



2020 BULKERS LTD

RESULTS FOR THE THIRD QUARTER OF 2020

Hamilton, Bermuda, November 12, 2020

2020 Bulkera Ltd (2020) ("2020 Bulkera" or the "Company"), today announced its unaudited financial and operating results for the three and nine months ended September 30, 2020.

Key events during the third quarter of 2020

- The Company reported net profit of US\$4.8 million and EBITDA of US\$10.6 million for the third quarter of 2020.
- Achieved average time charter equivalent earnings of approximately US\$22,100, per day, gross.
- In September 2020, the Company paid dividends of US\$0.01 per share for the month of July, 2020.
- In September 2020, the Company 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 US\$18,000 per day, gross, as well as share of the fuel savings generated from the scrubber.
- In October 2020, the Company paid dividends of US\$0.03 per share and US\$0.06 per share for the months of August and September, 2020, respectively.

Subsequent Events

- On November 2, 2020, the listing of the Company's shares was successfully transferred from Oslo Axess to Oslo Børs
- Achieved average time charter equivalent earnings so far in the fourth quarter of approximately US\$21,700, per day, gross.
- Declared dividend of US\$0.07 per share for the month of October, payable on or about November 27, 2020.

Management discussion and analysis

Consolidated Statements of Operations

Three months ended September 30, 2020

Operating revenues were US\$15.7 million for the three months ended September 30, 2020 (US\$2.2 million in Q3 2019). The increase is driven by the entire fleet of eight vessels being in operation for the full quarter whereas only two of the vessels were operating during Q3 2019.

Total operating expenses were US\$8.0 million for the three months ended September 30, 2020 (US\$1.4 million in Q3 2019). Total operating expenses consists of vessel operating expenses, voyage expenses, general and administrative expenses and depreciation and amortization.

Vessel operating expenses were US\$3.9 million and US\$0.3 million for the three months ended September 30, 2020 and 2019, respectively. The increase is primarily due to eight vessels in operation during Q3 2020 compared to two vessels in operation part of Q3 2019 and estimated US\$0.3 million in Covid-19 related expenses.

Voyage expenses were US\$0.3 million for the three months ended September 30, 2020 (US\$ nil for Q3, 2019). The increase compared to the three months ended September 30, 2019 is due to commission for the eight vessels in operation for the full quarter.

General and administrative expenses were US\$0.9 million for the three months ended September 30, 2020 (US\$1.0 million in Q3 2019). The decrease compared to the three months ended September 30, 2019 is due to higher non-cash share option cost and Oslo Axess listing costs partly offset by lower activity during the three months ended September 30, 2019.

Depreciation and amortization were US\$2.9 million for the three months ended September 30, 2020 (US\$0.1 million in Q3 2019). The increase compared to the three months ended September 30, 2019 relates to depreciation on vessels delivered during the fourth quarter of 2019 and first half of 2020.

Total financial expenses, net, were US\$2.9 million for the three months ended September 30, 2020 (US\$ nil for Q3 2019). The principal items in the third quarter were:

- Interest expense of US\$2.8 million on long-term debt
- Other financial expense of US\$0.1 million

Nine months ended September 30, 2020

Operating revenues were US\$34.3 million for the nine months ended September 30, 2020 (US\$2.2 million for the nine months ended September 30, 2019). The increase compared to the nine months ended September 30, 2019 is driven by four vessels in operation for the full nine months, Bulk Shenzhen and Bulk Sydney commenced operation in January 2020 and Bulk Sao Paulo and Bulk Santos commenced operation in June 2020. Bulk Sandefjord and Bulk Santiago commenced operation in August and September 2019, respectively.

Total operating expenses were US\$19.4 million for the nine months ended September 30, 2020 (US\$3.8 million for the nine months ended September 30, 2019).

Vessel operating expenses were US\$9.2 million and US\$0.3 million for the nine months ended September 30, 2020 and 2019, respectively. The increase compared to the nine months ended September 30, 2019 is driven by the expansion of the fleet as discussed above under Operating revenues. In addition, the Company estimates US\$0.3 million in Covid-19 related expenses for the three months ended September 30, 2020.

Voyage expenses were US\$1.0 million for the nine months ended September 30, 2020 (US\$ nil for the nine months ended September 30, 2019). The increase compared to the nine months ended September 30, 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 during the first half of 2020.

General and administrative expenses were US\$2.2 million for the nine months ended September 30, 2020 (US\$3.3 million for the nine months ended September 30, 2019). Please see analysis for the third quarter of 2020 which is also valid for the nine months ended September 30, 2020.

Depreciation and amortization were US\$7.0 million for the nine months ended September 30, 2020 (US\$0.2 million for the nine months ended September 30, 2019). Please see analysis for the third quarter of 2020 which is also valid for the nine months ended September 30, 2020.

Total financial expenses, net, were US\$7.4 million for the nine months ended September 30, 2020 (US\$ nil for the nine months ended September 30, 2019). The increase is primarily due to interest expense on additional long-term debt related to vessel financing.

Consolidated Balance Sheet

The Company had total assets of US\$397.9 million as of September 30, 2020, (December 31, 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 first half of 2020.

As of September 30, 2020, equity was US\$141.6 million which corresponds to an equity ratio of 35.6%. As of December 31, 2019, equity was US\$138.1 million which corresponds to an equity ratio of 48.8%.

Total liabilities as of September 30, 2020, were US\$256.3 million (December 31, 2019: US\$145.0 million). The increase is primarily attributable to four draw-downs on the term loan facility during the first half of 2020.

Consolidated Statement of Cash Flows

Three months ended September 30, 2020

Net cash provided by operating activities was US\$7.3 million for the three months ended September 30, 2020 (US\$1.1 million in Q3 2019). The improved cash flow compared to the three months ended September 30, 2019 is due to earnings from eight vessels in operation in Q3 2020. Two vessels were in operation during Q3 2019.

Net cash used in investing activities was US\$0.2 million for the three months ended September 30, 2020 (US\$57.0 million in Q3 2019). The Company paid delivery instalments of US\$55.9 million for “Bulk Sandefjord” and “Bulk Santiago” during Q3, 2019.

Net cash used in financing activities was US\$4.0 million during the three months ended September 30, 2020 (US\$60.0 million provided by financing activities in Q3 2019). The Company repaid US\$3.8 million of long-term debt during Q3 2020. In Q3 2019 the Company received proceeds from two draw-downs on the term loan facility.

Nine months ended September 30, 2020

Net cash provided by operating activities was US\$14.8 million for the nine months ended September 30, 2020 (US\$ nil for the nine months ended September 30, 2019). The increase compared to the nine months ended September 30, 2019 is due to earnings from four vessels in operation for the full nine months, Bulk Shenzhen and Bulk Sydney commenced operation in January 2020 and Bulk Sao Paulo and Bulk Santos commenced operation in June 2020.

Net cash used in investing activities was US\$124.0 million for the nine months ended September 30, 2020 (US\$124.2 million for the nine months ended September 30, 2019). The Company paid delivery instalments of US\$121.6 million for Bulk Shenzhen, Bulk Sydney, Bulk Sao Paulo and Bulk Santos during the nine months ended September 30, 2020. During the nine months ended September 30, 2019 the Company paid total instalments of US\$121.5 million including delivery instalments of US\$55.9 million on the Company’s newbuildings.

Net cash provided by financing activities was US\$108.5 million during the nine months ended September 30, 2020 (US\$128.5 million for the nine months ended September 30, 2019). The Company drew US\$120.0 million on the term loan facility when the Company paid delivery instalments for Bulk Shenzhen, Bulk Sydney, Bulk Sao Paulo and Bulk Santos during the nine months ended September 30, 2020. The Company also repaid US\$8.7 million of long-term debt as well as paying US\$1.7 million of dividends during the nine months ended September 30, 2020. The Company completed two private placements raising net proceeds of US\$63.6 million as well as drawing US\$60.0 million on the term loan facility during the nine months ended September 30, 2019.

Corporate Development and Financing

Q3 2020 marks the first quarter with the Company’s full fleet in operations. The Board is pleased that the Company has remained profitable for five consecutive quarters following delivery of the first vessel in Q3 2019.

As the Company has no further capital expenditure commitments, the Board is focusing on returning the majority of operational free cash flow after debt service back to shareholders on a monthly basis. The Company re-instated monthly cash distributions in July and has since then announced cash distributions totaling US\$0.17 per share.

The Company has a solid funding situation with a cash position of approximately US\$19 million as of November 11, 2020.

The Company currently has around US\$235 million of net debt, corresponding to approximately US\$29 million per ship. Based on the amortization profile of the debt and sale leaseback financing, debt will be repaid by approximately US\$15 million per year, corresponding to an annual average debt reduction of US\$1.85 million per ship.

Commercial update

The Company achieved average time charter equivalent earnings of approximately US\$22,100 per day, gross, in the third quarter of 2020. The Company's vessels trading on index-linked time charter earned approximately US\$30,200 per day, gross, including average daily scrubber benefits of approximately US\$1,500 per day and the Company's vessels on fixed time charter earned approximately US\$19,400 per day including average daily scrubber benefits of approximately US\$1,300 per day for two of the vessels.

The Baltic 5TC Capesize Index averaged US\$20,761 per day in Q3 2020.

So far in the fourth quarter, the Company has achieved time charter equivalent earnings of approximately US\$21,700 per day. The Baltic 5TC Capesize Index has averaged US\$21,247 per day in the same period.

Chartering update

2020 Bulk carriers has outperformed the Baltic 5TC index for 13 out of 15 months since delivery of its first vessel.

For the remainder of 2020, the Company has fixed employment for six vessels, covering approximately 71% of its total 400 operating days at an average TCE rate of US\$18,300 per day. The Company additionally earns a scrubber premium for three of the vessels trading on fixed rate time charters. The remaining two vessels are trading at index-linked time charters, where they also receive a premium related to the fuel cost savings from the scrubbers.

For 2021, the Company has fixed employment for 120 days at US\$18,000 per day and 2,800 days open or linked to the development in the Capesize spot market. Although the Company is likely to increase the level of fixed rate time charter coverage somewhat, the Company will seek to retain a significant spot exposure to an expected recovery in the Capesize market. The structure of the index-linked contracts allows the Company to increase the level of fixed rate coverage on the basis of the prevailing FFA market.

The current delivery chartering status is summarized in the table below:

Ship name	Delivery	Charterer	Rate US\$	Charter expiry
Bulk Sandefjord	Aug-19	Koch	14,378 + scrubber benefit until 31 Dec 2020, index Linked + premium + scrubber benefit thereafter	Aug-22
Bulk Santiago	Sep-19	Koch	19,525 until 15 Dec 2020, index linked + premium + scrubber benefit thereafter	Nov-21 – Jan-22
Bulk Seoul	Oct-19	Koch	22,250 until 31 Dec 2020, index linked + premium + scrubber benefit thereafter	Dec-21 – Feb-22
Bulk Shanghai	Nov-19	Glencore	18,000 + scrubber benefit	Mar – Jun-21
Bulk Shenzhen	Jan-20	Glencore	21,919	Dec-20 – Feb-21
Bulk Sydney	Jan-20	Koch	14,002 + scrubber benefit until 31 Dec 2020, index Linked + premium + scrubber benefit thereafter	Jan-23
Bulk Sao Paulo	Jun-20	Glencore	Index linked + premium + scrubber benefit	May – Jul-23
Bulk Santos	Jun-20	Glencore	Index linked + premium + scrubber benefit	May – Jul-23

Market commentary

The Baltic Capesize index today stands at US\$13,379 per day having averaged US\$21,247 per day so far in the fourth quarter and US\$13,114 year to date.

Global exports of iron continued to increase in the third quarter, with total exports of 404 million tons, up from 382 million tons in the second quarter and 340 million tons in the first quarter.

The Company believes that the improved Capesize rates in the second half of the year can largely be attributed to an increase in Brazilian shipment volumes. Brazilian iron ore exports reached 98 million tons in the third quarter, up from 80 million tons in the second quarter and 65 million tons in the first quarter. Vale, Brazil's largest iron ore producer is targeting a production level of more than 400 million tons of iron ore per year within the coming years, which may further support the Capesize market. The level of Brazilian ore exports has a significant impact on the Capesize market, as one ton of iron ore exported from Brazil requires

approximately three times the shipping capacity, compared to one ton exported from Australia.

The Chinese steel industry continues to be the most important demand driver for seaborne iron ore, with an estimated 70% share of total imports. Chinese iron ore imports are up 11% year over year for the period January through October 2020. Iron ore imports for October showed an increase of 15% compared to October last year.

Chinese iron ore port inventories currently stand at 128 million tons, compared to 126 million tons at the same time last year. The current inventories represent 37 days of consumption, down from 40 days at the same time last year.

Chinese steel production has continued to run at a high utilization rate with year to date production levels up 11.8% year over year, while the rest of the world has seen a drop in steel production of 6.7% compared to last year. The Company believes the Chinese economic stimulus following the Covid-19 outbreak will continue to have a positive effect on steel demand in the coming quarters. Demand in the rest of the world is expected to recover if and when an effective vaccine against Covid-19 can be widely distributed.

Growth in vessel supply is expected to abate in 2021 with a Capesize orderbook of 17.1 million DWT, down from expected deliveries of 24.8 million DWT in 2020. The Capesize orderbook for 2022 currently stands at 5.3 million tons. So far this year only 12 Capesize vessels have been ordered, the lowest level in more than 20 years. New ordering is expected to remain subdued due to lack of financing available from traditional lenders, as well as technological uncertainties as it relates to the optimal propulsion systems to meet the shipping industry's ambitions for de-carbonization.

Year to date, 45 Capesize vessels, totaling 10.5 million DWT have been scrapped.

Dry bulk fleet development

The global dry bulk fleet stands at 902 million dwt as of October 1, 2020, up from 863 million dwt on October 1, 2019.

The current orderbook for dry bulk vessels currently stands at 7.0% of the existing fleet, down from 11.2% in October 2019.

A total of 6.05 million dwt has been ordered year to date (October-20), significantly less than the 17.2 million dwt ordered during the same period in 2019 (October-19).

A total of 8.75 million dwt has been scrapped year to date (October-20), compared to 4.84 million dwt for the same period in 2019 (October-19).

Impact of Covid-19

Port restrictions, including immigration restrictions and quarantine measures related to Covid-19, continue to create challenges for crew changes on regular intervals. The Company estimates that operating expenses for the quarter was negatively impacted by approximately US\$350 per day per ship on average due to increased costs related to travel, quarantines and testing of crews. Additionally, the Company recorded approximately 3.7 days of off-hire in the third quarter due to vessels deviating from their optimal route in conjunction with crew changes.

We expect to continue to incur higher than normal operating expenses as well as some off-hire related to crew changes for as long as Covid-19 continues to have an impact. We continue to work closely with our technical managers to protect the safety and well-being of our crews while minimizing potential off-hire related to crew changes.

The Board would like to thank the dedicated seafarers aboard our vessels. These seafarers, many of whom have had their terms of service onboard extended due to logistical difficulties, are critical to the success of the Company.

Outlook

2020 Bulkers has a robust financial structure with moderate financial leverage and a solid cash position.

Our operating cash breakeven, which includes operating expenses, G&A and debt service, is for the remainder of 2020 largely covered by the six vessels on fixed rate time charters. For 2021, we expect operating cash breakeven of approximately US\$14,400 per day, including the additional costs related to Covid-19.

Based on the current FFA curve for 2021 we estimate 12 month time charter rates for a scrubber fitted Newcastlemax of around US\$19,000 per day.

The Company will continue its strong capital discipline, and will remain focused on returning the majority of free cash flow to shareholders as cash distributions.

Invitation to webcast and conference call Q3 2020 results

2020 Bulkers Ltd. will release its financial results for the third quarter of 2020 on Thursday, November 12, 2020. A conference call and webcast will be held at 3:00 PM CET. The earnings report and presentation will be available from the Investor Relations section on www.2020bulk.com on the same day.

In order to listen to the presentation, you may do one of the following:

Listen-only webcast (including the slide presentation): <https://edge.media-server.com/mmc/p/szz7cqx2> or you can click the “Webcast” link on www.2020bulk.com/investor-relations/

Telephone conference

Dial in details, Participants:

In the 10 minutes prior to call start time, please call the appropriate participant dial-in number and enter the Event Plus Passcode stated below. Please leave any information requested after the tone.

Event Plus Passcode:..... 5545634

Standard International: +44 (0) 2071 928338

Norway (local):..... +47 21 56 30 15

Norway (toll free):..... 800 568 65

UK (local):..... +44 (0) 844 481 9752

UK (toll free):..... 0800 279 6619

US (local):..... +1646 741 3167

US (toll free):..... 1877 870 9135

Participants will be asked for their full name & Conference ID.

There will be a Q&A session after the presentation.

Forward-Looking Statements

This announcement includes forward looking statements. Forward looking statements are, typically, statements that do not reflect historical facts and may be identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intends", "may", "should", "will" and similar expressions. The forward-looking statements in this announcement are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although 2020 Bulkera Ltd. believes that these assumptions are reasonable, they are, by their nature, uncertain and subject to significant known and unknown risks, contingencies and other factors which are difficult or impossible to predict and which are beyond our control. Such risks, uncertainties, contingencies and other factors could cause actual events to differ materially from the expectations expressed or implied by the forward-looking statements included herein.

The information, opinions and forward-looking statements contained in this announcement speak only as of the date hereof and are subject to change without notice.

About 2020 Bulkera Ltd.

2020 Bulkera Ltd. is a limited liability company incorporated in Bermuda on 26 September 2017. The Company's shares are traded on Oslo Børs under the ticker "2020".

2020 Bulkera is an international owner and operator of large dry bulk vessels. The Company has eight Newcastlemax dry bulk vessels in operation.

November 12, 2020

Board of Directors

2020 Bulkera Ltd.

Hamilton, Bermuda