsidiary of Glencore for a period of 6-8 months from 7 October 2020. The vessel will from 7 October 2020 earn a fixed rate of USD 18,000 per day, gross, as well as share of the fuel savings generated from the scrubber.
7 October 2020	<ul style="list-style-type: none"> The Company declared a dividend of USD 0.06/share for September 2020.

8.4 Corporate strategy

The objective for 2020 Bulkera is to maximize shareholder returns from the eight operated, owned or leased, Newcastlemax vessels. The Group will look to charter the vessels to strong counterparties and will focus on returning the maximum capital to the shareholders in the form of a high dividend yield payout. The Company will have an opportunistic approach to growth and M&A, however it intends to be disciplined in its investment strategy to maximize shareholder returns.

8.5 Business description

8.5.1 General

2020 Bulkera is an independent dry bulk company focused on owning and operating large dry bulk carriers. The day to day management of the Group, including commercial management of the fleet, is conducted by its 100% controlled subsidiary, 2020 Bulkera Management AS, which acts under the direction of the Company's Board. The Group's technical management is outsourced to a third party and overseen by the Group's Chief Technical Officer.

2020 Bulkera aims to charter out its vessels on multi-year index-linked time charters²⁵, fixed rate time charters²⁶, or consecutive voyage charters²⁷. The counterparties will typically be large dry bulk operators, commodity traders and end

²⁵Multi-year index-linked time charters means multi-year employment contracts for vessels where the daily time charter equivalent earnings are linked to the Baltic 5TC Capesize index

²⁶Fixed rate time charters means employment contracts for vessels with fixed daily time charter equivalent earnings

²⁷Consecutive voyage charters means that the employment contract for vessels to perform a pre-defined number of consecutive voyages carrying cargo at a fixed or variable rate paid in USD per ton cargo transported

users. 2020 Bulkera fleet may be trading worldwide, however, the key trades for Newcastlemax carriers are Brazil to China and Australia to China (see also section 7.1 above).

As at the date of this Prospectus, the employment schedule for the vessels is as follows:

Vessel name	Gross rate/day (USD)	Charterer	Charter expiry /Charterers option period ²⁸
Bulk Sandefjord	14 378 TCE ²⁹ + scrubber benefit (1 Jun to 31 Dec 2020), Baltic 5TC Capesize Index ³⁰ linked + premium + scrubber benefit	Koch	Aug-22
Bulk Santiago	19 525 (until 15 Dec 2020), Baltic 5TC Capesize Index linked + premium + scrubber benefit	Koch	Nov-21-Jan-22
Bulk Seoul	22 250 (until 31 Dec 2020), Baltic 5TC Capesize Index linked + premium + scrubber benefit	Koch	Dec-21-Feb-22
Bulk Shanghai	18 000 + scrubber benefit	Glencore	Mar-Jun-21
Bulk Shenzhen	21 919	Glencore	Dec-20-Jan-21
Bulk Sydney	14 002 + scrubber benefit (1 Jun to 31 Dec 2020), Baltic 5TC Capesize Index linked + premium + scrubber benefit	Koch	Jan-23
Bulk Sao Paulo	Baltic 5TC Capesize Index linked + premium + scrubber benefit	Glencore	May-Jul-23
Bulk Santos	Baltic 5TC Capesize Index linked + premium + scrubber benefit	Glencore	May-Jul-23

8.5.2 The fleet

The fleet consists of eight Newcastlemax 208,000 dwt dry bulk vessels, six of the Newcastlemax vessels are owned and two of the Newcastlemax vessels are leased in and operated by subsidiaries wholly owned by the Company. The vessels are built at New Times Shipyard in China, delivered between August 2019 and June 2020. The average contract price was USD 47.0 million per vessel. The vessels are built to comply with the International Maritime Solid Bulk Cargoes Code³¹ (the “**IMSBC Code**”). In October 2019, the Company entered into a sale and leaseback arrangement with Ocean Yield for the Bulk Seoul and Bulk Shanghai, see Section 11.5.3 “Financing arrangements” for more details.

²⁸ Charterers option period refers to flexibility for the charterer to redeliver the vessel in this timeframe

²⁹ TCE stands for time charter equivalent, which is a shipping industry measure used to calculate the average daily revenue performance of a vessel

³⁰ More information on the Baltic 5TC Index can be found here: <https://www.balticexchange.com/en/index.html>

³¹ Maritime Solid Bulk Cargoes Code is the IMO code with aim to facilitate the safe stowage and shipment of solid bulk cargoes

Fleet overview:

"BULK SANDEFJORD" <u>Type:</u> Newcastlemax dry bulk carrier <u>Yard:</u> New Times Shipyard Jingjiang <u>Built:</u> Delivery 8/2019 <u>DWT:</u> 208,000 <u>LOA:</u> 299.95m <u>Beam:</u> 50.00 m <u>Place of registration:</u> Monrovia, Liberia <u>Vessel owning company:</u> 2020 Bulkera Sandefjord Inc.	"BULK SANTIAGO" <u>Type:</u> Newcastlemax dry bulk carrier <u>Yard:</u> New Times Shipyard Jingjiang <u>Built:</u> Delivery 9/2019 <u>DWT:</u> 208,000 <u>LOA:</u> 299.95m <u>Beam:</u> 50.00 m <u>Place of registration:</u> Monrovia, Liberia <u>Vessel owning company:</u> 2020 Bulkera Santiago Inc.
"BULK SEOUL" <u>Type:</u> Newcastlemax dry bulk carrier <u>Yard:</u> New Times Shipyard Jingjiang <u>Built:</u> Delivery 11/2019 <u>DWT:</u> 208,000 <u>LOA:</u> 299.95m <u>Beam:</u> 50.00 m <u>Place of registration:</u> Monrovia, Liberia <u>Vessel owning company:</u> OCY Seoul Limited	"BULK SHANGHAI" <u>Type:</u> Newcastlemax dry bulk carrier <u>Yard:</u> New Times Shipyard Jingjiang <u>Built:</u> Delivery 11/2019 <u>DWT:</u> 208,000 <u>LOA:</u> 299.95m <u>Beam:</u> 50.00 m <u>Place of registration:</u> Monrovia, Liberia <u>Vessel owning company:</u> OCY Shanghai Limited
"BULK SHENZHEN" <u>Type:</u> Newcastlemax dry bulk carrier <u>Yard:</u> New Times Shipyard Jingjiang <u>Built:</u> Delivery 1/2020 <u>DWT:</u> 208,000 <u>LOA:</u> 299.95m <u>Beam:</u> 50.00 m <u>Place of registration:</u> Monrovia, Liberia <u>Vessel owning company:</u> 2020 Bulkera Shenzhen Inc.	"BULK SYDNEY" <u>Type:</u> Newcastlemax dry bulk carrier <u>Yard:</u> New Times Shipyard Jingjiang <u>Built:</u> Delivery 1/2020 <u>DWT:</u> 208,000 <u>LOA:</u> 299.95m <u>Beam:</u> 50.00 m <u>Place of registration:</u> Monrovia, Liberia <u>Vessel owning company:</u> 2020 Bulkera Sydney Inc.
"BULK SAO PAULO" <u>Type:</u> Newcastlemax dry bulk carrier <u>Yard:</u> New Times Shipyard Jingjiang <u>Built:</u> Delivery 6/2020 <u>DWT:</u> 208,000 <u>LOA:</u> 299.95m <u>Beam:</u> 50.00 m <u>Place of registration:</u> Monrovia, Liberia <u>Vessel owning company:</u> 2020 Bulkera Sao Paulo Inc.	"BULK SANTOS" <u>Type:</u> Newcastlemax dry bulk carrier <u>Yard:</u> New Times Shipyard Jingjiang <u>Built:</u> Delivery 6/2020 <u>DWT:</u> 208,000 <u>LOA:</u> 299.95m <u>Beam:</u> 50.00 m <u>Place of registration:</u> Monrovia, Liberia <u>Vessel owning company:</u> 2020 Bulkera Santos Inc.

8.5.3 *Material contracts and charterers*

On 27 September 2017, the Group entered into a contract with New Times Shipyard in China for the construction of two Newcastlemax dry bulk vessels. As part of the two initial newbuilding contracts, and pursuant to an option agreement between the Company and New Times Shipyard dated 27 September 2017, the Group was granted fixed price options for an additional six vessels. These options were later declared. The average yard price was USD 47.0 million. The eight vessels were delivered between August 2019 and June 2020. In October 2019, the Company entered into a sale and leaseback arrangement with Ocean Yield for the Bulk Seoul and Bulk Shanghai, see Section 11.5.3 "Financing arrangements" for more details.

The Company has entered into several chartering contracts for vessels in the fleet. Please see Section 8.5.1 "General" for further information.

The Company has not entered into any material contracts outside the ordinary course of business for the two years prior to the date of the Prospectus or any other contract entered into outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement.

8.5.4 *Competitors*

The dry bulk fleet as of October 2020 consisted of 12,236 vessels or 905.5 million dwt across all size segments. Dry bulk is the largest segment both in number of vessels and measured in carrying capacity within the global shipping industry. The ownership of dry bulk assets is widely distributed among numerous owners and is considered to be more fragmented than any other sector. The table below shows the ten largest owners as of October 2020.

Owner	Number of vessels on water	Total dwt million of fleet on water	% of existing global fleet on water
China COSCO Shipping	227	22.7	1.9 %
Pacific Basin Shipping	118	4.8	1.0 %
Star Bulk Carriers	116	12.9	0.9 %
Wisdom Marine Group	115	6.3	0.9 %
Oldendorff Carriers	101	10.4	0.8 %
Golden Ocean Group	82	11.5	0.7 %
K-Line	81	10.8	0.7 %
Nippon Yusen Kaisha	78	9.2	0.6 %
Pan Ocean	71	10.4	0.6 %
Shoei Kisen Kaisha	71	7.7	0.6 %

Source: Clarksons Research Services Limited, Shipping Intelligence Network³²

8.5.5 Commercial management and operations

2020 Bulkera Management AS is responsible for the commercial management of the vessels under the terms of the Management Agreement. This includes the conclusion of chartering agreements as well as commercial operation. The individual vessel owning subsidiaries engages third party technical managers of its vessel. The Group's technical management, including newbuilding supervision, is outsourced to third parties and overseen by the Group's Chief Technical Officer. The Group has appointed OSM Bergen Dry AS in Bergen, and OSM Ship Management Pte Ltd. in Singapore, as ship manager(s) to be responsible for the day-to-day ship management and operation of the vessels, see table below for further information on terms and duration. 2020 Bulkera Management AS is responsible for the supervision of the technical manager.

Please see Section 8.5.1 "General" for further information.

Management Agreement	OSM Bergen (ex KGJS)	OSM Singapore
Contract Terms	BIMCO Shipman 2009 Standard Ship Management Agreement	BIMCO Shipman 2009 Standard Ship Management Agreement
Minimum Contract Period	6 months	NIL
Annual Management Fee 2019 & 2020	USD 160,000	USD 122,000 + USD 33000
Management Fee	Market based – negotiated at annual budget meeting	Market based – negotiated at annual budget meeting
Duration of Agreement	Until terminated. Any time during agreement	Until terminated. Any time during agreement
Termination	Manager to be paid fee two (2) months after redelivery of vessel	Manager to be paid fee two (2) months after redelivery of vessel

8.6 Health and safety matters

The Group currently has no employees directly involved in the day-to-day operations, but the health and safety of the personnel employed on board its ships are of top priority since the ship crew is employed and directed by the appointed ship manager as agent for Owners according to the BIMCO Shipman contract. The Group will work actively to make personnel aware of this goal and personnel are at all times obligated to follow the highest industry standards. The Group

³² Data extraction from Shipping Intelligence Network ("SIN") (<https://sin.clarksons.net/>) on 28 October 2020, SIN is behind a payment wall.

has appointed OSM Bergen Dry AS previously KGJ Fleet Management AS in Bergen and OSM Ship Management Pte Ltd. in Singapore as ship manager(s) to be responsible for the day-to-day ship management and operation of the vessels. The appointed ship manager(s) are well reputed companies holding IMO certified Document of Compliance and robust Ship Management Systems. It will be the external ship manager(s) responsibility to ensure health and safety standards on-board the ships. The Group has only considered reputable and recognized ship managers and safety and health standards have been key factors in the screening, selection and award for its ship managers.

Port restrictions, including immigration restrictions and quarantine measures related to Covid-19, are creating challenges for crew changes on regular intervals. Therefore, crews are having to stay onboard longer than planned and some off-hire may be incurred in conjunction with crew changes. The Company did not record any Covid-19 specific costs or off-hire during the second quarter, but has incurred 3.7 days of Covid-19 related off-hire in the third quarter. We are working closely with our technical managers to protect the safety and wellbeing of our crews while minimizing potential off-hire related to crew changes.

8.7 Insurance

The Group currently maintains insurance coverage of the type and in amounts that it believes to be customary in the industry, all subject to certain limitations, deductibles and caps.

The Group has secured Protection and Indemnity, Hull and Machinery and Loss of Hire insurances for each respective vessel. In addition, the Group procure War Risk, Certificate of Financial Responsibility and other insurances required for unlimited trading.

8.8 Legal proceedings

The Group is not, nor has it been during the course of the preceding 12 months, involved in any legal, governmental or arbitration proceedings which may have, or has had in the recent past, significant effects on the Group's financial position or profitability. The Group is not aware of any other such aforementioned proceedings which are pending or threatened.

8.9 Dependency on contracts, patents, licenses etc.

It is the Company's opinion that the Group's existing business or profitability is not materially dependant on patents or licenses, industrial, commercial or financial contracts.

8.10 Regulations

8.10.1 Introduction

The Company is an international company registered under the laws of Bermuda with its registered office there. The Group has a management company which operates from Norway, and its vessels was built in China, registered in Liberia and the Group interacts with customers and service providers on a global basis. As a result of this organizational structure and the scope of its operations, the Group is subject to a variety of laws in different countries, including those related to the shipping industry in general and dry bulk carriers in particular; personal privacy; data protection; content restrictions; telecommunications; intellectual property; advertising and marketing; labor; foreign exchange; competition; anti-bribery, environment and taxation. These laws and regulations are constantly evolving and may be interpreted, implemented or amended in a manner which affects the Group's business negatively as well as positively, as described in section 2 "Risk Factors" in particular sections 2.2 "Risks related to applicable laws regulations" and 2.3 "Risks related to financing". Since the Company took delivery of its vessels and started to trade, the Group has become subject to laws and regulations in additional jurisdictions. This section sets forth the summary of material laws and regulations relevant to the Group's business operations.

8.10.2 Regulations in the dry bulk industry

The Group's operations are subject to numerous laws and regulations in the form of international treaties and maritime regimes, flag state requirements, national environmental laws and regulations, navigation and operating permits requirements, local content requirements, and other national, state and local laws and regulations in force in the jurisdictions in which its vessels will operate or will be registered, which can significantly affect the ownership and operation of the vessels. The Group is also subject to complex environmental laws and regulations that can adversely affect the cost, manner or feasibility of doing business.

8.10.3 Flag state requirements

All Group vessels will be subject to regulatory requirements of the flag state where the vessels are registered. The flag state requirements are international maritime requirements, in some cases further interpolated by the flag state itself. These include engineering, safety and other requirements related to the maritime industry. In addition, each of Group's vessels must be "classed" by a classification society. The classification society certifies that the vessel is "in-class,"

signifying that such vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the flag state and the international conventions of which that country is a member. Maintenance of class certification requires expenditure of substantial sums and can require taking a vessel out of service from time to time for survey, repairs or modifications to meet class requirements. When delivered, the Group's vessels can generally be expected to have to undergo a class survey once every five years. The Group's vessels are being built to the classification requirements of American Bureau of Shipping and the Liberian Ship Register.

8.10.4 *International Maritime Regimes*

Applicable international maritime regime requirements include, but are not limited to, the International Convention for the Prevention of Pollution from Ships (the "**MARPOL**"), the International Convention on Civil Liability for Oil Pollution Damage of 1969 (the "**CLC**"), the International Convention on Civil Liability for Bunker Oil Pollution Damage of 2001 (ratified in 2008), or the Bunker Convention, the International Convention for the Safety of Life at Sea of 1974, the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention, and the International Convention for the Control and Management of Ships' Ballast Water and Sediments in February 2004 (the "**BWM Convention**"). These various conventions regulate air emissions and other discharges to the environment which will apply to the Group's vessels when trading worldwide. The Group may incur costs to comply with these regimes and continue to comply with these regimes, including having to address any new requirements in the future. In addition, these conventions impose liability for certain discharges, including strict liability in some cases.

Annex VI to MARPOL sets limits on sulphur dioxide and nitrogen oxide emissions from ship exhausts and prohibits deliberate emissions of ozone depleting substances. Annex VI applies to all ships and, among other things, imposes a global cap on the sulphur content of fuel oil and allows for specialized areas to be established internationally with even more stringent controls on sulfur emissions. For vessels 400 gross tons and greater, platforms and drilling rigs, Annex VI imposes various survey and certification requirements. Moreover, recent amendments to Annex VI require the imposition of progressively stricter limitations on sulphur emissions from ships. Since 1 January 2015, these limitations have required that fuels of vessels in covered ECAs contain no more than 0.1% sulphur, including the Baltic Sea, North Sea, North America and United States Sea ECAs. For non-ECA areas, the sulphur limit in marine fuel is currently capped at 0.5% effective from 1 January 2020, unless a ship is outfitted with EGCS approved by flag administration limiting exhaust gas emission sulphur content to be equal to or less than 0.5%.

The amendments also establish new tiers of stringent nitrogen oxide emissions standards for new marine engines, depending on their date of installation. The terms of the Group's construction contracts require all of its vessels to be in compliance with these requirements when delivered to the Group.

The BWM Convention calls for a phased introduction of mandatory ballast water exchange requirements with effect from 2009 to be replaced in time with a requirement for mandatory ballast water treatment. The BWM Convention entered into force on 8 September 2017.

8.10.5 *Environmental Laws and Regulations*

Applicable environmental laws and regulations include the U.S. Oil Pollution Act of 1990, (the "**OPA**"), the Comprehensive Environmental Response, Compensation and Liability Act, (the "**CERCLA**"), the U.S. Clean Water Act, (the "**CWA**"), the U.S. Clean Air Act, (the "**CAA**"), the U.S. Ocean Dumping Act (the "**ODA**"), the U.S. Act to Prevent Pollution from Ships (the "**APPS**"), the U.S. Maritime Transportation Security Act of 2002 (the "**MTSA**"), the requirements of the U.S. Coast Guard (the "**USCG**"), the requirements of the U.S. Environmental Protection Agency (the "**EPA**"), the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (the "**Basel Convention**"), the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the "**Hong Kong Convention**"), European Union regulations, including the E.U. Regulation (EC) No 1013/2006 on Shipments of Waste (the "**Waste Shipment Regulation**") and Regulation (EU) No 1257/2013 on Ship Recycling (the "**Ship Recycling Regulation**").

These laws govern the discharge of materials into the environment, recycling of waste and other matters relating to environmental protection. In certain circumstances, these laws and requirements may impose strict liability, rendering the Group liable for environmental and natural resource damages without regard to negligence or fault on the Group's part. Implementation of new environmental laws or regulations applicable to dry bulk vessels may subject the Group to fines, penalties and/or increased costs; may limit the operational capabilities of its vessels; and could materially and adversely affect its operations and financial condition. Reference is also made to section 2.2.1 above.

8.10.6 *The Group is subject to international safety regulations, and the failure to comply with these regulations may subject the Group to increased liability, may adversely affect its insurance coverage and may result in a denial of access to, or detention in, certain ports.*

The operation of the Group's vessels is subject to the requirements set forth in IMO's ISM Code. The ISM Code requires ship owners, ship managers and bareboat charterers to develop and maintain an extensive "Safety Management System" that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation of vessels and describing procedures for dealing with emergencies. In addition, vessel classification societies impose significant safety and other requirements on the Group's vessels.

The failure of a ship owner or bareboat charterer to comply with the ISM Code may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. Each vessel owned by the Group achieved ISM certification on delivery. However, if the Group is found not to be in compliance with ISM Code requirements, the Group may have to incur material direct and indirect costs to resume compliance and its insurance coverage could be adversely impacted as a result of non-compliance. The Group's vessels may also be delayed or denied port access if they are found to be in non-compliance, which could result in charter claims and increased inspection and operational costs even after resuming compliance. Any failure to comply with the ISM Code could negatively affect the Group's business, financial condition, cash flows and results of operations. Reference is made to section 2.2.1 above.

8.11 Overview of regulatory disclosures over the last 12 months relevant as at the date of this Prospectus

8.11.1 *Disclosures made public under section 4-2 of the Norwegian Securities Trading Act*

Set out in the table below is an overview of disclosures made public under the section 4-2 of the Norwegian Securities Trading Act over the last 12 months:

Date	Event
26 November 2019	<ul style="list-style-type: none"> Vidar Hasund, Chief Financial Officer of 2020 Bulkera, bought 3,000 shares in 2020 Bulkera Ltd. at a price of NOK 85.75 per share.
27 November 2019	<ul style="list-style-type: none"> Jeremy Kramer, Director of 2020 Bulkera Ltd., bought 375 shares in 2020 Bulkera Ltd. at a price of NOK 86.40 per share. Following the transaction, Jeremy Kramer owns 339 144 shares in 2020 Bulkera Ltd. Jeremy Kramer resigned as Director on 30 June 2020.
29 November 2019	<ul style="list-style-type: none"> Jeremy Kramer, Director of 2020 Bulkera Ltd., bought 4,625 shares in 2020 Bulkera Ltd. at a price of NOK 85.59 per share. Following the transaction, Jeremy Kramer owns 343,769 shares in 2020 Bulkera Ltd. Jeremy Kramer resigned as Director on 30 June 2020.
12 March 2020	<ul style="list-style-type: none"> Olav Eikrem, Chief Technical Officer of 2020 Bulkera, bought 3,000 shares in 2020 Bulkera Ltd. at a price of NOK 48.88 per share. Following the transaction, Olav Eikrem owns 4,500 shares in 2020 Bulkera Ltd.
24 March 2020	<ul style="list-style-type: none"> Olav Eikrem, Chief Technical Officer of 2020 Bulkera, bought 2,000 shares in 2020 Bulkera Ltd. at a price of NOK 45.50 per share. Following the transaction, Olav Eikrem owns 6,500 shares in 2020 Bulkera Ltd.
25 March 2020	<ul style="list-style-type: none"> Olav Eikrem, Chief Technical Officer of 2020 Bulkera, bought 1,000 shares in 2020 Bulkera Ltd. at a price of NOK 47 per share. Following the transaction, Olav Eikrem owns 7,500 shares in 2020 Bulkera Ltd.
8 July 2020	<ul style="list-style-type: none"> MH Capital AS, a company controlled by Magnus Halvorsen, Chief Executive Officer of 2020 Bulkera, bought 50,000 shares in 2020 Bulkera Ltd. at a price of NOK 52 per share. Following the transaction, Magnus Halvorsen and MH Capital AS combined own 1,582,118 shares and 400,000 share options in 2020 Bulkera.

8.11.2 *Disclosures made public under section 5-2 of the Norwegian Securities Trading Act*

Set out in the table below is an overview of disclosures made public under the section 5-2 of the Norwegian Securities Trading Act over the last 12 months:

Nothing to disclose

9 CAPITALISATION AND INDEBTEDNESS

9.1 Introduction

The financial information presented below has been extracted from the Company's unaudited Condensed Consolidated Financial Statements for the three and six months ended 30 June 2020 and should be read in connection with the other parts of this Prospectus, in particular Section 10 "Selected Financial and Other Information" and Section 11 "Operating and Financial Review".

The financial information presented below provides information about the Group's capitalisation and net financial indebtedness on an actual basis as at 30 June 2020.

There has been no material change to the Group's capitalisation and net financial indebtedness since 30 June 2020.

9.2 Capitalisation

The following table sets forth information about the Group's capitalisation as at 30 June 2020, the figures for the column "As at 30 June 2020" are derived from the unaudited Condensed Consolidated Financial Statements for the three and six months ended 30 June 2020:

<i>In USD millions</i>	As at 30 June 2020
<i>Total current debt:</i>	
Guaranteed.....	-
Secured.....	14.9 ^{33,34}
Unguaranteed and unsecured.....	5.2
Total current debt:	20.1
<i>Total non-current debt:</i>	
Guaranteed.....	-
Secured.....	240.4 ^{35, 36}
Unguaranteed and unsecured.....	0.2
Total non-current debt:	240.6
Total indebtedness.....	260.7
Shareholders' equity	
Share capital.....	22.2
Additional paid-in capital.....	120.5
Accumulated other comprehensive income	(1.7)
Retained deficit.....	(3.1)
Non-controlling interests.....	-
Total shareholders' equity.....	137.9
Total capitalisation.....	398.6

³³ This number includes a negative market value of interest rate swaps amounting to USD 0.1 million.

³⁴ Security in company owned vessels

³⁵ This number includes a negative market value of interest rate swaps amounting to USD 2.2 million.

³⁶ Security in company owned vessels

9.3 Indebtedness

The following table set forth information about the Group's net financial indebtedness as at 30 June 2020, the figures for the column "As at 30 June 2020" are derived from the unaudited Condensed Consolidated Financial Statements for the three and six months ended 30 June 2020:

	As at 30 June 2020
<i>In USD millions</i>	
(A) Cash.....	16.3
(B) Cash equivalents.....	-
(C) Trading securities.....	-
(D) Liquidity (A)+(B)+(C)	16.3
(E) Current financial receivables.....	0.9
(F) Current bank debt.....	10.0
(G) Current portion of non-current debt.....	4.8
(H) Other current financial debt.....	-
(I) Current financial debt (F)+(G)+(H)	14.8
(J) Net current financial indebtedness (I)-(E)-(D)	(2.4)
(K) Non-current bank loans.....	238.2
(L) Bonds issued.....	-
(M) Other non-current loans.....	-
(N) Non-current financial indebtedness (K)+(L)+(M)	238.2
(O) Net financial indebtedness (J)+(N)	235.8

(E) Current financial receivables consist of Trade receivables US\$0.4 million and Accrued revenues of US\$0.5 million.

(F) Current bank debt consists of the short-term part of the term loan facility.

(G) Current portion of non-current debt consists of the short-term part of the sale and leaseback financing.

(K) Non-current bank loans consist of the long-term part of the term loan facility.

9.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, and for the period covering at least 12 months from the date of this Prospectus.

9.5 Contingent and indirect indebtedness

As at the date of this Prospectus, the Group has no contingent or indirect indebtedness.

10 SELECTED FINANCIAL AND OTHER INFORMATION

10.1 Introduction and basis for preparation

The following summary of consolidated financial data has been derived from the Group's condensed consolidated financial statement for the three and six months to 30 June 2020 (unaudited) and the Consolidated Financial Statements for the years, 2017, 2018 and 2019 (audited). The Group's Consolidated Financial Statements have been prepared in accordance with US GAAP.

The selected consolidated financial data set forth in this Section should be read in conjunction with the Group's Consolidated Financial Statements. The Group's consolidated financial statements may also be inspected at the Company's website www.2020bulkera.com or be obtained, free of charge, at the registered office of the Company at S.E. Pearman Building 2nd Floor 9 Par-la-Ville Road, Hamilton HM11 Bermuda. Please see Sections 10.2 ("Summary of accounting policies and principles") of this Prospectus and should be read together with Section 11 ("Operating and Financial Review").

10.2 Summary of accounting policies and principles

The Group's Consolidated Financial Statements for 2017, 2018 and 2019, including the accounting principles and notes as set forth thereof, are incorporated by reference to this Prospectus (see Section 17.3 "Incorporation by reference").

10.3 Historical financial information

10.3.1 Consolidated Statements of Operations

The table below sets out selected data from the Group's Unaudited Condensed Consolidated Financial Statements for the three and six months ended 30 June 2020 and Audited Consolidated Financial Statements for the year ended 31 December 2019, 2018 and 2017³⁷.

2020 Bulkera Ltd. and subsidiaries Unaudited Condensed Consolidated Statements of Operations

(In millions of US\$ except per share data)	3 months to June 30, 2020	3 months to June 30, 2019	6 months to June 30, 2020	6 months to June 30, 2019
Operating revenues				
Time charter revenues	10.8	-	18.6	-
Total operating revenues	10.8	-	18.6	-
Operating expenses				
Vessel operating expenses	(2.9)	-	(5.3)	-
Voyage expenses	(0.5)	-	(0.7)	-
General and administrative expenses	(0.5)	(1.0)	(1.3)	(2.4)
Depreciation and amortization	(2.2)	-	(4.1)	-
Total operating expenses	(6.1)	(1.0)	(11.4)	(2.4)
Operating profit (loss)	4.7	(1.0)	7.2	(2.4)
Financial income (expenses), net				
Interest expense, net of capitalised interest	(2.1)	-	(4.2)	-
Other financial expense	(0.2)	-	(0.3)	-
Total financial income (expenses), net	(2.3)	-	(4.5)	-
Net income (loss) before income taxes	2.4	(1.0)	2.7	(2.4)
Income tax	-	-	-	-
Net income (loss)	2.4	(1.0)	2.7	(2.4)
Per share information:				
Basic earnings (loss) per share	0.11	(0.06)	0.12	(0.15)
Diluted earnings (loss) per share	0.11	(0.06)	0.12	(0.15)
Consolidated Statements of Comprehensive income (loss)				
Net profit (loss)	2.4	(1.0)	2.7	(2.4)
Unrealized gain (loss) on interest rate swaps	(1.7)	-	(1.7)	-
Other comprehensive income (loss)	(1.7)	-	(1.7)	-
Total comprehensive income (loss)	0.7	(1.0)	1.0	(2.4)

³⁷ The annual account for 2017 solely accounts for the period 26 September 2017 (date of incorporation) to 31 December 2017

2020 Bulkera Ltd. and subsidiaries
Audited Consolidated Statements of Operations

	12 months to December 31, 2019	12 months to December 31, 2018	Sept. 26 - Dec. 31 2017
(In millions of US\$ except per share data)			
Operating revenues			
Time charter revenues	9.1	-	-
Total operating revenues	9.1	-	-
Operating expenses			
Vessel operating expenses	(2.1)	-	-
Voyage expenses	(0.2)	-	-
General and administrative expenses	(4.7)	(0.8)	(0.1)
Depreciation and amortization	(1.2)	-	-
Total operating expenses	(8.2)	(0.8)	(0.1)
Operating profit (loss)	0.9	(0.8)	(0.1)
Financial income (expense), net			
Interest expense, net of capitalised interest	(0.5)	-	-
Write off deferred loan costs	(0.8)	-	-
Interest income	0.1	-	-
Total financial income (expenses), net	(1.2)	-	-
Net income (loss) before income taxes	(0.3)	(0.8)	(0.1)
Income tax	(0.1)	-	-
Net income (loss)	(0.4)	(0.8)	(0.1)
Per share information:			
Basic earnings (loss) per share	(0.02)	(0.08)	(0.06)
Diluted earnings (loss) per share	(0.02)	(0.08)	(0.06)
Consolidated Statements of Comprehensive income (loss)			
Net profit (loss)	(0.4)	(0.8)	(0.1)
Other comprehensive income	-	-	-
Total comprehensive income (loss)	(0.4)	(0.8)	(0.1)

10.3.2 Consolidated Balance Sheets

The table below sets out selected data from the Group's Unaudited Condensed Consolidated Financial Statements for the three and six months ended 30 June 2020, and Audited Consolidated Financial Statements as of 31 December 2019, 2018 and 2017.

2020 Bulkera Ltd. and subsidiaries
Consolidated Balance Sheets

	(Unaudited) June 30, 2020	(Audited) December 31, 2019	(Audited) December 31, 2018	(Audited) December 31, 2017
(In millions of US\$)				
ASSETS				
Current assets				
Cash and cash equivalents	16.3	20.1	0.3	6.1
Restricted cash	0.1	0.1	-	-
Trade receivables	0.4	0.9	-	-
Accrued revenues	0.5	-	-	-
Other current assets	3.1	1.8	0.1	-
Total current assets	20.4	22.9	0.4	6.1
Long term assets				
Vessels and equipment, net	378.0	188.8	-	-
Newbuildings	-	69.5	68.4	8.9
Other long-term assets	0.2	1.9	-	-
Total long-term assets	378.2	260.2	68.4	8.9
Total assets	398.6	283.1	68.8	15.0
LIABILITIES AND EQUITY				
Current liabilities				
Short-term debt and current portion of long-term debt	14.8	8.1	-	-
Accounts payable	1.0	0.7	0.2	0.1
Accrued expenses	3.2	2.7	0.2	-
Other current liabilities	1.1	1.2	0.1	0.1
Total current liabilities	20.1	12.8	0.5	0.1
Long term liabilities				
Long-term debt	238.2	132.0	-	-
Other long-term liabilities	2.4	0.2	-	-
Total long-term liabilities	240.6	132.2	-	-
Commitments and contingencies				
Equity				
Common share of par value US\$1.0 per share: authorized 75,000,000 (2018:75,000,000). Issued and outstanding 22,170,906 (2018: 14,070,906) (2017: 6,151,000)	22.2	22.2	14.1	6.1
Additional paid-in capital	120.5	120.2	55.1	8.9
Accumulated other comprehensive income	(1.7)	-	-	-
Accumulated deficit	(3.1)	(4.3)	(0.9)	(0.1)
Total equity	137.9	138.1	68.3	14.9
Total liabilities and shareholders' equity	398.6	283.1	68.8	15.0

10.3.3 Consolidated Statements of Cash Flows

The table sets out selected data from the Group's Unaudited Condensed Consolidated Financial Statements for the three and six months ended 30 June 2020 and Audited Consolidated Financial Statements for the year ended 31 December 2019, 2018 and 2017³⁸.

2020 Bulkera Ltd. and subsidiaries Unaudited Condensed Consolidated Statements of Cash Flows

	3 months to June 30, 2020	3 months to June 30, 2019	6 months to June 30, 2020	6 months to June 30, 2019
Net profit (loss)	2.4	(1.0)	2.7	(2.4)
Share based compensation	0.1	0.5	0.3	1.0
Depreciation and amortization	2.2	-	4.1	-
(Increase) decrease in accounts receivable	(0.2)	-	0.5	-
Increase (decrease) in accrued revenues	(0.5)	-	(0.5)	-
Increase (decrease) in accounts payable	(0.2)	(0.1)	0.3	-
Change in other current items related to operating activities	2.1	0.2	0.1	0.3
Change in other long-term items related to operating activities	0.1	-	-	-
Net cash provided by (used in) operating activities	6.0	(0.4)	7.5	(1.1)
Investing activities				
Short term loan	-	(0.9)	-	(0.9)
Additions to newbuildings	(61.6)	(66.0)	(123.8)	(66.3)
Net cash used in investing activities	(61.6)	(66.9)	(123.8)	(67.2)
Financing activities				
Proceeds, net of deferred loan costs, from issuance of long-term debt	59.6	7.4	118.9	5.8
Repayment of long-term debt	(2.9)	-	(4.9)	-
Dividends paid	-	-	(1.5)	-
Net proceeds from share issuances	-	59.7	-	62.7
Net cash provided by financing activities	56.7	67.1	112.5	68.5
Net increase (decrease) in cash and cash equivalents and restricted cash	1.1	(0.3)	(3.8)	0.1
Cash and cash equivalents and restricted cash at beginning of period	15.3	0.7	20.2	0.3
Cash and cash equivalents and restricted cash at end of period	16.4	0.4	16.4	0.4
Supplemental disclosure of cash flow information				
Non-cash settlement of convertible debt	-	(8.0)	-	(8.0)
Non-cash share issuance	-	8.0	-	8.0
Non-cash payment in respect of newbuildings	-	-	-	-
Issuance of debt as non-cash settlement for newbuild delivery instalment	-	-	-	-
Interest paid, net of capitalised interest	(0.9)	-	(3.1)	-
Income taxes paid	-	-	-	-

³⁸ The annual account for 2017 solely accounts for the period 26 September 2017 (date of incorporation) to 31 December 2017

2020 Bulkera Ltd. and subsidiaries
Audited Consolidated Statements of Cash Flows

	12 months to December 31, 2019	12 months to December 31, 2018	Sept. 26 - Dec. 31 2017
Net profit (loss)	(0.4)	(0.8)	(0.1)
Share based compensation	1.6	-	-
Depreciation and amortization	1.3	-	-
Write off relating to term loan facility	0.8	-	-
(Increase) decrease in accounts receivable	(0.9)	-	-
Increase (decrease) in accounts payable	0.5	0.1	-
Change in other current items related to operating activities	2.4	0.2	0.1
Change in other long-term items related to operating activities	(0.2)	-	-
Net cash provided by (used in) operating activities	5.1	(0.5)	0.0
Investing activities			
Short term loan	(0.9)	-	-
Additions to newbuildings	(125.4)	(59.5)	(8.9)
Net cash used in investing activities	(126.3)	(59.5)	(8.9)
Financing activities			
Proceeds, net of deferred loan costs, from issuance of long-term debt	86.4	-	10.0
Repayment of long-term debt	(5.9)	-	-
Dividends paid	(3.0)	-	-
Net proceeds from share issuances	63.6	54.2	5.0
Net cash provided by financing activities	141.1	54.2	15.0
Net increase (decrease) in cash and cash equivalents and restricted cash	19.9	(5.8)	6.1
Cash and cash equivalents and restricted cash at beginning of period	0.3	6.1	-
Cash and cash equivalents and restricted cash at end of period	20.2	0.3	6.1
Supplemental disclosure of cash flow information			
Non-cash settlement of convertible debt	(8.0)	-	-
Non-cash share issuance	8.0	-	-
Non-cash payment in respect of newbuildings	(65.1)	-	-
Issuance of debt as non-cash settlement for newbuild delivery instalment	65.1	-	-
Interest paid, net of capitalised interest	-	-	-
Income taxes paid	-	-	-

10.3.4 Consolidated Statements of Changes in Shareholders' Equity

The table below sets out selected data from the Group's Unaudited Condensed Consolidated Financial Statements for the three and six months ended 30 June 2020 and Audited Consolidated Financial Statements for the year ended 31 December 2019, 2018 and 2017³⁹.

2020 Bulkers Ltd. and subsidiaries Condensed Consolidated Statements of Changes in Shareholders' Equity

	Number of shares	Share capital	Additional paid-in	Other compre- hensive	Retained deficit	Total equity
Audited Consolidated balance as of December 31, 2017	6 151 000	6.2	8.8	-	(0.1)	14.9
	7 919					
Issue of common shares	906	7.9	46.3	-	-	54.2
Equity issuance costs	-	-	-	-	-	-
Other transactions:						
Total comprehensive loss for the period	-	-	-	-	(0.8)	(0.8)
Audited Consolidated balance as of December 31, 2018	14 070 906	14.1	55.1	-	(0.9)	68.3
	8 100					
Issue of common shares	000	8.1	65.1	-	-	73.2
Equity issuance costs	-	-	(1.6)	-	-	(1.6)
Other transactions:						
Dividends	-	-	-	-	(3.0)	(3.0)
Share based compensation	-	-	1.6	-	-	1.6
Total comprehensive loss for the period	-	-	-	-	(0.4)	(0.4)
Audited Consolidated balance as of December 31, 2019	22 170 906	22.2	120.2	-	(4.3)	138.1
Dividends	-	-	-	-	(1.5)	(1.5)
Share based compensation	-	-	0.3	-	-	0.3
Total comprehensive income for the period	-	-	-	(1.7)	2.7	1.0
Unaudited Consolidated balance as of June 30, 2020	22 170 906	22.2	120.5	(1.7)	(3.1)	137.9

³⁹ The annual account for 2017 solely accounts for the period 26 September 2017 (date of incorporation) to 31 December 2017

10.4 Independent auditor

The Company's independent auditor is PricewaterhouseCoopers AS ("PwC"), with business registration number 987 009 713, and registered address at Dronning Eufemias gate 71, 0194 Oslo, Norway. PwC is a member of Den Norske Revisorforening (The Norwegian Institute of Public Accountants). PwC has acted as the Company's appointed auditor since the Company's incorporation.

The Consolidated Financial Statements of the Group which are prepared in accordance with US GAAP for the period from the date of incorporation to 31 December 2019, have been audited by PwC, independent auditors, as stated in their reports appearing herein. The audit report for 2018 includes the following explanatory note on going concern:

"Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company requires equity financing and completion of debt financing in order to meet the remaining obligations under the current newbuilding contracts for the vessels and working capital requirements during the twelve months from the date of these financial statements. As stated in Note 2, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

Note 2 in the financial statements referred to in the explanatory note, was the following note:

"Going concern

The financial statement have been prepared on a going concern basis. The Group is dependent on equity issues to finance the remaining obligations under the current newbuilding contracts for the vessels and working capital requirements which raises substantial doubt about the Company's ability to continue as a going concern. Given completion of our bank facility term sheet (refer to note 16), current plans to raise more equity and our track record in terms of raising equity, we believe we will be able to meet our anticipated liquidity requirements for our business for at least the next twelve months as of the date of these financial statements."

11 OPERATING AND FINANCIAL REVIEW

11.1 Overview

The Company is an independent dry bulk company focused on owning and operating large dry bulk carriers and currently owns six and operates two Newcastlemax 208,000 dwt vessels. The objective for the Company is to maximize shareholder returns from the eight Newcastlemax vessels. The Group charters the vessels to strong counterparties and focuses on returning the maximum capital to the shareholders in the form of a high dividend yield payout. The Company focuses on chartering out the vessels on multi-year index-linked time charters⁴⁰, fixed rate time charters⁴¹, or consecutive voyage charters⁴². The Company's counterparties will typically be large dry bulk operators, commodity traders and end users.

11.2 Factors affecting the Group's results of operations

The Group's results of operations have been, and will continue to be, affected by a range of factors, many of which are beyond the Group's control. The key factors that Management believes have had a material effect on the Group's results of operations during the period under review, as well as those considered likely to have a material effect on its results of operations in the future, are described below.

11.2.1 Macroeconomic conditions

Changes in national and international economic conditions, including for example interest rate levels, inflation and employment levels, may influence the valuation of real and financial assets. In turn, this may impact the demand for goods, services and assets globally and thereby the macro economy. The current macroeconomic situation is uncertain and there is a risk of negative developments. Such changes and developments, none of which will be within the control of the Company, may negatively impact the Company's investment activities, realization opportunities and overall investor returns.

11.2.2 Shipping market conditions

The demand for, and the pricing of the underlying assets are outside of the Company's control and depend, among other things, on the global economy, global trade growth, as well as oil and gas prices. On the supply side there are uncertainties tied to ordering of new vessels and scope of future scrapping. The actual residual value of the vessels in the underlying investments, and/or their earnings after expiration of the fixed contract terms, may be lower than the Company estimates.

Market risks in the shipping markets relate primarily to changes in freight rates, fuel prices and vessel values. 1 January 2020 was the implementation date for a significant reduction in the sulphur content of the fuel oil used by ships. See section 8.1 "Introduction" for further details on how the Company's fleet meets these requirements

11.2.3 Technical factors

The technical operation of a vessel has a significant impact on the vessels' economic life. Technical risks will always be present. There can be no guarantee that the parties tasked with operating a vessel or overseeing such operation perform their duties according to agreement or satisfaction. Failure to adequately maintain the technical operation of a vessel may adversely impact the operating expenses of the portfolio investment and accordingly the potential realization values that can be obtained.

11.2.4 Counterparties

The Group will depend heavily on its counterparties' ability to perform their obligations under agreed charter parties. Default by a counterparty of its obligations mainly cargo customers, may have material adverse consequences. The counterparty's financial strength will thus be very important.

The Group recognizes a claim to the extent the Group has legal right to insurance coverage. As such, default by an insurance institution may have material financial consequences.

11.2.5 Operations in foreign countries

The Group's vessels will operate in a variety of geographic regions. Consequently, the Group may, indirectly through its underlying investments, be exposed to political risk, risk of piracy, corruption, terrorism, outbreak of war, amongst

⁴⁰Multi-year index-linked time charters means multi-year employment contracts for vessels where the daily time charter equivalent earnings are linked to the Baltic 5TC Capesize index

⁴¹Fixed rate time charters means employment contracts for vessels with fixed daily time charter equivalent earnings

⁴²Consecutive voyage charters means that the employment contract for vessels to perform a pre-defined number of consecutive voyages carrying cargo at a fixed or variable rate paid in USD per ton cargo transported

others. The business, financial condition and results of operations of the Group, indirectly, and its underlying investments directly, may accordingly be negatively affected if such events do occur.

11.3 Income statement

Six months ended 30 June 2020

Operating revenues were US\$18.6 million for the six months ended 30 June 2020 (US\$ nil for the six months ended 30 June 2019). The increase compared to the six months ended 30 June 2019 is driven by the four vessels being in operation for the full six months, Bulk Shenzhen and Bulk Sydney commencing their first time charter contracts in January 2020 and Bulk Sao Paulo and Bulk Santos commencing their first time charter contracts in June 2020.

Total operating expenses were US\$11.4 million for the six months ended 30 June 2020 (US\$2.4 million for the six months ended 30 June 2019). Total operating expenses consists of vessel operating expenses, voyage expenses, general and administrative expenses and depreciation and amortization.

Vessel operating expenses were US\$5.3 million and US\$0 for the six months ended 30 June 2020 and 2019, respectively. The increase compared to the six months ended 30 June 2019 is driven by four vessels being in operation for the full six months, Bulk Shenzhen and Bulk Sydney commencing their first contracts in January 2020 and Bulk Sao Paulo and Bulk Santos commencing their first time charter contracts in June 2020.

Voyage expenses were US\$0.7 million for the six months ended 30 June 2020 (US\$ nil for the six months ended 30 June 2019). The increase compared to the six months ended 30 June 2019 is due to commission and expenses incurred between delivery of Bulk Shenzhen, Bulk Sao Paulo and Bulk Santos from the yard and delivery on time charter.

General and administrative expenses were US\$1.3 million for the six months ended 30 June 2020 (US\$2.4 million for the six months ended 30 June 2019). The decrease is due to costs incurred in connection with listing of the Company's shares on Oslo Axess as well as higher non-cash share option costs during the six months ended 30 June 2019.

Depreciation and amortization were US\$4.1 million for the six months ended 30 June 2020 (US\$ nil for the six months ended 30 June 2019). The increase compared to the six months ended 30 June 2019 relates to depreciation on vessels delivered during Q3 and Q4, 2019, and Q1 2020.

Total financial expenses, net, were US\$4.5 million for the six months ended 30 June 2020 (US\$ nil for the six months ended 30 June 2019). The principal items during the six months ended 30 June 2020 were:

- Interest expense of US\$5.1 million, net of US\$0.9 million capitalized incurred on long-term debt
- Other financial expense of US\$0.3 million

Twelve months ended 31 December 2019

Operating revenues were US\$9.1 million for the twelve months ended 31 December 2019 (US\$ nil for 2018). The increase compared to the twelve months ended 31 December 2018 is driven by the vessels "Bulk Sandefjord", "Bulk Santiago", "Bulk Seoul" and "Bulk Shanghai" commencing their first time charter contracts in the second half of 2019.

Total operating expenses were US\$8.2 million for the twelve months ended 31 December 2019 (US\$0.8 million for 2018).

Vessel operating expenses were US\$2.1 million for the twelve months ended 31 December 2019 (US\$ nil for 2018). The increase compared to the twelve months ended 31 December 2018 is due to the four vessels commencing operations in the second half of 2019.

Voyage expenses were US\$0.2 million for the twelve months ended 31 December 2019 (US\$ nil for 2018). The increase compared to the twelve months ended 31 December 2018 is due to commission, and expenses incurred between delivery of Bulk Shanghai from the yard and delivery on time charter.

General and administrative expenses were US\$4.7 million for the twelve months ended 31 December 2019 (US\$0.8 million for 2018). The increase compared to the twelve months ended 31 December 2018 relate to salaries (more employees), professional fees as a result of higher activity, a non-cash share option cost of US\$1.6 million and one-off costs relating to listing of the Company's shares on the Oslo Axess.

Depreciation and amortization were US\$1.2 million for the twelve months ended 31 December 2019 (US\$ nil for 2018). The increase compared to the twelve months ended 31 December 2018 relate to depreciation on vessels delivered during Q3 and Q4 2019.

Total financial expenses, net, were US\$1.2 million for the twelve months ended 31 December 2019 (US\$ nil for 2018). The principal items for the twelve months ended 31 December 2019 were:

- Interest expense of US\$0.5 million, net of US\$1.5 million capitalized, incurred on long-term debt
- Write off deferred loan costs of US\$0.8 million relating to the cancelled term loan financing on the Bulk Seoul and Bulk Shanghai following the sale and leaseback transaction with Ocean Yield
- Interest income of US\$0.1 million

Twelve months ended 31 December 2018 and the period from inception 26 September to 31 December 2017

No operating revenues were reported in 2018 and 2017 due to the Group's newbuilding vessels not yet commencing operations.

Total operating expenses were USD 736.9 thousand and USD 106.4 thousand for the year ended 31 December 2018 and the period ended 31 December 2017, respectively. Operating expenses were related to general and administrative expenses. The increase for the twelve months ended 31 December 2018 is due to higher salaries (one employee) and professional fees as a result of higher activity.

Other income (expense) was an expense of USD 31.6 thousand for the year ended 2018 and an income of USD 1.8 thousand for the period ended 31 December 2017. Other income and expenses include other financial items and the change from 2017 to 2018 relates primarily to foreign exchange losses.

11.4 Statement of financial conditions

As of 30 June 2020

The Company had total assets of US\$398.6 million as of 30 June 2020, (2019: US\$283.1 million). The increase in total assets of the Company is primarily driven by financing and delivery of four vessels from New Times Shipyard during the six months ended 30 June 2020.

As of 30 June 2020, equity was US\$137.9 million which corresponds to an equity ratio of 34.6%. As of 31 December 2019, equity was US\$138.1 million which corresponds to an equity ratio of 48.8%.

Total liabilities as of 30 June 2020, were US\$260.7 million (2019: US\$145.0 million). The increase is primarily attributable to four draw-downs on the term loan facility during the six months ended 30 June 2020.

As of 31 December 2019

The Company had total assets of US\$283.1 million as of 31 December 2019, (2018: US\$68.8 million). The increase in total assets of the Company is primarily driven by cash and cash equivalents from proceeds from the two private placements completed and financing and delivery of four vessels from New Times Shipyard.

As of 31 December 2019, equity was US\$138.1 million which corresponds to an equity ratio of 48.8%. As of 31 December 2018, equity was US\$68.3 million which corresponds to an equity ratio of 99.3%.

Total liabilities as of 31 December 2019, were US\$145.0 million (2018: US\$0.5 million). The increase is primarily attributable to two draw downs on the term loan facility and the sale lease back financing of "Bulk Seoul" and "Bulk Shanghai".

As of 31 December 2018, the Company had total assets of US\$ 68.8 million. As of 31 December 2017, the Company had total assets of US\$ 15.0 million. The increase in total assets is a consequence of the cash generated from eight private placements in 2018 and its utilization to pay installments for the construction of eight Newcastlemax dry bulk vessel newbuildings.

Total liabilities were US\$ 477.2 thousand as of 31 December 2018 and US\$ 108.6 thousand as of 31 December 2017. The increase relates primarily to accruals for consulting and professional fees.

As of 31 December 2018, equity was US\$ 68.3 million which corresponded to an equity ratio of 99.3%. As of 31 December 2017, equity was US\$ 14.9 million which corresponded to an equity ratio of 99.3%.

11.5 Liquidity and capital resources

11.5.1 Liquidity and funding

As of 30 June 2020, the Company's cash and cash equivalents and restricted cash amounted to US\$16.4 million (2019: US\$20.2 million). The debt to equity ratio was 1.92 as of 30 June 2020. As of 31 December 2019, the Company's cash and cash equivalents and restricted cash amounted to US\$20.2 million (2018: US\$0.3 million).

As of 31 December 2018, the Company's cash and cash equivalents amounted to USD 282.7 thousand. As of 31 December 2017, the Company's cash and cash equivalents amounted to USD 6.1 million.

The last of the Company's eight newbuildings were delivered in June 2020. The Company has fully drawn US\$180 million on the term loan facility in connection with delivery of six of the vessels. The term loan facility carries an interest of Libor+250 bps, has an 18-year repayment profile for the principle amount and a balloon repayment in August 2024. The outstanding debt under the term loan facility amounts to US\$176.8 million as of June 30, 2020.

Two of the vessels were at delivery sold to Ocean Yield. The vessels have been chartered back to the Company on thirteen years bareboat charters which include a purchase obligation the end of the respective charter periods. The bareboat charter hire is US\$6,575 per day plus an adjustment based on LIBOR plus a margin of 450 basis points. Since the Company has purchase obligations at the end of the charter periods, the Company has accounted for the transaction as a financing arrangement. The recognized debt under the financing arrangement amounts to US\$80.8 million as of 30 June 2020.

See section 11.5.3 for the maturity profile of the Company's debt.

The Company expect that the cash and cash equivalents and cash generated from operating the eight vessels will be sufficient to fulfil its commitments. The Company has no further capital expenditure except for the 5 years periodic surveys commencing 5 years after delivery of each vessel.

There are no material legal or economic restrictions on the ability of subsidiaries to transfer funds to the Company through dividends or repayment of loans.

The Company has since November 2019 declared accumulative US\$0.305 per share in dividend and cash distributions.

Please see note 13 and 14 to the Unaudited Condensed Consolidated Financial Statements for the three and six months ended 30 June 2020 for a description of treasury policies including use of financial instruments for hedging purposes.

11.5.2 Cash flows

Twelve months ended 31 December 2019

Net cash provided from operating activities was US\$5.1 million for the twelve months ended 31 December 2019 (US\$0.5 million used in operating activities for 2018). The improved cash flow compared to the twelve months ended 31 December 2018 is due to earnings from two vessels commencing operations during each of the third and fourth quarters of 2019. The difference between net cash from operating activities and operating profit is mainly due to non-cash expenses relating to depreciation and amortization of US\$1.2 million and share based compensation of US\$1.6 million.

Net cash used in investing activities was US\$126.3 million for the twelve months ended 31 December 2019 (US\$59.5 million for 2018). The Company paid delivery instalments of US\$121.0 million for "Bulk Sandefjord", "Bulk Santiago", "Bulk Seoul" and "Bulk Shanghai" during the twelve months ended 31 December 2019 in addition to instalments of US\$65.7 million and US\$59.5 million for all newbuilds during both periods presented, respectively. The delivery instalments for Bulk Seoul and Bulk Shanghai are presented as non-cash in the Consolidated Statement of Cash Flows.

Net cash provided by financing activities was US\$141.1 million during the twelve months ended 31 December 2019 (US\$54.2 million for 2018). The Company received proceeds, net of loan costs, of US\$59.1 million from two draw downs on the term loan facility as well as net proceeds of US\$21.6 million from the sale lease back financing and two private placements raising net proceeds of US\$63.6 million completed during the twelve months ended 31 December 2019. The

Company completed eight private placements during the twelve months ended 31 December 2018 raising net proceeds of US\$54.2 million. As of 31 December 2019, the Company's cash and cash equivalents and restricted cash amounted to US\$20.2 million (2018: US\$0.3 million).

Six months ended 30 June 2020

Net cash provided by (used in) operating activities was US\$7.5 million for the six months ended 30 June 2020 (US\$(1.1) million for the six months ended 30 June 2019). The increase compared to the six months ended 30 June 2019 is driven by four vessels being in operation for the full six months, Bulk Shenzhen and Bulk Sydney commencing their first contracts in January 2020 and Bulk Sao Paulo and Bulk Santos commencing their first time charter contracts in June 2020.

Net cash used in investing activities was US\$123.8 million for the six months ended 30 June 2020 (US\$67.2 million for the six months ended 30 June 2019). The Company paid delivery instalments of US\$121.6 million for Bulk Shenzhen, Bulk Sydney, Bulk Sao Paulo and Bulk Santos during the six months ended 30 June 2020. During the six months ended 30 June 2019 the Company paid instalments of US\$65.6 million on the Company's newbuildings.

Net cash provided by financing activities was US\$112.5 million during the six months ended 30 June 2020 (US\$68.5 million for the six months ended 30 June 2019). The Company drew US\$120.0 million on the term loan facility when the Company paid the delivery instalments for Bulk Shenzhen, Bulk Sydney, Bulk Sao Paulo and Bulk Santos during the six months ended 30 June 2020. The Company completed two private placements during the six months ended 30 June 2019 raising net proceeds of US\$62.7 million.

Twelve months ended 31 December 2018 and period ended 31 December 2017

Cash flow from operating activities was negative with US\$501.1 thousand for the year ended 2018 compared to negative US\$6.1 thousand for the period ended 2017 and is explained by increased administrative expenses. Cash flow used in investing activities was US\$59.5 million for the year ended 2018 and US\$8.8 million for the period ended 2017. The investing activities relate to instalments for the construction of eight Newcastlemax dry bulk vessels.

Cash flows provided by financing activities were US\$54.2 million for the year ended 2018 and US\$15.0 million for the period ended 2017 and relate to private placements during 2018 and 2017.⁴³

11.5.3 Financing arrangements

In February 2019, the Company signed a term loan facility agreement for US\$240 million from a syndicate of banks comprising Danske Bank A/S (as Facility Agent and Security Agent), Nordea Bank Abp, filial i Norge and Skandinaviska Enskilda Banken AB (publ) (the "Term Loan Facility Agreement Lenders") (the "Term Loan Facility Agreement") for the delivery instalments due for its newbuildings on terms that the Company and the vessel owning subsidiaries will be the borrowers under the Group's secured bank loan facility. When the Company entered into the sale and leaseback arrangement with Ocean Yield (please see below), the Company cancelled two tranches each of US\$30 million. The term loan facility carries an interest of Libor+250 bps, has an 18- year repayment profile for the principle amount and a balloon repayment after five years. The term loan facility contains the following financial covenants for the Group: value adjusted equity shall be equal to or higher than 30% of value adjusted total assets, working capital (defined as consolidated current assets minus consolidated current liabilities (excluding current portion of long term debt and subordinated shareholder loans)) shall at all times be no less than US\$0 and free and available cash shall at all times be higher of (a) US\$1.25 million per delivered vessel and (b) 5% of total debt. If a dividend is paid, available cash shall be higher of (a) US\$2.25 million per delivered vessel and (b) 7.5% of total debt on a pro-forma basis after such distribution. In addition the Group is required to maintain a minimum value, or loan-to-value, covenant, which could require the Group to post collateral or prepay a portion of the outstanding borrowings should the value of the vessels securing borrowings decrease below a required level. The company is in compliance with the loan covenants as of the date of this prospectus.

The vessels are pledged upon draw down of the loan facility, with cross collateral agreements in place upon each vessel within the term loan facility.

In October 2019, the Company entered into a sale and lease back arrangement with Ocean Yield for its two Newcastlemax vessels, Bulk Seoul and Bulk Shanghai. The vessels were delivered from the yard on October 30 and November 6, respectively, and were at delivery sold to Ocean Yield for a price per vessel of US\$42 million, net of a US\$5 million

⁴³ On 23 May 2019, the Company completed the Private Placement raising net proceeds of USD 68.7 million. The Company issued 7,800,000 new shares each at a subscription price of USD 9.00 per share.

sellers' credit. The vessels have been chartered back to the Company on thirteen year bareboat charters which include a purchase obligation at the end of the respective charter periods and certain options to either sell or acquire the vessels during the charter periods. The bareboat charter hire is US\$6,575 per day plus an adjustment based on LIBOR plus a margin of 450 basis points. Since the Company has purchase obligations at the end of the charter periods, the Company has accounted for the transaction as a financing arrangement. The Company has pledged the shares in the subsidiaries chartering the vessels back from Ocean Yield and issued certain guarantees in line with standard terms contained in sale and leaseback transactions.

The Group's financing imposes various operating and financial restrictions that limit its ability or the ability of its subsidiaries party thereto, as applicable, inter alia, to:

- pay dividends and make capital expenditures;
- incur additional indebtedness, including the issuance of guarantees;
- create liens on the Group's assets;
- change the flag, class or management of the Group's vessels or terminate or materially amend the management agreement relating to each vessel;
- sell the Group's vessels;
- merge or consolidate with, or transfer all or substantially all the Group assets to, another person; or
- enter into a new line of business.

Overview of outstanding long term debt:

(In millions of US\$)	June 30, 2020	December 31, 2019
<i>Pledged</i>		
Term loan Tranche I "Bulk Sandefjord", balloon payment August 2024	28.8	29.6
Term loan Tranche II "Bulk Santiago", balloon payment August 2024	28.8	29.6
Term loan Tranche V "Bulk Shenzhen", balloon payment August 2024	29.6	-
Term loan Tranche VI "Bulk Sydney", balloon payment August 2024	29.6	-
Term loan Tranche VII "Bulk Sao Paulo", balloon payment August 2024	30.0	-
Term loan Tranche VIII "Bulk Santos", balloon payment August 2024	30.0	-
<i>Other long term debt</i>		
Vessel financing "Bulk Seoul"	40.4	41.6
Vessel financing "Bulk Shanghai"	40.4	41.6
Long-term debt, gross	257.6	142.4
Less current portion long term debt	(14.8)	(8.1)
Less deferred loan costs	(4.6)	(2.3)
Total long-term debt	238.2	132.0

The outstanding debt including estimated future interests as of 30 June 2020 is repayable as follows:

(In millions of US\$)	
2020	12.7
2021	23.6
2022	23.1
2023	22.5
2024	153.3
Thereafter	74.0
	309.2

11.6 Investments and divestments

11.6.1 Historical investments

The table below is a summary of the Group's principal investments carried out from incorporation of the Company in 2017.

Vessel name	Delivered	Delivery cost
"BULK SANDEFJORD"	7 August 2019	USD 46.64 million
"BULK SANTIAGO"	19 September 2019	USD 46.58 million
"BULK SEOUL"	30 October 2019	USD 47.08 million
"BULK SHANGHAI"	6 November 2019	USD 47.08 million
"BULK SHENZHEN"	6 January 2020	USD 47.08 million
"BULK SYDNEY"	21 January 2020	USD 47.08 million
"BULK SAO PAULO"	4 June 2020	USD 47.08 million
"BULK SANTOS"	16 June 2020	USD 47.08 million
Total investment		USD 375.7 million

In addition to the payments shown above, the Group have incurred approximately USD 2.6 million in supervision costs. The vessels were financed through equity, the Term Loan Facility Agreement and the sale and leaseback arrangement with Ocean Yield for the Bulk Seoul and Bulk Shanghai entered into in October 2019, see Section 11.5.3 "Financing arrangements" for more details.

11.6.2 Investments in progress and future principal investments

The fleet will be surveyed periodically every fifth year (Special Periodic Survey) in line with vessel classification requirements and other applicable rules and regulations. The estimated cost of such survey is approximately USD 0.6 million per vessel. The Company will use its working capital in order to perform these regulatory surveys. The Company has no other investments in progress or in the next 12 months.

The vessels are delivered from the building yard with statutory & class certificates valid for a period of 5 years. The first ship was Bulk Sandefjord, delivered on 7 August 2019 and thus will be required to renew her certificates latest by 7 August 2024, see table below.

The ships will dry-dock for bottom/hull inspection every 5th year coinciding with class renewal until reaching 15-years of age. Thereafter the docking will be performed every 2.5 years.

Ship statutory and class certificates are only valid subject;

1. Completion of an Annual Survey including a review and endorsement of statutory and class certificates. No docking or other activity which require to take the ship off-hire. Will be completed during a normal port call for loading or discharging.
2. Intermediate survey which is either survey 2nd or 3rd year is an extended scope of survey. Certificates to be reviewed and endorsed. No activity which requires docking or inspection which requires any off-hire.

Vessel name	Delivered	Certificate renewal / 1st Docking
Bulk Sandefjord	07/08/19	07/08/24
Bulk Santiago	19/09/19	19/09/24
Bulk Seoul	30/10/19	30/10/24
Bulk Shanghai	06/11/19	06/11/24
Bulk Shenzhen	06/01/20	06/01/25
Bulk Sydney	21/01/20	21/01/25
Bulk Sao Paulo	04/06/20	04/06/25
Bulk Santos	16/06/20	16/06/25

11.7 Critical accounting policies and estimates

11.7.1 Critical accounting policies and estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Management believes that the following accounting policies are the most critical in fully understanding and evaluating the Company's reported financial results as they require a higher degree of judgment in their application resulting from the need to make estimates about the effect of matters that are inherently uncertain. The Group's significant accounting policies are summarized in full in the Audited Consolidated Financial Statements.

11.7.2 Impairment of vessels

We continually monitor events and changes in circumstances that could indicate carrying amounts of long-lived assets may not be recoverable. Among other indicators we look at the market capitalization of the Company against the net book value of equity. In assessing the recoverability of our vessels and newbuildings carrying amounts, we make assumptions regarding estimated future cash flows and estimates in respect of residual or scrap value. When such events or changes in circumstances are present, we assess the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, we recognize an impairment loss based on the excess of the carrying amount over the lower of the fair market value of the assets, less cost to sell, and the net present value ("NPV") of estimated future undiscounted cash flows from the employment of the asset ("value-in-use").

As of 30 June 2020, the Company has no indications that the carrying amount of a particular vessel may not be fully recoverable

11.7.3 Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers ("ASC 606"), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle is that a company should recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. Under ASC 606, an entity is required to perform the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations of the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfied a performance obligation. Additionally, the guidance requires improved disclosures as to the nature, amount, timing and uncertainty of revenue that is recognized.

Our shipping revenues are primarily generated from time charters. In a time charter voyage, the vessel is hired by the charterer for a specified period of time in exchange for consideration which is based on a daily hire rate. The charterer has the full discretion over the ports visited, shipping routes and vessel speed. In a time charter contract, we are responsible for all the costs incurred for running the vessel such as crew costs, vessel insurance, repairs and maintenance

and lubes. The charterer bears the voyage related costs such as bunker expenses, port charges, canal tolls during the hire period. The performance obligations in a time charter contract are satisfied over term of the contract beginning when the vessel is delivered to the charterer until it is redelivered back to the Group. The time charter contracts are considered operating leases and therefore do not fall under the scope of ASC 606 because (i) the vessel is an identifiable asset (ii) we do not have substantive substitution rights and (iii) the charterer has the right to control the use of the vessel during the term of the contract and derives the economic benefits from such use. Time charter contracts are accounted as operating leases in accordance with ASC 842 Leases and related interpretations and the implementation of the new revenue standard therefore did not have an effect on income recognition from such contracts. For arrangements where the Company is the lessor, the Company utilizes the practical expedient for its time charter contracts and has therefore not separated the non-lease component, or service element, from the lease.

Income from time charter voyages is recognized on a straight line basis for fixed rate time charters⁴⁴ over the period of the time charter contract (or lease contract) and at the prevailing rate for the relevant assessment period for variable or indexed time charter contracts. During 2019 and the first half of 2020, the Company only had revenues from time charter voyages.

When a sale and leaseback transaction does not qualify for sale accounting, the transaction is accounted for as a financing transaction by the seller-lessee and a lending transaction by the buyer-lessor, as discussed in ASC 842-40-25-5. To account for a failed sale and leaseback transaction as a financing arrangement, the seller-lessee does not derecognize the underlying asset; the seller-lessee continues depreciating the asset as if it was the legal owner. The sales proceeds received from the buyer-lessor is recognized as a financial liability. A seller-lessee will make rental payments under the leaseback. These payments are allocated between interest expense and principal repayment of the financial liability. The amount allocated to interest expense is determined by the incremental borrowing rate or imputed interest rate. Each sale and lease back transaction that the Company had entered into as of 30 June 2020, involved a purchase obligation and was therefore treated as a financing arrangement.

11.7.4 *New and amended accounting standards*

Note 3 to the Consolidated Financial Statements for 2019 also includes a description of expected effects from standards and interpretations that are issued but not yet effective.

11.8 **Significant changes**

There have been no significant changes in the Company's financial or trading position since 30 June 2020.

However, the dry bulk market was affected by the Covid-19 pandemic. Port restrictions, including immigration restrictions and quarantine measures related to Covid-19, are creating challenges for crew changes on regular intervals. Therefore, crews are having to stay onboard longer than planned and some off-hire may be incurred in conjunction with crew changes. The Company did not record any Covid-19 specific costs or off-hire during the second quarter, but incurred 3.7 days of Covid-19 related off-hire in the third quarter. We are working closely with our technical managers to protect the safety and wellbeing of our crews while minimizing potential off-hire related to crew changes. The economic setback caused by the Covid-19 outbreak has instigated government stimulus efforts in China and other countries that are large importers of iron ore. It may be expected that these stimulus efforts will lead to increased infrastructure investments, which can have a positive impact on iron ore demand. Australia and Brazil, the world's two largest producers of iron ore, are so far not seeing any major negative impact on their mining operations as a consequence of Covid-19.

⁴⁴ Fixed rate time charters means employment contracts for vessels with fixed daily time charter equivalent earnings

12 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

12.1 Introduction

The Board of Directors of 2020 Bulkera Ltd. is responsible for the overall management of the Company and may exercise all of the powers of the Company not reserved for the Company's shareholders by the Bye-laws and Bermuda law.

The Bye-Laws state that the number of Directors shall not be less than two. The shareholders shall, at the Annual General Meeting (the "**Annual General Meeting**"), and may in a general meeting by Resolution, determine the minimum and the maximum number of Directors and may by resolution determine that one or more vacancies in the Board shall be deemed casual vacancies for the purpose of these Bye-laws. The Directors are, unless there is a casual vacancy, elected by the shareholders at the annual general meeting or any special general meeting called for that purpose. If there is a casual vacancy, the Board may appoint a Director to fill the vacancy provided always a quorum of Directors remains in office. The Directors serve until the next annual general meeting following his/her election or until his/her successor is elected.

12.2 The Board of Directors

12.2.1 Overview of the Board of Directors

The Bye-laws provide that the Board of Directors shall consist of a minimum of two. The shareholders have currently approved a maximum of six Board Members. The names, positions and current term of office of the Board Members as at the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires
Alexandra Kate Blankenship	Chair of the Board	10 January 2019	AGM 2021
Neil Glass	Director	30 June 2020	AGM 2021
Jens Martin Arveschoug Jensen	Director	29 October 2017	AGM 2021
Georgina Sousa	Director and Company Secretary	10 January 2019	AGM 2021

The composition of the Board is in compliance with the independence requirements of the Corporate Governance Code (as defined below), meaning that (i) the majority of the shareholder elected members of the Board of Directors are independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder elected Board Members are independent of the Company's main shareholders (shareholders holding more than 10% of the Shares of the Company), and (iii) no member of the Company's Management serves on the Board of Directors.

The Company's businesses address at S.E. Pearman Building, 2nd floor, 9 Par-la-Ville Road, Hamilton HM11, Bermuda, serves as the c/o address for the Board Members in relation to their directorships of the Company.

The Shares and options to acquire Shares that are held by the Board Members as at the date of this Prospectus are set out in Section 12.4.3 below. See Section 12.5 "Bonus programme and share incentive scheme" for a description of the Company's long term share incentive programme adopted by the Board of Directors.

12.2.2 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members who will constitute the Board of Directors subject to, and with effect from Listing, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative management or supervisory bodies or partner in the five years dating back from the date of this Prospectus.

Alexandra Kate Blankenship

Mrs. Blankenship is a Member of the Institute of Chartered Accountants in England and Wales and graduated from the University of Birmingham with a Bachelor of Commerce in 1986. Mrs. Blankenship joined Frontline Ltd in 1994 and served as its Chief Accounting Officer and Company Secretary until October 2005. Among other positions, she has served on the board of numerous companies, including as director and audit committee Chairperson of North Atlantic Drilling Ltd. from 2011 to 2018, Archer Limited from 2007 to 2018, Golden Ocean Group Limited from 2004 to 2018, Frontline Ltd. from August 2003 to 2018, Avance Gas Holding Limited from 2013 to 2018, Ship Finance International Limited from October 2003 to 2018, Golar LNG Limited from 2003 to 2015, Golar LNG Partners LP from 2007 to 2015, Seadrill Limited from 2005 to 2018 and Seadrill Partners LLC from 2012 to 2018. Mrs. Blankenship has served as a Director of Cool Company Ltd since December 2018. Mrs. Blankenship is a UK citizen and resides in the UK.

Current directorships and management positions:

.....

2020 Bulkera Ltd. (Chair of the Board and audit committee Chairperson), Borr Drilling Ltd. (Director and audit committee Chairperson), Diamond S Shipping Inc. (Director and audit committee Chairperson)

Previous directorships and management positions last five years:

.....

Frontline Ltd (Director and audit committee Chairperson), North Atlantic Drilling Ltd (Director and audit committee Chairperson), Archer Limited (Director and audit committee Chairperson), Golden Ocean Group Limited (Director and audit committee Chairperson), Avance Gas Holding Limited (Director and audit committee Chairperson), Ship Finance International Limited (Director and audit committee Chairperson), Golar LNG Limited (Director and audit committee Chairperson), Golar LNG Partners LP (Director and audit committee Chairperson), Seadrill Limited and Seadrill Partners LLC (Director and audit committee Chairperson)

Neil Glass

Mr. Glass graduated from the University of Alberta in 1983 with a degree in Business. He is a member of both the Chartered Professional Accountants of Bermuda and of Alberta, Canada, and is a Chartered Director and Fellow of the Institute of Directors. Mr. Glass worked for Ernst & Young for eleven years: seven years with the Edmonton, Canada office and four years with the Bermuda office. In 1994, he became General Manager and in 1997 the sole owner of WW Management Limited, tasked with overseeing the day-to-day operations of several international companies. Mr. Glass has over 20 years' experience as both an executive director and as an independent non-executive director of international companies. Mr. Glass currently also serves as a director of the Board, Chairperson of the Nominating and Governance Committee and a member of the Audit Committee of Borr Drilling Limited and as a director of the Board and a member of the Audit Committee of Golar LNG Partners LP. Mr. Glass is a Canadian Citizen and a resident of Bermuda.

Current directorships and management positions:

.....

2020 Bulkera Ltd. (Director and audit committee member), Borr Drilling Limited (Director, nominating and governance committee Chairperson and member of audit committee), Golar LNG Partners LP (Director and audit committee member), WW Management Limited (Owner and Director)

Jens Martin Arveschoug Jensen

In addition to his positions at 2020 Bulkera Ltd, Jensen serves as CEO of Athenian Holdings Inc. since 7th September, 2020, previously he has assumed the positions of : Head of Shipping at New Fortress Energy (2019-2020), Partner at Pillarstone Europe (2016-2019), Director at Frontline Corporate Services (2014-2015), CEO/Managing Director (2008-2014) and Commercial Director (2004-2008) at Frontline Management AS, and Board Member at companies such as Frontline, Frontline 2012, Flex LNG, Frontline Shipping, Frontline Management (Bermuda), Seateam Shipmanagement. Prior to these roles, he was a Partner/Director at Island Shipbrokers between the periods of 1996-2004, and held various positions at A.P. Moller/Maersk Group during 1985-1996 in Copenhagen, Mexico City, Tokyo and Singapore. Mr. Jensen is a Danish citizen and resides in the UK.

Current directorships and management positions:

..... 2020 Bulkera Ltd. (Director), Athenian Holdings Inc (CEO)

Previous directorships and management positions last five years:

..... New Fortress Energy (Head of Shipping), Pillarstone Europe (Partner), Premuda Spa (Director), Global Energy Ventures (Director) and International Tanker Owners Pollution Federation Limited (ITOPF) (Director). Premuda Spa (Interim CEO), Frontline Corporate Services (Director)

Georgina Sousa

Georgina Sousa was employed by Frontline Ltd. as Head of Corporate Administration from February 2007 until December 2018. She previously served as a director of Frontline from April 2013 until December 2018, Ship Finance International Limited from May 2015 until September 2016, North Atlantic Drilling Ltd. from September 2013 until June 2018, Sevan Drilling Limited from August 2016 until June 2018, Northern Drilling Ltd. From March 2017 until December 2018 and FLEX LNG LTD. from June 2017 until December 2018. Ms. Sousa also served as a Director of Seadrill Limited from November 2015 until July 2018, Knightsbridge Shipping Limited (the predecessor of Golden Ocean Group Limited) from 2005 until 2015 and Golar LNG Limited from 2013 until 2015. Ms. Sousa served as Secretary for all of the abovementioned companies at various times during the period between 2005 and 2018. She served as secretary of Archer Limited from 2011 until December 2018 and Seadrill Partners LLC from 2012 until 2017. Until January 2007, she was Vice-President Corporate Services of Consolidated Services Limited, a Bermuda Management Company, having joined the firm in 1993 as Manager of Corporate Administration. From 1976 to 1982 Ms. Sousa was employed by the Bermuda law firm of Appleby, Spurling & Kempe as company secretary and from 1982 to 1993 she was employed by the Bermuda law firm of Cox & Wilkinson as senior company secretary. Ms. Sousa is a Bermuda citizen and resides in Bermuda.

Current directorships and management positions:

..... 2020 Bulkera Ltd. (Director), Borr Drilling Ltd. (Director), Golar LNG Ltd. (Director), Golar LNG Partners LP (Director)

Previous directorships and management positions last five years:

..... Frontline Ltd. (Director), Ship Finance Limited (Director), North Atlantic Drilling Ltd. (Director), Sevan Drilling Limited (Director), Northern Drilling Ltd. (Director), FLEX LNG Ltd. (Director), Seadrill Limited (Director), Knightsbridge Shipping Limited (the predecessor of Golden Ocean Group Limited) (Director), Golar LNG Limited (Director)

12.3 Management

12.3.1 Overview

The ultimate responsibility for the management of the Company is vested in the Board.

The Board has decided that the Company's management requirements shall be contracted in from subsidiaries and third parties. In doing so the Board will, at all times, retain sole authority on all significant strategic and operating decisions and on issues that are either of an unusual nature or of major importance to the Company and its activities. Similar to structures commonly used by other shipping companies, the Group's vessels are all owned by separate subsidiaries or associated companies. 2020 Bulkera Management AS, a wholly-owned subsidiary, supports the Group in the implementation of the Board's decisions.

The Group's Management team, all of whom are employed by 2020 Bulkera Management AS, consists of three individuals, the Chief Executive Officer, the Chief Financial Officer, and the Chief Technical Officer. Their individual services are integrated in the services 2020 Bulkera Management AS provides to the Company and the Group pursuant to the Management Agreement.

The Shares and options to acquire Shares that are held by members of the Management as at the date of this Prospectus are set out in Section 12.4.3 below. See Section 12.5 "Bonus programme and share incentive scheme" for a description of the Company's long term share incentive programme adopted by the Board of Directors.

The Management Agreement sets out the terms upon which the 2020 Bulkera Management AS has provided administrative services to the Group from the date of its incorporation. The Management Agreement clearly reserves the authority to set goals for the Company (within the scope of the Memorandum of Association and the Bye-laws), to approve strategy and plans and to take any and all decisions of an unusual nature or major importance with the Board of Directors. The authority granted to 2020 Bulkera Management AS, as manager under the Management Agreement, is to take decisions required for the day-to-day management of the Group within limits defined by the Board of Directors and the individual board of directors of the vessel owning subsidiaries.

The names of the members of Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Current position within the group	Employed with the Group since
Magnus Halvorsen	Chief Executive Officer of 2020 Bulkera Management AS	1 January 2019
Vidar Hasund	Chief Financial Officer of 2020 Bulkera Management AS	1 January 2019
Olav Eikrem	Chief Technical Officer of 2020 Bulkera Management AS	1 September 2018

The Company's registered business address at S.E. Pearman Building, 2nd floor, 9 Par-la-Ville Road, Hamilton HM11, Bermuda serves as c/o address for the members of the Management in relation to their employment with the Group.

12.3.2 Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner during the previous five years.

Magnus Halvorsen, CEO

Magnus Halvorsen assumed the role of Chief Executive Officer of 2020 Bulkera on 1 January 2019 and also held the position as the Company's chairman from its inception in September 2017 until September 2018, and Executive Chairman from September 2018 until January 2019. He also was a Partner at Magni Partners from May 2017 to August 2018. Previously he was a Partner and Head of Capital Markets at Clarksons Platou Securities AS (formerly known as RS Platou Markets AS) between the periods of October 2009 - April 2016; while jointly serving as a member of the Executive Committee. From March 2003 to March 2009 he was a Partner and Head of US Sales at Pareto Securities, while jointly serving as the Chairman of the Board at Nordic Partners for Pareto Securities' US operations. Mr. Halvorsen is a Norwegian citizen and resides in Norway.

Current directorships and management positions:
 2020 Bulkera Management AS (Chief Executive Officer), MH Capital AS (Chairman), Nordavind AS (Director), 2020 Bulkera Management AS (Director), Fineart AS (Director), Star Capital AS (Director), PIC Shipping LLP (Limited Partner).

Previous directorships and management positions last five years:
 2020 Bulkera Ltd (Chairman and Executive Chairman), Clarksons Platou Securities AS (Partner and member of Executive Committee), Magsim Maritime AS (Director), Sonoma Supramax AS (Director), Albemarle Ship Investments LLP (Limited Partner), Homborsund Container AS (Director)

Vidar Hasund, CFO

Vidar Hasund assumed the role of Chief Financial Officer of 2020 Bulkera on 1 January 2019. Hasund was previously the Chief Accounting Officer of Borr Drilling from 2017-2018; other positions he held previously include being Financial Officer and International Tax Accounting Manager at PGS from 2008-2017, financial controller at BW Gas ASA from 2005-2007 and Auditor at KPMG from 2002-2004. He is a Norwegian state authorized public accountant and holds a Master of Accounting and Auditing degree from Norwegian School of Economics. Mr. Hasund is a Norwegian citizen and resides in Norway.

Current directorships and management positions:

..... 2020 Bulkera Management AS (Chief Financial Officer)

Previous directorships and management positions last five years:

..... Borr Drilling Ltd. (Chief Accounting Officer and Director of subsidiaries), Petroleum Geo-Services (Financial Officer and International Tax Accounting Manager).

Olav Eikrem, CTO

Prior to being appointed as Chief Technical Officer of 2020 Bulkera on 1 September 2018, Eikrem was employed as Technical Director at Frontline Management AS for the period 2006-2018 in direct continuation from the position as General Manager at Golar Management Ltd from 2003-2006. Other positions he has held throughout his career include being the Senior Manager and Director at Thome Ship Management from 1997-2003, Fleet Manager at Knutsen OAS Shipping from 1993-1997, Fleet Manager, Assistant, Fleet Manager and Superintendent at JO Management / J.O. Odjell from 1988-1993. Mr. Eikrem is a Norwegian citizen and resides in Norway.

Current directorships and management positions:

..... 2020 Bulkera Management AS (Chief Technical Officer)

Previous directorships and management positions last five years:

..... Frontline Management AS (Technical Director), Den Norske Krigsforsikring (DNK) (Director), SeaTeam Management Pte. Ltd. (Director).

12.4 Remuneration and benefits**12.4.1 Remuneration of the Board of Directors**

No remuneration was paid to the board members in 2019 and 2018.

12.4.2 Remuneration of the Management

The Company offers competitive remuneration to members of Management based on current market standards, company and individual performance. In addition to the basic salary, Management also participates in the bonus program as set out in Section 12.5 "Bonus programme and share incentive scheme".

During the year ended 31 December 2019, we paid our executive officers aggregate compensation of US\$1.7 million (2018: US\$0.1 million). In addition to cash compensation, we recognized US\$1.2 million relating to stock options granted to executive officers.

12.4.3 Shareholdings of Board Members and Management in the Company

The members of Management and Board Members that hold Shares and options of the Company are set out below.

Name	Position	No # of Shares	No # of options
Neil Glass	Board Member	-	-
Jens Martin Arveschoug Jensen	Board Member	175,972 ⁴⁵	50,000
Kate Blankenship	Chair of the Board	-	75,000
Georgina Sousa	Board Member	-	20,000
Magnus Halvorsen	CEO	1,582,118 ⁴⁶	400,000
Olav Eikrem	CTO	7,500	100,000
Vidar Hasund	CFO	3,000	75,000

The total number of options in the Company is 740,000.

12.5 Bonus programme and share incentive scheme

The Board has established a long-term incentive plan for the Group's employees and directors (the "LTI Plan") and has approved a set of general rules for the LTI Plan. Furthermore, the Board has allocated 740,000 of the Company's authorised but unissued share capital as settlement of the exercised options granted under the LTI Plan. The LTI Plan is based on the granting of options to subscribe to new Shares. Such options will, typically, be granted with a term of five years. The Board has the authority to set the subscription price, vesting periods and the terms of the options. No consideration will be paid by the recipients for the options. Options will only be granted to employees or directors of the Group. If such relationships with the Group are terminated, unvested options will lapse. Vested options must, in the same situation, be exercised within a certain period after the termination date.

On 10 January 2019, the Board approved a grant of options to employees and directors under the terms of the LTI Plan. The share options will have a five-year term and will vest equally one quarter every six months commencing on 30 June 2019 over a two year vesting period. The exercise price is USD 10.00 per Share. The exercise price will be adjusted for any distribution of dividends made before the relevant options are exercised.

Any annual bonus to the Group's employees is based on a recommendation from the Board of Directors of 2020 Bulkera Ltd.

Otherwise, as at the date of this Prospectus; no options, or similar rights to acquire Shares in the Company have been granted to any members of the Management or Directors. Reference is made to Section 14.9 "Other financial instruments".

12.6 Benefits upon termination

None of the Groups employment agreements entitle any benefits for the employee upon termination, other than a provision for severance pay in the Chief Technical Officer's employment contract in the event of termination prior to 31 December 2022.

12.7 Pension and retirement benefits

For the Group's employees, as employed by 2020 Bulkera Management AS under the terms of the Management Agreement, 2020 Bulkera Management AS currently offers a customary competitive pension arrangement, with a contribution pension scheme with a defined contribution per year based on the employee's base salary (as adjusted from time to time).

12.8 Loans and guarantees

The Company has on 27 June 2019 granted Magnus Halvorsen, CEO of 2020 Bulkera Management AS, a short term loan in the amount of USD 945,827. The current loan balance is approximately USD 823,000.

⁴⁵ Held through Danske Bank A/S

⁴⁶ 1,477,026 shares held through his controlled company MH Capital AS, and 105,092 shares held privately

12.9 Employees

As at the date of this Prospectus, the Group has four full time employees and one part time employee (80%). These employees are employed in 2020 Bulkera Management AS and provide services to the Group under the terms of the Management Agreement.

The Group had three full time employee and one part time employee (80%) as at 31 December 2019.

12.10 Nomination committee

The Company is not required to have a nomination committee under Bermuda law. The Company has, so far, seen no reasons to constitute such a committee. The Board will, continuously, consider its combined expertise and experience so as to ensure that the Board, collectively, has the knowledge and experience required to oversee and direct the activities of the Group.

12.11 Audit committee

The Company is not, pursuant to Bermuda law, required to have an audit committee. The Company has established a committee comprised of two directors, Mrs. Alexandra Kate Blankenship and Mr. Neil Glass. The audit committee supervises the Company's internal control systems, ensures that the auditor is independent and ascertains that the annual and quarterly reporting gives a fair view of the Company's financial results and financial condition in accordance with generally accepted accounting principles.

12.12 Remuneration committee

The Board serves as the Company's remuneration committee. The remuneration policy is reviewed annually. The Board evaluates and determines the total remuneration to the CEO and the policy for remuneration to other members of the senior management team.

12.13 Corporate governance

As a company incorporated in Bermuda, the Company is subject to Bermuda laws and regulations with respect to corporate governance. In addition, as a listed company the Company is subject to certain aspects of Norwegian securities law, which include an obligation to report on the Company's compliance with the Norwegian Code of Practice for Corporate Governance as of 17 October 2018 (the "Code") in its annual report on a comply or explain basis.

The Company is committed to ensuring that high standards of corporate governance are maintained and supports the principles set out in the Code.

It is the opinion of the Board that the Company, subject to the following exceptions, complies with the Code at the date hereof:

1. The Board's authority to increase the Company's issued share capital is limited to the extent of its authorized but not issued share capital at any time and is not restricted to specific purposes.
2. The appointment of an audit committee, a nomination committee and a remuneration committee is not required under Bermuda law. The Company has so far not seen sufficient reason to appoint nomination and remuneration committees.
3. The Bye-laws permit the Board to grant share options to employees without requiring that the general meeting be presented with the volume or other terms and conditions of such scheme.
4. The Bye-laws permit general meetings being summoned with 7 days' notice (the notice period being exclusive of the day on which the notice is served and the day on which the meeting to which it relates is to be held). The effective notice period from the date a notice is announced until it is deemed to be received by a shareholder is, however, 11 days.
5. Pursuant to the Memorandum of Association the objects for which the Company was formed and incorporated are unrestricted.
6. The Board will consider and determine, on a case by case basis, whether independent third party evaluations are required when entering into agreements with close associates.
7. The chairman of the Board is elected by the Board and not by the shareholders as recommended in the Code. This is in compliance with normal procedures under Bermuda law.
8. There is no requirement in Bermuda law for the Board to prepare guidelines for its own work or management and the Board has so far not seen sufficient reason to do so.

12.14 Conflict of interests

During the last five years preceding the date of this Prospectus, none of the Board Members or the members of the Management has, or had, as applicable:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company, or
- been declared bankrupt or been associated with any bankruptcy, receivership, liquidation or companies put into administration in his or her capacity as a founder, director or senior manager of a company.

To the Company's knowledge, there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management or the Board of Directors, including any family relationships between such persons.

There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any of the current Board members or members of the Management was selected as a member of the Board of Directors or Management of the Company.

13 RELATED PARTY TRANSACTIONS

Below is a summary of the Company's related party transactions for the periods covered by the historical financial information included in this Prospectus and up to the date of this Prospectus. For further information on related party transactions of the Company, see note 13 of the Financial Statement.

The Company entered into a convertible loan agreement dated 13 November 2017 between (i) the Company as borrower, and (ii) Magni Partners (Bermuda) Limited and Halvorsens Fabrikk AS as lenders, where the Company was granted a USD 10 million loan to facilitate payment to the shipyard to whom the instalments due in 2017. The loan was converted to share capital on 27 November 2017, with a subscription (proportionate to each of the lenders' loan amounts) for 5,000,000 new Shares in the Company, each with USD 1.00 par value and at a subscription price of USD 2.00. One of the related parties were Tor Olav Trøim, who is the beneficiary of Magni Partners (Bermuda) Limited. Prior to the conversion on 27 November 2017, Mr. Trøim was the sole beneficial owner of the Company. The beneficial owner of Halvorsens Fabrikk AS is Fredrik Halvorsen, who has participated through Halvorsens Fabrikk AS in several of the private placements completed by the Company from December 2017 to date.

MH Capital AS, a company wholly owned by Magnus Halvorsen (CEO in 2020 Bulkera effective 1 January 2019) and a shareholder in the Company, provided the Group with management services amounting to USD 166,667 during 2018.

In April 2019, the Company entered into a short-term convertible debt agreement of US\$8.0 million with the shareholders Drew Holdings Ltd., Ubon AS, Titan Credit Master Fund and MH Capital AS (a company owned by Magnus Halvorsen). The convertible debt was converted to shares in the private placement completed on May 23, 2019.

In May 2019, the Company entered into a short-term loan agreement of US\$360.0 thousand with MH Capital AS. The short-term loan was settled as part of MH Capital AS subscription of shares in the private placement completed on May 23, 2019.

The Company has on 27 June 2019 granted Magnus Halvorsen, CEO of 2020 Bulkera Management AS, a short-term loan in the amount of USD 945,827. The current loan balance is approximately USD 823,000.

On 1 July 2019, the Company signed a Revolving Credit Facility Agreement of USD 5.5 million with Drew Holdings Limited (a trust established for the benefit of Tor Olav Trøim). The Revolving Credit Facility agreement was cancelled during the fourth quarter of 2019.

14 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Memorandum of Association and Bye-laws applicable Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Memorandum of Association, included in Appendix A to this Prospectus, and applicable law.

14.1 Company corporate information

The Company was founded on 26 September 2017 by Tor Olav Trøim through his beneficiary company Drew Holdings Ltd. and is a company limited by shares incorporated under the laws of Bermuda. The Company's registered name is 2020 Bulkera Ltd. The Company is subject to Bermuda law in general and the Companies Act 1981 of Bermuda in particular. Magnus Halvorsen and Espen Westernen were appointed Directors of the Company on incorporation date.

The Company's Bermuda registration number is 52905. The Company's registered office is located at S.E. Pearman Building, 2nd floor, 9 Par-la-Ville Road, Hamilton HM11, Bermuda, and the Company's main telephone number at that address is +1 441 737 0152. The Company's website can be found at www.2020bulkera.com. The content of www.2020bulkera.com is not incorporated by reference into or otherwise form part of this Prospectus.

The underlying Common Shares, which are in the currency of USD, have been created and issued by the Company under the Bermuda Companies Act. The Shares, being the depository receipts that represents the beneficial interests in the Common Shares, created under Norwegian law, in the currency of USD, will be registered in a sub-register of shareholders in electronic form in the VPS, and the Registrar is engaged to keep this. The Registrar is, as a basis for this, recorded as the nominal owner of all underlying Common Shares in issue in the Company's register of members kept at the Company's registered office in Bermuda in book-entry form. The Shares are registered in book-entry form with the VPS under ISIN BMG 9156K1018. The Company's register of shareholders in the VPS is administrated by the Registrar.

14.2 Legal structure

The Company is the ultimate parent company in the Group. The Company is a holding company. The operations of the Group are and will continue to be carried out by individual companies within the Group.

Six of the Newcastlemax vessels are owned and two of the Newcastlemax vessels are leased in and operated by subsidiaries wholly owned by the Company whose purpose is to hold and operate such asset only, see the chart below.

The Company has also incorporated 2020 Bulkera Management AS, as a subsidiary, to provide management services to the Group as further described in section 12.3 "Management" above.

The following table sets out information about the Company's significant subsidiaries:

Company	Registration number	Country of incorporation	% holding
2020 Bulkera Management AS	921 059 450	Norway	100
2020 Bulkera Sandefjord Inc.	C-119264	Liberia	100
2020 Bulkera Santiago Inc.	C-119265	Liberia	100
2020 Bulkera Seoul Inc.	C-119882	Liberia	100
2020 Bulkera Shanghai Inc.	C-119881	Liberia	100
2020 Bulkera Shenzhen Inc.	C-119950	Liberia	100
2020 Bulkera Sydney Inc.	C-119951	Liberia	100
2020 Bulkera Sao Paulo Inc.	C-119952	Liberia	100
2020 Bulkera Santos Inc.	C-119953	Liberia	100

As at the date of this Prospectus, the Group is of the opinion that its holdings in the entities specified above are likely to have a significant effect on the assessment of its own assets and liabilities, financial condition or profits and losses.

14.3 Share capital and share capital history

As at the date of this Prospectus, the Company's issued share capital is 22,170,906 Shares, with a par value of USD 1.00 per Share. The Company's authorised share capital is USD 75,000,000 divided into 75,000,000 Shares, with a nominal value of USD 1.00 per Share. All Shares have been created and issued in accordance with the requirements of the Bermuda Companies Act and the Bye-Laws, are validly issued and fully paid.

The Company has one class of Shares and one share is represented by each depository receipt. As at the date of this Prospectus, there are no share options or other rights to subscribe or acquire Shares issued by the Company save as described in Section 14.9 "Other financial instruments" below. Reference is also made to Section 12.4.3 for an overview of Management and Board Members that hold Shares and options of the Company.

Neither the Company nor any of its subsidiaries directly or indirectly own Shares in the Company. See Section 14.8 "Authorisation to acquire treasury Shares" for a description of the authorisation granted to the Board of Directors to acquire treasury Shares.

The table below shows the development in the Company's share capital from inception up to the date of this Prospectus

Date of registration	Type of change	Change in share capital (USD)	Subscription price per share (USD)	Nominal value (USD)	New number of Shares	New share capital (USD)
26 September 2017	Incorporation	1,000	1.00	1.00	1,000	1,000
27 November 2017	Debt conversion	5,000,000	2.00	1.00	5,001,000	5,001,000
28 December 2017	Private placement	1,150,000	4.35	1.00	6,151,000	6,151,000
26 February 2018	Private placement	2,000,000	5.00	1.00	8,151,000	8,151,000
22 March 2018	Private placement	576,923	5.20	1.00	8,727,923	8,727,923
26 April 2018	Private placement	1,666,667	5.40	1.00	10,394,590	10,394,590
17 July 2018	Private placement	800,000	7.50	1.00	11,194,590	11,194,590
16 August 2018	Private placement	750,000	8.00	1.00	11,944,590	11,944,590
16 October 2018	Private placement	631,579	9.50	1.00	12,576,169	12,576,169
15 November 2018	Private placement	736,843	9.50	1.00	13,313,012	13,313,012
19 December 2018	Private placement	757,894	9.50	1.00	14,070,906	14,070,906
5 February 2019	Private placement	300,000	10.00	1.00	14,370,906	14,370,906
23 May 2019	Private placement	7,800,000	9.00	1.00	22,170,906	22,170,906

Other than as set out above, there have been no changes to the Company's share capital or the number of Shares of the Company from the start of the period covered by the historical financial information up to the date of this Prospectus.

14.4 Admission to trading

The board of directors of the Oslo stock exchange approved the transfer from Oslo Axxess to Oslo Børs in its meeting held on 28 October 2020 and the shares will have its first day of trading on Oslo Børs on 2 November 2020.

14.5 Description of the Shares

14.5.1 Introduction

The Shares, being the depository receipts that represent the beneficial interests in the Common Shares, will be registered in the VPS in book-entry form under the name of a "share" and will be listed and traded on the Oslo Stock Exchange in the form of depository receipts as "shares in 2020 Bulkers Ltd.", in NOK. Each Share will represent one Common Share as registered in the Company's register of members kept in Bermuda and be registered in the name of the Registrar.

Shareholders will not have direct shareholder rights as the Registrar will be the registered owner of the underlying Common Shares. The rights and obligations of the Registrar are described further in Section 14.12.2 "The Registrar Agreement". Other than as described in this Section 14.5, there are no differences between the rights attached to the Shares and the Common Shares.

14.5.2 *Issuance*

The Registrar has issued and delivered the Shares to the shareholders in VPS, in accordance with the Norwegian Act on Registration of Financial Instruments of 5 July 2002 no. 64. All Shares are issued and registered in book-entry form through the VPS system and the shareholders may obtain statements, showing the number of Shares held, online or through the VPS account operator who maintains the shareholders' VPS account.

14.5.3 *Record dates*

The Company may fix a record date for the determination of the shareholders who will be entitled to receive any dividend or other distribution on or in respect of the Shares, to give instructions for the exercise of any voting rights, to receive any notice or to act in respect of other matters and only such shareholders at such record date will be so entitled or obligated.

14.5.4 *Voting rights*

Each underlying Common Share, and hence each of the Shares, carries one vote. Shareholders may instruct the Registrar to vote for the beneficial interests in the underlying Common Shares held by them (in the form of Shares), subject to any applicable provisions of Bermuda law. The Company will furnish voting materials to the Registrar and the Registrar will notify the shareholders of the upcoming vote and arrange to deliver the Company's voting materials to the shareholder. Otherwise, shareholders will not be able to exercise their voting rights unless the steps outlined in Section 14.12 "Registration of the Shares" are followed. The Registrar's notice will describe the information in the voting materials and explain how shareholders may instruct the Registrar to vote the underlying shares. The Registrar will only vote or attempt to vote as the shareholders instruct. The Registrar itself will not exercise any voting rights.

14.5.5 *Reclassification, recapitalization and mergers*

If the Company reclassifies, splits up or cancels any of the securities; distributes securities on the shares that are not distributed to shareholders; or recapitalizes, reorganizes, amalgamates, merges, consolidates, liquidates, sells all or substantially all of its assets, or goes into liquidation, receivership or bankruptcy; then the Registrar may choose to either (i) amend the form of the Shares, (ii) distribute additional or amended Shares, (iii) distribute the cash, securities or other property received in connection with such actions or (iv) sell any securities or property received and distribute the net proceeds as cash. If the Registrar does not choose any of the above, the cash, securities or other property it receives will constitute deposited securities and each Share will automatically represent its equal share of the new deposited cash, securities or other property, or a combination thereof, as the case may be.

14.5.6 *Mandatory provisions of Bermuda law relating to the Shares*

14.5.6.1 *Foreign exchange*

The Company has been designated as a non-resident of Bermuda for exchange control purposes by the Bermuda Monetary Authority. The Company's Shares are to be listed on an appointed stock exchange. For so long as the Company's Shares remain listed on an appointed stock exchange, the transfer of shares between persons regarded as resident outside Bermuda for exchange control purposes and the issuance of Shares to or by such persons may be effected without specific consent under the Bermuda Exchange Control Act of 1972 and regulations made thereunder. Issues and transfers of Shares between any person regarded as resident in Bermuda and any person regarded as non-resident for exchange control purposes require specific prior approval under the Bermuda Exchange Control Act 1972 unless such Shares are listed on an appointed stock exchange. Subject to the foregoing, there are no limitations on the rights of owners of Shares in the Company to hold or vote their shares. Because the Company has been designated as non-resident for Bermuda exchange control purposes, there are no restrictions on its ability to transfer funds in and out of Bermuda or to pay dividends to non-Bermuda residents who are holders of Shares, other than in respect of local Bermuda currency.

14.5.6.2 *Taxes*

See Section 16.1 "Bermuda taxation applicable to the Company" and Section 16.3 "The shareholders" for a description of certain Bermuda taxation consequences of holding the Shares.

14.5.6.3 *Information*

The Registrar shall provide the Company with the information on the data and withdrawal of Shares, the number of Shares in circulation, and also information on the transactions on Shares, including at least price (if and when made available by the VPS) and units traded, as available to the Registrar in the VPS system.

14.6 Ownership structure

As at the date of 27 October 2020, the Company has one nominal holder of the Common Shares in the Company, the Registrar, holding the Common Shares of behalf of 958 shareholders holding the depository receipts listed on Oslo Axess (and herein referred to as the Shares). There is only one class of Shares.

The table below shows the Company's 20 largest holders of Shares as recorded in VPS as of 27 October 2020.

#	Name of shareholder	No of Shares	%
1	Drew Holdings Ltd. ⁴⁷	7 174 436	32.40 %
2	DNB Luxembourg S.A.	2 402 532	10.80 %
3	Wealins S.A.	2 034 084	9.20 %
4	Clearstream Banking S.A.	1 532 937	6.90 %
5	MH Capital AS ⁴⁸	1 477 026	6.70 %
6	Credit Suisse (Switzerland) Ltd.	500 100	2.30 %
7	Albemarle Ship Investments LLP	447 222	2.00 %
8	Klaveness Marine Finance AS	433 760	2.00 %
9	BNP Paribas Securities Services	411 489	1.90 %
10	Avanza Bank AB	389 686	1.80 %
11	The Bank of New York Mellon SA/NV	361 568	1.60 %
12	Klaveness Invest AS	333 333	1.50 %
13	Halvorsens Fabrikk AS	316 239	1.40 %
14	Skandinaviska Enskilda Banken AB	260 416	1.20 %
15	Trøim, Tor Olav	228 342	1.00 %
16	Vicama Capital AS	222 222	1.00 %
17	Société Générale	208 000	0.90 %
18	Illuminati AS	205 462	0.90 %
19	Nordnet Livsforsikring AS	177 746	0.80 %
20	Danske Bank A/S	175 972	0.80 %
Total 20 largest		19 292 572	87.00 %
Others		2 878 334	13.00 %
Total		22 170 906	100.00 %

With effect from listing of the Shares on Oslo Stock Exchange, shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 15.7 "Disclosure obligations" for a description of the disclosure obligations pursuant to the Norwegian Securities Trading Act.

⁴⁷ Tor Olav Trøim is the beneficiary of Drew Holdings Limited

⁴⁸ Controlled by Magnus Halvorsen, CEO of 2020 Bulkera Management AS

An overview of shareholders holding 5% or more of the Shares of the Company as at the date of this Prospectus is set out below:

Shareholder	Shareholding
Drew Holdings Ltd.	32.4 %
DNB Luxembourg S.A.	10.8 %
Wealins S.A.	9.2 %
Clearstream Banking S.A.	6.9 %
MH Capital AS ⁴⁹	6.7 %

Following the Listing, the Company is not aware of any persons or entities that directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

14.7 Authorisations to increase the share capital

As of the date of this Prospectus, the Company's authorized share capital is USD 75,000,000 represented by 75,000,000 shares with a par value of USD 1.00. The Board has been authorised by Bye-law 4 to issue further shares up to the number of shares representing the authorized share capital.

14.8 Authorisation to acquire treasury Shares

The Company has, pursuant to Bye-law 9, the ability to acquire and own Shares. As of the date hereof, the Company holds no Shares in treasury.

14.9 Other financial instruments

Neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries other than the options granted to employees and directors under the LTI Plan as described in Section 12.5 "Bonus programme and share incentive scheme". Furthermore, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company or, in the case of joint venture companies, by it and its partners.

14.10 Shareholder rights

The Company has one class of Shares on issue, and all Shares in that class provide equal rights in the Company. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Section 14.11 "Summary of certain rights of the Company's shareholders under Bermuda law, the Memorandum of Association and the Bye-laws".

14.11 Summary of certain rights of the Company's shareholders under Bermuda law, the Memorandum of Association and the Bye-laws

14.11.1 Objects pursuant to the Memorandum of Association

Pursuant to clause 6 of the Memorandum of Association, the objects for which the Company was formed and incorporated are unrestricted.

14.11.2 Special shareholder meetings

Bye-law 61 provides that the Board may, whenever it thinks fit, and shall, when required by the Bermuda Companies Act, convene a special general meeting of the shareholders. Under the Bermuda Companies Act, a special general meeting of shareholders must be convened by the board of directors of a company on the requisition of shareholders holding not less than one-tenth of the paid-up capital of the company as at the date the request is made.

14.11.3 Shareholder action by written consent

The Bermuda Companies Act provides that, except in the case of the removal of an auditor or director and subject to a company's bye-laws, anything which may be done by resolution of a company in a general meeting or by resolution of

⁴⁹ Controlled by Magnus Halvorsen, CEO of 2020 Bulkera Management AS

a meeting of any class of the members of a company may be done by resolution in writing. The Bye-laws section 62 provides that such resolution must be signed by a simple majority of all of the shareholders (or such greater majority as may be required by the Bermuda Companies Act or the Bye-laws).

14.11.4 Shareholder meeting quorum; voting requirement; voting rights

Bye-law 70 provides that, save as otherwise provided, the quorum at any general meeting shall be two or more Shareholders, either present in person or represented by proxy, holding shares carrying voting rights entitled to be exercised at such meeting. Except where a greater majority is required by the Bermuda Companies Act or the Bye-laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast provided that any resolution to approve an amalgamation or merger shall be decided on by a simple majority of votes cast and the quorum necessary for such meeting shall be two persons holding, or representing by proxy, at least 33 1/3% of the issued shares of the Company (or the class, where applicable). There is no cumulative voting. Every shareholder of the Company who is present in person or by proxy has one vote for every Share of which he or she is the holder. The Company has not, pursuant to its Bye-laws, applicable laws or regulations made pursuant to law, been given a discretionary right to bar the exercise of voting rights, except pursuant to Bye-law 173 where a registered holder of Shares is in default of its obligations under Bye-law 172 to provide the Company with information about any interests in such shares held by any person (including, without limitation, the ownership of beneficial interests in such Shares).

14.11.5 Notice of shareholder meetings

The Bermuda Companies Act requires that all companies hold a general meeting at least once in each calendar year (which meeting shall be referred to as the Annual General Meeting) and that shareholders be given at least five days' advance notice of a general meeting, but the accidental omission to give notice to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice does not invalidate the proceedings of the meeting. Bye-law 67 provides that an annual and special shareholder meeting shall be called by not less than 7 days' notice in writing, and that the notice period shall be exclusive of the day on which the notice is served or deemed to be served and of the day on which the meeting to which it relates is to be held. A notice is deemed to be received two days after the date on which it is sent.

If a general meeting is called on shorter notice, it will be deemed to have been properly called if it is so agreed (i) in the case of a meeting called as an annual general meeting by all the shareholders entitled to attend and vote thereat; and (ii) in the case of any other special general meeting by a majority in number of the shareholders having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right. No shareholder is entitled to attend any general meeting by proxy unless a proxy signed by or on behalf of the shareholder addressed to the company secretary is deposited (by post, courier, facsimile transmission or other electronic means) at the Company's registered office at least 48 hours prior to the time appointed for holding the general meeting.

14.11.6 Notice of shareholder proposals

Under the Bermuda Companies Act, shareholders holding not less than one-twentieth of the total voting rights of all shareholders having a right to vote at the meeting to which the requisition relates, or not less than 100 shareholders, may, at their own expense (unless the company otherwise resolves), require a company to give notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting and/or to circulate a statement (of not more than 1000 words) in respect of any matter referred to in a proposed resolution or any business to be conducted at the annual general meeting.

14.11.7 Board meeting quorum; voting requirement

Bye-law 121 provides that the quorum necessary for the transaction of the business of the Board may, subject to the requirements of the Bermuda Companies Act, be fixed by the Board and, unless so fixed at any other number, shall be a majority of the Directors present in person or by proxy. Questions arising at any meeting of the Board shall be determined by a majority of votes cast. In the event of an equality of votes, the motion shall be deemed to have been lost.

14.11.8 Number of Directors

Under the Bermuda Companies Act, the minimum number of directors on the board of directors of a company is one. The minimum number of directors may be set higher in the bye-laws of a company (and is set at two by Bye-law 97 of the Company). The maximum number of directors may be set by the shareholders at a general meeting or in accordance with the bye-laws of the relevant company. The maximum number of directors is usually fixed by the shareholders in a general meeting. Only the shareholders may increase or decrease the number of directors last approved by the

shareholders. The maximum number of Directors was set at six at the annual general meeting in the Company in November 2018.

14.11.9 Removal of Directors

Bye-law 99 and the Bermuda Companies Act provide that the shareholders of the Company may, at a special general meeting called for that purpose, remove any Director. Any Director whose removal is to be considered at such a special general meeting is entitled to receive not less than 14 days' notice and shall be entitled to be heard at the meeting.

14.11.10 Newly created directorships and vacancies on the Board

Under the Bermuda Companies Act, the directors shall be elected at each annual general meeting of the company or elected or appointed by the shareholders in such other manner and for such term as may be provided in the bye-laws for the relevant company. Additionally, a vacancy created by the removal of a director at a special general meeting may be filled at that meeting by the election of another director or in the absence of such election, by the other directors. Unless the bye-laws of a company provide otherwise (which the Bye-laws do not) and provided there remains a quorum of directors in office, the remaining directors may fill a casual vacancy on the board. Under Bye-law 99, any vacancy in the Board may be filled by the election or appointment by the shareholders at a general meeting, and the Board may also fill any vacancy in the number left unfilled. A Director so appointed will hold office until the next annual general meeting of the Company.

14.11.11 Interested Directors

Under Bye-law 106, any Director may hold any other office or place of profit with the Company (except that of auditor) for such period and on such terms as the Board may determine and shall be entitled to remuneration as if such Director were not a Director. So long as a Director declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Board as required by the Bermuda Companies Act, a Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any office or employment to which the Bye-laws allow him to be appointed or from any transaction or arrangement in which the Bye-laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit, and such Director shall count in the quorum and be able to vote at any meeting of the Board at which the matters in question are to be considered.

14.11.12 Duties of the Directors

The Bermuda Companies Act also imposes a duty on directors and officers of a Bermuda company to: (i) act honestly and in good faith with a view to the best interests of the company they serve; and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Bye-law 111 provides that the Company's business is to be managed and conducted by the Board. At common law, members of a board of directors owe a fiduciary duty to the company they serve to act in good faith in their dealings with or on behalf of such company and exercise their powers and fulfil the duties of their office honestly. This duty includes the following elements:

- (i) a duty not to make a personal profit from opportunities that arise from the office of director;
- (ii) a duty to avoid conflicts of interest; and
- (iii) a duty to exercise powers for the purpose for which such powers were intended.

The Bermuda Companies Act provides that, if a director or officer has an interest in a material contract or proposed material contract with a company or any of its subsidiaries or has a material interest in any person that is a party to such a contract, such director or officer must disclose the nature of that interest at the first opportunity either at a meeting of directors or in writing to the board of directors. In addition, the Bermuda Companies Act imposes various duties on directors and officers of a company with respect to certain matters of management and administration of such company.

14.11.13 Director liability

Bye-law 161 provides that no Director or alternate director or officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other such person or any person involved in the formation of the Company, or for any loss or expense incurred by the Company through the insufficiency or deficiency of title to any property acquired by the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any monies, securities, or effects shall be deposited, or for any loss occasioned by any error of judgment, omission,

default, or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of his duties, or supposed duties, to the Company or otherwise in relation thereto.

The Bermuda Companies Act permits a company to exempt or indemnify any director, officer or auditor from loss or liability in circumstances where it is permissible for the company to indemnify such director, officer or auditor, as indicated in “Indemnification of Directors and Officers” below. Such restriction on liability shall not extend to any matter which would render it void pursuant to the Bermuda Companies Act.

14.11.14 Indemnification of Directors and Officers

The Bermuda Companies Act permits a company to indemnify its directors, officers and auditor with respect to any loss arising or liability attaching to such person by virtue of any rule of law concerning any negligence, default, breach of duty, or breach of trust of which the director, officer or auditor may be guilty in relation to the company they serve or any of its subsidiaries; provided that the company may not indemnify a director, officer or auditor against any liability arising out of his or her fraud or dishonesty. The Bermuda Companies Act also permits a company to indemnify a director, officer or auditor against liability incurred in defending any civil or criminal proceedings in which judgment is given in his or her favour or in which he or she is acquitted, or when the Supreme Court of Bermuda grants relief to such director, officer or auditor. The Bermuda Companies Act permits a company to advance moneys to a director, officer or auditor to defend civil or criminal proceedings against them on condition that these moneys are repaid if the allegation of fraud or dishonesty is proved against them. The Supreme Court of Bermuda may relieve a director, officer or auditor from liability for negligence, default, breach of duty or breach of trust if it appears to the court that such director, officer or auditor has acted honestly and reasonably and, having regard to all the circumstances of the case, ought fairly to be excused.

Bye-laws 161-162 provide that every Director, alternate director, officer, person or member of a duly authorized committee of the Company, resident representative of the Company and their respective heirs, executors or any administrator of the Company, shall be indemnified and held harmless out of the funds of the Company to the fullest extent permitted by Bermuda law against all liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him or her as such Director, alternate director, officer, person or member of a duly authorised committee of the Company or resident representative, and the indemnity contained in the Bye-law shall extend to any person acting as such Director, alternate director, officer, person or committee member or resident representative in the reasonable belief that he or she has been so appointed or elected notwithstanding any defect in such appointment or election. Such indemnity shall not extend to any matter which would render it void pursuant to the Bermuda Companies Act.

14.11.15 Variation of shareholders rights

As previously stated, the Company currently has one class of Shares. Bye-law 14 provides that, subject to the Bermuda Companies Act, all or any of the rights for the time being attached to any class of Shares (the Shares included) for the time being issued may, from time to time, be altered or abrogated with the consent in writing of the holders of not less than 75% in nominal value of the Shares at a general meeting voting in person or by proxy. Bye-law 15 specifies that the rights conferred upon the holders of any Shares or class of Shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such Shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

14.11.16 Amendment of the Memorandum of Association

The Bermuda Companies Act provides that the memorandum of association of a company may be amended by a resolution passed at a general meeting of shareholders of which due notice has been given. Except in the case of an amendment that alters or reduces a company’s share capital, the holders of an aggregate of not less than 20% in par value of a company’s issued share capital or any class thereof, or the holders of not less than 20% of a company’s debentures entitled to object to amendments to the memorandum of association, have the right to apply to the Bermuda Supreme Court for an annulment of any amendment to the memorandum of association adopted by shareholders at any general meeting. Upon such application, the alteration will not have effect until it is confirmed by the Bermuda Supreme Court. An application for an annulment of an amendment to the memorandum of association passed in accordance with the Bermuda Companies Act may be made on behalf of persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No application may be made by shareholders voting in favour of the amendment.

14.11.17 Amendment of the Bye-laws

Under Bermuda law, the adoption of a company's bye-laws and any rescission, alteration, or other amendment thereof must be approved by a resolution of the board of directors and by a resolution of the shareholders, provided that any such amendment shall only become operative to the extent that it has been confirmed by a resolution of the shareholders. Bye-law 171 provides a resolution of the shareholders to approve the adoption or amendment of the Bye-Laws shall be decided on by a simple majority of votes cast.

14.11.18 Inspection of books and records; shareholder lists

The Bermuda Companies Act provides the general public with a right of inspection of a Bermuda company's public documents at the office of the Registrar of Companies in Bermuda. These documents include the Company's Memorandum of Association and all amendments thereto. The Bermuda Companies Act also provides shareholders of a Bermuda company with a right of inspection of a company's bye-laws, minutes of general (shareholder) meetings and the audited financial statements. The Bermuda register of shareholders is also open to inspection by the members of the public free of charge. A Bermuda company is required to maintain its share register at its registered office in Bermuda or upon giving notice to the Registrar of Companies at such other place in Bermuda notified to the Registrar of Companies. A company may, in certain circumstances, establish one or more branch registers outside of Bermuda. A Bermuda company is required to keep at its registered office a register of its directors and officers that is open for inspection by members of the public without charge. The Bermuda Companies Act does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

14.11.19 Amalgamations, mergers and business combinations

The Bermuda Companies Act is silent on whether a company's shareholders are required to approve a sale, lease or exchange of all or substantially all of a company's property and assets. The Bermuda Companies Act does require, however, that shareholders approve amalgamations and mergers. Pursuant to the Bermuda Companies Act, an amalgamation or merger of two or more non-affiliated companies requires approval of the board of directors and the approval of the shareholders of each Bermuda company by a three-fourths majority and the quorum for such a meeting must be two persons holding or representing by proxy more than one-third of the issued shares of the company, unless the bye-laws otherwise provide (which the Bye-laws do, as set out below). For purposes of approval of an amalgamation or merger, all shares whether or not otherwise entitled to vote, carry the right to vote. A separate vote of a class of shares is required if the rights of such class would be altered by virtue of the amalgamation or merger. The Bye-laws provide that the Board may, with the sanction of a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders with the necessary quorum for such meeting of two persons at least holding or representing 33 1/3% of the issued shares of the Company (or the class, where applicable) amalgamate or merge the Company with another company. Pursuant to the Bermuda Companies Act, a company may be acquired by another company pursuant to a scheme of arrangement effected by obtaining the agreement of such company and of the holders of its shares, representing in the aggregate a majority in number and at least 75% in value of the shareholders (excluding shares owned by the acquirer, who would act as a separate class) present and voting at a court-ordered meeting held to consider the scheme of arrangement. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Bermuda Registrar of Companies, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.

14.11.20 Appraisal rights

Under the Bermuda Companies Act, a shareholder who did not vote in favour of an amalgamation or merger between non-affiliated companies and who is not satisfied that he or she has been offered fair value for his or her shares may, within one month of the giving of the notice of the shareholders' meeting to consider the amalgamation, apply to the Bermuda Supreme Court to appraise the fair value of his or her shares. If the court appraised value is greater than the value received or to be received in the amalgamation or merger, the acquiring company must pay the Court appraised value to the dissenting shareholder within one month of the appraisal, unless it decides to terminate the amalgamation or merger. Under another provision of the Bermuda Companies Act, the holders (the purchasers) of 95% or more of the shares of a company may give notice to the remaining shareholders requiring them to sell their shares on the terms described in the notice. Within one month of receiving the notice, any remaining shareholder may apply to the Bermuda Supreme Court for an appraisal of its shares. Within one month of the court's appraisal, the purchasers are entitled to either acquire all shares involved at the price fixed by the court or cancel the notice given to the remaining shareholders. Where shares had been acquired under the notice at a price less than the court's appraisal, the purchasers must either pay the difference in price or cancel the notice and return to each shareholder concerned the shares acquired and each shareholder must repay the purchaser the purchase price.

14.11.21 Dissenter's rights

The Bermuda Companies Act also provides that, where an offer is made for shares or a class of shares in a company by another company not already owned by, or by a nominee for, the offeror or any of its subsidiaries and, within four months of the offer, the holders of not less than 90% in value of the shares which are the subject of the offer approve the offer. The offeror may by notice, given within two months from the date such approval is obtained, require the dissenting shareholders to transfer their shares on the same terms of the offer. Dissenting shareholders will be compelled to sell their shares to the offeror unless the Bermuda Supreme Court, on application within a one month period from the date of such offeror's notice, orders otherwise.

14.11.22 Shareholder suits

Class actions and derivative actions are generally not available to shareholders under Bermuda law. Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it. However, generally a derivative action will not be permitted where there is an alternative action available that would provide an adequate remedy. Any property or damages recovered by derivative action go to the company, not to the plaintiff shareholders. When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the court, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company or that the company be wound up. A statutory right of action is conferred on subscribers to shares of a Bermuda company against persons (including directors and officers) responsible for the issue of a prospectus in respect of damage suffered by reason of an untrue statement contained in the Prospectus, but this confers no right of action against the Bermuda company itself. In addition, an action can be brought by a shareholder on behalf of the company to enforce a right of the company (as opposed to a right of its shareholders) against its officers (including directors) for breach of their statutory and fiduciary duty to act honestly and in good faith with a view to the best interests of the company.

14.11.23 Pre-emptive rights

Under the Bermuda Companies Act, no shareholder has a pre-emptive right to subscribe for additional issues of a company's shares unless, and to the extent that, the right is expressly granted to the shareholder under the bye-laws of a company or under any contract between the shareholder and the company.

The Bye-laws do not provide for pre-emptive rights.

14.11.24 Form and transfer of Shares

Subject to the Bermuda Companies Act, the Bye-laws and any applicable securities laws, there are no restrictions on trading in the Shares. The Board is however required by Bye-law 43 to decline to register the transfer of any Share to a person where the Board is of the opinion that such transfer might breach any law or requirement of any authority or any stock exchange or quotation system upon which the Shares are listed, from time to time, until it has received such evidence as the Board may require to satisfy itself that no such breach would occur.

14.11.25 Issuance of common Shares

The Board's mandate to increase the Company's issued share capital is limited to the extent of the authorised share capital of the Company in accordance with its Memorandum of Association and Byelaws, which are in accordance with Bermuda law. The authorised share capital of the Company may be increased by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders.

14.11.26 Capital reduction

The Company may, by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders, cancel Shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

14.11.27 Redeemable preference Shares

The Bye-law 58 provides that, subject to the Companies Act and to any confirmation or consent required by law or the Bye-laws, the Company may resolve from time to time to convert any preference shares into redeemable preference

shares. The Company has neither issued any preference shares, nor any redeemable preference shares, as at the date of this Prospectus.

14.11.28 Annual accounts

The Board is required to cause to be kept accounting records sufficient to give a fair presentation in all material respects of the state of the Company's affairs. The accounting records are kept at the Company's registered office or at such other place(s) as the Board thinks fit. No shareholder has any right to inspect any accounting records of the Company except as required by law, a stock exchange or quotation system upon which the Shares are listed or as authorized by the Board or by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders. A copy of every balance sheet and statement of income, which is to be presented before the Company in a general meeting, together with a copy of the auditor's report is to be sent to each the Company's shareholders in accordance with the requirements of Bye-law 151 and the Bermuda Companies Act.

14.11.29 Dividends

The Company shareholders have a right to share in the Company's profit through dividends. The Board may from time to time declare cash dividends (including interim dividends) or distributions out of contributed surplus to be paid to the Company's shareholders according to their rights and interests as appear to the Board to be justified by the position of the Company. The Board is prohibited by the Bermuda Companies Act from declaring or paying a dividend, or making a distribution out of contributed surplus, if there are reasonable grounds for believing that (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities. The Board may deduct from a dividend or distribution payable to any shareholder all monies due from such shareholder to the Company on account of calls or otherwise. The Bye-laws provide that any dividend or distribution out of contributed surplus unclaimed for a period of six years from the date of declaration of such dividend or distribution shall be forfeited and shall revert to the Company, and that the payment by the Board of any unclaimed dividend or distribution into a separate account shall not constitute the Company a trustee in respect thereof. There are no dividend restrictions or specific procedures for non-Bermudian resident shareholders under Bermuda law or the Bye-laws and/or the Memorandum of Association.

All of the above shareholder rights are vested in the nominal shareholder recorded in the Company's register of members in Bermuda. The shareholders must, as per the terms of the Registrar Agreement, exercise these rights through the Registrar by instructing the Registrar to vote their shares on their behalf in the Company's general meeting. Alternatively, the shareholders may, by instruction to the Registrar, demand that their beneficial interests to the Common Shares is listed directly in the Company's register of members, in which case the number of Shares will be reduced and the same number of underlying shares would be registered in the name of such shareholder in the Company's register of members. The Shares will, in the latter case, no longer be tradable on the Oslo Stock Exchange.

14.11.30 Winding up

In the event of the winding up and liquidation of the Company, the liquidator may, with the sanction of a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders, and any other sanction required by the Bermuda Companies Act, divide among the shareholders in specie or kind all or any part of the assets of the Company and may for such purposes set such values as he deems fair upon any property to be divided and may determine how such division is to be carried out between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest all or part of the Company's assets in trustees upon such trust for the benefit of the shareholders, however, no shareholder will be compelled to accept any shares or other assets in respect of which there is any liability.

14.12 Registration of the Shares

14.12.1 Introduction

The Company's register of members is maintained and kept in Bermuda by the Company, at the Company's registered office at S.E. Pearman Building, 2nd floor, 9 Par-la-Ville Road, Hamilton HM 11, Bermuda. The underlying shares in the register of members are kept in a registered book-entry form.

All Shares admitted to trading on Oslo Stock Exchange must be registered in the VPS, which is Norway's paperless centralized securities registry. To achieve compatibility of the requirements of Bermuda company law as to the registration and transfer of shares with Norwegian requirements, the underlying Common Shares will, for the purpose of Bermuda company law, be entered in the Company's register of members in the name of the Registrar, which will hold such shares as nominee on behalf of the beneficial owners. For the purpose of enabling trading in the Shares on Oslo Stock Exchange, the Company will maintain a register in VPS operated by the Registrar as the Company's account

operator, where the Shares, being the depository receipts that represent the beneficial interests in the Common Shares and transfer of the Shares will be recorded. These arrangements are set out in the Registrar Agreement.

In accordance with market practice in Norway and requirements of VPS and Oslo Stock Exchange, the investors will be registered in VPS as beneficial owners of the underlying Common Shares and the instruments listed and traded on Oslo Stock Exchange will be referred to as Shares in the Company, being the depository receipts that represent the beneficial interests in the Common Shares. For the purpose of Bermuda law, the Registrar will, however, be regarded as the owner of the underlying Common Shares and investors registered as owners of the Shares in VPS will have to exercise, indirectly through the Registrar as their nominee, all rights of ownership relating to the underlying Common Shares. The investors registered as owners in VPS must look solely to the Registrar for the payment of dividends, for the exercise of voting rights attached to the underlying Common Shares, and for all other rights arising in respect of the underlying Common Shares. The Registrar Agreement provides that, whenever the Registrar receives any notice, report, accounts, financial statements, circular or other similar document relating to the Company's affairs, including notice of a shareholders' meeting, the Registrar shall ensure that a copy of such document is promptly sent to the investors registered as owners in VPS, along with any proxy card form or other relevant materials.

All transactions related to Shares registered with the VPS must be recorded in the VPS and the transactions are recorded through computerized book-entries. No physical share certificates are or can be issued for Shares registered with VPS. VPS confirms each entry by sending a notification of the transaction to the relevant investor, regardless of beneficial ownership. The evidence of ownership through the VPS is the only formality required in order to acquire and sell beneficial ownership of the underlying Common Shares on Oslo Stock Exchange. To affect these entries, the investor must establish a securities account with a Norwegian account operator unless the shareholder's Shares are registered in the name of a nominee. Norwegian banks, licensed investment firms in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account operators. Subject to the qualifications set out above, the entry of a transaction in VPS is under Norwegian law prima facie evidence in determining the legal rights of parties as towards the issuing company and against a third party claiming an interest in the security.

14.12.2 The Registrar Agreement

Pursuant to the Registrar Agreement, the Registrar has registered the Shares in the VPS register, as the underlying Common Shares are registered in the Company's shareholder register in the name of the Registrar. The shareholders must look solely to the Registrar for the payment of dividends, for the exercise of voting rights attaching to the Shares and for all other rights arising in respect of the Shares. In order to exercise any rights directly as shareholder, a shareholder holder must retire his or her Shares in the VPS in exchange for shares in order to be entered into the Company's register of members kept at Bermuda. Such exchange will disable trading of such associated Shares on Oslo Stock Exchange. Shareholders who wish to retire their Shares in the VPS must contact the Registrar.

The Company will pay dividends (if any) directly to the Registrar, which in turn has undertaken to distribute the dividends and other declared distributions to the shareholders in accordance with the Registrar Agreement. For further information on future payments of dividends on the Shares (if any), please refer to Section 6.3 "Manner of dividend payments" for further information. The Registrar will not hold any right to share in profits and any liquidations surplus which are not passed on to the shareholders.

The Registrar shall not attend nor vote at any of the Company's general meetings, other than pursuant to an authorization from the shareholders.

The shareholders have the right to require the Shares to be exchanged for underlying Common Shares. If this is exercised by a shareholder, the Registrar may submit an application to the Board of Directors and request transfer of underlying Common Shares from the account of the Registrar to a new account in the name of the shareholder. The Board of Directors should not unreasonably withhold approval of such applications.

The Registrar Agreement is subject to Norwegian law and, accordingly, all the Shares are established under Norwegian law. The Company may terminate the Registrar Agreement with three (3) months' prior written notice. The Registrar may terminate the Registrar Agreement with justifiable cause with three (3) months' prior written notice. Either the Company or the Registrar may terminate the Registrar Agreement immediately upon written notice of any material breach of the Registrar Agreement by the other party, unless such breach is rectified within 10 business days. The Company's failure to fulfil payment obligations shall always be considered a material breach of the Registrar Agreement. In the event the Registrar Agreement is terminated, the Company will use its reasonable best efforts to enter into a replacement agreement for the purposes of permitting the uninterrupted listing of the Shares on Oslo Stock Exchange.

There can be no assurance however, that it would be possible to enter into such an agreement on substantially the same terms or at all. A termination of the Registrar Agreement could, therefore, adversely affect the Listing of the Shares on Oslo Stock Exchange.

The Registrar's liability for loss has been restricted under the Registrar Agreement. The Registrar has also disclaimed liability for any losses suffered as a result of VPS' errors or negligence. VPS is liable for any direct economic loss resulting from an error in connection with its registration activities unless the error is caused by matters outside the control of VPS and which VPS could not reasonably be expected to avoid or of which VPS could not reasonably be expected to overcome the consequences. The courts may reduce or set aside VPS' liability if the person who has suffered the loss has contributed to the loss wilfully or negligently.

The Shares are registered with VPS under the ISIN BMG 9156K1018.

14.13 Requirement to Provide Information to the Company

As a company listed on an appointed stock exchange, the Company is exempted from the duty imposed on companies generally by the Companies Amendment Act 2018 to establish and maintain a beneficial ownership register. However, Bye-laws 172 to 174 provide that it is a term of issue of the Company's Shares that the Company may by notice in writing require any registered shareholder to give the Company particulars of such shareholder's past or present interest of any kind in such Shares, and where applicable, require such registered shareholder to provide particulars with respect to the interests of any other person in the shares. By virtue of these provisions, the Company may require any person holding Shares in a nominee or similar capacity to provide the Company with details of the identity of the persons holding beneficial interests in the Company's Shares.

14.14 Shareholder agreements

At the time of the Listing, there will be no shareholders' agreements related to the Shares of which the Company is aware.

15 SECURITIES TRADING IN NORWAY

15.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. As at 31 August 2020, the total capitalisation of companies listed on the Oslo Stock Exchanges (including the Merkur Market) amounted to approximately NOK 2,607 billion. Shareholdings of non-Norwegian investors as a percentage of total market capitalisation as at 31 August 2020 amounted to approximately 40%.

The Oslo Stock Exchange has three separate listing alternatives for companies; Oslo Stock Exchange (the “main board” suitable for larger companies with operating history and existing shareholder base), Oslo Axess (for companies with less than three years operating history) and Merkur Market (newly established or small growth companies). Merkur Market is a multilateral trading facility, while Oslo Stock Exchange and Oslo Axess are regulated exchanges.

The Oslo Stock Exchange also owns Fish Pool (90%) (an international commodity exchange trading salmon futures contracts) and NOTC (100%) (marketplace for unlisted shares).

The Oslo Stock Exchange has entered into a strategic cooperation with the London Stock Exchange group with regards to, *inter alia*, trading systems for equities, fixed income and derivatives.

15.2 Trading and settlement

Trading of equities on Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours Central European Time (the “CET”) and 16:20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post-trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Securities traded on Oslo Stock Exchange are cleared through a central counterparty (CCP). The three central counterparties currently authorized to clear trades in shares on OSE are Euro CCP, LCH Limited and Six x-clear. Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

15.3 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or from the time a company has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant

effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

15.4 The VPS and transfer of shares

The Company's share register for the Shares is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's Memorandum of Association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

15.5 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners.

15.6 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

15.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

15.8 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be

undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

15.9 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (or provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorised to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

15.10 Compulsory acquisition

Under Bermuda law, an acquiring party is generally able to acquire, compulsorily, the shares of minority holders in a company. This can be achieved by a procedure under the Companies Act known as a "scheme of arrangement" or by a tender offer, as explained below. A scheme of arrangement may be effected by obtaining the agreement of the company and of holders of common shares, comprising in the aggregate a majority in number representing at least 75% in value of the shareholders (excluding shares owned by the acquirer) present and voting at a meeting ordered by the Bermuda

Supreme Court held to consider the scheme of arrangement. Following such approval by the shareholders, the Bermuda Supreme Court must then sanction the scheme of arrangement. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.

In the case of a tender offer, if an offeror has, within four months after the making of an offer for all the shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90% or more in value of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its shares on the same terms, including as to the form of consideration, as the original offer. In such circumstances, non-tendering shareholders could be compelled to transfer their shares, unless the Bermuda Supreme Court (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.

Where the acquiring party or parties hold not less than 95% of the shares of a company, by acquiring, pursuant to a notice given to the remaining shareholders, the shares of such remaining shareholders – when such notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Bermuda Supreme Court for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

The above procedure will require that the sub-register of shareholders of the Company in the VPS is closed down and the beneficial interest in the Shares reflected therein is transferred to the primary shareholder register kept by the Company in Bermuda.

15.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

16 TAXATION

Set out below is a summary of certain Bermuda and Norwegian tax matters related to an investment in the Company. The summary regarding Bermuda and Norwegian taxation is based on the laws in force as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes. The tax legislation of a shareholder's Member State and of the Company's country of incorporation may have an impact on the income received from the securities. The statements in the summary only apply to shareholders who own Shares.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

16.1 Bermuda taxation applicable to the Company

The Company is incorporated under Bermuda law and must comply with the Economic Substance Act 2018 and the Economic Substance Regulations 2018 which became operative on 31 December 2018. These regulations require compliance with an economic substance test which requires us to (i) carry out activities that are of central importance to the entity from the jurisdiction, (ii) hold an adequate number of board meetings in Bermuda and (iii) have an adequate (a) amount of operating expenditures, (b) physical presence and (c) number of full-time employees in Bermuda.

Under current Bermuda law, there is no income or profit tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company in Bermuda. The Minister of Finance of Bermuda has, under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, as amended, given the Company an assurance that, in the event any legislation is enacted in Bermuda imposing any tax computed on profits, income, capital asset, gain or appreciation, such tax shall not, until after 31 March 2035, be applicable to the Company or any of its operations or the Shares or any debentures or other obligations of the Company, except insofar as such tax will be payable by the Company in respect of real property owned or leased by the Company in Bermuda. All entities employing individuals in Bermuda are required to pay a payroll tax and there are other sundry taxes payable, directly or indirectly, to the Bermuda government.

Given the limited duration of this assurance, it is not certain that the Company will not be subject to any Bermuda taxation after 31 March 2035.

16.2 Other jurisdictions and general tax issues

The Company is, as of the date hereof, not deemed to be a tax resident in any other jurisdictions than Bermuda. As for the Group, individual Group Companies will, when operating in a jurisdiction, normally be taxed on its income and capital gain generated in such jurisdiction in accordance with local rules. Finally, some jurisdictions may apply withholding taxes on dividends and other payments by an operating entity to the Company.

Norwegian authorities amended Norway's tax code in 2018, by including a provision in the tax rules whereby a non-Norwegian company (such as the Company or a subsidiary) may be considered tax resident in Norway if it has its "effective place of management in Norway". The interpretation of this principle is functional and shall "take into account the management at the level of the Board of Directors and daily management but also other factors pertaining to the company's organisation and activities". No assurance can be given that Norway will not claim that the Company or any subsidiary is tax resident in its jurisdiction, which may increase taxes payable.

16.3 The shareholders

16.3.1 Bermuda

The Company's shareholders will not, based on their shareholding in the Company only, be taxable in Bermuda as of the date hereof. The assurance obtained by the Company from the Minister of Finance of Bermuda referred to in 16.1 "Bermuda taxation applicable to the Company" above covers taxation of the Company's shareholders as well. Hence, in the event any legislation is enacted in Bermuda imposing any tax on the Shares or dividends paid on the Shares or in the nature of estate duties or inheritance tax on the transfer of Shares, such tax shall not, until after 31 March 2035, be applicable on the Company's shareholders except insofar as such shareholders may be tax resident in Bermuda.

16.4 Norwegian taxation

16.4.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals residing in Norway for tax purposes (the “**Norwegian Personal Shareholders**”) are taxable in Norway for such shareholders currently at an effective tax rate of 31.68% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.44 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 31.68%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (Nw.: *statskasserveksler*) with three months maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share (“excess allowance”) may be carried forward and set off against future dividends received on, or gains upon realization, of the same share (but may not be set off against taxable dividends or capital gains on other Shares). Furthermore, excess allowance can be added to the cost price of the share and included in basis for calculating the allowance on the same share the following year.

The Shares will not qualify for Norwegian share saving accounts (Nw: aksjesparekonto) held by Norwegian Personal Shareholders since the Company is resident outside the EEA for tax purposes.

Norwegian Corporate Shareholders

Dividends distributed to owners of Shares who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes (the “**Norwegian Corporate Shareholders**”), are taxable as ordinary income in Norway for such owners at a flat rate of 22%.

16.4.2 Taxation of capital gains on realisation of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realized by Norwegian Personal Shareholders is currently 31.68%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.44 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses realized by Norwegian Personal Shareholders to 31.68%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 16.4.1 “Taxation of dividends” above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled. Unused allowance may not be set off against gains from realization of other shares.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

The Shares will not qualify for Norwegian share saving accounts (Nw: aksjesparekonto) held by Norwegian Personal Shareholders since the Company is resident outside the EEA for tax purposes.

Norwegian Corporate Shareholders

The Company is resident of Bermuda (which for Norwegian tax purposes is deemed a “low-tax jurisdiction” and outside the EEA), any capital gain or loss derived by a Norwegian Corporate Shareholder from a disposal of Shares will generally be taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of general income in the year of realization at a rate of 22% (2020).

16.4.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. In 2020 the value for assessment purposes for listed shares is equal to 65% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 65%).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

16.4.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

16.4.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

17 ADDITIONAL INFORMATION**17.1 Auditor and advisors**

The Company's independent auditor is PricewaterhouseCoopers AS, with business registration number 987 009 713, and registered address at Dronning Eufemias gate 71, 0194 Oslo, Norway. PwC is a member of Den Norske Revisorforening (The Norwegian Institute of Public Accountants). PwC has acted as the Company's appointed auditor since the Company's incorporation.

Clarksons Platou Securities AS (Munkedamsveien 62C, 0270 Oslo, Norway) is acting as the Company's financial advisor for the Listing.

Ro Sommernes advokatfirma DA (P.O. Box 1983 Vika, N-0125, Fridtjof Nansens plass 7 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

MJM Limited (P.O. Box HM 1564, Hamilton HM FX, Bermuda) is acting as Bermuda legal counsel to the Company.

17.2 Documents on display

Originals of the following documents are held by the Company at the registered address in Bermuda, but copies will be able for physical inspection at S. E. Pearman Building, 2nd Floor, 9 Par-la-Ville Road, Hamilton HM11, Bermuda, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus and the documents are also available at <https://2020bulkera.com/>:

- the Company's certificate of incorporation, Memorandum of Association and Bye-laws;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus;
- the historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of this Prospectus; and
- this Prospectus.

17.3 Incorporation by reference

The following table sets forth an overview of documents incorporated by reference in this Prospectus. No information other than the information referred to in the table below is incorporated by reference. Where parts of a document are referenced, and not the document as a whole, the remainder of such document is either deemed irrelevant to an investor in the context of the requirements of this Prospectus, or the corresponding information is covered elsewhere in this Prospectus.

Section in Prospectus	Page number in Prospectus	Incorporated by reference	Reference document and link
10.3	42-48	The Group's Consolidated Financial Statements, incl. audit report, for 2017 ⁵⁰	https://2020bulkera.com/wp-content/uploads/2020/08/2020-Bulkera-Consolidated-Financial-Statements-2017.pdf
10.3	42-48	The Group's Consolidated Financial Statements, incl. audit report, for 2018	https://2020bulkera.com/wp-content/uploads/2020/08/2020-Bulkera-Consolidated-Financial-Statements-2018.pdf
10.3	42-48	The Group's Consolidated Financial Statements, incl. audit report, for 2019	https://2020bulkera.com/wp-content/uploads/2020/05/Annual-Report-2019.pdf
10.3	42-48	The Group's condensed Interim Financial Statement for the six months to 30 June 2020	https://2020bulkera.com/wp-content/uploads/2020/08/2020-Bulkera-Consolidated-Financial-Statements-Q2-2020.pdf

⁵⁰ The Group's Consolidated Financial Statements for 2017 have been prepared in accordance with IFRS. The 2017 figures in the Group's Consolidated Financial Statements for 2018 have been prepared in accordance with the US GAAP.

18 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

2020 Bulkera	2020 Bulkera Ltd., the Company.
2020 Bulkera Management AS.....	Wholly-owned subsidiary of 2020 Bulkera Ltd., responsible for the management of the Company's fleet.
Annual General Meeting	The Company's annual general meeting.
APPS.....	The U.S. Act to Prevent Pollution from Ships.
ASC 606.....	Revenue recognition standard issued by Financial Accounting Standards Board on 28 May 2014, known as Revenue from Contracts with Customers.
Basel Convention.....	The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal.
Bermuda Bribery Act.....	The Bribery Act 2016
Bermuda Companies Act	The Companies Act, 1981, as amended
BMA.....	Bermuda Monetary Authority.
Board of Directors or Board	The board of directors of the Company.
Board Members	The members of the Board of Directors.
BWM Convention	The International Convention for the Control and Management of Ships' Ballast Water and Sediments in February 2004.
BWTS	Ballast Water Treatment Systems.
Bye-Laws	Bye-laws of 2020 Bulkera Ltd.
CAA	The U.S. Clean Air Act.
CAGR.....	Compound annual growth rate.
Capesize	A term used for dry bulk vessels above 100,000 dwt carrying capacity.
CEO.....	Chief Executive Officer.
CERCLA.....	The Comprehensive Environmental Response, Compensation and Liability Act.
CET	Central European Time.
CFO	Chief Financial Officer.
Clarksons Platou Securities	Clarksons Platou Securities AS, Financial Advisor.
Clarksons PLC	Ultimate parent company of Clarksons Platou Securities AS.
Clarksons Research Services Limited	A subsidiary of Clarksons PLC.
CLC	The International Convention on Civil Liability for Oil Pollution Damage of 1969.
Code.....	Norwegian Code of Practice for Corporate Governance, dated 30 October 2014.
Common Share or Common Shares	The Company's underlying common shares, each with a nominal value of USD 1.00
Company.....	2020 Bulkera Ltd.
Consolidated Financial Statements	2020 Bulkera Ltd.'s audited Consolidated Financial Statements for the period ended 31 December 2017, the year ended 31 December 2018 and the year ended 31 December 2019.
CTO.....	Chief Technical Officer.
CWA	The U.S. Clean Water Act.
Declaration	An annual economic substance declaration that has to be filed with the Registrar as required by the Economic Substance Act.
Dwt	Deadweight tonnage.
EEA	The European Economic Area.
ECAs.....	Emission Control Areas
Economic Substance Act.....	The Economic Substance Act 2018 of Bermuda.
Economic Substance Regulations	The Economic Substance Regulations 2018 of Bermuda.
EPA	The U.S. Environmental Protection Agency.
EU	The European Union.
EU Prospectus Directive.....	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Member State.
Financial Advisor	Clarksons Platou Securities AS.

Forward-looking statements.....	Statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts.
General Meeting	The Company's general meeting of shareholders.
Group	2020 Bulkera Ltd., together with its consolidated subsidiaries.
HFO	Heavy fuel oil.
Hong Kong Convention	The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009.
IMO	International Maritime Organization
IMO 2020	IMO's new regulation on limiting the sulphur cap for marine fuels globally, which came into effect on 1 January 2020.
IMSBC Code.....	International Maritime Solid Bulk Cargoes Code.
Interim Financial Statements	2020 Bulkera Ltd.'s unaudited financial statements for the period from 1 January 2019 to 30 June 2019 and from 1 January 2020 to 30 June 2020.
ISM Code	International Maritime Organization's International Safety Management Code.
Listing.....	The listing of the Shares on Oslo Stock Exchange.
LTI Plan	Long-term Incentive Plan.
Management	The senior management team of the Company.
Management Agreement	The management agreement entered into by and between 2020 Bulkera Ltd. and 2020 Bulkera Management AS, dated 24 April 2019.
MARPOL	The International Convention for the Prevention of Pollution from Ships.
Member State	Each Member State of the EEA which has implemented the EU Prospectus Directive.
MDO	Marine Diesel Oil.
MGO	Marine Gas Oil.
Memorandum of Association	The Company's Memorandum of Association.
MTSA	The U.S. Maritime Transportation Security Act of 2002.
New Times.....	New Times SB Jingjiang shipyard in China.
Newcastlemax	A term used for the largest dry bulk vessels that can enter the port of Newcastle, Australia with a carrying capacity around 210,000 dwt.
Newsweb	Oslo Stock Exchange's information system.
NOK.....	Norwegian Kroner, the lawful currency of Norway.
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders ..	Shareholders who are individuals not resident in Norway for tax purposes.
Norwegian Corporate Shareholders.....	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes.
Norwegian FSA.....	The Norwegian Financial Supervisory Authority (<i>Nw.: Finanstilsynet</i>).
Norwegian Personal Shareholders.....	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Public Limited Companies Act	The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (<i>Nw.: allmennaksjeloven</i>).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (<i>Nw.: verdipapirhandelloven</i>).
ODA	The U.S. Ocean Dumping Act.
OPA	U.S. Oil Pollution Act of 1990.
Oslo Stock Exchange.....	Oslo Børs ASA, or, as the context may require, Oslo Børs or Oslo Stock Exchange, Norwegian regulated markets operated by Oslo Børs ASA.
PFIC	A passive foreign investment company for U.S. federal income tax purposes.
Prospectus.....	This Prospectus, dated 29 October 2020.
PwC.....	PricewaterhouseCoopers AS, the Company's independent auditor.
Regulation S	Regulation S under the U.S. Securities Act.
Registrar	DNB BANK ASA, Dronning Eufemias gate 30, 0191 Oslo, Norway
Registrar Agreement.....	Registrar agreement dated 20 November 2017 between DNB Bank ASA, Verdipapirservice, 0021 Oslo, Norway, and the Company, whereby DNB Bank

	ASA, Verdipapirservice, is appointed to registrar the beneficial ownership of the Common Shares in VPS.
Revolving Credit Facility Agreement.....	The Revolving Credit Facility Agreement of USD 5.5 million signed by and between the Company and Drew Holdings Limited (a trust established for the benefit of Tor Olav Trøim) on 1 July 2019.
Share or Shares	The beneficial interest in the Company's Common Shares as registered in the VPS as listed and traded on the Oslo Stock Exchange in the form of a depository receipt, cf. the Norwegian Securities Trading Act section 2-4 (2).
Ship Recycling Regulation.....	E.U. Regulation (EU) No 1257/2013 on Ship Recycling.
SOLAS	Safety of Life at Sea Convention.
Subsidiaries	100% owned subsidiaries of 2020 Bulkera Ltd; namely 2020 Bulkera Sandefjord Inc., 2020 Bulkera Santiago Inc., 2020 Bulkera Seoul Inc., 2020 Bulkera Shanghai Inc., 2020 Bulkera Shenzhen Inc., 2020 Bulkera Sydney Inc., 2020 Bulkera Sao Paulo Inc., 2020 Bulkera Santos Inc.. Six of the eight subsidiaries are vessel owning.
TCE	Time charter equivalent.
Term Loan Facility Agreement.....	The bank financing agreement entered into by and between the Group and the Term Loan Facility Agreement Lenders, dated 14 February 2019.
Term Loan Facility Agreement Lenders..	Danske Bank A/S (as Facility Agent and Security Agent), Nordea Bank Abp, filial i Norge and and Skandinaviska Enskilda Banken AB (publ).
UK	The United Kingdom.
UN	United Nations.
U.S. dollars, USD or \$	The lawful currency of the United States of America.
U.S. or United States	The United States of America.
U.S. Foreign Corrupt Practices Act	The US Foreign Corrupt Practices Act of 1977, a federal law that addresses accounting transparency requirements under the Securities Exchange Act and other concerning bribery of foreign officials.
US GAAP	General Accepted Accounting Principles in the United States of America
U.S. Securities Act.....	The U.S. Securities Act of 1933, as amended.
USCG	The U.S. Coast Guard.
Waste Shipment Regulation	E.U. Regulation (EC) No 1013/2006 on Shipments of Waste.
VPS	The Norwegian Central Securities Depository (<i>Nw.: Verdipapirsentralen</i>).



To the shareholders and Board of Directors of 2020 Bulkers Limited

Independent Auditor's Report

Opinion

We have audited the consolidated financial statements of 2020 Bulkers Limited and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31 December 2019, consolidated statement of operations, consolidated statement of cash flows and the consolidated statement of changes in shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment assessment for vessels and newbuildings

Refer to note 2 (Accounting policies) and note 10 (Vessels and Newbuildings) where management explains how they assess the value of the vessels.

The Group owns four Newcastlemax vessels, which transport dry cargoes globally. The vessels have a combined carrying amount of USD 188.8 million.

The Group also has four Newcastlemax Newbuilding assets for which payments have been made in line with completion

We evaluated and challenged management's assessment of indicators of impairment and the process by which this was performed. We assessed management's accounting policy against US GAAP and obtained explanations from management as to how the specific requirements of the standards, in particular ASC 360, were met. We also assessed the consistency year on year of the application of the accounting policy.

In order to assess the estimates for fair value less costs of disposal as an indicator of impairment, management compiled broker valuation certificates for the vessels and

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milestones. The Group has not recognized an impairment on the Newcastlemax vessels or the Newcastlemax newbuildings in 2019.

Indicators for the Vessels and Newbuildings were assessed and not considered present during 2019 nor per the balance sheet date. As explained in the notes, management considered among others, the conditions in dry bulk freight market, estimated fair value less cost of sale of the vessels, and market capitalization versus net book value of the Group, which gave no indication of impairment. As a result of the above factors, management has not performed an impairment test.

Management considers each vessel to be a cash generating unit ("CGU" or "vessel") in their assessment of impairment indicators, consequently we assessed for impairment indicators on the same basis.

We focused on this area due to the significant carrying value of the vessels and the judgement inherent in the assessment of indicators of impairment.

newbuildings. We satisfied ourselves that the external brokers had both the objectivity and the competence to provide the estimate. In order to assess this, we corroborated that under the terms of the bank lending facilities, specific brokers are identified as being approved for use, for purposes of minimum value clause covenant reporting. Management used brokers from this approved list. We interviewed selected brokers to understand how the estimates for fair value were compiled. We also satisfied ourselves that the brokers were provided with relevant facts in order to determine such an estimate, by testing key inputs such as build date, build location and certain key specifications back to the ships register. We concluded that management sufficiently understood the valuations from third party brokers, including having obtained an understanding of the methodology used in arriving at the valuations and performing sensitivity analysis and performing comparisons to other available market data where possible.

In order to assess each of the assumptions in the impairment indicator assessment, we interviewed management and challenged their assumptions. We used current and historical external market data to corroborate the freight rates assessed by management. We challenged management on their assessment of current market rates. We also corroborated management's assessment with external market reports where possible. We considered that freight rates used by management were within an appropriate range and changes did not lead to any indication of impairment.

We have read note 10 (Vessels and Newbuildings) and assessed this to be in line with the requirements. Further, we ensured that note 19 Subsequent events did not contain information that affected our assessment of impairment.

No matters of consequence arose from the procedures above.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

(2)



- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Stavanger, 17 March 2020
PricewaterhouseCoopers AS

Gunnar Slettebø
State Authorised Public Accountant

(4)



the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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2020 BULKERS

2020 Bulkera

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