GOLDEN OCEAN™

# RESULTS Q3 - 2020

November 19, 2020

# FORWARD LOOKING STATEMENTS

*Matters discussed in this earnings report may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements, which 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 desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. Words such as "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "projects," "likely," "will," "would," "could," "seeks," "potential," "continue," "contemplate," "possible," "might," "forecasts," "may," "should" 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. The information set forth herein speaks only as of the date hereof, and the Company disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.*

*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 strength of world economies, fluctuations in currencies and interest rates, general market conditions, including fluctuations in charter hire rates and vessel values, changes in demand in the dry bulk market, the length and severity of the COVID-19 outbreak, the impact of public health threats and outbreaks of other highly communicable diseases, changes in the Company's operating expenses, including bunker prices, drydocking and insurance costs, the market for the Company's vessels, availability of financing and refinancing, the impact of the expected discontinuance of LIBOR after 2021 on interest rates of the Company's debt that reference LIBOR, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents, political events or acts by terrorists, 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, 2019.*

# COMPANY UPDATE

# HIGHLIGHTS

- Adjusted **EBITDA** in the third quarter of 2020 was **$76.7 million**, compared with $4.2 million in the second quarter of 2020

- The Company reports **net income of $39.1 million** and earnings per share of $0.27 for the third quarter of 2020, compared with net loss of $41.3 million and loss per share of $0.29 for the second quarter of 2020

- Signed loan **agreement in November 2020 to refinance the $425.0 million credit facility** which is secured by 14 Capesize vessels at attractive terms, lowering the daily cash break even rate by more than $1,000 per day for the financed vessels and removing any near-term debt maturities

- Estimated TCE rates for the fourth quarter of 2020 calculated on a load-to-discharge basis and inclusive of charter coverage are:

    - approximately $21,750 per day contracted for 73% of the available days for Capesize vessels

    - approximately $12,750 per day contracted for 82% of the available days for Panamax vessels

- **Divested ownership interest** in our in-house ship management company (SeaTeam) and exited management agreement for seven Handysize vessels to further focus on the Company's core activities

# PROFIT & LOSS

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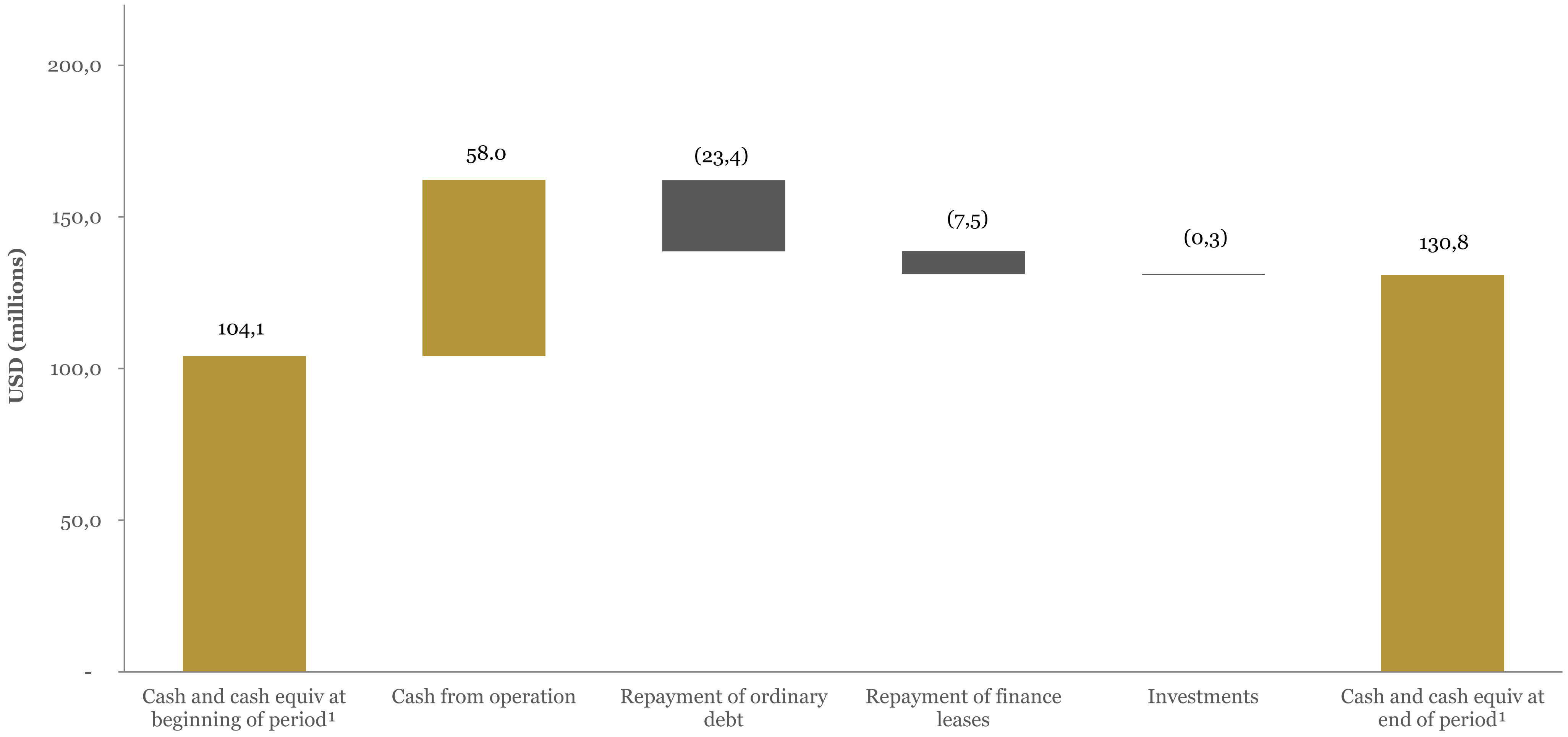
| (in thousands of $) | Q3 2020 | Q2 2020 | Quarterly Variance |
|---|---|---|---|
| Operating revenues | 186,892 | 114,623 | 72,269 |
| Voyage expenses | (43,935) | (47,453) | 3,518 |
| **Net revenues** | **142,957** | **67,170** | **75,787** |
| Ship operating expenses | (43,444) | (44,702) | 1,258 |
| Administrative expenses | (3,103) | (3,350) | 247 |
| Charter hire expenses | (20,443) | (12,252) | (8,191) |
| Depreciation | (27,631) | (27,018) | (613) |
| Impairment | - | - | - |
| **Net operating expenses** | **(94,621)** | **(87,322)** | **(7,299)** |
| **Net operating income (loss)** | **48,336** | **(20,153)** | **68,489** |
| Net financial expenses | (9,805) | (12,702) | 2,897 |
| Derivatives and other financial income (loss) | 570 | (8,386) | 8,956 |
| **Net income before taxation (loss)** | **39,101** | **(41,241)** | **80,342** |
| Income Tax expense | 40 | 40 | - |
| **Net income (loss)** | **39,061** | **(41,281)** | **80,342** |
| Earnings (loss) per share: basic and diluted | $0.27 | ($0.29) | $0.56 |
| **Adjusted EBITDA** | **76,742** | **4,198** | **72,544** |
| **TCE per day** | **17,912** | **8,782** | **9,130** |

# CASH FLOW - Q3 2020




1) INCLUDES RESTRICTED CASH

# BALANCE SHEET

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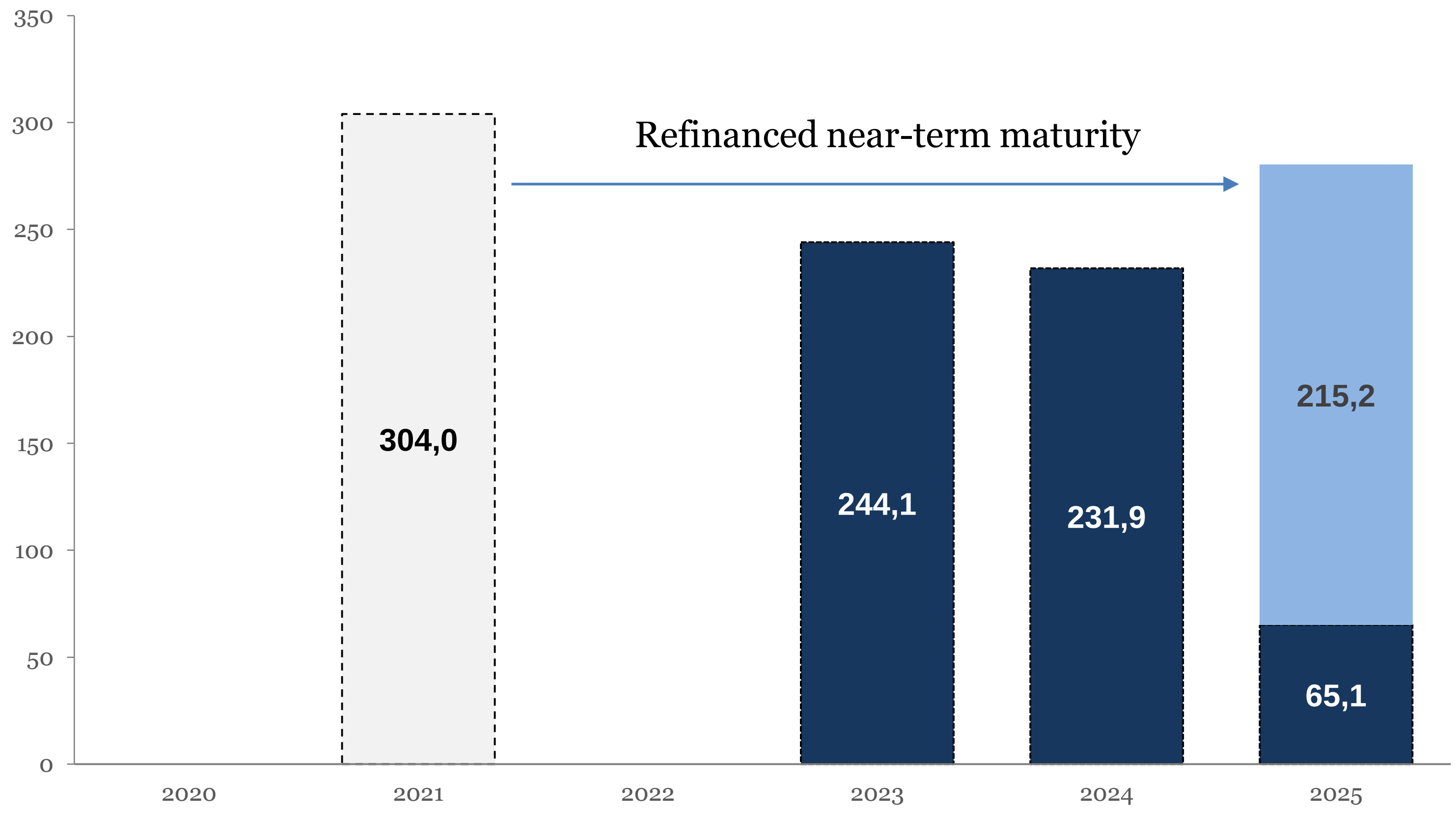
| (in thousands of $) | Q3 2020 | Q2 2020 | Quarterly Variance |
|---|---|---|---|
| **ASSETS** | | | |
| **Short term** | | | |
| Cash and cash equivalents (incl. restricted cash) | 130,826 | 104,081 | 26,744 |
| Other current assets | 120,696 | 113,603 | 7,093 |
| **Long term** | | | |
| Vessels and equipment, net | 2,300,566 | 2,324,419 | (23,853) |
| Leases, right of use of assets | 141,609 | 146,996 | (5,387) |
| Other long term assets | 23,796 | 26,878 | (3,082) |
| **Total assets** | **2,717,493** | **2,715,978** | **1,515** |
| **LIABILITIES AND EQUITY** | | | |
| **Short term** | | | |
| Current portion of long term debt | 83,158 | 379,312 | (296,154) |
| Current portion of finance lease obligations | 23,117 | 22,735 | 382 |
| Current portion of operating leases obligations | 14,852 | 14,698 | 154 |
| Other current liabilities | 107,149 | 112,866 | (5,717) |
| **Long term** | | | |
| Long term debt | 981,762 | 708,423 | 273,339 |
| Non-current portion of finance lease obligations | 133,679 | 139,566 | (5,887) |
| Non-current portion of operating lease obligations | 30,691 | 34,433 | (3,742) |
| **Equity** | 1,343,085 | 1,303,945 | 39,140 |
| **Total liabilities and equity** | **2,717,493** | **2,715,978** | **1,515** |

# CREDIT FACILITES

Recently-completed refinancing done at attractive terms pushes out nearest maturity to 2023

## LOAN MATURITIES




## RECENT DEVELOPMENTS

- In November 2020, the Company entered into a new $304.0 million term loan and revolving credit facility which fully refinanced the outstanding amount of the 14 vessels in the $425.0 million credit facility scheduled to mature in March 2021
  - Interest rate of LIBOR + 235 bps
  - Tenor of five years
  - Improved repayment profile (20 years age adjusted), reducing the cash break-even rate for the vessels in the facility by more than $1,000 per day
  - Otherwise materially unchanged from previous financings
- Strong banking group consisting of the largest global shipping banks

# MARKET REVIEW & OUTLOOK

# Q3 MARKET DEVELOPMENTS

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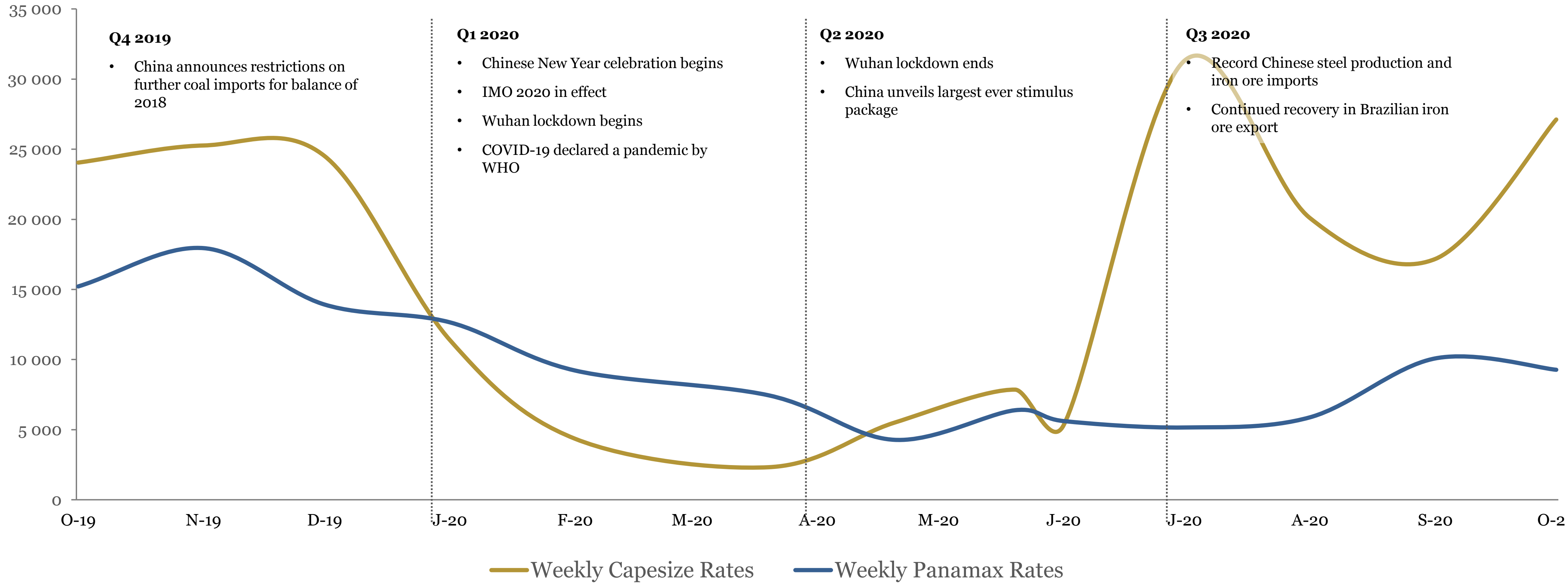
## The strong rebound in rates at the end of the second quarter led by resumption in demand from China continued into the third quarter

### WEEKLY DRY BULK SHIPPING RATES – LAST 12 MONTHS




SOURCE: CLARKSONS; MARITIME ANALYTICS

# SUPPLY GROWTH TO SLOW SIGNIFICANTLY

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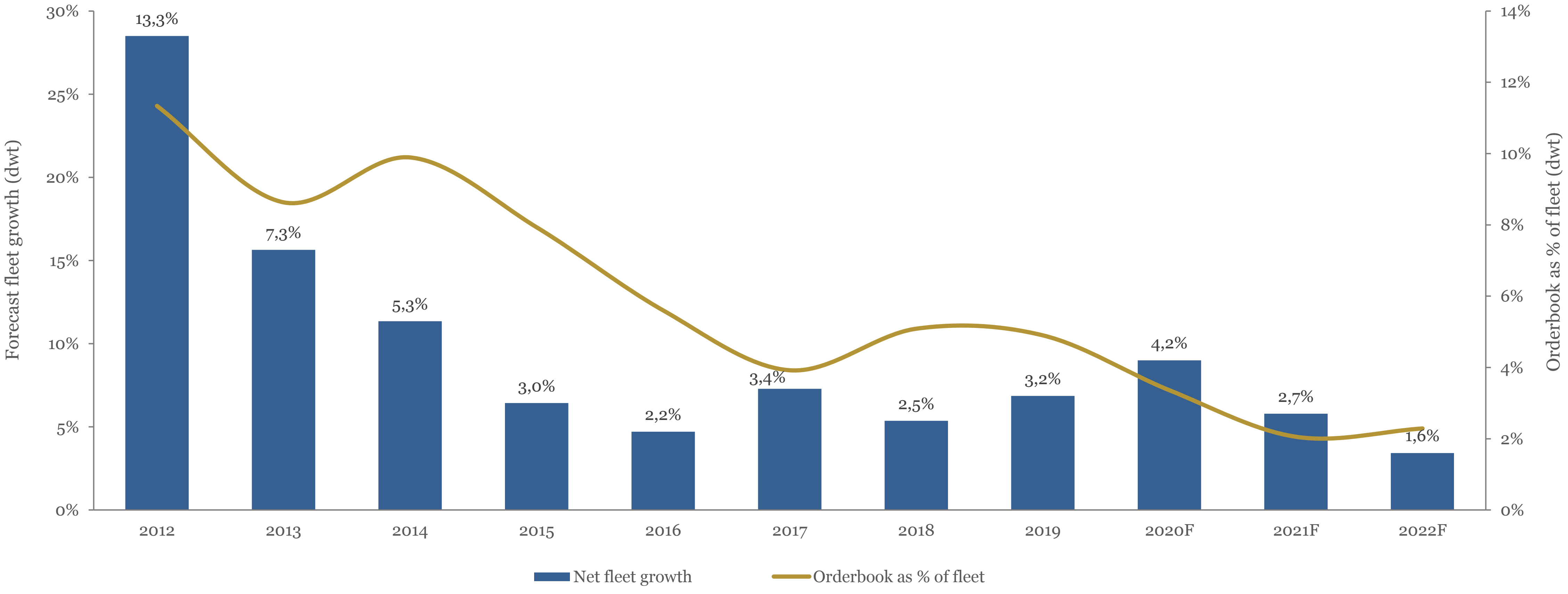
Orderbook is at historically low levels and ordering likely to stay muted

## FORECAST FLEET DEVELOPMENT

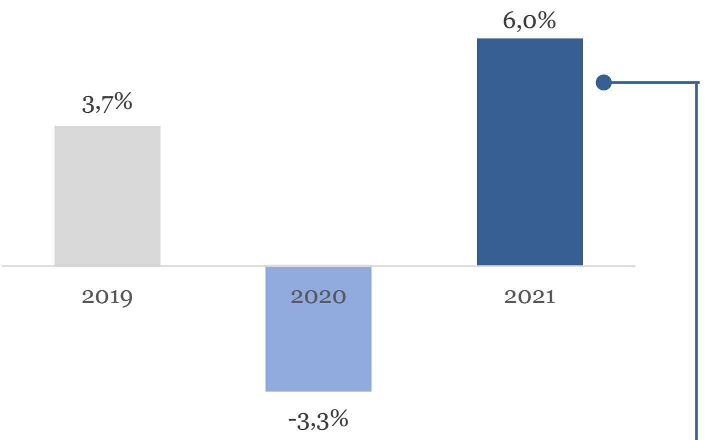


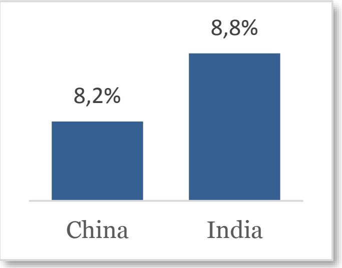

SOURCE: MARITIME ANALYTICS

# DEMAND EXPECTED TO REBOUND STRONGLY IN 2021

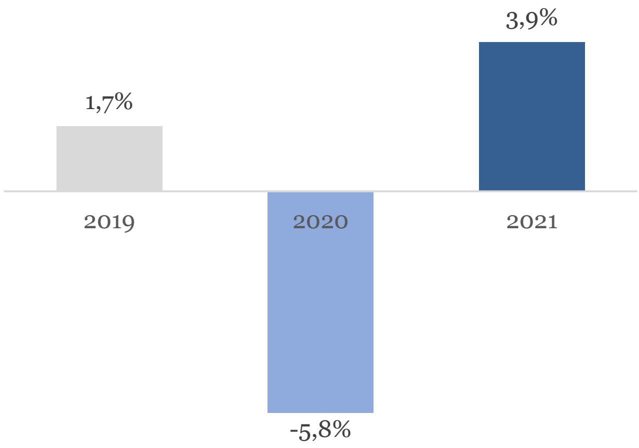
Rebound in global GDP growth for 2021 led by strong growth in China and India

## EMERGING ECONOMIES

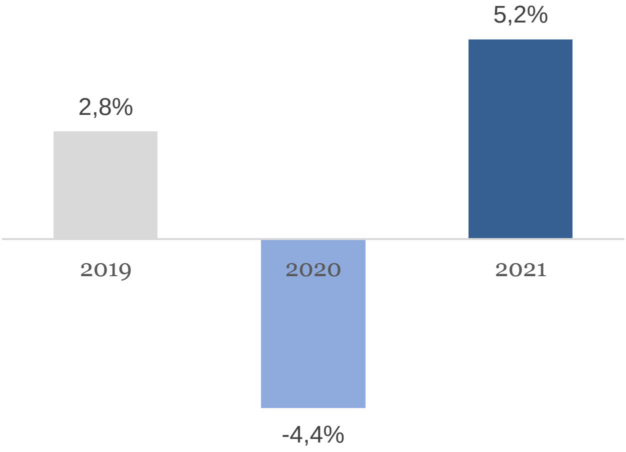



## ADVANCED ECONOMIES




## GLOBAL ECONOMY




Global recovery backed by unprecedented global stimulus expected to be led by China and India and to boost demand for dry bulk transportation *(primarily iron ore and coal).*

SOURCE: INTERNATIONAL MONETARY FUND WORLD ECONOMIC OUTLOOK, OCTOBER 2020

# SUMMARY OUTLOOK

Market recovery to continue despite volatility and uncertainty due to COVID-19

Unprecedented global stimulus packages to drive a recovery into 2021 led by strong GDP growth in China and India

Infrastructure investments and industrial activity will lead to demand growth for iron ore and coal

Continued recovery of lost iron ore production in Brazil will benefit tonne-miles

Growth of the global fleet is set to slow significantly due to lack of new ordering and the potential for scrapping

Downside risk and uncertainty will linger until the pandemic runs its course

# POSITIONED FOR CASH FLOW GENERATION

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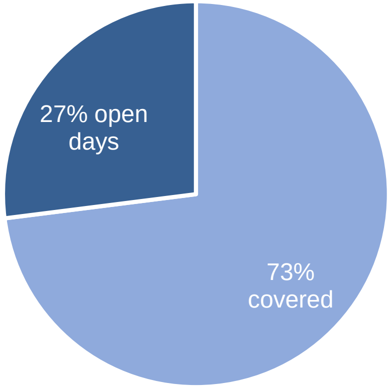
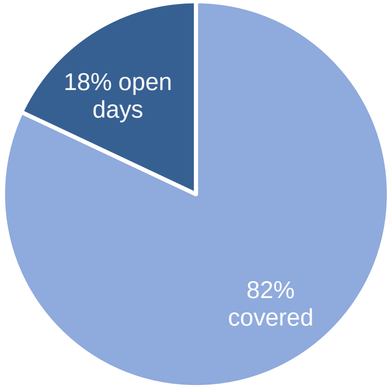
Cash flow visibility from time charters and limited capital expenditures lay the foundation for strong cash flow generation

## VISIBLE CASH FLOW FOR Q4 2020




**CAPESIZE VESSELS**

73% of remaining days covered at $21,750 / day




**PANAMAX VESSELS**

82% of remaining days covered at $12,750 / day

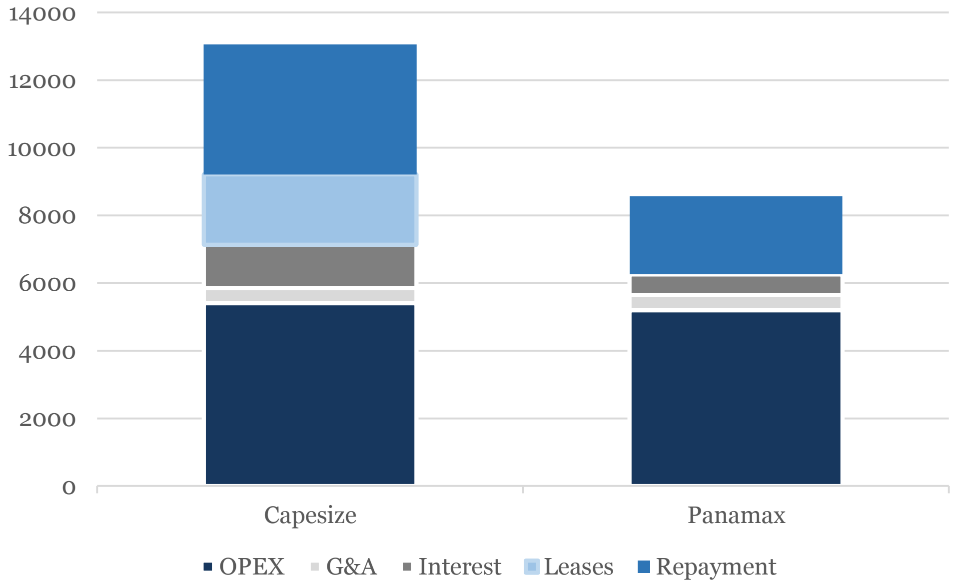
## CASH BREAK EVEN RATES

**CAPESIZE VESSELS**

$13,100 / day
(average scrubber and non-scrubber vessels)

**PANAMAX VESSELS**

$8,600 / day




NOTE: HISTORICAL CAPEX AND DRYDOCK EXPENSES ARE BASED ON CASHFLOW WHILE FUTURE EXPENSES ARE ESTIMATES AND SUBJECT TO CHANGES BASED ON TIMING OF DRYDOCKINGS

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# QUESTIONS & ANSWERS

# THANK YOU FOR YOUR ATTENTION!

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