



GOLDEN OCEAN™

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RESULTS Q2 - 2020

August 18, 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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- The Company reports **net loss of \$41.3 million** and loss per share of \$0.29 for the second quarter of 2020, compared with net loss of \$160.8 million and loss per share of \$1.12 for the first quarter of 2020
- Adjusted **EBITDA** in the second quarter of 2020 was **\$4.2 million**, compared with \$12.3 million in the first quarter of 2020
- Completed final eight of 23 planned scrubber installations; minimal capital expenditure requirements going forward
- Utilized market strength in the third quarter of 2020 to secure additional charter coverage for the remainder of 2020
  - 38% of the days for Capesize vessels are covered at a rate of \$18,810 per day; and
  - 56% of the days for Panamax vessels are covered at a rate of \$14,920 per day
- Estimated TCE rate for the third quarter of 2020 to be \$17,960 for 74% of owned fleet available days for Capesize vessels and \$12,980 for 92% of owned fleet available days for Panamax vessels. The numbers are based on current fixtures and on the discharge-to-discharge basis
- Joined the Getting to Zero Coalition, as part of the Company's continuous focus on ESG initiatives

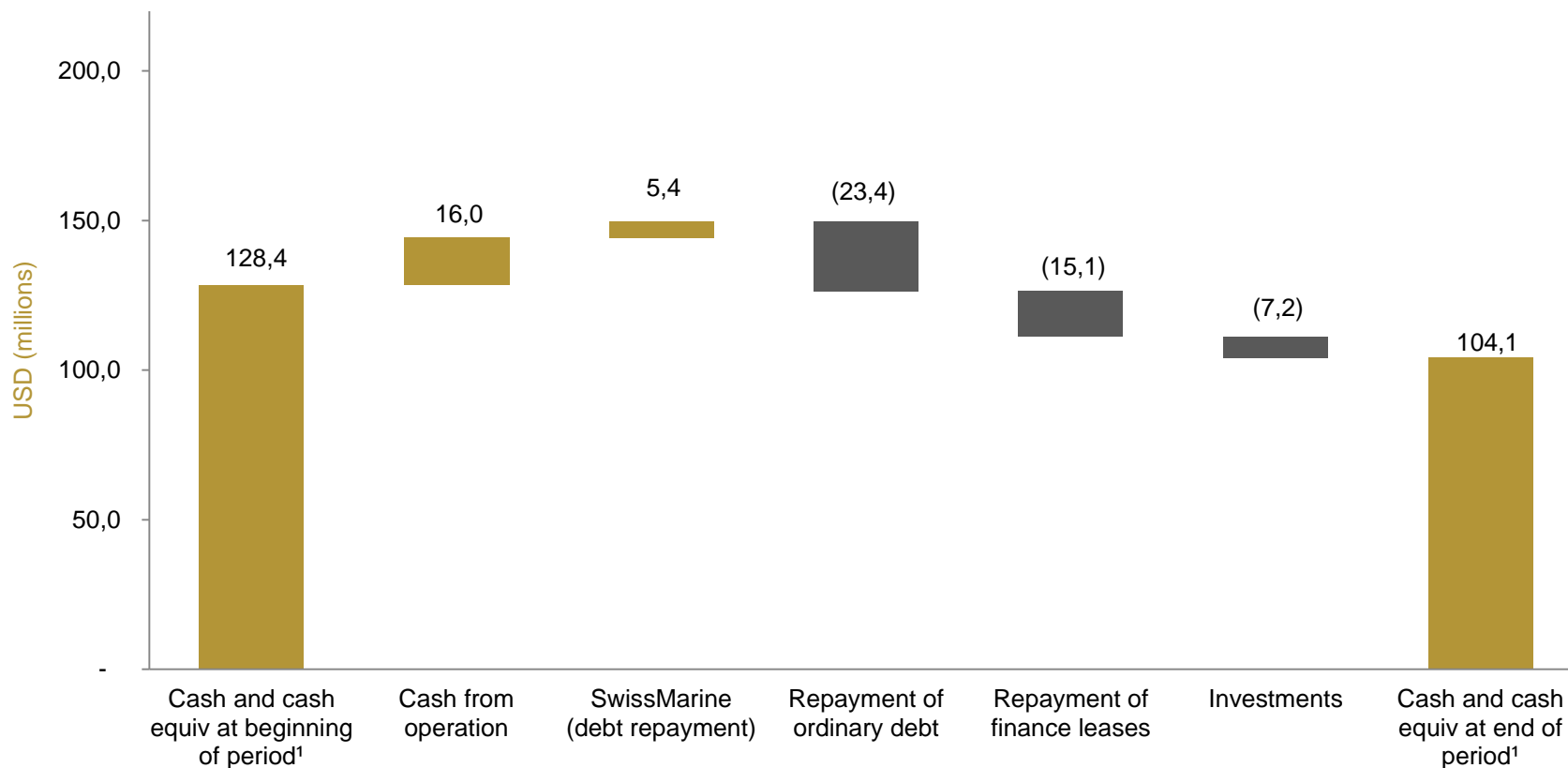
# PROFIT & LOSS



(in thousands of \$)	Q2 2020	Q1 2020	Quarterly Variance
Operating revenues	114,622	141,394	(26,772)
Voyage expenses	(47,453)	(60,252)	12,799
<b>Net revenues</b>	<b>67,169</b>	<b>81,142</b>	<b>(13,973)</b>
Ship operating expenses	(44,702)	(55,457)	10,756
Administrative expenses	(3,350)	(3,244)	(106)
Charter hire expenses	(12,252)	(16,987)	4,735
Depreciation	(27,018)	(29,063)	2,045
Impairment	-	(94,233)	94,233
<b>Net operating expenses</b>	<b>(87,322)</b>	<b>(198,984)</b>	<b>111,663</b>
<b>Net operating income (loss)</b>	<b>(20,153)</b>	<b>(117,842)</b>	<b>97,689</b>
Net financial expenses	(12,702)	(14,425)	1,723
Derivatives and other financial income (loss)	(8,386)	(28,513)	20,127
<b>Net income before taxation (loss)</b>	<b>(41,241)</b>	<b>(160,780)</b>	<b>119,539</b>
Income Tax expense	40	40	-
<b>Net income (loss)</b>	<b>(41,281)</b>	<b>(160,820)</b>	<b>(119,539)</b>
Earnings (loss) per share: basic and diluted	(\$0.29)	(\$1.12)	(\$0.83)
<b>Adjusted EBITDA</b>	<b>4,198</b>	<b>12,285</b>	<b>(8,087)</b>
<b>TCE per day</b>	<b>8,782</b>	<b>11,076</b>	<b>(2,294)</b>

# CASH FLOW DURING THE QUARTER

Q2 2020



<sup>1</sup> INCLUDES RESTRICTED CASH

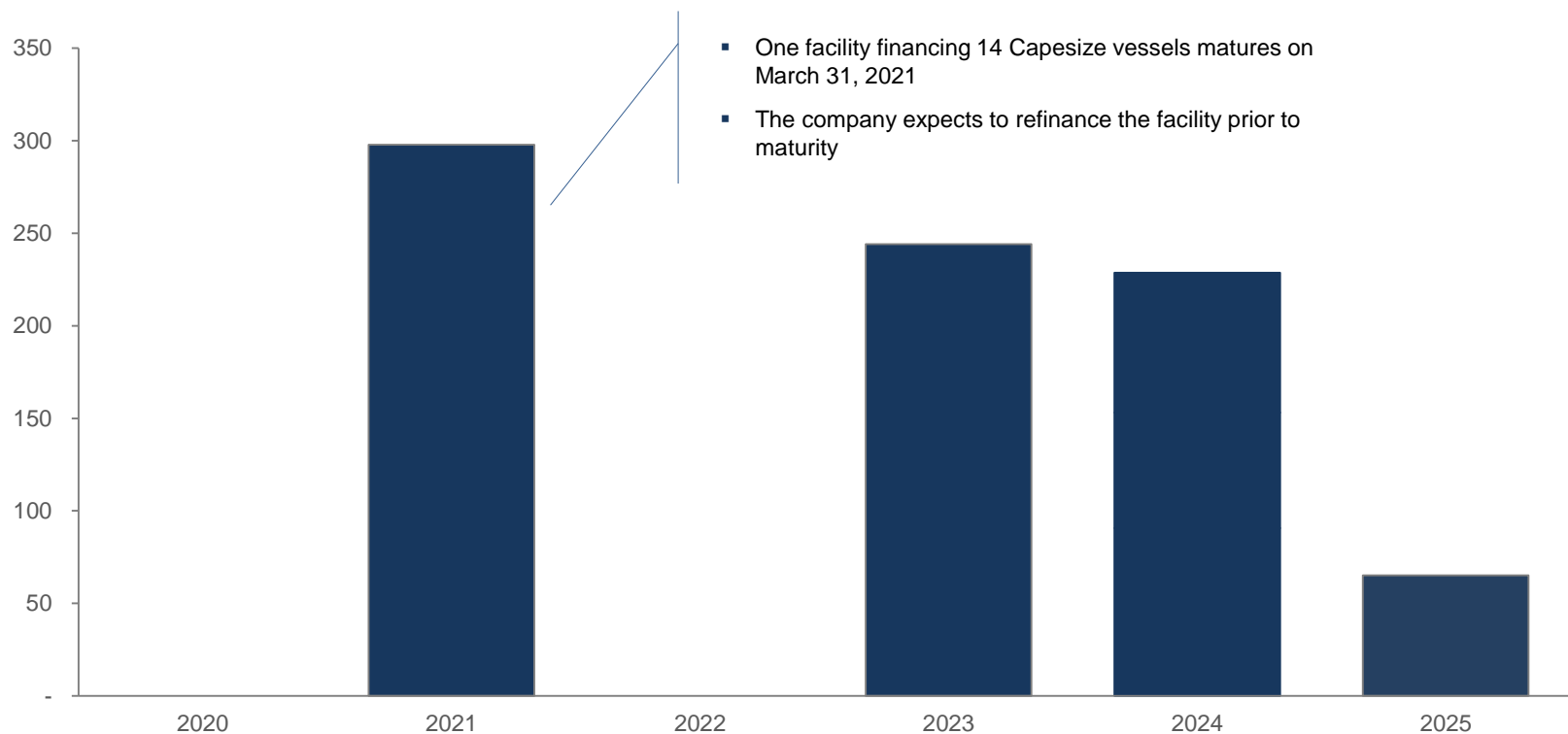
# BALANCE SHEET



(in thousands of \$)	Q2 2020	Q1 2020 As adjusted	Quarterly Variance
<b>ASSETS</b>			
<b>Short term</b>			
Cash and cash equivalents (incl. restricted cash)	104,082	128,446	(24,364)
Other current assets	113,603	144,177	(30,574)
<b>Long term</b>			
Vessels and equipment, net	2,324,419	2,333,852	(9,433)
Leases, right of use of assets	146,996	146,805	(191)
Other long term assets	26,878	49,739	(22,861)
<b>Total assets</b>	<b>2,715,978</b>	<b>2,803,019</b>	<b>(87,041)</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Short term</b>			
Current portion of long term debt	379,312	385,475	(6,163)
Current portion of finance lease obligations	22,735	28,579	(5,844)
Current portion of operating leases obligations	14,698	14,410	288
Other current liabilities	112,866	120,880	(8,014)
<b>Long term</b>			
Long term debt	708,423	725,083	(16,660)
Non-current portion of finance lease obligations	139,566	145,379	(5,813)
Non-current portion of operating lease obligations	34,433	38,040	(3,607)
<b>Equity</b>	<b>1,303,945</b>	<b>1,345,173</b>	<b>(41,228)</b>
<b>Total liabilities and equity</b>	<b>2,715,978</b>	<b>2,803,019</b>	<b>(87,041)</b>

# CREDIT FACILITIES

## LOAN 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





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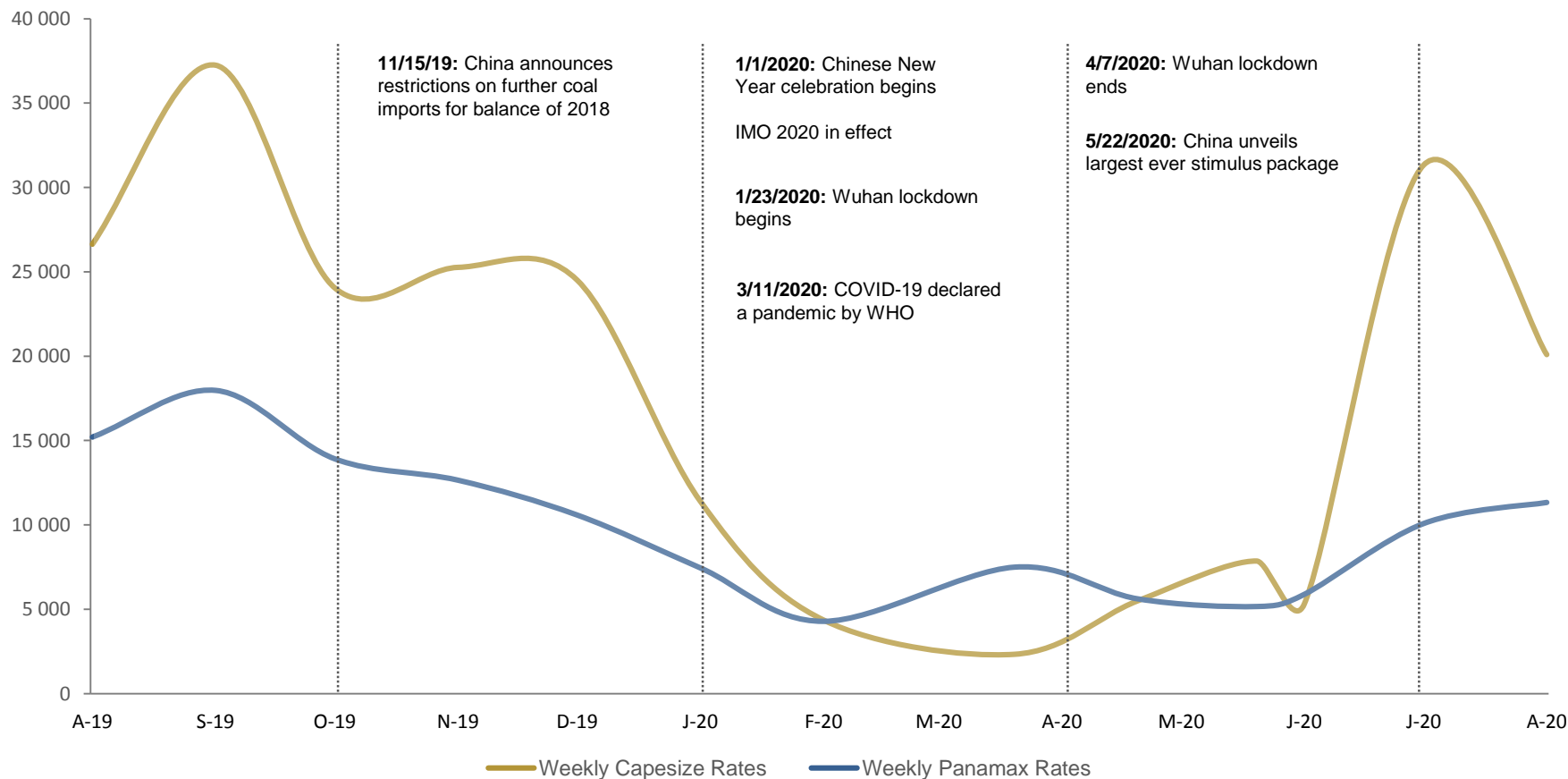
## MARKET REVIEW & OUTLOOK

# RECENT MARKET DEVELOPMENTS



Difficult quarter heavily impacted by Covid. A strong rebound in rates at the end of the second quarter led by resumption in demand from China

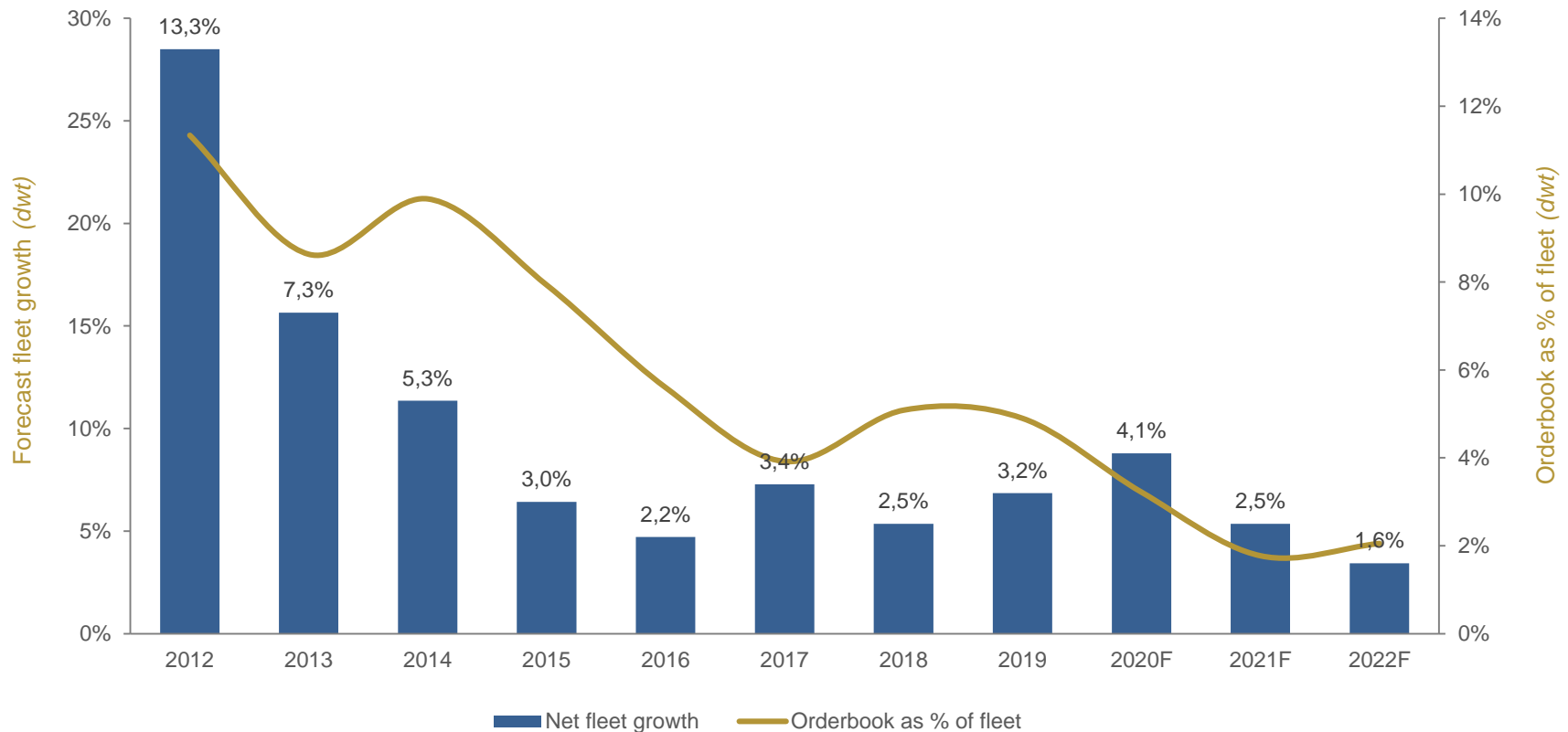
## WEEKLY DRY BULK SHIPPING RATES – LAST 12 MONTHS



# SUPPLY GROWTH TO SLOW SIGNIFICANTLY

Orderbook is at historically low levels; any prolonged period of weak rates will likely lead to significant scrapping

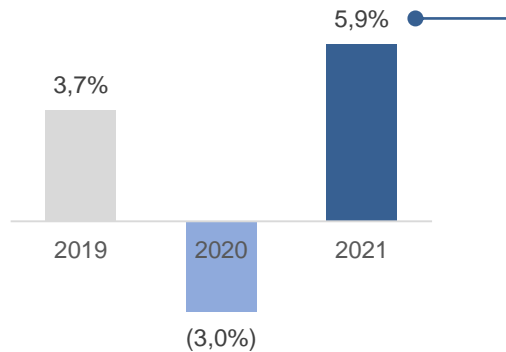
## FLEET DEVELOPMENT AND FORECAST



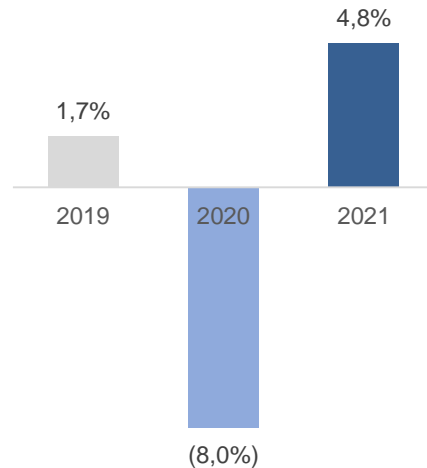
# DEMAND EXPECTED TO REBOUND STRONGLY IN 2021

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

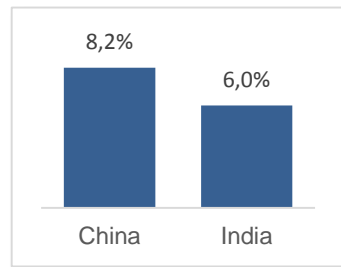
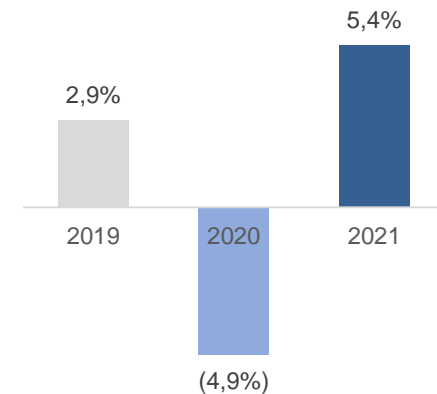
## EMERGING MARKETS



## ADVANCED ECONOMIES



## GLOBAL ECONOMY



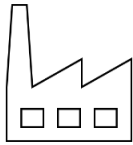
Global recovery backed by unprecedented global stimulus expected to be led by China and India and to boost demand for dry bulk transportation (*primarily iron ore and coal*).

# SUMMARY OUTLOOK

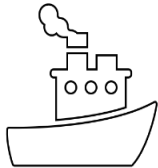
Market recovery to continue despite volatility and uncertainty due to COVID-19



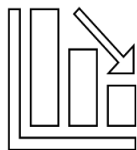
Unprecedented global stimulus packages to drive a recovery into 2021



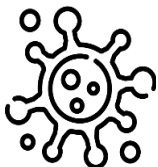
Infrastructure investments and industrial activity will lead to demand growth for iron ore and coal



Recovery of lost iron ore production in Brazil will benefit tonne-mile



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



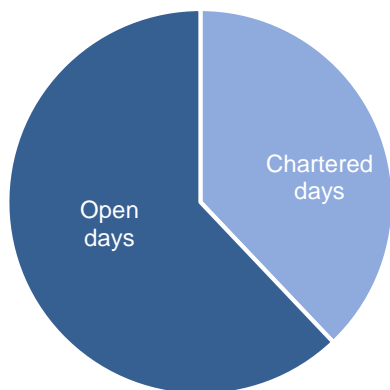
Downside risk and uncertainty will linger until the pandemic runs its course

# POSITIONED FOR CASH FLOW GENERATION



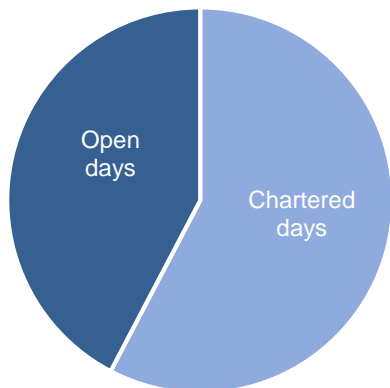
Cash flow visibility from time charters and limited capital expenditures lay the foundation for strong cash flow generation

## BALANCED CHARTERING



### CAPEX AND STATUTORY EXPENSES\*

**CAPEX AND STATUTORY EXPENSES\***  
 38% of remaining days for 2020 covered at \$18,810 / day



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**CAPEX AND STATUTORY EXPENSES\***  
 56% of remaining days for 2020 covered at \$14,920 / day

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



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## QUESTIONS & ANSWERS

THANK YOU FOR YOUR ATTENTION!



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