2020 BULKERS

ANNUAL REPORT 2022

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KEY EVENTS DURING 2022

- The Company reported net profit of US$31.9 million and EBITDA of US$53.2 million for 2022.
- Achieved average time charter equivalent earnings of approximately US$26,900, per day, gross.
- In April 2022, the Company transferred the eight Newcastlemax dry bulk vessels that it owns and/or operates from subsidiaries domiciled in Liberia to Norwegian limited liability subsidiaries.
- In August 2022, the Board of 2020 Bulkers Ltd. approved the transfer of tax domicile of the Company from Bermuda to Norway.
- The Company declared cash distributions of US$1.35 per share for 2022.

2020 Bulkers Ltd. (together with its subsidiaries, the "Company" or the "Group" or "2020 Bulkers") is a limited liability company incorporated in Bermuda on September 26, 2017. The Company's shares are traded on the Oslo Børs under the ticker "2020".

2020 Bulkers is an owner and operator of large dry bulk vessels. The Company has eight Newcastlemax dry bulk vessels in operation. All vessels are trading on charters to reputable counterparties.

HEALTH, SAFETY AND ENVIRONMENT

2020 Bulkers is fully committed to health, safety, quality and environmental protection and identifies these as being essential to long-term financial and reputational success.

2020 Bulkers has outsourced ship management to third party contractors. A structured due diligence and audit process is in place to ensure the highest ship management standards are applied.

Safety is at the core of our activities, both in the office and onboard our vessels, and we have a commitment to safeguard persons from harm or injury and prevent damage to property. 2020 Bulkers´ employees are expected to identify operational risks and implement safe work practices.

2020 Bulkers experienced no Loss Time Accidents (LTA) or other personell injuries in 2022. This statistic includes seagoing crew under employment contracts with our technical managers.

The 2020 Bulkers fleet consists of eight modern, fuel efficient 208,000 DWT Newcastlemax dry bulk vessels. The sister vessels delivered by New Times Shipyard from August 2019 through June 2020 are fitted with Exhaust Gas Cleaning Systems and Ballast Water Treatment Systems in compliance with international regulations.

The vessels are estimated to be 36% more carbon emission effective per ton mile compared to a standard non-eco Capesize vessel due to higher cargo carrying capacity, energy optimized ship hull design, high thermal and mechanical efficiency of main and auxiliary engines and other energy consuming systems onboard.

The EEDI score for our vessels is 2.11 which is 16% better than the IMO requirement for phase 1 vessels contracted during the period 2015-19 and meets the phase 2 requirement of 2.23 for ships contracted from 2020-24 with good margin.

We are committed to make use of proven and economically viable means to reduce our environmental footprint.

HUMAN RESOURCES AND DIVERSITY

The Company prohibits discrimination against any employee or prospective employee on the basis of sex, race, color, age, religion, sexual preference, marital status, national origin, disability, ancestry, political opinion, or any other basis prohibited by the laws that govern its operations. This is embedded in the Company's Code of Conduct.

The Company will not engage in or support discrimination and has adopted a non-discriminating practice that strives to ensure equal treatment in recruitment, hiring, compensation, access to training, employee benefits and services, promotion, termination and retirement, irrespective of age, gender, race, color, disability, religion or belief, language, national or social origin, trade union membership, or any other status recognized by international law. This is embedded in the Company's Code of Conduct.

As of December 31, 2022, the Company had five full time employees of which one was female and four were male employees. All seagoing crew are under employment contract with our technical managers. The Board of Directors consists of three members of which one is female and two are male.

The absence due to sickness was approximately zero % in 2022.

GOING CONCERN

In accordance with section 3-3a of the Norwegian Accounting Act, the Board confirms that the prerequisites for the

BOARD OF DIRECTORS' REPORT

going concern assumption exist and that the consolidated financial statements have been prepared based on a going concern basis.

CORPORATE DEVELOPMENTS AND FINANCING

The Board remains focused on returning the majority of operational free cash flow after debt service to shareholders on a monthly basis. The Company has as of today declared dividends or cash distributions for 32 consecutive months. Following the cash distribution for February, the Company will have returned 78% of the paid-in equity to shareholders.

Cash breakeven for the fleet, which includes expected general and administrative expenses, operating costs (including estimated US$300 in Covid-19 related costs) and debt service is estimated at approximately US$16,300 per vessel per day for 2023.

The Company currently has around US$205 million of net debt, corresponding to approximately US$26 million per vessel. 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 vessel.

MANAGEMENT DISCUSSION AND ANALYSIS

Consolidated Statements of Operations

Operating revenues were US$77.3 million for the twelve months ended December 31, 2022 (US$115.9 million for the twelve months ended December 31, 2021). The decrease compared to the twelve months ended December 31, 2021 is due to lower time charter equivalent earnings, reflecting the prevailing spot market as well as fixed time charter coverage.

Total operating expenses were US$35.8 million for the twelve months ended December 31, 2022 (US$35.5 million for the twelve months ended December 31, 2021).

Vessel operating expenses were US$18.6 million and US$17.7 million for the twelve months ended December 31, 2022 and 2021, respectively. The increase compared to the twelve months ended December 31, 2021 is driven by cost increase in spare parts, consumables, insurance and crew wages. Vessel operating expenses include an estimated US$0.5 million and US$1.4 million in Covid-19 related expenses for the twelve months ended December 31, 2022 and December 31, 2021, respectively.

Voyage expenses and commission were US$1.1 million for the twelve months ended December 31, 2022 (US$2.8 million for the twelve months ended December 31, 2021). The decrease compared to the twelve months ended December 31, 2021 is due to lower commission on lower charter hire as well as the voyage expenses for Bulk Shenzhen incurred from January to April in 2021.

General and administrative expenses were US$4.4 million for the twelve months ended December 31, 2022 (US$3.3 million for the twelve months ended December 31, 2021). The increase compared to the twelve months ended December 31, 2021, is primarily due to approximately US$0.4 million in fees in connection with the transfer of the vessels from subsidiaries domiciled in Liberia to Norwegian limited liability subsidiaries as well as US$0.7 million in share option expense.

Depreciation and amortization were US$11.7 million for the twelve months ended December 31, 2022 and 2021.

Total financial expenses, net, were US$9.5 million for the twelve months ended December 31, 2022 (US$9.6 million for the twelve months ended December 31, 2021). The decrease compared to the twelve months ended December 31, 2021 is due to the reduction in margin of 40bps on the Term Loan Facility substantially offset by higher LIBOR interest on the Ocean Yield sale leaseback financing.

Consolidated Balance Sheets

The Company had total assets of US$379.8 million as of December 31, 2022, (December 31, 2021: US$390.6 million).

Total shareholders' equity was US$155.9 million and US$151.7 million as of December 31, 2022 and December 31, 2021, respectively.

Total liabilities as of December 31, 2022, were US$223.9 million (December 31, 2021: US$238.9 million). The decrease is primarily due to scheduled repayments on the Company's long term debt.

Consolidated Statements of Cash Flows

Net cash provided by operating activities was US$42.3 million for the twelve months ended December 31, 2022 (US$83.5 million for the twelve months ended December 31, 2021). The decrease compared to the twelve months ended December 31, 2021 is due to lower earnings.

Net cash used in investing activities was US$nil for the twelve months ended December 31, 2022 and 2021.

Net cash used in financing activities was US$50.7 million during the twelve months ended December 31, 2022 (US$79.4 million used in financing activities during the twelve months ended December 31, 2021). The Company repaid US$14.8 million of long-term debt and paid US$35.9 million of cash distributions during the twelve months ended December 31, 2022. The Company repaid US$14.0 million of long-term debt and paid US$64.9 million of

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cash distributions and dividends during the twelve months ended December 31, 2021.

As of December 31, 2022, the Company's cash and cash equivalents and restricted cash amounted to US$15.7 million (December 31, 2020: US$24.1 million).

Outstanding shares
As of December 31, 2022 the Company had a share capital of US$22,220,906 divided into 22,220,906 shares at par value of US$1.00 each.

OUR FLEET
The current chartering status is summarized in the table below:

- In January 2022, the Company converted the index-linked charter for Bulk Shanghai into a fixed rate charter at US$30,905 per day, gross, for the period from February 1, 2022, until December 31, 2022. In addition, the vessel earns a premium related to the fuel cost savings from the scrubbers.

- In January 2022, the Company converted the index-linked charter for Bulk Shenzhen into a fixed rate charter at US$32,378 per day, gross, for the period from February 1, 2022, until December 31, 2022. In addition, the vessel earns a premium related to the fuel cost savings from the scrubbers.

- In August 2022, the Company extended the index-linked time charter contract for Bulk Sandefjord from August 2022 to August 2023.

- In September 2022, the Company converted the index-linked charter for Bulk Sao Paulo into fixed rate charter at US$16,146 per day, gross, for the period from October 1, 2022, until March 31, 2023. In addition, the vessel will still earn a premium related to the fuel cost savings from the scrubbers.

- In October 2022, the Company converted the index-linked charter for Bulk Sandefjord into fixed rate charter at US$14,392 per day, gross, for the period from October 19, 2022, until March 31, 2023. In addition, the vessel will earn a premium related to the fuel cost savings from the scrubbers of US$4,500 per day, net, for the same period.

- In December 2022, the Company converted the index-linked time charters for Bulk Santiago and Bulk Shenzhen to fixed rate charters for Q1 2023 at a rate of US$16,500, gross, including scrubber benefit. Following the fixed rate charter

Ship name	Delivery	Charterer	Rate US$	Charter expiry
Bulk Sandefjord	Aug-19	Koch	14,392 + 4,500 scrubber benefit to 31 Mar 2023, Index linked + premium + scrubber benefit	Aug 23
Bulk Santiago	Sep-19	Koch	16,500 to March 31, 2023, Index linked + premium + scrubber benefit	Aug 23 - Feb 24
Bulk Seoul	Oct-19	Koch	22,850 from 10 Feb to 30 Sep 2023, Index linked + premium + scrubber benefit	Mar 24
Bulk Shanghai	Nov-19	Koch	22,850 from 10 Feb to 30 Sep 2023, Index linked + premium + scrubber benefit	Mar 24
Bulk Shenzhen	Jan-20	Koch	16,500 to March 31, 2023, Index linked + premium + scrubber benefit	Aug 23 - Feb 24
Bulk Sydney	Jan-20	Koch	19,000 from 19 Feb - 30 May 2023, Index linked + premium + scrubber benefit	Feb 24 - Aug 24
Bulk Sao Paulo	Jun-20	Glencore	16,146 + scrubber benefit to 31 Mar 2023, Index linked + premium + scrubber benefit	May 23 - Jul 23
		European charterer	Index linked + premium + scrubber benefit	Apr 25 - Jun 25
Bulk Santos	Jun-20	Glencore	Index linked + premium + scrubber benefit	May 23 - Jul 23
		European charterer	Index linked + premium + scrubber benefit	Apr 25 - Jun 25

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period, both time charters have been extended with 8-13 months index-linked charters reflecting a significant premium to a standard Capesize vessel, as well as an additional premium related to the fuel cost saving from the scrubbers.

- In January 2023, the Company entered into index-linked time charters for Bulk Santos and Bulk Sao Paulo with a European charterer. The index-linked charters reflect a significant premium to a standard Capesize vessel, as well as an additional premium related to the fuel cost saving from the scrubbers. The new time charters will commence immediately on redelivery from their current employment, expected between May and August 2023, with a duration up until April 1, 2025 to June 31, 2025.

- In January 2023, the Company entered into a new time charter for Bulk Sydney with Koch Shipping. Under the new time charter agreement, which commenced on February 19, 2023, the vessel will earn US$19,000 per day for the first 100 days, thereafter, the charter will convert to a 9-15 month index-linked charter, reflecting a significant premium to a standard Capesize vessel, as well as an additional premium related to the fuel cost saving from the scrubbers.

- In February 2023, the Company converted and extended the index-linked time charters for Bulk Shanghai and Bulk Seoul to fixed rate charters from February 10, 2023, until September 30, 2023, at a rate of US$22,850, gross, including scrubber benefit. Following the fixed rate charter periods, both time charters have been extended with 6 months index-linked charters reflecting a significant premium to a standard Capesize vessel, as well as an additional premium related to the fuel cost saving from the scrubbers.

COMMERCIAL UPDATE

2020 Bulkers has commercially outperformed the Baltic 5TC index for 39 out of 43 months since delivery of its first vessel.

As of March 1, 2023, 2020 Bulkers has 629 out of 2,448 available vessel days covered at average fixed rate of US$20,275 per day, gross. The majority of the fixed charter coverage is centered around the seasonally weak period earlier in the year, with increasing market exposure towards the seasonally stronger third and fourth quarter.

The remaining days are either open or index linked-charters. The structure of our index-linked contracts allows the Company to convert these charters to fixed rates on the basis of the prevailing FFA market from time to time, should we wish to increase our level of fixed charter coverage.

All the concluded charters represent a significant earnings premium to a standard Capesize vessel driven by the additional cargo intake and lower fuel consumption. Charterers are also paying a premium to reflect the economic benefit of our vessels' scrubbers.

MARKET COMMENTARY

The Baltic 5TC Capesize index today stands at US$17,453 having averaged US$7,801 year to date, down from US$14,115 during the same period in 2022.

The Capesize market was unseasonally week during the second half of 2022, relative to the first half of 2022, mainly as a consequence of a sharp reduction in fleet inefficiencies and port congestion. The percentage of the Capesize fleet sitting in port dropped to 25% during the third quarter from a peak of 34% during the second quarter of 2022. The current congestion levels are in line with the average levels seen between 2016 and 2020.

Overall ton-miles sailed on Capesize vessels were up approximately 2.2%, in 2022, relative to 2021. This was mainly driven by a 30% increase in ton-miles for bauxite. For iron ore, ton-miles were down 1.6%, negatively impacted by a 2.8% drop in Brazilian export volumes, while Australian export volumes were up 1.8 % year over year. For the coal trade, ton-miles were up 2% compared to 2021.

Global crude steel production, ex China, was down 7% in 2022, compared to 2021, while Chinese steel production fell 2% compared to 2021.

Chinese iron ore imports were down 2% in 2022, compared to 2021. Imports picked up towards the end of 2022, with imports in the second half of 2022 increasing 1.3% year over year. Chinese iron ore port inventories currently stand at 125 million tons, compared to 140 million tons a year ago.

Recent Economic data suggests Chinese Economic activity is rebounding following the end of the zero-Covid policy, with February PMI at the highest level since April 2012. The recovery is driven by China's implementation of a number of measures to support its economy, such as increasing and bringing forward quotas for issuance of local government special infrastructure bonds. Real estate fixed asset investments declined year over year in 2022, leading the Chinese government to implement stimulus measures such as significantly boosting PBOC pledged supplemental lending and lowering first time buyer mortgage rates.

Growth in vessel supply appears to moderate in the coming years with expected Capesize deliveries of 12.4 million dwt 2023, dropping further to 7.2 million dwt in 2024 and 3.1 million dwt in 2025. As a consequence of the high ordering of container vessels, Chinese yards are believed to have very limited capacity for ordering of large drybulk vessels before 2026, giving good visibility for limited supply growth in the coming years. New ordering is expected to remain subdued due to lack of

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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. During 2022, 19 Capesize vessels, totaling 3.2 million dwt were scrapped, down from 3.4 million dwt in 2021.

Upside risks to the future development in the Capesize market from current levels, relate to an increase in steel production in China following the end of the zero-covid policy, as well as a stabilization in the Chinese real estate sector following China's recent stimulus efforts.

Key downside risks to the Capesize market include a continued economic slowdown, which could be driven by rising interest rates, tighter monetary conditions due to inflationary pressure, as well as heightened geopolitical tensions.

DRY BULK FLEET DEVELOPMENT

The global Capesize fleet stands at 386 million dwt as of March 1, 2023, up from 379 million dwt in March, 2022.

The current orderbook for Capesize dry bulk vessels stands at 5.8% of the existing fleet, down from 7.1% in March 2022.

7.2 million dwt was ordered in 2022, compared to 17.6 million dwt ordered in 2021.

3.2 million dwt was scrapped in 2022, compared to 3.4 million dwt in 2021.

CORPORATE GOVERNANCE REPORT AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company has prepared a Corporate Governance Report which is included as a separate section of this annual report. The Environmental Social and Governance Report can be found on the Company's website. The Company has based its corporate governance principles on the Norwegian Code of Practice for Corporate Governance published on October 14, 2021 (the "Code"). There are, however, some areas where the Company's governance principles differ from those of the Code, primarily due to differences between the Bermuda Companies Act and/or the Company's Bye-laws and the Norwegian Public Limited Companies Act.

RISK FACTORS

The Company is exposed to a variety of risks, including market, operational and financial risks.

The most significant risk to the Company is the cyclicality of the dry bulk market with attendant volatility in freight rates, vessel values and consequently, profitability. Fluctuations in rates result from imbalances between the supply and demand for vessel capacity and changes in the supply and demand for the commodities carried by water internationally. The supply of and demand for shipping capacity determine the freight rates. Because the factors affecting the supply and demand dynamics of the shipping segment the Group is invested in are outside of the Group's control and are unpredictable, the nature, timing, direction and degree of changes they influence in business conditions are also unpredictable.

Other key risks are outlined below, which are not meant to be exhaustive:

The Company's vessels will be subject to perils particular to marine operations, including capsizing, grounding, collision and loss and damage from severe weather or storms. The vessels may also be subject to other unintended accidents. Such circumstances may result in loss of or damage to the relevant vessel, damage to property (including other vessels) and damage to the environment or persons or for actions for damages connected with existing and future contracts which cannot be fulfilled. Such events may lead to the Group being held liable for substantial amounts by contractual counterparties, injured parties, their insurer and public governments. In the event of pollution, the Group may be subject to strict liability. Environmental laws and regulations applicable in the countries in which the Group operates have become more stringent in recent years. Such laws and regulations may expose the Group to liability for the conduct of or conditions caused by others, or for acts by the Group that were in compliance with all applicable laws at the time such actions were taken.

The occurrence of the aforementioned events may have a material adverse effect on the Group's business, financial condition, results of operation and liquidity, and there can be no assurance that the Group's insurance will fully compensate any such potential losses and/or expenses. Further, the Company's management will monitor the performance of each investment, however, the Company will rely upon third party technical and day-to-day management of the assets, and there can be no assurance that such management will operate successfully.

The operation of dry bulk vessels has certain unique operational risks and the cargo itself and its interaction with the vessel can be a risk factor. By their nature, dry bulk cargoes are often heavy and may shift in a hold unless carefully distributed and stowed causing loss of vessel stability. High moisture bulk cargoes may cause free water surface on-top with subsequent loss of stability during a voyage, and certain cargoes may react badly to water exposure. In addition, dry bulk vessels are often subjected to battering treatment during unloading operations with grabs, and use of bulldozers to maximize cargo outturn. This harsh handling may cause structural weakness or damage to the vessels and thus render them more susceptible to a hull breach at sea. Hull breaches in dry bulk vessels may lead to the flooding of cargo holds. If a dry bulk vessel suffers

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flooding, the combination of cargo and sea water may result in very high shear force and bending moment and eventually cause catastrophic buckling or collapse of vessel's bulkheads leading to the loss of the vessel.

If the Group is unable to adequately maintain or safeguard its vessels, it may be unable to prevent such events. Any of these circumstances or events could negatively impact the Group's business, financial condition or results of operations. In addition, the loss of any of its vessels could harm the Group's reputation as a safe and reliable vessel owner and operator.

The Group's success depends, to a significant extent, upon the abilities and efforts of a small number of key personnel, employed in 2020 Bulkers Management AS and providing services to the Group under the terms of the Management Agreement, and there can be no assurance that such individuals will continue to be employed by the Group and involved in the management of the Group in the future, or that their continued involvement will guarantee the future success of the Group. If the Group does not retain such key competence, and/or if it is unable to attract new talent or competencies relevant for the future development of the Group, this may have a negative effect on the success of the Group, and the Group's ability to expand its business and/or to maintain and develop its competitive skill set, which will correspondingly have an adverse effect on the Group's competitive position and financial performance.

The Company generates revenues and incurs operating expenses in U.S. dollars and the majority of the general and administrative expenses are denominated in NOK. The Company has not hedged any foreign currency exposure.

The interest rates on the term loan facility and sale lease-back financing are based on LIBOR + a margin. In April 2020 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 outstanding loan amount under the term loan until August/September 2024. The Company is exposed to fluctuations in the interest rate on the sale lease-back financing.

The Company has chartered out six vessels to Koch Shipping Pte. Ltd. and two vessels to ST Shipping and Transport Pte. Ltd. The two customers are large international companies and 2020 Bulkers assess the companies as reputable counterparties with low credit risk.

There is a concentration of credit risk with respect to cash and cash equivalents to the extent that nearly all of the amounts are carried with Danske Bank. However, we believe this risk is remote, as Danske Bank is an established financial institution.

The availability of financing alternatives for future investment opportunities may be unavailable at sufficiently attractive terms. The Company is also exposed to general movements on the Oslo Stock Exchange, which may limit the possibility of raising new equity at attractive prices.

With the increased use of technologies such as the internet to conduct business, the Group, service providers to the Group and Oslo Børs are susceptible to operational, information security and related "cyber" risks both directly and indirectly, which could result in material adverse consequences for the Group and the shareholders, such as causing disruptions and impacting business operations, potentially resulting in financial losses. Unlike many other types of risks faced by the Group, these risks are typically not covered by any insurance. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber incidents include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

2020 Bulkers maintains Directors & Officers liability insurance against liabilities incurred in their capacity as Director or Officer. The insurance is capped at US$10 million.

IMPACT OF COVID-19

Immigration restrictions and quarantine measures related to Covid-19, continue to create challenges for crew changes on regular intervals, also incurring some additional cost.

From an operational perspective, port congestion and other inefficiencies have normalized, with the share of the Capesize fleet in port now back to pre-Covid levels.

The Company recorded approximately 16 days and 11 hours of off-hire in 2022 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 continues to thank the dedicated seafarers aboard our vessels, many of whom continue to have their terms of service onboard extended due to logistical difficulties.

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IMPACT OF THE WAR IN UKRAINE

2020 Bulkers utilizes a variety of nationalities in the crew mix, amongst others a limited number of highly valued Ukrainian top officers. The Russian invasion of Ukraine has created challenges for the rotation of the affected nationals. The Company is working hard to maintain first class operational standards, whilst taking care of the human perspective involved.

The main commodity transported on Newcastlemax vessels is iron ore, of which, only approximately 1.5% has historically been exported as seaborne trade out of Ukraine or Russia. As such, any direct impact on iron ore trade flows are minor.

OUTLOOK

2020 Bulkers has a robust financial structure with moderate financial leverage and a solid cash position. Our operating cash breakeven, which is estimated at approximately US$16,300 per vessel per day for the remainder of 2023, is lower than the current FFA curve for the balance of 2023, which implies earnings of approximately US$30,000 per day for a scrubber fitted Newcastlemax.

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

FORWARD-LOOKING STATEMENTS

This report 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 Bulkers 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 report speak only as of the date hereof and are subject to change without notice.

ABOUT 2020 BULKERS LTD.

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

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

March 15, 2023

/s/ Kate Blankenship	/s/ Viggo Bang-Hansen	/s/ Magnus Halvorsen
Kate Blankenship	Viggo Bang-Hansen	Magnus Halvorsen
Director	*Director*	*Chair*

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, that the consolidated financial statements for 2022, which have been prepared in accordance with US GAAP gives a true and fair view of the Company's consolidated assets, liabilities, financial position and result of operations, and that the 2022 report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

March 15, 2023

/s/ Kate Blankenship	/s/ Viggo Bang-Hansen	/s/ Magnus Halvorsen
Kate Blankenship	Viggo Bang-Hansen	Magnus Halvorsen
Director	*Director*	*Chair*

CORPORATE GOVERNANCE REPORT

2020 Bulkers Ltd. ("**2020 Bulkers**" or "**the Company**") is a company organized and existing under the laws of Bermuda. The corporate governance principles applicable to it are set out in the Bermuda Companies Act 1981, its bye-laws (the "**Bye-laws**") and its memorandum of association.

As a consequence of the listing of the Company's shares on the Oslo Børs (Oslo Stock Exchange, the "OSE"), certain aspects of Norwegian law, notably the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations are also relevant for its corporate governance policy.

1. 2020 BULKERS CORPORATE GOVERNANCE POLICY

The overall corporate governance policy of 2020 Bulkers is the responsibility of its board of directors (the "**Board**").

In defining this policy, the Board will observe the requirements set out in applicable laws, cf. above, relevant recommendations and the specific requirements arising from the Company's business activities.

The most important recommendation of relevance to the Company's corporate governance is the Norwegian Code of Practise for Corporate Governance of 14 October 2021 (the "**Code**").

The Board recognizes that the Code represents an important standard for corporate governance for companies whose shares are listed on the OSE. Most of the principles and recommendations in the Code are included in the Company's corporate governance policy. There are, however, some areas where the Company's governance principles differ from those of the Code, primarily due to differences between the Bermuda Companies Act and/or the Bye-laws and the Norwegian Public Limited Companies Act.

The Board has codified certain corporate governance principles in a "Code of Conduct," applicable to all employees in the Company and its subsidiaries (the "**2020 Bulkers Group**").

The Code of Conduct can be found on the Company's website (https://2020bulkers.com/company/).

The Board has formulated the Company's overall mission and the core values on which all of the activities of the 2020 Bulkers Group shall be based. These can be found in the Company's website.

The Board has, in line with the Code's recommendations, prepared this report in order to disclose those of its corporate governance principles which do not comply with the recommendations of the Code.

2. THE BUSINESS

The Company's memorandum of association describes the Company's objectives and purposes as unrestricted. This deviates from the recommendation in the Code but is in line with the requirements of the Bermuda Companies Act.

The Company has clear objectives and strategies for its business. These are described in the Company's annual report and on its website.

3. EQUITY AND DIVIDENDS

The Board strives to identify and pursue clear business goals and strategies for the Company, to assess and manage the risks associated with these, and to maintain an equity capital and liquidity position which are sufficient to match the same.

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

The Company's aim is to provide its shareholders with a competitive return on their investment through a positive development in the price of the Company's shares and, when the Company's cash flow so allows, dividends or cash distributions to its shareholders.

The Company's shareholders may, by way of a resolution in a general meeting of all shareholders (a "**General Meeting**") increase the Company's authorized share capital, reduce the authorized share capital (by reducing the number of unissued but authorized shares) and increase or reduce the issued share capital. The procedures for such corporate actions are set out in the Bye-laws and the Bermuda Companies Act.

The Board has, under Bermuda law, wide powers to issue authorized but unissued shares in the Company. The Board is also authorized in the Bye-laws to purchase the Company's shares and hold these in treasury. These powers are not restricted to any specific purposes nor to a specific period as the Code recommends.

4. EQUITABLE TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The Company has one class of shares only. Each share carries one vote. All shares have equal rights. All shares give a right to participate in General Meetings.

Under the Bermuda Companies Act, no shareholder has a pre-emptive right to subscribe for new shares in a limited company unless (and only to the extent that) the

CORPORATE GOVERNANCE REPORT

right is expressly granted to the shareholder under the bye-laws of such company or under any contract between the shareholder and such company. The Bye-laws do not provide for pre-emptive rights.

The Board will only transact in the Company's shares at their market value.

Members of the Board (each a "Director") and the Company's senior management shall notify the Board if they have any material interest, whether direct or indirect, in any transaction which the 2020 Bulkers Group intends to conclude.

Following these guidelines, any Director and/or member of the Company's senior management who have an interest in any such transaction shall always refrain from participating in the discussions on whether to conclude such transaction or not in the relevant corporate bodies in the 2020 Bulkers Group.

Further, the Board shall always consider whether it is appropriate to obtain an independent third-party valuation of the object of any material transaction between the Company and any of its close associates.

5. FREELY NEGOTIABLE SHARES
The Company's shares are freely tradable.

6. GENERAL MEETINGS
The Code requires that notice of General Meetings, (including any supporting documents for the resolutions to be considered therein) is made available on the Company's website no later than 21 days prior to the date of the General Meeting.

The Bye-laws allows, in accordance with Bermuda law, for notice to be given no less than seven days (excluding the day on which the notice is served and the day on which the General Meeting to which it relates is to be held) prior to a General Meeting. This differs from the recommendation of the Code.

The Board aspires to maintain good relations with its shareholders and possible investors in its shares, and to have an investor relation policy which complies with the OSE's Code of Practice for Investor Relations.

The Board shall ensure that as many shareholders as possible are able to participate in the General Meetings. To achieve a high rate of shareholder attendance therein the Company shall:

- provide, on its website, the date of and, if possible, further information on each General Meeting as early as possible, and at the latest seven days in advance thereof;
- provide, together with or before the notice is given, sufficient supporting documentation for any resolution proposed to be made therein in order for the shareholders to prepare;
- ensure that any registration deadline is set as close to the General Meeting as possible; and
- ensure that the shareholders may vote for each and all of the candidates for the Board.

7. NOMINATION COMMITTEE
The Code recommends that the Company has a nomination committee.

The Company is not, under Bermuda law, obliged to establish a nomination committee. The Board is of the opinion that there are, for the time being, not sufficient reasons to establish a nomination committee.

The Board will consult with the Company's main shareholders prior to proposing candidates for Directors and will ensure that the Board consists of Directors with the expertise and competence as shall be required by the Company from time to time.

8. CORPORATE ASSEMBLY AND BOARD OF DIRECTORS, COMPOSITION AND INDEPENDENCE
The Company does not have a corporate assembly.

According to the Bye-laws the Board shall consist of not less than two Directors. Currently the Board consists of three Directors.

It is the view of the Board that at least two of its Directors are independent of the Company's main shareholders. Further, it is the view of the Board that a majority of the Directors are independent of the Company's senior managers and main business partners. Although the Chair performs certain executive functions, no Director is employed by the 2020 Bulkers Group.

The Board will, in accordance with normal procedures for Bermuda companies, elect its chair. This differs from the recommendation in the Code that the General Meeting shall elect the chair of the Board.

The Directors shall, subject to applicable law and the Bye-laws, hold office until the first General Meeting following such Director's election. The Directors may be re-elected.

A short description of the current Directors is available on the Company's website – https://2020bulkers.com/team/.

CORPORATE GOVERNANCE REPORT

9. THE WORK OF THE BOARD
The Code recommends that the Board develops and approves written guidelines for its own work as well as the work of the Company's senior managers with particular emphasis on establishing clear internal allocation of responsibilities and duties.

The Bermuda Companies Act does not require the Board to prepare such guidelines. The Board is of the opinion that there are no reasons to issue such guidelines at present.

The Code recommends that the Board establishes an audit committee and a remuneration committee.

Although the Bermuda Companies Act does not require the Company to establish such committees, the Board has established an Audit Committee, but the Board is of the opinion that there is no reason to establish a remuneration committee at present.

10. RISK MANAGEMENT AND INTERNAL CONTROL
The Board is focused on ensuring that the 2020 Bulkers Group's business practices are sound and that adequate internal control routines are in place. The Board continuously assesses the possible consequences of and the risks related to the 2020 Bulkers Group's operations.

The 2020 Bulkers Group is committed to protecting the health and safety of its employees and contractors in their activities for the 2020 Bulkers Group and is committed to ensure generally accepted QHSE principles are integrated in everything the 2020 Bulkers Group does.

The Board supervises the Company's internal control systems. These cover both the 2020 Bulkers Group's operations and its guidelines for ethical conduct and social responsibility.

11. REMUNERATION OF THE DIRECTORS
The remuneration of the Directors is set by the General Meeting. The Company may, on occasion, pay Directors their fee in the Company's shares and/or grant Directors under the Company's share option scheme.

Section 11 of the Code requires that Directors should not take on specific assignments for the Company in addition to their appointment as Directors.

The 2020 Bulkers Group will not refrain from engaging Directors for specific assignments for the Company if such engagement is considered beneficial to the Company. This differs from the recommendation in the Code. However, such assignments will be disclosed to the Board and the Board shall approve the assignment, as well as the remuneration.

12. REMUNERATION OF LEADING EMPLOYEES
The remuneration of the 2020 Bulkers Group's senior managers is based on four components. The first component is each individual's fixed salary. This is set based on the individual's position and responsibility and the international salary level for comparable positions.

The second component is local compensation such as mandatory pension payments.

The third component is a variable, discretionary bonus. Bonuses will be granted based on the performance of the 2020 Bulkers Group as a whole and each individual in relation to targets set annually.

The fourth component is a share option scheme established by the Company where share options can be issued to senior managers in the 2020 Bulkers Group.

The Code recommends that guidelines for the remuneration of executive personnel are prepared and approved by the General Meeting. Such guidelines should set forth an absolute limit to performance related remuneration. The 2020 Bulkers Group's remuneration policy does not require such a procedure, nor does it contain any such limit. This differs from the recommendation in the Code.

The Bye-laws permits the Board to issue share options to the Company's employees, including members of the 2020 Bulkers Group's senior management team, without requiring that the General Meeting approves the number of options granted or the terms and conditions of such. In addition, the share option scheme is an incentive program rather than remuneration directly limited to the Company's results.

13. INFORMATION AND COMMUNICATION
The Company is committed to provide information on its financial situation, ongoing projects and other circumstances relevant for the valuation of the Company's shares to the financial markets on a regular basis.

The Company is also committed to disclose all information necessary to assess the value of its shares on its website. Interested parties will find the Company's latest news releases, financial calendar, company presentations, share and shareholder information, information about analyst coverage and other relevant information here.

Such information may also be found on the website of the OSE – https://www.euronext.com/nb/markets/oslo.

CORPORATE GOVERNANCE REPORT

Information to the 2020 Bulkers Group's shareholders shall be published on the Company's website at the same time as it is sent to the shareholders.

14. TAKEOVER OFFER

The Board will seek to ensure that the Company's business activities are not disrupted unnecessarily in the event a general offer is made for the Company's shares. The Board will, furthermore, strive to ensure that shareholders are given sufficient information and time to form a view of the terms of such offer.

If a takeover offer is made, the Board will issue a statement on its merits in accordance with statutory requirements and the recommendations in the Code.

The Board will consider obtaining a valuation of the Company's equity capital from an independent expert if a takeover offer is made in order to provide guidance to its shareholders as to whether to accept such offer or not.

15. AUDITOR

The Board will, each year, agree a plan for the audit of the 2020 Bulkers Group's accounts with its auditor. The Board will furthermore interact regularly with the auditor within the scope of this plan.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions of US$ except per share data)	12 months to December 31, 2022	12 months to December 31, 2021
Operating revenues		
Time charter revenues	76.1	110.3
Voyage charter revenues	-	3.5
Other operating income	1.2	2.1
Total operating revenues	**77.3**	**115.9**
Operating expenses		
Vessel operating expenses	(18.6)	(17.7)
Voyage expenses and commission	(1.1)	(2.8)
General and administrative expenses	(4.4)	(3.3)
Depreciation and amortization	(11.7)	(11.7)
Total operating expenses	**(35.8)**	**(35.5)**
Operating profit	**41.5**	**80.4**
Financial expenses, net		
Interest expense	(9.4)	(9.5)
Other financial income (expense)	(0.1)	(0.1)
Total financial expenses, net	**(9.5)**	**(9.6)**
Net income before income taxes	**32.0**	**70.8**
Income tax	(0.1)	-
Net income	**31.9**	**70.8**
Per share information:		
Basic earnings per share	1.44	3.19
Diluted earnings per share	1.42	3.14
Consolidated Statements of Comprehensive Income		
Net income	**31.9**	**70.8**
Unrealized gain on interest rate swaps	8.3	2.3
Other comprehensive income	**8.3**	**2.3**
Total comprehensive income	**40.2**	**73.1**

See accompanying notes that are an integral part of these Audited Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

(In millions of US$)	December 31, 2022	December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	15.5	24.0
Restricted cash	0.2	0.1
Trade receivables	2.2	0.9
Accrued revenues	0.2	-
Other current assets	9.3	3.2
Total current assets	**27.4**	**28.2**
Long term assets		
Vessels and equipment, net	349.0	360.6
Other long-term assets	3.4	1.8
Total long-term assets	**352.4**	**362.4**
Total assets	**379.8**	**390.6**
LIABILITIES AND EQUITY		
Current liabilities		
Current portion of long-term debt	14.8	14.8
Accounts payable	1.0	0.7
Accrued expenses	2.9	3.2
Other current liabilities	1.9	2.6
Total current liabilities	**20.6**	**21.3**
Long term liabilities		
Long-term debt	203.2	217.2
Other long-term liabilities	0.1	0.4
Total long-term liabilities	**203.3**	**217.6**
Commitments and contingencies		
Equity		
Common shares of par value US$1.0 per share: authorized 75,000,000 (2021:75,000,000). Issued and outstanding 22,220,906 (2021: 22,220,906)	22.2	22.2
Additional paid-in capital	0.5	31.1
Contributed surplus	28.2	33.6
Accumulated other comprehensive income	9.2	0.9
Retained earnings	95.8	63.9
Total shareholders' equity	**155.9**	**151.7**
Total liabilities and shareholders' equity	**379.8**	**390.6**

March 15, 2023

/s/ Kate Blankenship	/s/ Viggo Bang-Hansen	/s/ Magnus Halvorsen
Kate Blankenship	Viggo Bang-Hansen	Magnus Halvorsen
Director	*Director*	*Chair*

See accompanying notes that are an integral part of these Audited Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of US$)	12 months to December 31, 2022	12 months to December 31, 2021
Net income	**31.9**	**70.8**
Share based compensation	0.1	-
Depreciation and amortization	11.7	11.7
Change in trade receivables	(1.3)	(0.3)
Change in accrued revenues	(0.2)	-
Change in accounts payable	0.3	-
Change in other current items related to operating activities	(0.2)	1.4
Change in other long-term items related to operating activities	-	(0.1)
Net cash provided by operating activities	**42.3**	**83.5**
Investing activities	**-**	**-**
Net cash used in investing activities	**-**	**-**
Financing activities		
Proceeds, net of deferred loan costs, from issuance of long-term debt	-	(0.9)
Repayment of long-term debt	(14.8)	(14.0)
Net proceeds from share issuance	-	0.4
Cash distributions/dividends	(35.9)	(64.9)
Net cash used in financing activities	**(50.7)**	**(79.4)**
Net increase (decrease) in cash and cash equivalents and restricted cash	(8.4)	4.1
Cash and cash equivalents and restricted cash at beginning of period	24.1	20.0
Cash and cash equivalents and restricted cash at end of period	**15.7**	**24.1**
Interest paid, net of capitalised interest	(9.1)	(9.0)
Income taxes paid	-	-

See accompanying notes that are an integral part of these Audited Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In millions of US$, except number of shares)	Number of shares	Share capital	Addit. paid-in capital	Contri-buted surplus	Other compre-hensive income (loss)	Retained earnings	Total equity
Consolidated balance as of December 31, 2020	**22 170 906**	**22.2**	**105.7**	**11.2**	**(1.4)**	**4.4**	**142.1**
Issue of common shares	50 000	-	0.4	-	-	-	0.4
Transfer	-	-	(75.0)	75.0	-	-	-
Cash distributions	-	-	-	(52.6)	-	-	(52.6)
Dividends						(11.3)	(11.3)
Total comprehensive income for the period	-	-	-	-	2.3	70.8	73.1
Consolidated balance as of December 31, 2021	**22 220 906**	**22.2**	**31.1**	**33.6**	**0.9**	**63.9**	**151.7**
Transfer	-	-	(30.6)	30.6	-	-	-
Cash distributions	-	-	-	(36.0)	-	-	(36.0)
Total comprehensive income for the period	-	-	-	-	8.3	31.9	40.2
Consolidated balance as of December 31, 2022	**22 220 906**	**22.2**	**0.5**	**28.2**	**9.2**	**95.8**	**155.9**

See accompanying notes that are an integral part of these Audited Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

2020 Bulkers Ltd. (together with its subsidiaries, the "Company" or the "Group" or "2020 Bulkers") is a limited liability company incorporated in Bermuda on September 26, 2017. The Company's shares are traded on the Oslo Børs under the ticker "2020".

2020 Bulkers is an owner and operator of large dry bulk vessels. The Group has eight Newcastlemax dry bulk vessels in operation.

Basis of presentation
Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

2. ACCOUNTING POLICIES

Principle of Consolidation
The consolidated financial statements include the assets and liabilities of us and our wholly owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation.

Use of estimates
The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Actual results could differ from those estimates.

Fair value measurement
We have determined the estimated fair value amounts presented in these consolidated financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in these consolidated financial statements are not necessarily indicative of the amounts that we could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

We account for fair value measurement in accordance with the accounting standards guidance using fair value to measure assets and liabilities. The guidance provides a single definition for fair value, together with a framework for measuring it, and requires additional disclosure about the use of fair value to measure assets and liabilities.

Reporting and functional currency
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$. Accordingly, the Company's reporting currency is also U.S. dollars. Foreign currency gains or losses on consolidation are recorded as a separate component of other comprehensive income (loss) in shareholders' equity for subsidiaries that have functional currencies other than US$.

Foreign currency
Transactions in foreign currencies during the year are recognized at the rates of exchange in effect at the date of the transaction. Foreign currency monetary assets and liabilities are revalued using rates of exchange at the balance sheet date. Foreign currency transaction gains or losses are included in the consolidated statements of operations.

Revenue and expense recognition
Our shipping revenues are primarily generated from time charters. In a time charter, 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. Costs incurred by the Company in connection with time charters

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are recognized on an accruals basis. The charterer bears the voyage related costs such as bunker expenses, port charges and canal tolls during the hire period. The performance obligations in a time charter contract are satisfied over the 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 Revenue from Contracts with Customers 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 for as operating leases in accordance with ASC 842 Leases and related interpretations. For arrangements where the Company is the lessor, we intend to elect the practical expedient which allows the Company to treat the lease and non-lease components as a single lease component for the leases where the timing and pattern of transfer for the non-lease component and the associated lease component to the lessees are the same and the lease component, if accounted for separately, would be classified as an operating lease.

Income from time charters is recognized on a straight-line basis over the period of the time charter contract (or lease contract) and at the prevailing rate for the relevant assessment period for variable or index-linked time charter contracts.

In a voyage charter contract, which we consider in scope of ASC 606, the charterer hires the vessel to transport a specific agreed upon cargo for a single voyage. The consideration in such a contract is determined on the basis of a freight rate per metric ton of cargo carried or occasionally on a lump sum basis. Estimates and judgments are required in ascertaining the most likely outcome of a particular voyage and actual outcomes may differ from estimates. In a voyage charter contract, the performance obligations begin to be satisfied once the vessel begins loading the cargo. We have determined that our voyage charter contracts consist of a single performance obligation of transporting the cargo within a specified time period. Therefore, the performance obligation is met evenly as the voyage progresses, and the revenue is recognized on a straight-line basis over the voyage days from the commencement of loading to completion of discharge.

During 2022 and 2021, the Company had revenues from time charters and one voyage charter contract.

The guidance also specifies treatment for certain contract related costs, being either incremental costs to obtain a contract, or costs to fulfill a contract. Under the guidance, an entity shall recognize as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. The guidance also provides a practical expedient whereby an entity may recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less. Costs to fulfill a contract must be capitalized if they meet certain criteria. In a voyage contract, the Company bears all voyage related costs such as fuel costs, port charges and canal tolls. These costs are considered contract fulfillment costs because the costs are direct costs related to the performance of the contract and are expected to be recovered. The costs incurred during the period prior to commencement of loading the cargo, primarily bunkers, are deferred as they represent setup costs and are recorded as a current asset and are subsequently amortized on a straight-line basis as we satisfy the performance obligations under the contract.

Share-based compensation
The cost of equity settled transactions is measured by reference to the fair value at the date on which the share options are granted. The fair value of the share options issued under the Company's employee share option plans is determined at the grant date taking into account the terms and conditions upon which the options are granted, and using a valuation technique that is consistent with generally accepted valuation methodologies for pricing financial instruments, and that incorporates all factors and assumptions that knowledgeable, willing market participants would consider in determining fair value. The fair value of the share options is recognized in General and administrative expense in the Consolidated Statements of Operations, with a corresponding increase in equity over the period during which the employees become unconditionally entitled to the options. Compensation cost is initially recognized based upon options expected to vest, excluding forfeitures, with appropriate adjustments to reflect actual forfeitures.

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 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 December 31,2022, and December 31, 2021, the Company has no indications that the carrying amount of a particular vessel may not be fully recoverable.

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Sale lease-back transactions
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. 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 are 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 December 31, 2022, involved a purchase obligation and was therefore treated as a financing arrangement. Please refer to note 11.

Deferred charges
Costs associated with long-term financing, including debt arrangement fees, are deferred and amortized over the term of the relevant loan using the straight-line method as this approximates the effective interest method. Amortization of loan costs will be included in "Other financial expenses" in the Consolidated Statements of Operations. If a loan is repaid early, any unamortized portion of the related deferred charge is charged against "Other financial expenses" in the period in which the loan is repaid. Deferred charges are presented as either a gross asset or as a deduction from the corresponding liability in the Consolidated Balance Sheet.

Drydocking
Maintenance of class certification requires expenditure 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 ABS and the Liberian Ship Register. Normal vessel repair and maintenance costs will be expensed when incurred. We will recognize the cost of a drydocking at the time the drydocking takes place. The Group will capitalize a substantial portion of the costs incurred during drydocking, including the survey costs and depreciates those costs on a straight-line basis from the time of completion of a drydocking or intermediate survey until the next scheduled drydocking or intermediate survey.

Earnings per share
Basic earnings per share ("EPS") is computed based on the income available to common stockholders and the weighted average number of shares outstanding. Diluted earnings per share includes the effect of the assumed conversion of potentially dilutive instruments, which for the Company includes share options. The determination of dilutive EPS may require us to make adjustments to net loss and the weighted average shares outstanding used to compute basic EPS unless anti-dilutive.

Trade receivables
Trade receivables are presented net of allowances for doubtful balances. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts.

Cash and cash equivalents
All demand and time deposits and highly liquid, low risk investments with original maturities of three months or less at the date of purchase are considered equivalent to cash.

Interest-bearing debt
Interest-bearing debt is recognized initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost. Transaction costs are amortized over the term of the loan.

Current and long-term classification
Assets and liabilities are classified as current assets and liabilities respectively, if their maturity is within one year of the balance sheet date. Otherwise, they are classified as non-current assets and liabilities.

Related parties
Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence.

NOTES

3. RECENTLY ISSUED ACCOUNTING STANDARDS

Adoption of new accounting standards
In May 2021, the FASB issued ASU 2021-04 Earnings Per Share (Topic 260), Debt— Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging —Contracts in Entity's Own Equity (Subtopic 815-40).

The amendments clarify the issuer's recognition and measurement considerations resulting from exchanges or modifications to free-standing instruments (written call options) classified in equity. Such exchanges or modifications are treated as adjustments to the cost to raise debt, to the cost to raise equity or as share based payments (ASC 718) when issued to compensate for goods or services. If not treated as costs of debt funding, equity funding or share-based payments, it results in an adjustment to EPS/net income (loss). These amendments are effective from January 1, 2022. The amendments did not have a material impact on the Company's consolidated financial statements.

ASU 2020-04 (ASC 848 Reference Rate Reform)
In March 2020, the FASB issued ASU 2020-04 (ASC 848 Reference Rate Reform), which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. In January 2021, the FASB issued ASU 2021-01, which clarified the scope of Topic 848 in relation to derivative instruments and contract modifications. The amendments in these updates are elective and apply to all entities, subject to meeting certain criteria, that have contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The amendments in these updates are effective for all entities as of March 12, 2020 through December 31, 2022. The Company has determined that reference rate reforms will potentially impact the outstanding amount under the term loan facility and the bareboat rate under the sale leaseback financing to which it is a party. Based on the latest guidance from the applicable LIBOR administrator, the reference rates currently in use are expected to be available until June 30, 2023. The Company expects to agree alternative reference rates with its counterparties before the applicable discontinuation date. We expect to take advantage of the expedients and exceptions for applying GAAP provided by the updates to the extent reference rates currently in use are replaced with alternative reference rates before December 31, 2022. In December 2022, the FASB issued ASU 2022-06 Reference Rate Reform (Topic 848) which defer the sunset date of Topic 848 from December 31 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief of Topic 848.

4. INCOME TAXES

Bermuda
2020 Bulkers Ltd. is incorporated in Bermuda. Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. 2020 Bulkers Ltd. has received written assurance from the Minister of Finance in Bermuda that, in the event of any such taxes being imposed, the Company will be exempted from taxation until March 31, 2035.

Other jurisdictions
2020 Bulkers Ltd. transferred tax domicile from Bermuda to Norway effective August 9, 2022. Our subsidiaries in Norway are subject to income tax. The estimated income tax expense for the twelve months ended December 31, 2022, is US$63k. The Group does not have any unrecognized tax benefits, accrued interest or penalties relating to income taxes.

5. SEGMENT INFORMATION

Our chief operating decision maker, or the CODM, being our Board of Directors, measures performance based on our overall return to shareholders based on consolidated net income. The CODM does not review a measure of operating result at a lower level than the consolidated group and we only have one reportable segment. Our vessels operate worldwide and therefore management will not evaluate performance by geographical region as this information is not meaningful.

For the year ended December 31, 2022, two customers accounted for 10 percent or more of our consolidated revenues in the amounts of US$18.0 million and US$58.1 million, respectively. For the year ended December 31, 2021, two customers accounted for 10 percent or more of our consolidated revenues in the amounts of US$21.6 million and US$92.3 million, respectively..

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6. REVENUES

The Company recognized revenues from time charter contracts (described in note 8) during the twelve months ended December 31, 2022. The Company has recognized US$0.2 million of revenues which is not invoiced as of December 31, 2022 and the amount is recognized as accrued revenues. In addition, the Company has invoiced US$1.0 million to customers which is not earned as of December 31, 2022, and the amount is recognized as other current liabilities.

7. EARNINGS PER SHARE

The computation of basic EPS is based on the weighted average number of outstanding shares during the period. Diluted EPS includes the potential effect of conversion of 650,000 share options outstanding issued to employees and directors since the average share price for the twelve months to December 31, 2022, was above the strike price.

(In US$, except share numbers)	**12 months to December 31, 2022**	**12 months to December 31, 2021**
Basic earnings (loss) per share	1.44	3.19
Diluted earnings (loss) per share	1.42	3.14
Issued ordinary shares at the end of the period	22 220 906	22 220 906
Weighted average number of shares outstanding- basic	22 220 906	22 184 605
Weighted average number of shares outstanding- diluted	22 519 940	22 556 917

8. LEASES

Lessor

The Company has the following vessels on operating lease contracts:

Vessel	**Charterer**	**Charter expiry**	**Gross rate/day, USD**
Bulk Sandefjord	Koch Shipping	Aug 23	US$18,892 to 31 March 2023, Index linked + premium + scrubber benefit
Bulk Santiago	Koch Shipping	Dec 22- Mar 23	US$16,500 to 31 March 2023, Index linked + premium + scrubber benefit
Bulk Seoul	Koch Shipping	Dec 22- Mar 23	Index linked + premium + scrubber benefit
Bulk Shanghai	Koch Shipping	Sep 22- Mar 23	Index linked + premium + scrubber benefit
Bulk Shenzhen	Koch Shipping	Nov 22- Mar 23	US$16,500 to 31 March 2023, Index linked + premium + scrubber benefit
Bulk Sydney	Koch Shipping	Jan 23	Index linked + premium + scrubber benefit
Bulk Sao Paulo	Glencore	May 23 - Jul 23	16,146 + scrubber benefit to 31 March 2023, index-linked + premium + scrubber benefit
Bulk Santos	Glencore	May 23- Jul 23	Index linked + premium + scrubber benefit

Lessee

Effective January 1, 2019, the Company entered into a long-term lease contract for an office in Oslo. This contract was terminated May 1, 2020. Effective January 1, 2020, the Company leased additional office space in Oslo. The right-of-use asset as of December 31, 2022, was US$0.1 million and the corresponding lease liability was US$0.1 million. The amortization of right of use assets relating to office lease is presented under Depreciation and Amortization in the consolidated statements of operations.

NOTES

9. VESSELS AND EQUIPMENT, NET

(In millions of US$)	Vessels and equipment, net	Total
Cost as of December 31, 2020	**383.4**	**383.4**
Capital expenditures	-	-
Cost as of December 31, 2021	**383.4**	**383.4**
Capital expenditures	-	-
Cost as of December 31, 2022	**383.4**	**383.4**
Accumulated depreciation as of December 31, 2021	**22.8**	**22.8**
Depreciation	11.6	11.6
Accumulated depreciation as of December 31, 2022	**34.4**	**34.4**
Balance as of December 31, 2021	**360.6**	**360.6**
Balance as of December 31, 2022	**349.0**	**349.0**

10. RELATED PARTY TRANSACTIONS

In September 2021, Jens Martin Jensen, Director of the Company, exercised 50,000 share options at a strike price of US$7.935. Mr. Jensen resigned from the Board in December 2021.

In October 2021, 2020 Bulkers Management AS signed an agreement with Himalaya Shipping Ltd. and its subsidiaries to provide certain management services (this agreement replaces the agreement signed in June 2021). Himalaya Shipping Ltd. was considered a related party at the time of the transaction. As of December 31, 2022, Himalaya Shipping Ltd. is not considered a related party.

11. DEBT

(In millions of US$)	December 31, 2022	December 31, 2021
Pledged		
Term loan Tranche I (“Bulk Sandefjord”), balloon payment March 2027	24.6	26.2
Term loan Tranche II (“Bulk Santiago”), balloon payment March 2027	25.0	26.7
Term loan Tranche V (“Bulk Shenzhen”), balloon payment March 2027	25.4	27.1
Term loan Tranche VI (“Bulk Sydney”), balloon payment March 2027	25.4	27.1
Term loan Tranche VII (“Bulk Sao Paulo”), balloon payment March 2027	25.9	27.5
Term loan Tranche VIII (“Bulk Santos”), balloon payment March 2027	26.2	27.9
Other long term debt		
Vessel financing (“Bulk Seoul”)	34.4	36.8
Vessel financing (“Bulk Shanghai”)	34.4	36.8
Long-term debt, gross	**221.3**	**236.1**
Less current portion long term debt	(14.8)	(14.8)
Less deferred loan costs	(3.3)	(4.1)
Total long-term debt	**203.2**	**217.2**

NOTES

Term loan facility
In December 2021, the Company completed the refinancing of the US$180 term loan facility agreement maturing in August 2024. At the time of closing, the outstanding amount under the US$180 million Term Loan Facility was replaced with a new US$162.5 million Term Loan Facility maturing in March 2027. The US$162.5 million term loan facility carries an interest rate of Libor+210 bps and utilises the original 18-year repayment profile from the US$180 million Term Loan Facility with the balloon repayment now scheduled for March 2027. The term loan facility contains the following financial covenants for the Group (i) value adjusted equity shall be equal to or greater 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 the greater of (a) US$1.25 million per delivered vessel and (b) 5% of total debt. As of December 31, 2022, we were compliant with the covenants and our obligations under our term loan facility agreement. The vessels are pledged upon draw down of the loan facility, with cross collateral agreements in place for each vessel within the term loan facility.

In December 2021, the Company also amended its interest rate swap agreements to match the terms under the new US$162.5 million term loan facility. The notional amounts in the interest rate swaps have the same amortization profile as the term loan facility. The interest rate swaps mature in August and September 2024. The Company will continue to designate all of the interest rate swaps for hedge accounting as they satisfy the criteria applicable to cash flow hedges.

Sale and leaseback arrangement
In October 2019, the Company entered into a sale and leaseback arrangement with Ocean Yield for its two Newcastlemax vessels, Bulk Seoul and Bulk Shanghai. The vessels were delivered from the yard on October 30, 2019, and November 6, 2019, respectively, and were at delivery sold to Ocean Yield for a price per vessel of US$42 million, net of a US$5 million sellers' credit. The vessels have been chartered back to the Company on thirteen years 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 outstanding debt as of December 31, 2022, is repayable as follows:

(In millions of US$)	
2023	14.8
2024	14.8
2025	14.8
2026	14.8
2027	117.3
Thereafter	44.8
Total	**221.3**

NOTES

12. FINANCIAL ASSETS AND LIABILITIES

Foreign currency risk

The majority of our transactions, assets and liabilities are denominated in United States dollars. However, we incur expenditure in currencies other than United States dollars, mainly in Norwegian Kroner. There is a risk that currency fluctuations in transactions incurred in currencies other than the functional currency will have a negative effect of the value of our cash flows. We are then exposed to currency fluctuations and we may enter into foreign currency swaps to mitigate such risk exposures.

Fair values

The guidance for fair value measurements applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The same guidance requires that assets and liabilities carried at fair value should be classified and disclosed in one of the following three categories based on the inputs used to determine its fair value:

Level 1: Quoted market prices in active markets for identical assets or liabilities;
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data;
Level 3: Unobservable inputs that are not corroborated by market data.

The carrying value and estimated fair value of our cash and financial instruments are as follows:

		December 31, 2022		December 31, 2021	
(In millions of US$)	Hierarchy	Fair value	Carrying value	Fair value	Carrying value
Assets					
Cash and cash equivalents	1	15.5	15.5	24.0	24.0
Restricted cash	1	0.2	0.2	0.1	0.1
Other current assets (interest rate swaps)	2	5.8	5.8	0.4	0.4
Other long term assets (interest rate swaps)	2	3.4	3.4	1.1	1.1
Liabilities					
Current portion of long-term debt	2	14.8	14.8	14.8	14.8
Other current liabilities (interest rate swaps)	2	-	-	0.2	0.2
Long-term debt	2	206.5	203.2	221.3	217.2
Other long-term liabilities (interest rate swaps)	2	-	-	0.3	0.3

Financial instruments included in the consolidated financial statements within 'Level 1 and 2' of the fair value hierarchy are valued using quoted market prices, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency.

There have been no transfers between different levels in the fair value hierarchy during the periods presented.

Concentrations of risk

There is a concentration of credit risk with respect to cash and cash equivalents to the extent that nearly all of the amounts are carried with Danske Bank. However, we believe this risk is remote, as Danske Bank is an established financial institution.

The Company's revenues are generated from two customers that accounted for 100% of time charter revenues and 98.4% of total revenues.

NOTES

13. SHARE BASED PAYMENT COMPENSATION

In January 2019, the Board of Directors established a long-term incentive plan and approved a grant of 740,000 share options to employees and directors. Further, 740,000 of the Company's authorized but unissued share capital was allocated for this purpose. The share options will have a five-year term and will vest equally one quarter every six months commencing on June 30, 2019, over a two year vesting period. The exercise price is US$10.0 and will be reduced by any dividends and cash distributions paid. During 2022, Georgina Sousa, Director of the Company, received US$151k from the Company in cash settlement for her 20,000 share options. Ms. Sousa resigned from the Board in March 2022.

In April 2022, the Board approved a grant of 60,000 share options to employees. Each share option gives the holder the right to purchase one share in the Company at an exercise price of US$18 per share. The exercise price will be reduced by any dividends and cash distributions paid. The share options will vest equally over a three year vesting period, commencing one year from date of grant and will expire five years after the grant date. The total estimated cost is approximately US$366k and will be expensed over the requisite service period. US$80k have been expensed in the twelve months ended December 31, 2022.

	Outstanding share options	Weighted average remaining life	Weighted average exercise price	Weighted average grant date fair value
Outstanding at December 31, 2020 - unvested	**-**	**-**	**-**	**-**
Outstanding at December 31, 2020 - exercisable	**720 000**	**3.0**	**9.6**	**9.5**
Granted	-	-	-	-
Exercised	(50 000)	2.3	7.94	9.5
Exercisable	-	-	-	-
Forfeited	-	-	-	-
Outstanding at December 31, 2021 - unvested	**-**	**-**	**-**	**-**
Outstanding at December 31, 2021 - exercisable	**670 000**	**2.0**	**6.7**	**9.5**
Granted	60 000	5.0	18.0	13.3
Exercised	(20 000)	1.6	6.0	9.5
Exercisable	-	-	-	-
Forfeited	-	-	-	-
Outstanding at December 31, 2022 - unvested	**60 000**	**4.3**	**16.90**	**13.3**
Outstanding at December 31, 2022 - exercisable	**650 000**	**1.0**	**5.09**	**9.5**

The exercise price of US$10 per share for the share options granted in January, 2019 was reduced with total dividends and cash distributions of US$1.62, US$2.88, US$0.28 and US$0.135 per share for 2022, 2021, 2020 and 2019, respectively. The exercise price of US$18 per share for the share options granted in April, 2022 was reduced with total cash distributions of US$1.12 for 2022. The fair value of the share options granted in April 2022 and January 2019 was calculated using the Black-Scholes method. The significant assumptions used to estimate the fair value of the share options are set out below:

	2022	2019
Grant date	April 7	January 10
Risk-free rate	2.66%	2.74%
Expected life	4 years	2.8 years
Expected future volatility	61%	45%

In 2019 the expected future volatility was based on peer group volatility due to the short lifetime of the Company.

NOTES

14. COMMITMENTS AND CONTINGENCIES

The Company insures the legal liability risks for its shipping activities with Assuranceforeningen SKULD and Assuranceforeningen Gard Gjensidig, both mutual protection and indemnity associations. As a member of these mutual associations, the Company is subject to calls payable to the associations based on the Company's claims record in addition to the claim records of all other members of the associations. A contingent liability exists to the extent that the claims records of the members of the associations in the aggregate show significant deterioration, which result in additional calls on the members.

To the best of our knowledge, there are no legal or arbitration proceedings existing or pending which have had or may have significant effects on our financial position or profitability and no such proceedings are pending or known to be contemplated.

15. COMPENSATION

During the year ended December 31, 2022, we paid our executive officers aggregate compensation of US$1.9 million (2021: US$1.8 million). In addition to cash compensation, we recognized US$76k during the year ended December 31, 2022, relating to share options granted to executive officers.

As of December 31, 2022, the members of Management and Directors that hold shares and share options of the Company are set out below:

Name	Position	Shares	Share options
Viggo Bang-Hansen	Director	-	-
Kate Blankenship	Director	-	75 000
Magnus Halvorsen *	Chair	1 632 118	400 000
Herman Billung	CEO	10 000	50 000
Olav Eikrem	CTO	7 500	100 000
Vidar Hasund	CFO	15 000	75 000

* 1,527,026 shares held through his controlled company MH Capital AS, and 105,092 shares held privately.

Auditors fee:

(In millions of US$)	12 months to December 31, 2022	12 Months to December 31, 2021
Statutory audit fee	0.2	0.1
Other non-auditing services	-	-
Total fees	**0.2**	**0.1**

16. SHAREHOLDERS' EQUITY

At the 2022 Annual General meeting of the Company, it was approved to reduce the Company's additional paid-in capital by US$30,579,347 million and to increase the Company's Contributed Surplus account by the same amount.

	Number of shares
Outstanding as of December 31, 2020	**22 170 906**
Share issue on exercise of options September: US$7.935 per share	50 000
Outstanding as of December 31, 2021	**22 220 906**
Outstanding as of December 31, 2022	**22 220 906**

NOTES

Largest shareholders as of December 31, 2022:

Name	Holding of shares	In %
Avanza Bank AB (nominee)	1 671 349	7.52
MH Capital AS	1 527 026	6.87
J.P. Morgan Securities LLC (nominee)	1 500 000	6.75
Clearstream Banking S.A. (nominee)	1 134 919	5.11
Brown Brothers Harriman & Co. (nominee)	1 128 200	5.08
DNB Luxembourg S.A. (nominee)	791 543	3.56
Wealins S.A.	784 084	3.53
Nordnet Livsforsikring AS	594 536	2.68
Nordnet Bank AB (nominee)	516 465	2.32
Skandinaviska Enskilda Banken AB (nominee)	438 143	1.97
Bjørn Andreas Freng Isaksen	400 150	1.80
Morgan Stanley & Co. Int. Plc. (nominee)	274 464	1.24
CACEIS Bank Spain SA (nominee)	243 435	1.10
State Street Bank and Trust Comp (nominee)	234 842	1.06
Drew Holdings Ltd	225 000	1.01
BNP Paribas (nominee)	187 733	0.84
Pershing Nominees Limited (nominee)	173 173	0.78
Union Bancaire Privee, UBP SA (nominee)	156 292	0.70
UBS Switzerland AG (nominee)	155 435	0.70
Affinity and Beyond LLP	155 000	0.70
Total	**12 291 789**	**55.32**
Other shareholders	9 929 117	44.68
Total	**22 220 906**	**100.00**

17. SUBSEQUENT EVENTS

Cash distributions
In January 2023, the Company declared a cash distribution of US$0.09 per share for December 2022.
In February 2023, the Company declared a cash distribution of US$0.01 per share for January 2023.
In March 2023, the Company declared a cash distribution of US$0.01 per share for February 2023.

Exercise of share options
In March 2023, Magnus Halvorsen, chair of the Board, exercised 400,000 share options at a strike price of US$4.985 per share.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

(In millions of US$)	12 months to December 31, 2022	12 months to December 31, 2021
Operating profit	**41.5**	**80.4**
Depreciation and amortization	(11.7)	(11.7)
EBITDA	**53.2**	**92.1**

(In millions of US$, except per day data)	12 months to December 31, 2022	12 months to December 31, 2021
Time charter revenues	**76.1**	**110.3**
Voyage charter revenues	**-**	**3.5**
Other operating income	**-**	**1.8**
Address commission	(2.6)	(4.2)
Operating revenues, gross	**78.7**	**119.8**
Voyage charter expenses	-	(1.1)
Time charter equivalent revenues, gross	78.7	118.7
Fleet operational days	2 920	2 920
Average time charter equivalent rate, gross	**26 900**	**40 700**

The European Securities and Markets Authority ("ESMA") issued guidelines on Alternative Performance Measures ("APMs") that came into force on July 3, 2016. The Company has defined and explained the purpose of the following APMs:

EBITDA, when used by the Company, means operating profit (loss) excluding depreciation and amortization. The Company has included EBITDA as a supplemental disclosure because the Company believes that the measure provides useful information regarding the Company's ability to service debt and pay dividends and provides a helpful measure for comparing its operating performance with that of other companies.

Average time charter equivalent rate, gross, when used by the Company, means time charter revenues and voyage charter revenues excluding address commission, less voyage charter expenses and adjusted from "load to discharge" basis to "discharge to discharge" basis and divided by operational days. The Company has included Average time charter equivalent rate, gross, as a supplemental disclosure because the Company believes that the measure provides useful information regarding the fleets' daily income performance.

AUDITORS' REPORT

To the shareholders and Board of Directors of 2020 Bulkers Ltd.

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of 2020 Bulkers Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as at December 31, 2022, consolidated statements of operations, consolidated statements of comprehensive income, consolidated statements of cash flows and the consolidated statements 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 fair presentation of the financial position of the Group as at December 31, 2022, 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 (USGAAP).

Our opinion is consistent with our additional report to the Audit Committee.

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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Group for 6 years from the incorporation of the Group on September 26, 2017, with our first audit being for the accounting year 2017.

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. The Group's business activities are largely unchanged compared to last year. We have not identified regulatory changes, transactions or other events that qualified as new key audit matters. The impairment assessment for vessels and equipment have the same characteristics and risks this year as the previous year and consequently have been an area of focus also for the 2022 audit.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

AUDITORS' REPORT

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment assessment for vessels and equipment Refer to note 2 (Accounting policies) and note 9 (Vessels and equipment, net and Newbuildings) where management explains how they assess the value of the vessels. The Group holds eight Newcastlemax vessels on the balance sheet within Vessels and equipment, net, which transport dry cargoes globally. The vessels have a combined carrying amount of USD 349 million. The Group has not recognized an impairment on the Newcastlemax vessels in 2022. Indicators of impairment for the Vessels were assessed and not considered present during 2022. 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.	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 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. For certain key assumptions we specifically 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

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AUDITORS' REPORT

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 9 (Vessels and equipment, net and Newbuildings) and assessed this to be in line with the requirements.

No matters of consequence arose from the procedures above.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a fair presentation in accordance with the accounting principles generally accepted in the United States of America, 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.

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AUDITORS' REPORT

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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.

- 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 a 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 Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

AUDITORS' REPORT

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.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of 2020 Bulkers Ltd., we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 2020 Bulkers Ltd. Annual Report 2022.xhtml, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Group's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Stavanger, March 15, 2023
PricewaterhouseCoopers AS

Gunnar Slettebø
State Authorised Public Accountant

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