

# 2020 BULKERS



2020 Bulkera Ltd.  
Pareto Energy Conference 2022  
15 September 2022

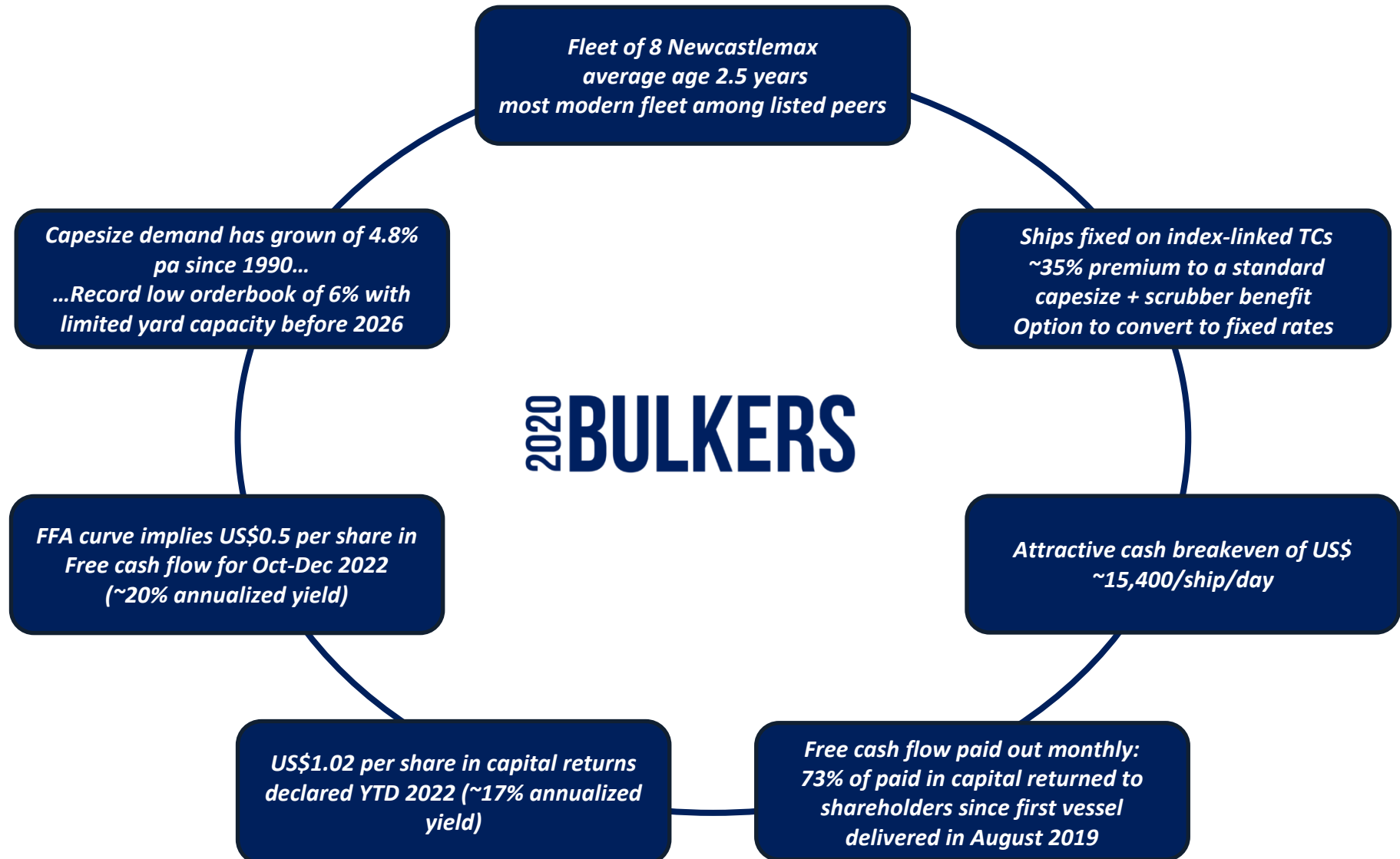
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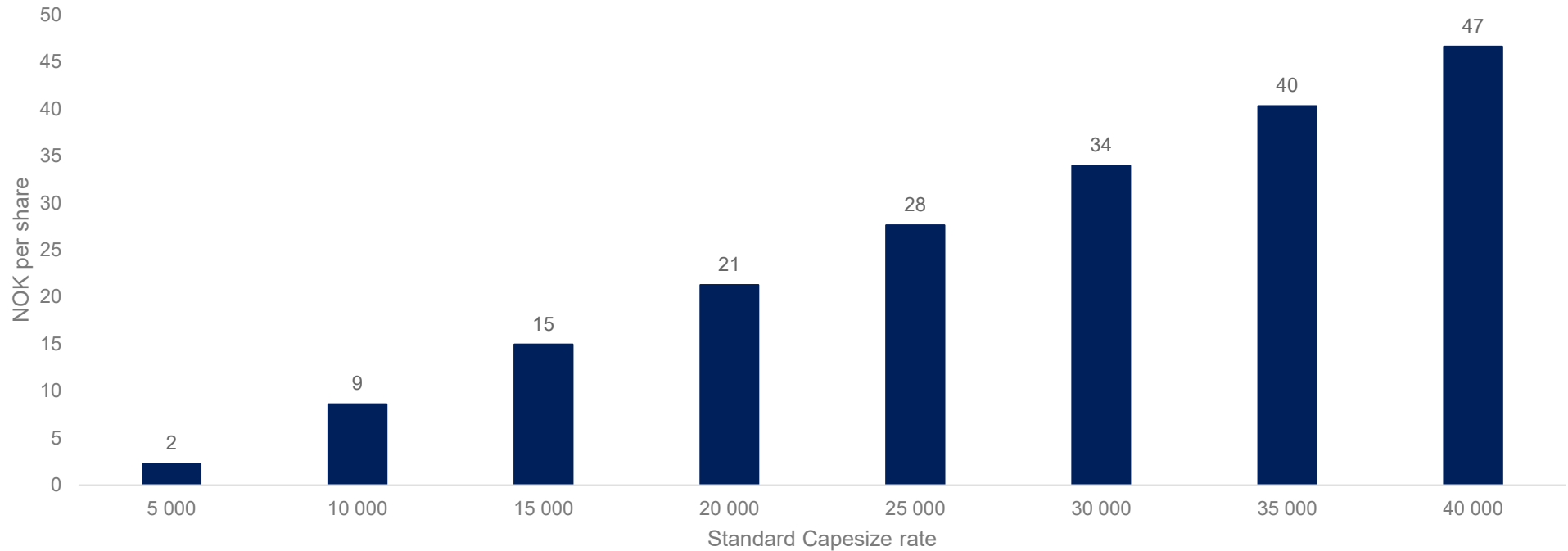
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# Our dividend potential is significant

September - December 2022 Indicative dividend capacity (annual run-rate)<sup>1)</sup>



2 vessels fixed at an average of US\$31,600, gross + scrubber profit share until Dec 2022

6 vessels on index linked time charters with scrubber profit share

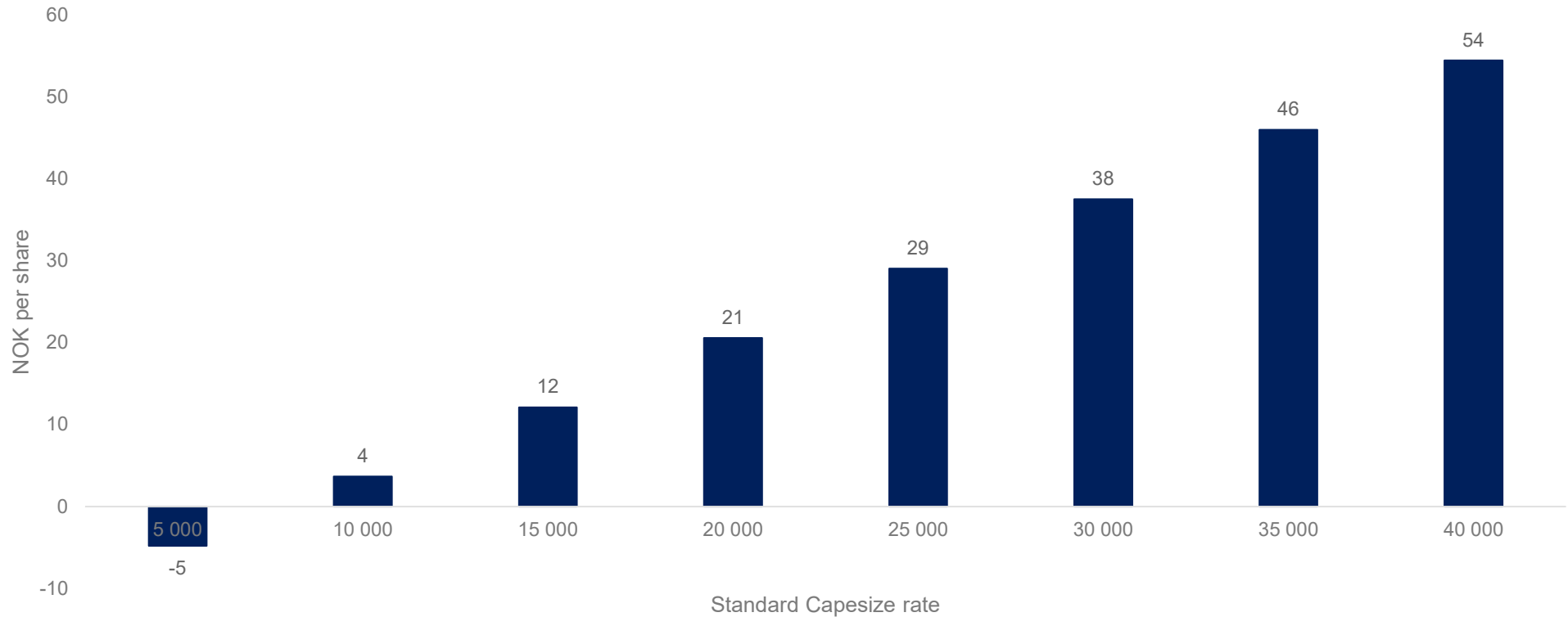
Oct-Dec 2022 Capesize FFA curve is ~US\$ 17,000 per day<sup>2)</sup>

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

2) All data and assumptions as of 13 September 2022

# Our dividend potential is significant

2023 Indicative dividend capacity (annual run-rate)<sup>1)</sup>



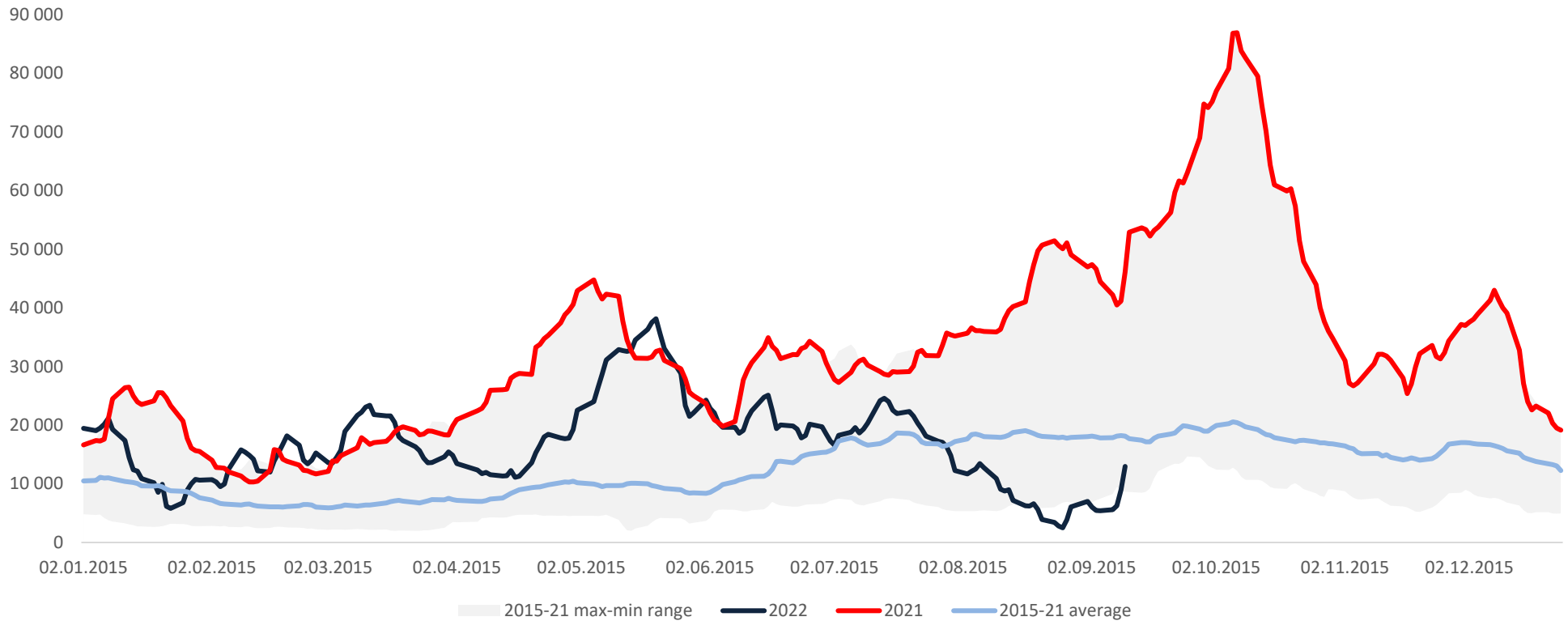
8 vessels on index linked time charters with scrubber profit share

2023 Capesize FFA curve is ~US\$ 13,400 per day<sup>2)</sup>

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

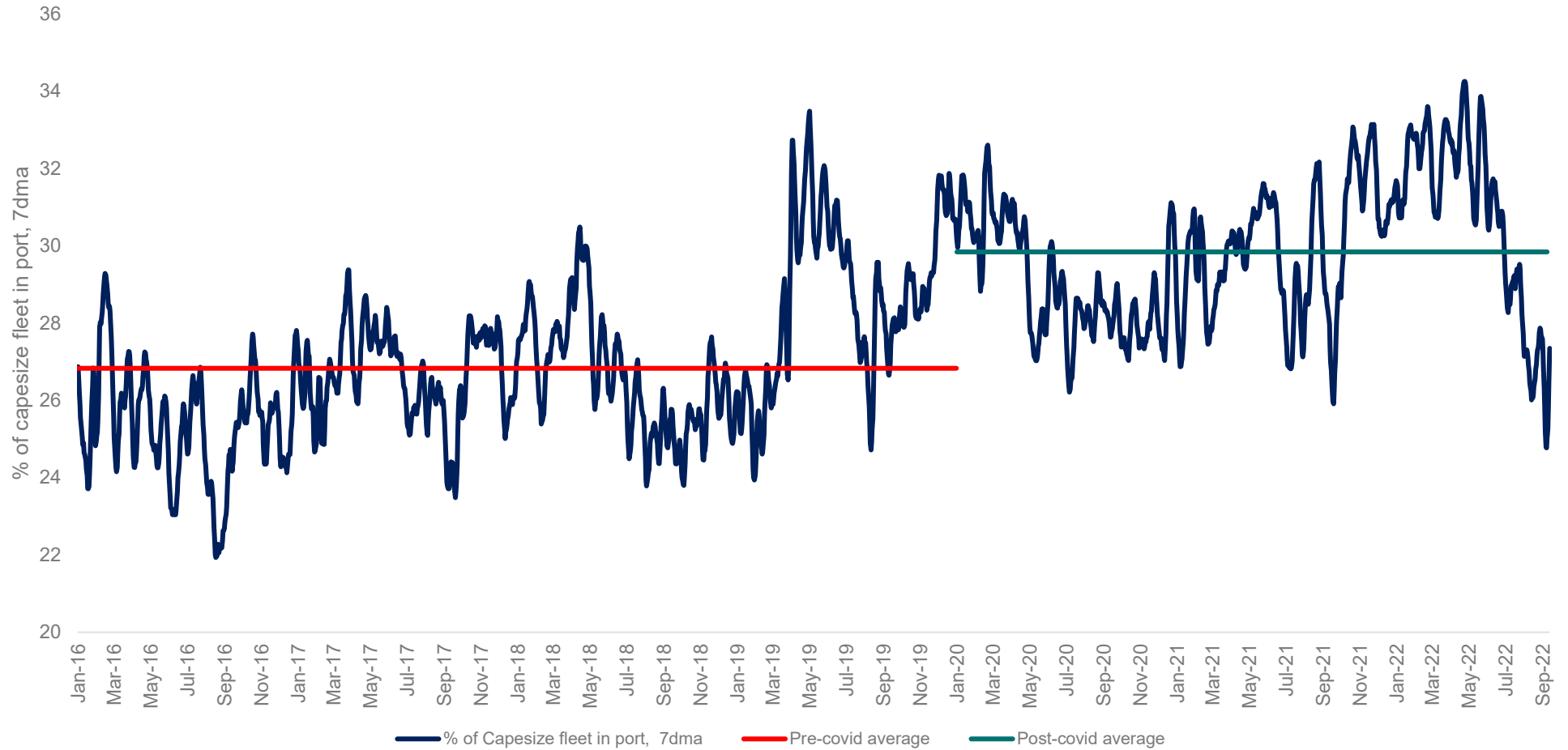
2) All data and assumptions as of 13 September 2022

## Market review



- Unseasonally weak market so far during Q3 driven by:
  - Unwinding of congestion and reduction of fleet inefficiencies
  - Lagging Brazilian export volumes, down 3% YoY

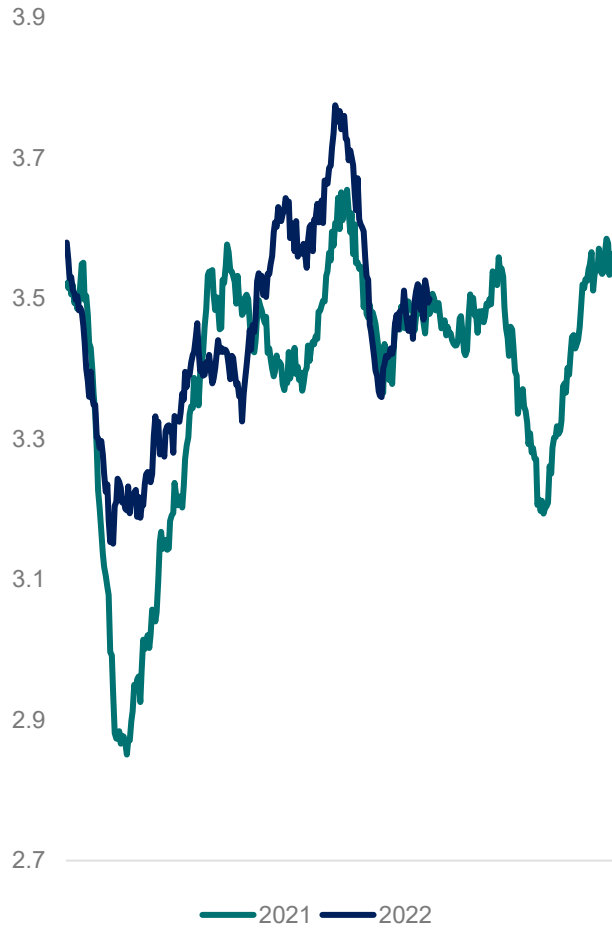
# Fleet efficiencies have normalized to pre-Covid averages



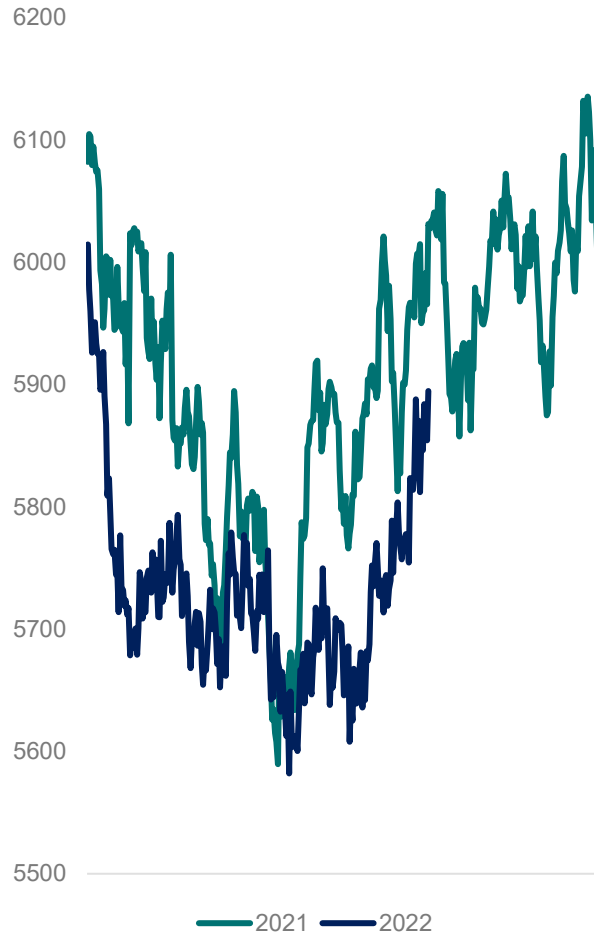
Source: Shipping Intelligence Network

# Capesize demand is marginally up compared to 2021

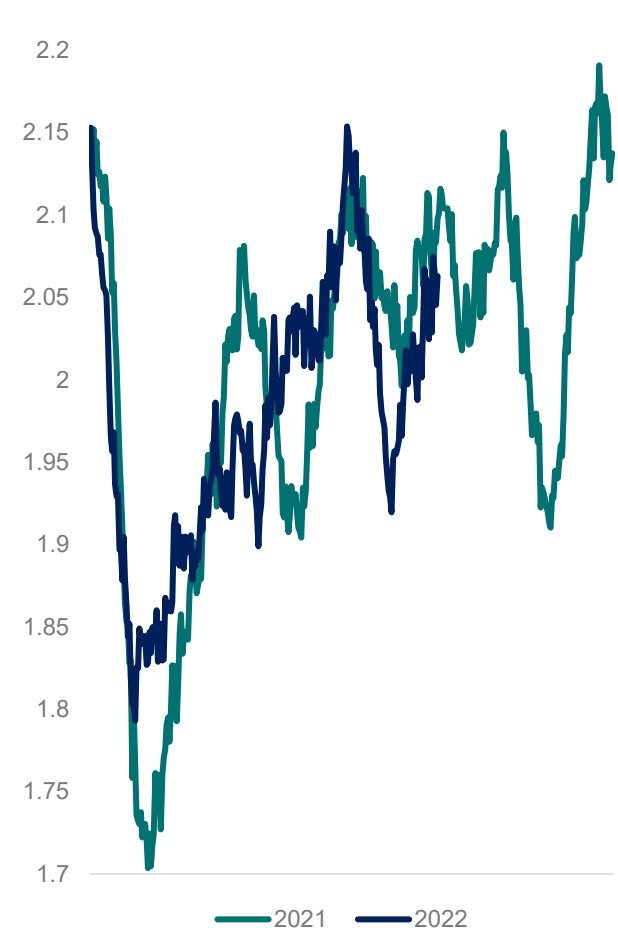
**Trading volumes up YoY...**



**...but distances are down significantly**



**Resulting in only 1% ton-mile growth YoY**

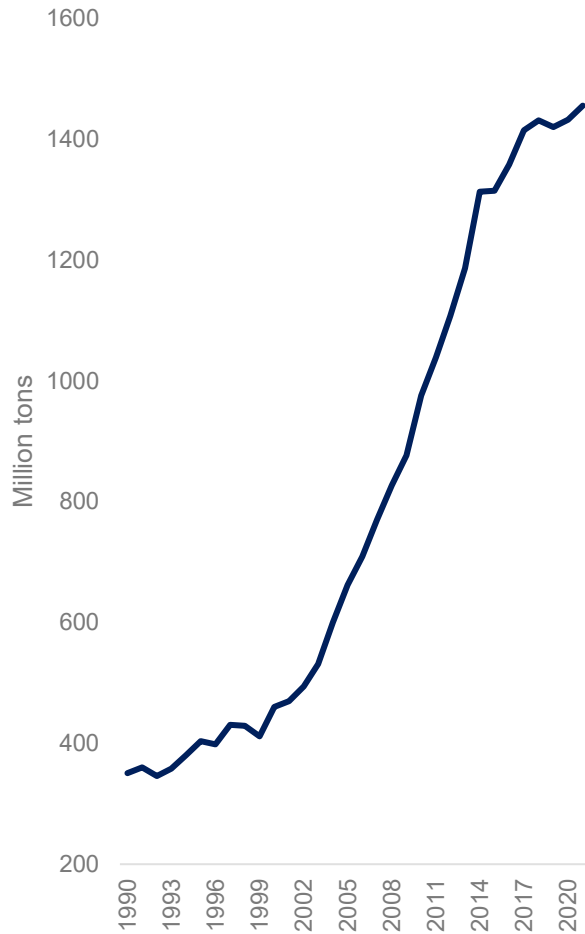


Source: Arrow Shipbroking Group

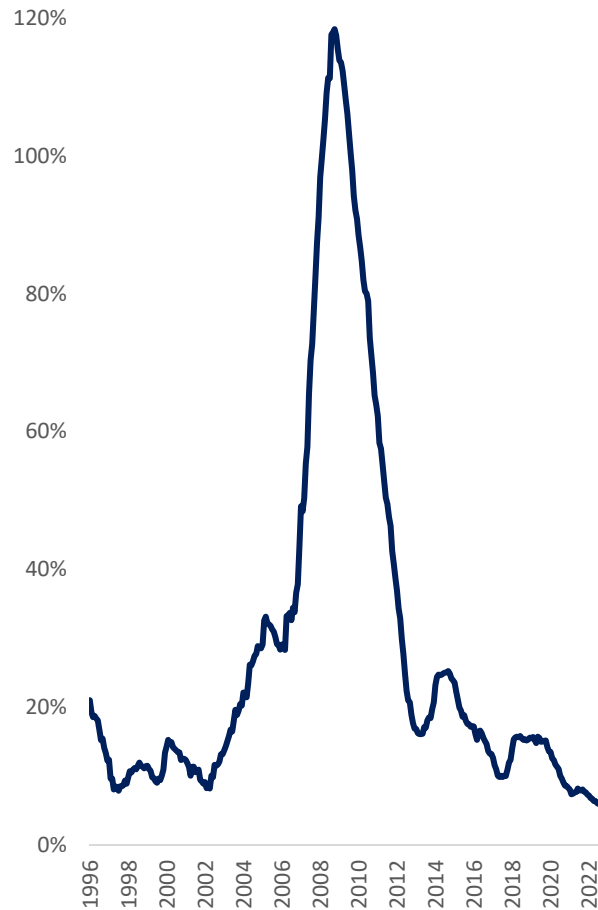


## Attractive supply / demand dynamics

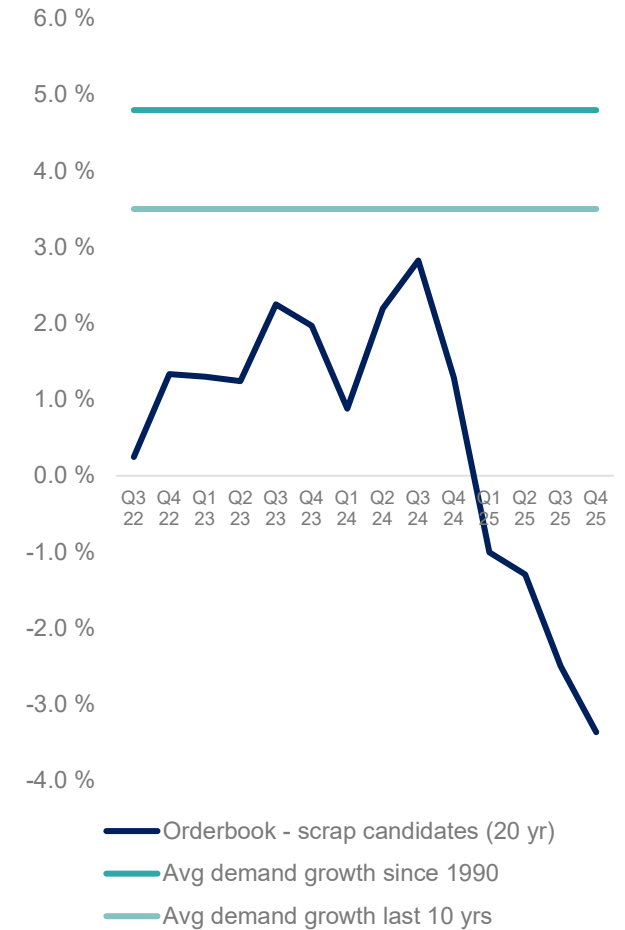
### Historical volume growth of 4.8% pa



### Historically low orderbook



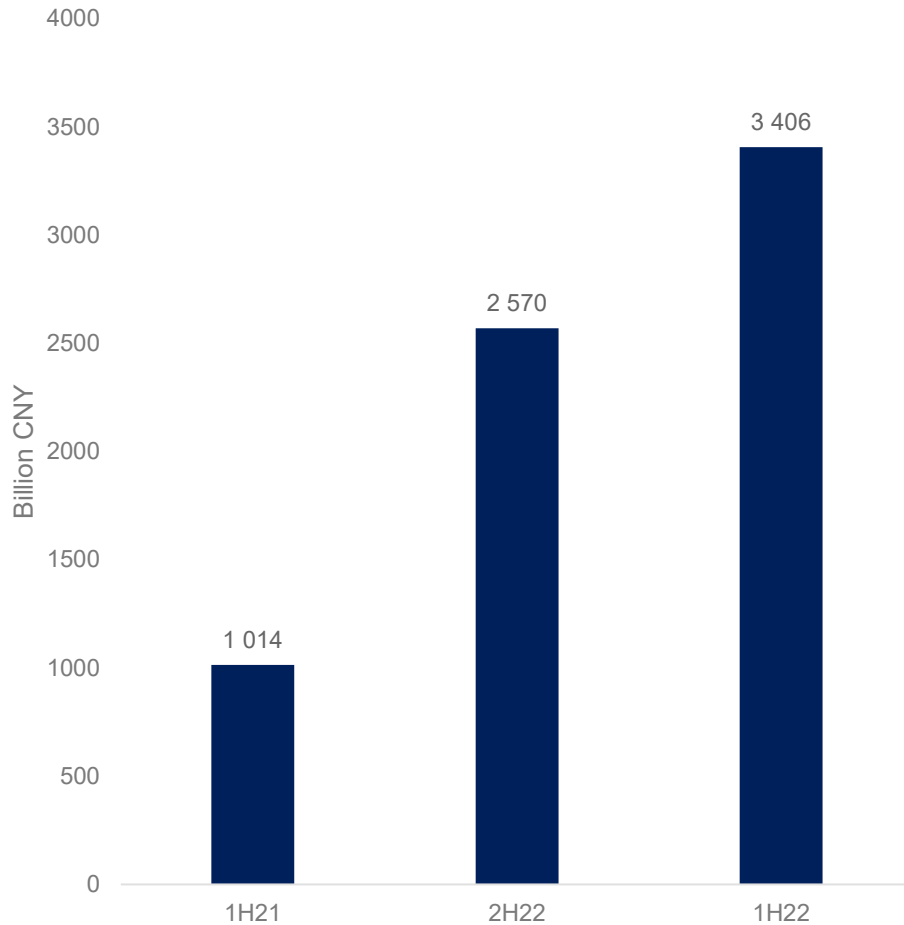
### Demand likely to outstrip supply



Source: Shipping Intelligence Network, Company estimates

# Signs of increased infrastructure investments in China

**China Local Government Special Bond Issuance**



**China fixed asset investment**



Source: Arrow Shipbroking group

# Vale still expects an increase in production for the balance of 2022

Vale production vs Capesize rates



Vale Iron Ore production guidance

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Guidance 1 year prior	306	321	340	345	370	390	400	348	320	328
<b>Actual</b>	<b>310</b>	<b>332</b>	<b>346</b>	<b>349</b>	<b>367</b>	<b>385</b>	<b>302</b>	299	315	?
<b>Actual vs guidance 1 yr</b>	<b>1%</b>	<b>3%</b>	<b>2%</b>	<b>1%</b>	<b>-1%</b>	<b>-1%</b>	<b>-25%</b>	<b>-14%</b>	<b>-2%</b>	<b>?</b>

- Vale’s updated guidance still implies a significant uptick in production volumes for Q3–Q4 2022 vs Q1–Q2 2022
- Vale production has historically come in close to their guidance 1 year prior, except 2019 and 2020 (Brumadinho accident impact)

Sources: Vale (mid point guidance given at Vale Day), Shipping Intelligence Network

## 2020 Bulkera Summary

*Fleet of 8 Newcastlemax vessels, average age 2.5 years - most modern fleet among listed peers*

*2 ships fixed at avg US\$31,600/day + scrubber benefit for the balance of the year*

*FFA curve implies TCE for a scrubber fitted Newcastlemax of ~US\$23,000 per day for Oct-Dec 2022*

*2022 CBE budget of USD 15,400/ship/day*

*Free cash flow paid out monthly, YTD cash distributions equals ~17% annualized yield*

*Most favorable supply side dynamics in more than 30 years*