

2020 BULKERS

2020 Bulkers Ltd.
DNB Energy & Shipping Conference
March 11, 2021

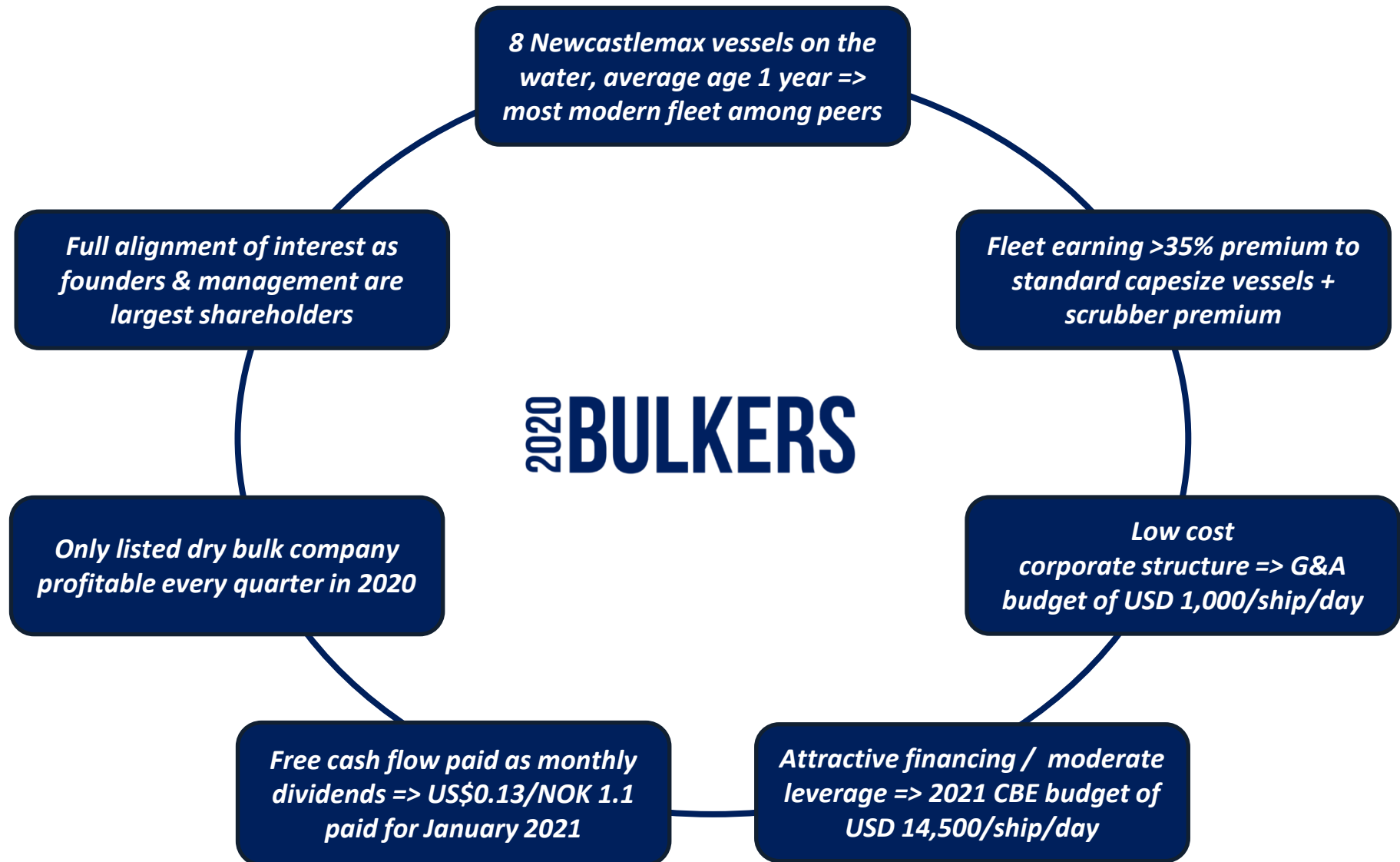


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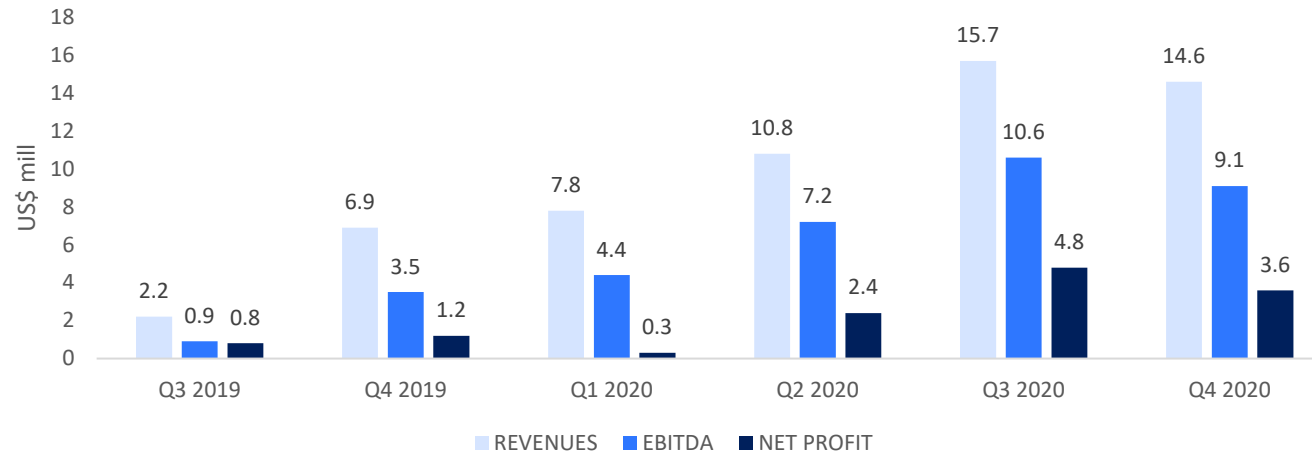
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Profitable every quarter following delivery of our first vessel

2020 Bulkers has been profitable every quarter since delivery of the first vessel in August 2019



Strong performance driven by

- Modern fleet of fuel efficient Newcastlemax with scrubbers, earning a significant premium to standard Capesize vessels
- Low cash breakeven driven by attractive financing and low G&A costs
- Proactive risk management. We protected downside through adding fixed charter coverage in early 2020

We are positioned for a strong spot market in 2021

Ship name	Built	Charterer	Rate	Charter expiry
Bulk Sandefjord	Aug 19	Koch	Index linked + scrubber benefit	Aug 22
Bulk Santiago	Sep 19	Koch	Index linked + scrubber benefit	Nov 21 - Jan 22
Bulk Seoul	Oct 19	Koch	Index linked + scrubber benefit	Dec 21 - Feb 22
Bulk Shanghai	Nov 19	Glencore	18,000 gross + scrubber benefit	Mar 21
Bulk Shenzhen	Jan 20		Brazil Round Voyage, estimated TCE USD 18,500 net	Apr 21
Bulk Sydney	Jan 20	Koch	Index linked + scrubber benefit	Jan 23
Bulk Sao Paulo	Jun 20	Glencore	27,200 gross + scrubber benefit through 2021, then Index linked + scrubber benefit	May-Jul 23
Bulk Santos	Jun 20	Glencore	27,200 gross + scrubber benefit through 2021, then Index linked + scrubber benefit	May-Jul 23

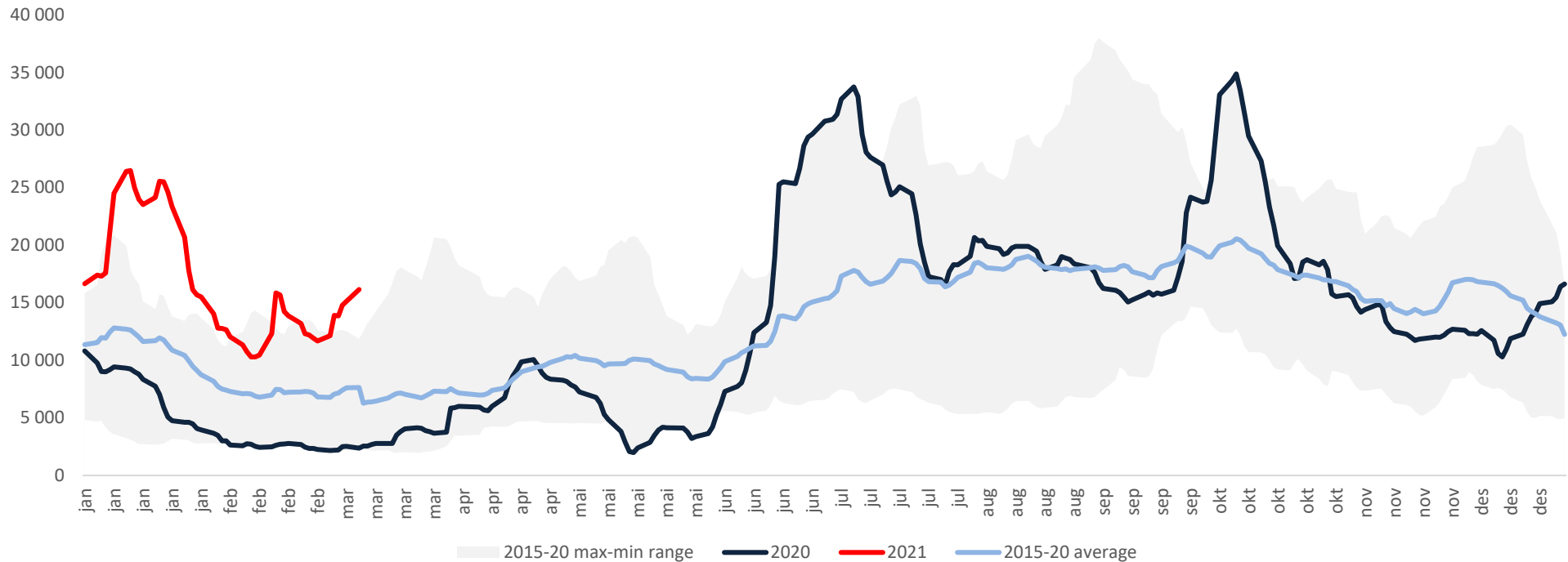
Q1 2021

- 2 vessels fixed at average of approximately US\$18,500 per day, with additional scrubber share for one vessel
- 6 vessels on index-linked charters with scrubber profit share
- Vessels trading on index-linked charters need to earn US\$12,900 per day for the Company to cover operating cash breakeven

Q2 - Q4 2021

- 2 vessels fixed at US\$27,200 gross + scrubber benefit
- 6 vessels exposed to the spot market
- Spot and index-linked vessels need to earn US\$10,000 for the Company to cover operating cash breakeven

Our market has had the strongest start to the year since 2010

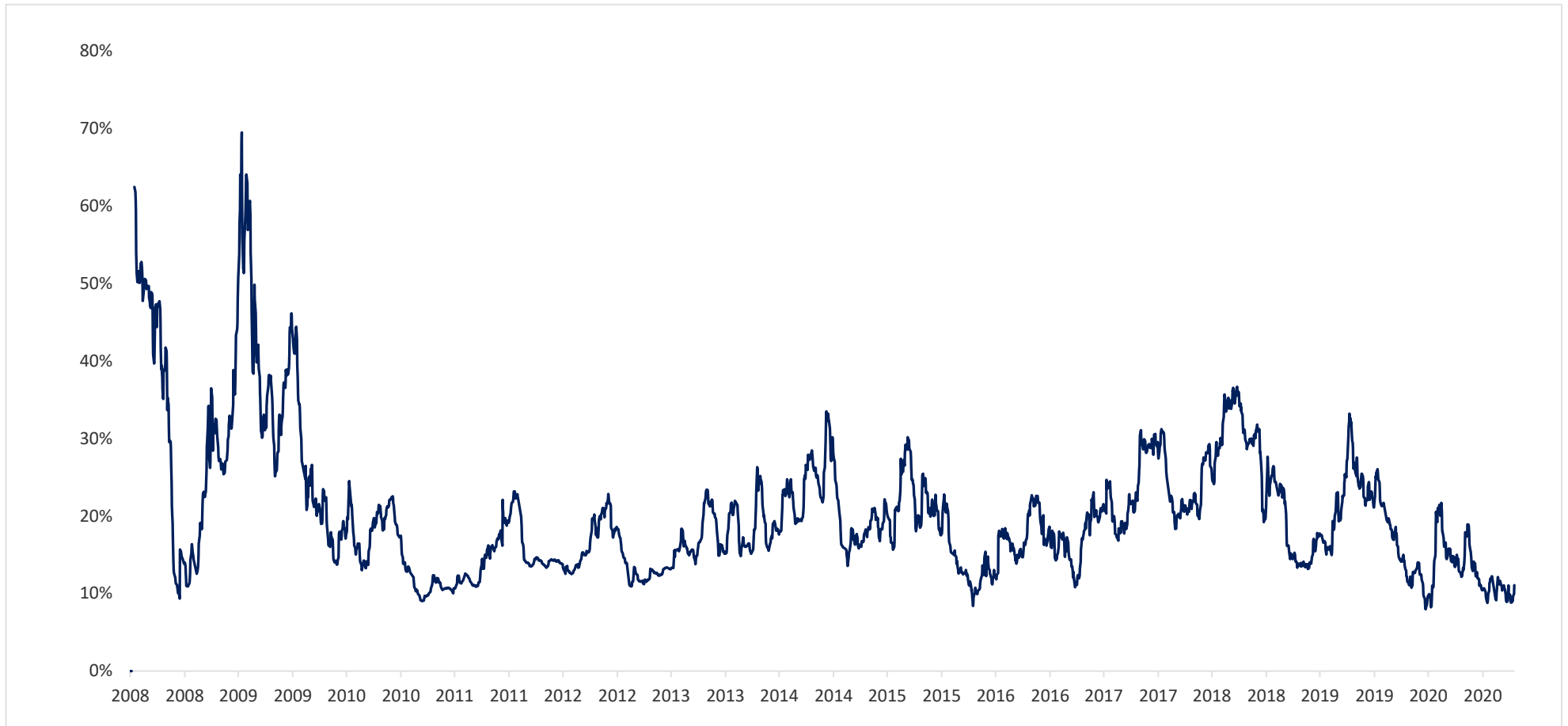


Market drivers:

- Year to date Capesize rates are the strongest seen since 2010, with YTD rates 3.4x higher than 2020 levels
- Market is driven by strong iron ore volumes with YTD Brazilian exports +18.8% and Australian exports +7.6% YoY
- China not importing Australian coal has led to increased ton-miles, with longer haul coal exports out of USG and USEC
- Lower fleet growth in 2021 with orderbook of 16 million DWT, compared to 25 million DWT delivered in 2020

Freight costs are low relative to commodity prices

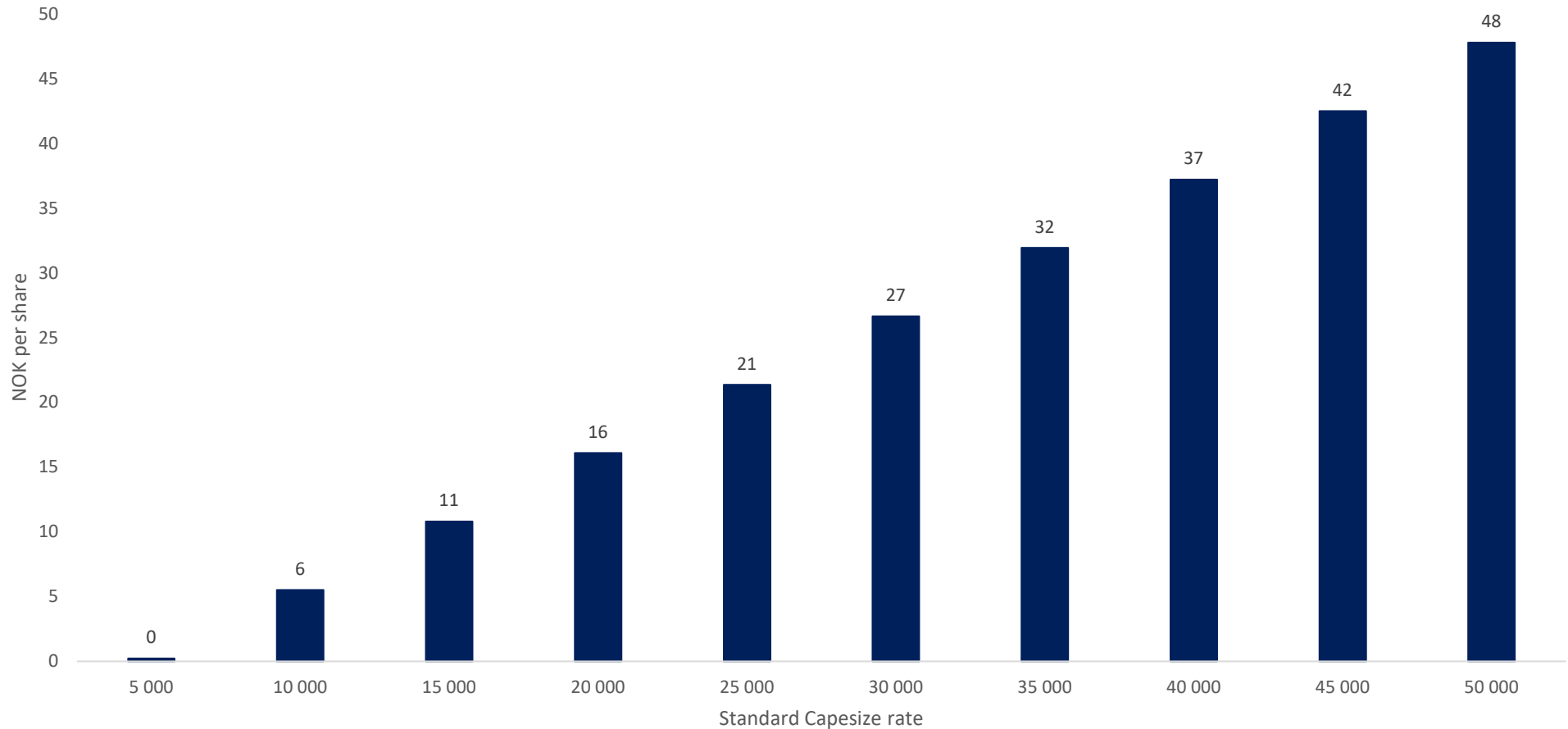
Brazil-China freight cost as a % of spot iron ore prices



Source: Arrow Shipbroking Group

Our dividend potential is significant

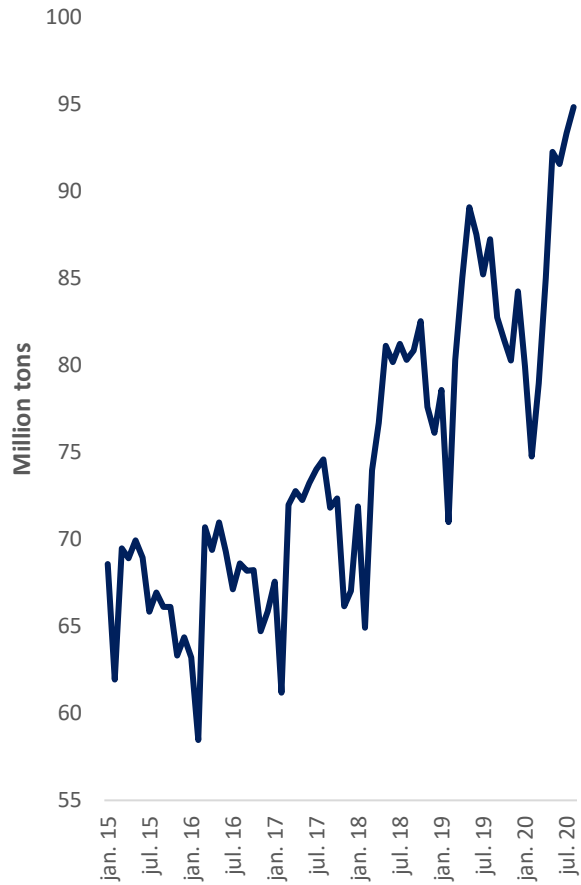
Q2-Q4 2021 Indicative dividend capacity (annual run-rate)



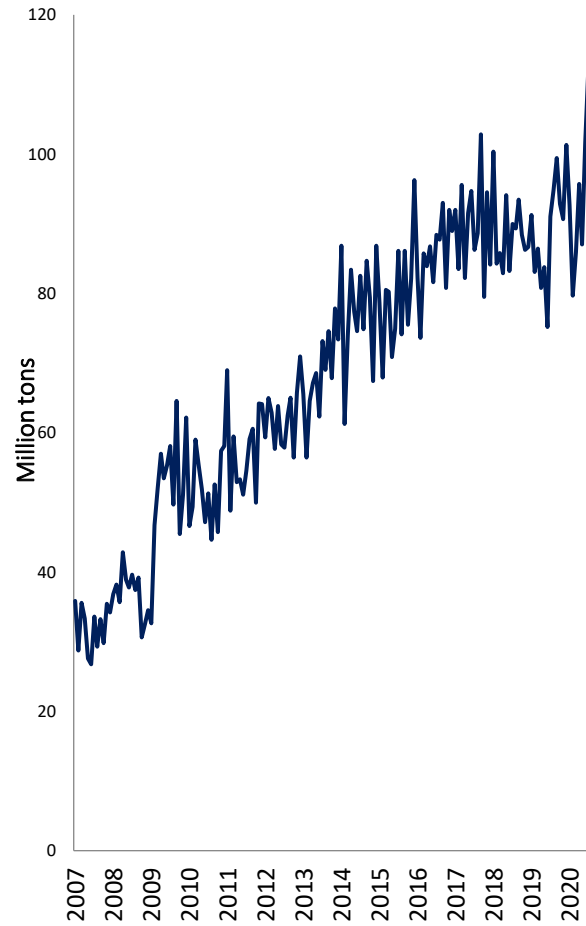
Indicative calculation based on current operating budgets, vessel employment and fuel prices. Actual results may deviate

Chinese demand is strong, inventories are low

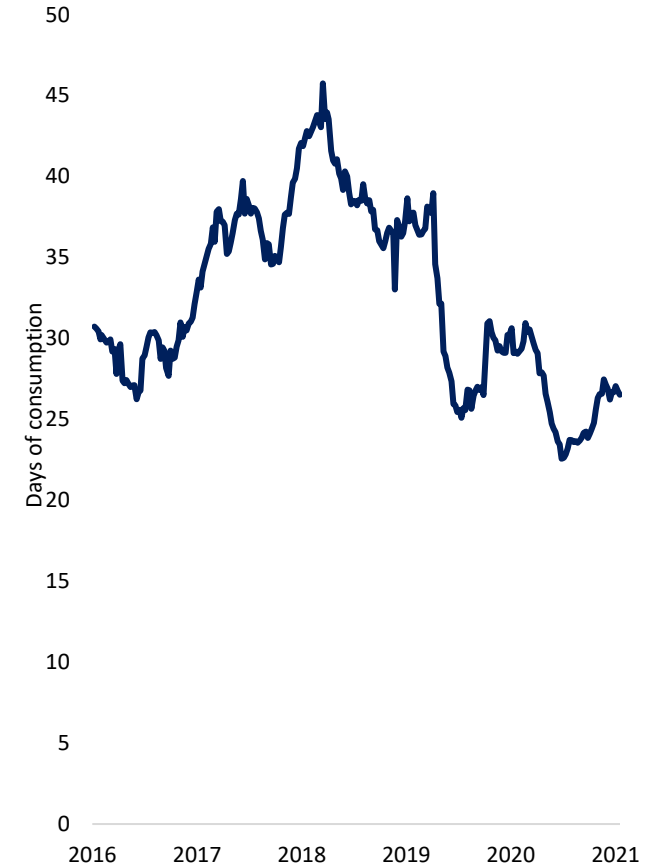
China steel production



China iron ore imports



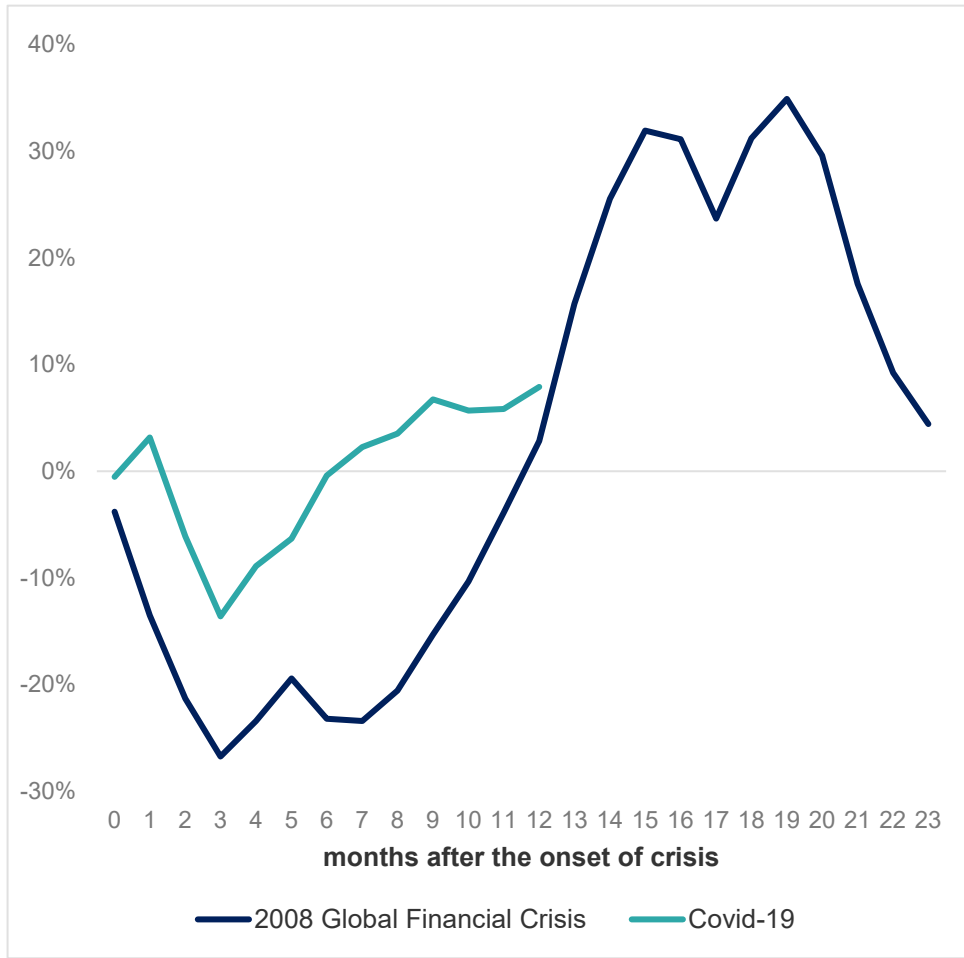
China iron ore inventories



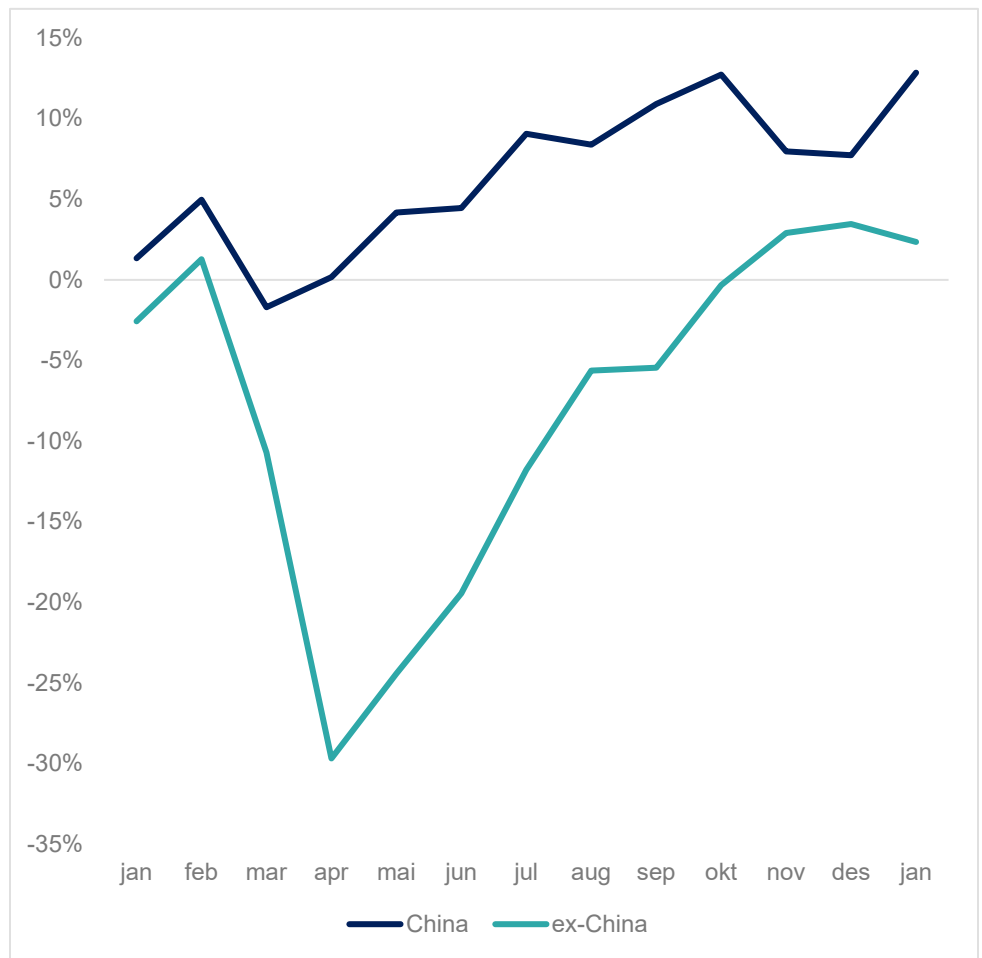
Sources: Shipping intelligence network, Arrow shipbroking group

Steel Production is recovering beyond pre Covid-19 levels

Global steel production is back above pre-Covid levels



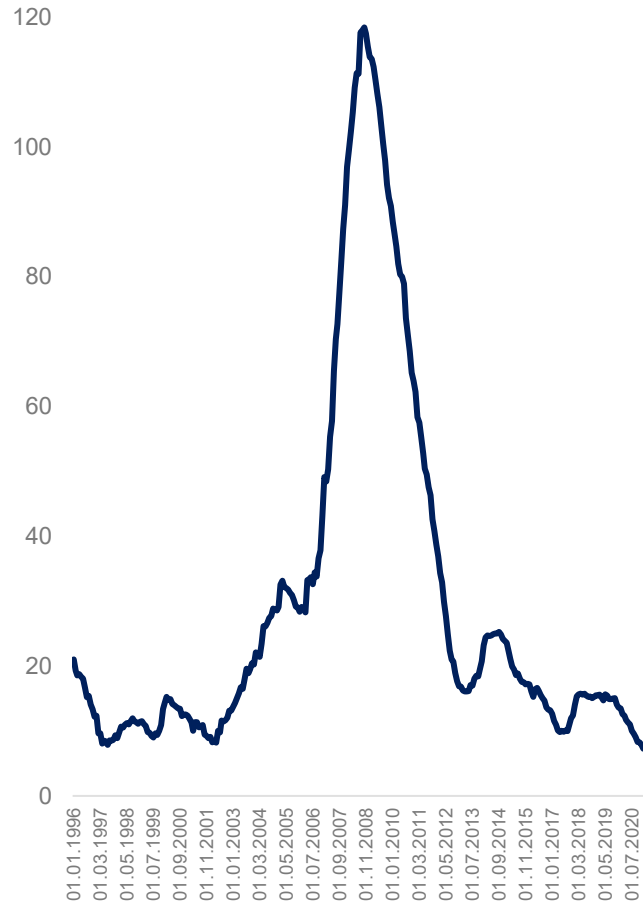
China leading the recovery, rest of the world is accelerating



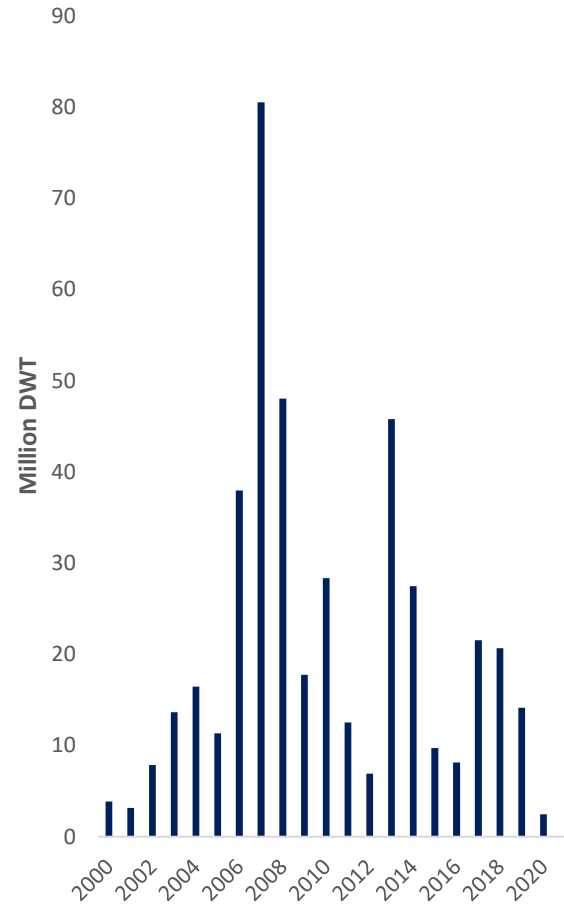
Source: Arrow shipbroking group

Limited supply growth on the horizon and high scrapping activity

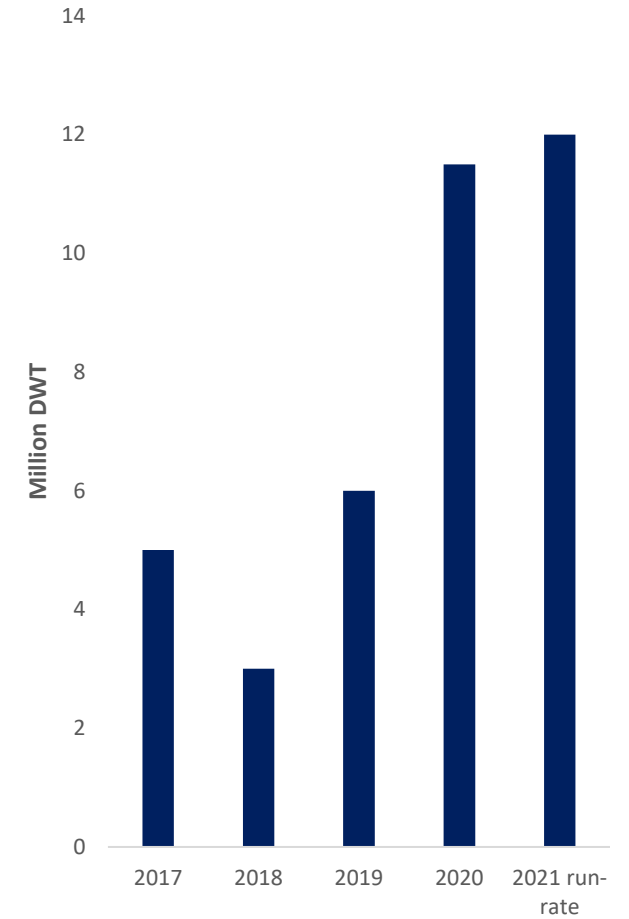
Capesize orderbook as % of fleet



Capesize bulk newbuild contracts



Capesize scrapping

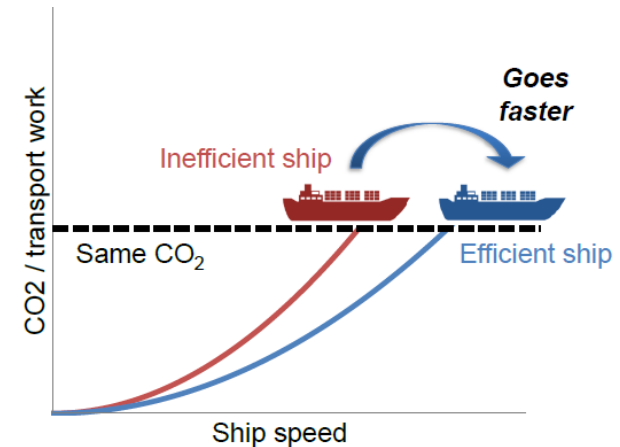


EEXI – New IMO regulations to reduce CO2 emissions

Summary

- In 2018, the IMO adopted a target to reduce CO2 intensity from international shipping by 40% from 2008 levels by 2030
- As a consequence, the EEXI (Energy Efficiency Existing Ship Index) is expected to be introduced in October 2022
- EEXI sets limits to the amount of CO2 that can be emitted per ton of transport supply (DWT * nautical miles) and will be applied to all existing ships
- Non-compliant ships may comply by applying performance enhancing measures (requires a significant investment) and/or reducing the engine's power output.
- A significant part of the trading fleet may not be able to comply and may have to be retired
- The implementation of EEXI is expected to reduce the average sailing speed of the global fleet, particularly for older vessels
- Efficient ships may be favored by charterers and command a larger earnings premium following the implementation of EEXI

Emission reduction through goal-based measure



Alternatives for complying

