



GOLDEN OCEAN™

RESULTS Q4 - 2019

February 18, 2020

FORWARD LOOKING STATEMENTS



- Matters discussed in this presentation 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. Words such as "believe," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements. The forward-looking statements in this presentation are based upon various assumptions. 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 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, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, 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 Securities and Exchange Commission.
- Certain shipping, steel, Chinese and global industry information, statistics and charts contained herein have been derived from several sources. You are hereby advised that such industry data, charts and statistics have not been prepared specifically for inclusion in these materials and Golden Ocean has not undertaken any independent investigation to confirm the accuracy or completeness of such information



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COMPANY UPDATE

HIGHLIGHTS



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- The Company reports **net income of \$41.0 million** and earnings per share of \$0.29 for the fourth quarter of 2019, compared with net income of \$36.7 million and earnings per share of \$0.26 for the third quarter of 2019
- **Net income of \$37.2 million** and earnings per share of \$0.26 for the **full year 2019**, compared with net income of \$84.5 million and earnings per share of \$0.59 for the full year 2018
- Adjusted **EBITDA** in the fourth quarter of 2019 was **\$73.9 million**, compared with \$81.1 million in the third quarter of 2019
- **Completed refinancing of \$284 million loan facility** financing 15 vessels on attractive terms
- Completed charter amendment for seven Capesize vessels leased from SFL Corporation Ltd. (“SFL”) whereby **SFL will fund the scrubber investments** previously announced by the Company in exchange for increased charter rates
- Announces a cash **dividend of \$0.05** per share for the fourth quarter of 2019, the **9th consecutive** quarterly dividend announced

PROFIT & LOSS

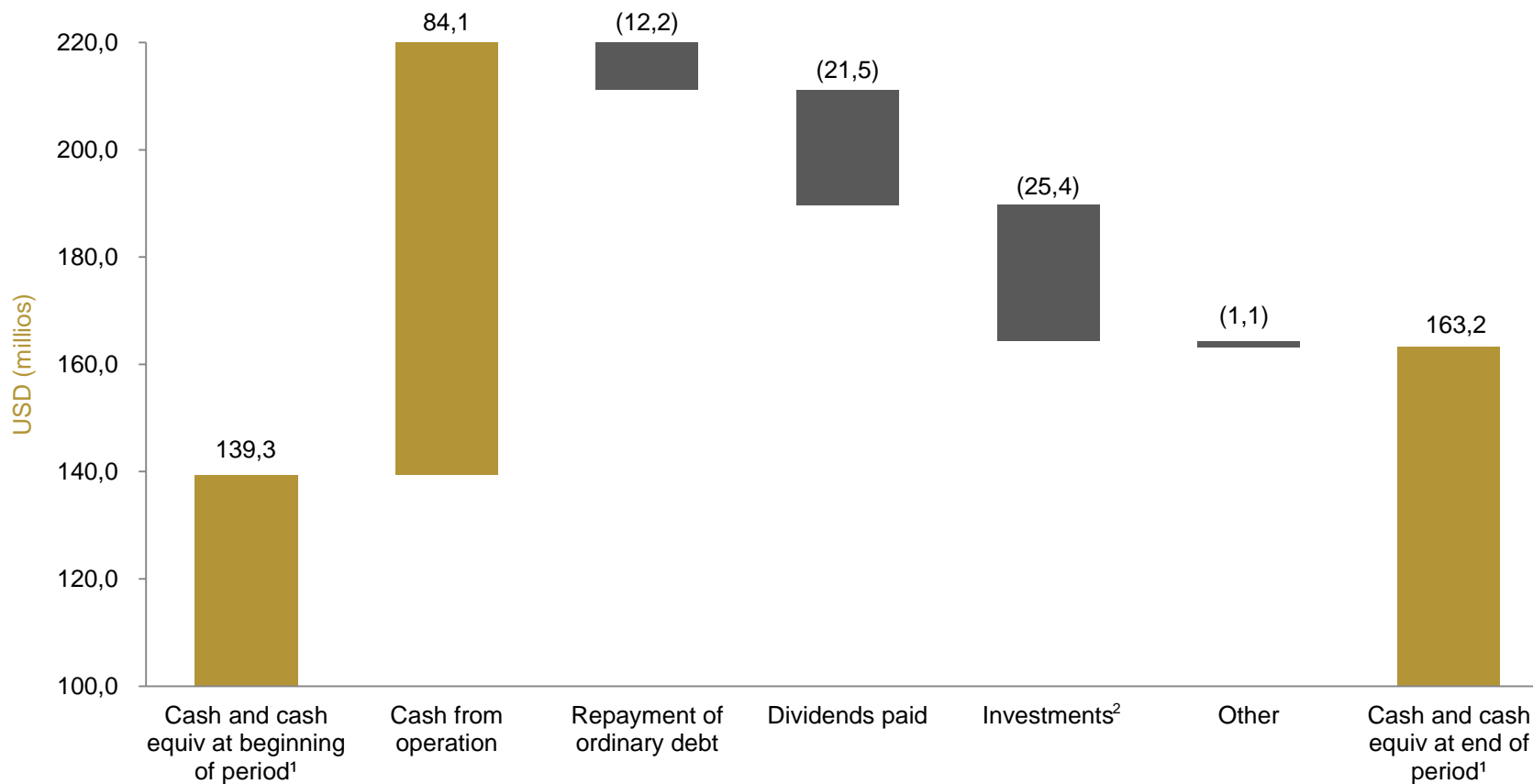


(in thousands of \$)	Q4 2019	Q3 2019	Quarterly Variance
Operating revenues	240,123	219,898	20,225
Voyage expenses	(60,322)	(57,661)	(2,661)
Net revenues	179,801	162,237	17,564
Ship operating expenses	(56,565)	(45,755)	(10,810)
Administrative expenses	(4,057)	(3,260)	(797)
Charter hire expenses	(49,707)	(36,457)	(13,250)
Depreciation	(23,665)	(23,327)	(338)
Net operating expenses	(133,994)	(108,799)	(25,195)
Net operating income (loss)	45,807	53,438	(7,631)
Net financial expenses	(12,265)	(13,312)	1,047
Derivatives and other financial income (loss)	7,625	(3,389)	11,014
Net income before taxation (loss)	41,167	36,737	4,430
Income Tax expense	124	38	86
Net income (loss)	41,043	36,699	4,344
Earnings (loss) per share: basic and diluted	\$0.29	\$0.26	\$0.03
Adjusted EBITDA	73,860	81,118	(7,258)
TCE per day	21,668	19,727	1,941

CASH FLOW DURING THE QUARTER



Q4 2019



¹ INCLUDES RESTRICTED CASH

² INCLUDES INVESTMENTS IN SCRUBBERS AND OWN SHARES

BALANCE SHEET



(in thousands of \$)	Q4 2019	Q3 2019	Quarterly Variance
ASSETS			
Short term			
Cash and cash equivalents (incl. restricted cash)	104,381	87,156	17,225
Other current assets	168,696	186,409	(17,713)
Long term			
Restricted cash	58,864	52,112	6,752
Vessels and equipment, net	2,340,753	2,347,087	(6,334)
Leases, right of use of assets	248,840	210,964	37,876
Other long term assets	44,523	51,506	(6,983)
Total assets	2,966,057	2,935,234	30,823
LIABILITIES AND EQUITY			
Short term			
Current portion of long term debt	87,787	84,797	2,990
Current portion of finance lease obligations	17,502	3,250	14,252
Current portion of operating lease obligations	14,377	28,094	(13,717)
Other current liabilities	113,701	112,001	1,700
Long term			
Long term debt	1,026,083	1,042,246	(16,163)
Non-current portion of finance lease obligations	151,206	0	151,206
Non-current portion of operating lease obligations	42,010	169,884	(127,874)
Equity	1,513,391	1,494,962	18,429
Total liabilities and equity	2,966,057	2,935,234	30,823

CREDIT FACILITIES

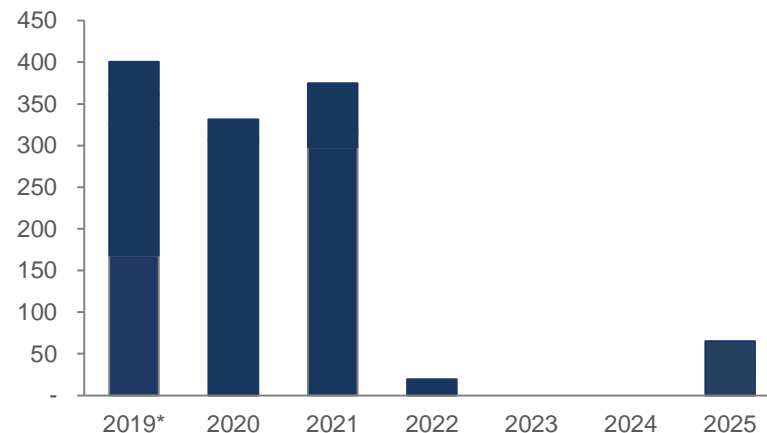
RECENT DEVELOPMENTS

- Draw down completed on the new \$155.3 million term loan facility, which refinanced the outstanding amount of the original \$284 million loan facility.
 - Terms on the new loan facility:
 - Interest rate of LIBOR + 210 bps
 - Tenor of five years
 - 20 year age adjusted repayment profile
- Completed charter amendment for seven Capesize vessels leased from SFL Corporation Ltd. (“SFL”) whereby SFL will fund the scrubber investments previously announced by the Company in exchange for increased charter rate
- Draw down on all available scrubber financings completed

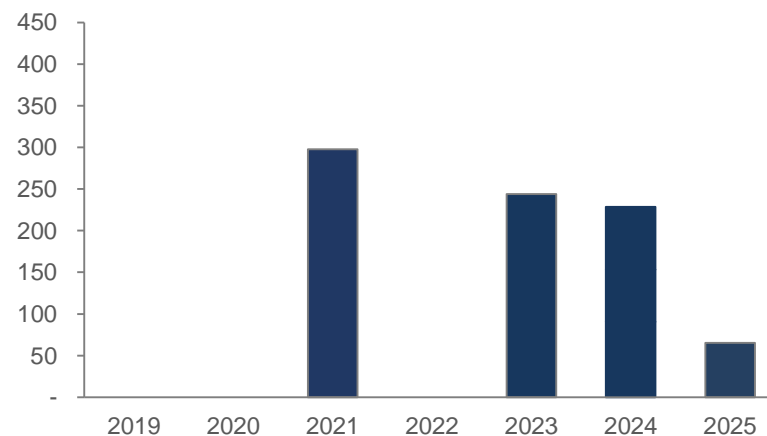
SELECTED COVENANTS

- 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

DEBT MATURITIES AS OF 12/31/2018



DEBT MATURITIES AS OF 12/31/2019



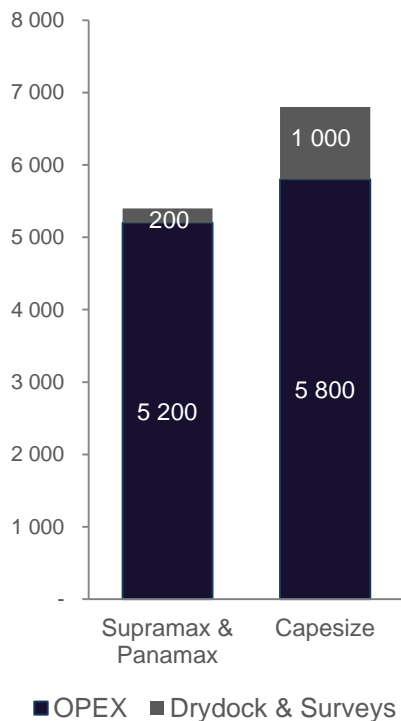
*INCLUDES \$168.2 MILL IN CONVERTIBLE BOND FULLY REPAID BY CASH IN JANUARY 2019

MODERN, EFFICIENT FLEET

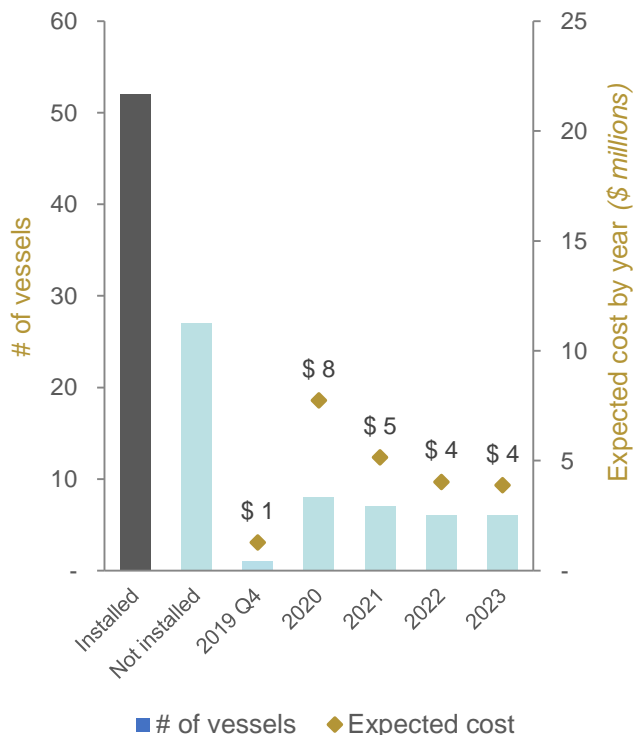


- Fully-burdened Opex includes dry docking and management fees
- 19 vessels completed dry-dock during 2019. 18 vessels scheduled for docking in 2020
- 14 Capesize vessels have installed scrubbers, one is currently at yard and additional eight are scheduled for installation during 2020
- Average fleet 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

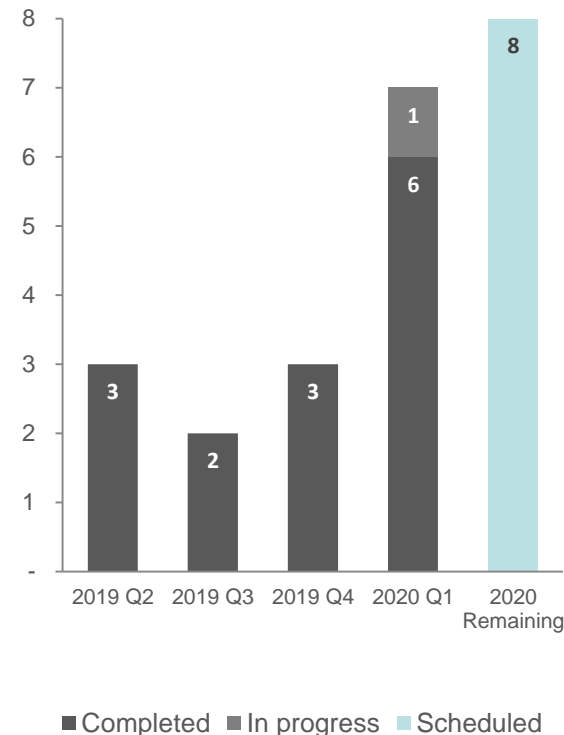
OPERATING EXPENSES (2019)



BWTS INSTALLATION SCHEDULE



SCRUBBER INSTALLATION SCHEDULE






FLEET DEPLOYMENT

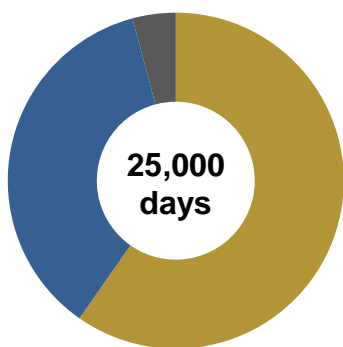
Opportunistic chartering strategy with significant operating leverage



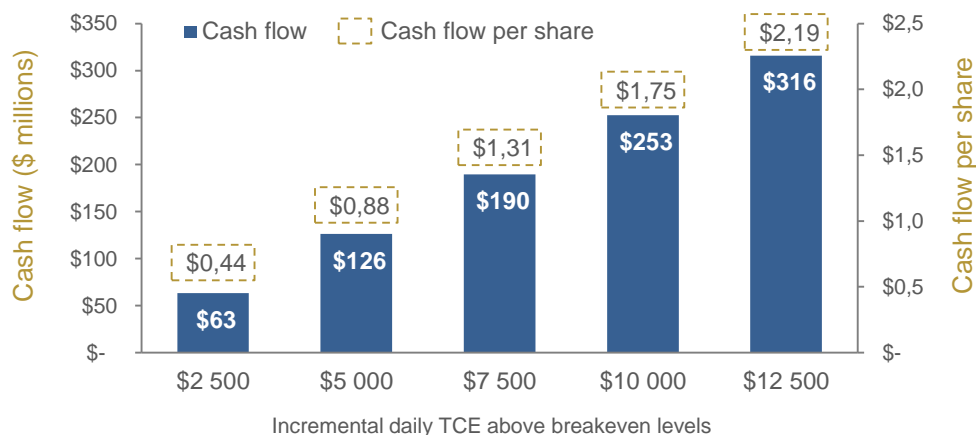
CONTRACTED EARNINGS

 Capesize (46 vessels) <i>Age 5.6 years</i>	<ul style="list-style-type: none"> • Equivalent of two vessels at a fixed rate for 2020 of \$22,750 per day • Equivalent of two vessels on floor/ceiling contracts for 2020
 Panamax (30 vessels) <i>Age 7.4 years</i>	<ul style="list-style-type: none"> • Equivalent of 9 vessels on time charter that expire between second quarter 2020 and the end of 2021 at an average gross rate of \$17,600 per day
 Ultramax (3 vessels) <i>Age 4.9 years</i>	<ul style="list-style-type: none"> • All trading in pool

2020 OPERATING LEVERAGE



■ Capesize ■ Panamax ■ Ultramax





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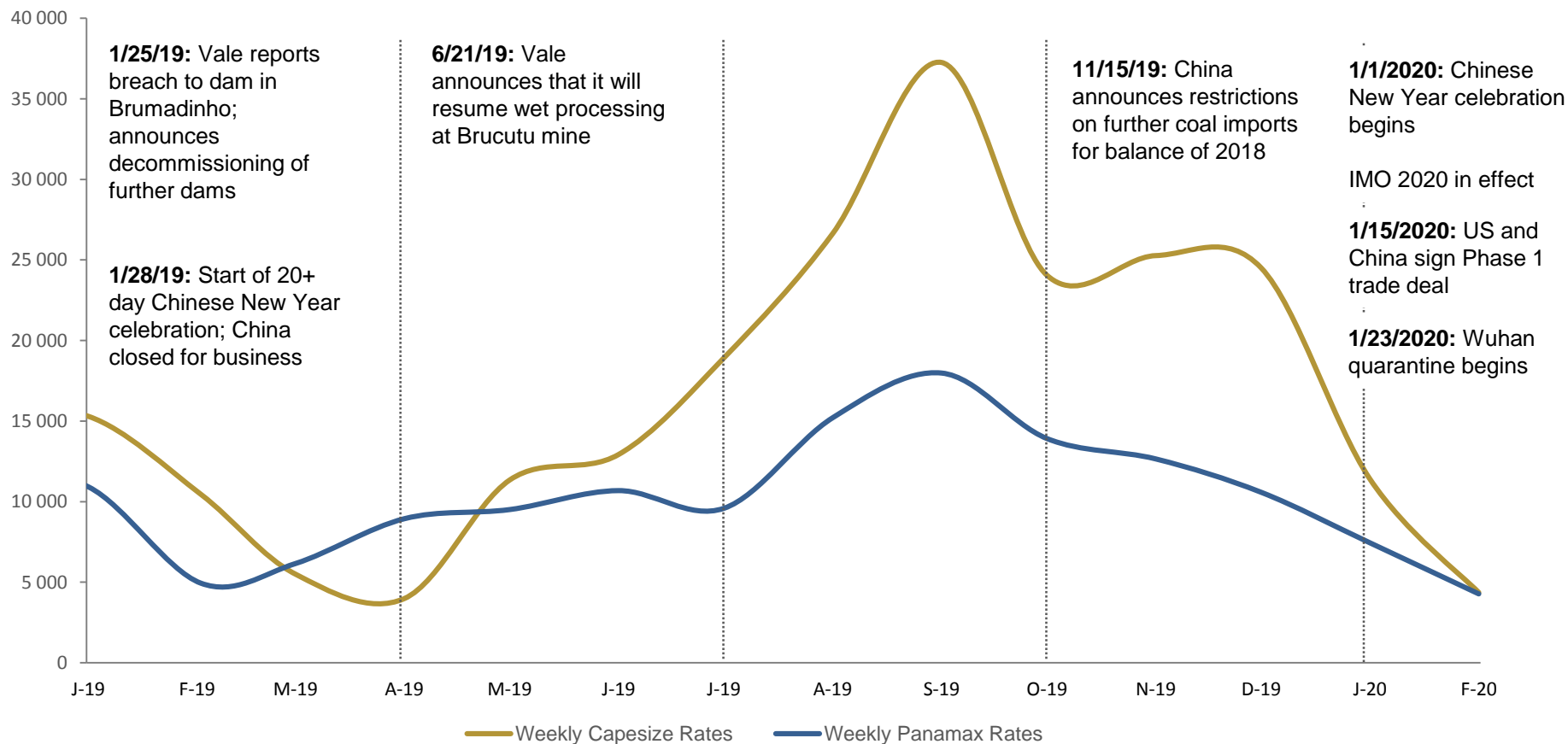
DRY BULK MARKET UPDATE

NEAR TERM MARKET OUTLOOK



A confluence of factors have increased uncertainty and created market headwinds

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

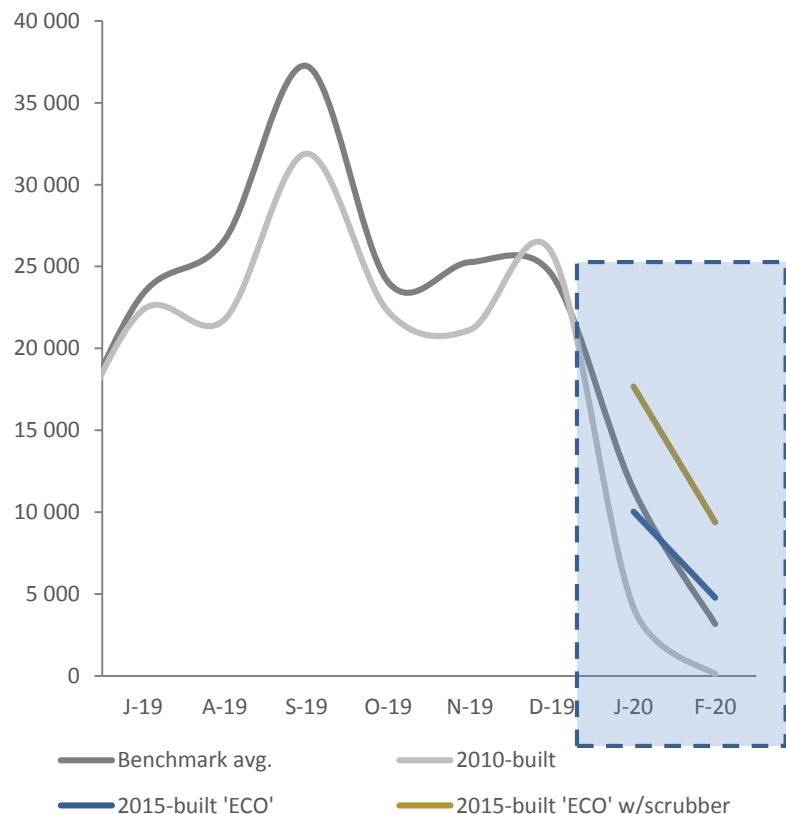


CURRENT MARKET CONDITIONS ARE PARTICULARLY CHALLENGING FOR OWNERS OF OLDER VESSELS

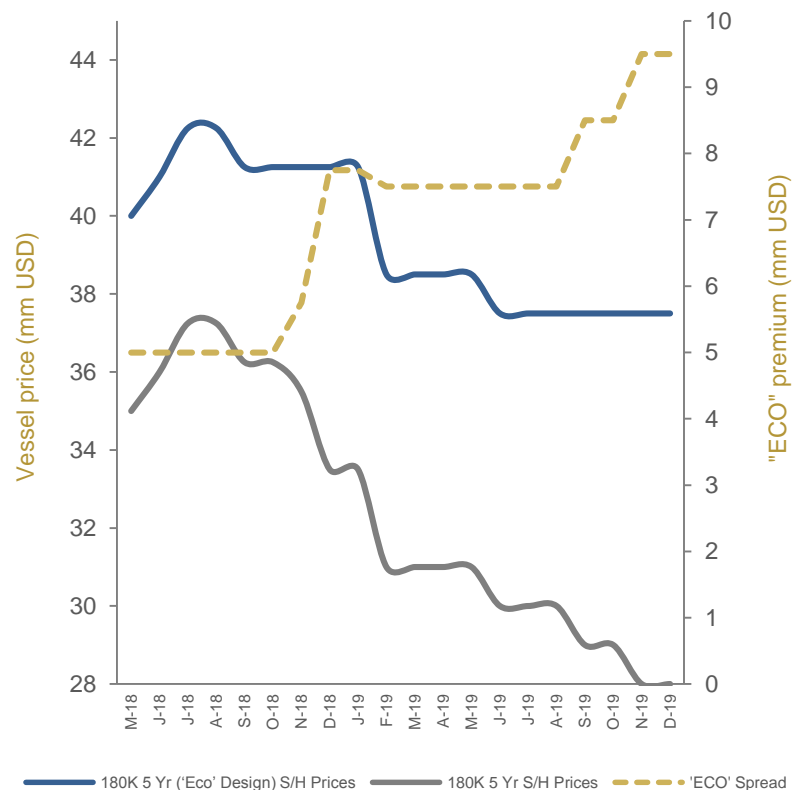


Benefits of fuel efficiency reflected in freight rates and increasing premium value of 'ECO' vessels

CAPESIZE RATES BY VESSEL SPECIFICATION



CAPESIZE VALUES AND 'ECO' PREMIUM

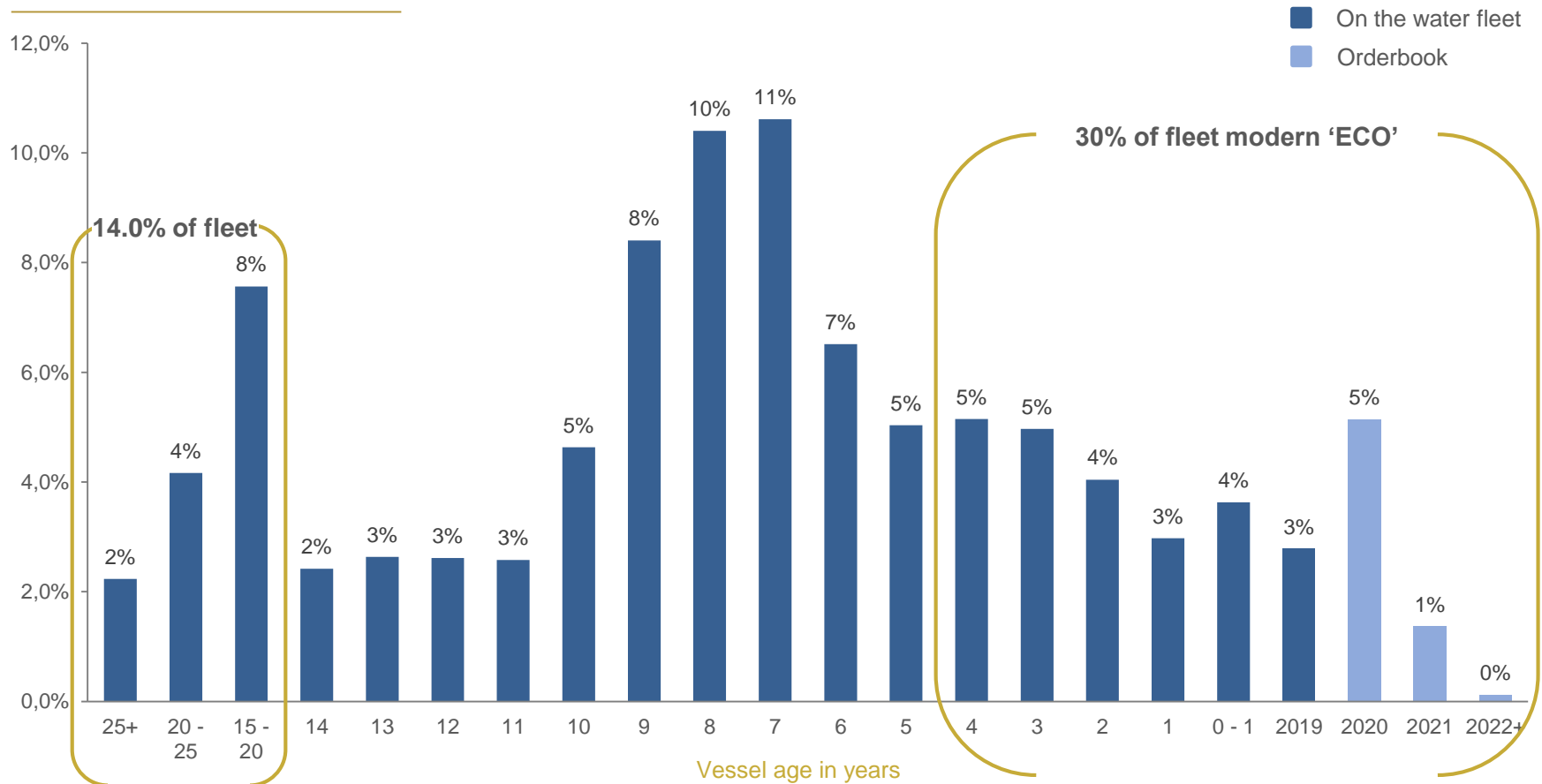


LARGE PORTION OF THE FLEET IS NOT FUEL EFFICIENT



Potential for older vessels to be phased out under new sulphur regulations

FLEET AGE DISTRIBUTION



THANK YOU FOR YOUR ATTENTION!



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