



GOLDEN OCEAN™

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RESULTS Q2 - 2021

August 26, 2021



# FORWARD LOOKING STATEMENTS



*Matters discussed in this presentation may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995, or the PSLRA, provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.*

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*The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the Company's control, the Company cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. As a result, you are cautioned not to rely on any forward-looking statements.*

*In addition to these important factors and matters discussed elsewhere herein, important factors that, in the Company's view, could cause actual results to differ materially from those discussed in the forward-looking statements, include among other things: the Company's future operating or financial results; the Company's continued borrowing availability under its debt agreements and compliance with the covenants contained therein; the Company's ability to procure or have access to financing, the Company's liquidity and the adequacy of cash flows for the Company's operations; the Company's ability to successfully employ its existing and newbuilding dry bulk vessels and replace its operating leases on favorable terms, or at all; changes in the Company's operating expenses and voyage costs, including bunker prices, fuel prices (including increases costs for low sulfur fuel), dry docking, crewing and insurance costs; the Company's ability to fund future capital expenditures and investments in the construction, acquisition and refurbishment of the Company's vessels (including the amount and nature thereof and the timing of completion thereof, the delivery and commencement of operations dates, expected downtime and lost revenue); planned, pending or recent acquisitions, business strategy and expected capital spending or operating expenses, including drydocking, surveys, upgrades and insurance costs; risks associated with vessel construction; the Company's expectations regarding the availability of vessel acquisitions and its ability to complete acquisition transactions planned; vessel breakdowns and instances of off-hire; potential differences in interest by or among certain members of the Company's board of directors, or the Board, executive officers, senior management and shareholders; potential liability from pending or future litigation; potential exposure or loss from investment in derivative instruments; general dry bulk shipping market trends, including fluctuations in charter hire rates and vessel values; changes in supply and demand in the dry bulk shipping industry, including the market for the Company's vessels and the number of newbuildings under construction; the strength of world economies; stability of Europe and the Euro; fluctuations in interest rates and foreign exchange rates; changes in seaborne and other transportation; changes in governmental rules and regulations or actions taken by regulatory authorities; general domestic and international political conditions; potential disruption of shipping routes due to accidents or political events; and other important factors described from time to time in the reports filed by the Company with the U.S. Securities and Exchange Commission, including the Company's most recently filed Annual Report on Form 20-F for the year ended December 31, 2020.*

*The Company cautions readers of this presentation not to place undue reliance on these forward-looking statements, which speak only as of their dates. Except to the extent required by applicable law or regulation, the Company undertakes no obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events. These forward-looking statements are not guarantees of the Company's future performance, and actual results and future developments may vary materially from those projected in the forward-looking statements.*



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## COMPANY UPDATE

# HIGHLIGHTS

- Adjusted **EBITDA** in the second quarter of 2021 was **\$130.5 million**, compared with \$54.6 million in the first quarter of 2021
- The Company reports **net income of \$104.5 million** and earnings per share of \$0.52 for the second quarter of 2021, compared with net income of \$23.6 million and earnings per share of \$0.14 for the first quarter of 2021
- **Completed the acquisitions of 15 modern dry bulk vessels and three newbuildings**, all of which have been delivered to the Company
- **Signed agreement to refinance existing credit facility with Sterna Finance**, securing up to \$435 million of new, long-term financing on highly attractive terms and **reducing the Company's daily cash break even levels**
- **Reported TCE rates for Capesize and Panamax vessels** of \$29,372 per day and \$18,987 per day, respectively, in the second quarter of 2021
- **Converted time charters from floating rates to average fixed rates of \$33,250** gross until the second quarter of 2022 for three Capesize vessels (180k dwt)
- **Terminated relationship with Capesize Chartering Ltd**, taking full control of the Company's commercial activities of Capesize vessels
- **Estimated TCE rates for the third quarter of 2021** calculated on a load-to-discharge basis and inclusive of charter coverage are:
  - approximately \$33,500 per day contracted for 71% of the available days for Capesize vessels<sup>(1)</sup>
  - approximately \$22,900 per day contracted for 92% of the available days for Panamax vessels<sup>(1)</sup>
- **Announces a dividend of \$0.50 per share** for the second quarter of 2021



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<sup>1</sup>) THE COMPANY EXPECTS SPOT TCE RATES FOR THE FULL THIRD QUARTER OF 2021 TO BE LOWER THAN THE RATES CURRENTLY CONTRACTED DUE TO THE IMPACT OF BALLAST DAYS AT THE END OF THE THIRD QUARTER OF 2021

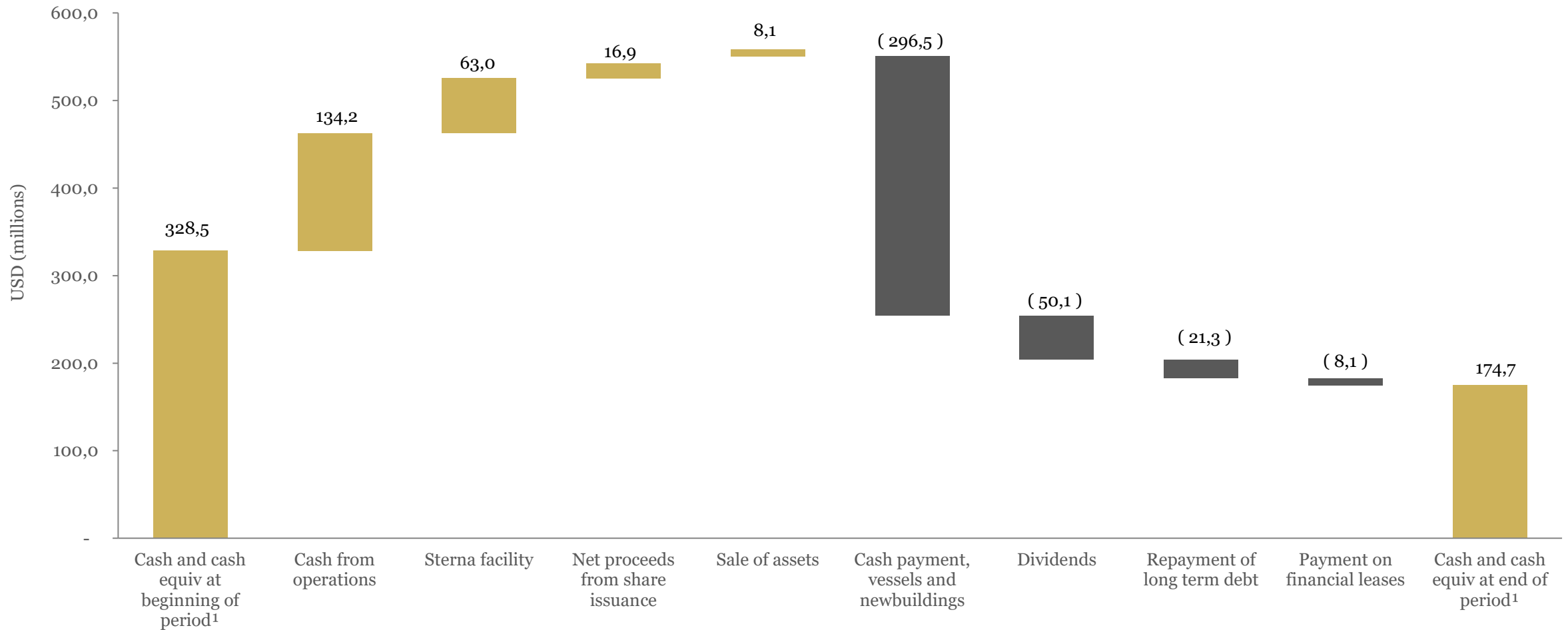
# PROFIT & LOSS



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(in thousands of \$)	Q2 2021	Q1 2021	Quarterly Variance
Operating revenues and other operating income / expenses	278,612	158,702	119,910
Voyage expenses	(62,955)	(39,233)	(23,722)
<b>Net revenues</b>	<b>215,657</b>	<b>119,469</b>	<b>96,188</b>
Ship operating expenses	(50,283)	(48,617)	(1,666)
Administrative expenses	(4,605)	(4,115)	(490)
Charter hire expenses	(33,152)	(13,920)	(19,232)
Depreciation	(30,248)	(26,798)	(3,450)
Impairment loss on vessels	-	(4,187)	4,187
<b>Net operating expenses</b>	<b>(118,288)</b>	<b>(97,637)</b>	<b>(20,651)</b>
<b>Net operating income</b>	<b>97,369</b>	<b>21,832</b>	<b>75,537</b>
Net financial expenses	(9,586)	(8,714)	(872)
Derivatives and other financial income	16,742	10,481	6,261
<b>Net income before taxation</b>	<b>104,525</b>	<b>23,599</b>	<b>80,926</b>
Income tax expense	(30)	(20)	(10)
<b>Net income</b>	<b>104,495</b>	<b>23,579</b>	<b>80,916</b>
Earnings per share: basic and diluted	\$0.52	\$0.14	\$0.38
<b>Adjusted EBITDA</b>	<b>130,459</b>	<b>54,589</b>	<b>75,870</b>
<b>TCE per day</b>	<b>24,920</b>	<b>15,886</b>	<b>9,034</b>

# CASH FLOW – Q2 2021



1) INCLUDES RESTRICTED CASH

# BALANCE SHEET



(in thousands of \$)	Q2 2021	Q1 2021	Quarterly Variance
<b>ASSETS</b>			
<b>Short term</b>			
Cash and cash equivalents (incl. restricted cash)	174,817	328,546	(153,729)
Other current assets	190,345	156,415	33,930
<b>Long term</b>			
Vessels and equipment, net (incl. Held for Sale)	2,964,677	2,241,633	723,044
Newbuildings	-	43,602	(43,602)
Leases, right of use of assets	125,619	130,970	(5,351)
Other long term assets	27,218	88,114	(60,896)
<b>Total assets</b>	<b>3,482,676</b>	<b>2,989,280</b>	<b>493,396</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Short term</b>			
Current portion of long-term debt	85,062	85,414	(352)
Current portion of long-term related party debt	27,058	-	27,058
Current portion of finance lease obligations	24,197	23,832	365
Current portion of operating lease obligations	16,173	16,677	(504)
Other current liabilities	151,759	113,103	38,656
<b>Long term</b>			
Long-term debt	858,307	878,620	(20,313)
Long-term related party debt	386,542	-	386,542
Non-current portion of finance lease obligations	115,340	121,547	(6,207)
Non-current portion of operating lease obligations	18,400	21,684	(3,284)
<b>Equity</b>	<b>1,799,838</b>	<b>1,728,403</b>	<b>71,435</b>
<b>Total liabilities and equity</b>	<b>3,482,676</b>	<b>2,989,280</b>	<b>493,396</b>

# NEW BANK AND LEASE FINANCINGS FOR 18 VESSELS



## KEY TERMS – LEASE FINANCING

Lessor:	Leading Chinese leasing company
Vessels:	8 Kamsarmax and 4 Newcastlemax
Tenor:	7 Year
Amount:	Up to \$260 million
Repayment profile:	22 years age adjusted
Margin:	200 bps
Financial covenants:	As per existing facilities

- Signed agreements in August 2021 to refinance existing credit facility for-the 18 newly-acquired vessels
- Up to \$435 million of new, long-term financing
- Expanding the Company's bank group with five new lenders, substantially increasing the funding capacity
- Further reducing the Company's cash break-even levels
- Evidencing the Company's ability to obtain financings at highly attractive terms

## KEY TERMS – BANK FINANCING

Banks:	Leading global shipping banks
Vessels:	6 Newcastlemax
Tenor:	5 Year
Amount:	\$175 million
Repayment profile:	19 years age adjusted
Margin:	190 bps
Financial covenants:	As per existing facilities





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## MARKET REVIEW & OUTLOOK

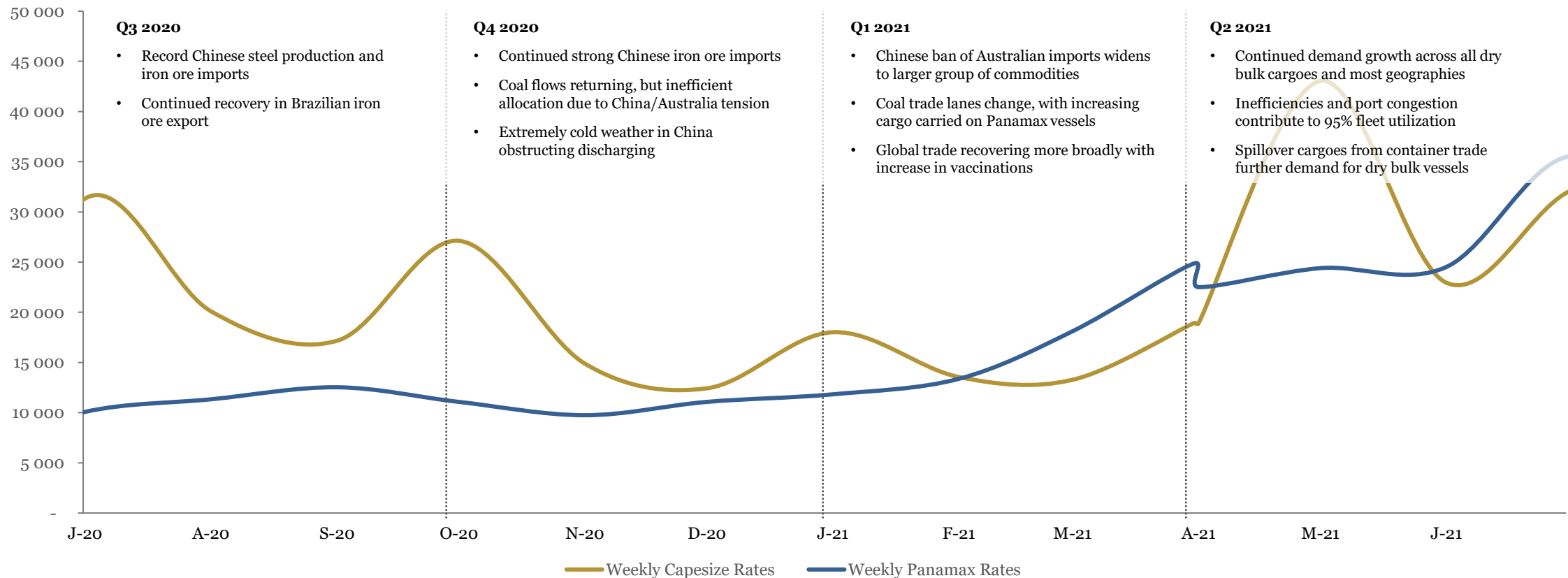
# Q2 MARKET DEVELOPMENTS



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Demand growth across all dry bulk cargoes and most geographies and high fleet utilization continue to drive strength in freight rates

## WEEKLY DRY BULK SHIPPING RATES – LAST 12 MONTHS



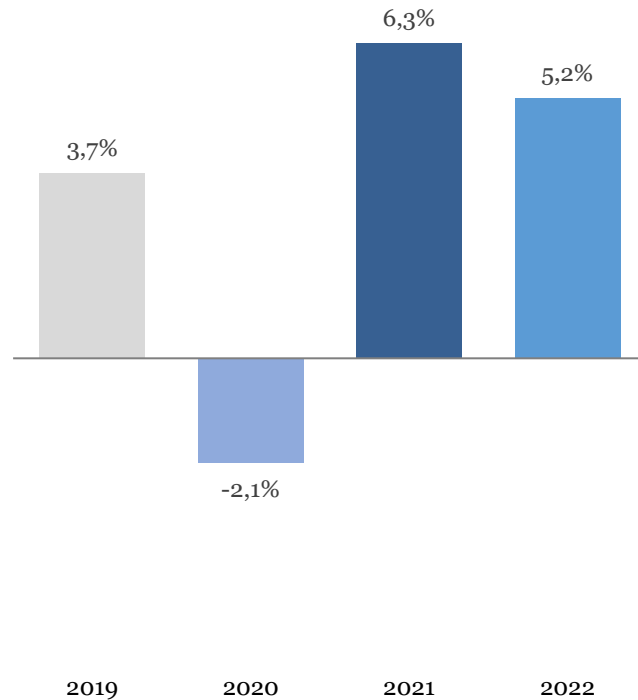
# MULTIPLE YEARS OF STRONG DEMAND GROWTH



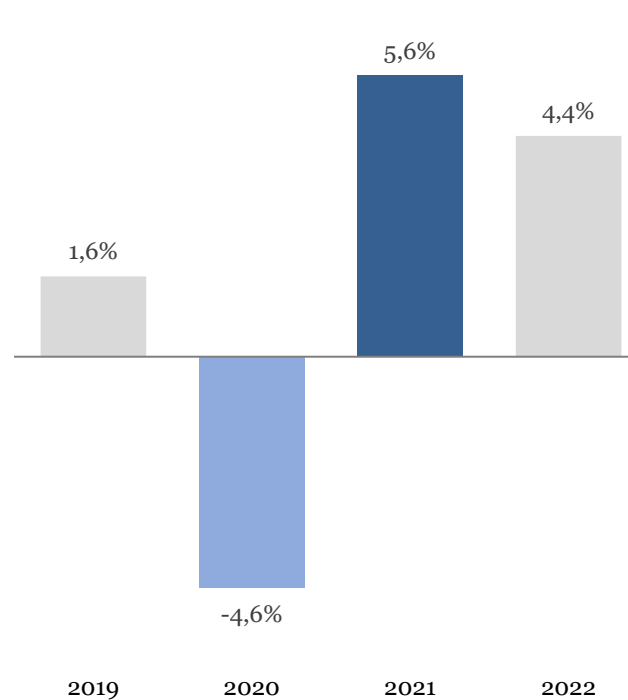
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Rebound in global GDP growth led by strong growth in emerging economies, which have historically been primary drivers of dry bulk demand

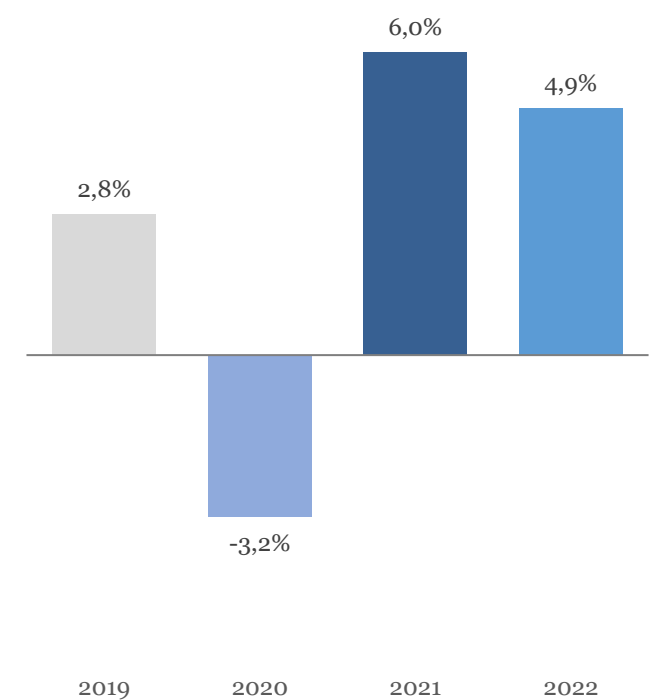
## EMERGING ECONOMIES



## ADVANCED ECONOMIES



## GLOBAL ECONOMY



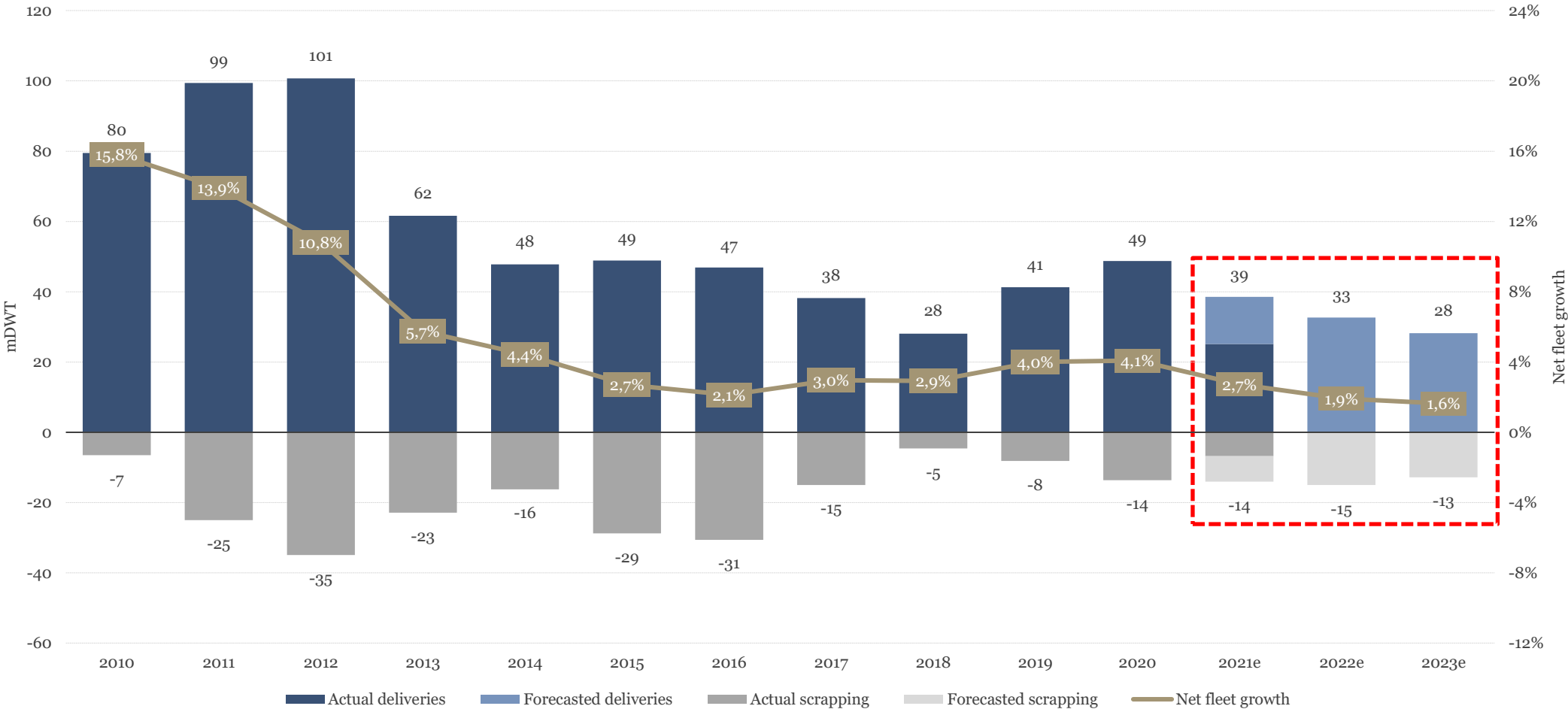
# DRY BULK NET FLEET GROWTH IS THE LOWEST IN 30 YEARS



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Orderbook is likely to stay muted due to limited slot availability before 2024 due to increasing prices, availability of financing and new emissions regulations

## ESTIMATED NET FLEET GROWTH OF ~2.7% (2021), ~1.9% (2022) AND 1.6% (2023)





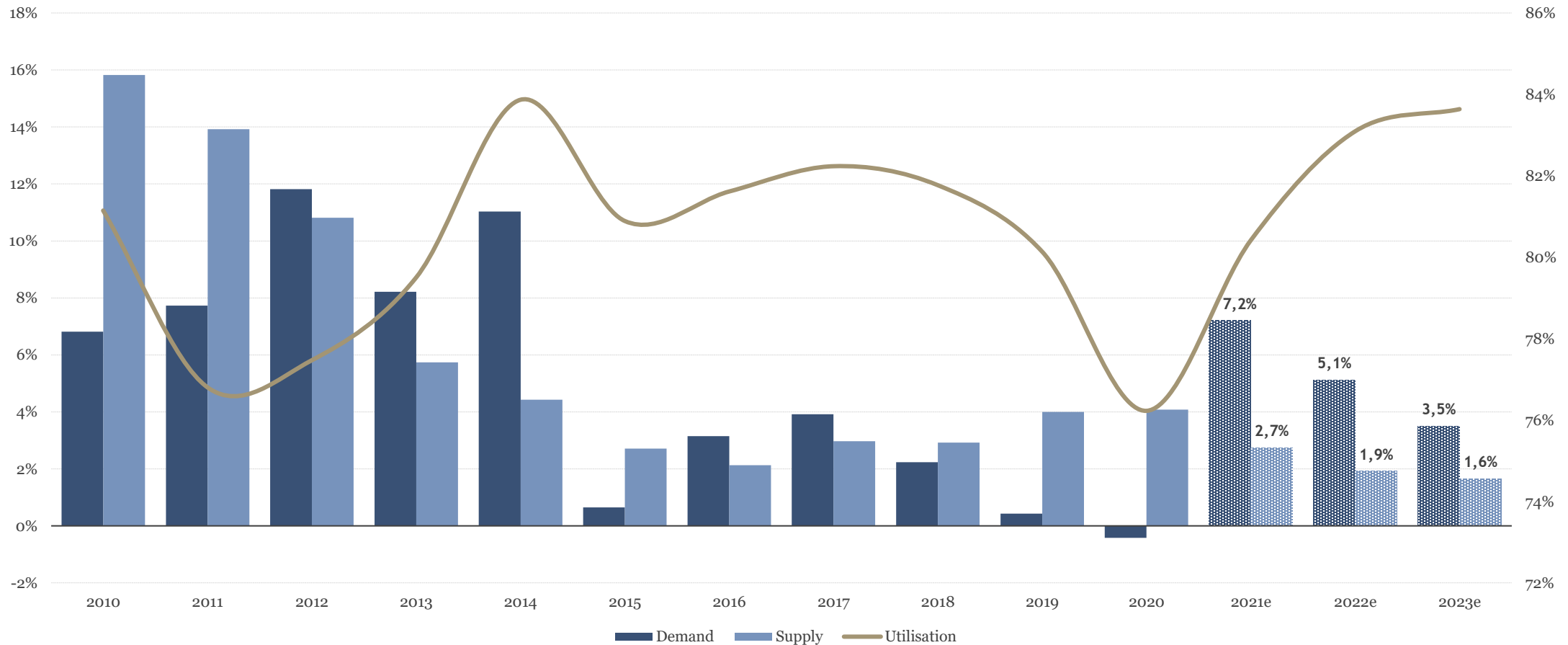
# DEMAND TO OUTPACE SUPPLY THROUGH 2023



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Fleet utilization is forecast to increase, supporting continued strong freight rate environment

## SUPPLY / DEMAND MARKET BALANCE

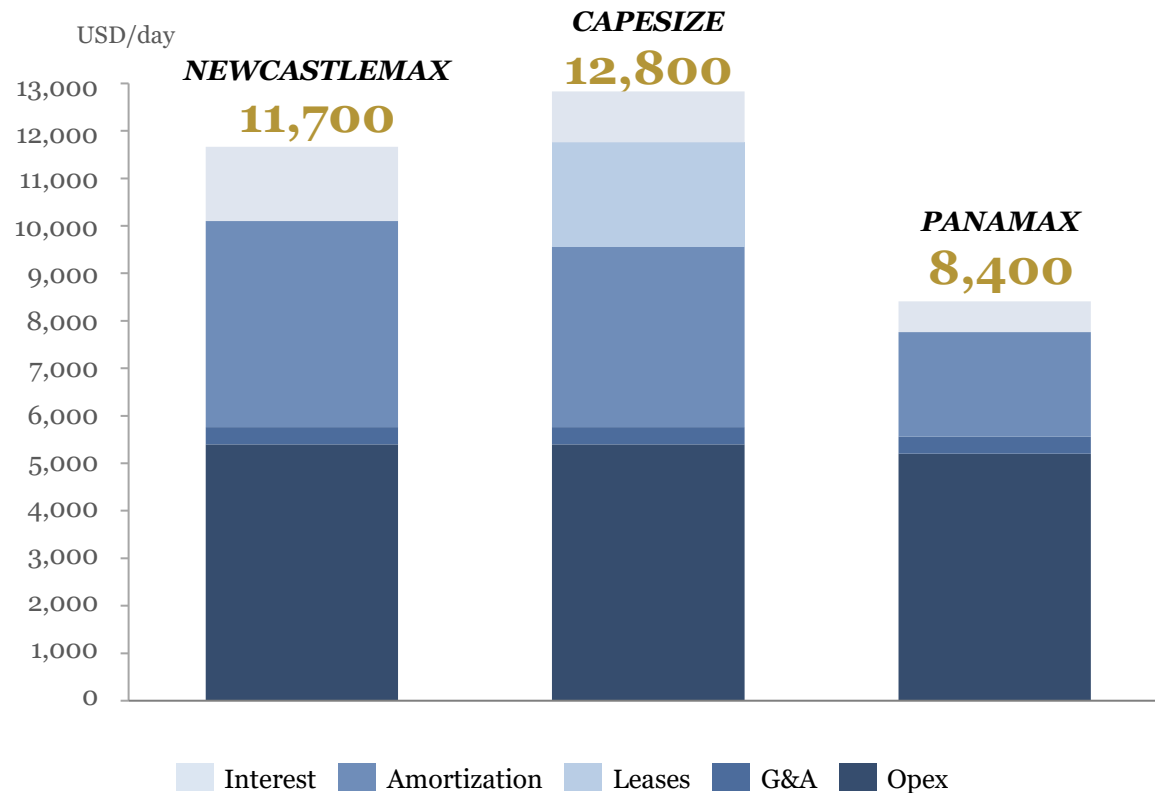


# INDUSTRY LOW CASH BREAK-EVEN SUPPORTS CASH GENERATION

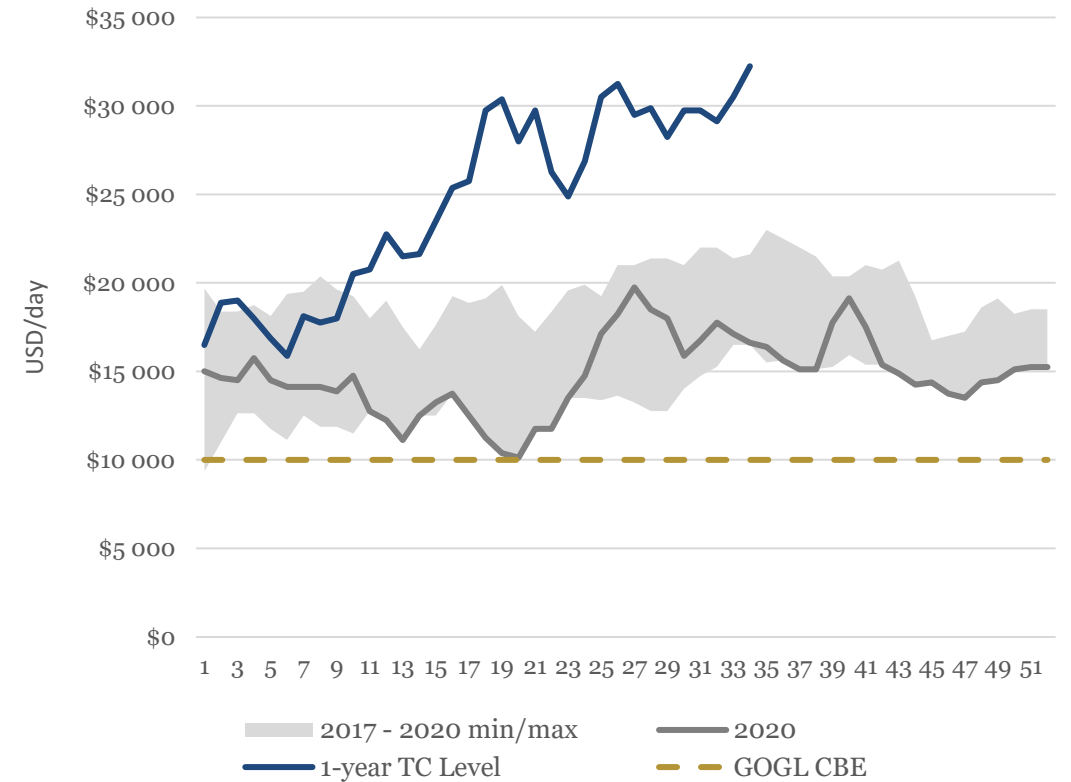


Achieved through well-timed acquisitions, economies of scale and access to competitive financing

## CASH BREAK-EVEN



## CAPESIZE 1YR TC RATES (USD/DAY)



# STRONG CASH FLOW POTENTIAL



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Significant earnings potential with 94-vessel fleet comprised almost exclusively of Capesize and Panamax vessels

## ANNUALIZED FREE CASH FLOW ABOVE CBE AT DIFFERENT ACHIEVED RATES



# EXITING CAPE-SIZE CHARTERING LTD

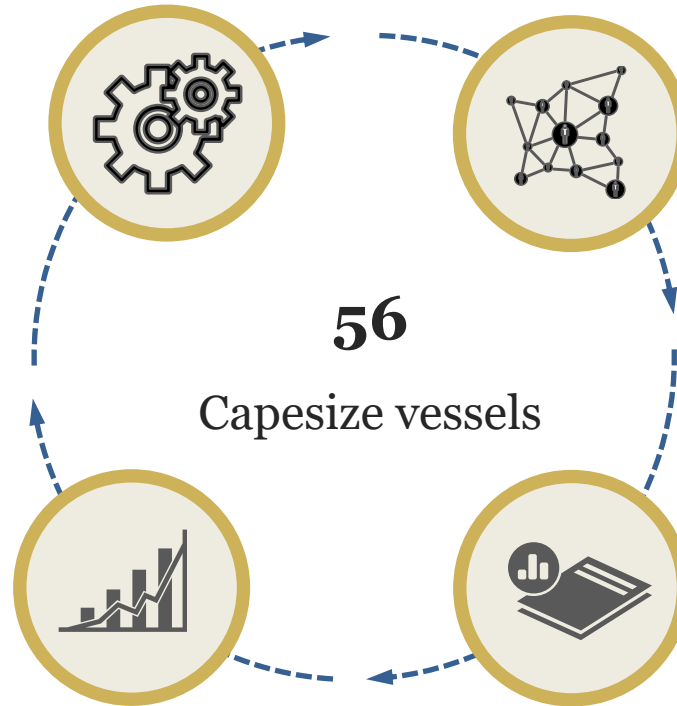


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Earlier in the year, Golden Ocean cemented its position as the largest listed owner of Capes through the acquisition of 10 Newcastlemaxes

## Enhances commercial flexibility

Removes restrictions for pooled vessels, including ability to enter into TCs, position vessels and secure COAs.



## Direct customer relationships

Further increases commercial brand and allows for expansion of relationships with key customers.

## Creates accountability and drives returns

Improves ability to directly control the P&L and further motivates team to outperform.

## Simplifies reporting and provides greater transparency

Eliminates complexities of pool accounting and streamlines commercial platform.

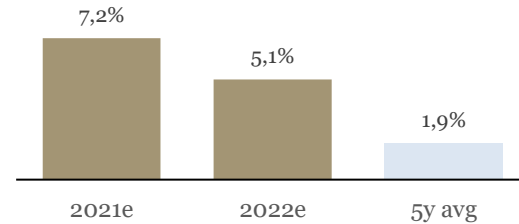


# STARS ARE ALIGNED – STRONGER FOR LONGER

Fundamentals in place for prolonged market upturn

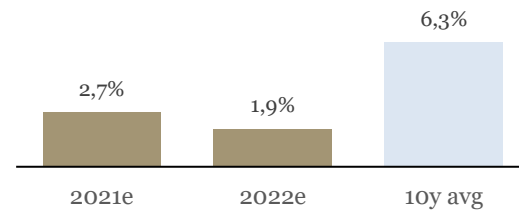
## UNIQUE SITUATION WITH ALL KEY FACTORS FOR A BULL MARKET RUN PRESENT

### ***Demand growth***



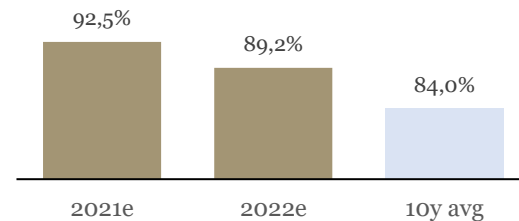
- ✓ **Strong economic growth** to continue as recovery gains speed
- ✓ **The relative cost of freight transportation is low** due to higher commodity prices have pushed the relative cost of freight down

### ***Net fleet growth***



- ✓ **Modest net fleet growth** forecast for at least the next 18 months
- ✓ **Lowest fleet growth seen over last 30 years**
- ✓ **Low likelihood of significant ordering** due to high newbuilding prices, limited yard capacity and tougher financing environment

### ***Fleet Utilization***



- ✓ Utilization at **highest level since 2010**
- ✓ Persistent fleet inefficiencies due to the pandemic have **decreased productivity and effective fleet supply**
- ✓ **Inefficient allocation of coal**
- ✓ **Dry bulk vessels transporting containers?**



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## QUESTIONS & ANSWERS

THANK YOU FOR YOUR ATTENTION!



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