BOARD OF DIRECTORS' REPORT

Q2 2022

Results for the Second Quarter and First Half of 2022

Oslo, Norway, August 17, 2022

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, 2022.

Key events during the second quarter of 2022

- The Company reported net profit of US$12.0 million and EBITDA of US$17.4 million for the second quarter of 2022.

- Achieved average time charter equivalent earnings of approximately US$32,300 per day, gross.

- The Company declared total cash distributions of US$0.52 per share for the months of April, May and June 2022.

- In April 2022, the Company transferred the eight Newcastlemax dry bulk vessels that it owns and/or operates from subsidiaries domiciled in Liberia to Norwegian limited liability subsidiaries. The Norwegian vessel owning subsidiaries intend to enter into the Norwegian tonnage tax regime.

Subsequent Events

- Achieved average time charter equivalent earnings so far in the third quarter of 2022 of approximately US$30,300, per day, gross.

- In August 2022, the Company extended the index-linked time charter contract for Bulk Sandefjord from August 2022 to August 2023.

- In August 2022, the Company declared a cash distribution of US$0.18 per share for July 2022.

- In August 2022, the Board of 2020 Bulkers Ltd. approved the transfer of tax domicile of the Company from Bermuda to Norway.

- In August 2022, Neil Glass and Mi Hong Yoon resigned as Directors of the Company, while Viggo Bang-Hansen was appointed as a Director of the Company

Management discussion and analysis

Consolidated Statements of Operations

Three months ended June 30, 2022

Operating revenues were US$23.3 million for the three months ended June 30, 2022 (US$28.4 million for the three months ended June 30, 2021). The Company achieved an average time charter equivalent rate, gross, of US$32,300 for the three months ended June 30, 2022, compared to US$39,500 for the three months ended June 30, 2021. During the three months ended June 30, 2022, the Company have charged Himalaya Shipping US$0.5 million for management services recognized as Other operating income in the Consolidated Statements of Operations.

Total operating expenses were US$8.8 million for the three months ended June 30, 2022 (US$8.8 million for the three months ended June 30, 2021).

Vessel operating expenses were US$4.3 million and US$4.3 million for the three months ended June 30, 2022 and 2021, respectively.

Voyage expenses and commission were US$0.3 million for the three months ended June 30, 2022 (US$0.8 million for the three months ended June 30, 2021). The decrease compared to the three months ended June 30, 2021 is due to the voyage charter for Bulk Shenzhen in 2021.

General and administrative expenses were US$1.3 million for the three months ended June 30, 2022 (US$0.8 million for the three months ended June 30, 2021). The increase compared to the three months ended June 30, 2021, is primarily due to approximately US$0.3 million in fees in connection with the transfer of the vessels from subsidiaries domiciled in Liberia to Norwegian limited liability subsidiaries.

Depreciation and amortization were US$2.9 million for the three months ended June 30, 2022 (US$2.9 million for the three months ended June 30, 2021).

Total financial expenses, net, were US$2.5 million for the three months ended June 30, 2022 (US$2.5 million for the three months ended June 30, 2021).

Six months ended June 30, 2022

Operating revenues were US$40.1 million for the six months ended June 30, 2022 (US$45.4 million for the six months ended June 30, 2021). The decrease compared to the six months ended June 30, 2021 is due to a lower market.

Total operating expenses were US$17.5 million for the six months ended June 30, 2022 (US$17.6 million for the six months ended June 30, 2021).

Vessel operating expenses were US$8.8 million and US$8.4 million for the six months ended June 30, 2022 and 2021, respectively. The increase compared to the six months ended June 30, 2021 is driven by a significant cost increase in spare parts, consumables and services. Vessel operating expenses include an estimated US$0.1 million and US$0.6 million in Covid-19 related expenses for the six months ended June 30, 2022 and June 30, 2021, respectively.

Voyage expenses and commission were US$0.7 million for the six months ended June 30, 2022 (US$1.8 million for the six months ended June 30, 2021). The decrease compared to the six months ended June 30, 2021 is due to the voyage contract expenses for Bulk Shenzhen.

General and administrative expenses were US$2.2 million for the six months ended June 30, 2022 (US$1.6 million for the six months ended June 30, 2021). Please see analysis for the second quarter of 2022 which is also valid for the six months ended June 30, 2022.

Depreciation and amortization were US$5.8 million for the six months ended June 30, 2022 (US$5.8 million for the six months ended June 30, 2021).

Total financial expenses, net, were US$4.7 million for the six months ended June 30, 2022 (US$4.9 million for the six months ended June 30, 2021). The decrease compared to the six months ended June 30, 2021 is s primarily due to the reduction in margin of 40bps on the Term Loan Facility slightly offset by higher LIBOR interest on the Ocean Yield sale leaseback financing.

Consolidated Balance Sheets

The Company had total assets of US$385.0 million as of June 30, 2022, (December 31, 2021: US$390.6 million).

Total shareholders' equity was US$154.6 million and US$151.7 million as of June 30, 2022 and December 31, 2021, respectively.

Total liabilities as of June 30, 2022, were US$230.4 million (December 31, 2021: US$238.9 million). The decrease is primarily due to scheduled repayments on the Company's long term debt.

Consolidated Statements of Cash Flows

Three months ended June 30, 2022

Net cash provided by operating activities was US$14.5 million for the three months ended June 30, 2022 (US$20.0 million for the three months ended June 30, 2021). The decrease compare to the three months ended June 30, 2022, is due to lower earnings.

Net cash used in investing activities was US$nil for the three months periods ended June 30, 2022 and 2021.

Net cash used in financing activities was US$13.9 million during the three months ended June 30, 2022 (US$18.1 million used in financing activities during the three months ended June 30, 2021). The Company repaid US$3.7 million of long-term debt as well as paying US$10.2 million of cash distributions during the three months ended June 30, 2022. The Company repaid US$3.7 million of long-term debt and paid US$14.4 million of cash distributions and dividends during the three months ended June 30, 2021.

Six months ended June 30, 2022

Net cash provided by operating activities was US$23.1 million for the six months ended June 30, 2022 (US$29.0 million for the six months ended June 30, 2021). The decrease compared to the six months ended June 30, 2021 is due to lower earnings.

Net cash used in investing activities was US$nil for the six months ended June 30, 2022 and 2021.

Net cash used in financing activities was US$28.7 million during the six months ended June 30, 2022 (US$26.7 million used in financing activities during the six months ended June 30, 2021). The Company repaid US$7.4 million of long-term debt as well as paying US$21.3 million of cash distributions during the six months ended June 30, 2022. The Company repaid US$7.4 million of long-term debt and paid US$19.3 million of cash distributions and dividends during the six months ended June 30, 2021.

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 25 consecutive months. Following the cash distribution for July, the Company will have returned approximately 72% of the paid-in equity to shareholders.

The Company has a solid funding situation with a cash position of approximately US$20.3 million as of August 16, 2022.

Cash breakeven for the fleet, which includes expected general and administrative expenses, operating costs (including estimated US$300 per ship per day in Covid-19 related costs) and debt service is estimated at approximately US$15,400 per vessel per day for 2022.

The Company has as of August 16, 2022, around US$208 million of net debt, corresponding to approximately US$26 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 second quarter of 2022 the Company achieved average time charter equivalent earnings of approximately US$32,300 per day, gross. The Company's vessels trading on index-linked time charter earned approximately US$31,200 per day, gross, including average daily scrubber benefits of approximately US$2,700 per day. The Company's vessels trading on fixed time charter earned approximately US$35,600 per day, gross, including average daily scrubber benefits of approximately US$4,000 per day.

The Baltic 5TC Capesize Index averaged US$20,571 per day in Q2 2022.

So far in the third quarter of 2022, the Company has achieved time charter equivalent earnings of approximately US$30,300 per day. The Baltic 5TC Capesize Index has averaged US$17,712 per day in the same period.

Chartering update

2020 Bulkers has commercially outperformed the Baltic 5TC index for 32 out of 36 months since delivery of its first vessel.

Currently, 2020 Bulkers has six vessels trading on index-linked time charters and Bulk Shenzhen and Bulk Shanghai are trading on fixed time charters until the end of 2022 at US$32,378 and US$30,905, respectively. 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.

For the remainder of 2022, the Company has 1,104 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	Aug 23
Bulk Santiago	Sep-19	Koch	Index linked + premium + scrubber benefit	Dec 22 – Mar 23
Bulk Seoul	Oct-19	Koch	Index linked + premium + scrubber benefit	Dec 22 – Mar 23
Bulk Shanghai	Nov-19	Koch	30,905 + scrubber benefit (1 Feb – 31 Dec 2022), Index linked + premium + scrubber benefit	Sep 22 – Mar 23
Bulk Shenzhen	Jan-20	Koch	32,378 + scrubber benefit (1 Feb – 31 Dec 2022), 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	Index linked + premium + scrubber benefit	May – Jul 23
Bulk Santos	Jun-20	Glencore	Index linked + premium + scrubber benefit	May – Jul 23

Market commentary

The Baltic 5TC Capesize index today stands at US$9,104 having averaged US$18,011 year to date, down from US$25,552 during the same period in 2021.

The Capesize market has softened during the third quarter as there has been a sharp reduction in fleet inefficiencies and port congestion. According to Clarksons, the percentage of the Capesize fleet sitting in port has dropped to 26% from a peak of 34% during the second quarter. The current levels are in line with the average levels seen between 2016 and 2020.

Although global iron ore exports are relatively unchanged year to date, down 0.5%, ton-miles have fallen compared to the same period last year driven by a 3.6% drop in long-haul Brazilian export volumes, while shorter haul volumes out of Australia are up 1.7%. Vale has recently lowered its full year production guidance to 310-320 million tons, down from their previous guidance of 320-335 million tons. For Vale to meet the low end of its full year guidance, production volumes would need to average 86 million tons per quarter in the second half of 2022, up from 63.9 million tons in the first quarter and 74.1 million tons in the second quarter. There has historically been a strong correlation between Vale's production volumes and Capesize rates.

Global crude steel production was 1,003 million tons for the period of January – June 2022, down by 5% compared to the same period in 2021. Chinese steel production for the period fell by 6% year over year, with June production down 3% year on year, showing some improvement from earlier in the year, when steel production was running 10% lower than the levels seen in 2021. Chinese steel rebar inventories are currently 20% below the levels seen at the same time last year, while Chinese steel rebar prices are down 11% year to date.

Chinese iron ore imports were down 3% for the period January – July 2022, compared to 2021, with July 2022 showing an increase of 5% compared to July 2021. Chinese iron ore port inventories currently stand at 138.6 million tons, compared to 127.2 million tons a year ago and down from a peak of 160.1 million tons in February.

Following the continued weakness in the Chinese economy, China has implemented a number of measures, such as increasing and bringing forward quotas for issuance of local government special infrastructure bonds. While Chinese infrastructure and manufacturing fixed asset investments have increased on a year over year basis so far in 2022, real estate fixed asset investments are still lagging. As a response, Chinese regulators have recently announced that they will provide liquidity support to selected private developers through underwriting new local bonds. It is also worth noting that China has during recent years responded with significant economic stimulus following periods of low economic growth.

Although coal has typically not been the main cargo transported on Newcastlemax vessels, our vessels compete with standard Capesize vessels that are frequently used to ship coal. Shipping demand for coal has been supported this year on the back of increased global coal demand, as a consequence of the ongoing energy crisis. Although China has ramped up domestic coal production over the last months, the coal trade is expected to remain robust going forward as the global energy crisis persists.

Growth in vessel supply will be moderate in 2022 relative to previous years with Capesize expected deliveries of 11.4 million dwt, down from 18.6 million dwt delivered in 2021. The Capesize orderbook for 2023, 2024 and 2025 currently stands at 10.3 million dwt, 5.7 million dwt and 0.4 million dwt, respectively. 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 until the end of 2025, giving good visibility for limited supply growth in the coming years. 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. As of July 2022, 10 Capesize vessels, totaling 1.67 million dwt were scrapped, down from 3.1 million dwt during the same period in 2021.

Upside risks to the future development in the capesize market from current levels, relate to increased port congestion, higher iron ore prices leading to more marginal high cost iron ore demand, as well as high gas prices or other influences on the energy markets that could support seaborne coal demand. We may also see that China's stimulus efforts will lead to increased infrastructure investments, as well as a stabilization in the property sector.

Key downside risks to the Capesize market include a continued economic slowdown, which could be driven by rising interest rates, tighter monetary conditions due to inflationary pressure, as well as heightened geopolitical tensions. For China specifically, there may be specific risks with regards to the ongoing Covid-19 related lockdowns as well as the development in the property sector.

Dry bulk fleet development

The global dry bulk fleet stands at 961 million dwt as of August 1, 2022, up from 933.2 million dwt in August, 2021.

The current orderbook for dry bulk vessels currently stands at 5.85% of the existing fleet, down from 7.95% in August 2021.

2.3 million dwt have been ordered this year, compared to 13.2 million dwt ordered during the same period in 2021.

2.0 million dwt have been scrapped year to date, compared to 4.7 million dwt for the same period in 2021.

Impact of Covid-19

Immigration restrictions and quarantine measures related to Covid-19, continue to create challenges for crew changes on regular intervals, also incurring some additional cost.

From an operational perspective, port congestion and other inefficiencies have normalized, with the share of the Capesize fleet in port now back to pre-Covid levels.

The Company recorded approximately five 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.

Impact of the war in Ukraine

2020 Bulkers utilizes a variety of nationalities in the crew mix, amongst others a limited number of highly valued Ukrainian top officers. The Russian invasion of Ukraine has created challenges for the rotation of the affected nationals. The Company is working hard to maintain first class operational standards, whilst taking care of the human perspective involved.

The main commodity transported on Newcastlemax vessels is iron ore, of which, only approximately 1.5% has historically been exported as seaborne trade out of Ukraine or Russia. As such, any direct impact on iron ore trade flows are minor.

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$15,400 per vessel per day for 2022, is significantly lower than the current FFA curve for the September - December 2022, which implies earnings of approximately US$24,000 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 cash distributions.

Invitation to webcast and conference call Q2 2022 results

2020 Bulkers Ltd. will release its financial results for the second quarter of 2022 on Wednesday, August 17, 2022. 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/t67fbr5b or you can click the “Webcast” link on www.2020bulkers.com/investor-relations/

Telephone conference

Please register on:

https://register.vevent.com/register/BIe520e668e4544ca999b965fd86738f5b

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 of 2022, 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 of 2022 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 owner and operator of large dry bulk vessels. The Company has eight Newcastlemax dry bulk vessels in operation.

August 17, 2022

Kate Blankenship
Director

Viggo Bang-Hansen
Director

Magnus Halvorsen
Director