

09 March 2023

GOODBULK LTD. ANNOUNCES 4th QUARTER 2022 FINANCIAL RESULTS

Hamilton, Bermuda – (09 March 2023) – GoodBulk Ltd. (“GoodBulk” or the “Company”) (N-OTC: BULK), a leading owner and operator of dry bulk vessels, today announces its financial results for the fourth quarter of 2022.

Highlights

- For the year ended 31 December 2022, the Company reported revenues and net other operating income of \$227.6 million and net income of \$72.9 million generating EPS of \$2.43 based on 29,962,416 weighted average number of shares outstanding.
- On 28 February 2023 the Board of Directors authorized the payment to Shareholders of \$2.25 per share (\$60.9 million) as dividend. Cumulative distributions will be at \$15.34 per share, for a total of \$452.9 million, amounting to 139.5% of the price of the Company's March 2017 Norwegian OTC offering and 153.4% of the price of the Company's initial December 2016 private placement fully repaying the original founders of the Company in cash plus a 53.4% return while still controlling 11 Capesize vessels with a leverage ratio at around 30%.
- On 10 January 2023, GoodBulk bought back 2,570,812 of its own shares, or 8.7% of the company, at a significant discount to NAV and later cancelled the shares making it an accretive transaction for shareholders.
- GoodBulk has benefited tremendously from its participation in Capesize Chartering Ltd. (“CCL”) via the CTH Capesize Revenue Sharing Agreement (“Capesize RSA”) as the company’s spot vessels outperformed the Baltic Capesize Index (BCI) by 14% in 2022, net of fees and differentials.
- Since the second quarter of 2022, the entire GoodBulk fleet has been open on the spot market; at the same time the Company took advantage of the most lucrative period in second hand assets since 2014 to monetize some of its investments. In 2022 GoodBulk sold nine vessels (eight Capesizes and one Panamax) and all of them have delivered to their new owners at the time of this release; the nine sales have generated \$155.0 million in free cash and \$67.0 million in profit from disposals. In 2023 so far GoodBulk has sold three Capesize vessels, all of which have delivered to their new owners generating \$47.8 million in free cash and \$4.4 million in profit from disposals.

GoodBulk is a leading owner of dry bulk vessels executing a strategy combining low financial leverage with active portfolio management to optimize operational leverage to the dry bulk freight market. This strategy has resulted in GoodBulk announcing a profitable quarter, with \$11.9 million net profit (\$0.40 per share). The Company’s strict financial discipline resulted in industry leading pure cash general and administrative expenses of \$282 per vessel per day, which compares with \$242 per vessel per day for the same period in 2021.

Market Commentary

For the quarter ending 31 December 2022, the Baltic Capesize Index averaged \$14,906 per day, 65.0% below \$42,645 per day for the same period 2021 and 8.8% above \$13,695 per day for the quarter ending 30 September 2022. The Baltic Capesize Index averaged \$16,177 per day in 2022, 51.5% below \$33,333 per day in 2021. In the fourth quarter of 2022, the Capesize market was very volatile going from \$16,924 per day at the beginning of October subsequently reaching lows of \$9,000 per day followed peaks in the

\$20,000s per day and finally ending the quarter at \$18,749 per day. During this period, the Baltic Panamax Index and the Baltic Supramax Index were on a downtrend closing the quarter 26% and 36% below where they opened at \$13,813 per day and \$11,685 per day respectively. The most important factors behind the decline in freight rates have been the decline in major bulk (iron ore and coal) volumes to China, China's zero Covid policy, less Brazilian iron ore exports, lower congestion, and negative news surrounding the global economic environment that negatively affected sentiment in the market.

This decline in rates continued into the first two months of 2023, i.e. a typical first quarter slowdown, but eventually bottomed out in the middle of February, with the main broad culprits being, less iron ore exports from Brazil, China's Lunar New Year holidays and a slow recovery of the Chinese economy post lifting of Covid restrictions. Average rates across all segments have improved in February and March 2022, with Capesize rates seeing the largest bounce up, going from a low of \$2,246 per day on 17 February to \$12,851 per day at time of writing on 8 March 2023.

Currently, the outlook for 2023 is for an improving rate environment with expectations for a stronger second half of the year owing to the fleet undergoing the slowest growth in over 20 years, growth in the Chinese economy quickening to 5% from 3% in 2022 and stronger coal and grain trades mainly. We view the main risks to rates as being the following: uncertainty surrounding China's economic recovery, continuing geopolitical tensions mainly Russia's invasion of Ukraine which is a drag on commodity exports and heightened risk of recession following aggressive interest rate rises in US and Europe.

Results of Operations

Fourth Quarter 2022

For the three months ended 31 December 2022, the Company reported revenues and net other operating income of \$43.3 million, and net income of \$11.9 million generating EPS of \$0.40 based on 29,758,111 weighted average number of shares outstanding. This result compares with net income of \$36.5 million for the fourth quarter of 2021. Ship ownership days were 1,355 in the fourth quarter of 2022 compared to 2,116 in the fourth quarter of 2021 as the Company sold eight Capesize vessels and one Panamax in the interim period. Ship ownership days are expected to be an estimated 1,116 in the first quarter of 2023 as a further three Capesize vessels have been sold and delivered in this period. In 2023 ship ownership days are expected to be at 4,141.

The Company earned an average gross TCE of \$9,953 per day on its Capesize vessels for the three months ended 31 December 2022. Comparatively for the three months ended 31 December 2021, the Company earned an average gross TCE of \$31,666 per day on its Capesize vessels and \$27,223 per day on its Panamax vessel, sold in the second quarter of 2022. During the fourth quarter 2022, all the Company's Capesize vessels were traded on the spot market, in Capesize Chartering Ltd. ("CCL") via the CTH Capesize Revenue Sharing Agreement ("Capesize RSA").

Net income for the three months ended 31 December 2022 included non-cash depreciation expense of \$11.5 million. Direct vessel operating expenses for the period totalled \$7.1 million or \$5,245 per vessel per day.

General and administrative expenses ("G&A") for the three months ended 31 December 2022 were \$1.6 million, or \$1,182 per vessel per day, compared to \$1.7 million, or \$827 per vessel per day for the same period in 2021. Pure cash G&A for the three months ended 31 December 2022 were \$0.4 million, or \$282 per vessel per day.

Year ended 31 December 2022

For the year ended 31 December 2022, the Company reported revenues and net other operating income of \$227.6 million and net income of \$72.9 million generating EPS of \$2.43 based on 29,962,416 weighted average number of shares outstanding. This result compares with a net profit of \$92.1 million for the year ended 31 December 2021. Ship ownership days decreased to 7,126 in the twelve months of 2022, from 8,395 in the same period of 2021; ship ownership days are expected to decline to 4,141 for the full year of 2023 following the disposition of twelve vessels.

The Company earned an average gross TCE of \$16,694 per day on its Capesize vessels and \$19,377 per day on its Panamax vessel (until its sale in the second quarter of 2022) for the year ended 31 December 2022. Comparatively, for the year ended 31 December 2021 the Company earned a gross TCE of \$24,770 per day on its Capesize vessels and \$22,730 per day on its Panamax vessel. During the year ended 31 December 2022, all of the Company's Capesize vessels were traded on the spot market, the majority employed in Capesize Chartering Ltd. ("CCL") via the CTH Capesize Revenue Sharing Agreement ("Capesize RSA"); the Panamax vessel was also traded on the spot market.

Net income for the year ended 31 December 2022 included non-cash depreciation expense of \$38.5 million. Direct vessel operating expenses for the period totalled \$45.0 million or \$6,312 per vessel per day.

General and administrative expenses ("G&A") for the year ended 31 December 2022 were \$4.3 million, or \$601 per vessel per day, which compares with \$4.8 million for the same period in 2021, or \$575 per vessel per day. Pure cash G&A in 2022 were \$1.8 million or \$258 per vessel per day.

GoodBulk Fleet

As of 8 March 2023, GoodBulk controlled a fleet of 11 Capesize vessels with an average age of 12.2 years.

<u>Vessel</u>	<u>Type</u>	<u>Dwt</u>	<u>Built</u>	<u>Yard</u>	<u>Current Employment</u>
<i>Owned</i>					
Aquavictory	Capesize	182,060	May-10	Odense, DEN	Capesize RSA
Aquamarine	Capesize	182,060	Jul-09	Odense, DEN	Capesize RSA
Aquanavigator	Capesize	179,905	Dec-11	Daehan, KR	Capesize RSA
Aquarange	Capesize	179,842	Sep-11	Hanjin, PH	Capesize RSA
Aquahaha	Capesize	179,023	Feb-12	Hanjin, PH	Capesize RSA
Aquatonka	Capesize	179,004	Mar-12	Hanjin, PH	Capesize RSA
Aquaexplorer	Capesize	178,929	Jun-12	Sungdong, KR	Capesize RSA
Aquamarie	Capesize	178,896	Apr-12	Sungdong, KR	Capesize RSA
Aquaproud	Capesize	178,055	Jun-09	SWS, CHN	Capesize RSA
Aquaenna	Capesize	175,975	Sep-11	Jinhai, CHN	Capesize RSA
Aquakatie	Capesize	174,142	Aug-07	SWS, CHN	Capesize RSA

GoodBulk Ship Ownership Days

<u>Type</u>	<u>1Q22</u>	<u>2Q22</u>	<u>3Q22</u>	<u>4Q22</u>	<u>2022</u>	<u>1Q23E</u>	<u>2Q23E</u>	<u>3Q23E</u>	<u>4Q23E</u>	<u>2023E</u>	<u>2024E</u>
Capesize	1,980	1,884	1,771	1,355	6,990	1,116	1,001	1,012	1,012	4,141	4,026
Panamax	90	45	-	-	135	-	-	-	-	-	-
Total	2,070	1,929	1,771	1,355	7,126	1,116	1,001	1,012	1,012	4,141	4,026
Ship equiv.	23.0	21.2	19.3	14.7	19.5	12.4	11.0	11.0	11.0	11.3	11.0

-2022 figures are actual, 2023 and 2024 figures are estimates

Estimated Normalized Break Even After Operating Expenses, Debt Service, and Corporate G&A

	<u>2022</u>	<u>2023</u>
Break Even	\$10,706	\$10,767

- Break even based upon budget for operating expenses (opex) and corporate G&A
- Debt service includes interest and scheduled principal amortization, excludes balloon.

Investments

GoodBulk’s regularly scheduled drydocking and maintenance program is a continuing area of investment. This capital expenditure is necessary to ensure the proper, safe and efficient operation of our vessels and to comply with international shipping standards and environmental laws and regulations. Installation of Ballast Water Treatment Systems (“BWTS”) are to be evaluated on a case-by-case basis depending upon the age of each ship and the market conditions at the time of the required installation. In 2022 GoodBulk installed BWTS on 10 Capesizes. No BWTS installations are envisioned for 2023.

The following table includes our estimated drydock expense and off hire days for 2022 and 2023. These estimates are based upon our technical manager’s experience and can vary based upon yard schedules, condition of the vessel at the time of drydocking, location of the drydocking, and other factors and include the cost of installing BWTS.

<u>Year</u>	<u>Off Hire Days</u>	<u>Cost (\$mn)</u>
2022	791	17.66
2023	30	1.20
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	821	18.86

- Schedule reflects management's estimate as of February 2023

Liquidity and Capital Resources

Net cash used in the quarter ended 31 December 2022 was \$25.3 million, which compares to \$2.9 million cash produced in the same period for 2021. Net cash provided by operating activities in the fourth quarter of 2022 was \$4.8 million, compared to \$54.6 million produced in the same period in 2021. Net cash produced in investing activities in the fourth quarter of 2022 was \$49.4 million compared to \$0.7 million used in the same period in 2021. Net cash used by financing activities in the fourth quarter of 2022 was

\$79.5 million, compared to \$51.0 used in the same period in of 2021. GoodBulk ended the quarter with cash and cash equivalents of \$15.7 million.

Dividend distribution

On 28 February 2023, the Board of Directors declared a shareholders dividend distribution of \$2.25 per common share to shareholders of record as of 14 March 2023 and payable on 14 April 2023.

Summary Financial Statements

Condensed consolidated statement of financial position

As of December 31, 2021 and December 31, 2022

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

	Dec. 31, 2021	Dec. 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	39,653	15,694
Trade receivables	24,877	21,150
Receivables from related parties	1,809	3,300
Prepayments and other current assets	8,645	9,611
Derivatives financial instruments	0	1,892
Inventories	3,964	1,826
	<hr/>	<hr/>
	78,948	53,473
Assets classified as held for sale	0	36,560
Total current assets	78,948	90,033
Non current assets		
Vessels, net	455,955	258,452
Derivatives financial instruments	0	1,326
Total non current assets	455,955	259,778
Total assets	534,903	349,811
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade payables	7,554	7,433
Payables to related parties	3,124	4,484
Derivatives financial instruments	1,600	0
Accruals and deferred income	4,354	1,106
Bank borrowings, current portion	26,962	19,001
Total current liabilities	43,594	32,024
Non current liabilities		
Bank borrowings, non current portion	144,304	76,778
Derivatives financial instruments	1,275	0
Total non current liabilities	145,579	76,778
Total liabilities	189,173	108,802
Shareholders' equity		
Share capital	30,028	29,621
Share premium	115	207
Contributed surplus	236,727	49,747
Reserves	(2,875)	3,218
Treasury shares	(6,730)	(4,359)
Retained earnings (losses) / earnings	88,465	162,575
Total shareholders' equity	345,730	241,009
Total liabilities and shareholders' equity	534,903	349,811

Condensed consolidated statement of profit or loss

For the three months and year ended December 31, 2021 and 2022

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

	For the three months ended		For the year ended	
	Dec. 31, 2021	Dec. 31, 2022	2021	2022
Revenues	93,405	42,691	288,319	224,294
Voyage expenses	(32,529)	(30,978)	(103,793)	(128,093)
Vessels operating expenses	(11,930)	(7,107)	(48,270)	(44,980)
Net other operating income / (expenses)	1,559	622	9,723	3,282
Depreciation and impairment	(10,407)	(11,495)	(41,381)	(38,498)
Gain on sale of vessels	0	20,698	0	67,038
General and administrative expenses	(1,749)	(1,602)	(4,827)	(4,282)
Profit from operations	38,349	12,829	99,771	78,761
Net financial expense	(1,859)	(936)	(7,633)	(5,834)
Profit / (loss) for the period	36,490	11,893	92,138	72,927
Earnings per share (in U.S. Dollars) - basic and diluted	1.22	0.40	3.07	2.43

Condensed consolidated statement of changes in shareholders' equity

For the years ended December 31, 2021 and 2022

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

	Share capital	Share premium	Contributed surplus	Reserves	Treasury shares	Retained earnings / (losses)	Total	
	# of shares	Par						
Balance as of December 31, 2020	30,020,716	30,021	22	330,453	(6,990)	(6,317)	(3,826)	343,363
Issuance of shares for Directors' remuneration	7,282	7	93	-	-	-	-	100
Capital repayment	-	-	-	(93,726)	-	-	-	(93,726)
Acquisition of treasury shares	-	-	-	-	-	(413)	-	(413)
Share-based compensation	-	-	-	-	-	-	153	153
<i>Profit for the period</i>	-	-	-	-	-	-	92,138	92,138
<i>Other comprehensive income for the period</i>	-	-	-	-	4,115	-	-	4,115
Total comprehensive income for the period	-	-	-	-	4,115	-	92,138	96,253
Balance as of December 31, 2021	30,027,998	30,028	115	236,727	(2,875)	(6,730)	88,465	345,730
Issuance of shares for Directors' remuneration	7,940	8	92	-	-	-	-	100
Capital repayment	-	-	-	(183,463)	-	-	-	(183,463)
Acquisition of treasury shares	-	-	-	-	-	(1,561)	-	(1,561)
Cancellation of treasury shares	(414,864)	(415)	-	(3,517)	-	3,932	-	0
Share-based compensation	-	-	-	-	-	-	1,183	1,183
<i>Profit for the period</i>	-	-	-	-	-	-	72,927	72,927
<i>Other comprehensive income for the period</i>	-	-	-	-	6,093	-	-	6,093
Total comprehensive income for the period	-	-	-	-	6,093	-	72,927	79,020
Balance as of December 31, 2022	29,621,074	29,621	207	49,747	3,218	(4,359)	162,575	241,009

Condensed consolidated statement of cash flows

For the years ended December 31, 2021 and 2022

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

	2021	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	92,138	72,927
Adjustments to reconcile net profit to net cash generated by operating activities:		
Depreciation and impairment	41,381	38,498
Gain on sale of vessels	-	(67,038)
Directors' remuneration settled by issuance of Company's shares	100	100
Equity-settled share-based payment transactions	2,935	2,444
Net financial expenses	7,633	5,834
Changes in operating assets and liabilities:		
(Increase) / decrease in trade receivables	(9,723)	3,727
Increase in receivables from related parties	(1,009)	(1,491)
Decrease / (increase) in prepayments and other current assets	668	(966)
(Increase) / decrease in inventories	(1,734)	1,925
Increase in trade payables	566	210
(Decrease) / increase in payables to related parties	(38)	100
Increase / (decrease) in accruals and deferred income	2,241	(2,804)
Cash provided by operations	135,158	53,466
Interest paid	(7,189)	(5,863)
Net cash provided by operating activities	127,969	47,603
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for vessels	(4,356)	(18,087)
Net proceeds from vessels' sale	-	207,350
Financial income received	-	246
Net cash (used in) / provided by investing activities	(4,356)	189,509
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury shares	(413)	(1,561)
Capital repayment	(93,726)	(183,463)
Bank loan repayments	(27,429)	(76,047)
Net cash used in financing activities	(121,568)	(261,071)
Net change in cash and cash equivalents	2,045	(23,959)
Cash and cash equivalents, beginning of the year	37,608	39,653
Cash and cash equivalents, end of the year	39,653	15,694
Non-cash investing and financing activities		
Unpaid capital expenditure relating to dry dock	2,112	1,679

About GoodBulk Ltd.

GoodBulk, incorporated in Bermuda, is an owner and operator of dry bulk vessels formed in October 2016 for the purpose of owning high quality second hand dry bulk vessels between 50,000–210,000 DWT. As of 8 March 2023, GoodBulk controlled a fleet of 11 Capesize vessels. Designed to provide an efficient company for investors to access the dry bulk market, all vessels are externally managed by C Transport Maritime S.A.M. a leading third-party manager of dry bulk vessels. GoodBulk is listed on the Norwegian OTC market under the symbol “BULK.” More information can be found online at www.goodbulk.com.

Forward Looking Statements

This release includes forward-looking statements. Such statements are generally not historical in nature, and specifically include statements about the Company’s plans, strategies, business prospects, changes and trends in its business and the markets in which it operates, sometimes identified by the words such as "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. These statements are made based upon management’s current plans, expectations, assumptions and beliefs concerning future events impacting the Company and therefore involve a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, which speak only as at the date of this release. Consequently, no forward-looking statement can be guaranteed. The Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, the Company cannot assess the impact of each such factors on its business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement.

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