



2020 BULKERS LTD

RESULTS FOR THE THIRD QUARTER OF 2019

Hamilton, Bermuda, November 7, 2019

2020 Bulkera Ltd (2020) ("2020 Bulkera" or the "Company"), today announced its unaudited financial and operating results for the three months ended September 30, 2019.

Key events during the third quarter of 2019

- The Company reported net profit of US\$0.8 million and EBITDA of US\$0.9 million for the third quarter of 2019. Achieved average time charter equivalent earnings of US\$37,800 per day.
- On July 12, 2019, the Company's shares were listed on the Oslo Axess under the ticker symbol "2020".
- On August 7, 2019 the Company took delivery of the 208,000 dwt Newcastlemax, Bulk Sandefjord. Upon departing New Times Shipyard, the Bulk Sandefjord commenced the three-year index-linked charter with Koch Industries.
- On September 19, 2019 the Company took delivery of the 208,000 dwt Newcastlemax, Bulk Santiago. Upon departing New Times Shipyard, the Bulk Santiago commenced a 12-15 month timecharter with Koch Industries.

Subsequent Events

- Board of Directors has declared the Company's first cash dividend of US\$0.055 per share. The dividend will be paid on or around November 20, 2019, to shareholders on record as of November 12, 2019 and the ex-dividend date will be November 11, 2019. The last day of trading including right is November 8, 2019.
- In October 2019 the Company entered into an 11-13 month index-linked timecharter for Bulk Shanghai with ST Shipping, a 100% owned subsidiary of Glencore
- In October 2019 the Company entered into a sale and leaseback arrangement with Ocean Yield for the Bulk Seoul and Bulk Shanghai.
- In October 2019 the Company entered into an 11-13 month index-linked timecharter for Bulk Shenzhen with ST Shipping, a 100% owned subsidiary of Glencore

- On October 30, the Company took delivery of the 208,000 dwt Newcastlemax, Bulk Seoul. Upon departing New Times Shipyard, the Bulk Seoul commenced its 12-16 month time charter with Koch Industries.
- On November 6, 2019 the Company took delivery of the 208,000 dwt Newcastlemax, Bulk Shanghai. Upon departing New Times Shipyard, the Bulk Shanghai will commence the 11-13 month index-linked timecharter with ST Shipping, a 100% owned subsidiary of Glencore.

Management discussion and analysis

Consolidated Statements of Operations

Three months ended September 30, 2019

Operating revenues were US\$2.2 million for the three months ended September 30, 2019 (US\$ nil in Q3 2018). The increase compared to the three months ended September 30, 2018 is driven by the vessels “Bulk Sandefjord” and “Bulk Santiago” commencing their first time charter contracts in August and September, 2019, respectively.

Total operating expenses were US\$1.4 million for the three months ended September 30, 2019 (US\$0.2 million in Q3 2018).

Vessel operating expenses were US\$0.3 million for the three months ended September 30, 2019 (US\$ nil for Q3, 2018). The increase compared to the three months ended September 31, 2018 is due to the two vessels commencing operations during Q3, 2019.

General and administrative expenses were US\$1.0 million for the three months ended September 30, 2019 (US\$0.2 million in Q3 2018). The increase compared to the three months ended September 30, 2018 relate to salaries, professional fees, a non-cash share option cost of US\$0.3 million and one-off costs of US\$0.3 million relating to listing of the company’s shares on the Oslo Axess.

Depreciation and amortization were US\$0.1 million for the three months ended September 30, 2019 (US\$ nil in Q3 2018). The increase compared to the three months ended September 30, 2018 relate to depreciation on vessels delivered during Q3, 2019.

Nine months ended September 30, 2019

Operating revenues were US\$2.2 million for the nine months ended September 30, 2019 (US\$ nil for the nine months ended September 30, 2018). The increase compared to the nine months ended September 30, 2018 is driven by the vessels “Bulk Sandefjord” and “Bulk Santiago” commencing their first time charter contracts in August and September, 2019, respectively.

Total operating expenses were US\$3.8 million for the nine months ended September 30, 2019 (US\$0.3 million for the nine months ended September 30, 2018). Total operating

expenses consist of vessel operating expenses, general and administrative expenses and depreciation and amortization.

Vessel operating expenses were US\$0.3 million for the nine months ended September 30, 2019 (US\$ nil for the nine months ended September 30, 2018). The increase compared to the nine months ended September 31, 2018 is due to the two vessels commencing operations during Q3, 2019.

General and administrative expenses were US\$3.3 million for the nine months ended September 30, 2019 (US\$0.3 million for the nine months ended September 30, 2018). The increase compared to the nine months ended September 30, 2018 relates to salaries, professional fees, a non-cash share option cost of US\$1.3 million and one-off costs of US\$0.6 million relating to listing of the company's shares on the Oslo Axess.

Depreciation and amortization were US\$0.2 million for the nine months ended September 30, 2019 (US\$ nil for the nine months ended September 30, 2018). The increase compared to the nine months ended September 30, 2018 relates to depreciation on vessels delivered during Q3, 2019.

Consolidated Balance Sheet

The Company has total assets of US\$204.9 million as of September 30, 2019, (December 31, 2018: US\$68.8 million). The increase in total assets of the Company is primarily driven by cash and cash equivalents from proceeds from the two private placements completed and two draw downs on the term loan facility which was primarily used to pay instalments on the six newbuildings under construction and two vessels delivered from New Times Shipyard.

As of September 30, 2019, equity was US\$139.6 million which corresponds to an equity ratio of 68.1%. As of December 31, 2018, equity was US\$68.3 million which corresponds to an equity ratio of 99.3%.

Total liabilities as of September 30, 2019, were US\$65.3 million (December 31, 2018: US\$0.5 million). The increase is primarily attributable to two draw downs on the term loan facility.

Consolidated Statement of Cash Flows

Three months ended September 30, 2019

Net cash provided by operating activities was US\$1.1 million for the three months ended September 30, 2019 (US\$0.1 million negative in Q3 2018). The improved cash flow compared to the three months ended September 30, 2018 is due to earnings from two vessels commencing operations during Q3 2019.

Net cash used in investing activities was US\$57.0 million for the three months ended September 30, 2019 (US\$11.2 million in Q3 2018). The Company paid delivery instalments for "Bulk Sandefjord" and "Bulk Santiago" during Q3, 2019. For both periods presented the Company paid scheduled instalments on newbuildings under construction.

Net cash provided by financing activities was US\$60.0 million during the three months ended September 30, 2019 (US\$12.0 million in Q3 2018). The Company received proceeds from two draw downs on the term loan facility during Q3, 2019. In Q3 2018 the company completed two private placements.

Nine months ended September 30, 2019

Net cash used in operating activities was US\$ nil for the nine months ended September 30, 2019 (US\$0.3 million for the nine months ended September 30, 2018). The improved cash flow compared to the nine months ended September 30, 2018 is explained by earnings from two vessels commencing operations during Q3 2019.

Net cash used in investing activities was US\$124.2 million for the nine months ended September 30, 2019 (US\$38.3 million for the nine months ended September 30, 2018). The Company paid delivery instalments for “Bulk Sandefjord” and “Bulk Santiago” during the nine months ended September 30, 2019. For both periods presented the Company paid scheduled instalments on newbuildings under construction.

Net cash provided by financing activities was US\$128.5 million during the nine months ended September 30, 2019 (US\$34.0 million during the nine months ended September 30, 2018). The Company received proceeds from two draw downs on the term loan facility and two private placements completed during the nine months ended September 30, 2019. The company completed five private placements during the nine months ended September 30, 2018.

As of September 30, 2019, the Company’s cash and cash equivalents amounted to US\$4.4 million (December 31, 2018: US\$0.3 million).

Outstanding shares

As of September 30, 2019, the Company had a share capital of US\$22,170,906 divided into 22,170,906 shares at par value of US\$1.00 each.

Corporate Development and Financing

The Board is pleased that the Company achieved its first quarterly net profit in the third quarter of 2019 with only 65 operational ship days for the two ships that were delivered during the quarter.

On October 15, 2019 the Company entered into a sale and leaseback arrangement for its two Newcastlemax vessels Bulk Seoul and Bulk Shanghai. Upon delivery from New Times Shipyard the vessels were sold to Ocean Yield for US\$42 million, net of a US\$5 million seller’s credit. The vessels are chartered back to the Company on thirteen year bareboat charters, which include a purchase obligation at the end for the respective charter periods and certain options to either sell or acquire the vessels during the charter period. The lease financing replaced the original US\$30 million previously committed bank financing for each of the vessels and increased the Company’s liquidity by approximately US\$21 million upon closing. As the

released cash from the sale and leaseback transaction will stay on the Company's balance sheet, except any excess cash that may be paid out as dividends, the Company's net debt is relatively unchanged. The Company today has a solid funding situation with a cash position of US\$22.5 million as of November 7th and US\$120 million of committed bank financing to cover the final yard instalments for the remaining newbuildings.

Cash breakeven for the fleet is estimated at US\$14,150 per ship per day for 2020. Taking into account the fixed time-charter coverage for Bulk Seoul and Bulk Santiago, the breakeven rate for the vessels that are currently open or trading on index-linked charters is estimated at US\$12,100 per ship per day.

The Company today announced its first monthly dividend. The first dividend of US\$0.055 per share will be paid out to shareholders during November and the Company will going forward target to pay out the majority of free cash flow after debt service on a monthly basis.

The Company currently has around US\$240 million of net debt and remaining capex, corresponding to US\$30 million per ship. Based on the amortization profile of the debt and lease financing, net debt for the company will be reduced by approximately US\$15 million per year when all ships are delivered, corresponding to an annual net debt reduction of US\$ 1.85 million per ship per year following delivery.

Newbuilding program

The Board is pleased with the progress of its newbuilding program at New Times Shipyard. Four of the eight newbuildings are delivered so far and all vessels will be delivered by May 2020. The Company is expected to have approximately 2,680 operational ship days equal to 7.25 ships trading in 2020.

Commercial update

The Company achieved average time charter equivalent earnings of US\$37,800 per day in the third quarter of 2019 of which the Company's vessel trading on index-linked time-charter earned US\$42,280 per day and the Company's vessel on fixed charter earned US\$19,525 per day. The Baltic 5TC Capesize Index averaged US\$31,400 from delivery of the first vessel, Bulk Sandefjord.

Chartering update

2020 Bulk carriers has so far entered into two fixed rate and four index-linked time charters for its vessels. 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 when the IMO 2020 regulations take effect in January 2020. The Company continues to see strong interest from first class charterers for the two open vessels and is continuously evaluating

chartering proposals, including fixed and index-linked time charters, as well as cargo contracts directly with mining companies.

As of today, the Company has fixed employment for approximately 99% of its total 301 operating days for the remainder of the year, of which 153 days are fixed at an average TCE rate of US\$20,611 per day and 146 days are linked to the development in the Capesize spot market.

For the year 2020, the Company has fixed employment for approximately 80% of its approximately 2,680 operating days, of which 676 days are fixed at an average TCE rate of US\$21,000 per day and 1,434 days are linked to the development in the Capesize spot market.

The current delivery schedule and chartering status is summarized in the table below:

Ship name	Delivery	Charterer	Rate	Duration
Bulk Sandefjord	Aug-2019	Koch	Index linked	36 months
Bulk Santiago	Sep-2019	Koch	19 525	12-15 months
Bulk Seoul	Oct-2019	Koch	22 250	12-16 months
Bulk Shanghai	Nov-2019	Glencore	Index linked	11-13 months
Bulk Shenzhen	Jan-2020	Glencore	Index linked	11-13 months
Bulk Sydney	Jan-2020	Koch	Index linked	36 months
Bulk Sao Paulo	Apr-2020			
Bulk Santos	May-2020			

Market commentary

The Baltic Capesize index today stands at US\$22,200 per day having averaged US\$29,900 per day in the third quarter, a significant improvement from the US\$10,100 per day average during the first half of the year. The recovery in rates is mainly driven by a recovery in shipment volumes out of Brazil following the gradual resumption of the 92 million tons of production that was suspended following the Brumadinho accident in January. Vale recently announced that 50 million of the 93 million tons of production that was suspended following the accident has been restarted, with the remaining 43 million tons expected to restart by the end of 2021. In addition Brazilian iron ore and export volumes are expected to increase further as the S11D and Minas Rias mines continue to ramp up.

The restocking of Chinese iron ore inventories has started, after a destocking cycle that appears to have troughed during the third quarter of 2019. Chinese steel production remains strong year to date and is as of September 8.4% higher than for the same period in 2018, with global steel production 3.9% higher than for the same period in 2018. The ongoing trade war has driven China to loosen credit policies as well as launching new infrastructure spending initiatives, which in turn may have a positive effect on steel production and iron ore demand going forward.

The market has during the second half of 2019 experienced a reduction in the effective supply of large dry bulk vessels due to dry-dockings for the purpose of scrubber-retrofitting. It is estimated that 100 Capesize vessels have been scrubber retrofitted year to date, with another 120 vessels expected to undergo retrofitting by year end and further 230 vessels to undergo retrofitting in 2020. There are still reports that such retrofits are taking more time than initially assumed and there are also reports of yards having overbooked their capacity for such retrofits.

Drybulk fleet development

The global drybulk fleet stands at 873 million dwt as of 1 August 2019, up from 846 million dwt on January 1, 2019.

The current orderbook for drybulk vessels currently stands at 10.0% of the existing fleet, down from 12.45% in January 2018.

A total of 18.2 million dwt has been ordered year to date, significantly less than the 36.0 million dwt ordered during the same period in 2018.

A total of 6.0 mill dwt has been scrapped year to date, compared to 3.9 million dwt for the same period in 2018.

At present, 15.5% of the existing drybulk fleet is currently comprised of more than 15-year-old vessels, that are generally less fuel efficient. Accelerated scrapping may be expected again post 2020, as the new IMO low-sulphur regulations take effect, requiring ships that are not scrubber-fitted or running on LNG to burn more expensive low-sulphur fuel. Several major mining companies also have restrictions on chartering vessels that are more than 15 years old.

Outlook

The Company had only two ships operational in the third quarter, having now increased to four ships, with further two ships to be delivered by January and all eight ships on the water by May 2020. Based on this ramp up in operational days, the Board, based on current ship rates, expects a significant acceleration in earnings, profits and dividend capacity in the months ahead.

Due to the release of cash from the Ocean Yield transaction, the Company may in the future pay out some dividends in excess of free cash flow generated from operations. Assuming current spot rates of US\$22,200 per day and HFO vs LSFO fuel spreads of US\$250 per ton, the Company would have the capacity to generate approximately of US\$0.2 per share per month in free cash flow after debt service assuming eight ships trading on index-linked charters.

The overall main objective for 2020 Bulkera is to optimize shareholder returns from its eight Newcastlemax vessels by returning the maximum capital to the shareholders in the form of a high dividend yield payout. The Company intends to be disciplined in its investment strategy and has no current plans to continue to build the fleet as vessel prices and risk increases

through the up-cycle. The Board will have an opportunistic approach to consolidation and M&A.

Invitation to webcast and conference call Q3 2019 results

2020 Bulkers Ltd. will release its financial results for the third quarter of 2019 on Thursday, November 7, 2019. 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.2020bulk.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://edge.media-server.com/mmc/p/8e5o5uz5> or you can click the "Webcast" link on www.2020bulk.com/investor-relations/

Conference Call:

Dial in details, Participants:

Conference ID:..... 8888255

Standard International: +44 (0) 2071 928000

Norway (local): 23 96 02 64

Norway (toll free): 800 518 74

UK (local): 0844 571 8892

UK (toll free): 0800 376 7922

US (local):..... 1631 510 7495

US (toll free): 1866 966 1396

Participants will be asked for their full name & Conference ID.

We advise you to dial-in 10 minutes prior to the call to avoid delays.

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

About 2020 Bulkiers Ltd.

2020 Bulkiers Limited is a limited liability company incorporated in Bermuda on 26 September 2017. The Company's shares are traded in Oslo under the ticker "2020".

2020 Bulkiers is an international owner and operator of large drybulk vessels. The Company currently has four Newcastlemax drybulk vessels in operations and four Newcastlemax drybulk vessels under construction at New Times Shipyard in China. The remaining newbuildings are expected to be delivered from the Yard between January and May 2020.

November 7, 2019

Board of Directors

2020 Bulkiers Ltd.

Hamilton, Bermuda