

2020 BULKERS

BOARD OF
DIRECTORS'
REPORT

Q3 2024

Results for the Third Quarter of 2024

Oslo, Norway, November 13, 2024

2020 Bulkers Ltd. (“2020 Bulkers” or the “Company”) today announced its unaudited financial and operating results for the three and nine months ended September 30, 2024.

Key events during the third quarter of 2024

- The Company reported net profit of US\$11.6 million and EBITDA of US\$14.7 million for the third quarter of 2024.
- The Company achieved average time charter equivalent earnings of approximately US\$36,600 per day, gross.
- The Company declared total dividends of US\$0.57 per share for the months of July, August and September 2024.

Subsequent Events

- Achieved average time charter equivalent earnings for October 2024 of approximately US\$31,400, per day, gross.
- In November 2024, the Company declared a dividend of US\$0.15 per share for October 2024.

Management discussion and analysis

Consolidated Statements of Operations

Three months ended September 30, 2024

Operating revenues were US\$19.9 million for the three months ended September 30, 2024 (US\$17.0 million for the three months ended September 30, 2023). The Company achieved an average time charter equivalent rate, gross, of US\$36,600 for the three months ended September 30, 2024, compared to US\$21,000 for the three months ended September 30, 2023. During the three months ended September 30, 2024, the Company charged Himalaya Shipping US\$0.4 million (US\$0.2 million during the three months ended September 30, 2023) for management services recognized as Other operating income.

Total operating expenses were US\$7.4 million for the three months ended September 30, 2024 (US\$8.8 million for the three months ended September 30, 2023).

Vessel operating expenses were US\$3.9 million and US\$4.9 million for the three months ended September 30, 2024 and 2023, respectively. The decrease compared to the three months ended September 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\$0.3 million for the three months ended September 30, 2024 (US\$0.2 million for the three months ended September 30, 2023).

General and administrative expenses were US\$1.0 million for the three months ended September 30, 2024 (US\$0.8 million for the three months ended September 30, 2023).

Depreciation and amortization were US\$2.2 million and US\$2.9 million for the three months ended September 30, 2024 and 2023, respectively. The decrease compared to the three months ended September 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\$0.7 million for the three months ended September 30, 2024 (US\$2.8 million for the three months ended September 30, 2023). The decrease compared to the three months ended September 30, 2023 is primarily due to a US\$1.2 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.

Nine months ended September 30, 2024

Operating revenues were US\$99.3 million for the nine months ended September 30, 2024 (US\$46.7 million for the nine months ended September 30, 2023). The Company achieved an average time charter equivalent rate, gross, of US\$33,400 for the nine months ended September 30, 2024, compared to US\$20,800 for the nine months ended September 30, 2023. During the nine months ended September 30, 2024, the Company recognized a gain of US\$40.9 million for the sale of Bulk Shanghai and Bulk Seoul. During the nine months ended September 30, 2024, the Company charged Himalaya Shipping US\$1.1 million (US\$0.9 million during the three months ended September 30, 2023) for management services recognized as Other operating income in the Consolidated Statements of Operations.

Total operating expenses were US\$23.0 million for the nine months ended September 30, 2024 (US\$26.9 million for the nine months ended September 30, 2023).

Vessel operating expenses were US\$12.1 million and US\$14.9 million for the nine months ended September 30, 2024 and 2023, respectively.

Voyage expenses and commission were US\$0.7 million for the nine months ended September 30, 2024 (US\$0.6 million for the nine months ended September 30, 2023).

General and administrative expenses were US\$3.0 million for the nine months ended September 30, 2024 (US\$2.6 million for the nine months ended September 30, 2023).

Depreciation and amortization were US\$7.2 million and US\$8.8 million for the nine months ended September 30, 2024 and 2023, respectively.

Total financial expenses, net, were US\$4.6 million for the nine months ended September 30, 2024 (US\$8.1 million for the nine months ended September 30, 2023).

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

Consolidated Balance Sheets

The Company had total assets of US\$274.1 million as of September 30, 2024, (December 31, 2023: US\$376.1 million). The decrease compared to total assets as of December 31, 2023, is due to the sale of Bulk Shanghai and Bulk Seoul.

Total shareholders' equity was US\$157.9 million and US\$161.0 million as of September 30, 2024 and December 31, 2023, respectively.

Total liabilities as of September 30, 2024, were US\$116.2 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 September 30, 2024

Net cash provided by operating activities was US\$14.8 million for the three months ended September 30, 2024 (US\$7.1 million for the three months ended September 30, 2023). The increase compared to the three months ended September 30, 2023, is primarily due to higher earnings.

Net cash received from investing activities was US\$0.2 million for the three months ended September 30, 2024 (US\$nil for the three months ended September 30, 2023). The Company received US\$0.3 million in proceeds from the sale of 40% of the shares in 2020 Bulk Management AS. The Company incurred US\$0.1 million in expenses relating to scheduled drydockings in 2025.

Net cash used in financing activities was US\$13.0 million during the three months ended September 30, 2024 (US\$5.7 million used in financing activities during the three months ended September 30, 2023). The Company paid US\$13.0 million of dividends during the three months ended September 30, 2024. 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.

Nine months ended September 30, 2024

Net cash provided by operating activities was US\$38.3 million for the nine months ended September 30, 2024 (US\$18.3 million for the nine months ended September 30, 2023). Please see analysis for the third quarter of 2024 which is also valid for the nine months ended September 30, 2024.

Net cash received from investing activities was US\$123.8 million for the nine months ended September 30, 2024 (US\$nil for the nine months ended September 30, 2023). The Company received US\$125.8 million in net proceeds from the sale of vessels and US\$0.3 million in

proceeds from the sale of 40% of the shares in 2020 Bulk Management AS. The Company incurred US\$2.2 million in expenses in connection with drydocking of Bulk Sandefjord and Bulk Santiago and US\$0.1 million relating to scheduled drydockings in 2025.

Net cash used in financing activities was US\$171.6 million during the nine months ended September 30, 2024 (US\$17.4 million used in financing activities during the nine months ended September 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\$74.8 million of dividends during the nine months ended September 30, 2024. 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.

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 53 consecutive months. Following the dividend for October, the Company will have returned approximately 141% of the paid-in equity to shareholders.

During Q3 the Company sold 40% of the shares in 2020 Bulk Management AS to Himalaya Shipping for a total consideration of NOK 3.2 million.

The Company has a solid funding situation with a cash position of approximately US\$20 million as of November 12, 2024.

Cash breakeven for the fleet, which includes expected general and administrative expenses, operating costs and debt service is estimated at approximately US\$11,700 per vessel per day.

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

Commercial update

In the third quarter of 2024, the Company achieved average time charter equivalent earnings of approximately US\$36,600 per day, gross, on the Company's vessels trading on index linked time charter including average daily scrubber benefits of approximately US\$2,300 per day.

The Baltic 5TC Capesize Index averaged US\$24,909 per day in Q3 2024.

The Company achieved average time charter equivalent earnings for October 2024 of approximately US\$31,400, per day, gross. The Baltic 5TC Capesize Index has averaged US\$20,903 per day in the same period.

Chartering update

2020 Bulkers has commercially outperformed the Baltic 5TC index for 59 out of 63 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 November 1 until the end of 2024, the Company has 366 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 (as of November 12, 2024) stands at US\$22,835 having averaged US\$23,439 year to date, up from US\$14,169 during the same period in 2023.

The Capesize market performed well during August and September, however, we saw a correction down in mid October 2024. The Baltic 5TC index averaged US\$24,909 in Q3, up from US\$13,407 during Q3 2023.

Capesize demand has been robust so far this year, with ton-mile demand up 5.4% year over year, with the third quarter growing 3%.

The increase in Capesize ton-miles so far this year is mainly driven by a 18% increase in Brazilian iron ore exports, while Australian export volumes have grown 1.5% year over year. Bauxite export volumes have continued to grow, showing a 14% increase year over year, following more than 25% growth in 2023.

Global crude steel production for 2024 is down 1.7% year to date. The World ex. China had an 0.3% increase, while Chinese steel production decreased 3.4%.

Chinese iron ore imports are up by 4% year to date, from 922 million tonnes in 2023 to 958 million tonnes in 2024. Chinese iron ore port inventories have increased both in nominal and seasonal terms, and currently stand at 150 million tons, compared to 110 million tons a year ago. However, the iron ore consumption in terms of days are still about the historical average.

China's property sector remains challenged with housing sales contracting for the third consecutive year. On the back of this, the Chinese Government has implemented various stimulus packages targeting the construction and property sector amounting to 10 trillion Yuan (US\$1.3 trillion) so far.

Growth in vessel supply will be moderate in the coming years with expected Capesize deliveries of 8.1 million dwt. in 2024, 7.9 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.

We reiterate that the 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. 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. The aging Capesize fleet will enter a large Special Survey year in 2025, where 23% of the fleet will have to drydock. This is a 52% increase compared to dry dockings completed in 2024. Historical drydock data from 2015 to date shows that a 5, 10 and 15 year Special Survey on average takes 13, 16 and 19 days to complete.

Key downside risks to the Capesize market include a continued economic slowdown in China, as well as heightened geopolitical tensions.

Capesize fleet development

The global Capesize fleet stands at 400 million dwt. as of October 1, 2024, up from 391 million dwt. in October 2023.

The current orderbook for Capesize dry bulk vessels currently stands at 7.5% of the existing fleet, up from 5.2% in October 2023.

11 million dwt. has been ordered in 2024 so far, compared to 6.5 million dwt. during the same period in 2023.

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

Outlook

2020 Bulkers 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\$11,700 per vessel per day. The current FFA curve for the balance of 2025 implies earnings of approximately US\$32,000 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 Q3 2024 results

2020 Bulkers Ltd. will release its financial results for the third quarter of 2024 on Wednesday, November 13, 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.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://channel.royalcast.com/landingpage/hegnarmedia/20241113_4/ or you can click the "Webcast" link on www.2020bulk.com/investor-relations/

Telephone conference:

PIN Code for all countries: 172292

DK: +45 7876 8490

SE: +46 4 0682 0620

NO: +47 2195 6342

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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.

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.

November 13, 2024

Lori Wheeler Naess

Director

Viggo Bang-Hansen

Director

Magnus Halvorsen

Chairperson

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