



GOLDEN OCEAN™

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RESULTS Q2 - 2022

August 25, 2022

# FORWARD LOOKING STATEMENTS



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*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.*

*The Company is taking advantage of the safe harbor provisions of the PSLRA and is including this cautionary statement in connection therewith. This document and any other written or oral statements made by the Company or on its behalf may include forward-looking statements, which reflect the Company's current views with respect to future events and financial performance. This earnings report includes assumptions, expectations, projections, intentions and beliefs about future events. These statements are intended as "forward-looking statements." The Company cautions that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material. When used in this document, the words "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "projects," "likely," "will," "would," "could" and similar expressions or phrases may identify forward-looking statements.*

*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; the overall impact of inflation and the rise 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, climate-related (acute and chronic), political instability, terrorist attacks, piracy or international hostilities, including the ongoing aggression between Russia and Ukraine; the length and severity of epidemics and pandemics, including COVID-19 and its impact on the demand for seaborne transportation in the dry bulk sector; the impact of increasing scrutiny and changing expectations from investors, lenders, charterers and other market participants with respect to our Environmental, Social and Governance practices; new environmental regulations and restrictions, whether at a global level stipulated by the International Maritime Organization, and/or regional/national imposed by regional authorities such as the European Union or individual countries; 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, 2021.*

*The Company cautions readers of this report 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 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 AND FINANCIAL UPDATE

# HIGHLIGHTS

- Adjusted **EBITDA** in the second quarter of 2022 was **\$191.6 million** compared with \$149.4 million in the first quarter of 2022
- The Company reports **net income of \$163.7 million** and earnings per share of \$0.82 for the second quarter of 2022 compared with \$125.3 million and earnings per share of \$0.63 for the first quarter of 2022
- **Reported TCE rates for Capesize and Panamax vessels** of \$30,661 per day and \$27,581 per day, respectively, in the second quarter of 2022
- Entered into agreements to **sell two Ultramax**es and **construct three Kamsarmax vessels** at attractive prices.
- **Published the Company's fourth annual ESG report for 2021**
  - Set targets for scope 1 emission reduction and aims to reduce its Annual Efficiency Ratio (AER) by 15% by 2026 and 30% by 2030, compared to 2019 levels
  - The Company targets net-zero emissions by 2050
- **Estimated TCE rates, inclusive of charter coverage, are:**
  - Q3: \$27.9k per day for 80% of Capesize days and \$27.1k per day for 96% of Panamax days <sup>(1)</sup>
  - Q4: \$29.5k per day for 25% of Capesize days and \$21.9k per day for 27% of Panamax days <sup>(1)</sup>
- **Announce a dividend of \$0.60 per share** for the second quarter of 2022



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1) THE COMPANY EXPECTS SPOT TCE RATES FOR THE FULL THIRD QUARTER OF 2022 TO BE LOWER THAN THE RATES CURRENTLY CONTRACTED DUE TO THE IMPACT OF BALLAST DAYS AT THE END OF THE THIRD QUARTER OF 2022

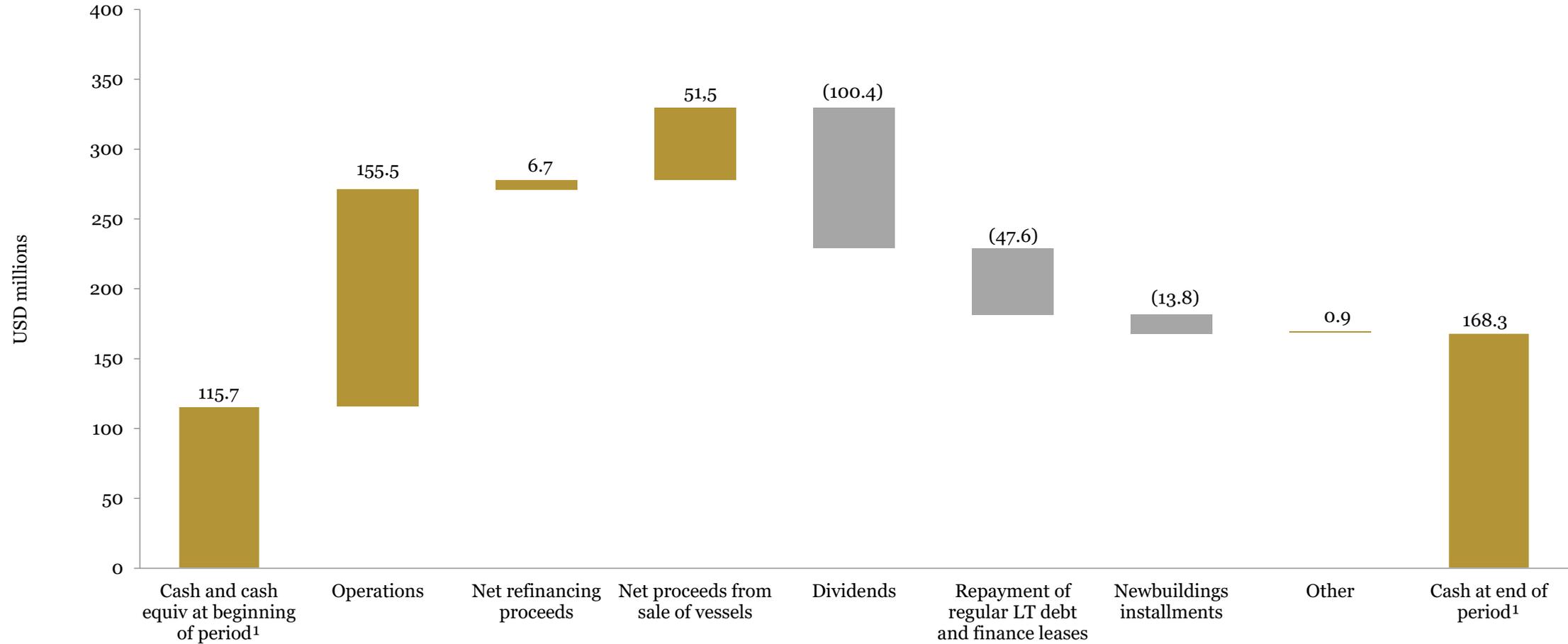
# PROFIT & LOSS



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(in thousands of \$)	Q2 2022	Q1 2022	Quarterly Variance
Operating revenues and other operating income/expenses	316 665	264 771	51 894
Voyage expenses	(66 628)	(56 273)	(10 355)
<b>Net revenues</b>	<b>250 037</b>	<b>208 498</b>	<b>41 539</b>
<b>Gain from disposal of vessels</b>	<b>9 516</b>	<b>-</b>	<b>9 516</b>
Ship operating expenses	(50 369)	(58 165)	7 796
Administrative expenses	(5 497)	(5 127)	(370)
Charter hire expenses	(15 380)	(10 303)	(5 077)
Depreciation	(32 534)	(32 434)	(100)
<b>Net operating expenses</b>	<b>(103 780)</b>	<b>(106 029)</b>	<b>2 249</b>
<b>Net operating income</b>	<b>155 773</b>	<b>102 469</b>	<b>53 304</b>
Net financial expenses	(11 873)	(9 987)	(1 886)
Derivatives and other income	19 879	32 876	(12 997)
<b>Net income before taxation</b>	<b>163 779</b>	<b>125 358</b>	<b>38 421</b>
Income tax expense	(30)	(35)	5
<b>Net income</b>	<b>163 749</b>	<b>125 323</b>	<b>38 426</b>
Earnings per share: basic and diluted	\$0.82/\$0.81	\$0.63/\$0.62	\$0.19
<b>Adjusted EBITDA</b>	<b>191 643</b>	<b>149 359</b>	<b>42 284</b>
<b>TCE per day</b>	<b>29 431</b>	<b>24 330</b>	<b>5 101</b>

# CASH FLOW – Q2 2022



1) INCLUDES RESTRICTED CASH

# BALANCE SHEET



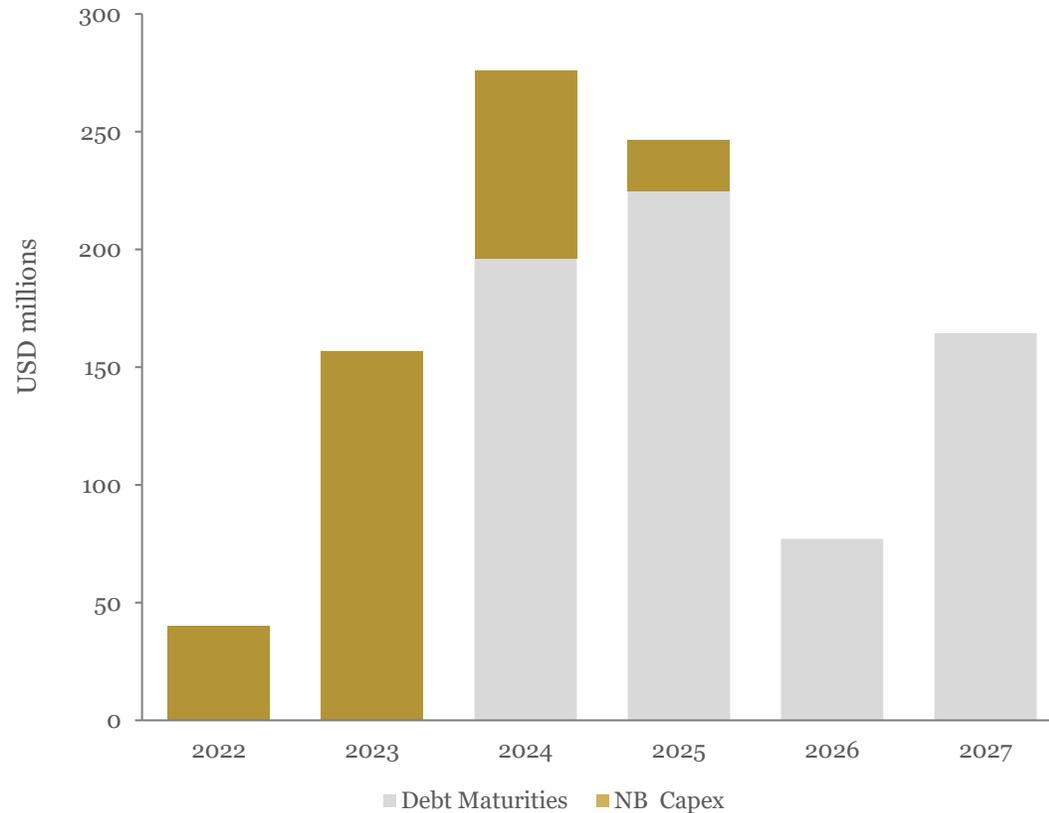
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(in thousands of \$)	Q2 2022	Q1 2022	Quarterly Variance
<b>ASSETS</b>			
<b>Short term</b>			
Cash and cash equivalents (incl. restricted cash)	168 321	115 721	52 600
Other current assets	186 784	182 846	3 938
<b>Long term</b>			
Vessels and equipment, net (incl. held for sale)	2 784 845	2 855 375	(70 530)
Newbuildings	49 830	35 890	13 940
Leases, right of use assets	116 775	121 653	(4 878)
Other long-term assets	81 150	49 956	31 194
<b>Total assets</b>	<b>3 387 705</b>	<b>3 361 441</b>	<b>26 264</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Short term</b>			
Current portion of long-term debt	96 070	104 355	(8 285)
Current portion of finance lease obligations	18 517	20 147	(1 630)
Current portion of operating lease obligations	11 695	19 240	(7 545)
Other current liabilities	103 943	102 635	1 308
<b>Long term</b>			
Long-term debt	1 101 399	1 125 567	(24 168)
Non-current portion of finance lease obligations	96 823	101 400	(4 577)
Non-current portion of operating lease obligations	21 150	14 277	6 873
<b>Equity</b>	<b>1 938 108</b>	<b>1 873 820</b>	<b>64 288</b>
<b>Total liabilities and equity</b>	<b>3 387 705</b>	<b>3 361 441</b>	<b>26 264</b>

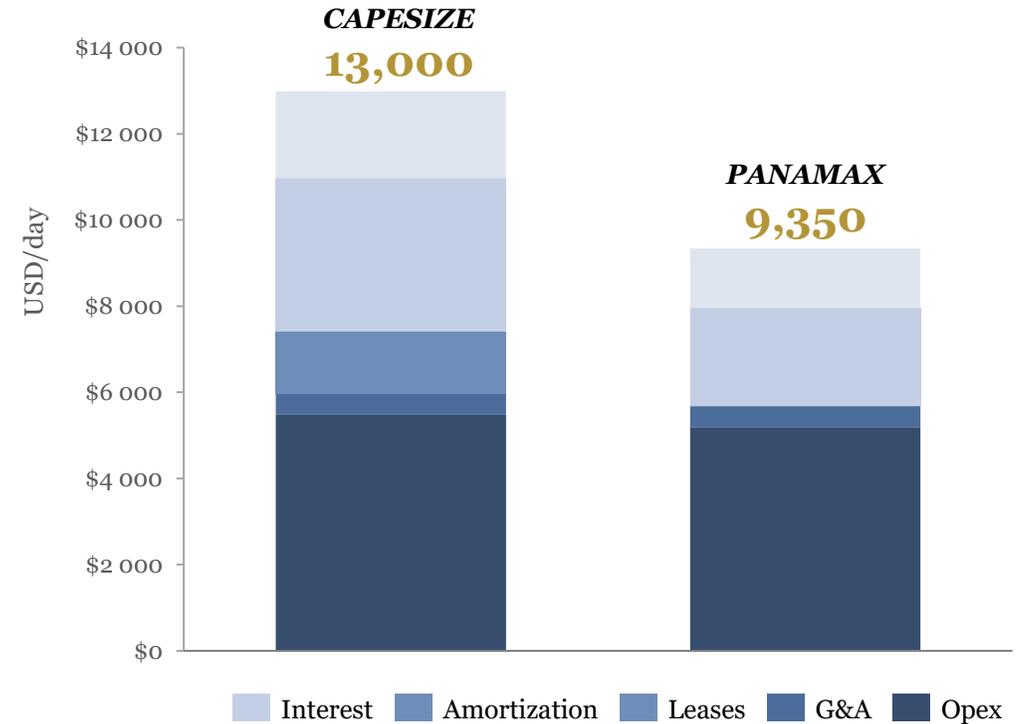
# DEBT MATURITIES, CAPEX & CBE

No bank maturities before 2024 - equity capex funded by sale of vessels

## DEBT MATURITIES & CAPEX



## CASH BREAK EVEN





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## MARKET REVIEW & OUTLOOK

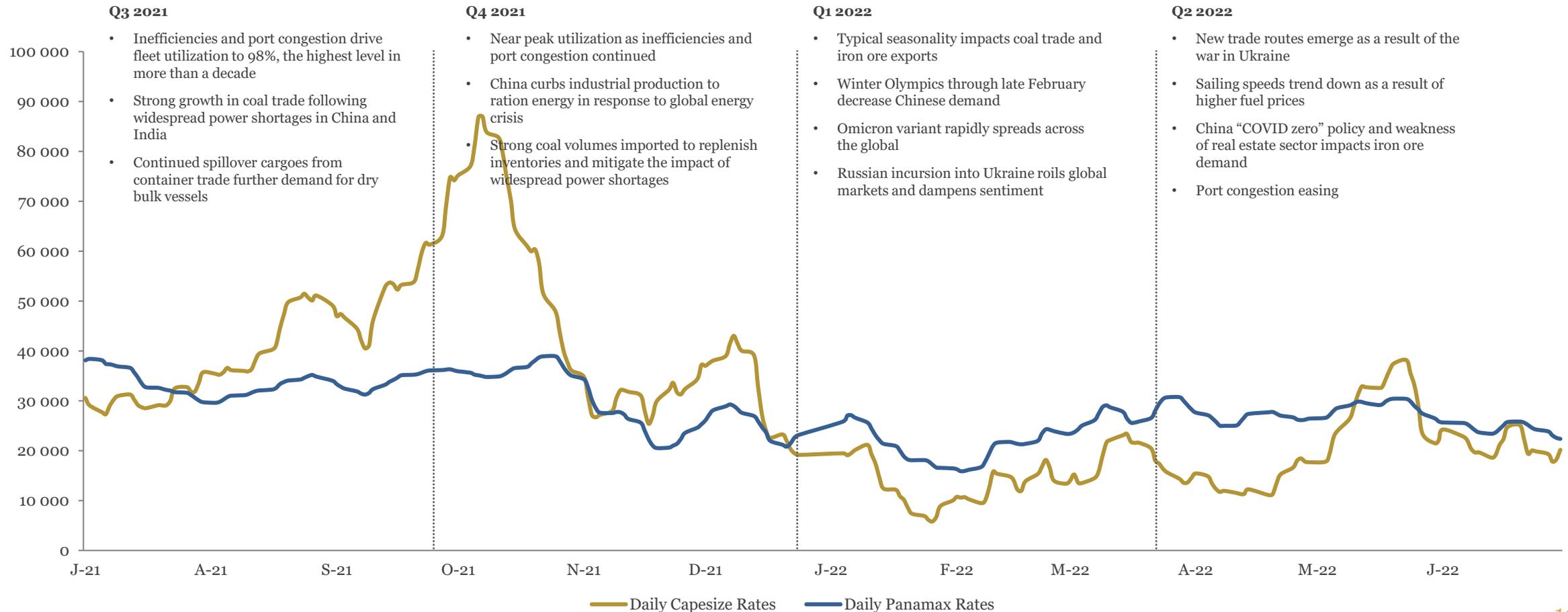
# Q2 MARKET DEVELOPMENTS



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Freight rates have come under pressure as a result of demand disruption in China and reduced port congestion; new trade lanes emerging for grains and coal as a result of the war in Ukraine

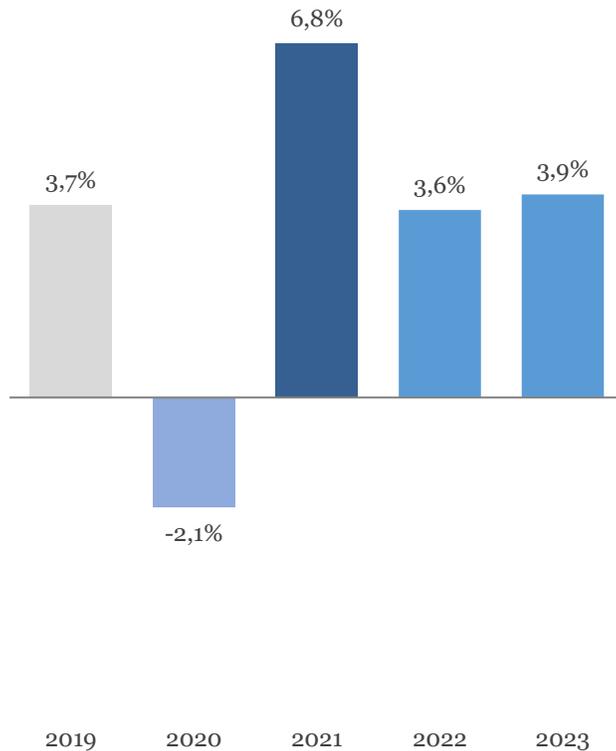
## DAILY DRY BULK SHIPPING RATES – LAST 12 MONTHS



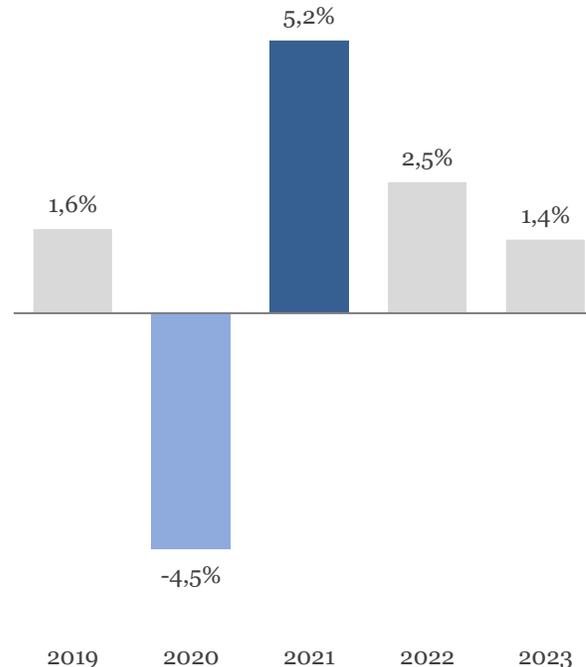
# DESPITE DOWNWARD REVISIONS, GDP GROWTH FORECASTS CONTINUE TO SUPPORT DRY BULK DEMAND

Growth forecasts from emerging economies, particularly India, remain above pre-pandemic levels and will likely be supportive of continued demand for dry bulk commodities

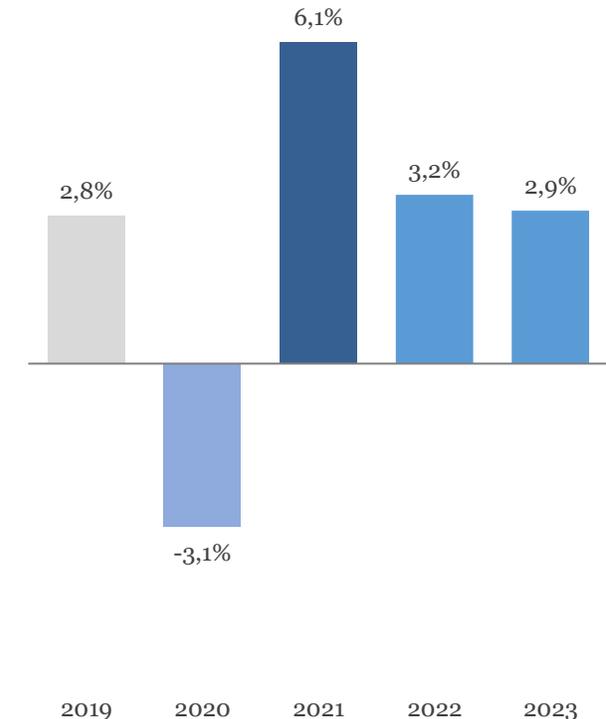
## EMERGING ECONOMIES



## ADVANCED ECONOMIES



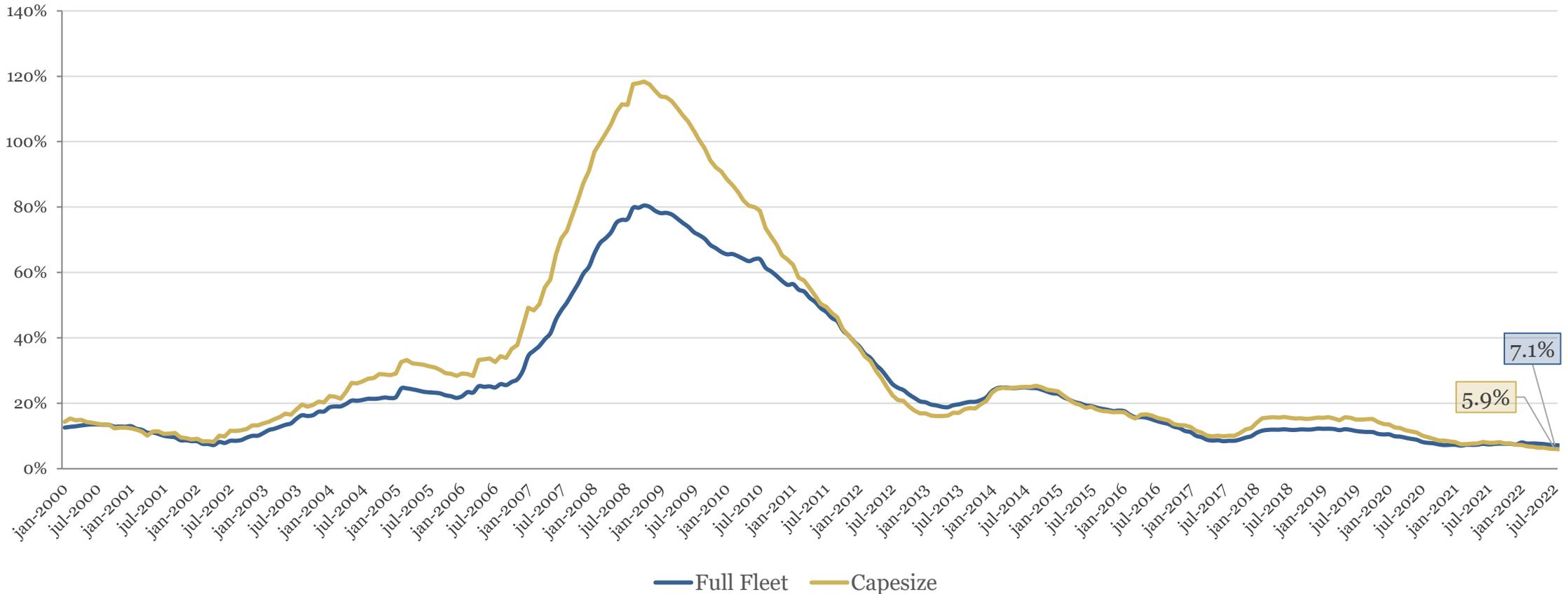
## GLOBAL ECONOMY



# HIGHLY POSITIVE SUPPLY DYNAMICS WITH ORDERBOOK AT 30-YEAR LOWS

The orderbook for the next several years is highly visible and is set to continue to decline further as we move through 2022

## ORDERBOOK AS % OF GLOBAL FLEET



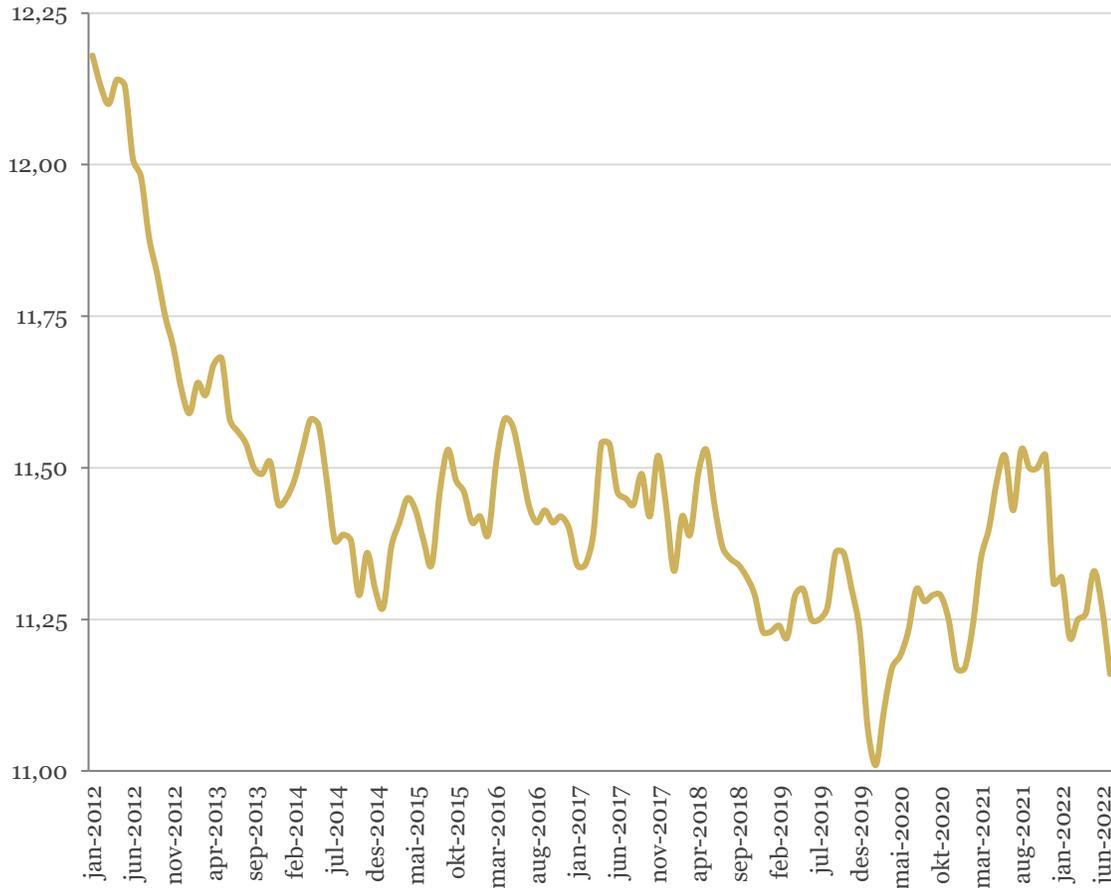
# IMO EEXI REGULATIONS TO IMPACT FLEET EFFICIENCY



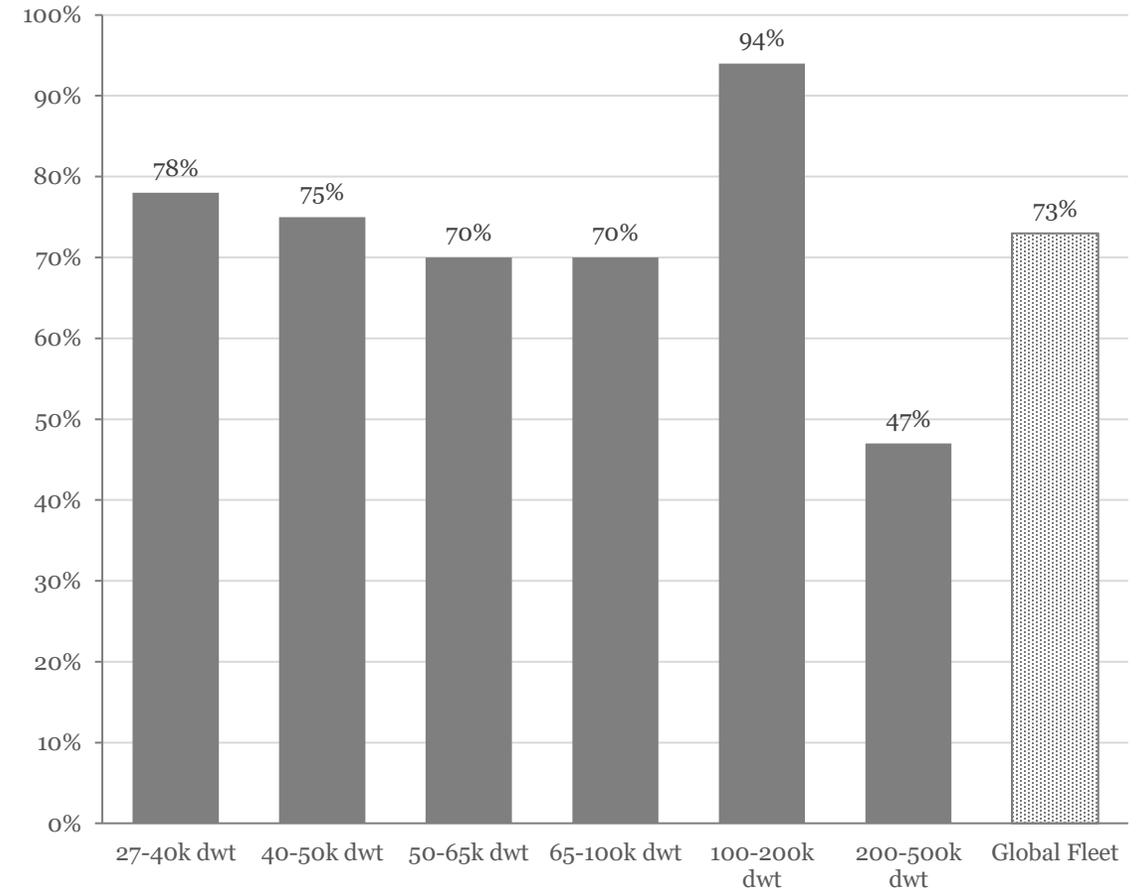
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Declining trend of reduced sailing speeds will be amplified by the 2023 IMO regulations - decreasing the effective fleet supply

## AVERAGE VESSEL SPEED



## ESTIMATED EEXI NON-COMPLIANCE



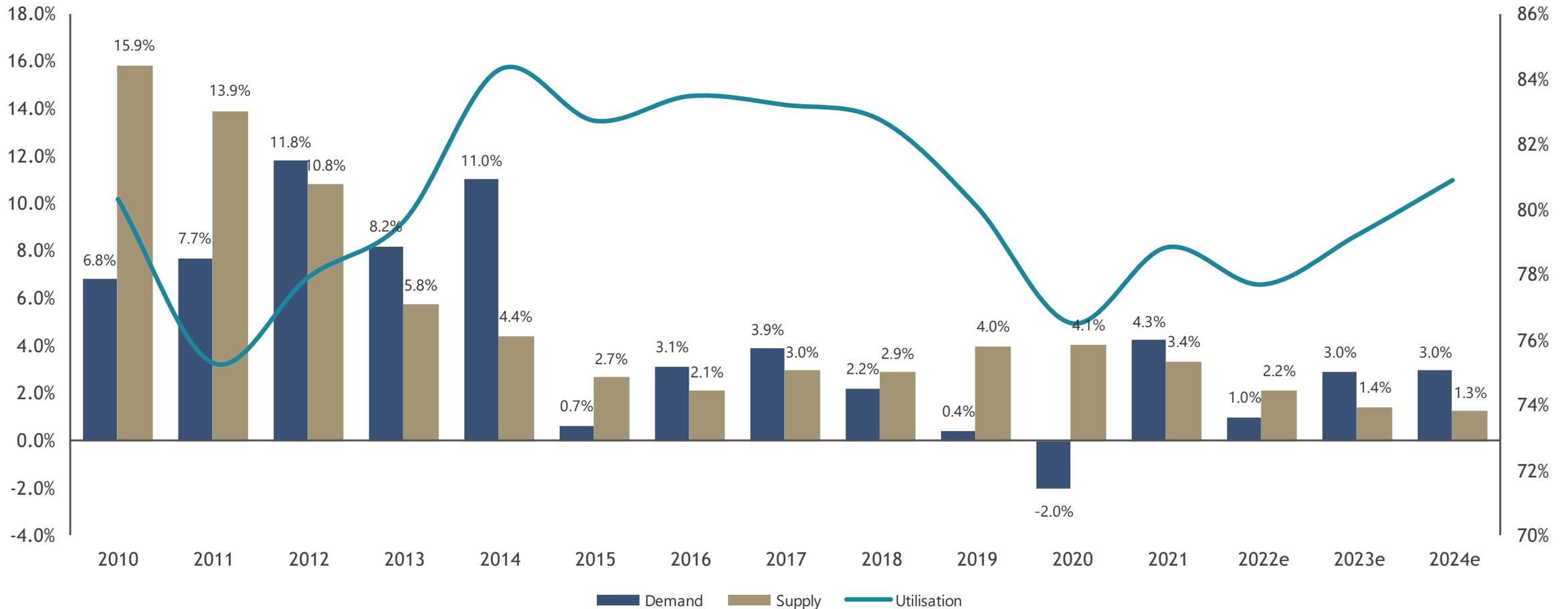
# DEMAND TO OUTPACE SUPPLY FROM NEXT YEAR



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

## SUPPLY / DEMAND MARKET BALANCE

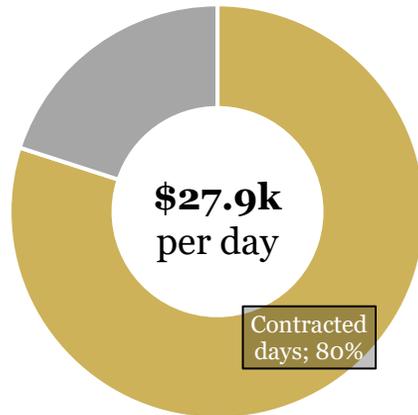


# FIXED-PAYING CONTRACTS THROUGH 2022

Significant cash flow secured for the third quarter and the fourth quarter protecting against near-term headwinds and securing dividend capacity

## CAPESIZE

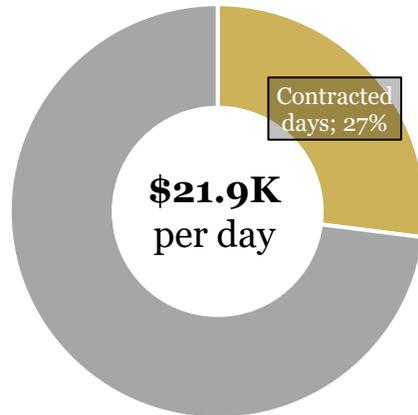
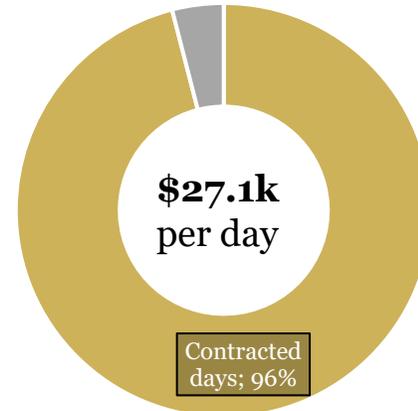
For Q3



For Q4



## PANAMAX



## COMMENTS

- ✓ 56% of the fleet on fixed contracts for the remainder of 2022
- ✓ ~\$235 million in contracted TCE revenue for Q3 and Q4 2022
- ✓ 80% of Q3 Cape days fixed at \$27.9k pd
  - ✓ \$12k pd above QTD market
- ✓ 96% of Q3 Panamax days fixed at \$27.1k
  - ✓ \$9k pd above QTD market
- ✓ Q4 TCEs \$12k per day above FFA curve

# STRONG CASH FLOW POTENTIAL



Significant earnings potential with modern on-the-water fleet comprised almost exclusively of Capesize and Panamax vessels

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





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## QUESTIONS & ANSWERS

THANK YOU FOR YOUR ATTENTION!



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