2020 BULKERS

BOARD OF DIRECTORS' REPORT

Q4 2021

Results for the Fourth Quarter of 2021

Hamilton, Bermuda, January 26, 2022

2020 Bulkers Ltd. ("2020 Bulkers" or the "Company"), today announced its unaudited financial and operating results for the three and twelve months ended December 31, 2021.

Key events during the fourth quarter of 2021

- The Company reported net profit of US$26.3 million and EBITDA of US$31.4 million for the fourth quarter of 2021.

- Achieved average time charter equivalent earnings of approximately US$52,900, per day, gross.

- The Company declared total cash distributions of US$1.2 per share for the months of October, November and December 2021.

- In November 2021, the Company entered into 10-13 month time charter agreements for Bulk Seoul and Bulk Santiago. The vessels will earn an index-linked rate, reflecting a significant premium to the Baltic 5TC index. In addition, both vessels will earn a profit share based on the fuel cost savings from the scrubbers.

- In December 2021, the Company completed the refinancing of the US$180 million Term Loan Facility maturing in August 2024. At the time of closing, the outstanding amount under the US$180 million Term Loan Facility was replaced with a new US$162.5 million Term Loan Facility maturing in March 2027.

- On December 30, 2021, Mr. Jens Martin Jensen resigned as a Director of the Company effective December 30, 2021. The Board would like to thank Mr. Jensen for his very valuable contributions to the Company, having served as a Director since the Company's inception.

- On December 30, 2021, the Company appointed Mr. Magnus Halvorsen as a Director and Chairman of the Board. Following the appointment as a Director and Chairman of the Board, Mr. Halvorsen has resigned as CEO of 2020 Bulkers Management AS, effective as of February 1, 2022.

- On December 30, 2021, the Company appointed Herman Billung as CEO of 2020 Bulkers Management AS, effective as of February 1, 2022. Mr. Billung will also be appointed functioning CEO of Himalaya Shipping Ltd., under the management agreement between 2020 Bulkers Management AS and Himalaya Shipping Ltd.

Subsequent Events

- Achieved average time charter equivalent earnings so far in the first quarter of 2022 of approximately US$22,400, per day, gross.

- In January 2022, the Company declared a cash distribution of US$0.36 per share for December 2021.

Management discussion and analysis

Consolidated Statements of Operations

Three months ended December 31, 2021

Operating revenues were US$37.7 million for the three months ended December 31, 2021 (US$14.6 million for the three months ended December 31, 2020). The increase compared to the three months ended December 31, 2020 is driven by a significantly improved market. The Company achieved an average time charter equivalent rate, gross, of US$52,900 for the three months ended December 31, 2021, compared to US$20,500 for the three months ended December 31, 2020.

Total operating expenses were US$9.2 million for the three months ended December 31, 2021 (US$8.4 million for the three months ended December 31, 2020).

Vessel operating expenses were US$4.8 million and US$4.0 million for the three months ended December 31, 2021 and 2020, respectively. The increase compared to the three months ended December 31, 2020 is due to estimated US$0.6 million in Covid-19 related expenses (US$0.2 million for the three months ended December 31, 2020) and US$0.2 million in insurance deductible relating to the Bulk Shenzhen incident.

Voyage expenses and commission were US$0.6 million for the three months ended December 31, 2021 (US$0.2 million for the three months ended December 31, 2020). The increase compared to the three months ended December 31, 2020 is due to higher commissions on charter hire.

General and administrative expenses were US$0.9 million for the three months ended December 31, 2021 (US$1.3 million for the three months ended December 31, 2020).

Depreciation and amortization were US$2.9 million for the three months ended December 31, 2021 (US$2.9 million for the three months ended December 31, 2020).

Total financial expenses, net, were US$2.2 million for the three months ended December 31, 2021 (US$2.6 million for the three months ended December 31, 2020). The decrease compared to the three months ended December 31, 2020 is primarily due to the reduction in margin of 40bps on the Term Loan Facility.

Twelve months ended December 31, 2021

Operating revenues were US$115.9 million for the twelve months ended December 31, 2021 (US$48.9 million for the twelve months ended December 31, 2020). The increase compared to the twelve months ended December 31, 2020 is driven by all eight vessels in operation for the full twelve months and a significantly improved market. The Company achieved an average time charter equivalent rate, gross, of US$40,700 for the twelve months ended December 31, 2021, compared to US$19,700 for the twelve months ended December 31, 2020. Bulk Santos and Bulk Sao Paulo commenced operation during June, 2020.

Total operating expenses were US$35.5 million for the twelve months ended December 31, 2021 (US$27.8 million for the twelve months ended December 31, 2020).

Vessel operating expenses were US$17.7 million and US$13.2 million for the twelve months ended December 31, 2021 and 2020, respectively. The increase compared to the twelve months ended December 31, 2020 is primarily driven by the expansion of the fleet as discussed above under Operating revenues and an estimated US$1.4 million in Covid-19 related expenses (US$0.5 million for the twelve months ended December 31, 2020).

Voyage expenses and commission were US$2.8 million for the twelve months ended December 31, 2021 (US$1.2 million for the twelve months ended December 31, 2020). The increase compared to the twelve months ended December 31, 2020 is due to voyage contract expenses for Bulk Shenzhen and higher commission on charter hire.

General and administrative expenses were US$3.3 million for the twelve months ended December 31, 2021 (US$3.5 million for the twelve months ended December 31, 2020).

Depreciation and amortization were US$11.7 million for the twelve months ended December 31, 2021 (US$9.9 million for the twelve months ended December 31, 2020). The increase compared to the twelve months ended December 31, 2020 relates to depreciation on vessels delivered during June 2020.

Total financial expenses, net, were US$9.6 million for the twelve months ended December 31, 2021 (US$10.0 million for the twelve months ended December 31, 2020). The decrease compared to the twelve months ended December 31, 2020, is due to lower interest rates on the Company’s long term debt as a result of hedging transactions entered into during 2020.

Consolidated Balance Sheets

The Company had total assets of US$390.6 million as of December 31, 2021, (December 31, 2020: US$395.7 million).

Total shareholders’ equity was US$151.7 million and US$142.1 million as of December 31, 2021 and December 31, 2020, respectively.

Total liabilities as of December 31, 2021, were US$238.9 million (December 31, 2020: US$253.6 million). The decrease is primarily due to scheduled repayments on the Company’s long term debt.

Consolidated Statements of Cash Flows

Three months ended December 31, 2021

Net cash provided by operating activities was US$26.8 million for the three months ended December 31, 2021 (US$7.0 million for the three months ended December 31, 2020). The increase compared to the three months ended December 31, 2020 is due to improved earnings.

Net cash used in investing activities was US$nil for the three months ended December 31, 2021 (US$0.8 million provided by investing activities for the three months ended December 31, 2020).

Net cash used in financing activities was US$31.2 million during the three months ended December 31, 2021 (US$7.3 million used in financing activities during the three months ended December 31, 2020). The Company repaid US$2.9 million of long-term debt as well as paying US$27.4 million of cash distributions during the three months ended December 31, 2021. The Company repaid US$3.7 million of long-term debt and paid US$3.6 million of cash distributions during the three months ended December 31, 2020.

Twelve months ended December 31, 2021

Net cash provided by operating activities was US$83.5 million for the twelve months ended December 31, 2021 (US$21.8 million for the twelve months ended December 31, 2020). The increase compared to the twelve months ended December 31, 2020 is due to earnings from eight vessels in operation for the full twelve months and improved earnings. Bulk Santos and Bulk Sao Paulo commenced operation during June, 2020.

Net cash used in investing activities was US$nil for the twelve months ended December 31, 2021 (US$123.2 million for the twelve months ended December 31, 2020). During the twelve months ended December 31, 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$79.4 million during the twelve months ended December 31, 2021 (US$101.2 million provided by financing activities during the twelve months ended December 31, 2020). The Company repaid US$14.0 million of long-term debt as well as paying US$64.9 million of dividends and cash distributions during the twelve months ended December 31, 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 twelve months ended December 31, 2020. The Company also repaid US$12.4 million of long-term debt and paid US$5.3 million of cash distributions and dividends during the twelve months ended December 31, 2020.

As of December 31, 2021, the Company’s cash and cash equivalents and restricted cash amounted to US$24.1 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 18 consecutive months. Following the cash distribution for December, the Company will have returned 57% of the paid-in equity to shareholders.

The Company has a solid funding situation with a cash position of approximately US$24.5 million as of January 25, 2022.

Cash breakeven for the fleet, which includes expected general and administrative expenses, operating costs (including estimated US$300 in Covid-19 related costs) and debt service is estimated at approximately US$14,900 per vessel per day for 2022.

The Company currently has around US$211 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 Q4 2021, the Company achieved average time charter equivalent earnings of approximately US$52,900 per day, gross. The Company's vessels trading on index-linked time charter earned approximately US$63,200 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$48,300 per day, gross, including average daily scrubber benefits of approximately US$3,000 per day. Bulk Shenzhen earned US$35,000 in loss of hire insurance from 1 to 8 October 2021.

The Baltic 5TC Capesize Index averaged US$42,645 per day in Q4 2021.

So far in the first quarter of 2022, the Company has achieved time charter equivalent earnings of approximately US$22,400 per day. The Baltic 5TC Capesize Index has averaged US$14,084 per day in the same period.

Commercial update

2020 Bulkers has commercially outperformed the Baltic 5TC index for 25 out of 29 months since delivery of its first vessel.

Currently, 2020 Bulkers has all vessels trading on index-linked time charters. 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 2022, the Company has 2920 operating days 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 2022. 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	Dec 22 – Mar 23
Bulk Seoul	Oct-19	Koch	Index linked + premium + scrubber benefit	Dec 22 – Mar 23
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	Index linked + premium + scrubber benefit	May – Jul 23
Bulk Santos	Jun-20	Glencore	Index linked + premium + scrubber benefit	May – Jul 23

Market commentary

Capesize rates averaged US$42,645 in the fourth quarter of 2021, up from US$16,944 during the fourth quarter of 2020. For the full year 2021, Capesize rates averaged US$33,333, up from US$13,073 in 2020. The Baltic 5TC Capesize index today stands at US$6,180 per day having averaged US$14,084 per day so far in the first quarter.

The strong rates in 2021, compared to 2020, were aided 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 2021 reached 366 million tons, an increase of 5% compared to the 348 million tons exported in 2020. Vale, Brazil's largest iron ore producer, guides an iron ore production of 320 – 335 million tons for 2022, an increase of 3% compared to the mid point of the 315 – 320 million tons expected for 2021. The fact that Brazil´s year over year growth in exports continues to mirror the increase in production may suggest that every incremental ton produced by Vale is likely to be exported. 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 2021 reached 940 million tons, up from 934 million in 2020.

Chinese steel production for January through December 2021 was down 3% compared to the same period in 2020. While the average monthly production during the second half of 2021 was 16% lower than during the first half of the year, steel production recovered during December, with production increasing 24% above the November levels. China Iron & Steel Association forecasts flat Chinese steel output for 2022, compared to 2021. If these projections materialize, average steel production for 2022 would be 9% higher than the average levels seen during the second half of 2021. Market analysts expect that we could see an uptick in steel production after Chinese New Year and the Olympics as the current production cuts for steel mills in 28 Chinese cities end on March 15. Chinese steel inventories are currently 3% above the levels seen at the same time last year, while Chinese steel rebar prices are still 13% higher than a year ago.

Chinese iron ore imports were down 4% in 2021 compared to 2020. Chinese iron ore port inventories currently stand at 154 million tons, compared to 124 million tons a year ago.

The Chinese economy showed a marked slowdown in the second half of 2021, in large driven by a slowdown in the property sector, as well as the effect of a decrease in stimulus aimed at infrastructure projects during the first half of 2021. Over the last months, China has taken measures to stabilize the economy through measures such as lowering banks' reserve requirement ratios and allowing property developers to issue new asset backed debt. Newly released data shows that sales of commercial buildings for December climbed to a six-month high, up 40% from the November levels. Sale of residential buildings, which in 2021 contributed to 89% of all commercial building sales, also climbed to a six-month high with month on month growth of 35%. During the second half of 2021, local government special bond issuance, aimed at infrastructure projects, increased to 2.64 trillion RMB, from 1.1 trillion RMB issued in the first half of 2021. This contributed to the month of December showing the first year over year increase in fixed asset infrastructure investment since April 2021.

Steel production in the rest of the world has recovered beyond levels seen prior to the outbreak of Covid-19 and is expected to continue to recover further. Steel production outside China, increased by 14% for the period of January to November 2021, compared to the same period in 2020, with the month of November showing an increase of 7% 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 Chinese growth rates. The World Steel Association estimates that global steel demand grew by 4.5% in 2021, while China declined 1%. For 2022 global steel demand is expected to grow by 2.2%, with China seeing flat demand compared to 2021. Additionally a seasonal uptick in construction demand in the northern hemisphere can typically be expected post-winter.

The increase in steel demand during 2021 lead to an increase in iron ore imports outside China, with 2021 imports 18% higher than in 2020. Total imports of iron ore globally were up 4% in 2021, compared to 2020.

Although coal is typically not transported on Newcastlemax vessels, our vessels compete with standard Capesize vessels that are frequently used to ship coal. Global coal exports increased 7% in 2021 compared to 2020. The increase in coal consumption was driven by the ongoing energy crisis, where powerplants are seen switching from gas to coal as a consequence of high gas prices. Ton-mile demand for coal was also aided by the fact that China is refraining from buying Australian coal, leading them to source coal from the Atlantic, including the US East Coast. The coal trade has had a slower start to 2022 as Indonesia imposed export restrictions to ensure domestic demand can be met. 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 and both China and India still have lower than usual coal inventories at 14 and 4 days of consumption, respectively.

Growth in vessel supply will be moderate in 2022 relative to previous years with a Capesize orderbook of 10.8 million dwt, down from 18.6 million dwt delivered in 2021. The Capesize orderbook for 2023, 2024 and 2025 currently stands at 9.8 million dwt, 5.8 million dwt and 0.2 million dwt, respectively. The continued large influx of orders for container vessels has absorbed a significant part of the capacity for building large commercial vessels. Currently Chinese yards are believed to be marketing less than 5 newbuilding slots for large drybulk vessels 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 2021, 14 Capesize vessels, totaling 3.4 million dwt were scrapped, down from 49 Capesize vessels, totaling 11.4 million dwt scrapped in 2020.

Clarksons expects Capesize seaborne demand to expand by 2.6% and tonne mile demand to expand by 3.1% in 2022, while fleet growth in the Capesize sector is forecast to decline to 2.3% in 2022.

Upside risks to these forecasts are related 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. There is also a likelihood that China's zero tolerance policy for Covid-19 could lead to disruptions to newbuild deliveries.

Key downside risks to the forecasts include a wider economic slowdown in China and its real estate sector as well as heightened geopolitical tensions.

Dry bulk fleet development

The global dry bulk fleet stands at 944 million dwt as of January 1, 2022, up from 912 million dwt in January, 2021.

The current orderbook for dry bulk vessels currently stands at 7% of the existing fleet, flat from 7% in January 2021.

0.72 million dwt have been ordered this year, compared to 2.8 million dwt ordered during the same period in 2021.

No dry bulk vessels have been scrapped year to date, compared to 1.5 million dwt for the same period in 2021.

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$840 per day per vessel on average during the fourth quarter of 2021 due to increased costs related to travel, quarantines and testing of crews.

Additionally, the Company recorded approximately 9 days of off-hire in the fourth 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.

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$14,900 per vessel per day for 2022, is significantly lower than the current FFA curve for the balance of 2022, which implies earnings of approximately US$33,000 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 Q4 2021 results

2020 Bulkers Ltd. will release its financial results for the fourth quarter of 2021 on Wednesday, January 26, 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/26ug7cdo 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: 8473488

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.

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.

January 26, 2022

Kate Blankenship	Georgina Sousa
Director	Director
Neil Glass	Magnus Halvorsen
Director	Chairman

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