

# 2020 BULKERS

2020 Bulkera Ltd.  
Q4 2022 Results presentation  
February 8, 2023





---

This presentation (the "**Presentation**") has been prepared by 2020 Bulkera Ltd. (the "**Company**") and is made February 8, 2023 solely for information purposes. The Presentation does not constitute any recommendation to buy, sell or otherwise transact with any securities issued by the Company.

No representation, warranty or undertaking, express or implied, is made by the Company and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. The Company shall have no responsibility or liability whatsoever (for negligence or otherwise) for any loss arising from the use by any person or entity of the information set forth in the Presentation. All information set forth in the Presentation may change materially and without notice. In making the Presentation public the Company undertakes no obligation to provide additional information or to make updates thereto. The information set forth in the Presentation should be considered in the context of the circumstances prevailing at the date hereof and has not been and will not be updated to reflect material developments which may occur after such date unless specifically stated in such update(s).

Matters discussed in the Presentation include "forward looking statements". "Forward looking statements" are statements that are not historical facts and are usually identified by words such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "continues", "should" etc. These "forward looking statements" reflect the Company's beliefs, intentions and current expectations concerning, among other things, the Company's results, financial condition, liquidity position, prospects, growth and strategies. "Forward looking statements" include statements regarding: objectives, goals, strategies, outlook and growth prospects, future plans, events or performance and potential for future growth, liquidity, capital resources and capital expenditures, economic outlook and industry trends, developments in the Company's market, the impact of regulatory initiatives and the strength of the Company's competitors. "Forward looking statements" involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The "forward looking statements" included herein are based upon various assumptions, many of which, in turn, are based upon further assumptions. This includes, without limitation, the Company's review of historical operating trends, data contained in the Company's records and data available from third parties. Although the Company believes that these assumptions were reasonable when the relevant statements were made, they are inherently subject to significant known and unknown risks, uncertainties, contingencies and other factors which are difficult or impossible to predict and which are beyond the Company's control. "Forward looking statements" are not guarantees of future performance and such risks, uncertainties, contingencies and other important factors which are inherent thereto could cause the actual results of operation, financial condition and liquidity position of the Company or the industry in which it operates to differ materially from those results which, expressed or implied, are contained herein. No representation to the effect that at any of the "forward looking statements" or forecasts will come to pass or that any forecasted result will be achieved are made.

The Presentation and the information contained herein does not constitute or form a part of and should not be construed as an offer for sale or subscription or of solicitation or invitation of any offer to subscribe for or purchase any securities issued by the Company.

# Highlights

## Q4 2022 Highlights:

- Net profit of US\$6.7 million, EPS of US\$0.30
- Achieved time charter equivalent earnings of approximately US\$25,500 per day, gross
- Generated total cash distributions of US\$0.27 per share for the months of October – December, 2022
- Extended index-linked time charters for Bulk Santiago and Bulk Shenzhen for 8-13 months.
- Increased fixed charter coverage for Q1 2023 to 50% of available days at an estimated average TCE of US\$17,000 per day, gross\*

## Subsequent events:

- Achieved time charter equivalent earnings in January of 2023 of approximately US\$16,500 per day, gross
- Declared a cash distribution of US\$0.01 per share for the month of January
- Entered into new index-linked time charters for Bulk Santos and Bulk Sao Paulo until Q2 2025
- Increased fixed charter coverage further from 19 Feb – 31 March 2023 to 62.5% at an estimated average of US\$17,400, gross\*

\*Scrubber profit share for Bulk Sao Paulo estimated based on current fuel HFO/LSFO spread of US\$240 per ton.

## Key Financials Q4 2022

## Income Statement

USD million, except per share data	Q4 2022
<b>Operating Revenues</b>	<b>18.5</b>
Vessel operating expenses	(5.0)
Voyage expenses and commission	(0.2)
General and administrative expenses	(1.2)
Depreciation and amortization	(2.9)
<b>Total operating expenses</b>	<b>(9.3)</b>
<b>Operating Profit</b>	<b>9.2</b>
Interest expense	(2.6)
Other financial expense, net	0.2
<b>Total financial expense, net</b>	<b>(2.4)</b>
<b>Tax expense</b>	<b>(0.1)</b>
<b>Net profit</b>	<b>6.7</b>
Earnings per share (USD/share)	0.30

## Comments

- Net profit of US\$6.7 million
- Operating profit of US\$9.2 million
- EBITDA of US\$12.1 million
- Earnings per share of US\$0.30
- Operating revenues of US\$18.5 million. Average time charter equivalent earnings of approx. US\$25,500 per day, gross.
- Vessel operating expenses of US\$5.0 million. Average operating expenses of approx. US\$6,700 per day per vessel
- G&A was US\$1.2 million including US\$0.3 million in share option expenses. 2020 Bulkera charged Himalaya Shipping approx. US\$0.3 million in management fees for Q4 included in Operating revenues.
- Interest expense of US\$2.6 million.

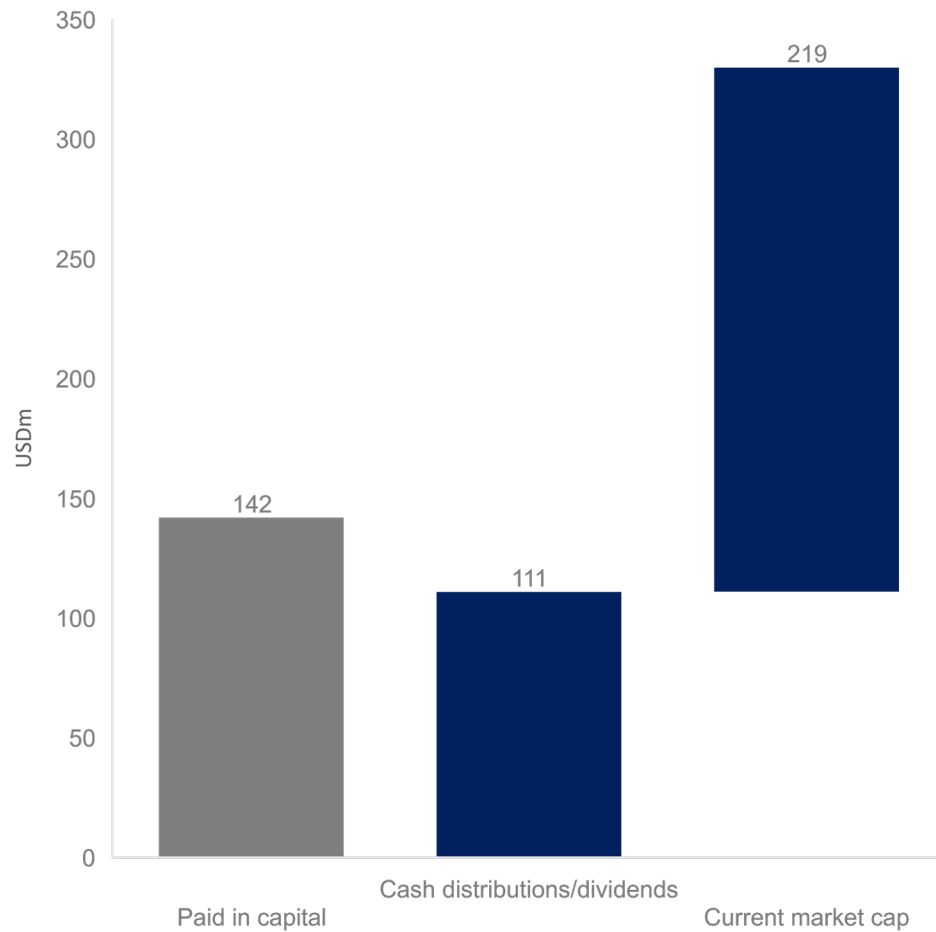
## Balance Sheet Summary

USD million	December 31, 2022
Total assets	379.8
Equity	155.9
Cash and cash equivalents	15.5
Interest bearing debt	221.3

## Comments

- Shareholders' equity of US\$155.9 million
- Interest bearing debt decreased from US\$225.0 million to US\$221.3 million during the quarter reflecting scheduled repayments
- Cash flow from operations was US\$10.0 million in Q4 2022
- Cash distributions in total of US\$0.27 per share declared for the months of October, November and December
- Solid liquidity position with US\$15.5 million of cash.

## Cash distributions and Dividends

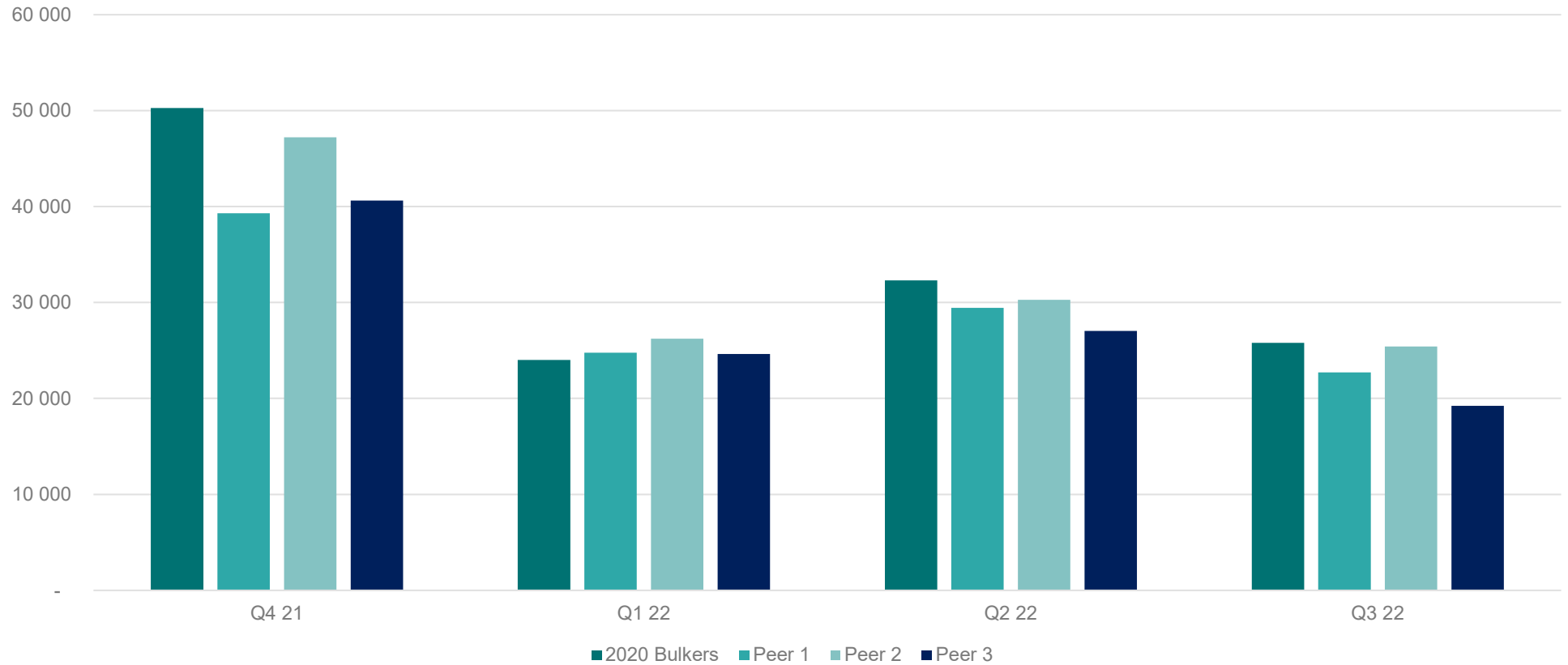


- 2020 Bulkera has returned capital to shareholders for 31 consecutive months
- 78% of paid in capital returned to shareholders so far
- 2022 Cash distribution of US\$1,35 per share (~14% yield]\*

\* Based on closing price of 101,4 on Feb 7<sup>th</sup>, 2023

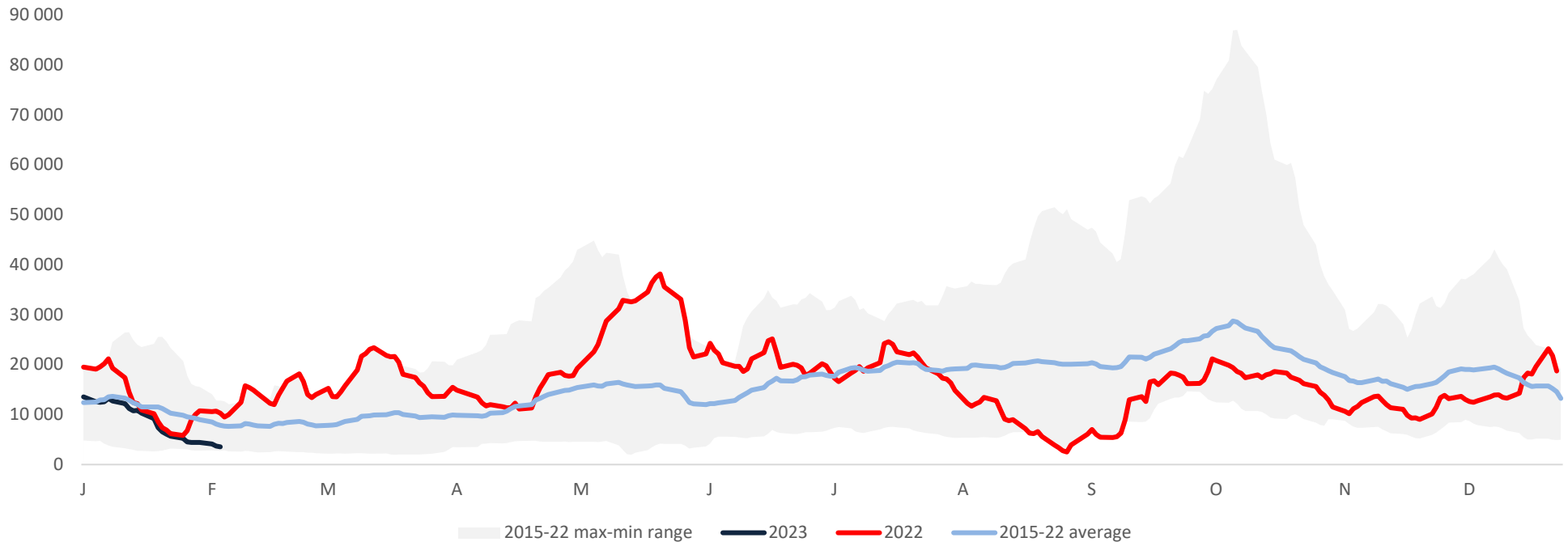
# Continued strong commercial performance

Peer group Net TCE Capesize / Newcastlemax



Source: Company reports

## Market review

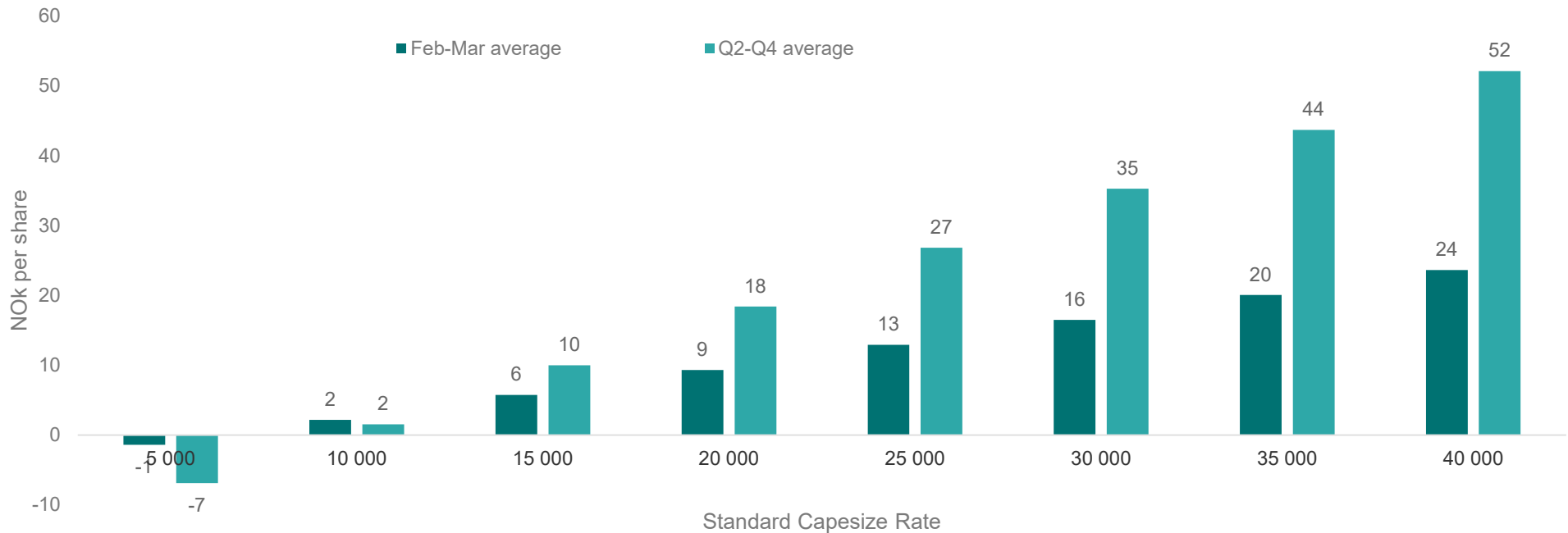


- Unseasonably weak market during Q3 and Q4 2022 in spite of decent trade volumes as unwinding of congestion and reduction of fleet inefficiencies adding effective supply to the global fleet
- Soft start to 2023 driven by low Brazilian iron ore exports



# Our dividend potential is significant

2023 Indicative dividend capacity (annual run-rate)<sup>1)</sup>



4 vessels fixed at ~US\$17,000<sup>2)</sup> for Q1 2023, 1 vessel fixed at US\$19,000 per day 100 days from 19 Feb 2023

Remaining vessels on index-linked time charters with scrubber benefit

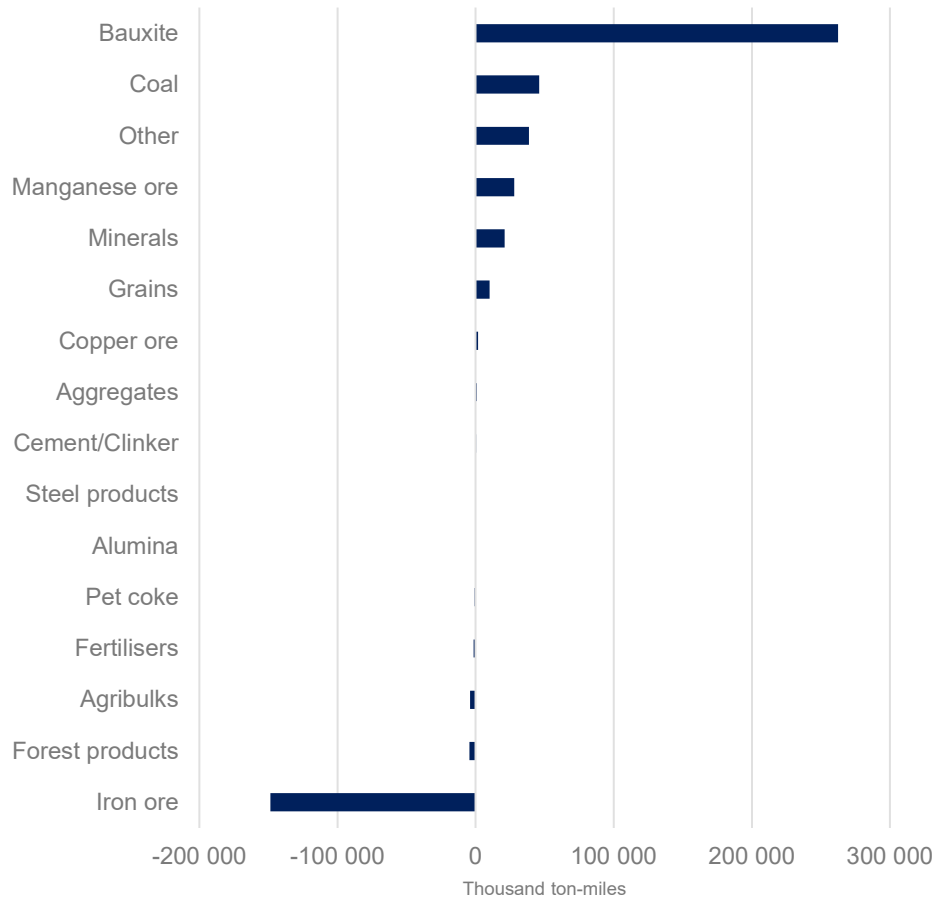
Q2 – Q4 2023 Capesize FFA curve is ~US\$ 16,250 per day

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

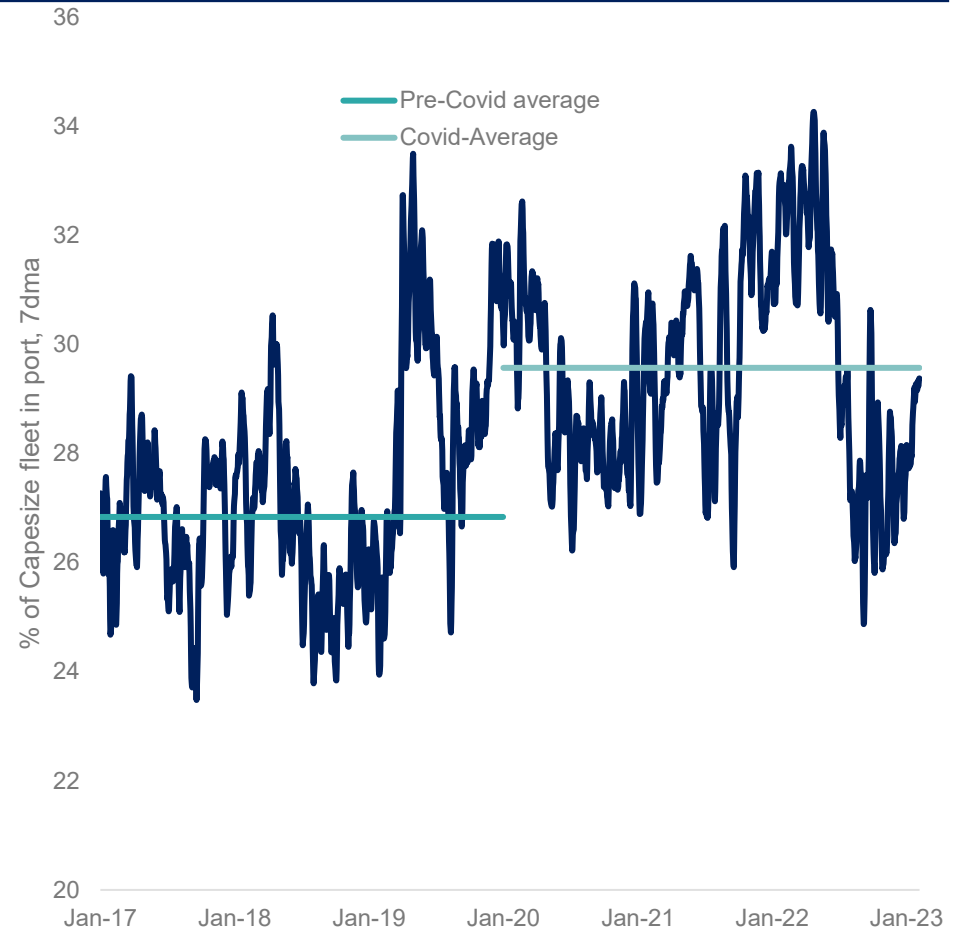
2) Scrubber profit share for Bulk Sao Paulo estimated based on current fuel HFO/LSFO spread of US\$240 per ton

# Capesize trade growth and fleet productivity

**Capesize ton-miles grew by 2% in 2022 vs 2021**



**Increased fleet efficiencies increased effective supply**



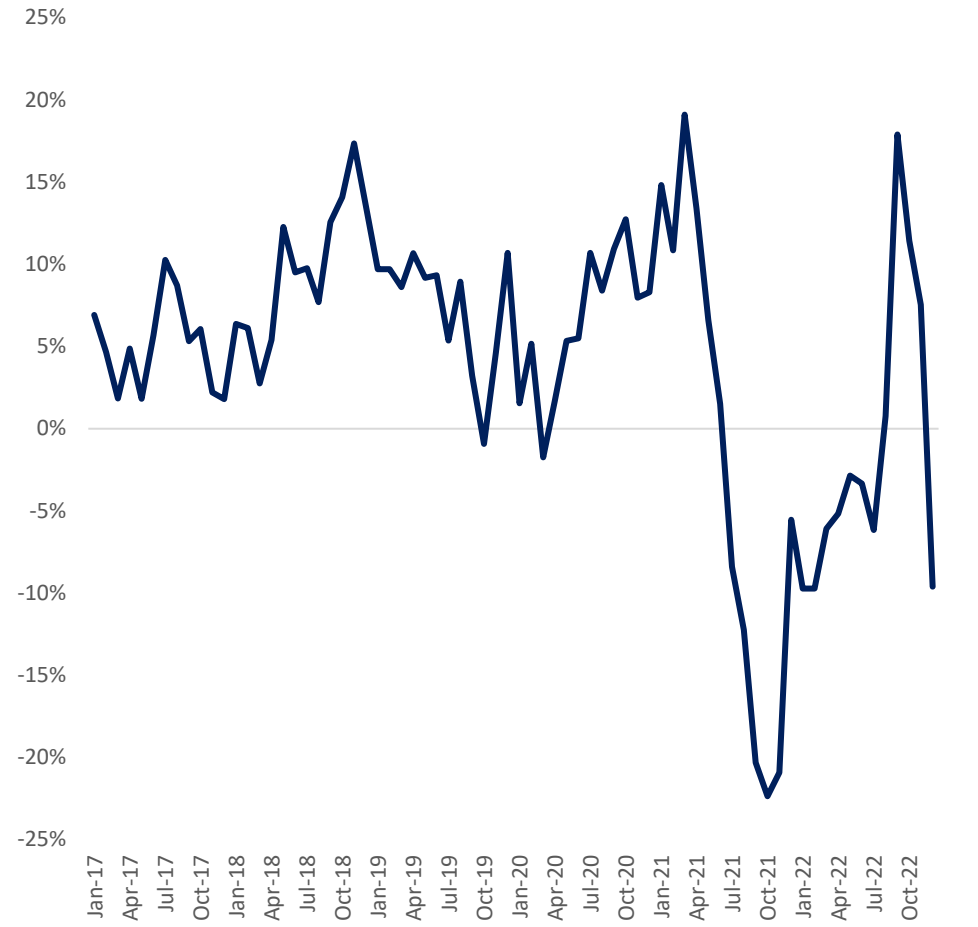
Source: Arrow Shipbroking, Shipping Intelligence Network

# Steel market

**World ex-China monthly steel output - YoY**

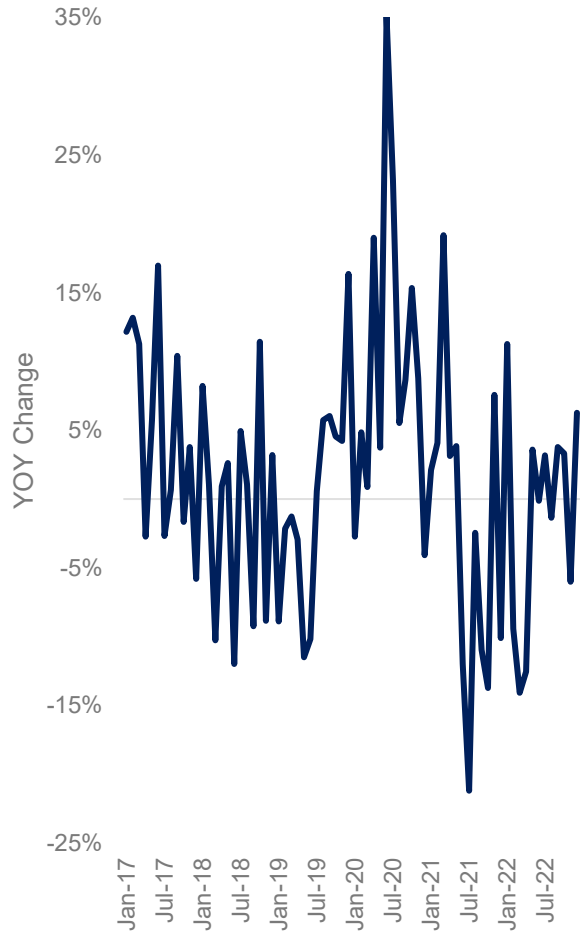


**China monthly steel output - YoY**

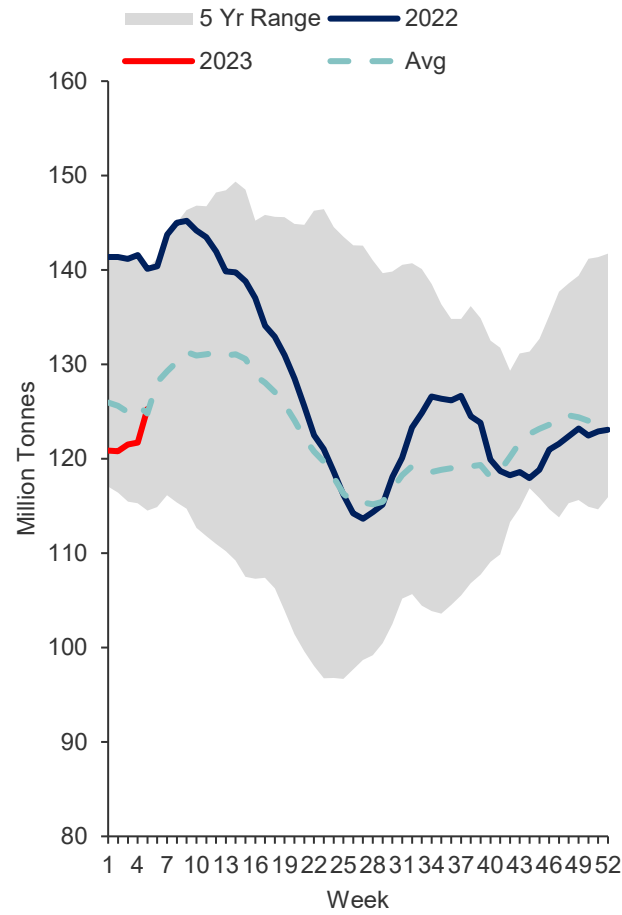


Source: Shipping Intelligence Network

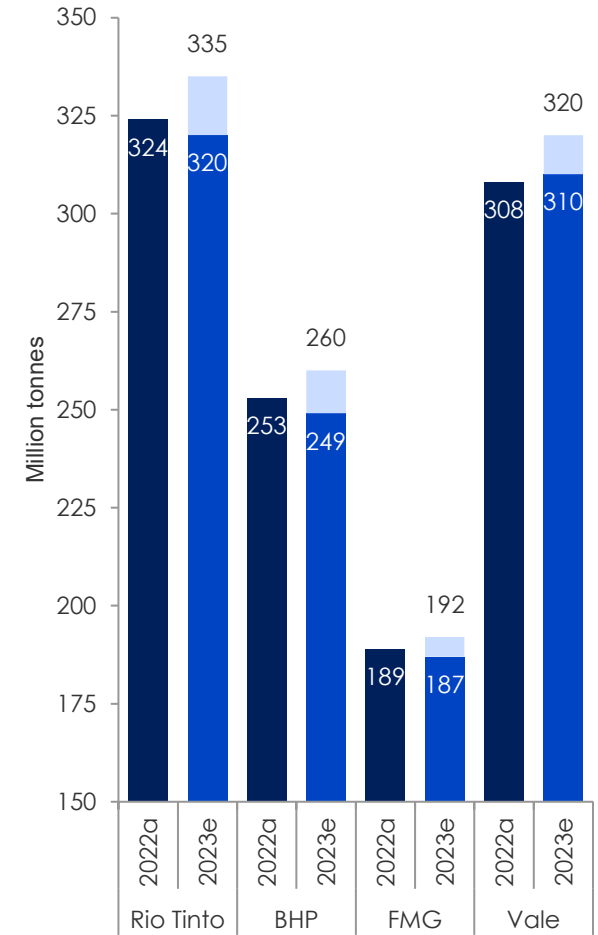
## Chinese Iron Ore Imports



## Chinese Iron Ore Inventories



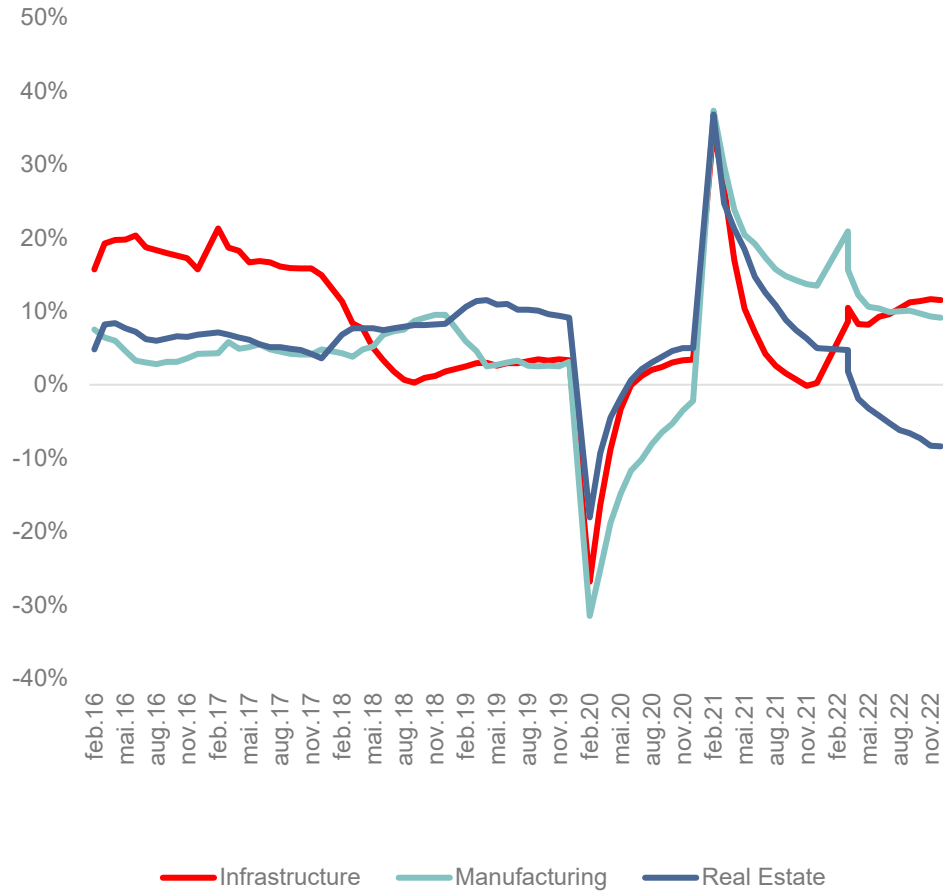
## IO Majors' production guidance



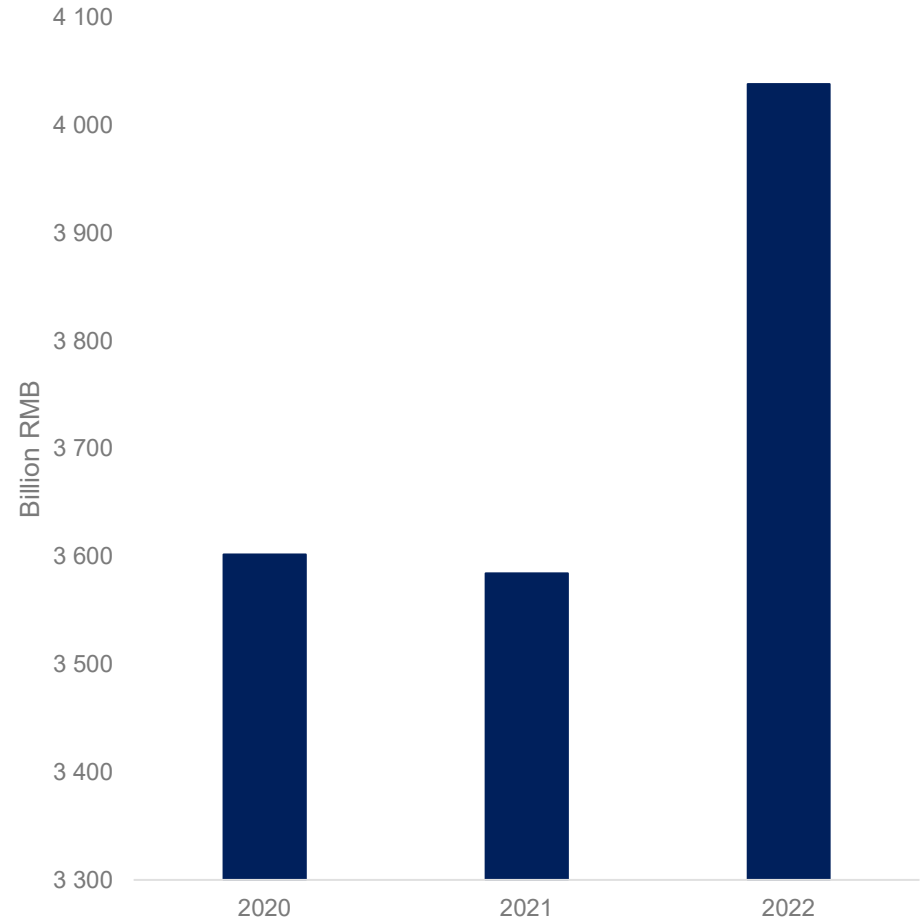
Source: Shipping Intelligence Network, Clarksons Securities

# Chinese fixed asset investment, ex real estate is on the rise

China fixed asset investment YoY



China Local Infrastructure Bond Issuance

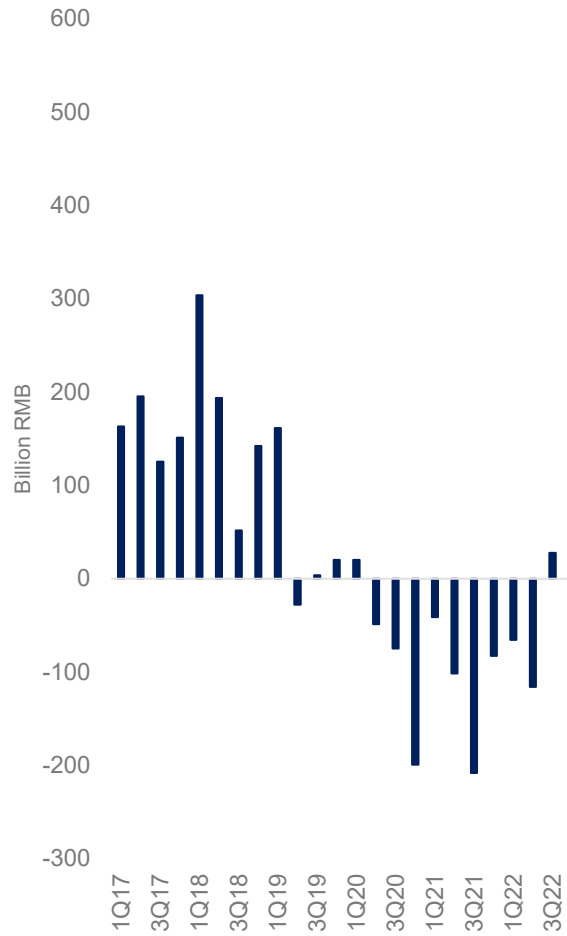


Source: Arrow Shipbroking group

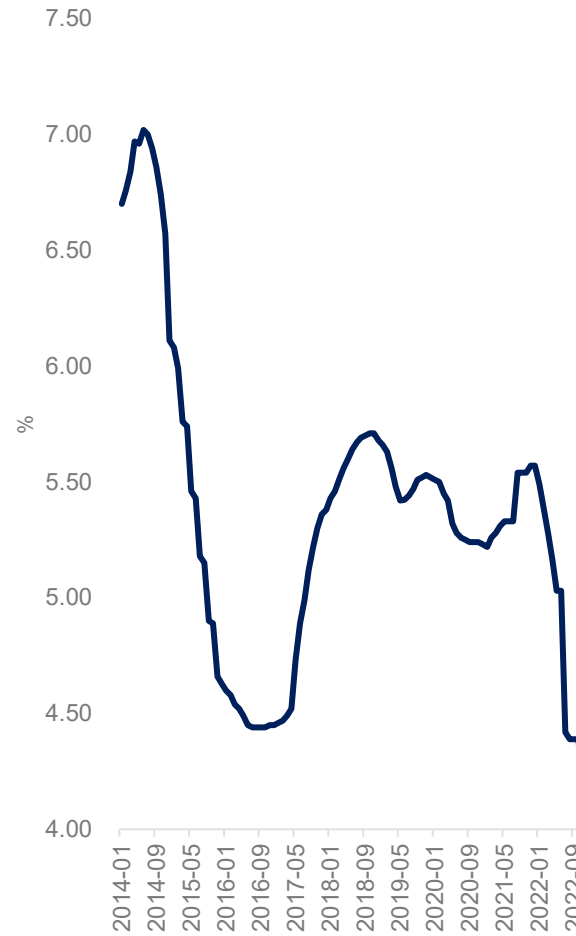


# Chinese property market seeing looser financial conditions

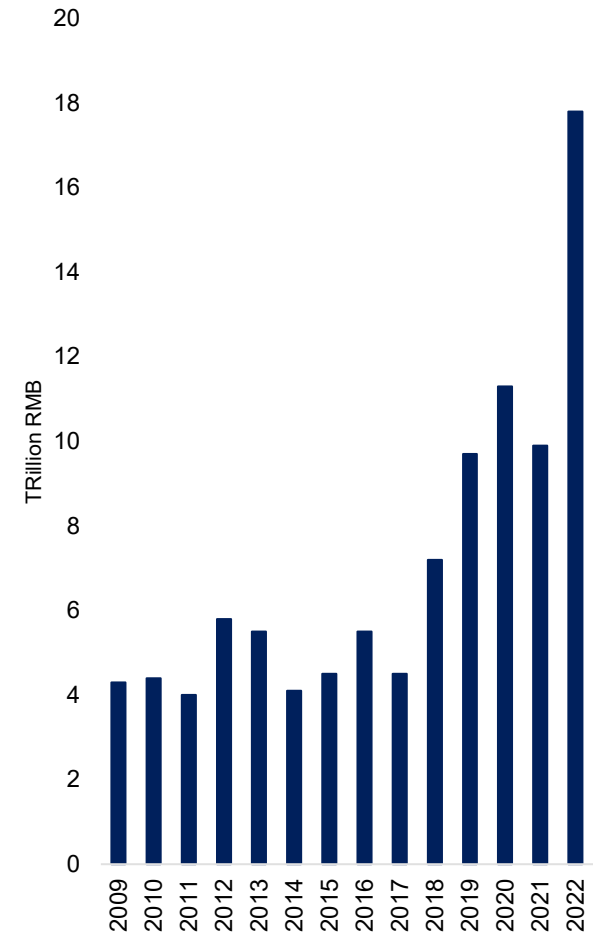
**POBC Pledged Supplemental Lending**



**China First Time Buyer Mortgage Rate**



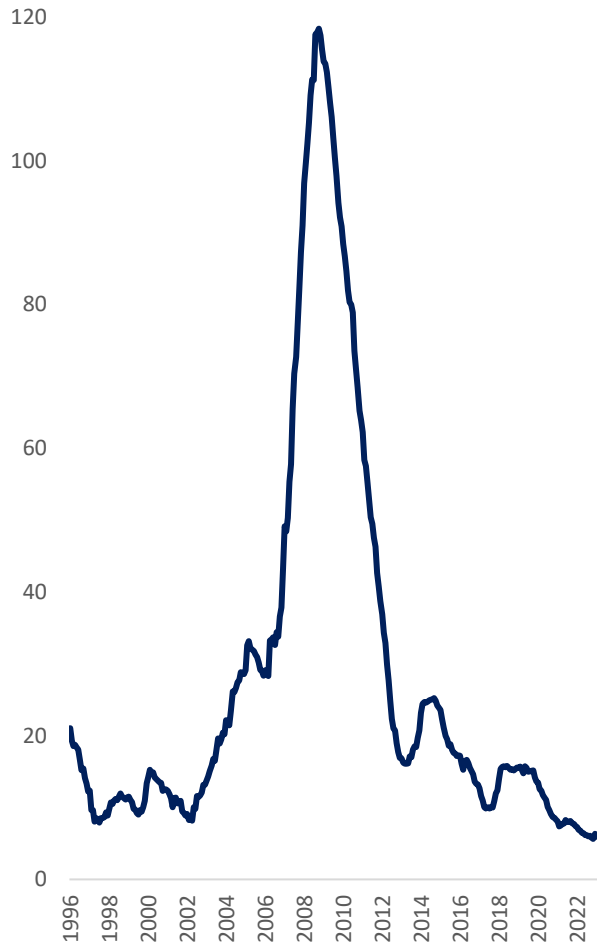
**Change In Household Savings China**



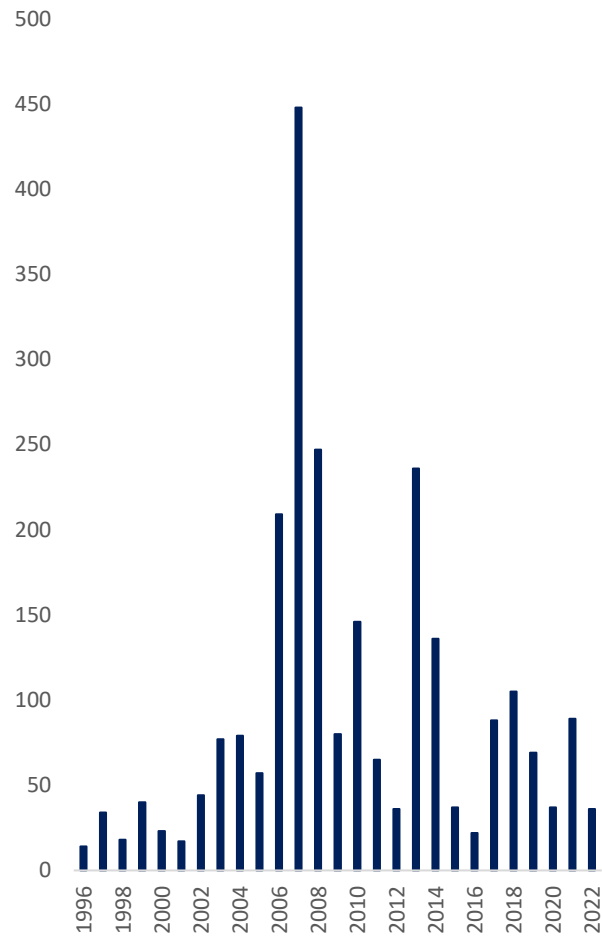
Source: Arrow Shipbroking group

## Most favorable supply side in decades

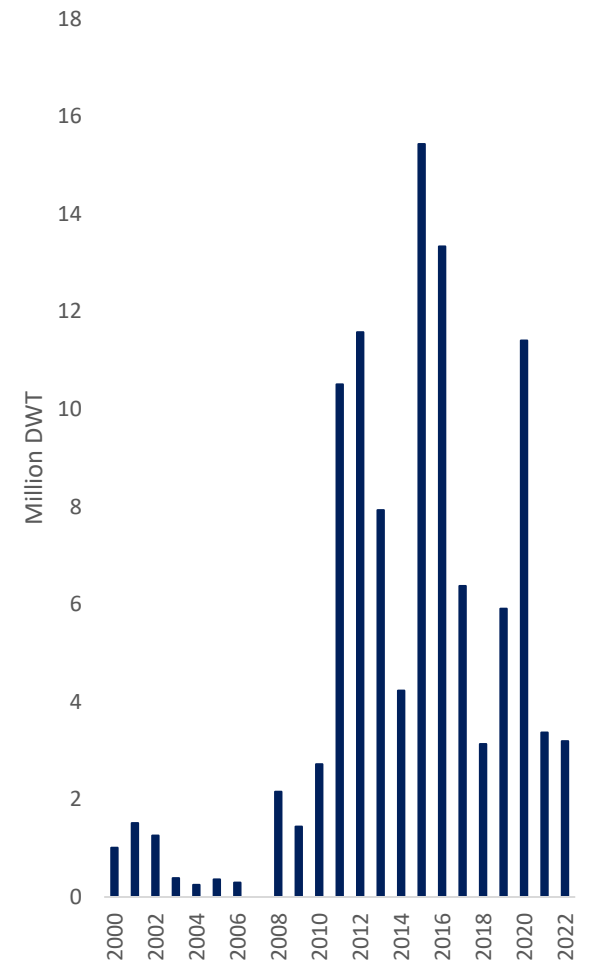
### Capesize orderbook as % of fleet



### Capesize newbuild contracts



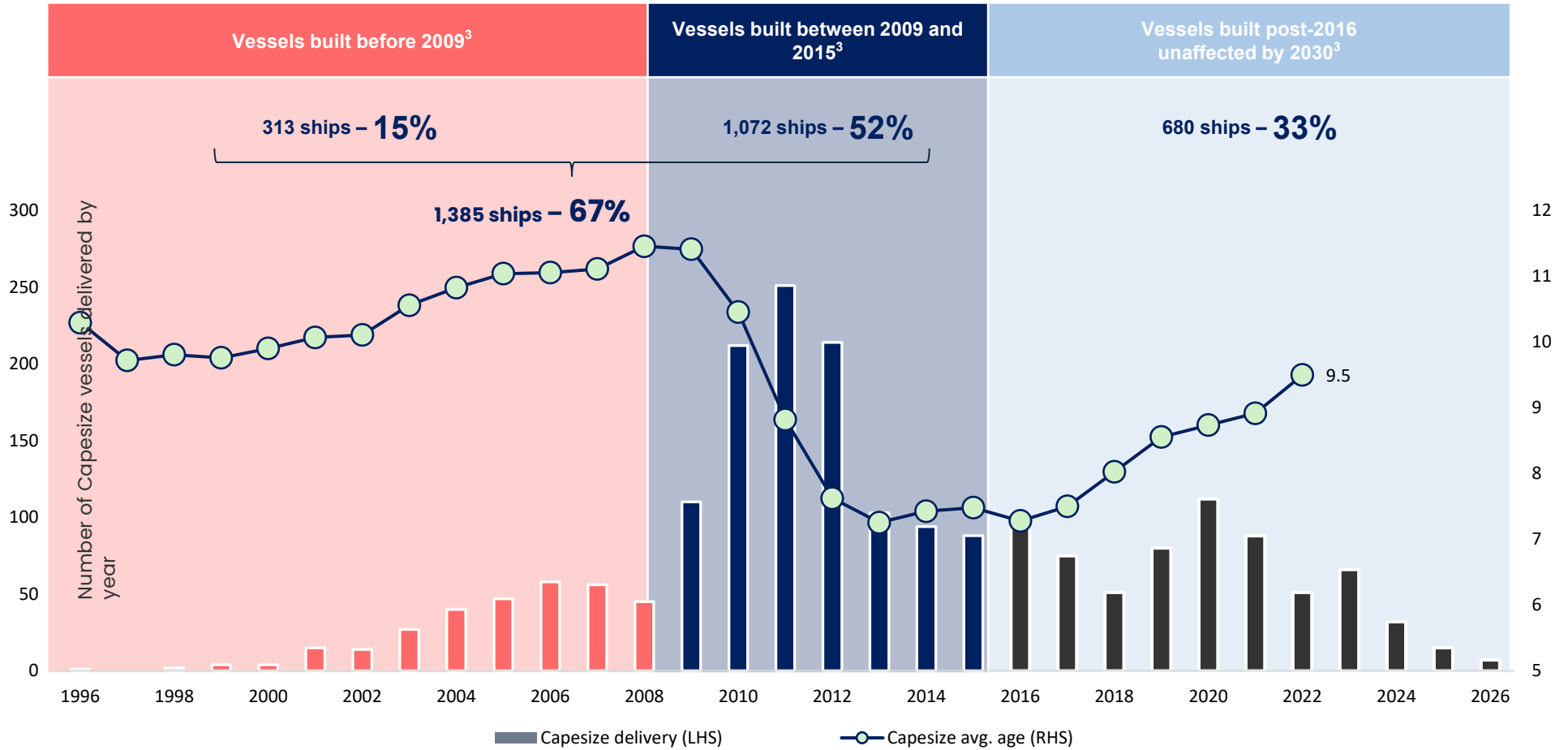
### Capesize scrapping



Source: Shipping Intelligence Network

## Meeting new regulations will be a challenge for the industry

**67% of large bulk vessels facing non-compliance by 2030**



Source: Clarksons