

2020 BULKERS

BOARD OF
DIRECTORS'
REPORT

Q3 2023

Results for the Third Quarter of 2023

Oslo, Norway, November 8, 2023

2020 Bulkera Ltd. ("2020 Bulkera" or the "Company"), today announced its unaudited financial and operating results for the three and nine months ended September 30, 2023.

Key events during the third quarter of 2023

- The Company reported net profit of US\$5.2 million and EBITDA of US\$11.1 million for the third quarter of 2023.
- Achieved average time charter equivalent earnings of approximately US\$21,000 per day, gross.
- The Company declared total cash distributions of US\$0.12 per share for the months of July, August and September 2023.

Subsequent Events

- Achieved average time charter equivalent earnings for October 2023 of approximately US\$36,300, per day, gross.
- In November 2023, the Company declared a cash distribution of US\$0.2 per share for October 2023.

Management discussion and analysis

Consolidated Statements of Operations

Three months ended September 30, 2023

Operating revenues were US\$17.0 million for the three months ended September 30, 2023 (US\$18.7 million for the three months ended September 30, 2022). The Company achieved an average time charter equivalent rate, gross, of US\$21,000 for the three months ended September 30, 2023, compared to US\$25,800 for the three months ended September 30, 2022. During the three months ended September 30, 2023, the Company charged Himalaya Shipping US\$0.2 million for management services as well as recognizing US\$1.9 million in insurance settlement both included as Other operating income in the Consolidated Statements of Operations.

Total operating expenses were US\$8.8 million for the three months ended September 30, 2023 (US\$9.0 million for the three months ended September 30, 2022).

Vessel operating expenses were US\$4.9 million and US\$4.8 million for the three months ended September 30, 2023 and 2022, respectively. The increase compared to the three months ended September 30, 2022 is driven by cost increase in spare parts, consumables, insurance and crew wages.

Voyage expenses and commission were US\$0.2 million for the three months ended September 30, 2023 (US\$0.2 million for the three months ended September 30, 2022).

General and administrative expenses were US\$0.8 million for the three months ended September 30, 2023 (US\$1.0 million for the three months ended September 30, 2022). Please see comment to Other operating income.

Depreciation and amortization were US\$2.9 million and US\$3.0 million for the three months ended September 30, 2023 and 2022, respectively.

Total financial expenses, net, were US\$2.8 million for the three months ended September 30, 2023 (US\$2.4 million for the three months ended September 30, 2022). The increase compared to the three months ended September 30, 2022 is due to higher interest expense on the Ocean Yield sale leaseback financing partly offset by higher interest income.

Nine months ended September 30, 2023

Operating revenues were US\$46.7 million for the nine months ended September 30, 2023 (US\$58.8 million for the nine months ended September 30, 2022). The Company achieved an average time charter equivalent rate, gross, of US\$20,800 for the nine months ended September 30, 2023, compared to US\$27,400 for the nine months ended September 30, 2022. During the nine months ended September 30, 2023, the Company charged Himalaya Shipping US\$0.9 million for management services as well as recognizing US\$1.9 million in insurance settlement both included as Other operating income in the Consolidated Statements of Operations.

Total operating expenses were US\$26.9 million for the nine months ended September 30, 2023 (US\$26.5 million for the nine months ended September 30, 2022).

Vessel operating expenses were US\$14.9 million and US\$13.6 million for the nine months ended September 30, 2023 and 2022, respectively.

Voyage expenses and commission were US\$0.6 million for the nine months ended September 30, 2023 (US\$0.9 million for the nine months ended September 30, 2022). The decrease compared to the nine months ended September 30, 2022 is due to lower commission on the lower charter hire earned.

General and administrative expenses were US\$2.6 million for the nine months ended September 30, 2023 (US\$3.2 million for the nine months ended September 30, 2022). The decrease compared to the nine months ended September 30, 2022, is primarily due to fees incurred in connection with the corporate restructuring during the nine months ended September 30, 2022.

Depreciation and amortization were US\$8.8 million and US\$8.8 for the nine months ended September 30, 2023 and 2022, respectively.

Total financial expenses, net, were US\$8.1 million for the nine months ended September 30, 2023 (US\$7.1 million for the nine months ended September 30, 2022).

Please see analyses for the third quarter of 2023 for vessel operating expenses and total financial expenses, net, which are also valid for the nine months ended September 30, 2023.

Consolidated Balance Sheets

The Company had total assets of US\$369.6 million as of September 30, 2023, (December 31, 2022: US\$379.8 million).

Total shareholders' equity was US\$157.3 million and US\$155.9 million as of September 30, 2023 and December 31, 2022, respectively.

Total liabilities as of September 30, 2023, were US\$212.3 million (December 31, 2022: US\$223.9 million). The decrease is primarily due to scheduled repayments on the Company's long term debt.

Consolidated Statements of Cash Flows

Three months ended September 30, 2023

Net cash provided by operating activities was US\$7.1 million for the three months ended September 30, 2023 (US\$9.2 million for the three months ended September 30, 2022). The decrease compare to the three months ended September 30, 2022, is due to lower earnings.

Net cash used in investing activities was US\$nil for the three months periods ended September 30, 2023 and 2022.

Net cash used in financing activities was US\$5.7 million during the three months ended September 30, 2023 (US\$13.0 million used in financing activities during the three months ended September 30, 2022). The Company repaid US\$3.7 million of long-term debt, paid US\$2.5 million of cash distributions and received US\$0.5 million in proceeds from share issuance during the three months ended September 30, 2023. The Company repaid US\$3.7 million of long-term debt and paid US\$9.3 million of cash distributions during the three months ended September 30, 2022.

Nine months ended September 30, 2023

Net cash provided by operating activities was US\$18.3 million for the nine months ended September 30, 2023 (US\$32.3 million for the nine months ended September 30, 2022). Please see analysis for the third quarter of 2023 which is also valid for the nine months ended September 30, 2023.

Net cash used in investing activities was US\$nil for the nine months periods ended September 30, 2023 and 2022.

Net cash used in financing activities was US\$17.4 million during the nine months ended September 30, 2023 (US\$41.7 million used in financing activities during the nine months ended September 30, 2022). The Company repaid US\$11.1 million of long-term debt, paid US\$8.8 million of cash distributions and received US\$2.5 million in proceeds from share issuances during the nine months ended September 30, 2023. The Company repaid US\$11.1

million of long-term debt and paid US\$30.6 million of cash distributions during the nine months ended September 30, 2022.

Corporate Developments and Financing

The Board is pleased that the Company has remained profitable for each quarter following delivery of the first vessel in the third quarter of 2019.

The Board remains focused on returning the majority of operational free cash flow after debt service back to shareholders on a monthly basis. The Company has as of today declared dividends or cash distributions for 40 consecutive months. Following the cash distribution for October, the Company will have returned approximately 85% of the paid-in equity to shareholders.

The Company has a solid funding situation with a cash position of approximately US\$23.8 million as of November 6, 2023.

Cash breakeven for the fleet, which includes expected general and administrative expenses, operating costs and debt service is estimated at approximately US\$16,400 per vessel per day.

The Company has as of November 6, 2023, around US\$186 million of net debt, corresponding to approximately US\$23 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.

Commercial update

In the third quarter of 2023 the Company achieved average time charter equivalent earnings of approximately US\$21,000 per day, gross. The Company's vessels trading on index-linked time charter earned approximately US\$20,500 per day, gross, including average daily scrubber benefits of approximately US\$1,900 per day. The Company's vessels trading on fixed time charter earned approximately US\$22,900 per day, gross, including daily scrubber benefits.

The Baltic 5TC Capesize Index averaged US\$13,407 per day in Q3 2023.

The Company achieved average time charter equivalent earnings for October 2023 of approximately US\$36,300, per day, gross. The Baltic 5TC Capesize Index has averaged US\$25,557 per day in the same period.

Chartering update

2020 Bulkera has commercially outperformed the Baltic 5TC index for 47 out of 51 months since delivery of its first vessel.

Currently, 2020 Bulkera's vessels are trading on index-linked time charters. 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.

From November 1 until end of 2023, the Company has 488 operating days linked to the development in the Capesize spot market. 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.

The current chartering status is summarized in the table below:

Ship name	Delivery	Charterer	Rate US\$	Charter expiry
Bulk Sandefjord	Aug-19	Koch	Index linked + premium + scrubber benefit	Sep 24 – Jan 25
Bulk Santiago	Sep-19	Koch	Index linked + premium + scrubber benefit	Aug 23 – Feb 24
Bulk Seoul	Oct-19	Koch	Index linked + premium + scrubber benefit	Mar 24
Bulk Shanghai	Nov-19	Koch	Index linked + premium + scrubber benefit	Mar 24
Bulk Shenzhen	Jan-20	Koch	Index linked + premium + scrubber benefit	Aug 23 – Feb 24
Bulk Sydney	Jan-20	Koch	Index linked + premium + scrubber benefit	Feb 24 – Aug 24
Bulk Sao Paulo	Jun-20	European charterer	Index linked + premium + scrubber benefit	Apr 25 – Jun 25
Bulk Santos	Jun-20	European charterer	Index linked + premium + scrubber benefit	Apr 25 – Jun 25

Market commentary

The Baltic 5TC Capesize index today stands at US\$20,126 having averaged US\$14,082 year to date, down from US\$16,551 during the same period in 2022.

Following a normal seasonally weak first quarter, the Capesize market recovered during the second quarter and remained relatively flat throughout the third quarter, before posting significant gains so far in the fourth quarter with average rates of US\$24,099 quarter to date.

Capesize trade growth has been relatively strong throughout the year, with ton-miles sailed on Capesize vessels up 3.7% year to date. The increase in ton-miles was somewhat offset by a significant drop in congestion for the Capesize fleet during the third quarter. Since the peak in May 2022, the share of the Capesize vessels in port has dropped from a peak of 34% to around 25% today, which is around the lowest levels seen since 2016.

The 3.7% increase in Capesize ton-miles year to date is mainly driven by a 30% growth in the Bauxite trade, while the iron ore trade has increased by 3.2% so far this year. The iron ore trade is driven by a 6.3% increase in Brazilian export volumes while Australian export volumes are up 1.6% year over year. For the coal trade, ton-miles are down 3.1% compared to 2022.

Global crude steel production for the period of January – September 2023 was flat compared to the same period in 2022, with the World, ex China, down 3%, while Chinese steel production increased 2.4%.

Chinese iron ore imports from January - October were up 6% year over year. Chinese iron ore port inventories currently stand at 100 million tons, compared to 119 million tons a year ago.

China's property sector remains challenged in spite of the government's stimulous efforts, although there has been a positive development in construction completions during the year.

Growth in vessel supply will be moderate in the coming years with expected Capesize deliveries of 1.4 million dwt in 2023, 6.8 million dwt in 2024 and 7.1 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 or 2027, giving good visibility for limited supply growth in the coming years. New ordering is expected to remain subdued in part driven by uncertainties as it relates to the optimal propulsion systems to meet the shipping industry's ambitions for de-carbonization. Current newbuilding costs for a scrubberfitted Newcastlemax in China is believed to be just under US\$70 million.

Upside risks to the future development in the Capesize market from current levels, relate to a potential restocking of China's low iron ore inventories, as well as a normalization of congestion from the current low levels.

Key downside risks to the Capesize market include a continued economic slowdown, driven by rising interest rates, tighter monetary conditions due to inflationary pressure, as well as heightened geopolitical tensions. Continued weakness in the Chinese property sector also represents an ongoing risk to Chinese steel demand.

Capesize fleet development

The global Capesize fleet stands at 394 million dwt as of Nov 1, 2023, up from 384 million dwt in November, 2022.

The current orderbook for Capesize dry bulk vessels currently stands at 5.1% of the existing fleet, down from 6.1% in November 2022.

5.75 million dwt has been ordered in 2023 so far, compared to 8 million dwt ordered during the same period in 2022.

1.2 million dwt has been scrapped so far in 2023, compared to 2 million dwt during the same period in 2022.

Outlook

2020 Bulkera has a robust financial structure with moderate financial leverage and a solid cash position. Our operating cash breakeven, which is estimated at approximately US\$16,400 per vessel per day for the remainder of 2023, is lower than the current FFA curve for the balance of 2023 and for 2024, which implies earnings of approximately US\$25,700 and US\$22,450 per day respectively 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.

Invitation to webcast and conference call Q3 2023 results

2020 Bulkera Ltd. will release its financial results for the third quarter of 2023 on Wednesday, November 8, 2023. A conference call and webcast will be held at 3:00 PM CET. The earnings report and presentation will be available from the Investor Relations section on www.2020bulkera.com on the same day.

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

Listen-only webcast (including the slide presentation):

https://channel.royalcast.com/landingpage/hegnarmedia/20231108_1/ or you can click the "Webcast" link on www.2020bulkera.com/investor-relations/

Telephone conference:

PIN Code for all countries: 172292

DK: +45 7876 8490

SE: +46 8 1241 0952

NO: +47 2195 6342

UK: +44 203 769 6819

US: +1 646-787-0157

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

Forward-Looking Statements

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

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

About 2020 Bulkera Ltd.

2020 Bulkera Ltd. is a limited liability company incorporated in Bermuda on 26 September 2017. The Company's shares are traded on Oslo Børs under the ticker "2020". 2020 Bulkera is an owner and operator of large dry bulk vessels. The Company has eight Newcastlemax dry bulk vessels in operation.

November 8, 2023

Kate Blankenship

Director

Viggo Bang-Hansen

Director

Magnus Halvorsen

Chairperson

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