

2020 BULKERS

2020 Bulkera Ltd.
Q1 2021 Results presentation
April 28, 2021



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Highlights

Key events during the first quarter of 2021:

- Net profit of US\$5.8 million, EPS of US\$0.26
- Achieved average time charter equivalent earnings of approximately US\$23,900 per day, gross
- Declared total cash distributions of US\$0.26 per share for the months of January – March 2021
- Converted the index linked time charters for Bulk Sao Paulo and Bulk Santos to fixed time charters at US\$27,200, gross, plus scrubber benefit, for the remainder of 2021
- Entered into an 18-24 month time charter with Koch for Bulk Shanghai (index linked + scrubber benefit)

Subsequent events:

- Achieved time charter equivalent earnings quarter to date in the second quarter of approximately US\$33,700 per day, gross
- Entered into 19 – 23 month time charter with Koch for Bulk Shenzhen (index linked + scrubber benefit)

Key Financials Q1 2021

Income Statement

USD million, except per share data	Q1 2021
Operating Revenues	17.0
Vessel operating expenses	(4.1)
Voyage expenses and commission	(1.0)
General and administrative expenses	(0.8)
Depreciation and amortization	(2.9)
Total operating expenses	(8.8)
Operating Profit	8.2
Interest expense	(2.4)
Total financial expense, net	(2.4)
Tax expense	-
Net Profit	5.8
Earnings per share (USD/share)	0.26

Comments

- Net profit of US\$5.8 million
- Operating profit of US\$8.2 million
- EBITDA of US\$11.1 million
- Earnings per share of 26 cents
- Operating revenues of US\$17.0 million. Average time charter equivalent earnings of approx. US\$23,900 per day, gross.
- Vessel operating expenses of US\$4.1 million. Average operating expenses of approx. US\$5,600 per day per vessel including Covid-19 related costs of approx. US\$600 per day per vessel. 720 operational vessel days for the quarter
- G&A was US\$0.8 million
- Interest expense of US\$2.4 million. Currently, the Company is paying an average interest rate of 3.6% on its long-term debt

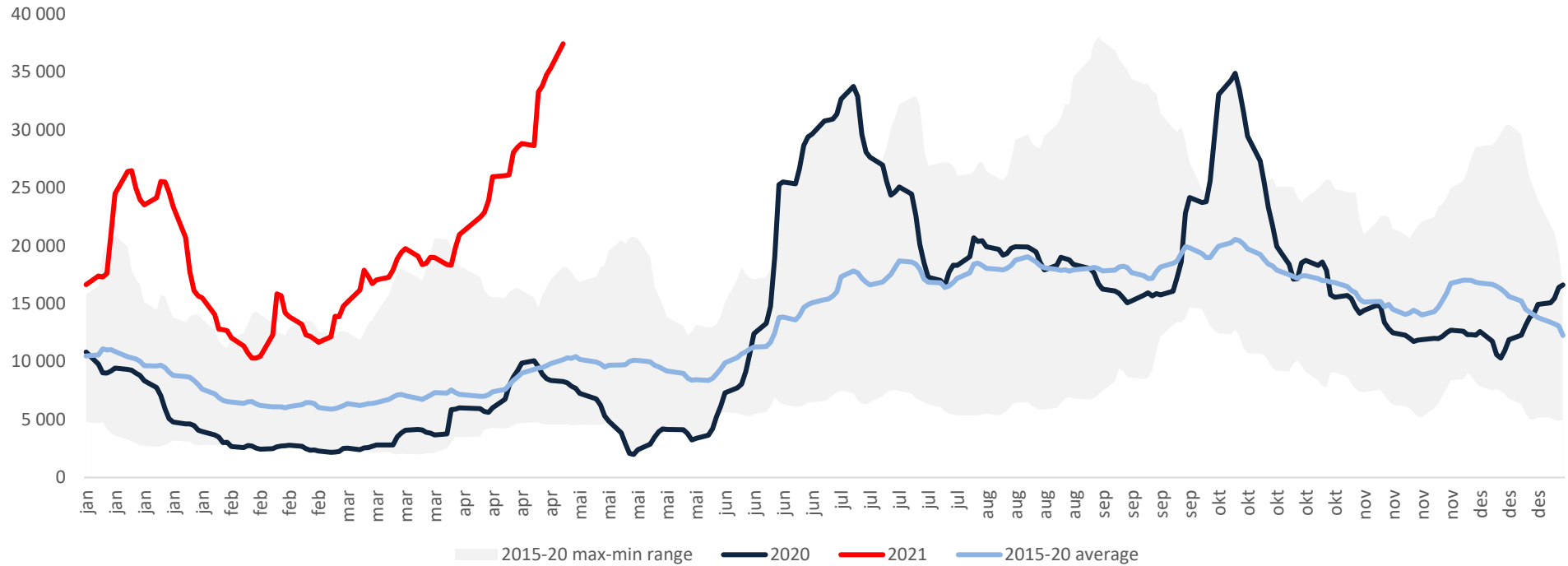
Balance Sheet Summary

USD million	March 31, 2021
Total assets	395.2
Equity	144.5
Cash and cash equivalents	20.2
Interest bearing debt	246.4

Comments

- Shareholders' equity of US\$144.5 million
- Interest bearing debt decreased from US\$250 million to US\$246.4 million during the quarter reflecting scheduled repayments during the quarter
- Cash flow from operations was US\$9.0 million in Q1 2021
- Cash distributions in total of US\$26 cent per share declared for the months of January, February and March
- Solid liquidity position with US\$20.2 million of cash.

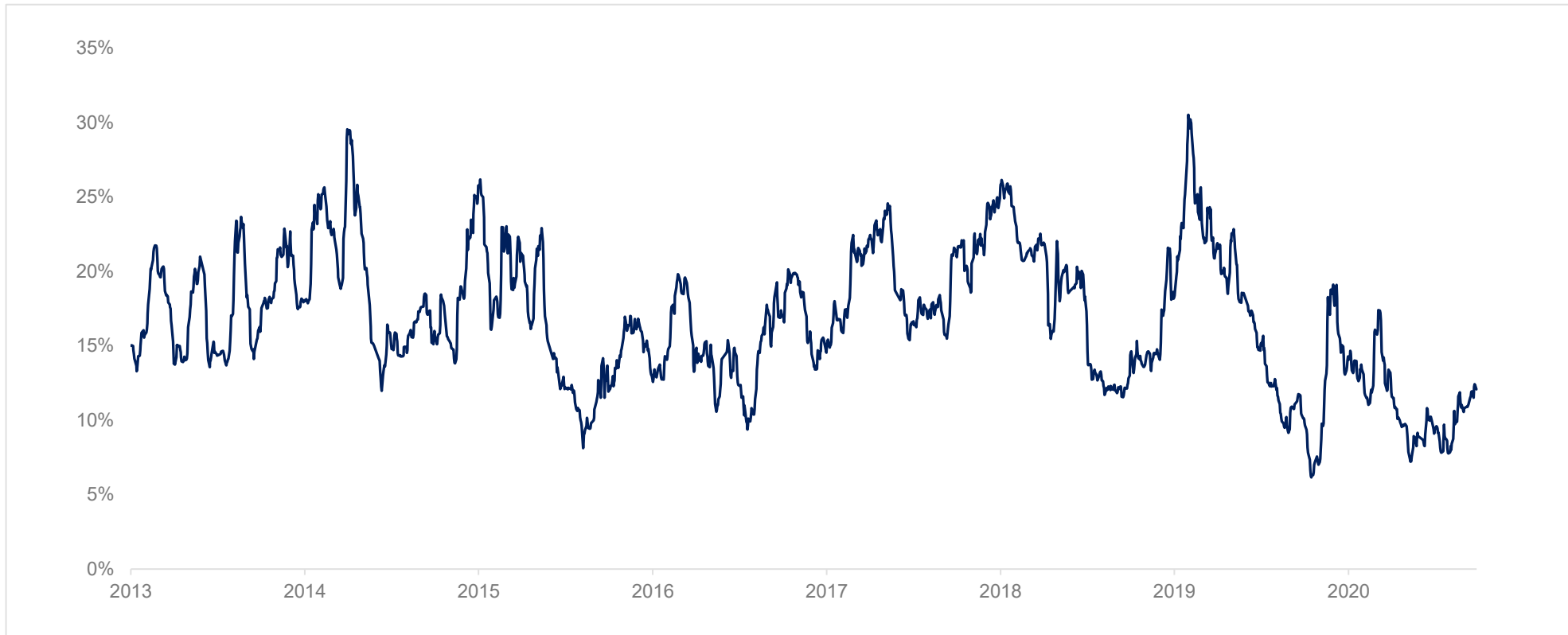
Capesize rates have had the strongest start to the year since 2010



- Year to date Capesize rates are the strongest in 10 years, with rates 270% above the same period in 2020
- The market is supported by strong iron ore volumes with YTD Brazilian exports +15% and Australian exports +3% YoY
- Increased coal trade, including some coal exports out of USG and USEC
- Lower fleet growth in 2021 with orderbook of 18 million DWT, compared to 25 million DWT delivered in 2020

Still, freight costs are low relative to commodity prices

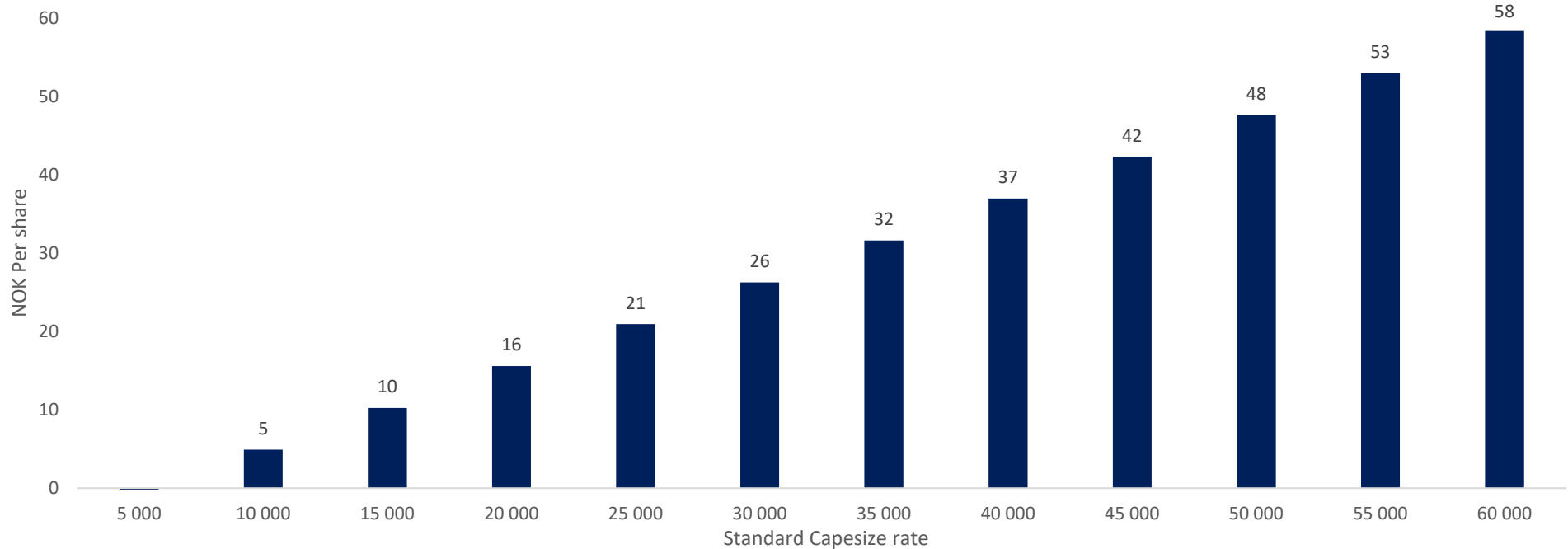
Brazil-China freight cost as a % of Brasil origin iron ore prices



Historical average freight costs of 16% vs spot iron ore prices would imply standard capesize rates of US\$50,000 per day

Our dividend potential is significant

May-December 2021 Indicative dividend capacity (annual run-rate)¹⁾



2 vessels fixed at US\$27,200, gross + scrubber profit share for Q2-Q4 2021

6 vessels on index linked time charters with scrubber profit share

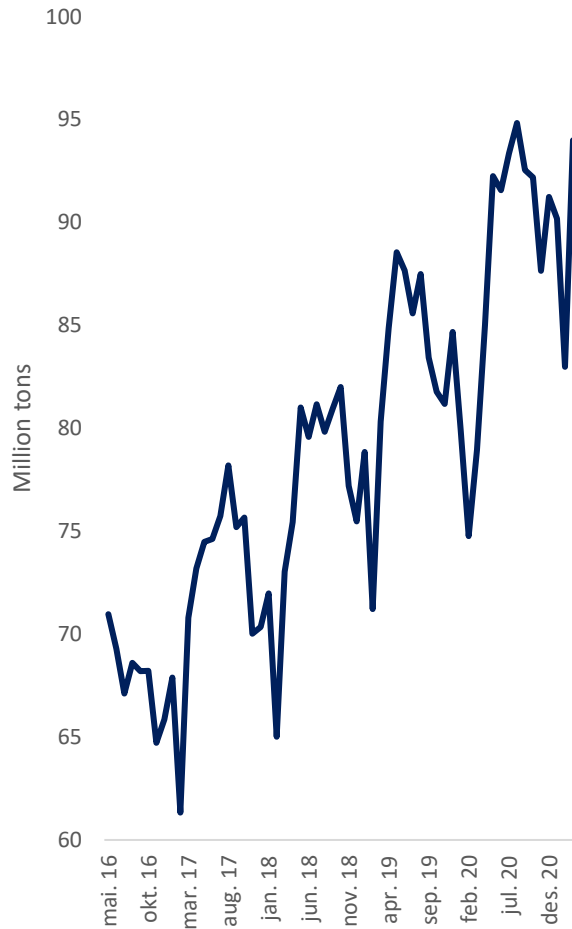
May-December 2021 Capesize FFA curve is ~US\$30,000 per day²⁾

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

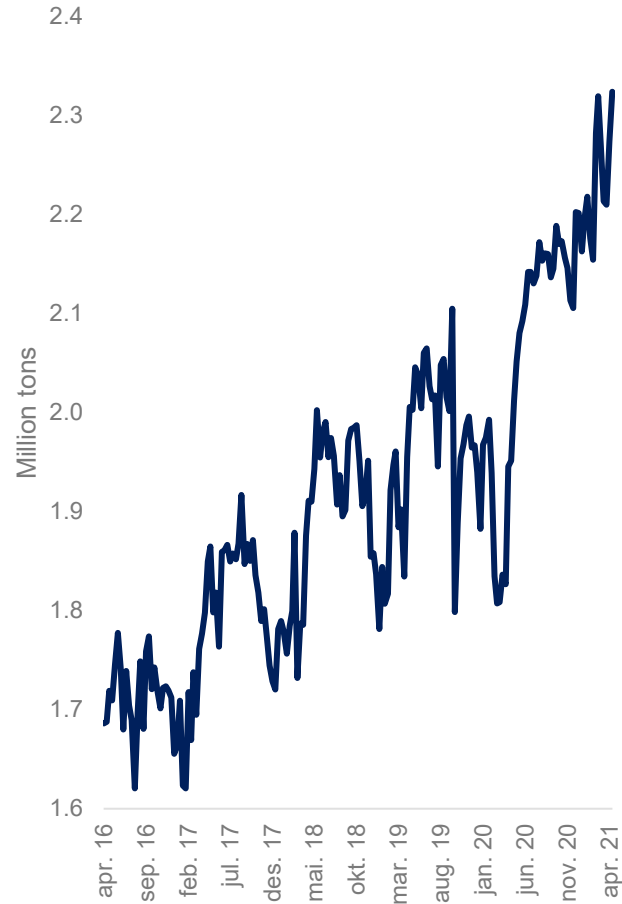
2) As of 27 April 2021

Steel production is accelerating

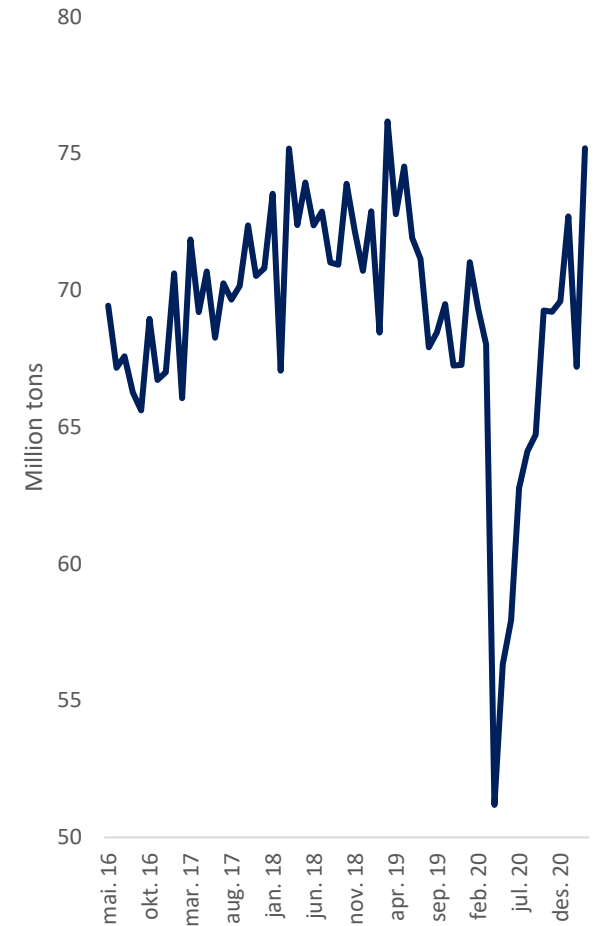
China monthly steel production



CISA daily steel output



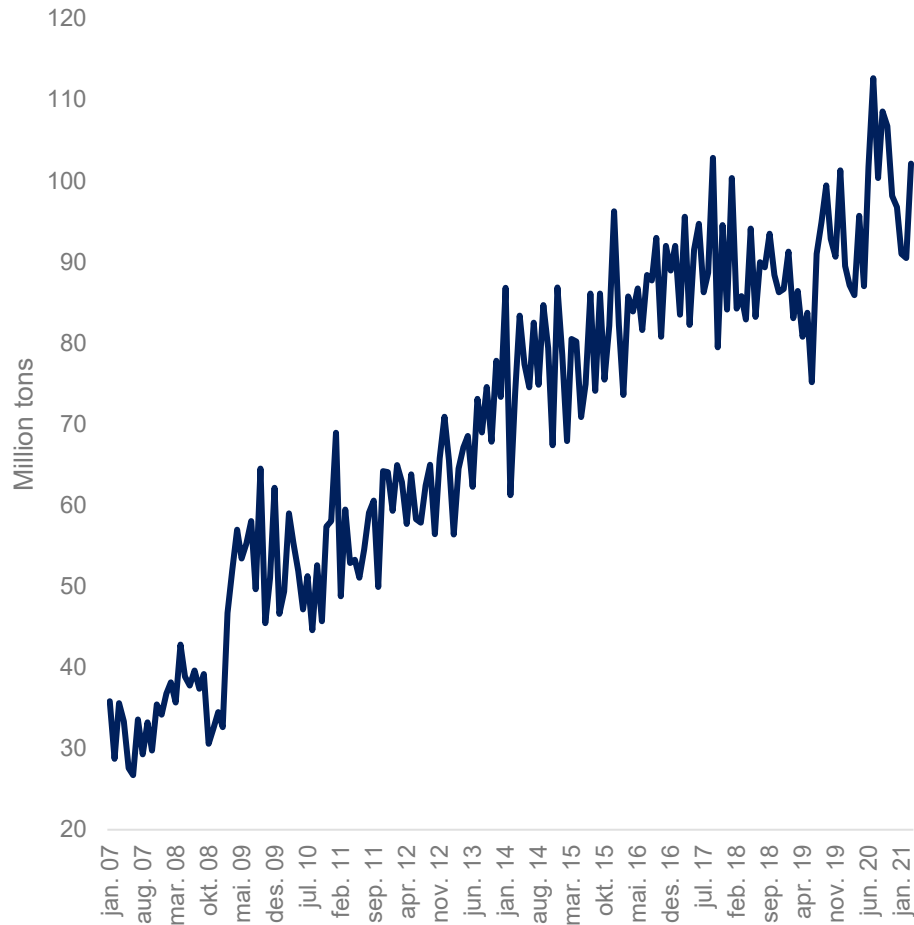
World ex-China steel output



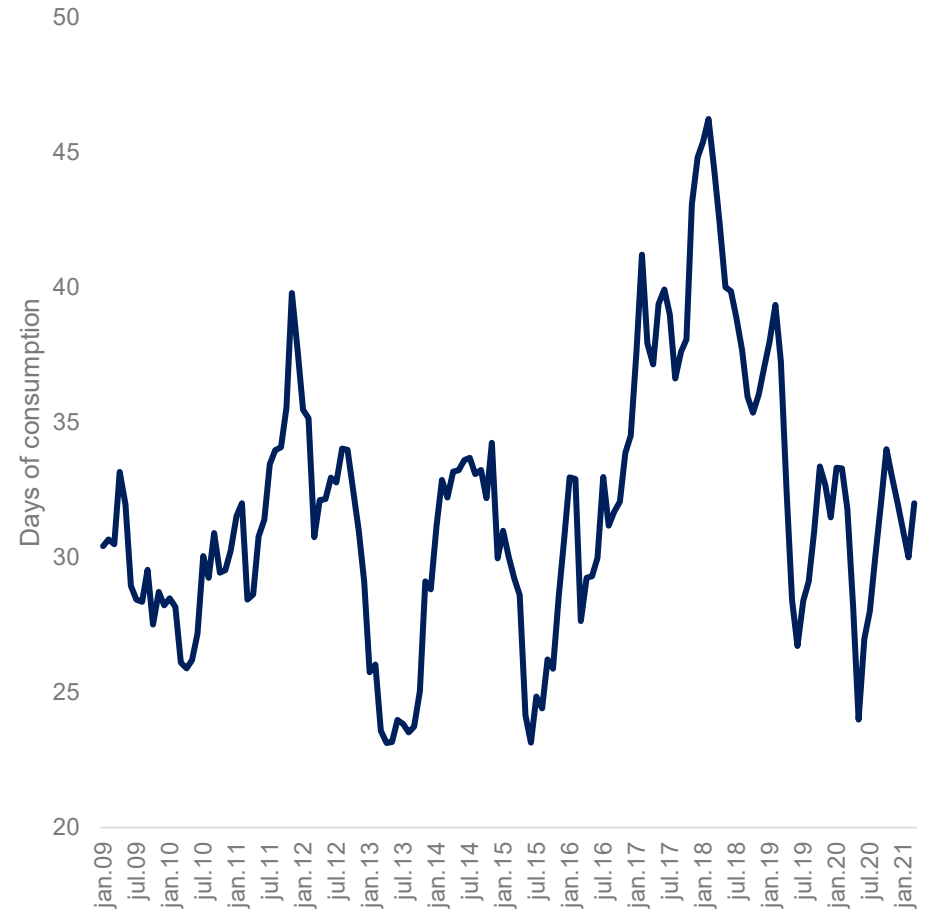
Sources: Shipping intelligence network, Arrow shipbroking group

Strong iron ore fundamentals

China iron ore imports



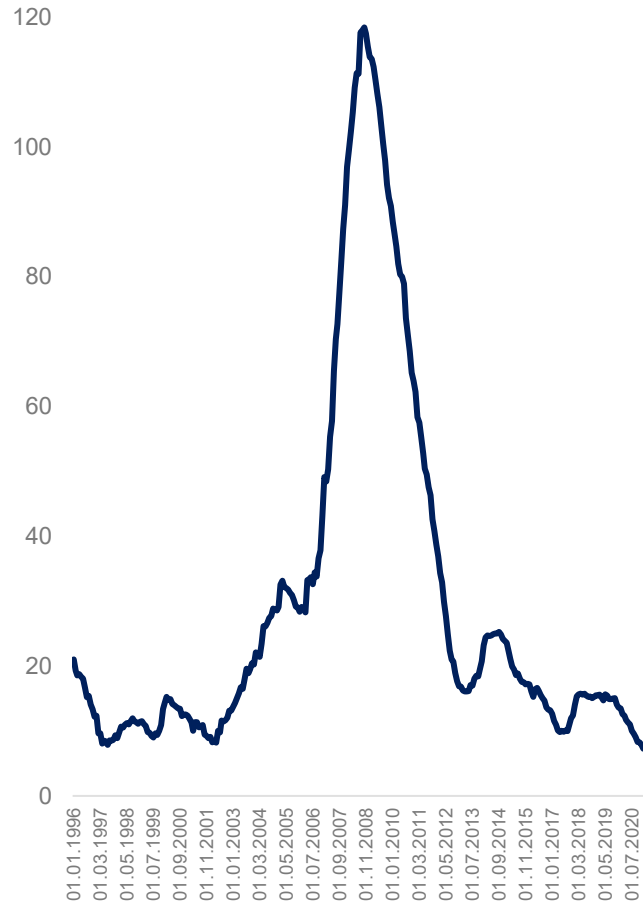
China iron ore inventories – days of consumption



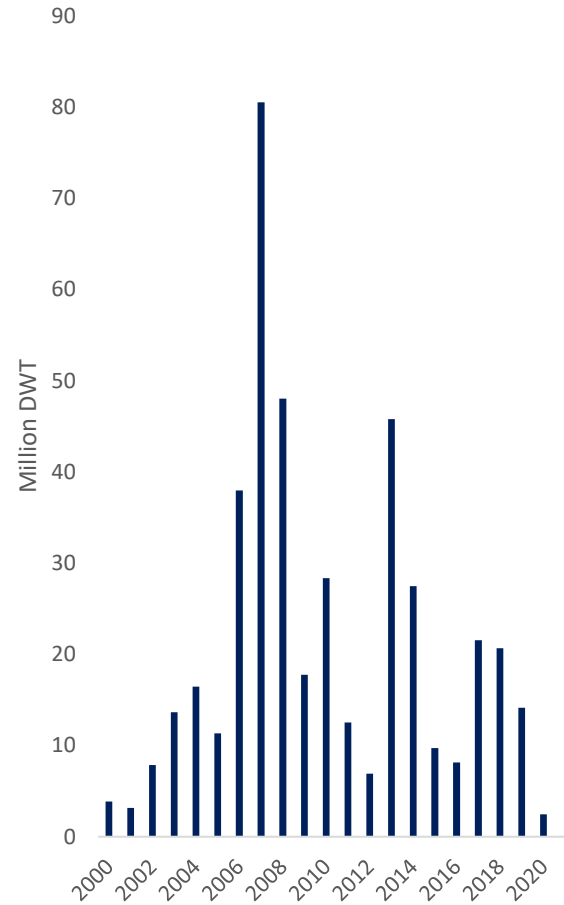
Sources: Shipping intelligence network, Arrow shipbroking group

Limited supply growth on the horizon and high scrapping activity

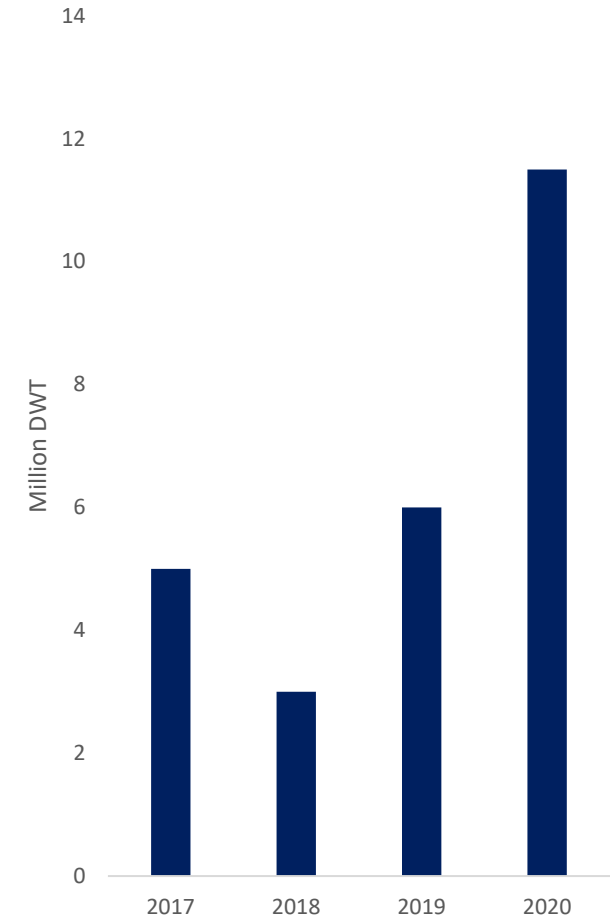
Capesize orderbook as % of fleet



Capesize bulk newbuild contracts



Capesize scrapping

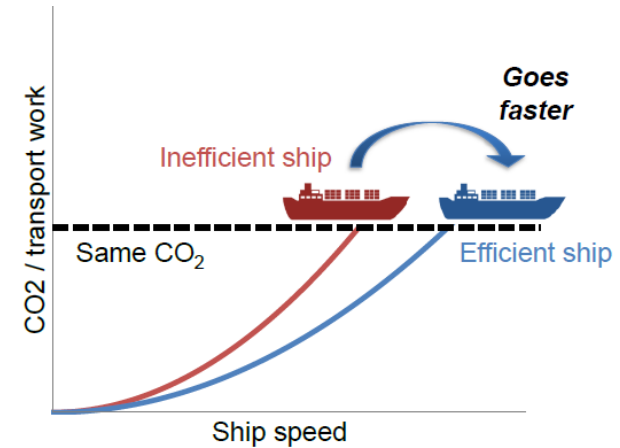


EEXI – New IMO regulations to reduce CO₂ emissions

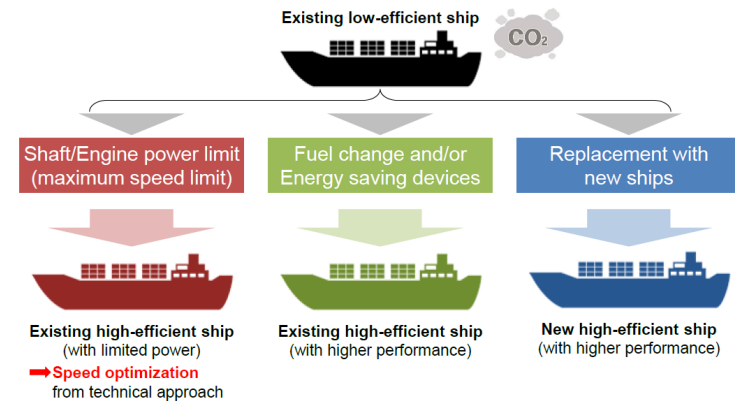
Summary

- 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 by January 2023
- 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



2020 Bulkiers summary

Fleet of 8 Newcastlemax vessels, average age 1 year, the most modern fleet among listed peers

Our index vessels earn ~ US\$50,000 per day at today's spot rates

2021 CBE budget of US\$14,500/ship/day

FFA curve implies TCE for a scrubber fitted Newcastlemax of US\$40,000 per day for rest of 2021

Free cash flow paid as monthly dividends

Most favorable supply side dynamics in more than 30 years

Demand expected to continue recovery as the world restarts post Covid