2020 BULKERS LTD

RESULTS FOR THE SECOND QUARTER AND FIRST HALF OF 2021

Hamilton, Bermuda, August 11, 2021

2020 Bulkers Ltd. ("2020 Bulkers" or the "Company"), today announced its unaudited financial and operating results for the three and six months ended June 30, 2021.

Key events during the second quarter of 2021

- The Company reported net profit of US$17.1 million and EBITDA of US$22.5 million for the second quarter of 2021.

- Achieved average time charter equivalent earnings of approximately US$39,500, per day, gross.

- The Company declared total dividends and cash distributions of US$0.75 per share for the months of April, May and June 2021.

- In April 2021, the Company entered into a 19-23 month time charter agreement for Bulk Shenzhen with Koch. The vessel will earn an index-linked rate and a profit share based on the fuel cost saving generated by the scrubbers.

Subsequent Events

- Achieved average time charter equivalent earnings so far in the third quarter of approximately US$40,100, per day, gross.

- At the 2021 Annual General Meeting held June 24, 2021, it was approved to reduce the Share Premium Account (APIC) of the Company by US$75 million and to credit the same amount resulting from the reduction to the Company's Contributed Surplus account, with effect from July 1, 2021.

- The Company declared a cash distribution of US$0.26 per share for the month of July, payable on or about August 30, 2021.

Management discussion and analysis

Consolidated Statements of Operations

Three months ended June 30, 2021

Operating revenues were US$28.4 million for the three months ended June 30, 2021 (US$10.8 million for the three months ended June 30, 2020). The increase compared to the three months ended June 30, 2020 is driven by all eight vessels in operation for the full three months and a significantly improved market. Bulk Sao Paulo and Bulk Santos commenced operations in June, 2020.

Total operating expenses were US$8.8 million for the three months ended June 30, 2021 (US$6.1 million for the three months ended June 30, 2020).

Vessel operating expenses were US$4.3 million and US$2.9 million for the three months ended June 30, 2021 and 2020, respectively. The increase compared to the three months ended June 30, 2020 is driven by the expansion of the fleet as discussed above under Operating revenues. Vessel operating expenses include an estimated US$0.2 million in Covid-19 related expenses for the three months ended June 30, 2021.

Voyage expenses and commission were US$0.8 million for the three months ended June 30, 2021 (US$0.5 million for the three months ended June 30, 2020). The increase compared to the three months ended June 30, 2020 is due to the voyage contract expenses for Bulk Shenzhen.

General and administrative expenses were US$0.8 million for the three months ended June 30, 2021 (US$0.5 million for the three months ended June 30, 2020).

Depreciation and amortization were US$2.9 million for the three months ended June 30, 2021 (US$2.2 million for the three months ended June 30, 2020). The increase compared to the three months ended June 30, 2020 relates to depreciation on vessels delivered during June 2020.

Total financial expenses, net, were US$2.5 million for the three months ended June 30, 2021 (US$2.3 million for the three months ended June 30, 2020). The increase compared to the three months ended June 30, 2020 is due to interest on additional debt financing partly offset by lower interest rates.

Six months ended June 30, 2021

Operating revenues were US$45.4 million for the six months ended June 30, 2021 (US$18.6 million for the six months ended June 30, 2020). The increase compared to the six months ended June 30, 2020 is driven by all eight vessels in operation for the full six months and a significantly improved market. Bulk Santos and Bulk Sao Paulo commenced operation during June, 2020.

Total operating expenses were US$17.6 million for the six months ended June 30, 2021 (US$11.4 million for the six months ended June 30, 2020).

Vessel operating expenses were US$8.4 million and US$5.3 million for the six months ended June 30, 2021 and 2020, respectively. The increase compared to the six months ended June 30, 2020 is driven by the expansion of the fleet as discussed above under Operating revenues. Vessel operating expenses include an estimated US$0.6 million in Covid-19 related expenses for the six months ended June 30, 2021.

Voyage expenses and commission were US$1.8 million for the six months ended June 30, 2021 (US$0.7 million for the six months ended June 30, 2020). The increase compared to the six months ended June 30, 2020 is due to the voyage contract expenses for Bulk Shenzhen.

General and administrative expenses were US$1.6 million for the six months ended June 30, 2021 (US$1.3 million for the six months ended June 30, 2020).

Depreciation and amortization were US$5.8 million for the six months ended June 30, 2021 (US$4.1 million for the six months ended June 30, 2020). The increase compared to the six months ended June 30, 2020 relates to depreciation on vessels delivered during June 2020.

Total financial expenses, net, were US$4.9 million for the six months ended June 30, 2021 (US$4.5 million for the six months ended June 30, 2020). The increase compared to the six months ended June 30, 2020 is due to interest on additional debt financing partly offset by lower interest rates.

Consolidated Balance Sheets

The Company had total assets of US$394.4 million as of June 30, 2021, (December 31, 2020: US$395.7 million).

Total shareholders' equity was US$148.1 million and US$142.1 million as of June 30, 2021 and December 31, 2020, respectively.

Total liabilities as of June 30, 2021, were US$246.3 million (December 31, 2020: US$253.6 million). The decrease is due to scheduled repayments on the Company's long term debt.

Consolidated Statements of Cash Flows

Three months ended June 30, 2021

Net cash provided by operating activities was US$20.0 million for the three months ended June 30, 2021 (US$6.0 million for the three months ended June 30, 2020). The increase compared to the three months ended June 30, 2020 is due to earnings from eight vessels in operation for the full three months and a significantly improved market. Bulk Santos and Bulk Sao Paulo commenced operation during June, 2020.

Net cash used in investing activities was US$nil for the three months ended June 30, 2021 (US$61.6 million for the three months ended June 30, 2020). During the three months ended June 30, 2020 the Company paid delivery instalments of US$60 million for Bulk Sao Paulo and Bulk Santos.

Net cash used in financing activities was US$18.1 million during the three months ended June 30, 2021 (US$56.7 million provided by financing activities during the three months ended June 30, 2020). The Company repaid US$3.7 million of long-term debt as well as paying US$14.4 million of dividends and cash distributions during the three months ended June 30, 2021. The Company drew US$60.0 million on the term loan facility when the Company paid delivery instalments for Bulk Sao Paulo and Bulk Santos during the three months ended June 30, 2020. The Company also repaid US$2.9 million of long-term debt during the three months ended June 30, 2020.

Six months ended June 30, 2021

Net cash provided by operating activities was US$29.0 million for the six months ended June 30, 2021 (US$7.5 million for the six months ended June 30, 2020). The increase compared to the six months ended June 30, 2020 is due to earnings from eight vessels in operation for the full six months and a significantly improved market. Bulk Santos and Bulk Sao Paulo commenced operation during June, 2020.

Net cash used in investing activities was US$nil for the six months ended June 30, 2021 (US$123.8 million for the six months ended June 30, 2020). During the six months ended June 30, 2020 the Company paid delivery instalments of US$120 million for Bulk Shenzhen, Bulk Sydney, Bulk Santos and Bulk Sao Paulo.

Net cash used in financing activities was US$26.7 million during the six months ended June 30, 2021 (US$112.5 million provided by financing activities during the six months ended June 30, 2020). The Company repaid US$7.4 million of long-term debt as well as paying US$19.3 million of dividends and cash distributions during the six months ended June 30, 2021. The Company drew US$120.0 million on the term loan facility when the Company paid delivery instalments for Bulk Shenzhen, Bulk Sydney, Bulk Santos and Bulk Sao Paulo during the six months ended June 30, 2020. The Company also repaid US$4.9 million of long-term debt and paid US$1.5 million of dividends during the six months ended June 30, 2020.

As of June 30, 2021, the Company’s cash and cash equivalents and restricted cash amounted to US$22.3 million (December 31, 2020: US$20.0 million).

Corporate Developments and Financing

The Board is pleased that the Company has remained profitable for each quarter following delivery of the first vessel in Q3 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 13 consecutive months. Following the cash distribution for July, the Company will have returned 27% of the paid-in equity to shareholders.

The Company has a solid funding situation with a cash position of approximately US$21.6 million as of August 10, 2021.

Cash breakeven for the fleet, which includes expected general and administrative expenses, operating costs and debt service is estimated at approximately US$14,500 per vessel per day for 2021.

The Company currently has around US$221 million of net debt, corresponding to approximately US$28 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 Q2 2021, the Company achieved average time charter equivalent earnings of approximately US$39,500 per day, gross. The Company's vessels trading on index-linked time charter earned approximately US$44,100 per day, gross, including average daily scrubber benefits of approximately US$2,300 per day. The Company's vessels trading on fixed time charter earned approximately US$29,700 per day, gross, including average daily scrubber benefits of approximately US$2,400 per day. Bulk Shenzhen earned approximately US$19,300 per day, gross, on the voyage charter that was completed April 28, 2021.

The Baltic 5TC Capesize Index averaged US$31,120 per day in Q2 2021.

So far in the third quarter, the Company has achieved time charter equivalent earnings of approximately US$40,100 per day. The Baltic 5TC Capesize Index has averaged US$31,713 per day in the same period.

Commercial update

2020 Bulkers has commercially outperformed the Baltic 5TC index for 21 out of 23 months since delivery of its first vessel.

Currently, 2020 Bulkers has six vessels trading on index-linked time charters. The Bulk Sao Paulo and Bulk Santos are trading on fixed time charters plus daily scrubber benefits until the end of 2021. 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. The Company continues to see strong interest from first class charterers.

For the third quarter and the rest of 2021, the Company has fixed employment for approximately 368 days at US$27,300 per day. 1,104 operating days are linked to the development in the Capesize spot market. Based on the Company's constructive market view, our strategy is to maintain a high exposure to the spot market for the remainder of the year. 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	Aug 22
Bulk Santiago	Sep-19	Koch	Index linked + premium + scrubber benefit	Nov 21 – Jan 22
Bulk Seoul	Oct-19	Koch	Index linked + premium + scrubber benefit	Dec 21 – Feb 22
Bulk Shanghai	Nov-19	Koch	Index linked + premium + scrubber benefit	Sep 22 – Mar 23
Bulk Shenzhen	Jan-20	Koch	Index linked + premium + scrubber benefit	Nov 22 – Mar 23
Bulk Sydney	Jan-20	Koch	Index linked + premium + scrubber benefit	Jan 23
Bulk Sao Paulo	Jun-20	Glencore	27,255 + scrubber benefit (until Dec. 31, 2021), Index linked + premium + scrubber benefit	May – Jul 23
Bulk Santos	Jun-20	Glencore	27,255 + scrubber benefit (until Dec. 31, 2021), Index linked + premium + scrubber benefit	May – Jul 23

Market commentary

Capesize rates averaged US$31,120 in the second quarter of 2021, up from US$9,932 during the second quarter of 2020. The Baltic 5TC Capesize index today stands at US$35,895 per day having averaged US$31,713 per day so far in the third quarter.

The improved rates compared to the same period in 2020 are driven by strong iron ore export volumes, in particular out of Brazil, as well as a slowdown in the delivery of newbuildings. Brazilian iron ore exports for the first 32 weeks of 2021 reached 203 million tons, an increase of 11.2% compared to the same period last year. Vale, Brazil’s largest iron ore producer, reported iron ore production of 143.7 million tons during the first half of 2021, an increase of 12.5% compared to the first half of 2020. The fact that Brazil´s year over year growth in exports mirrors the increase in production may suggest that every incremental ton produced by Vale is likely to be exported. In their second quarter production update, Vale indicated that they are likely to produce one million tons of iron ore per day during the second half of the year, which would represent a 27% increase in daily production compared to the first half of the year. If Vale is able to meet its targets, the production increase would by the Company's estimates require 49 incremental capesize vessels assuming each ton of incremental Brazilian ore displaces one ton of Australian iron ore shipped to China. This compares to an orderbook for the balance of the year of only 32 capesize vessels. Longer term, Vale maintains ambitions to increase output to more than 400 million tons per year within the coming years. Iron ore exports out of Australia for the first 32 weeks of 2021 reached 545 million tons, in line with the same period last year.

Chinese steel production for January through June 2021 was up 11% compared to the same period in 2020. During recent months the Chinese government has imposed restrictions on steel production in certain areas in order to limit pollution. June showed a sequential 6% decline in Chinese steel production compared to May, however, production was still 2.5% higher than June 2020. Strong end user demand has led to an increase in steel prices of 20% so far this year, in spite of the increased production. The Company believes the Chinese economic stimulus following the Covid-19 outbreak will continue to have a positive impact on steel demand in the coming quarters.

Chinese iron ore imports were down 1.5% year over year for the period January through July 2021.

Chinese iron ore port inventories currently stand at 126.5 million tons, compared to 116.2 million tons a year ago. The current inventories represent 32 days of consumption, down from 33 days at the same time last year.

Steel production in the rest of the world has already recovered beyond levels seen prior to the outbreak of Covid-19 and is expected to recover further once vaccines against Covid-19 are widely distributed. Steel production outside China, increased by 16% for the period from January to June 2021, compared to the same period last year, with the month of June showing an increase of 27% year over year. As various infrastructure spending initiatives are implemented it is expected that growth in steel demand in the rest of the world will overtake China. The World Steel Association estimates that global steel demand will grow by 5.8% this year, with China growing 3%. This increase in steel demand is already leading to an increase in iron ore imports outside China, with year to date imports 17% higher than for the same period in 2020. Total exports of iron ore globally is up 2.5% year to date, compared to the same period in 2020.

Growth in vessel supply will be moderate in 2021 relative to previous years with a Capesize orderbook of 18 million dwt, down from 25 million dwt delivered in 2020. The Capesize orderbook for 2022 and 2023 currently stands at 8.8 million dwt and 2.8 million dwt respectively. The large influx of orders for container vessels has continued to fill up the capacity for building large commercial vessels. Currently Chinese yards are marketing only 2 slots for Capesize and Newcastlemax newbuildings until the end of 2023 and only 15 further slots are being marketed until the end of 2024. New ordering is expected to remain subdued due to lack of 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 2020, 50 Capesize vessels, totaling 11.6 million dwt were scrapped. So far in 2021, 13 Capesize vessels, totaling 3.1 million dwt have been scrapped.

Dry bulk fleet development

The global dry bulk fleet stands at 932 million dwt as of August 1, 2021, up from 903 million dwt in August, 2020.

The current orderbook for dry bulk vessels currently stands at 6.1% of the existing fleet, down from 7.9% in August 2020.

17.5 million dwt have been ordered this year, compared to 11.8 million dwt ordered during the same period in 2020.

A total of 4.7 million dwt has been scrapped year to date, compared to 8.4 million dwt for the same period in 2020.

Impact of Covid-19

Port restrictions, including immigration restrictions and quarantine measures related to Covid-19, continue to create challenges for crew changes on regular intervals. The Company estimates that operating expenses were negatively impacted by approximately US$200 per day per vessel on average during the second quarter of 2021 due to increased costs related to travel, quarantines and testing of crews.

Additionally, the Company recorded approximately 3 days of off-hire in the second quarter 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.

Bulk Shenzhen incident

On August 2, Bulk Shenzhen was involved in a collision with the bulk carrier RB Lisa whilst navigating in laden condition under pilot inbound Yangtze River. No loss of life, personal injuries, pollution or other environmental damages was reported on either vessel. Following investigation and incident formalities, the vessel proceeded to discharge the remaining cargo onboard at Jiangyin, China.

The Bulk Shenzhen is expected to arrive at IMC Zhoushan shipyard on August 11, 2021, to repair some steel damage in the bow area above the water line. The repairs are expected to take approximately 15 days.

The Company has adequate hull and machinery insurance, as well as off-hire insurance which becomes active in the event off-hire exceeds 14 days.

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$14,500 per vessel per day for 2021, is significantly lower than the current FFA curve for the balance of 2021, which implies earnings of approximately US$50,000 per day for a scrubber fitted Newcastlemax.

Taking into account the Company's fixed time charter coverage for two vessels, the six vessels that are exposed to the spot market from August through the end of 2021 need to earn approximately US$10,000 per day for the Company to cover its operating cash breakeven.

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 Q2 2021 results

2020 Bulkers Ltd. will release its financial results for the second quarter of 2021 on Wednesday, August 11, 2021. 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.2020bulkers.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/9cv4wvv4 or you can click the "Webcast" link on www.2020bulkers.com/investor-relations/

Telephone conference

Dial in details, Participants:

In the 10 minutes prior to call start time, please call the appropriate participant dial-in number and enter the Event Plus Passcode stated below. Please leave any information requested after the tone.

Event Plus Passcode: 2266548

Standard International: +44 (0) 2071 928338

Norway (local): ....+47 21 56 30 15

Norway (toll free): 800 568 65

UK (local): .... +44 (0) 844 481 9752

UK (toll free): 0800 279 6619

US (local):..................... +1646 741 3167

US (toll free): 1877 870 9135

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

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.

Responsibility statement

We confirm, to the best of our knowledge, that the interim condensed consolidated financial statements for the first half year of 2021, 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 2021 report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

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 Oslo Børs under the ticker "2020".

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

August 11, 2021

Kate Blankenship
Director

Georgina Sousa
Director

Neil Glass
Director

Jens Martin Jensen
Director