



GOLDEN OCEAN™

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RESULTS Q1 - 2020

May 27, 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 our records and other data available from third parties. Although we believe 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 our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections. The information set forth herein speaks only as of the date hereof, and we disclaim 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 our 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 our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, the impact of the expected discontinuance of LIBOR after 2021 on interest rates of our 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 our most recently filed Annual Report on Form 20-F for the year ended December 31, 2019.



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## COMPANY UPDATE

# HIGHLIGHTS



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- Net loss of \$160.8 million, including non-cash adjustments of \$125.6 million, for the first quarter of 2020
- Adjusted EBITDA of \$12.3 million for the first quarter of 2020
- Completed joint venture agreement with Frontline Ltd and companies in the Trafigura Group in January 2020 to establish a leading provider of marine fuels
- Completed all 23 planned installations of exhaust gas cleaning systems (“scrubbers”) leaving insubstantial future capital expenditure requirements
- Published 2019 ESG report which details our efforts to develop long-term sustainable business practices and reduce our carbon footprint

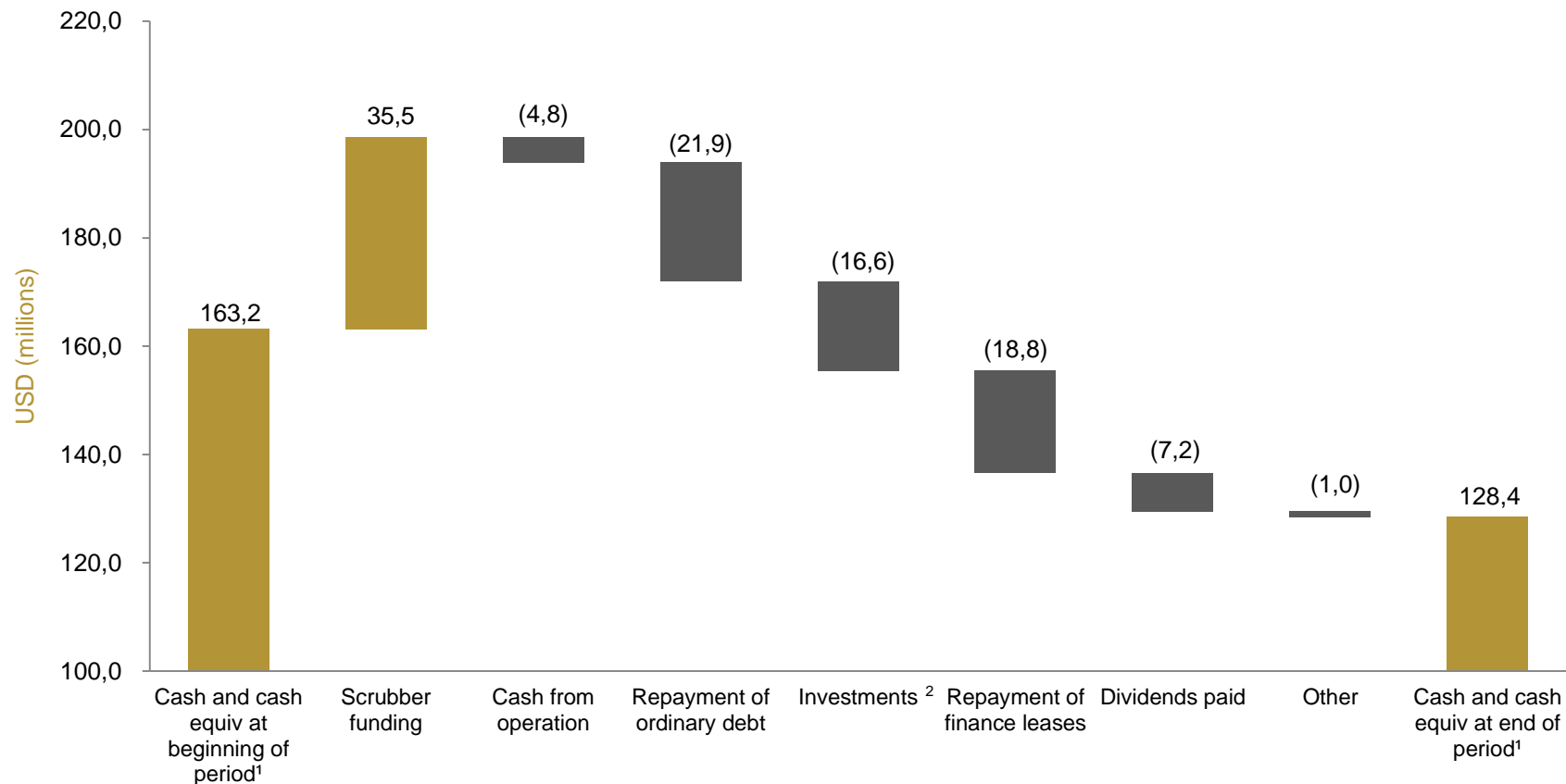
# PROFIT & LOSS



(in thousands of \$)	Q1 2020	Q4 2019	Quarterly Variance
Operating revenues	141,394	240,123	(98,729)
Voyage expenses	(60,252)	(60,322)	(70)
<b>Net revenues</b>	<b>81,142</b>	<b>179,801</b>	<b>(98,659)</b>
Ship operating expenses	(55,457)	(56,565)	(1,108)
Administrative expenses	(3,244)	(4,057)	813
Charter hire expenses	(16,987)	(49,707)	32,720
Depreciation	(29,063)	(23,665)	(5,398)
Impairment	(94,233)	-	(94,233)
<b>Net operating expenses</b>	<b>(198,984)</b>	<b>(133,994)</b>	<b>(64,990)</b>
<b>Net operating income (loss)</b>	<b>(117,842)</b>	<b>45,807</b>	<b>(163,649)</b>
Net financial expenses	(14,425)	(12,265)	(2,160)
Derivatives and other financial income (loss)	(28,513)	7,625	(36,138)
<b>Net income before taxation (loss)</b>	<b>(160,780)</b>	<b>41,167</b>	<b>(201,947)</b>
Income Tax expense	40	124	(84)
<b>Net income (loss)</b>	<b>(160,820)</b>	<b>41,043</b>	<b>(201,863)</b>
Earnings (loss) per share: basic and diluted	(\$1.12)	\$0.29	(\$1.41)
<b>Adjusted EBITDA</b>	<b>12,285</b>	<b>73,860</b>	<b>(61,575)</b>
<b>TCE per day</b>	<b>11,076</b>	<b>21,668</b>	<b>(10,592)</b>

# CASH FLOW DURING THE QUARTER

## Q1 2020



<sup>1</sup> INCLUDES RESTRICTED CASH

<sup>2</sup> INCLUDES INVESTMENTS IN SCRUBBERS

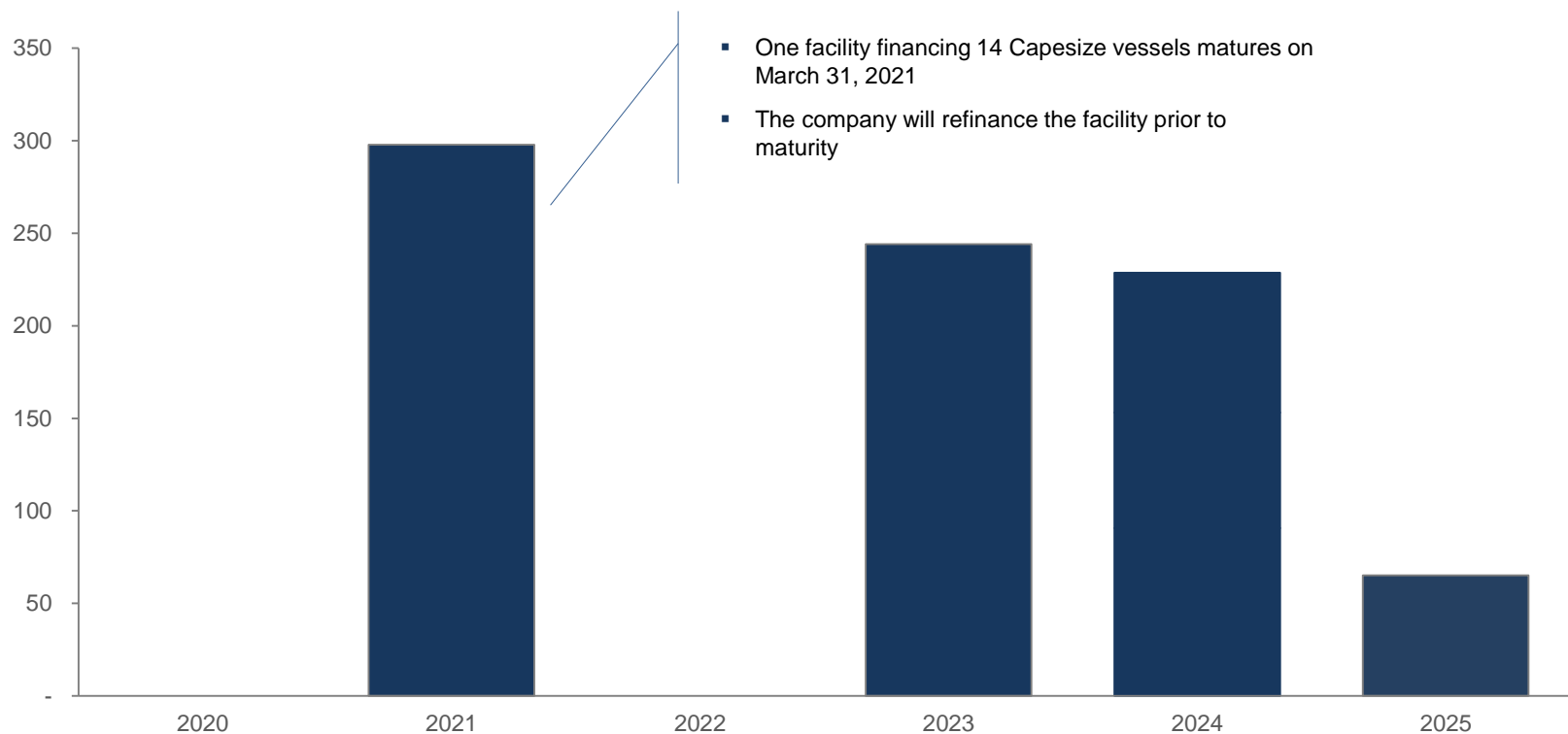
# BALANCE SHEET



(in thousands of \$)	Q1 2020	Q4 2019	Quarterly Variance
<b>ASSETS</b>			
<b>Short term</b>			
Cash and cash equivalents (incl. restricted cash)	84,923	104,381	(19,458)
Other current assets	144,177	168,696	(24,519)
<b>Long term</b>			
Restricted cash	43,523	58,864	(15,341)
Vessels and equipment, net	2,333,852	2,340,753	(6,901)
Leases, right of use of assets	146,805	248,840	(102,035)
Other long term assets	49,739	44,523	5,216
<b>Total assets</b>	<b>2,803,019</b>	<b>2,966,057</b>	<b>(163,038)</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Short term</b>			
Current portion of long term debt	385,475	87,787	297,688
Current portion of finance lease obligations	28,579	17,502	11,077
Current portion of operating leases obligations	14,410	14,377	33
Other current liabilities	120,880	113,701	7,179
<b>Long term</b>			
Long term debt	725,083	1,026,083	(301,000)
Non-current portion of finance lease obligations	145,379	151,206	(5,827)
Non-current portion of operating lease obligations	38,040	42,010	(3,970)
<b>Equity</b>	<b>1,345,173</b>	<b>1,513,391</b>	<b>(168,218)</b>
<b>Total liabilities and equity</b>	<b>2,803,019</b>	<b>2,966,057</b>	<b>(163,038)</b>

# CREDIT FACILITIES

## DEBT MATURITIES



## SELECTED COVENANTS

- Free cash of at least \$20 million or 5% of interest bearing debt
- Market Value Clause of 135%
- Value adjusted equity of at least 25% of its value adjusted total assets

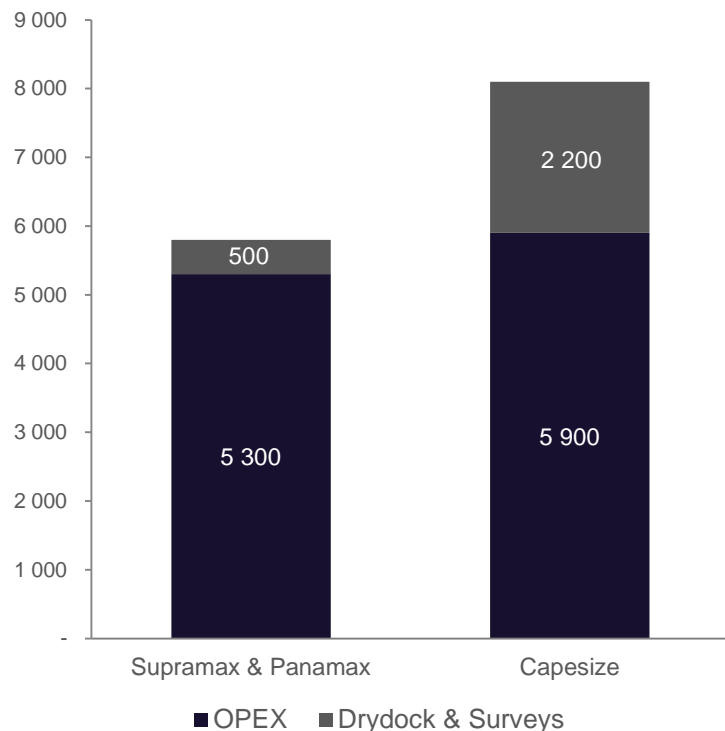


# MODERN, EFFICIENT FLEET

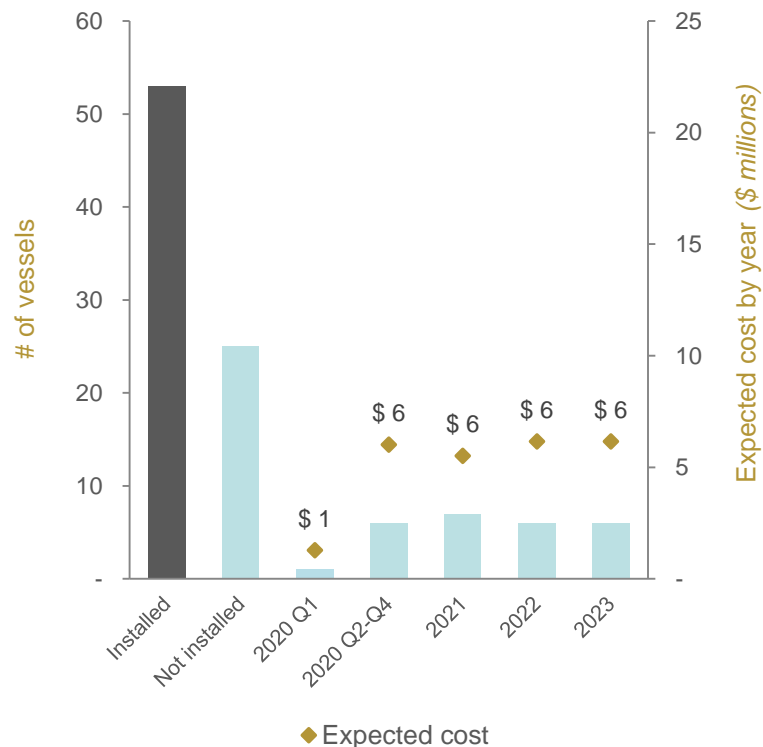


- Fully-burdened Opex includes dry docking, cost for unexpected incidents and management fees
- Eight vessels completed dry-dock during Q1, and further eight were still in drydock at quarter-end and completed by early May
- Five vessels remain to be docked during this year; none to be fitted with scrubbers
- Completed all 23 planned scrubber installations, including eight completed in the second quarter of 2020
- Average fleet age of six years and majority of the fleet designed with fuel-efficient engines and ballast water treatment systems
- Additional advantage to be gained through scrubber installations

## OPERATING EXPENSES (Q1 2020)



## BWTS INSTALLATION SCHEDULE





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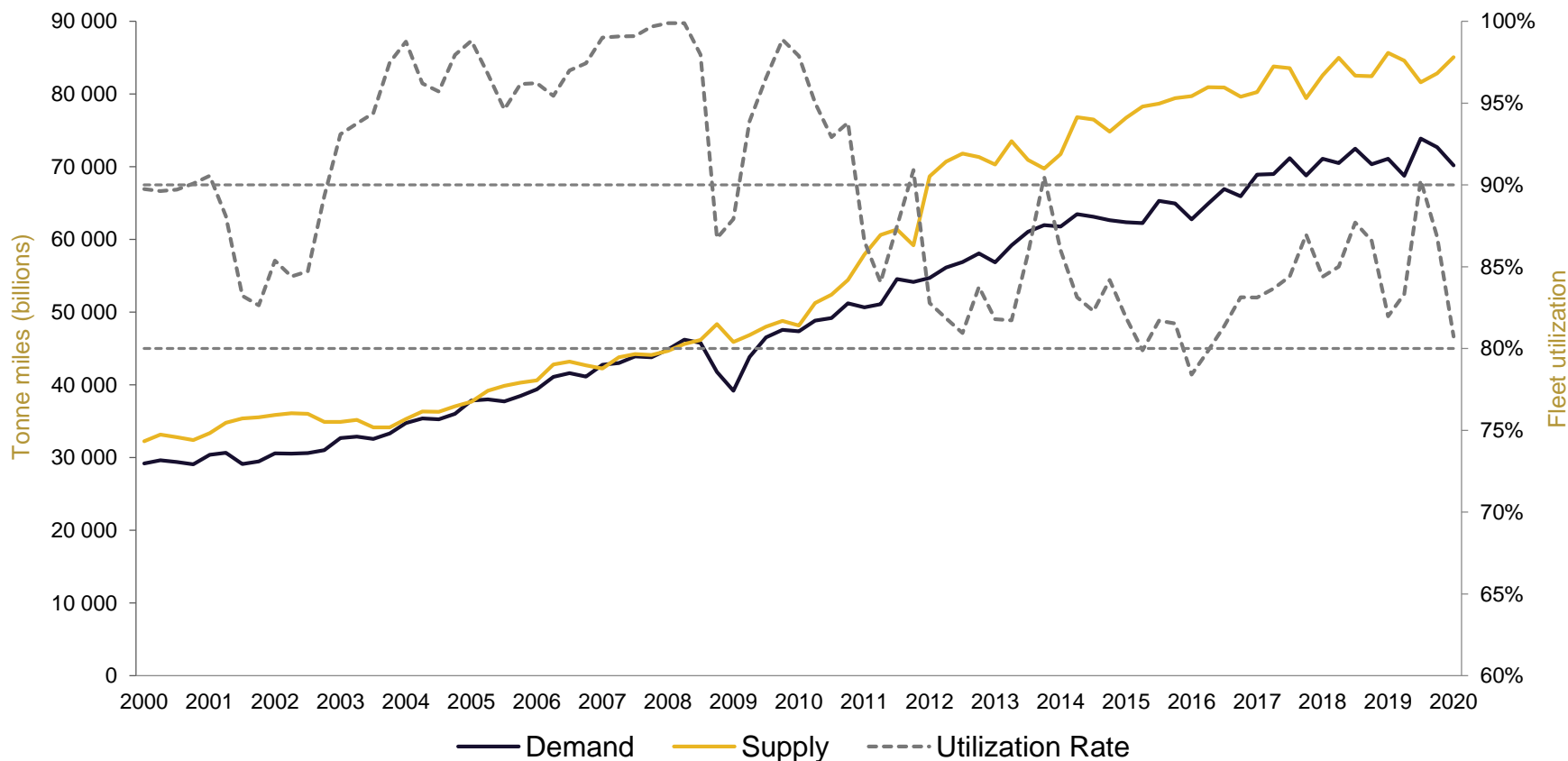
## DRY BULK MARKET UPDATE

# Q1 MARKET DEVELOPMENT



Fleet utilization declined to ~80% in the first quarter due to impact from COVID-19 as well as increased fleet supply

## SUPPLY, DEMAND AND UTILIZATION RATE - DRY BULK SHIPS 10,000 DWT +

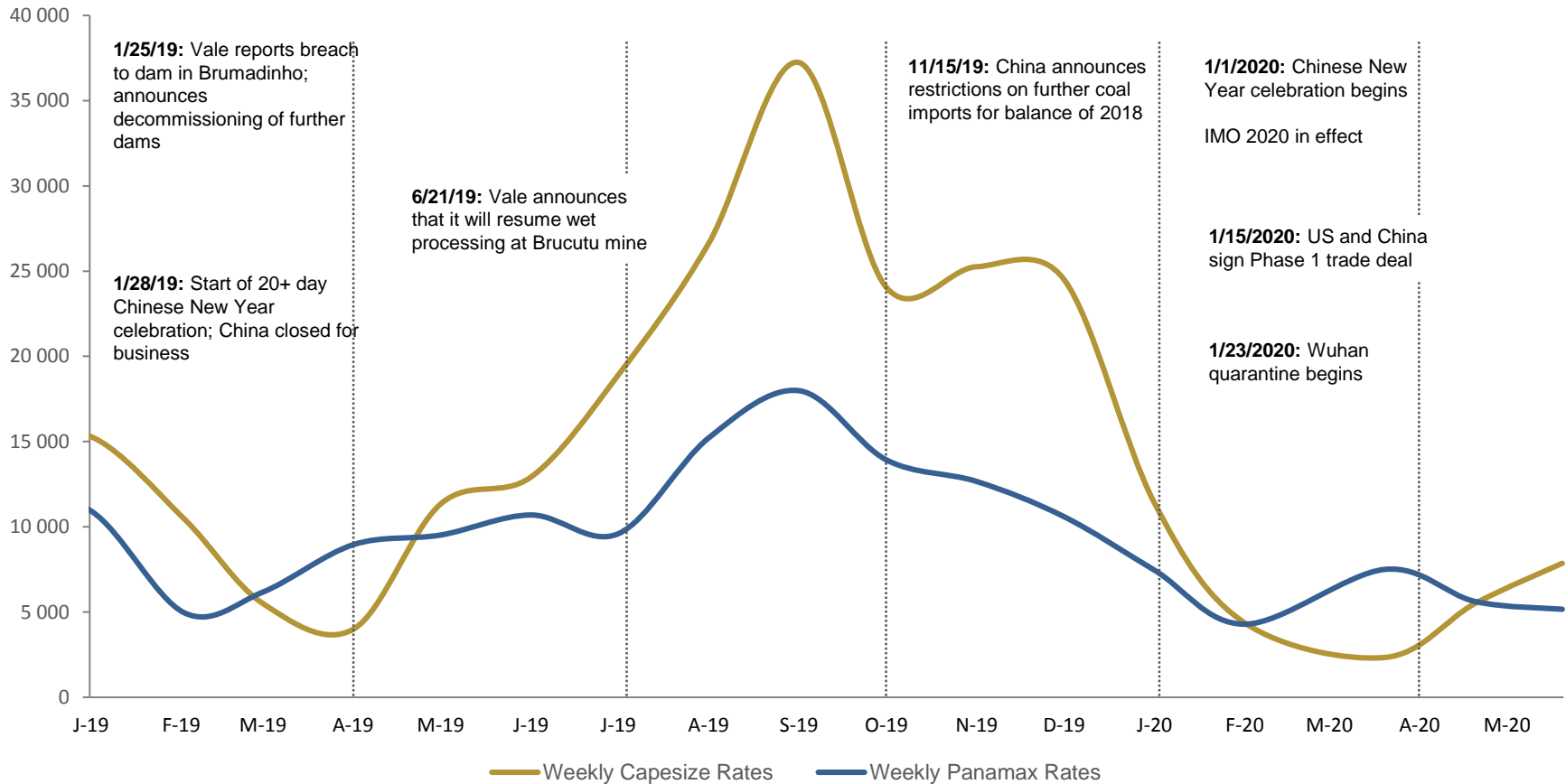


# MARKET OUTLOOK



Q2 still heavily impacted by demand destruction but the clouds are lifting

## WEEKLY DRY BULK SHIPPING RATES – JAN 1, 2019 TO PRESENT

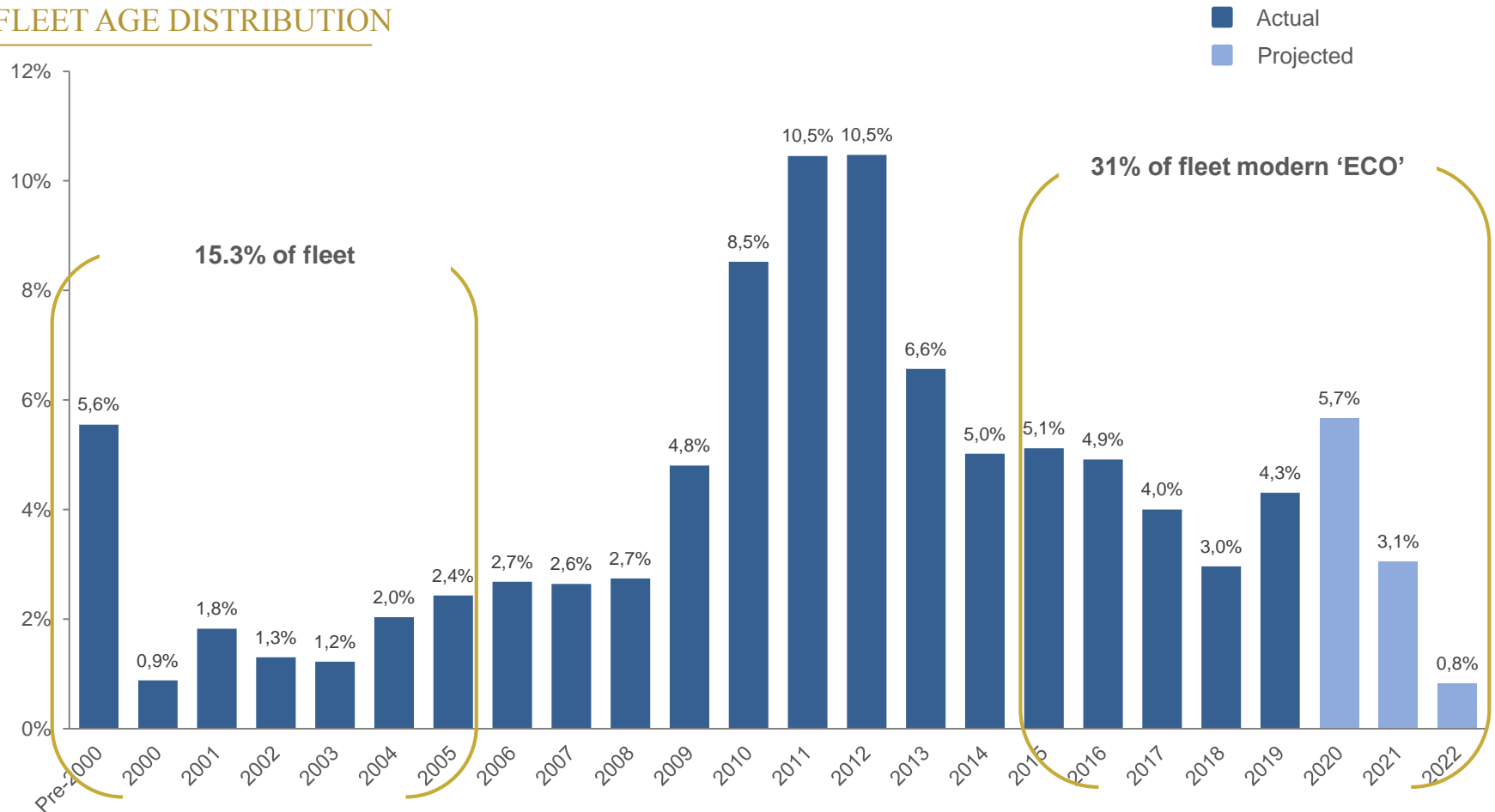


# LARGE PORTION OF THE FLEET IS AGING



Potential for older vessels to be phased out due to weak market conditions and / or recovery in fuel price spreads

## FLEET AGE DISTRIBUTION



# GOLDEN OCEAN'S ONGOING COMMITMENT TO ESG CONCERNS AND TRANSPARENCY

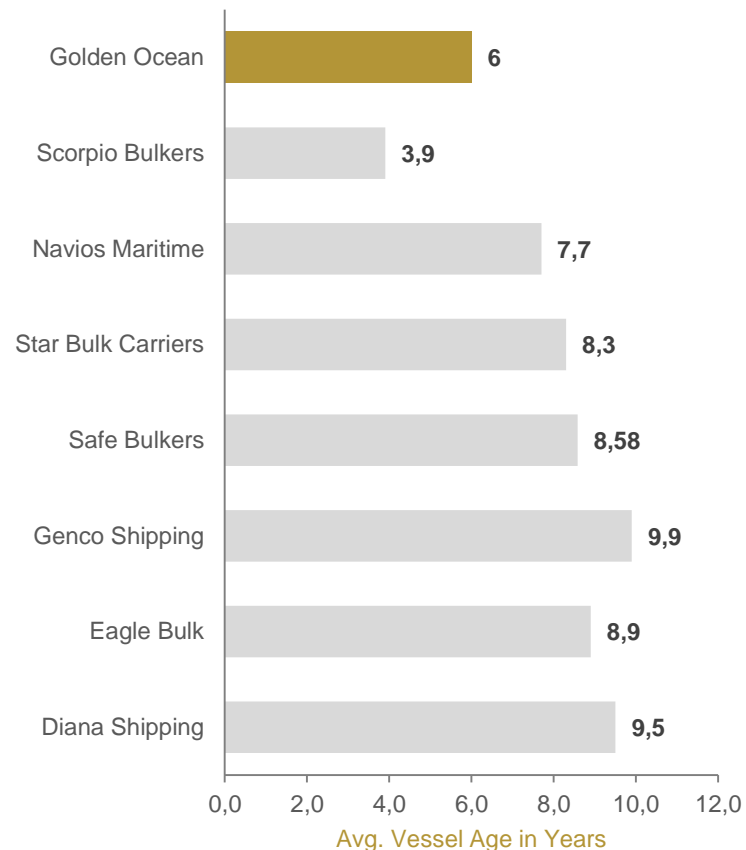


ESG report for 2019 available at <https://www.goldenocean.bm/esg/>

## REPORTING FRAMEWORK



## ENERGY EFFICIENCY ADVANTAGE



## COMMITMENT TO FOUR UN SDGs





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## QUESTIONS & ANSWERS

THANK YOU FOR YOUR ATTENTION!



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