

2020 BULKERS

2020 Bulkera Ltd.
Q1 2022 Results presentation
April 27, 2022



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Highlights

Q1 2022 Highlights:

- Net profit of US\$5.9 million, EPS of US\$0.27
- Achieved time charter equivalent earnings of approximately US\$24,000 per day, gross
- Generated total cash distributions of US\$0.26 per share for the months of January – March, 2022
- Converted index linked charters for Bulk Shanghai and Bulk Shenzhen to fixed rates from February 1 – December 31, 2022, at an average of US\$31,640 + scrubber benefits
- Georgina Sousa retired as a Director and Company Secretary, and Mi Hong Yoon was appointed as a Company Secretary and a Director of the Company

Subsequent events:

- 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.
- Achieved time charter equivalent earnings so far in Q2 2022 of approximately US\$23,000 per day, gross

Key Financials Q1 2022

Income Statement

USD million, except per share data	Q1 2022
Operating Revenues	16.8
Vessel operating expenses	(4.5)
Voyage expenses and commission	(0.4)
General and administrative expenses	(0.9)
Depreciation and amortization	(2.9)
Total operating expenses	(8.7)
Operating Profit	8.1
Interest expense	(2.2)
Total financial expense, net	(2.2)
Tax expense	-
Net Profit	5.9
Earnings per share (USD/share)	0.27

Comments

- Net profit of US\$5.9 million
- Operating profit of US\$8.1 million
- EBITDA of US\$11.0 million
- Earnings per share of US\$0.27
- Operating revenues of US\$16.8 million. Average time charter equivalent earnings of approx. US\$24,000 per day, gross.
- Vessel operating expenses of US\$4.5 million. Average operating expenses of approx. US\$6,300 per day per vessel
- G&A was US\$0.9 million including US\$0.1 million in legal fees (in connection with transfer of vessels from Liberia subsidiaries to Norwegian subsidiaries)
- Interest expense of US\$2.2 million.

Balance Sheet Summary

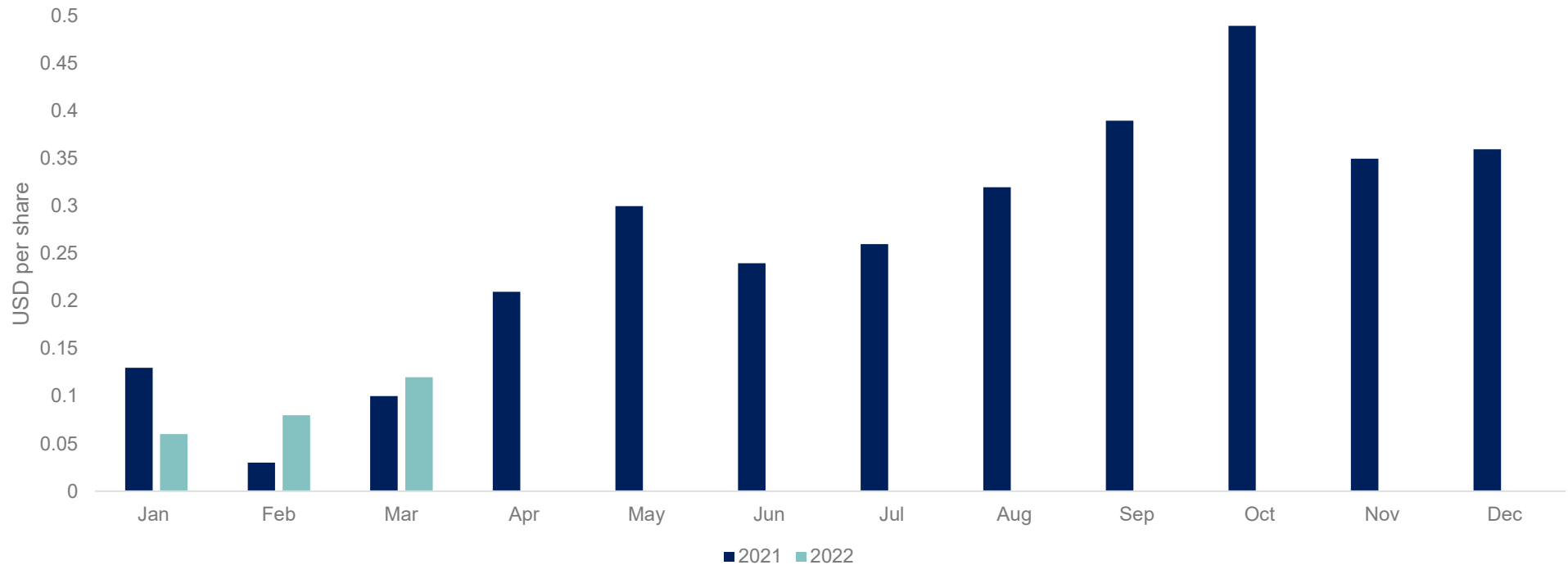
USD million	March 31, 2022
Total assets	386.0
Equity	151.3
Cash and cash equivalents	17.8
Interest bearing debt	232.4

Comments

- Shareholders' equity of US\$151.3 million
- Interest bearing debt decreased from US\$236.1 million to US\$232.4 million during the quarter reflecting scheduled repayments
- Cash flow from operations was US\$8.6 million in Q1 2022
- Cash distributions in total of US\$0.26 per share declared for the months of January, February and March
- Solid liquidity position with US\$17.8 million of cash.

Dividends and cash distributions

Monthly dividends and cash distributions

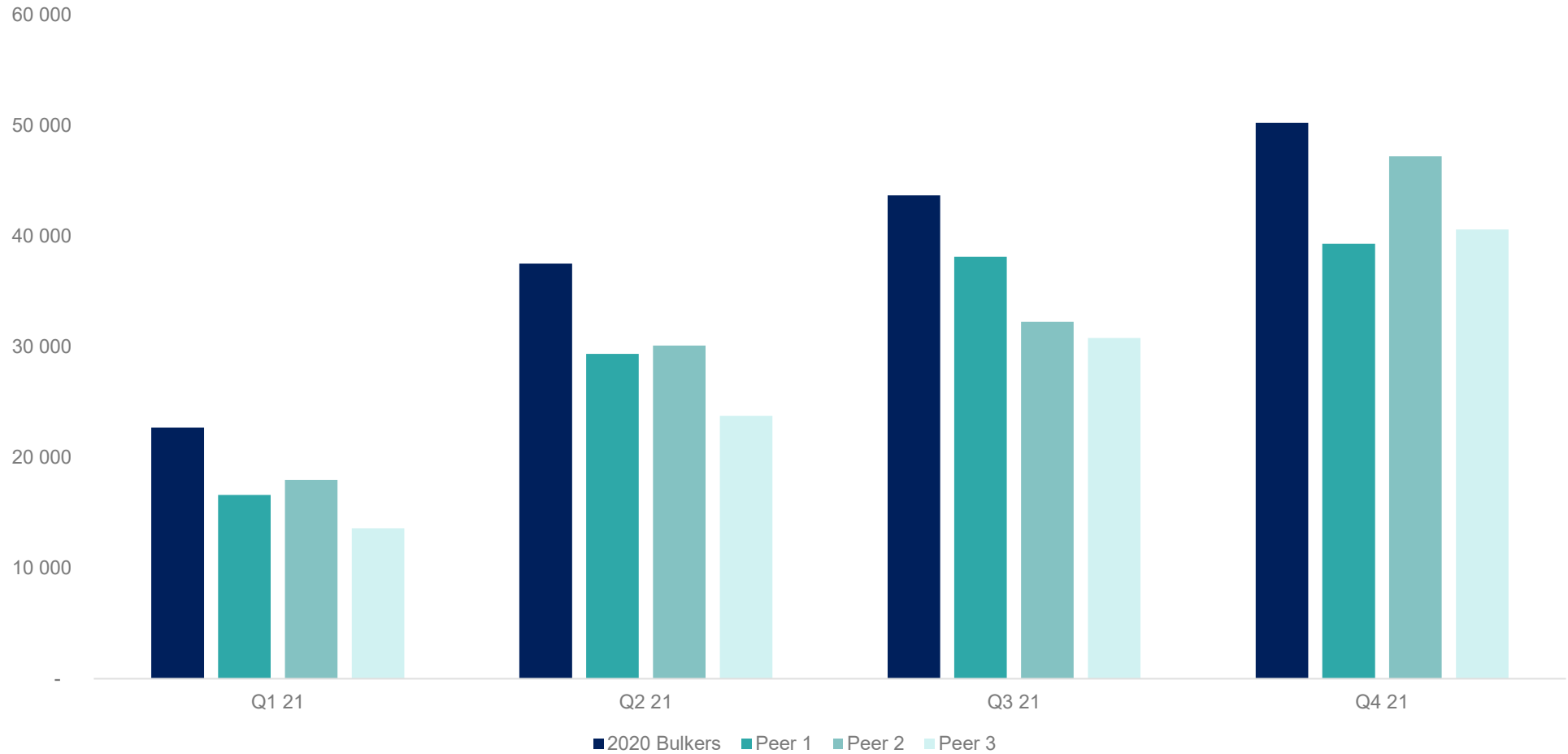


- 2020 Bulkercs has returned free cash flow to shareholders on a monthly basis for 21 consecutive months
- Q1 cash distributions of US\$0.26 per share equals ~8% annualized yield*
- US\$3.18 per share ~25% of current share price returned to shareholders in 2021*
- 2020 Bulkercs has to date returned 61% of total paid-in equity to shareholders

* Based on closing price of NOK 117 as of April 26

2020 Bulkiers are outperforming peers commercially

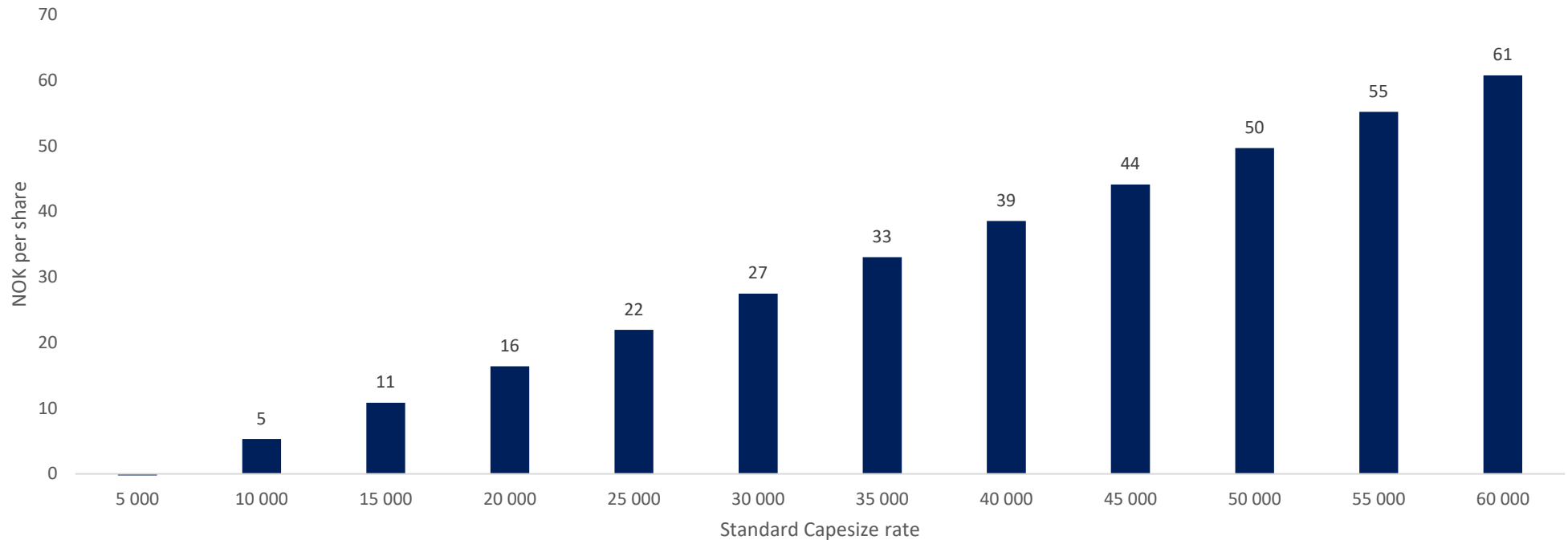
Peer group Net TCE Capesize / Newcastlemax



Source: Company reports

Our dividend potential is significant

May-December 2022 dividend capacity (annual run-rate)¹⁾



2 vessels fixed until 31 December 2022 at US\$31,640 per day + scrubber profit share

6 vessels on index-linked time charters with scrubber profit share. Can be converted to fixed rate at our option

May – December 2022 Capesize FFA curve is currently ~US\$ 32,000 per day²⁾

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

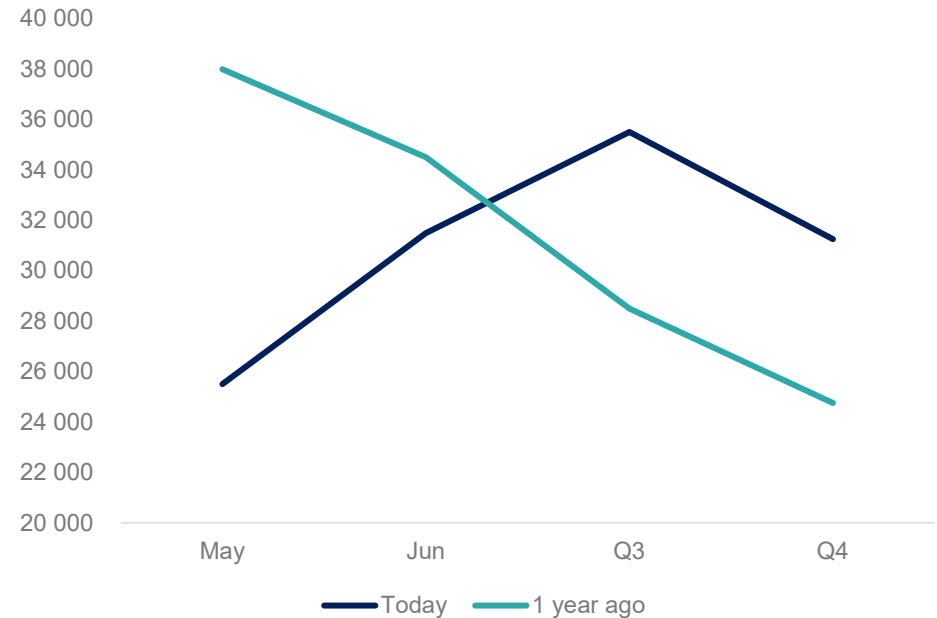
2) As of 26 April 2022

Market review – Capesize spot and FFA rates

Capesize spot Rates



Capesize FFA Curve



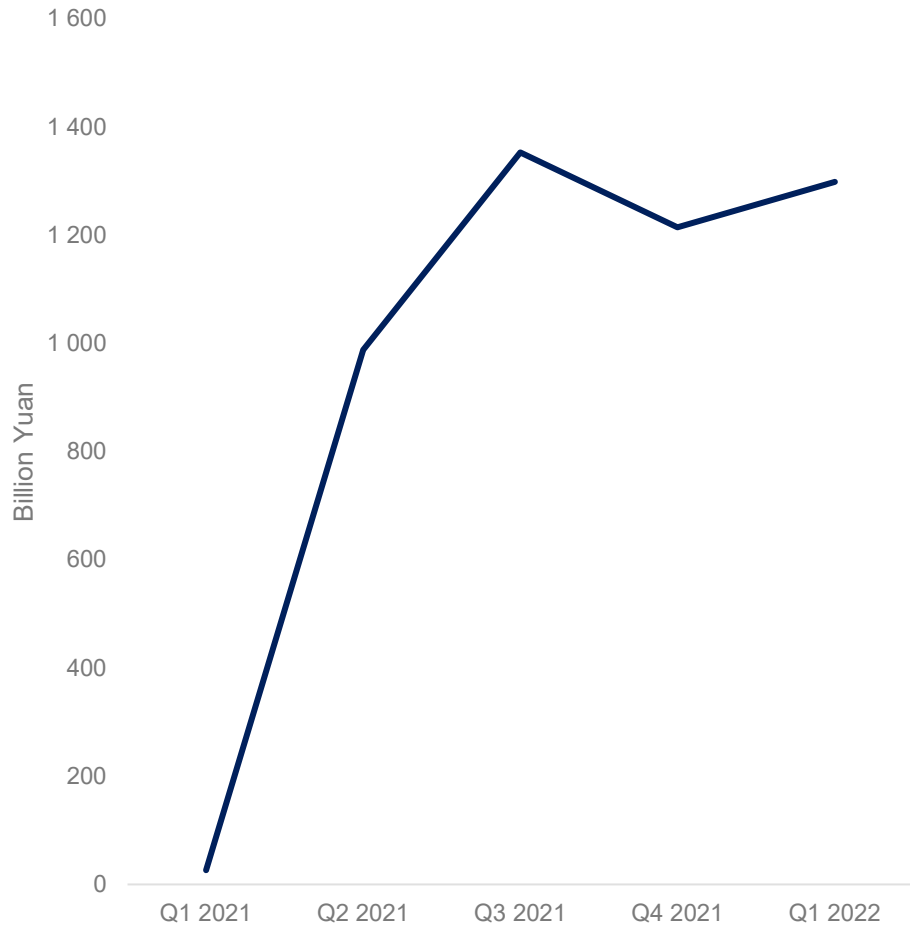
- Q1 seasonal weakness in Brazilian exports exacerbated by heavy rainfall with exports -7.4% YoY
- Global iron ore export volumes stable at -0.5% YTD
- Global coal export volumes -4,5% YTD, but ton-mile demand supported by long haul trade

- Capesize FFA Curve for May-Dec is currently US\$32,140 per day
- At the same time last year, the May-Dec FFA curve was US\$29,050 per day

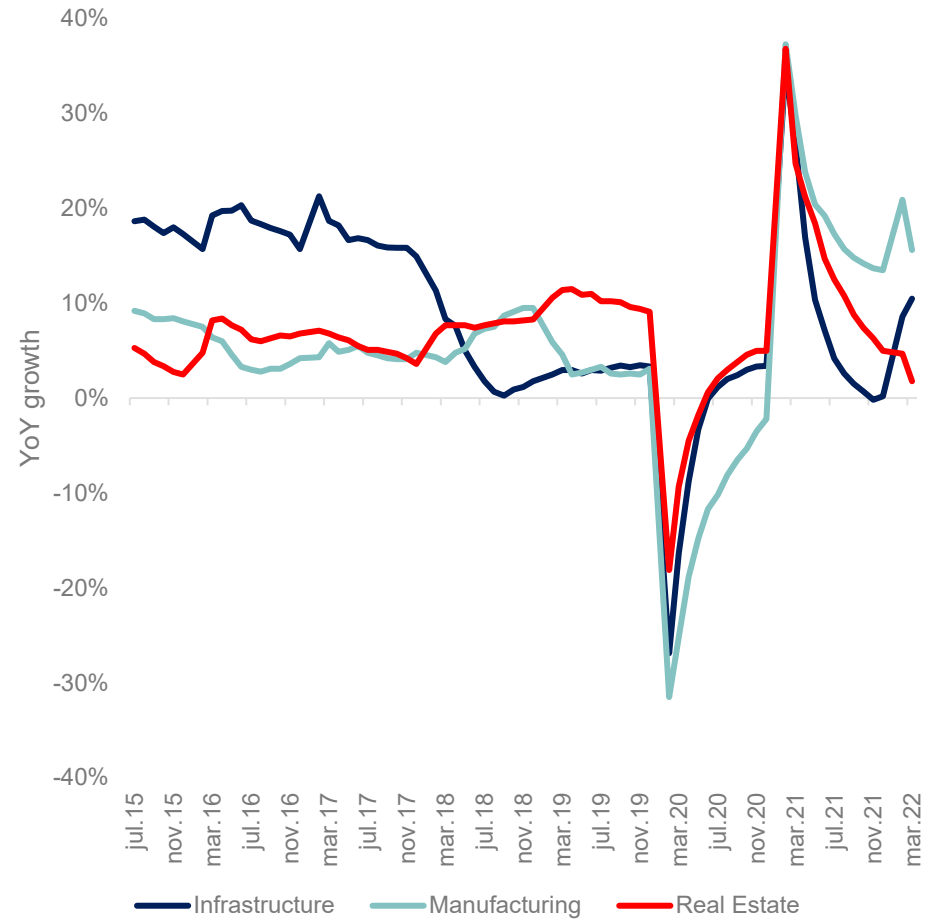
Sources: Sea/Analytics, Bloomberg

Increased infrastructure stimulus leading to an uptick in investments ²⁰²⁰ BULKERS

China Local Government Special Bond Issuance



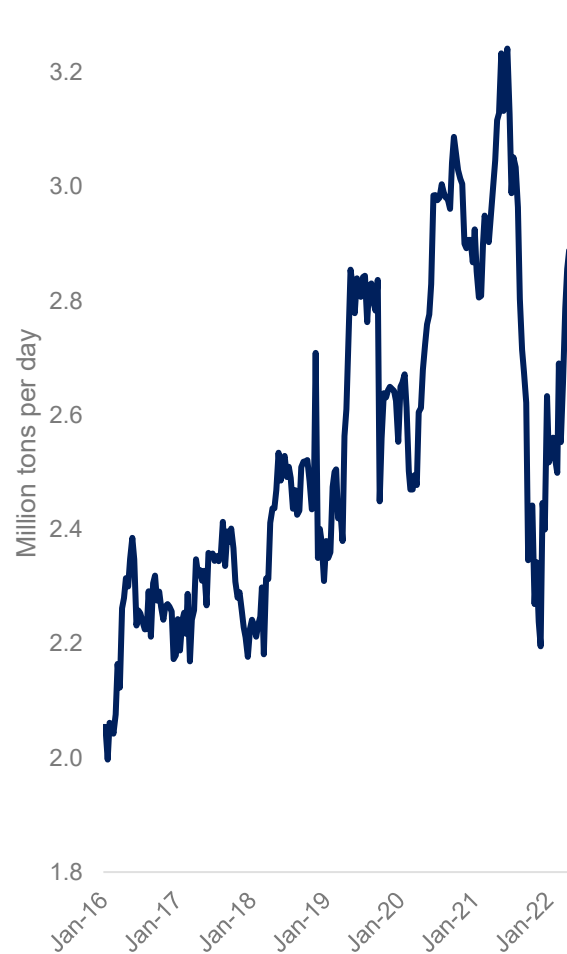
China fixed asset infrastructure investment



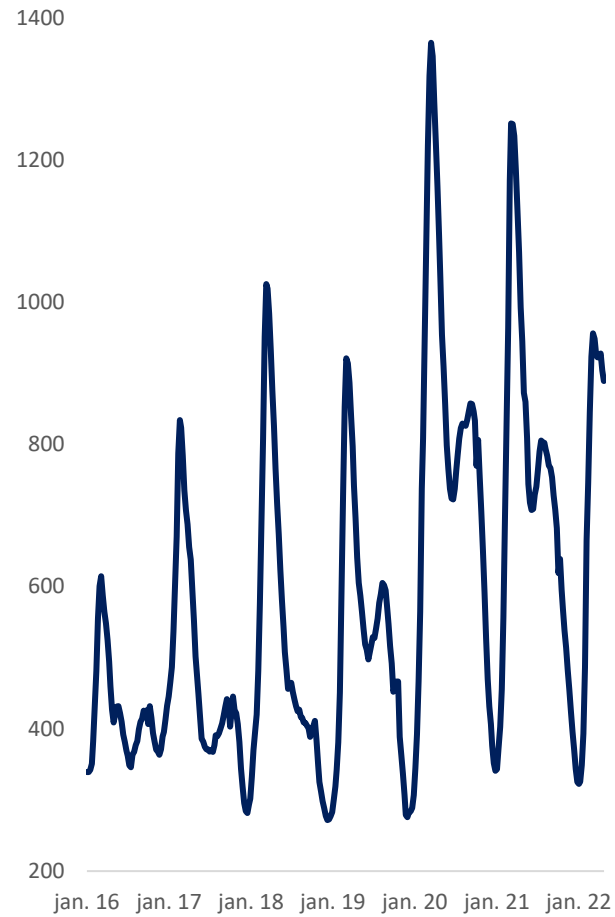
Source: Arrow Shipbroking group, Clarksons

Chinese steel market

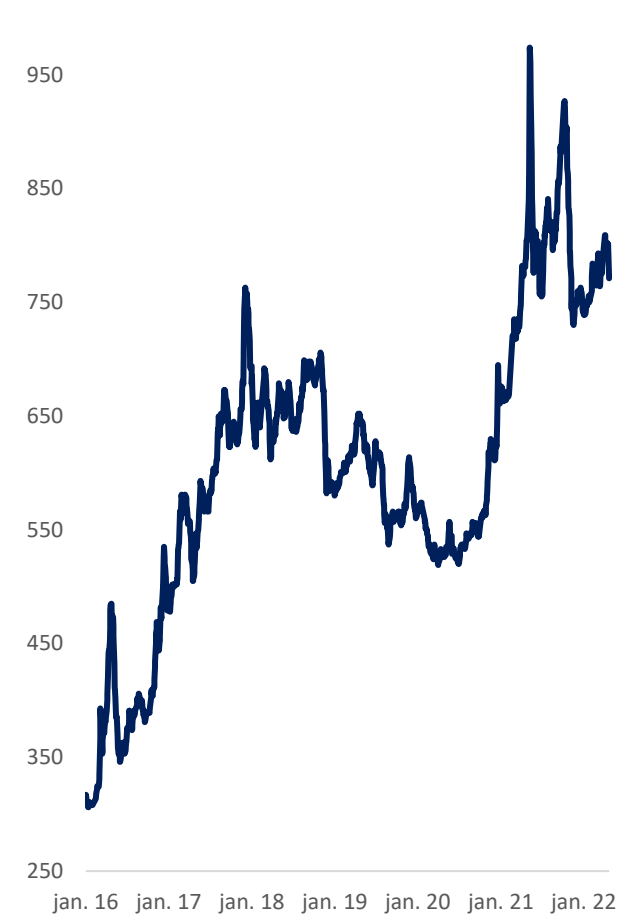
China daily steel output



China rebar inventories



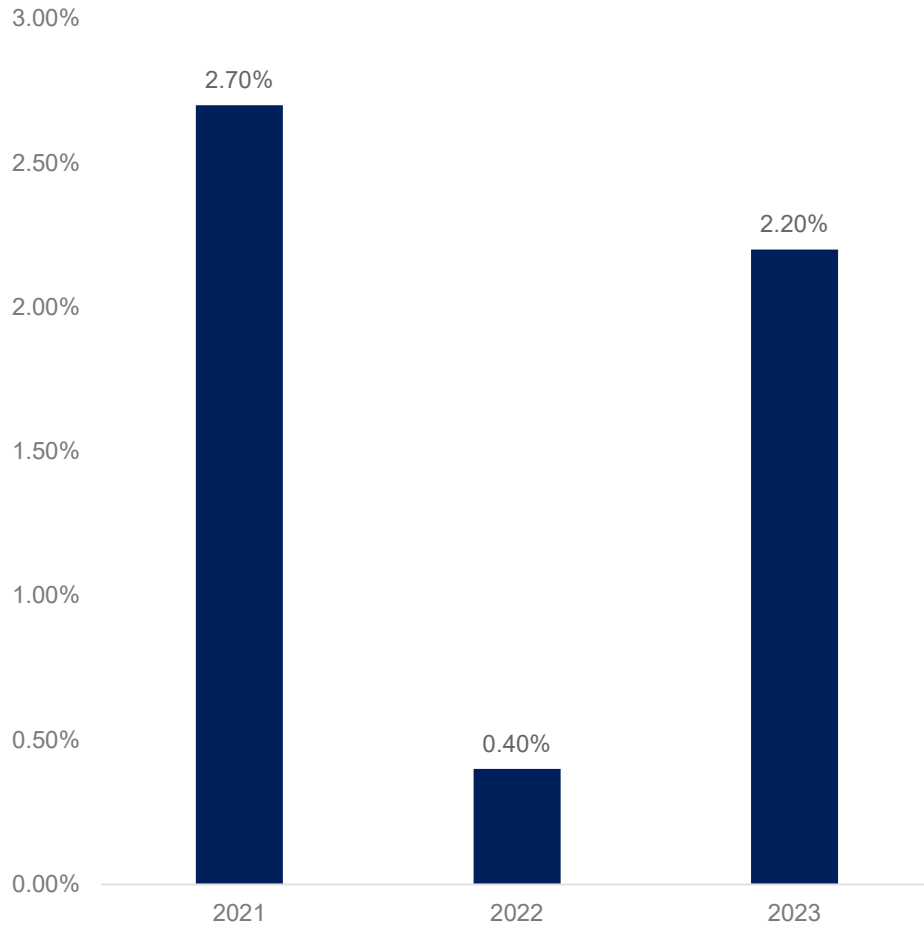
China rebar prices



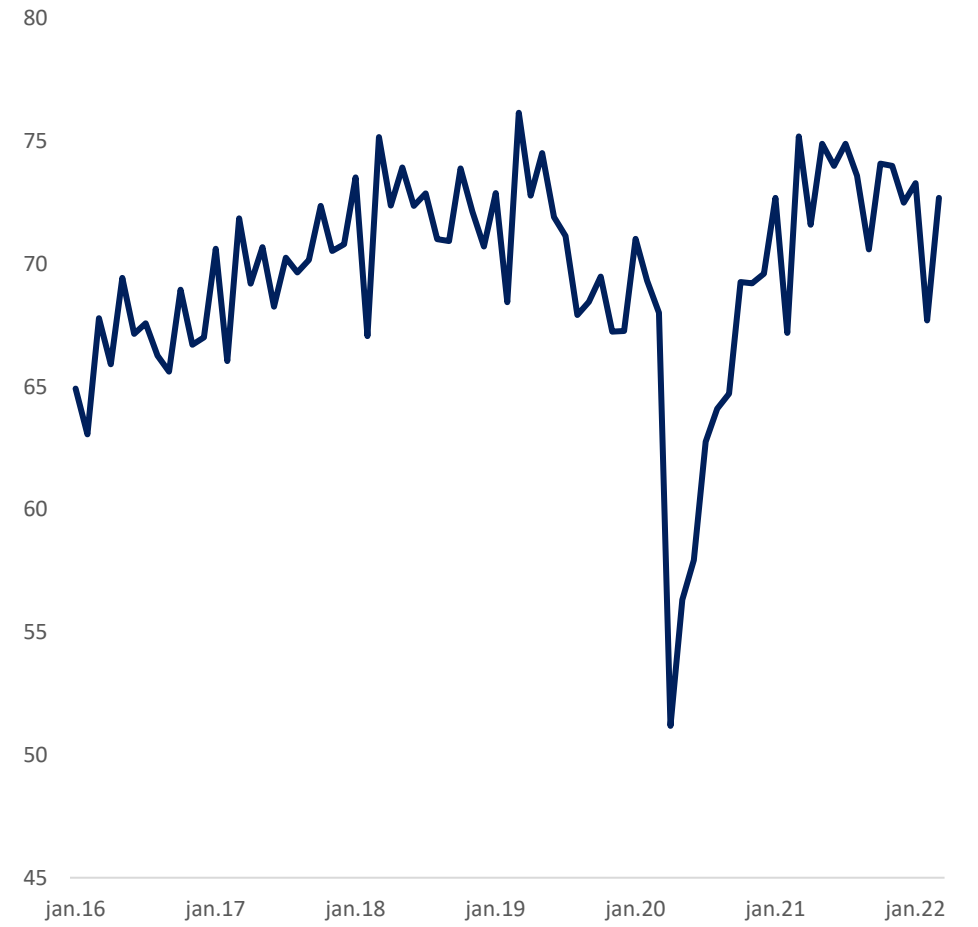
Sources: Arrow Shipbroking group, Bloomberg

Global steel market

Expected growth in steel demand



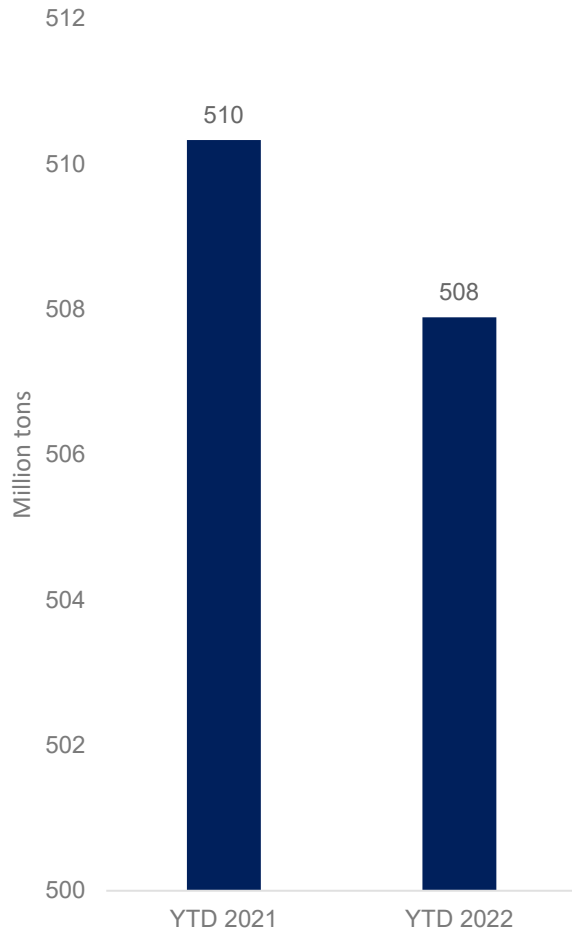
World ex-China steel output



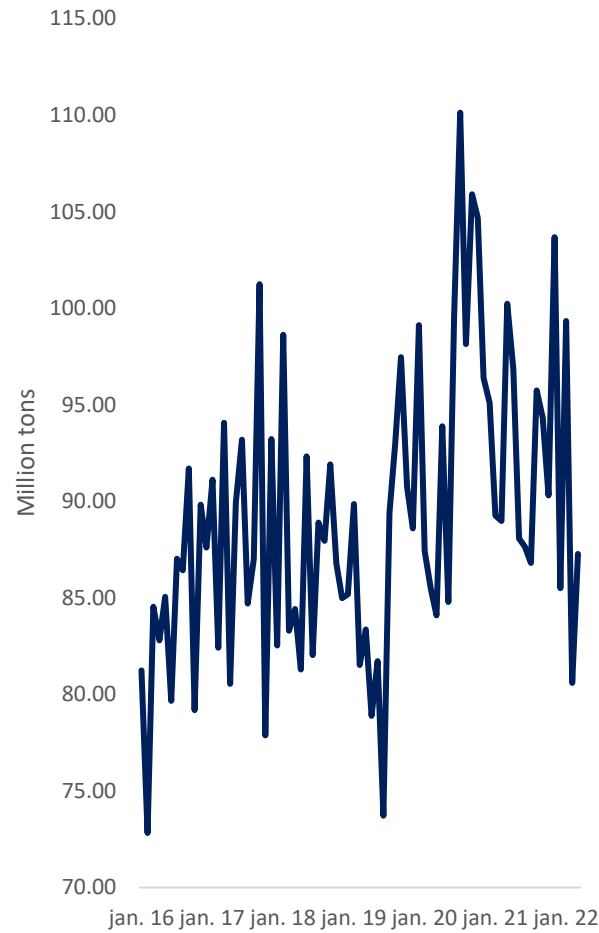
Source: World Steel Association, Arrow Shipbroking group

Iron ore

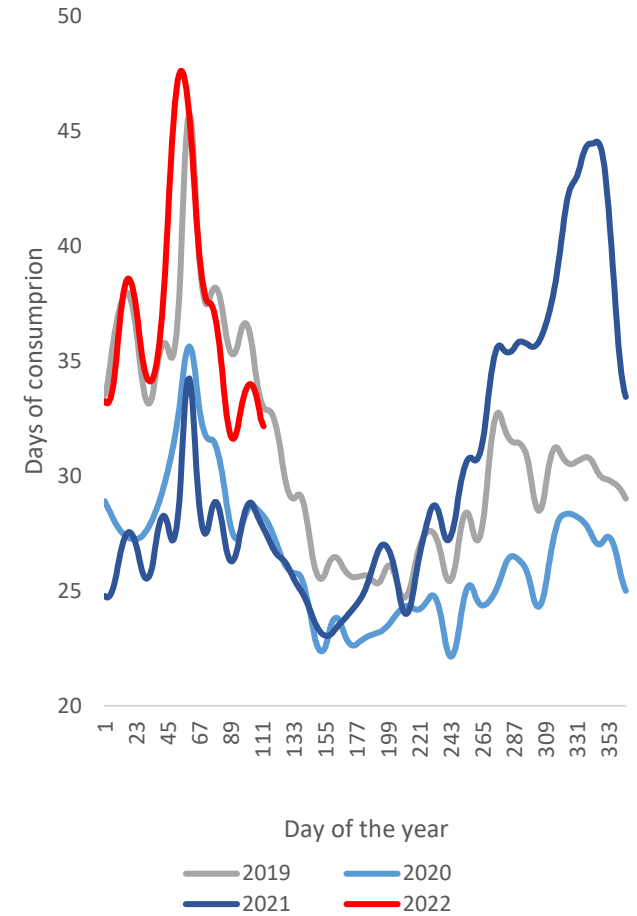
Global iron ore trade



Chinese iron ore imports



Chinese iron ore inventories



Source: Sea/analytics, Shipping Intelligence Network, Arrow Shipbroking Group

Expected increase in Brazil exports for the balance of the year

Vale production vs Capesize rates

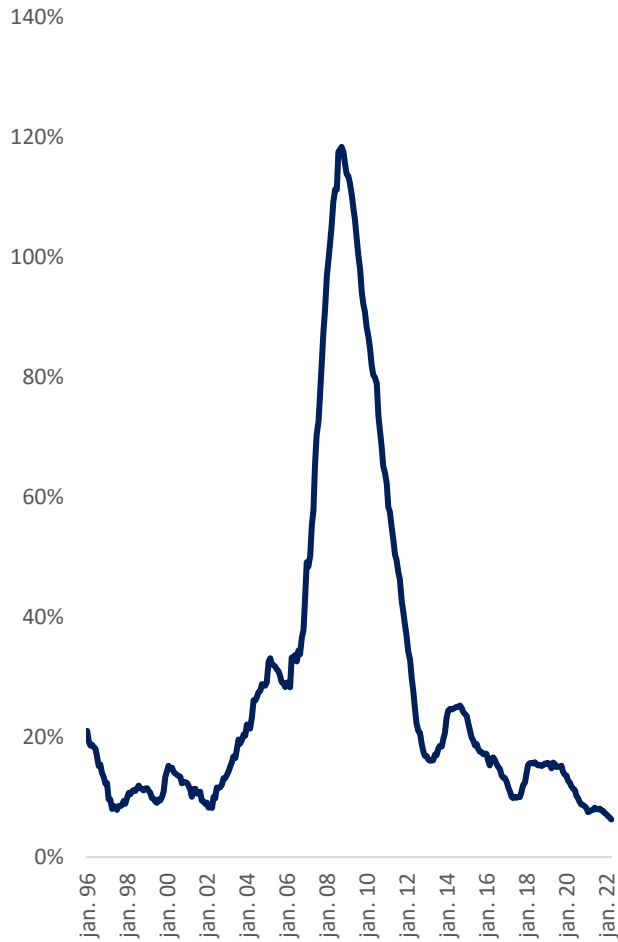


- Vale produced 63.6 million tons of iron ore in Q1 2021 compared to a full year guidance of 320 – 335 million tons
- Should Vale meet their full year guidance, average production for Q2-Q4 2022 would be 85 million tons.
- These additional tons could generate ~140 standard capsize equivalent in increased demand, compared to Q1 2022 volumes

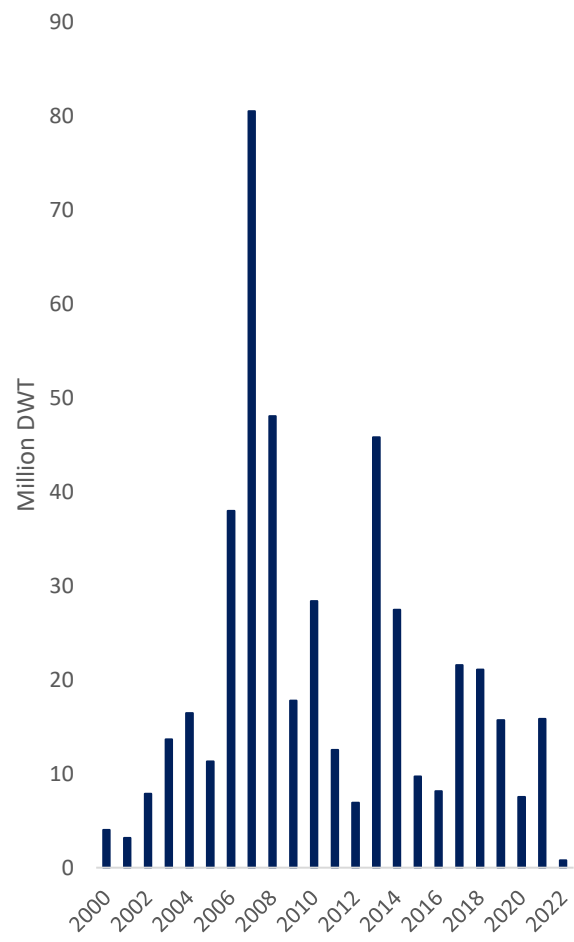
Sources: Vale, Shipping Intelligence Network

Most favorable supply side in decades

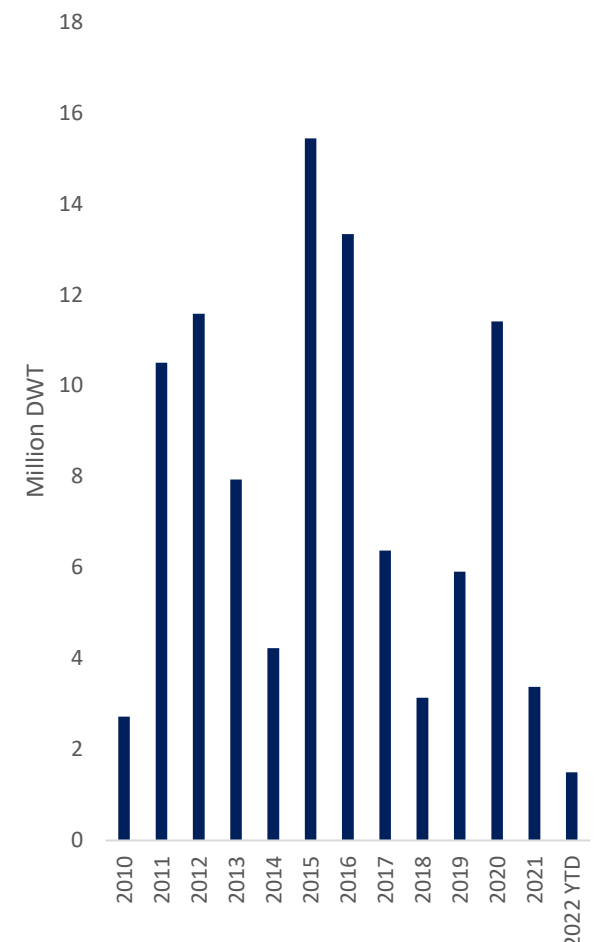
Capesize orderbook as % of fleet



Capesize bulk newbuild contracts



Capesize scrapping



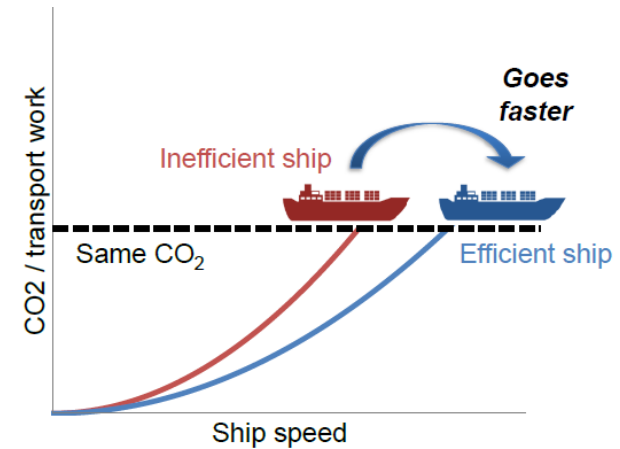
Source: Arrow Shipbroking Group, Shipping Intelligence Network

New IMO regulations to reduce CO₂ emissions

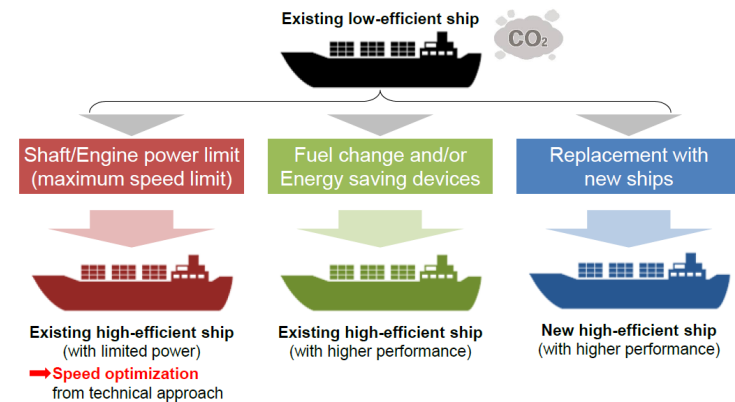
Summary

- The IMO targets reduction in CO₂ intensity from international shipping by 40% from 2008 levels by 2030 and will implement EEXI (Energy Efficiency Existing Ship Index) and CII (Carbon Intensity Indicator) by January 2023
- Non-compliant ships may apply performance enhancing measures and/or reducing the engine's power output.
- Part of the trading fleet may not be able to comply and may have to be retired
- The implementations of EEXI and CII are expected to reduce the average sailing speed of the global fleet, which may lead to efficient ships being favored by charterers and commanding a larger earnings premium
- ABS estimates more than 80% of bulk carriers require corrective action to become compliant
- Based on an assessment from ABS, 2020 Bulkera fleet is in the top 8% percentile of trading Capesize vessels

Emission reduction through goal-based measure



Alternatives for complying



Fleet of 8 Newcastlemax vessels, average age 2 years

2 vessels on fixed rates until 31 Dec 2022 at US\$31,640 per day + scrubber profit share

6 ships on index linked charters that can be converted to fixed rates on the basis of the FFA curve

*FFA curve implies TCE for scrubber fitted Newcastlemax of ~US\$45,000 per day for May-Dec 2022**

2022 CBE budget of USD 14,900/ship/day

Free cash flow paid as monthly distributions – 61% of paid in equity returned to investors so far

Most favorable supply side dynamics in more than 30 years