

2020 BULKERS

2020 Bulkera Ltd.
Q4 2021 Results presentation
January 26, 2022



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Highlights:

- Q4 2021 Net profit of US\$26.3 million, EPS of US\$1.18
- Q4 2021 time charter equivalent earnings of approximately US\$52,900 per day, gross
- Declared total cash distributions of US\$1.2 per share for the months of October – December 2021
- Total cash distributions for 2021 of US\$3.18 per share
- Refinanced term loan facility maturing in August 2024 with a new term loan facility maturing in March 2027
- New 10-13 month index-linked time charter agreements with Koch for Bulk Seoul and Bulk Shanghai
- Jens Martin Jensen resigned as a Director of the Company, Magnus Halvorsen appointed as Chairman of the Board
- Herman Billung appointed as CEO of 2020 Bulkera Management AS, effective as of February 1, 2022
- Achieved time charter equivalent earnings so far in Q1 2022 of approximately US\$22,400 per day, gross

Key Financials Q4 2021

Income Statement

USD million, except per share data	Q4 2021
Operating Revenues	37.7
Vessel operating expenses	(4.8)
Voyage expenses and commission	(0.6)
General and administrative expenses	(0.9)
Depreciation and amortization	(2.9)
Total operating expenses	(9.2)
Operating Profit	28.5
Interest expense	(2.3)
Other financial income	0.1
Total financial expense, net	(2.2)
Tax expense	-
Net Profit	26.3
Earnings per share (USD/share)	1.18

Comments

- Net profit of US\$26.3 million
- Operating profit of US\$28.5 million
- EBITDA of US\$31.4 million
- Earnings per share of US\$1.18
- Operating revenues of US\$37.7 million. Average time charter equivalent earnings of approx. US\$52,900 per day, gross.
- Vessel operating expenses of US\$4.8 million which includes approximately US\$0.6 million in Covid-19 related costs and US\$0.15 million additional insurance deductible for the Bulk Shenzhen incident. Average operating expenses of approx. US\$6,600 per day per vessel
- G&A was US\$0.9 million including US\$0.1 million in legal fees (in connection with refinancing of term loan facility)
- Interest expense of US\$2.3 million.

Balance Sheet Summary

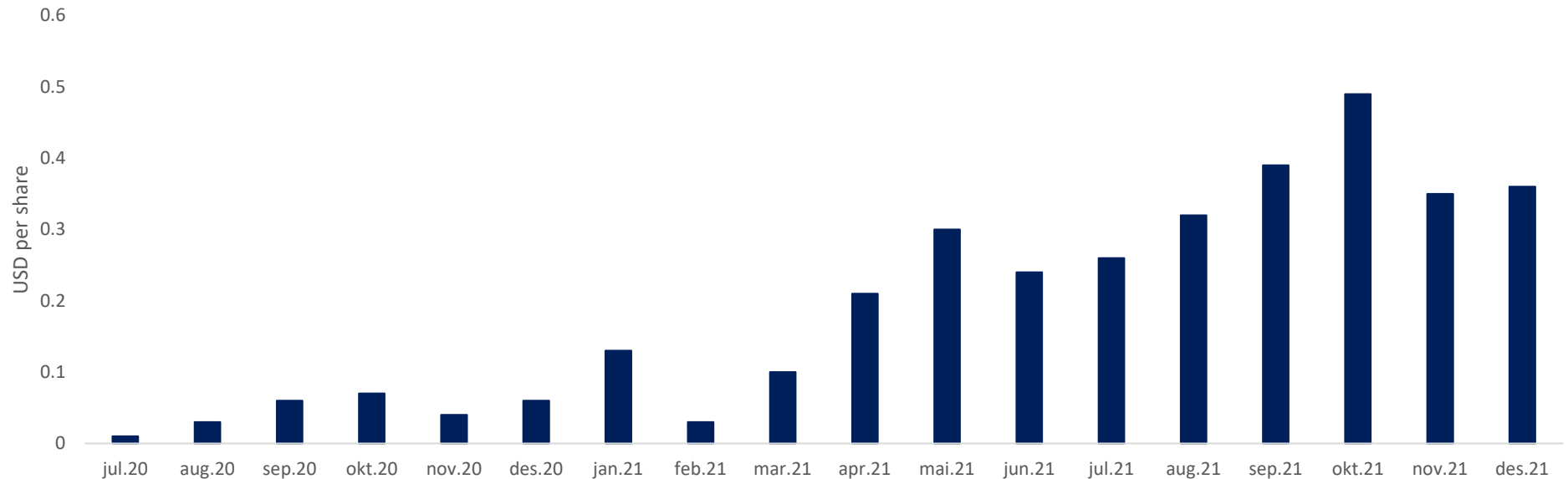
USD million	December 31, 2021
Total assets	390.6
Equity	151.7
Cash and cash equivalents	24.0
Interest bearing debt	236.1

Comments

- Shareholders' equity of US\$151.7 million
- Interest bearing debt decreased from US\$239.0 million to US\$236.1 million during the quarter reflecting scheduled repayments
- Cash flow from operations was US\$26.8 million in Q4 2021
- Cash distributions in total of US\$1.2 per share declared for the months of October, November and December
- Solid liquidity position with US\$24.0 million of cash.

Dividends and cash distributions

Monthly dividends and cash distributions

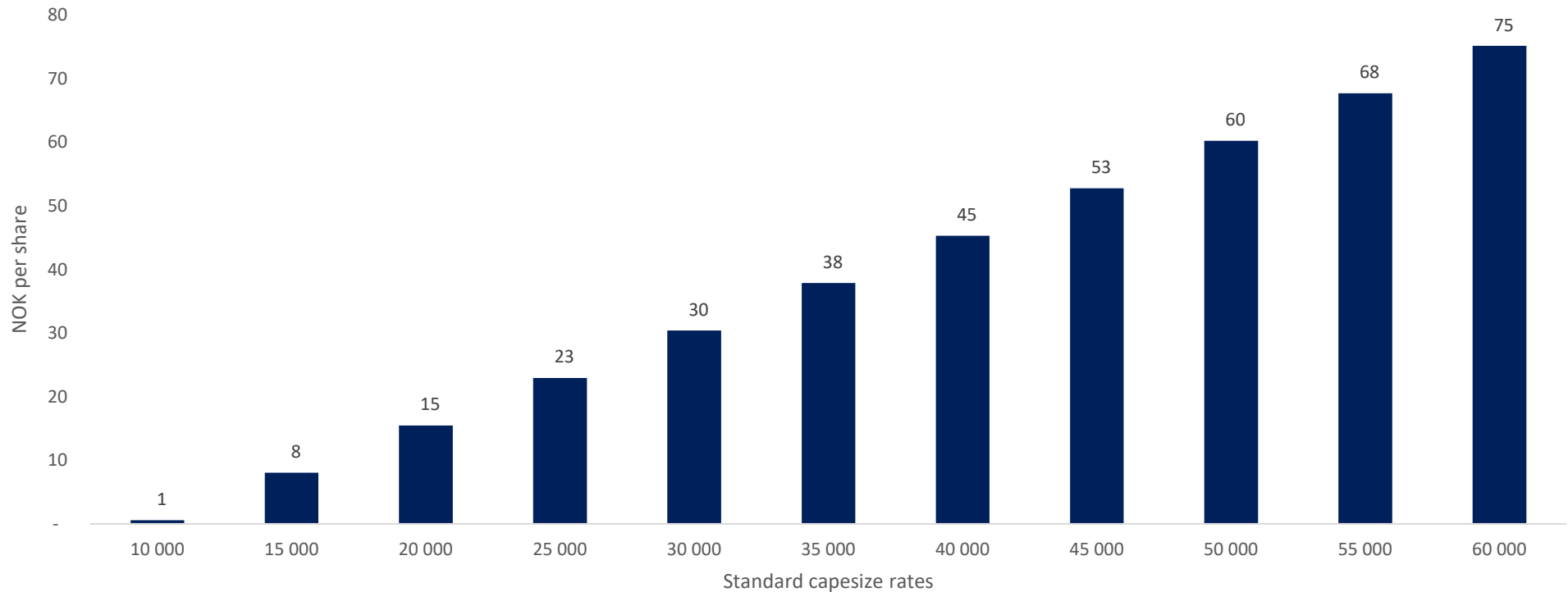


- 2020 Bulkors has returned free cash flow to shareholders on a monthly basis for 18 consecutive months
- Q4 cash distributions of US\$1.2 per share equals ~45% annualized yield*
- 2020 Bulkors has to date returned 57% of total paid-in equity to shareholders

* Based on closing price of NOK 95 as of January 25

Our dividend potential is significant

2022 Indicative dividend capacity (annual run-rate)¹⁾



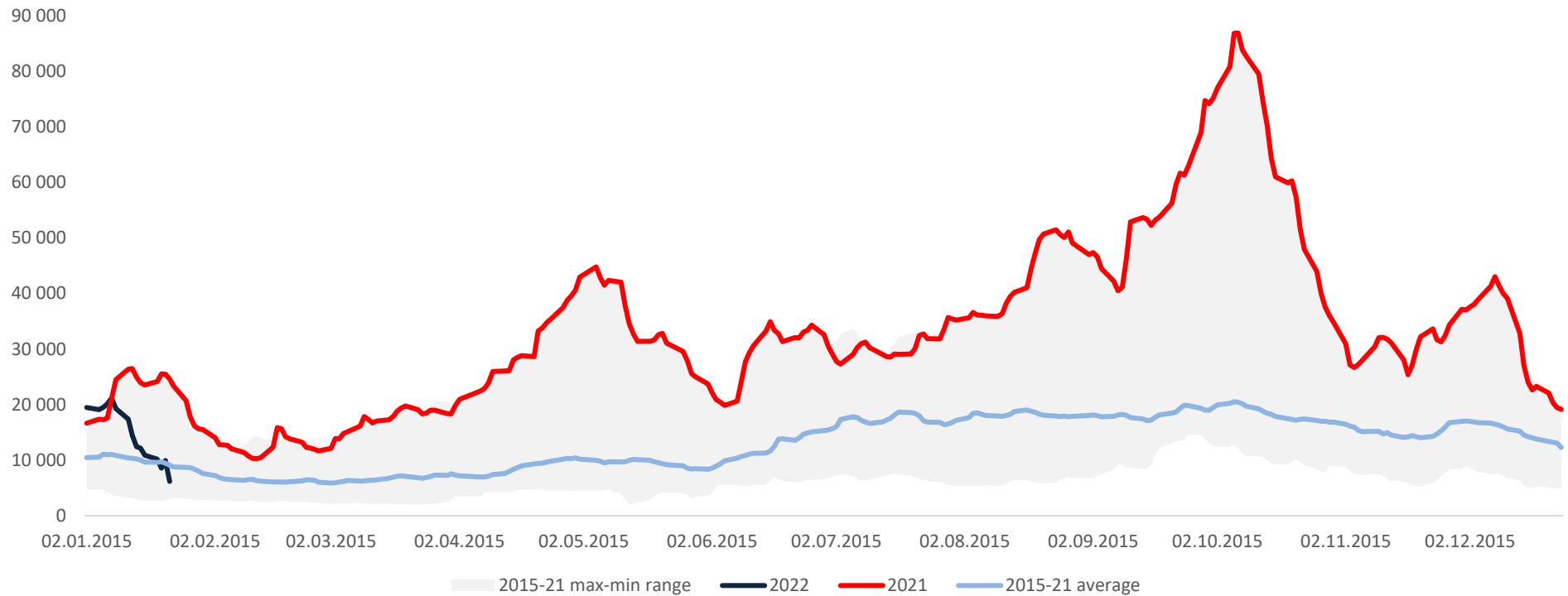
8 vessels on index linked time charters with scrubber profit share. Can be converted to fixed rate at our option

February – December 2022 Capesize FFA curve is ~US\$ 23,000 per day²⁾

¹⁾ Indicative calculation based on current operating budgets, vessel employment, FX rates and fuel prices. Actual results may deviate.

²⁾ As of 25 January 2021

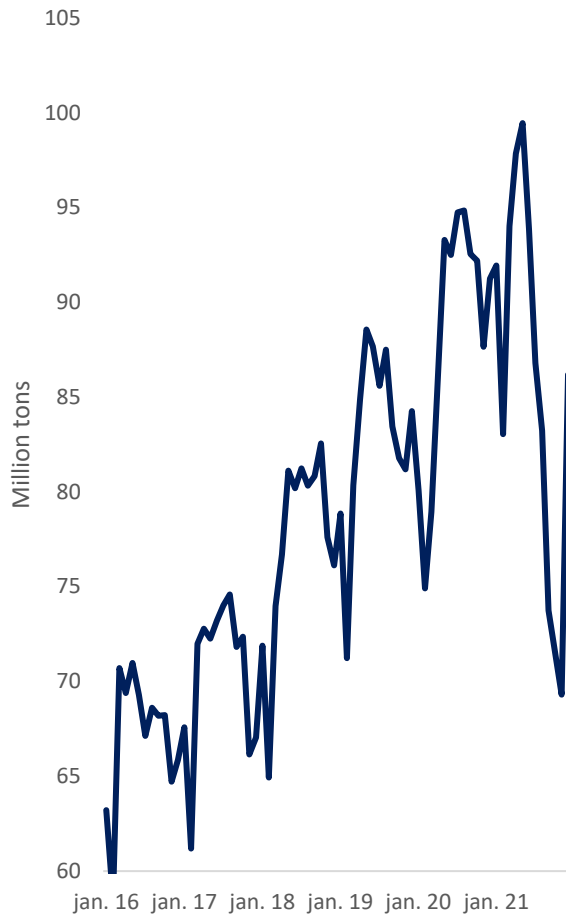
Capesize rates



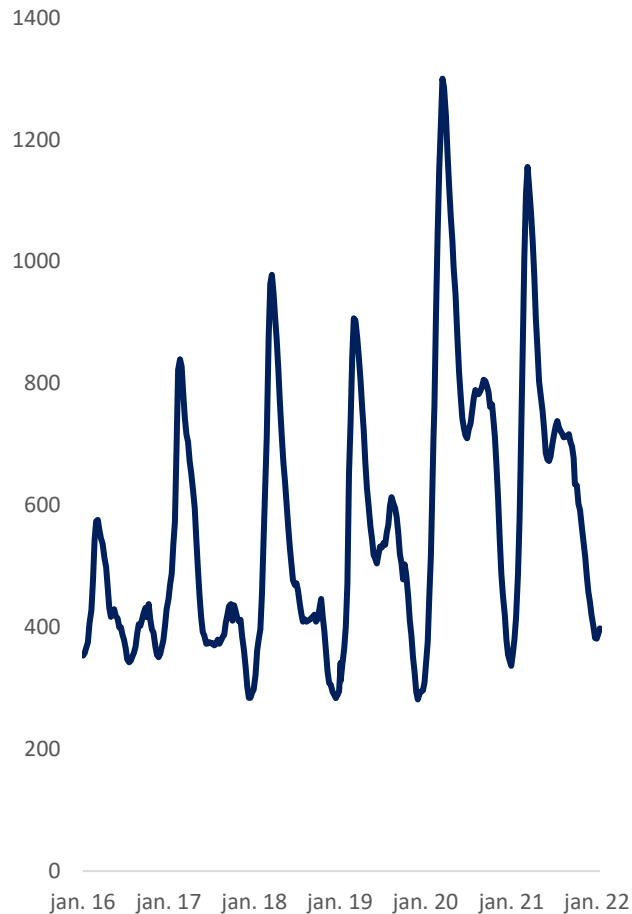
YTD comments:

- Q1 seasonal weakness in Brazilian exports exasperated by heavy rainfall in Minas Gerais region

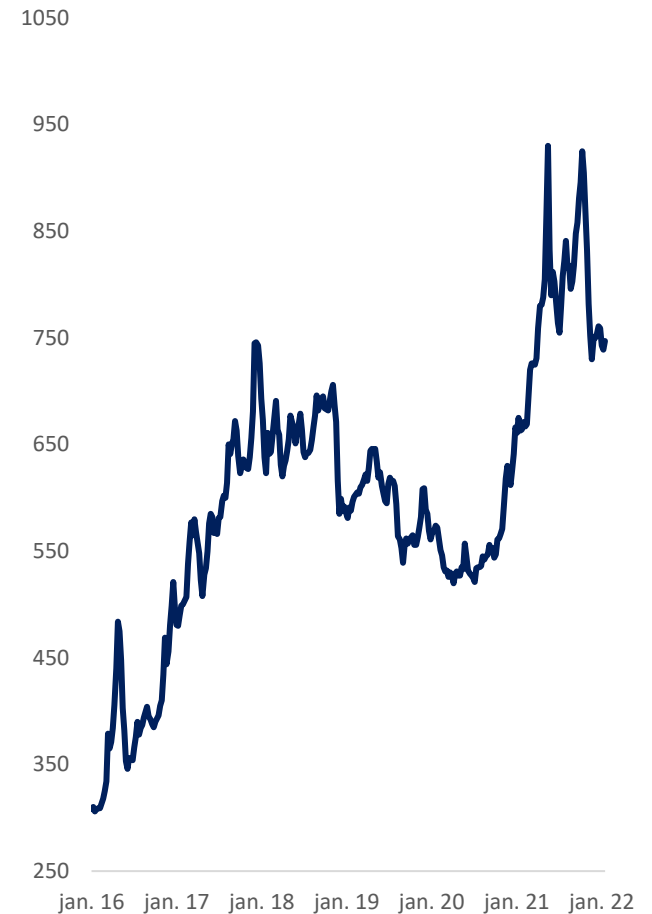
China monthly steel production



China rebar inventories

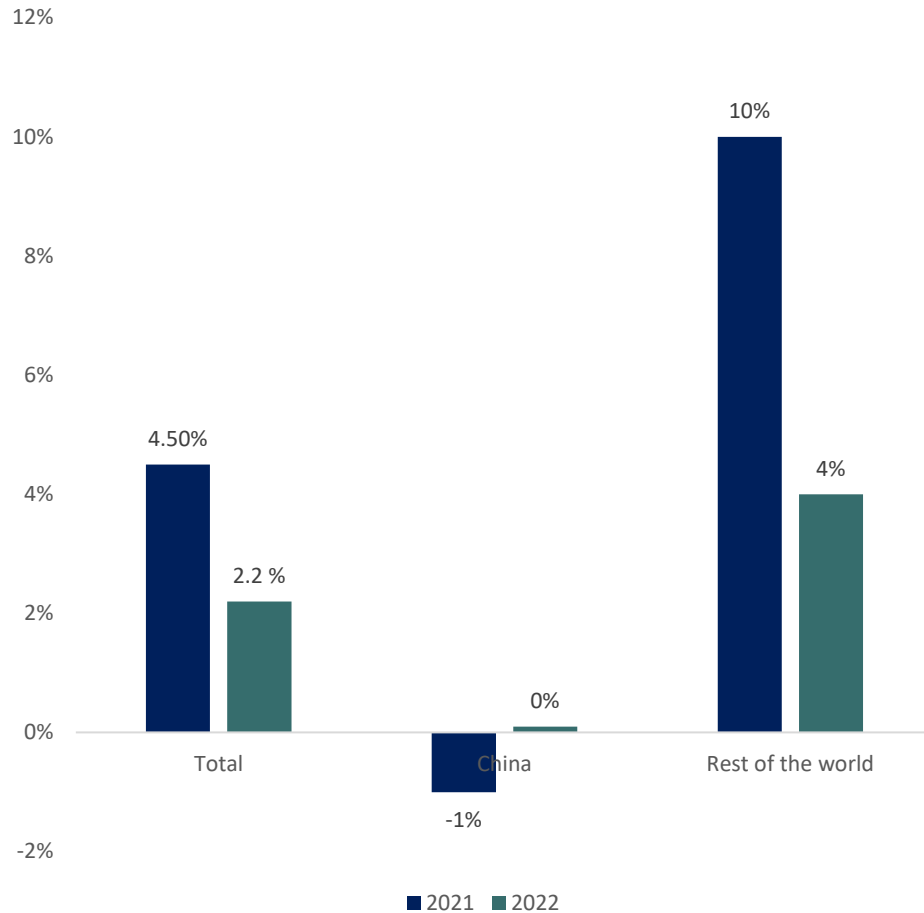


China rebar prices

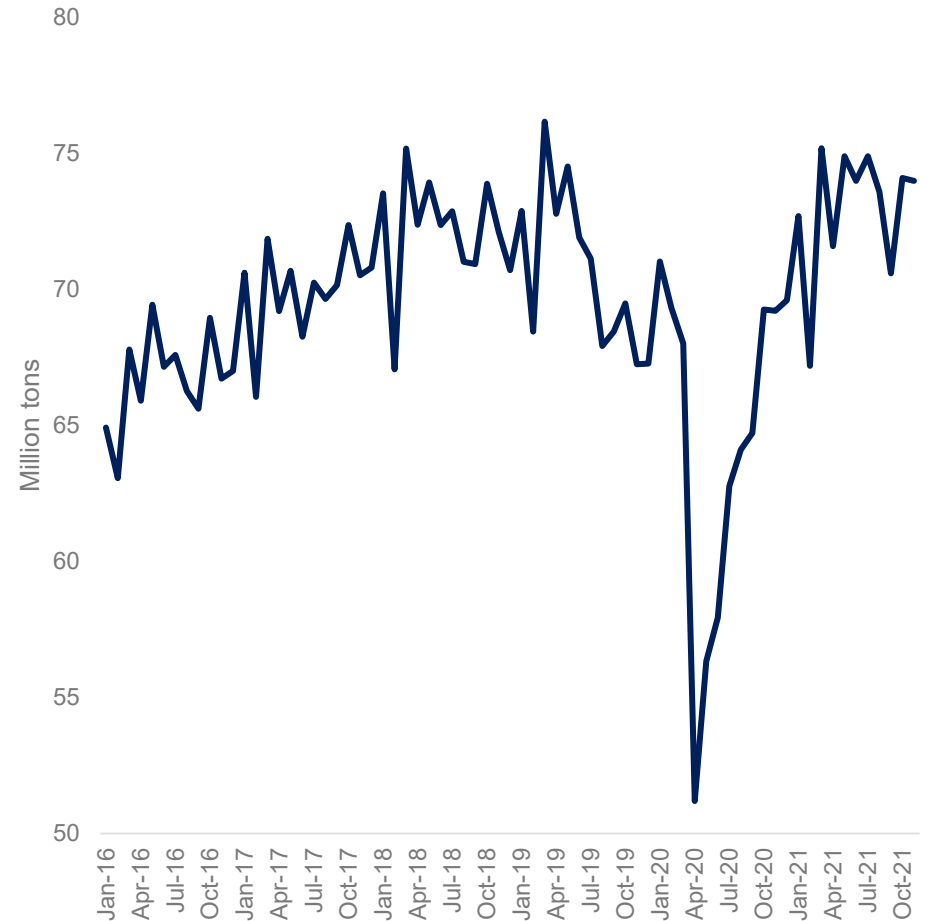


Sources: Arrow Shipbroking group, Bloomberg

Expected growth in steel demand

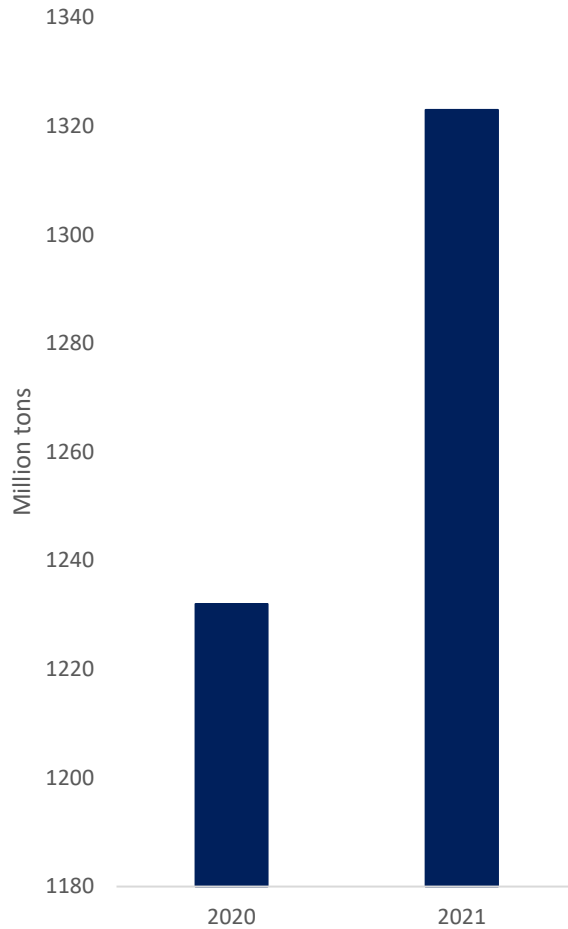


World ex-China steel output

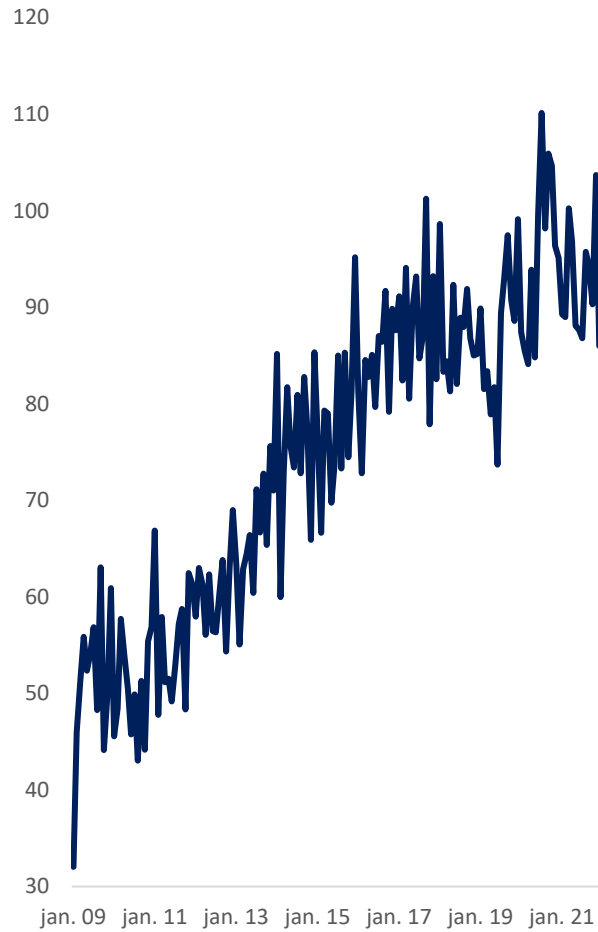


Source: World Steel Association, Arrow Shipbroking group

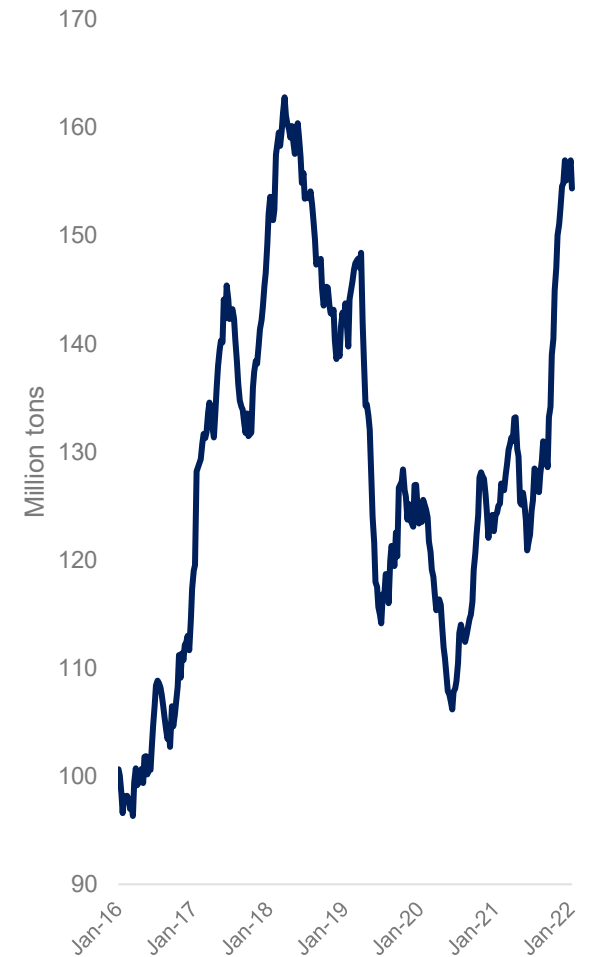
Global iron ore exports



Chinese iron ore imports

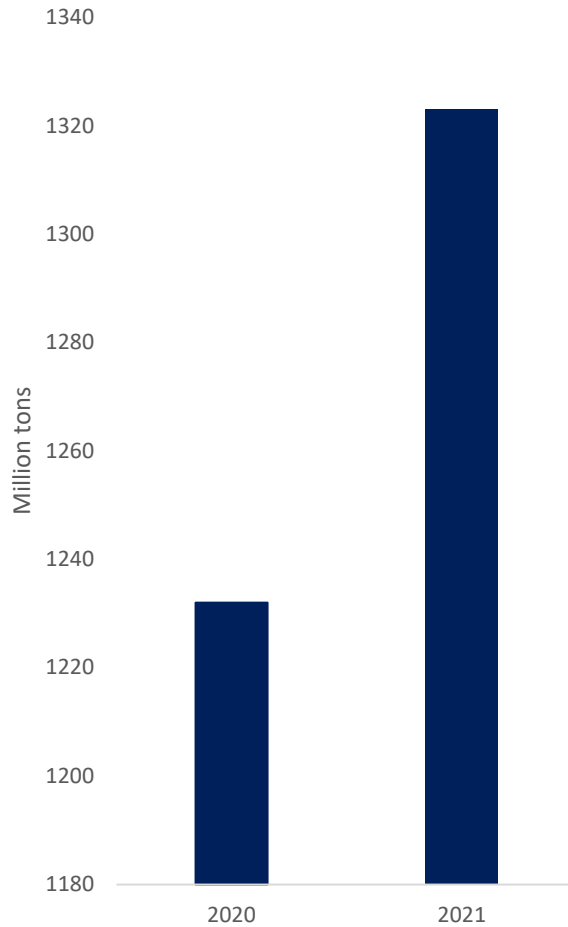


Chinese iron ore inventories

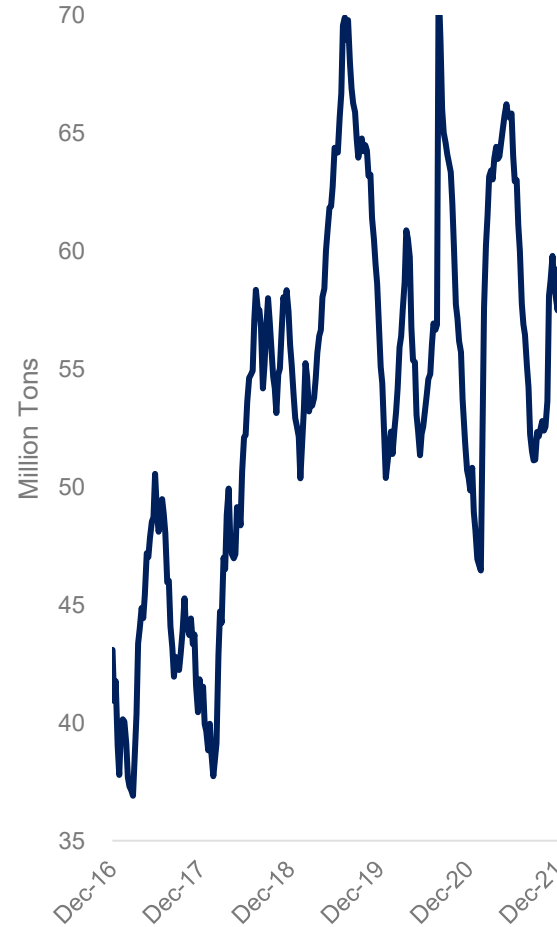


Source: Sea/analytics, Shipping Intelligence Network

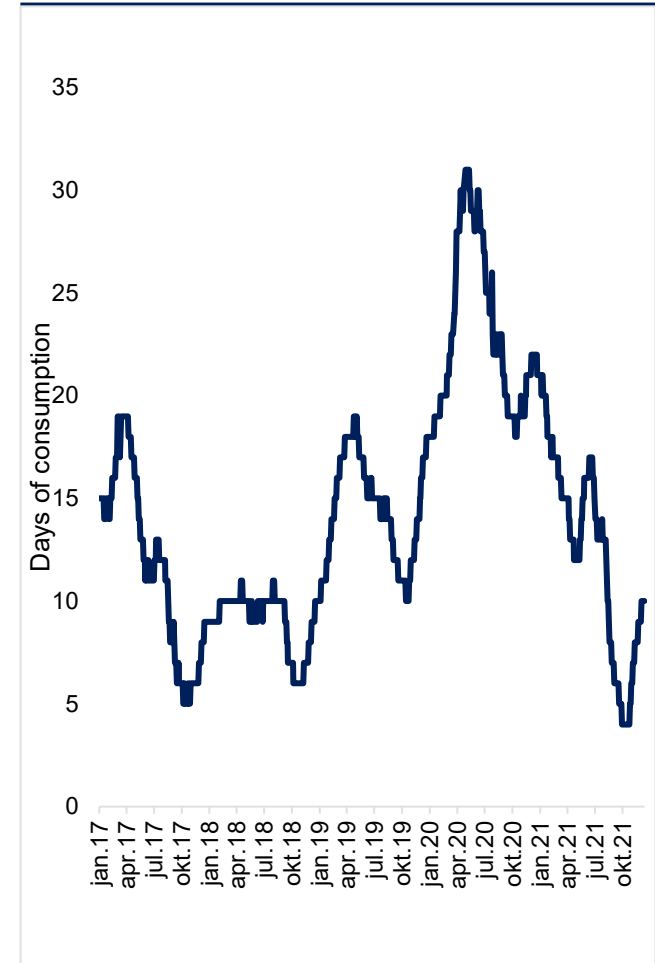
Global coal exports



China thermal coal inventories

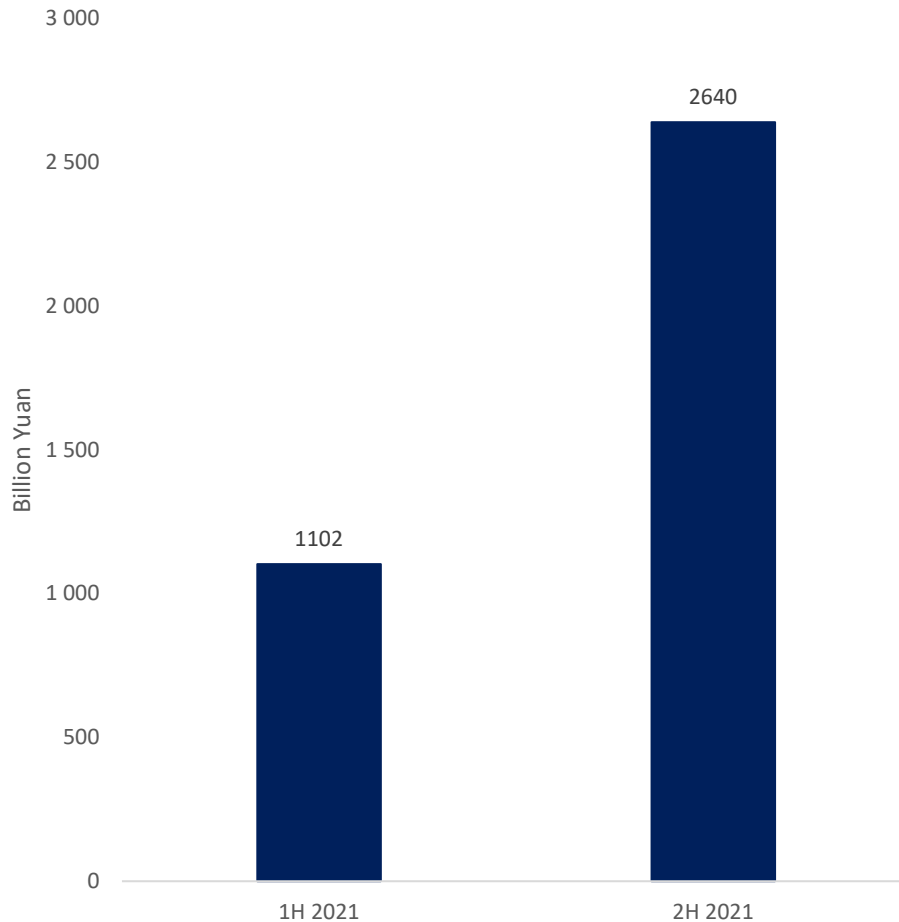


India coal inventories

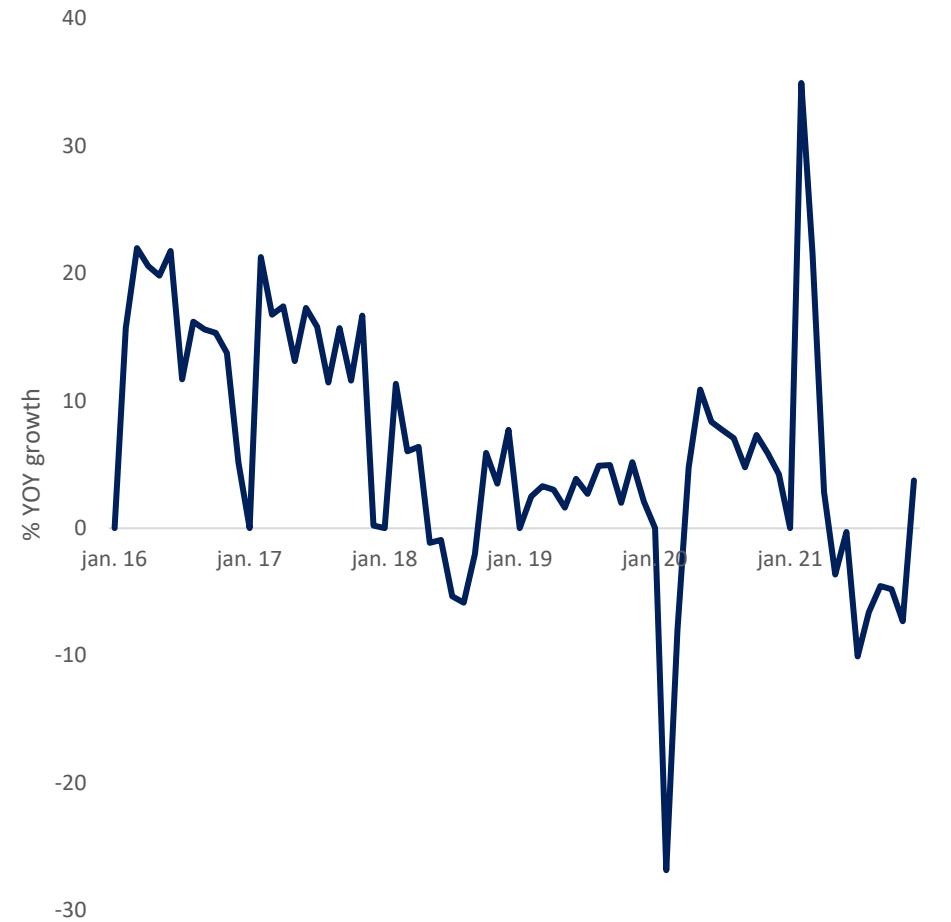


Increased infrastructure stimulus leading to an uptick in investments ²⁰²⁰ BULKERS

China Local Government Special Bond Issuance



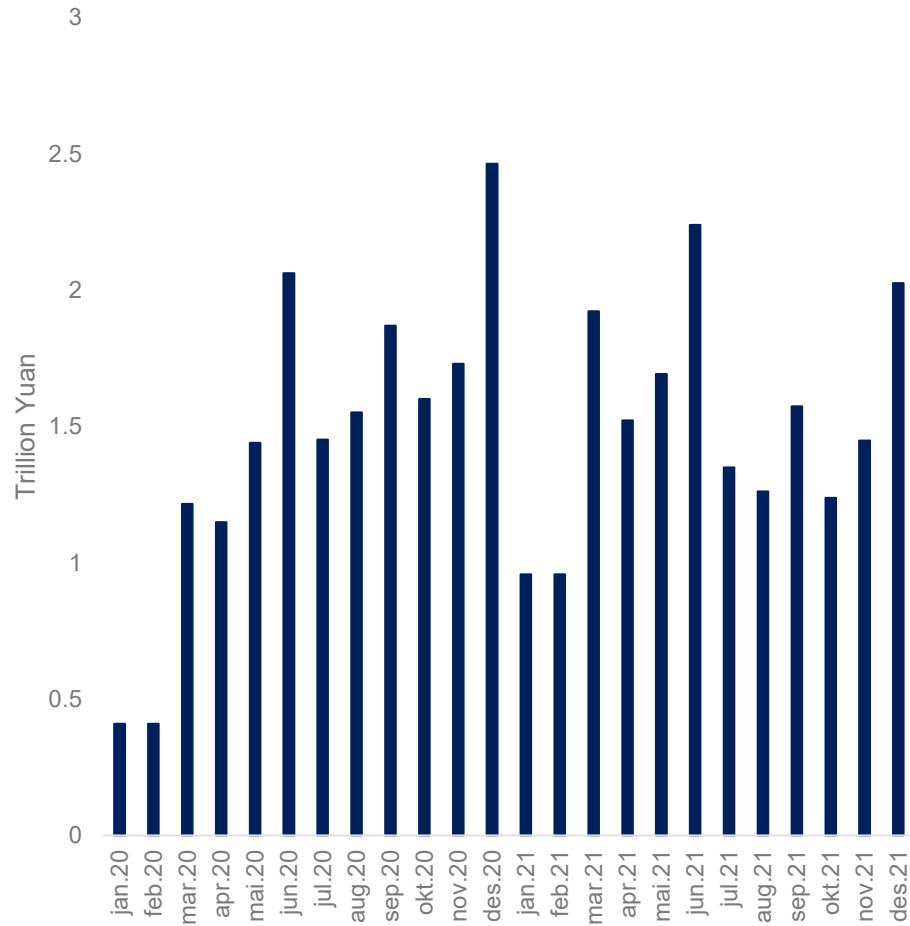
China fixed asset infrastructure investment



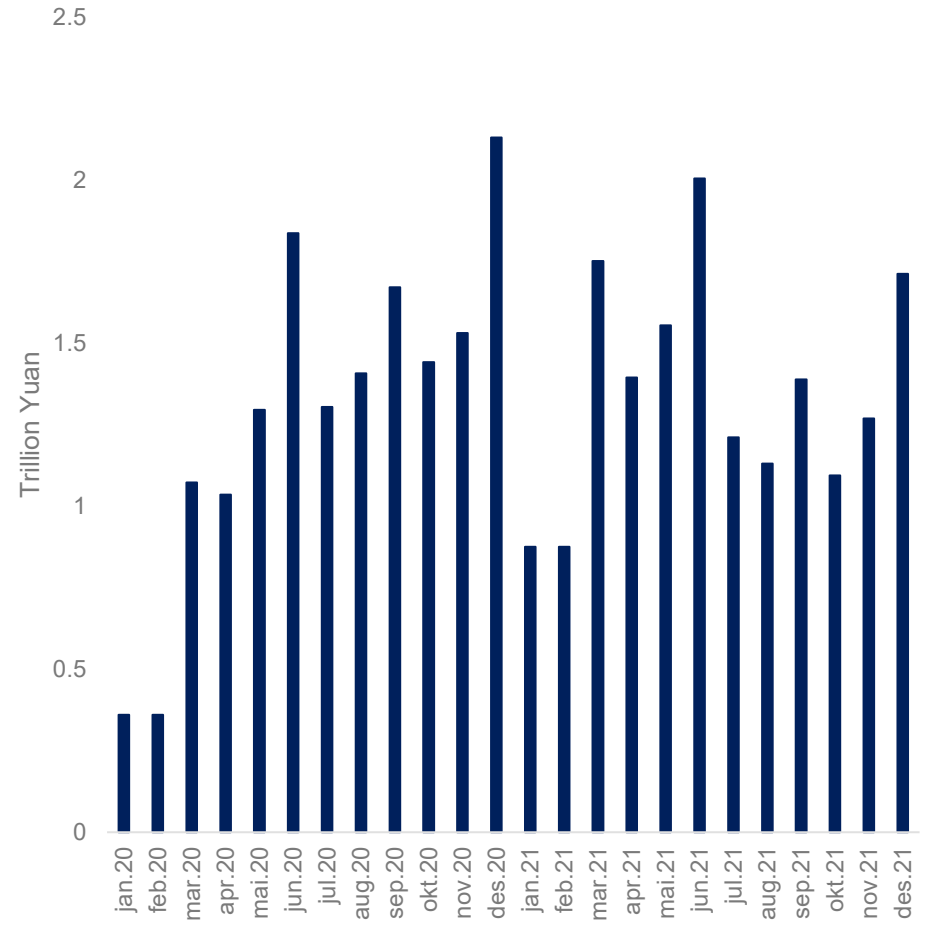
Source: Arrow Shipbroking group, Clarksons

China building sales recovered to six month high in December 2021 ²⁰²⁰ BULKERS

Sale of commercial buildings



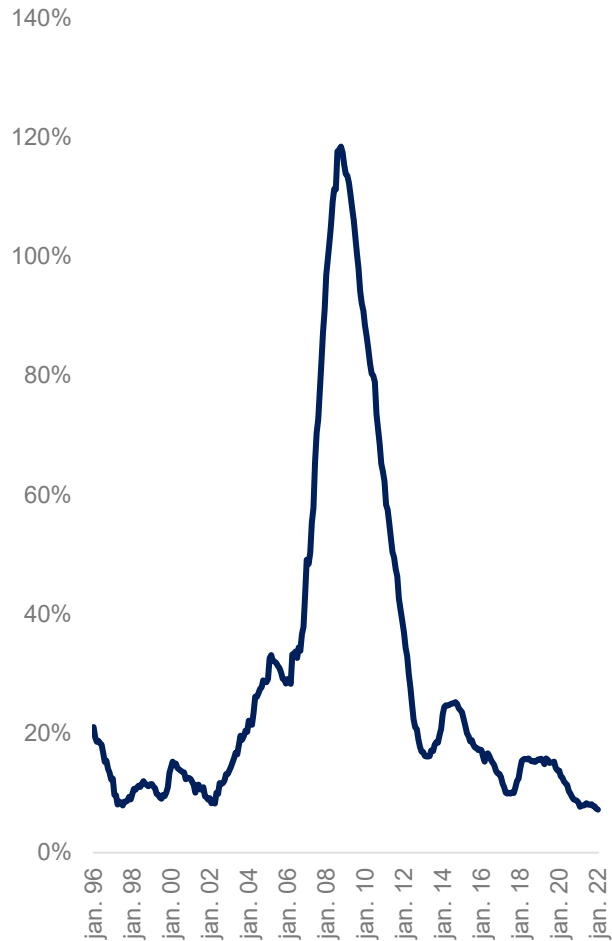
Sale of residential buildings



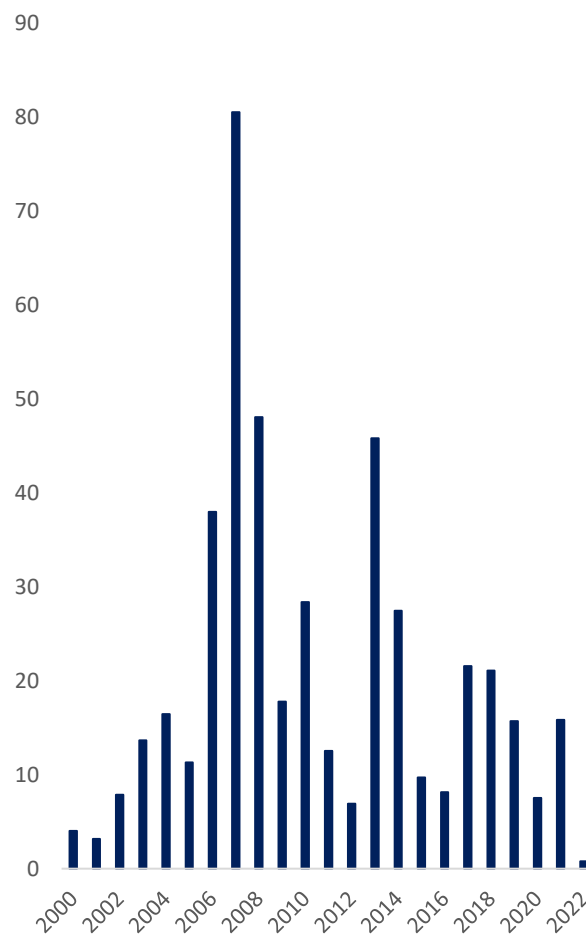
Source: Commodore Research

Most favorable supply side in decades

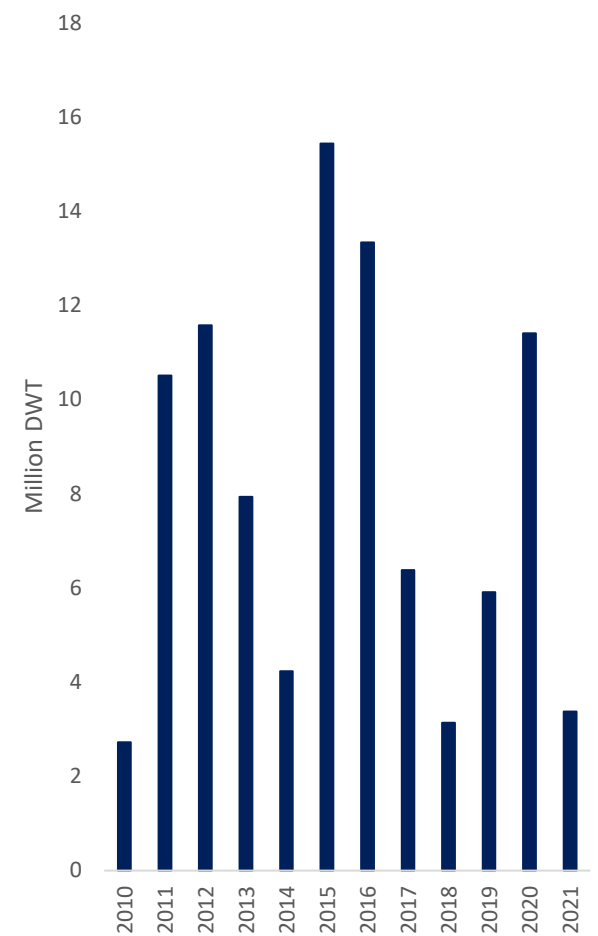
Capesize orderbook as % of fleet



Capesize bulk newbuild contracts



Capesize scrapping



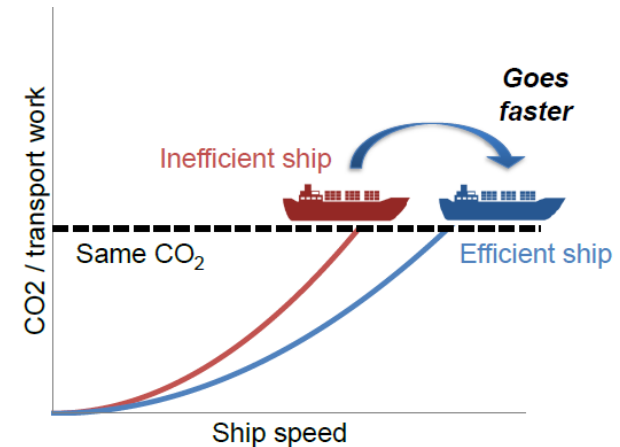
Source: Arrow Shipbroking Group, Shipping Intelligence Network

New IMO regulations to reduce CO₂ emissions

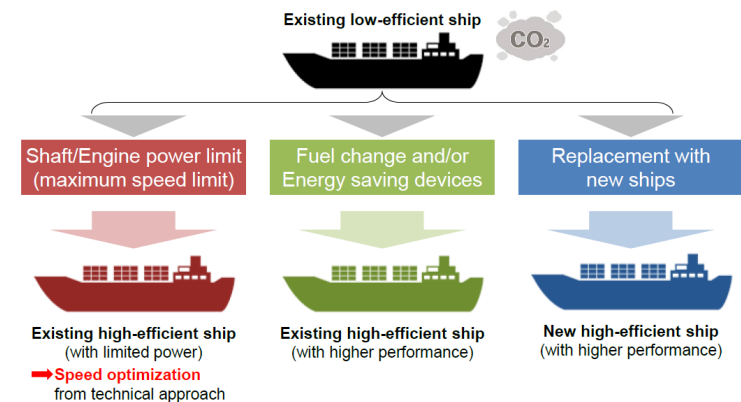
Summary

- The IMO targets reduction in CO₂ intensity from international shipping by 40% from 2008 levels by 2030 and will implement EEXI (Energy Efficiency Existing Ship Index) and CII (Carbon Intensity Indicator) by January 2023
- Non-compliant ships may apply performance enhancing measures and/or reducing the engine's power output.
- Part of the trading fleet may not be able to comply and may have to be retired
- The implementations of EEXI and CII are expected to reduce the average sailing speed of the global fleet, which may lead to efficient ships being favored by charterers and commanding a larger earnings premium
- ABS estimates more than 80% of bulk carriers require corrective action to become compliant
- Based on an assessment from ABS, 2020 Bulkera fleet is in the top 8% percentile of trading capesize vessels

Emission reduction through goal-based measure



Alternatives for complying



Fleet of 8 Newcastlemax vessels, average age 2 years

2022 CBE budget of USD 14,900/ship/day

8 vessels on index linked time charters with scrubber profit share

Index linked charters can be converted to fixed rates on the basis of the FFA curve

*FFA curve implies TCE for a scrubber fitted Newcastlemax of ~US\$33,000 per day for 2022**

Free cash flow paid as monthly dividends

Most favorable supply side dynamics in more than 30 years