

2020 BULKERS

BOARD OF
DIRECTORS'
REPORT

Q2 2024

Results for the Second Quarter
and First Half of 2024

Oslo, Norway, August 14, 2024

2020 Bulkera Ltd. ("2020 Bulkera" or the "Company"), today announced its unaudited financial and operating results for the three and six months ended June 30, 2024.

Key events during the second quarter of 2024

- The Company reported net profit of US\$31.1 million and EBITDA of US\$34.4 million for the second quarter of 2024. The results include a US\$20.4 million gain from the sale of Bulk Seoul which was delivered to the buyer on April 4, 2024.
- Achieved average time charter equivalent earnings of approximately US\$34,300 per day, gross.
- Entered into a new amended non-amortizing loan facility, maturing in April 2029, lowering the Company's cash breakeven to an estimated US\$11,800 per day.
- The Company declared total dividends of US\$0.52 per share for the months of April, May and June 2024.

Subsequent Events

- Achieved average time charter equivalent earnings for July 2024 of approximately US\$37,600, per day, gross.
- In August 2024, the Company declared a dividend of US\$0.20 per share for July 2024.

Management discussion and analysis

Consolidated Statements of Operations

Three months ended June 30, 2024

Operating revenues were US\$38.9 million for the three months ended June 30, 2024 (US\$17.1 million for the three months ended June 30, 2023). The Company achieved an average time charter equivalent rate, gross, of US\$34,300 for the three months ended June 30, 2024, compared to US\$23,800 for the three months ended June 30, 2023. During the three months ended June 30, 2024, the Company recognized a gain of US\$20.4 million on the sale of Bulk Seoul and charged Himalaya Shipping US\$0.4 million for management services recognized as Other operating income.

Total operating expenses were US\$6.8 million for the three months ended June 30, 2024 (US\$9.0 million for the three months ended June 30, 2023).

Vessel operating expenses were US\$3.4 million and US\$5.0 million for the three months ended June 30, 2024 and 2023, respectively. The decrease compared to the three months ended June

30, 2023, is due to sale of the Bulk Shanghai and Bulk Seoul on March 20, 2024, and April 4, 2024, respectively.

Voyage expenses and commission were US\$0.2 million for the three months ended June 30, 2024 (US\$0.2 million for the three months ended June 30, 2023).

General and administrative expenses were US\$0.9 million for the three months ended June 30, 2024 (US\$0.8 million for the three months ended June 30, 2023).

Depreciation and amortization were US\$2.3 million and US\$3.0 million for the three months ended June 30, 2024 and 2023, respectively. The decrease compared to the three months ended June 30, 2023, is due to sale of the Bulk Shanghai and Bulk Seoul on March 20, 2024, and April 4, 2024, respectively.

Total financial expenses, net, were US\$0.9 million for the three months ended June 30, 2024 (US\$2.6 million for the three months ended June 30, 2023). The decrease compared to the three months ended June 30, 2023 is primarily due to a US\$1.6 million amortization of realized interest rate swap gain reducing interest expense as well as settlement of sale leaseback financing for Bulk Seoul and Bulk Shanghai.

Six months ended June 30, 2024

Operating revenues were US\$79.4 million for the six months ended June 30, 2024 (US\$29.7 million for the six months ended June 30, 2023). The Company achieved an average time charter equivalent rate, gross, of US\$32,000 for the six months ended June 30, 2024, compared to US\$20,700 for the six months ended June 30, 2023. During the six months ended June 30, 2024, the Company recognized a gain of US\$40.9 million for the sale of Bulk Shanghai and Bulk Seoul. During the six months ended June 30, 2024, the Company charged Himalaya Shipping US\$0.7 million for management services recognized as Other operating income in the Consolidated Statements of Operations.

Total operating expenses were US\$15.6 million for the six months ended June 30, 2024 (US\$18.1 million for the six months ended June 30, 2023).

Vessel operating expenses were US\$8.2 million and US\$10.0 million for the six months ended June 30, 2024 and 2023, respectively.

Voyage expenses and commission were US\$0.4 million for the six months ended June 30, 2024 (US\$0.4 million for the six months ended June 30, 2023).

General and administrative expenses were US\$2.0 million for the six months ended June 30, 2024 (US\$1.8 million for the six months ended June 30, 2023).

Depreciation and amortization were US\$5.0 million and US\$5.9 million for the six months ended June 30, 2024 and 2023, respectively.

Total financial expenses, net, were US\$3.9 million for the six months ended June 30, 2024 (US\$5.3 million for the six months ended June 30, 2023).

Please see analyses for the second quarter of 2024 for vessel operating expenses, depreciation and amortization and total financial expenses, net, which are also valid for the six months ended June 30, 2024.

Consolidated Balance Sheets

The Company had total assets of US\$276.9 million as of June 30, 2024, (December 31, 2023: US\$376.1 million).

Total shareholders' equity was US\$160.2 million and US\$161.0 million as of June 30, 2024 and December 31, 2023, respectively.

Total liabilities as of June 30, 2024, were US\$116.7 million (December 31, 2023: US\$215.1 million). The decrease is due to the US\$27.5 million repayment in connection with refinancing of the term loan as well as the settlement of the sale leaseback financing for Bulk Shanghai and Bulk Seoul.

Consolidated Statements of Cash Flows

Three months ended June 30, 2024

Net cash provided by operating activities was US\$10.5 million for the three months ended June 30, 2024 (US\$6.8 million for the three months ended June 30, 2023). The increase compared to the three months ended June 30, 2023, is primarily due to higher earnings.

Net cash received from investing activities was US\$62.1 million for the three months ended June 30, 2024 (US\$nil for the three months ended June 30, 2023). The Company received US\$62.1 in net proceeds from the sale of vessels.

Net cash used in financing activities was US\$109.1 million during the three months ended June 30, 2024 (US\$7.6 million used in financing activities during the three months ended June 30, 2023). The Company repaid US\$27.5 million on the term loan, settled the sale leaseback financing for Bulk Seoul and paid US\$48.3 million of dividends during the three months ended June 30, 2024. The Company repaid US\$3.7 million of long-term debt and paid US\$3.9 million of cash distributions during the three months ended June 30, 2023.

Six months ended June 30, 2024

Net cash provided by operating activities was US\$23.5 million for the six months ended June 30, 2024 (US\$11.2 million for the six months ended June 30, 2023). Please see analysis for the second quarter of 2024 which is also valid for the six months ended June 30, 2024.

Net cash received from investing activities was US\$123.6 million for the six months ended June 30, 2024 (US\$nil for the six months ended June 30, 2023). The Company received US\$125.8 million in net proceeds from the sale of vessels. The Company incurred US\$2.2 million in expenses in connection with drydocking of Bulk Sandefjord and Bulk Santiago.

Net cash used in financing activities was US\$158.6 million during the six months ended June 30, 2024 (US\$11.7 million used in financing activities during the six months ended June 30, 2023). The Company repaid US\$27.5 million on the term loan, settled the sale leaseback

financing for Bulk Shanghai and Bulk Seoul and paid US\$61.8 million of dividends during the six months ended June 30, 2024. The Company repaid US\$7.4 million of long-term debt, paid US\$6.3 million of cash distributions and received US\$2.0 million in proceeds from share issuance during the six months ended June 30, 2023.

Sale of vessels

On February 12, 2024, the Company entered into an agreement to sell Bulk Shanghai and Bulk Seoul for a total gross consideration of US\$127.5 million to an unaffiliated third party. The ships were delivered to the Buyer on March 20, 2024, and April 4, 2024, respectively.

Refinancing

Following the sale of Bulk Shanghai and Bulk Seoul, the Company repaid US\$27.5 million of debt and entered into a new US\$112.5 million non-amortizing loan facility maturing in April 2029 with an interest rate of SOFR + 195bps.

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 50 consecutive months. Following the dividend for July, the Company will have returned approximately 133% of the paid-in equity to shareholders.

The Company has a solid funding situation with a cash position of approximately US\$20.6 million as of August 12, 2024.

Cash breakeven for the fleet, which includes expected general and administrative expenses, operating costs and debt service is estimated at approximately US\$11,800 per vessel per day.

The Company has as of August 12, 2024, around US\$92 million of net debt, corresponding to approximately US\$15 million per vessel.

Commercial update

In the second quarter of 2024, the Company achieved average time charter equivalent earnings of approximately US\$34,300 per day, gross, on the Company's vessels trading on index linked time charter including average daily scrubber benefits of approximately US\$3,200 per day.

The Baltic 5TC Capesize Index averaged US\$22,666 per day in Q2 2024.

The Company achieved average time charter equivalent earnings for July 2024 of approximately US\$37,600, per day, gross. The Baltic 5TC Capesize Index has averaged US\$25,542 per day in the same period.

Chartering update

2020 Bulkers has commercially outperformed the Baltic 5TC index for 56 out of 60 months since delivery of its first vessel.

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 August 1 until the end of 2024, the Company has 918 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	Dec 26 – Dec 27
Bulk Santiago	Sep-19	Koch	Index linked + premium + scrubber benefit	Dec 26 – Dec 27
Bulk Shenzhen	Jan-20	Koch	Index linked + premium + scrubber benefit	Dec 26 – Dec 27
Bulk Sydney	Jan-20	Koch	Index linked + premium + scrubber benefit	Dec 26 – Dec 27
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\$20,540 having averaged US\$23,581 year to date, up from US\$12,522 during the same period in 2023.

The Capesize market performed well during Q2 2024, with the Baltic 5TC index averaging US\$22,666, up from US\$15,561 during Q2 2023.

Capesize demand has been robust so far this year, with ton-mile demand up 6.3% year over year, with the second quarter growing 5.5%, following a 9.7% year over year increase in the first quarter.

The increase in Capesize ton-miles so far this year is mainly driven by a 8% increase in Brazilian iron ore exports, while Australian export volumes have grown 0.4% year over year. Bauxite export volumes have continued to grow, showing a 13.9% increase year over year, following more than 30% growth in 2023. For the coal trade, ton-miles were down 3.9% year over year.

Global crude steel production for 2024 is up by 0.6% year to date, driven by the World, ex China, up 4.3%, while Chinese steel production decreased 2.2%.

Chinese iron ore imports are up by 6.9% year to date, following growth of 6% in 2023. Chinese iron ore port inventories have increased both in nominal and seasonal terms, and currently stand at 135 million tons, compared to 110 million tons a year ago.

China's property sector remains challenged with housing sales contracting for the third consecutive year. March 2024 was, however, the first month since September 2023 showing a decline in available floor space in China's commercial buildings.

Growth in vessel supply will be moderate in the coming years with expected Capesize deliveries of 8.1 million dwt. in 2024, 7.3 million dwt. in 2025 and 8.2 million dwt. in 2026, down from 10.7 million dwt. delivered in 2023. As a consequence of the high ordering in other shipping segments, Chinese yards are believed to have very limited capacity for ordering of large drybulk vessels before 2028, with orders recently having been placed for delivery as late as 2029. This gives 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. The fact that large bulk carriers are a relatively low margin product for the shipyards also means the yards favor building container ships, tankers and gas carriers. Current newbuilding costs for a scrubber fitted Newcastlemax in China is believed to be just under US\$80 million.

Upside risks to the future development in the Capesize market from current levels, relate to continued strong exports of iron ore and bauxite from Brazil and West Africa, as well as increased coal imports following new restrictions that were put in place for Chinese domestic coal miners in May this year. The Simandou project in Guinea is reportedly progressing well, with the first shipment expected in 2025, followed by a 30-month ramp-up to 60 million tonnes per annum for Phase 1 and an additional 50 million tonnes per annum for Phase 2. Furthermore, Vale aims to increase capacity by 50 million tonnes per annum by 2026 from its Vargem Grande, Capanema, and S11D mines.

Key downside risks to the Capesize market include a continued economic slowdown in China, 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 399 million dwt. as of August 1, 2024, up from 390 million dwt. in August 2023.

The current orderbook for Capesize dry bulk vessels currently stands at 7.2% of the existing fleet, up from 5.5% in August 2023.

9.1 million dwt. has been ordered in 2024 so far, compared to 2.4 million dwt. during the same period in 2023.

0.52 million dwt. has been scrapped so far in 2024, compared to 1.0 million dwt. during the same period in 2023.

Outlook

2020 Bulkera has a robust financial structure with moderate financial leverage, comprised of non-amortizing debt, as well as a solid cash position. Our operating cash breakeven is estimated at approximately US\$11,800 per vessel per day. The current FFA curve for the balance of 2024 implies earnings of approximately US\$37,000 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 dividends.

Invitation to webcast and conference call Q2 2024 results

2020 Bulkera Ltd. will release its financial results for the second quarter of 2024 on Wednesday, August 14, 2024. A conference call and webcast will be held at 3:00 PM CEST. 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/20240814_2/ 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 4 0682 0620

NO: +47 2195 6342

UK: +44 203 769 6819

US: +1 646 787 0157

DE: +49 30 21789327

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

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

Responsibility statement

We confirm, to the best of our knowledge, that the interim condensed consolidated financial statements for the first half year of 2024, which have been prepared in accordance with US GAAP, give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the first half 2024 report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

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 of six large dry bulk vessels.

August 14, 2024

Kate Blankenship

Director

Viggo Bang-Hansen

Director

Magnus Halvorsen

Chairperson

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