COOLCO

# Investor Presentation

November 2022

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# Summary Risk Factors 1

*Below is a summary of the principal known risks and uncertainties faced by the Group as of the date hereof. Please refer to the Appendix of this Presentation for a full description of the Group's risk factors.*

**Risks Related to the Industry in which the Group Operates**

- The Group's business, financial condition, results of operations and ability to pay dividends depend on the level of activity in the liquefied natural gas industry.
- The demand for LNG carriers will depend on prevailing energy prices and continued exploration and production of gas.
- Operations may be impacted by LNG infrastructure constraints.
- Risks associated with oversupply of LNG carriers in the LNG shipping market.
- Efforts to curb greenhouse emissions, as well as their potential effects may negatively affect demand for transportation of LNG.
- Global and regional developments and conflicts, including the current conflict between Russia and Ukraine, could affect the Group's results of operation and financial condition.
- The Group is exposed to macroeconomic risks and conditions outside of its control, such as changes in interest rates, inflation and employment levels.

**Risks Related to The Group's Business**

- Transactional risks associated with the signing and closing of the EPS SPA, including novation of the existing term loan facility connected to the Vessels.
- Risks associated with the contracts for the acquisition of the Newbuild Vessels including the risk that the Group has not obtained any debt financing or charter agreements for these vessels.
- The Group may not be able to secure contracts for its Vessels on favourable terms, or at all, and it relies on the performance by customers under current charters or charters the Group will enter into in the future.
- Unilateral exposure to the LNG shipping market without any diversification in the Group's line of business.
- Operating in a highly competitive and quickly developing market.
- Volatility in the spot/short-term charter market.
- The Group may not be able to obtain financing, to meet obligations as they fall due or to fund growth or future capital expenditures.
- Dependency on its executive management team, senior management team and key employees with relevant experience.
- Limited history of operations and dependency on establishing an operational track-record.
- Operation in jurisdictions with considerable political and security risks.
- Fluctuation in the value of its vessels.
- Risks related to accidents, spills or maritime disasters.
- Dependency on suppliers may limit the Group's ability to obtain supplies and services when needed, at an acceptable cost, or at all.
- The Group's ability to service its future debt is dependent on cash flow from its subsidiaries.
- Outbreaks of epidemic and pandemic diseases and governmental responses thereto could adversely affect the Group's business.
- Risk of maritime liens.

# Summary Risk Factors 2

**Risks Related to The Group's Business (cont.)**

- Changes in the legislative and fiscal framework may affect the Group's profitability.
- The Company could be subject to fraudulent behaviour from employees and/or third parties.
- Diligence risk in connection with any investments made.
- Cyber security risk.
- Losses arising from the inherent risks of the shipping industry, which insurance policies may not be adequate to cover.
- The Group may become involved in claims and disputes, which may have a negative impact on the results and cash flows of the Group.
- The Group is exposed to risks related to the service life of its Vessels and may experience increasing costs in the operation of its Vessels.
- There are risks related to the Administrative Services Agreement with a related party, upon which the Group depends for administrative services.

**Risks Related to Financing of the Group's Business**

- Risks associated with the Group's debt arrangements, such as restrictions on the Group's ability to incur additional indebtedness, merge with or enter into transactions with other entities or dispose of substantial parts of its assets.
- The Company is exposed to fluctuations in working capital.
- The Company is exposed to interest rate and currency fluctuations.

**Risks Related to Regulation**

- The Group is subject to complex laws and regulations, including tax, environmental, economic, sanctions and international regulations.
- Failure to comply with applicable anti-corruption laws, sanctions or embargoes may have a material adverse effect on the Group's business.
- Failure to comply with the Economic Substance Act 2018 or the Economic Substance Regulations 2018 of Bermuda may have a material adverse effect on the Company's results of operation and financial condition.

**Risks related to the Shares**

- The market price of the Shares may fluctuate.
- Future sales, or the possibility of future sales of substantial numbers of Shares could affect the market price of the shares.
- Investors' rights and responsibilities as shareholders is governed by Bermuda law.
- The ability to bring action against the Company may be limited under the laws of Bermuda.
- Ability to pay dividends is dependent on the availability of distributable reserves and the willingness of the Company to pay any dividends in the future.
- Investors may not be able to exercise their voting rights for Shares registered in a nominee account.

# Presenters

## Richard Tyrrell
***Chief Executive Officer***

- Over 25 years of energy experience
- Former CEO and CFO of Höegh LNG Partners and led the company's IPO in 2014
- MBA from Harvard Business School and Mechanical Engineering degree from Imperial College of Science, Technology, and Medicine

## John Boots
***Chief Financial Officer***

- Over 30 years of financial management and capital raising expertise in the energy industry
- Former SVP and CFO of Pacific Drilling S.A
- Business Economics degree from University of Applied Sciences in the Netherlands and Advanced Management Program at INSEAD

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# Transaction overview

## Acquisition of four LNG carriers at an attractive price vs. current market values

### Transaction details

**Cool Company intends to acquire four LNG carriers from an affiliate of EPS for $660m**

- Kool Firn and Kool Orca are modern 2-stroke vessels delivered in 2020 and 2021
- Kool Boreas and Kool Baltic are modern TFDE vessels delivered in 2015
- Purchase price in line with the price EPS paid for the vessels from ING Bank in May 2022
- Transaction subject to financing and final price subject to closing adjustments

**Vessel acquisition to be funded through secured debt and new equity**

- Follow-on equity offering of ~$170m
- Assumption of the existing debt attached to the vessels of ~$500m(1)

**Total private placement of up to ~$270m of new and existing shares**

- Private placement of new shares for a gross amount of $170m
- Private placement of existing shares owned by Golar LNG, for a gross amount of $100m
- EPS has pre-committed to subscribe for ~50% or ~$135m of the total private placement(2)

**Additional options for two new, state-of-the-art 2-stroke vessels**

- Cool Company further entered into an option agreement with an affiliate of EPS to acquire two shipbuilding contracts with Hyundai Samho Heavy Industries with deliveries in 1Q25
- Options exercisable before the end 2Q23 at an implied vessel valuation of $234m each

### Sources and uses

| Sources | *USDm* |
|---|---|
| Equity private placement | 170 |
| Secured debt financing | ~500 |
| **Total** | **~670** |

| Uses | *USDm* |
|---|---|
| Acquisition cost | 660 |
| Working capital | ~10 |
| **Total** | **~670** |

### Competitive financing committed

- $520m Term Loan Facility (~$500m at end 2022)
- Maturity: 11 May 2029
- SOFR + financing margin of 2.00%
- Banks: ING Bank N.V., Singapore Branch, Credit Agricole Corporate & Investment Bank, KFW IPEX-Bank GMBH, Nordea Bank ABP, Filial I Norge
- The Banks have signed a Commitment Letter, which confirms that they have obtained all necessary credit approvals for the proposed amendments to the Term Loan Facility and that their commitment is only subject to completion of their KYC requirements and satisfactory documentation

***The attractively priced acquisition demonstrates Cool Company's ability to leverage its relationship with its shareholders and banks to grow the business at accretive terms***

1) Assumed secured debt financing basis $520m minus first principal repayment November 14th of ~$20m
2) Subject to an ownership cap of 49.9%.

# Highly attractive vessels on long-term time charters to Shell

## Long-term charters complement the shorter-term charters of our existing fleet

### Vessels

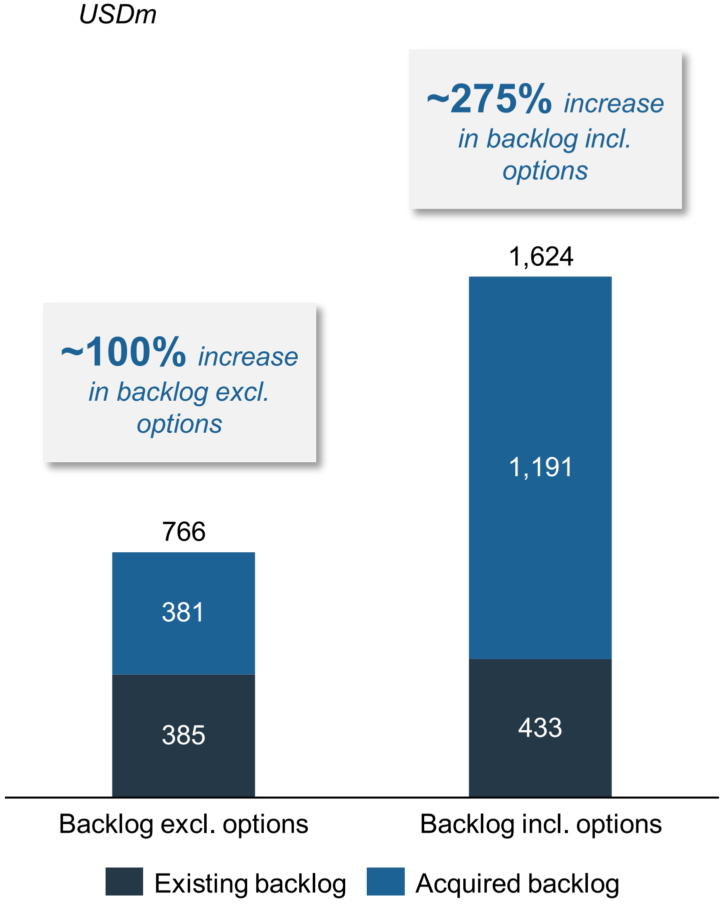
1. **Kool Orca** — *2-stroke*
   **2021** delivery
   **Hyundai** built

2. **Kool Firn** — *2-stroke*
   **2020** delivery
   **Hyundai** built

3. **Kool Boreas** — *TFDE*
   **2015** delivery
   **STX** built

4. **Kool Baltic** — *TFDE*
   **2015** delivery
   **STX** built

### Significant increase in backlog




### Compelling value proposition

- ✓ Minimum contract duration of **3.7 years** excl. options for acquired vessels
- ✓ Contract duration of **11.7 years** incl. options for acquired vessels
- ✓ Estimated annual EBITDA contribution of ~**$81m**(1)
- ✓ Illustrative FCFE of **$18m** in 2023(2)
- ✓ Illustrative FCFE yield of **11.2%** in 2023(3)
- ✓ Long maturity debt due in May 2029 at attractive interest margin of SOFR + 2.0%

Source: Company
1) 2023 estimate
2) Assumes loan outstanding of ~$500m, amortization period of 13.4 years from May 2022, interest rate of SOFR + 2.0% margin
3) Assumes $160m in equity value

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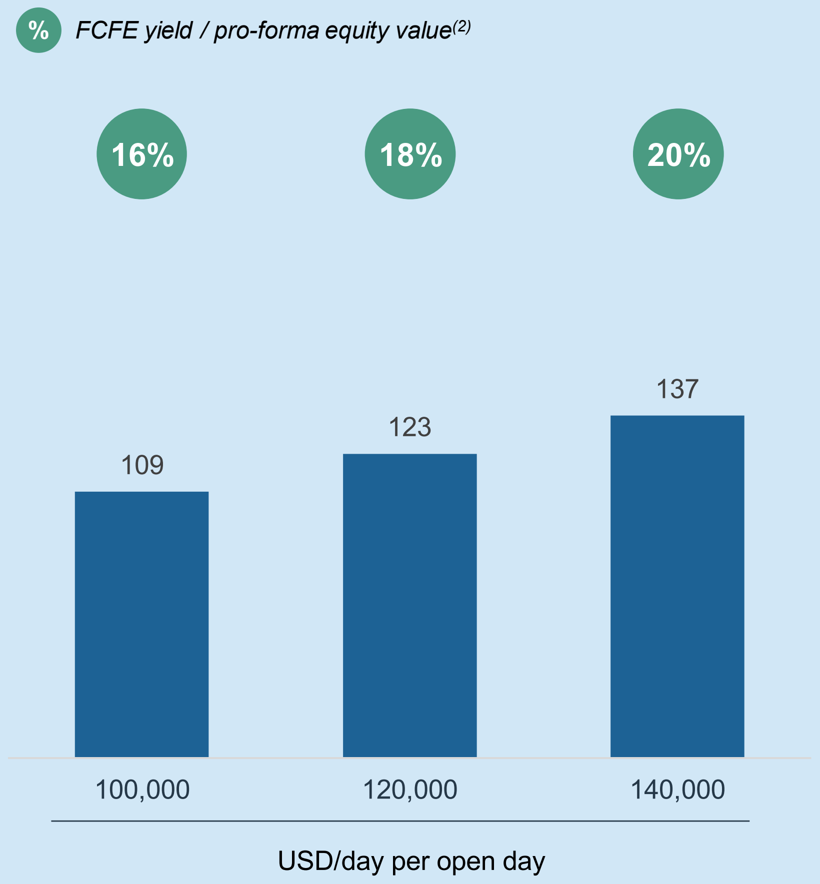
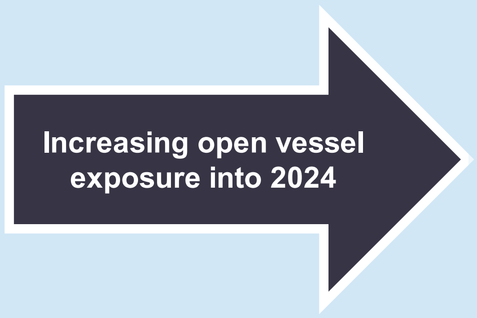
# Attractive yield potential

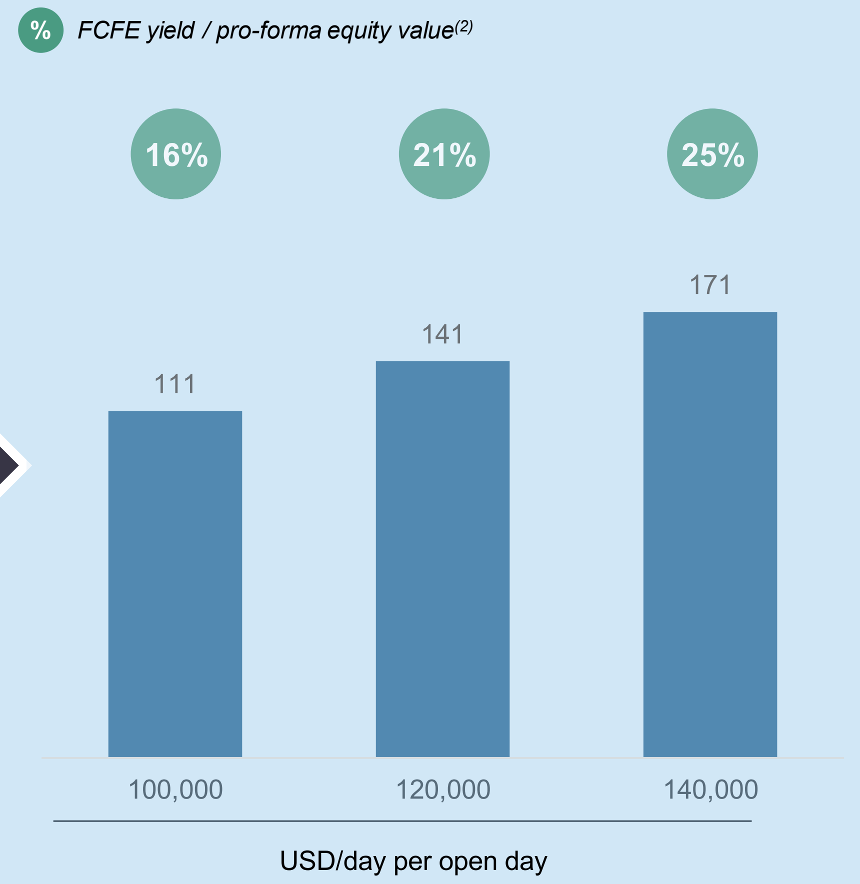
## Recent time charter agreed at a $120k/day for 3-years

### Illustrative pro-forma FCFE for open days in 2023[1] ($m)




### Illustrative pro-forma FCFE for open days in 2024[1] ($m)




Source: Company and historical financials

(1) Based on 12 vessels and 749 & 1,563 open days in 2023 & 2024, respectively. Assumes daily vessel opex of $16k per vessel, annual G&A expense of $7m ($1,500/day/vessel), and assumed average debt service of ~$40k/day for each of the 12 vessels). Excludes drydocking cost and efficiency improvement capex.

(2) Based on closing price of USD 12.65/share as of 28/10/2022 and primary raise of USD 170m.

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# Q3 flash results and market update including dividend policy

| | |
|---|---|
| **Flash 3Q22 Results** | • TCE: $73k per day<br>• 3Q22 Adjusted EBITDA: $42m ($67m for 1H22)<br>• Unrestricted Cash: $95m<br>• Contractual debt: $769m |
| **Market update** | • Utilization of 95% in 3Q22, due to idle days before delivery of re-contracted vessel to $140k per day contract<br>• Continued high demand for Cool Company's vessels<br>• Recent charter agreed at a time charter rate of around $190k per day or $120k per day for 3 years starting fourth quarter 2022. A 3-year charter has been confirmed subject to charterer vetting process<br>• Advanced discussions on a second 3-year charter for vessel available in 1Q23 at prevailing market rates<br>• Next vessel available in April 2023 |
| **Dividend policy** | • Variable dividend policy allocating free cash flow to equity primarily to the payment of a quarterly dividend<br>• Commencing with effect from the fourth quarter of 2022, with an initial payment expected to take place during the first quarter of 2023<br>• Free cash flow to equity is after allocations to drydocking and capital expenditures related to improving vessel efficiency<br>• At all times subject to the sole discretion of the Company's Board of Directors, taking into consideration, among other factors, including but not limited to the freight market outlook, the balance sheet, market cyclicality, distributable reserves, liquidity requirements and macroeconomic conditions |

# Investment highlights

| | |
|---|---|
| **1 Leading LNG Shipping Company** | • Highly competitive fleet of vessels, fully compliant with new EEXI regulations and CII ratings<br>• First class in-house commercial and technical ship management<br>• Strong support from Eastern Pacific Shipping - one of the largest and most active shipowners globally |
| **2 Significant Operating Leverage Towards Improved LNGC Rates** | • 2 vessels coming off charter in the coming 6 months; subject to unprecedented level of inquiries, including for longer term charters<br>• Only publicly listed LNGC company with material exposure to the buoyant charter market (37.5% open in 2023[(2)])<br>• Accretive growth opportunities available through rechartering, shareholder sourced opportunities and sector consolidation |
| **3 Strong Cash Flow and Dividend Potential** | • Illustrative vessel FCFE yield of 36% / 47% using recent fixtures at ~$120k/~$140k/day[(1)]<br>• Variable dividend policy allocating free cash flow to equity primarily to the payment of a quarterly dividend<br>• Previously announced dual listing by late ‘22/early ’23 |
| **4 Highly Attractive Market Backdrop** | • Energy security and the need to restock storage supports a “stronger for longer” market backdrop<br>• High LNG prices supporting higher earnings potential for modern LNGCs<br>• Supportive long-term fundamentals on the back of new LNG projects and fleet renewal triggered by new regulations |
| **5 Experienced Leadership Team** | • Leadership team has extensive shipping and LNG experience and a strong operational track record<br>• Network of relationships with major energy companies, shipyards, financial institutions, and other key participants |

(1) Based on vessel value of $148 million, representing implied Enterprise Value per vessel as of 28 October 2022 and Net Debt/vessel of 57% using figures as of 30 September 2022. Breakeven cost/day of $58k/day (pro-forma for 4 acquisition vessels, an increase from $54k/day)
(2) 25% open end 2023 including new acquisitions

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# Cool Company at a glance

## Modern fleet, proven platform and unique exposure to rising market

Golar LNG — 31.3%(2)

Eastern Pacific Shipping — 40.0%(2)

Public Investors — 28.7%(2)

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100%

### Owned LNGC Fleet

- 8x modern, energy-efficient TFDE LNGCs sister vessels
- 4x modern 2-stroke and TFDE LNGCs to be acquired
- Young fleet with average age of ~8 years
- Large-scale, 160-174k cbm capacity, in line with current industry standards (1)
- Advanced containment technology for high performance: 0.10% boil-off rate
- Only publicly listed LNGC company with material exposure to the buoyant charter market

### Managed Fleet

- Technical management of 21 3rd party vessels and floating LNG infrastructure assets on behalf of leading shipping and energy players

Eastern Pacific Shipping, Golar LNG, NewFortress energy, LNG Hrvatska, Avenir LNG, ENERGOS

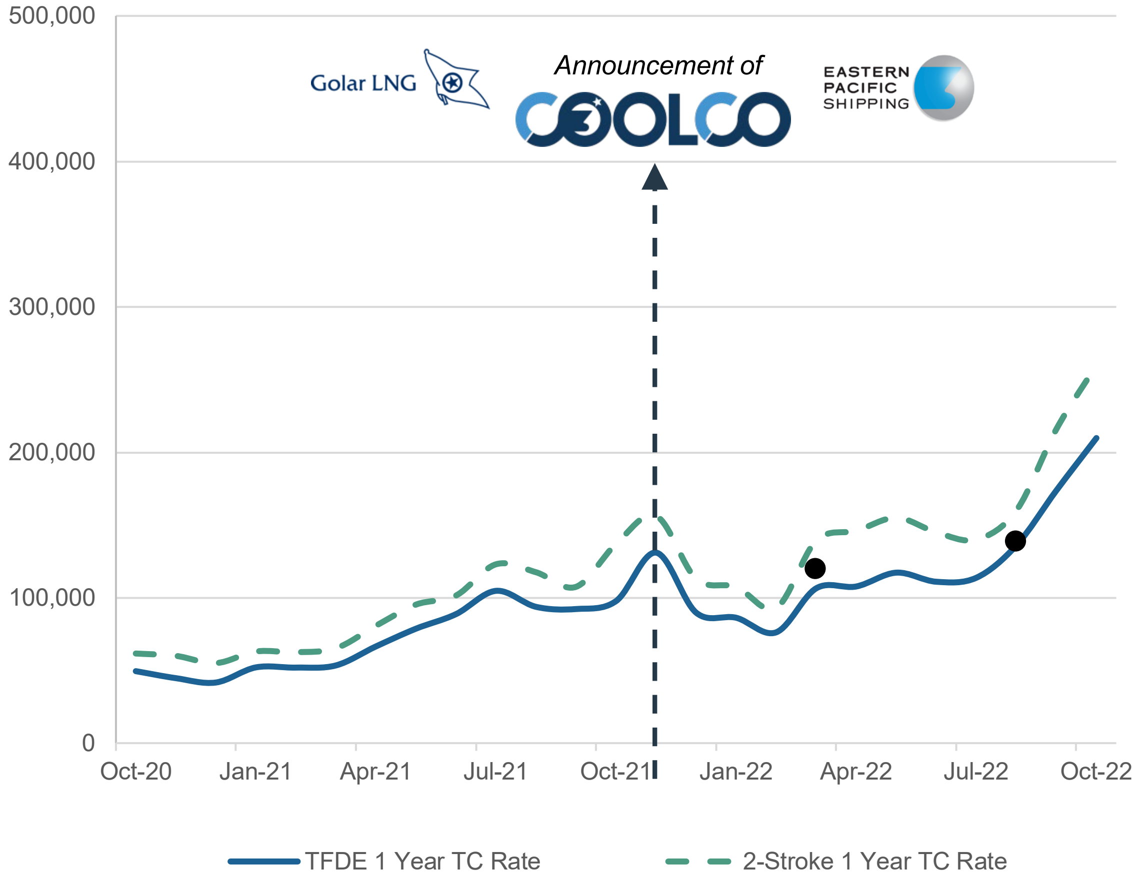
- Combination of LNGCs and Floating Storage & Regasification Units (FSRUs)
- Utilizes expertise and proven capabilities of integrated CoolCo platform to generate consistent management fees and unlock scale advantages

Source: Company
(1) Older steam LNGCs generally have a lower capacity, disadvantaging them as industry norms have converged around large capacity vessels
(2) Ownership before transaction

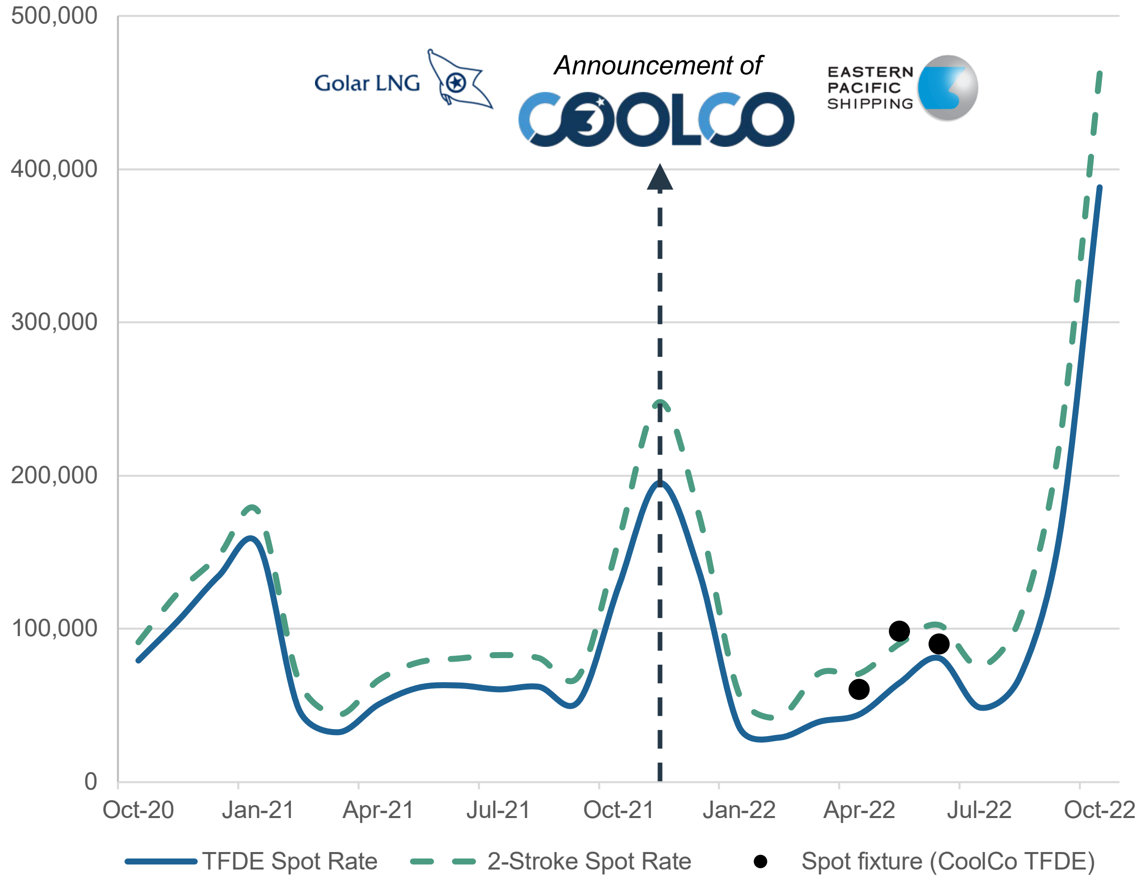
# Superior fixing track record relative to key benchmarks

## CoolCo's modern TFDEs and chartering strategy outperform the class average

### 1-Year TC Rates, $ per day(1)




### Spot Rates, $ per day(1)



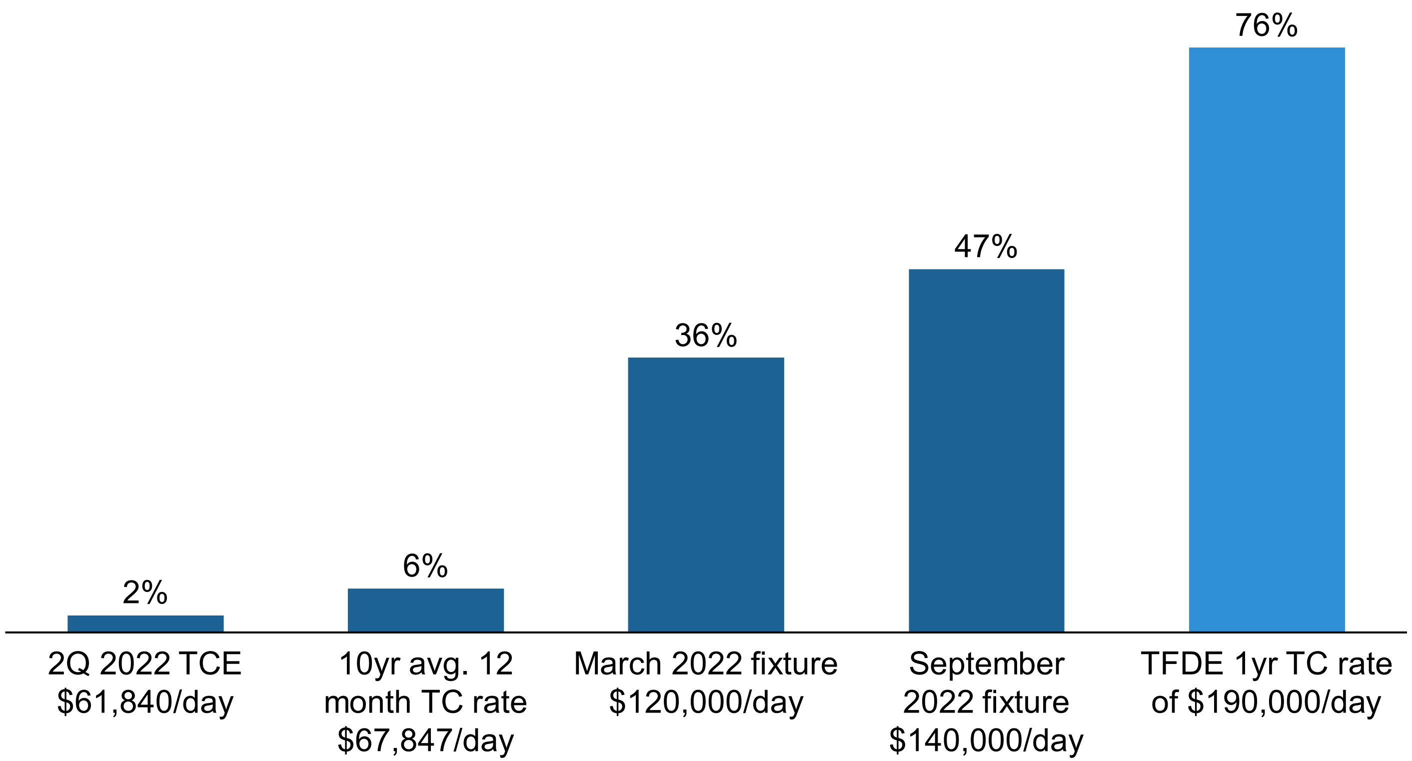

(1) Market data sourced from Clarksons Research. October Spot Rate illustrating average for first three weeks in October.

# Highly attractive returns on new charters

## Announced fixture at $140k per day compared to a post-acquisition cash breakeven of $58k per day

- ✓ Current 1 year TC rate for TFDE at $210k/day
- ✓ Rates supported by cargo values of >$200 million
- ✓ Charterers prioritizing shipping coverage
- ✓ Restocking of European storage likely to prolong this year's winter season
- ✓ Only one vessel scheduled to drydock before 2024

**Illustrative vessel free cash flow to equity yield on latest fixtures(1)**




(1) Based on vessel value of $148 million, representing implied Enterprise Value per vessel as of 28 October 2022 and Net Debt/vessel of 57% using figures as of 30 September 2022. Breakeven cost/day of $58k/day

# Short- and long-term factors driving LNGC rates

## Supply shortages and energy transition strengthen outlook for global LNG trade

**Short Term**

**Tight gas markets** driven by reduced Russian exports and energy security concerns

Geopolitical backdrop from Russia-Ukraine war highlight **LNG's role in security of supply**

**Significant demand** for fixtures as charterers seek **storage and winter cover** amid **limited vessel availability**

**Long Term**

Key role in **energy transition** as the cleanest, most economically viable option to reduce carbon emissions

Continued **secular growth** as LNG trade is projected to expand by CAGR of ~6% from 2020 to 2030 as coal and oil are displaced and LNG backstops intermittent renewables

Strong pipeline of LNG-related projects expected to 2x export liquefaction capacity in 2028[(1)]

Source: Company, Clarksons research as of June 2022

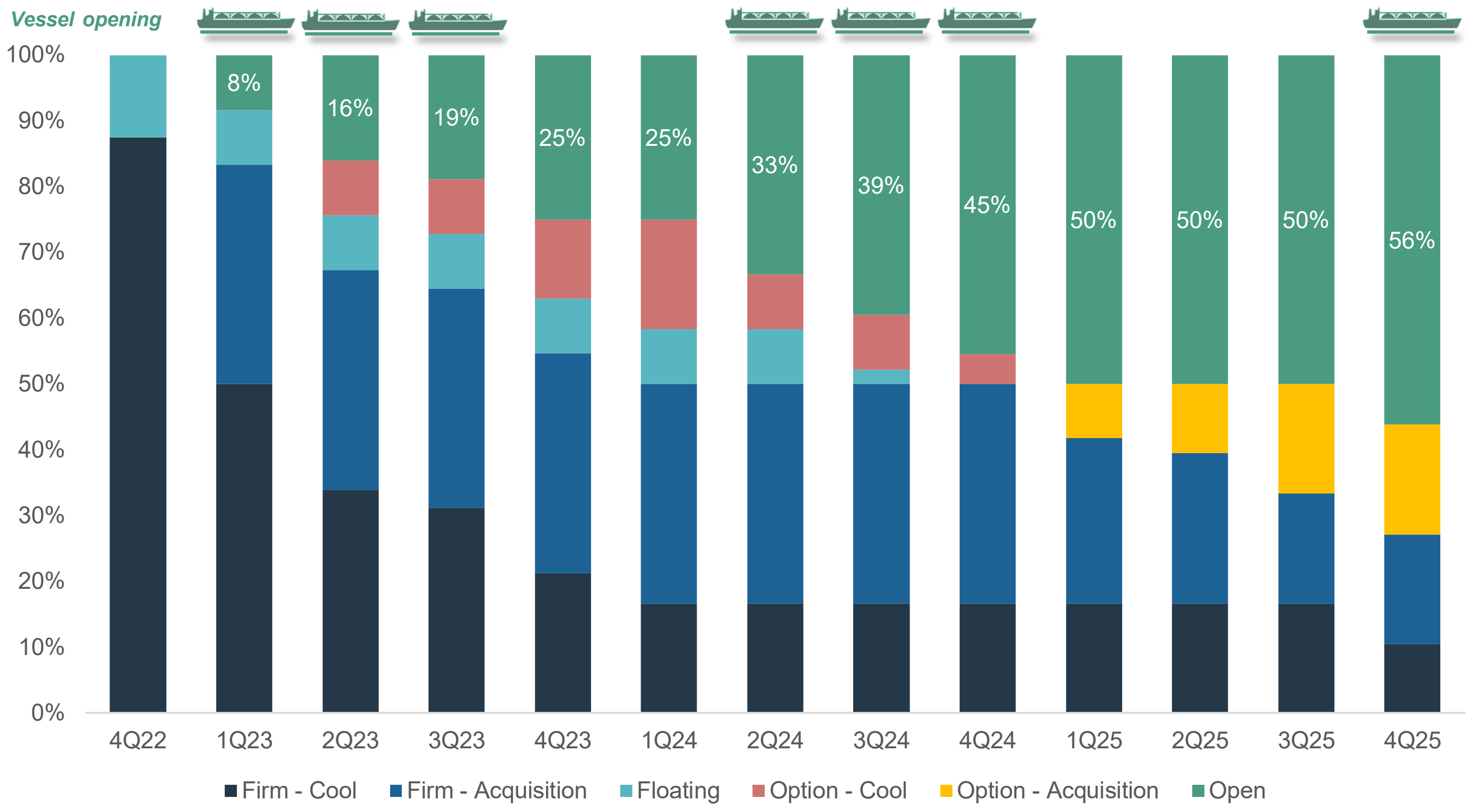
(1) Assumes capacity under construction of 165 mtpa and FEED stage of 293 mtpa progress as scheduled

# High exposure to a historically strong charter market 2022-'25

## Three unparalleled energy crisis-era charters announced, five to go(1)

- ✓ Acquisition adds to the base of longer-term contracts
- ✓ 2 vessels coming off charter in the coming 6 months
- ✓ Cool Company subject to unprecedented level of inquiries, including for longer term charters, at historically high levels
- ✓ Open vessel exposure increasing from 8% Q1 2023 to 25% end 2023 and 45% end 2024

**Backlog days (%)**




(1) Currently owned vessels

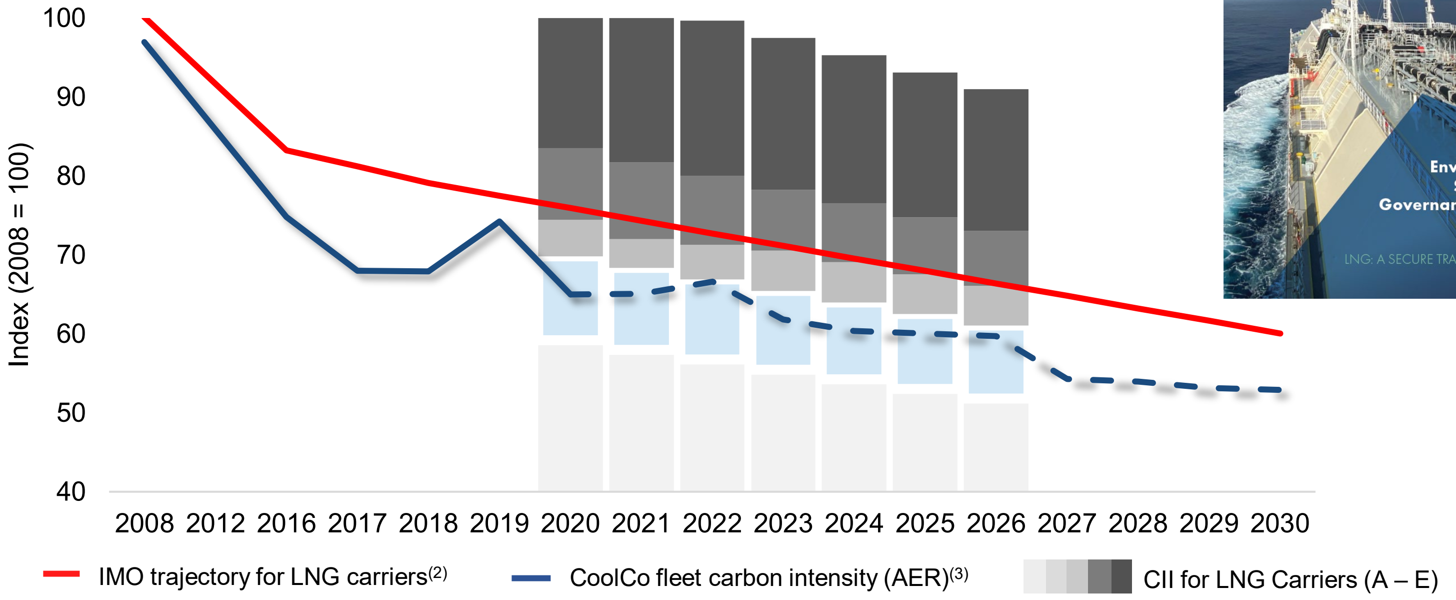
# Well positioned as upcoming regulations disadvantage older LNGCs

## CoolCo fleet is compliant with the new EEXI regulations

CoolCo intends to **reduce fleetwide carbon intensity[1] by 26% by 2030** compared to 2016

This would equate to a **45% reduction compared to 2008 estimates**, **exceeding the IMO target** (40%)

Wide range of fleet initiatives undertaken and being planned, including speed optimization, engine load management, data-based voyage planning and trim management





*CoolCo's fleet meets the CII requirements and is expected to stay within the average "C" ranking over time*

### Targeted Annual Efficiency Ratio (AER)

2016 **10.03**[4] → **-15%** → 2021 **8.48**[4] → **-13%** → 2030 **7.40**[4]

Source: Golar LNG 2021 ESG Report
(1) Emissions intensity based on AER
(2) IMO trajectory estimated based on IMO 4th Greenhouse Gas study, trendline reflects IMO's guidance that global fleet saved on average 21% 2008 – 2018
(3) CoolCo AER as reported in Golar LNG's ESG Report from 2016 – 2021, data for all other dates are estimates and projections
(4) AER defined as $CO_2$ emissions per transportation work (dwt x transported distance)

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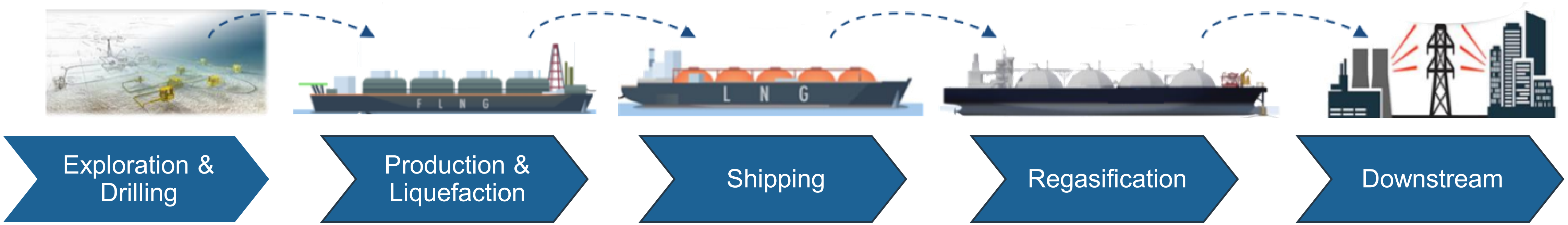
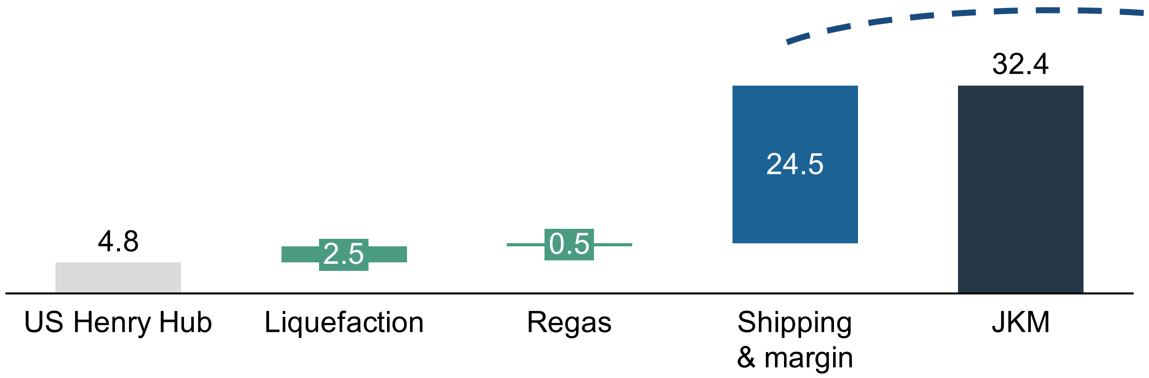
# Key infrastructure in the LNG value chain

## Large price arbitrage allows for significant profitability across the LNG value chain



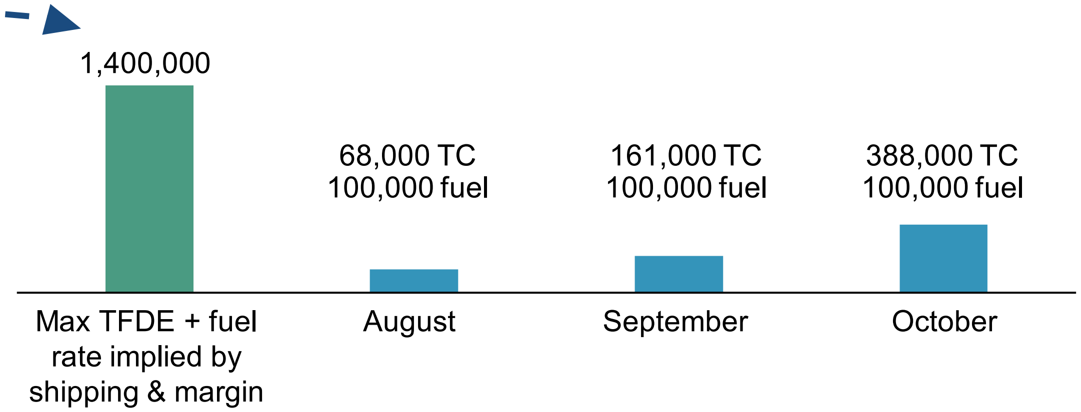

### Henry Hub and Asian LNG (JKM) waterfall

*USD/mmBtu*




### Implied LNG spot rate potential by arbitrage(1)

*USD/day*



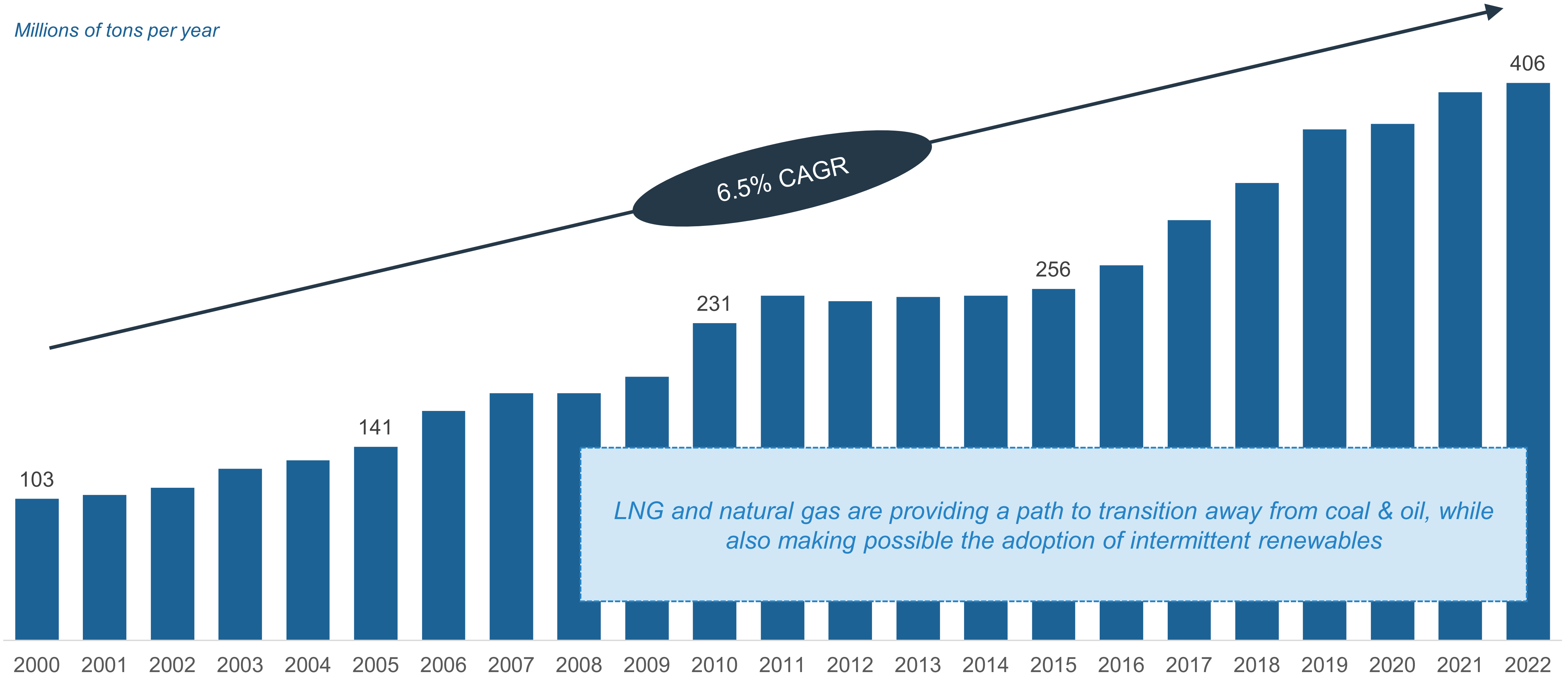

Source: Argus, Bloomberg, DNB Markets

(1) Approximate daily fuel consumption at indicated JKM price

# Global LNG demand has grown 4x since 2000…

## LNG has been a crucial driver and enabler of the Energy Transition; even +4% p.a. growth through COVID era

*Millions of tons per year*




Sources: IHS, GIIGNL, IGU, Clarksons research as of June 2022

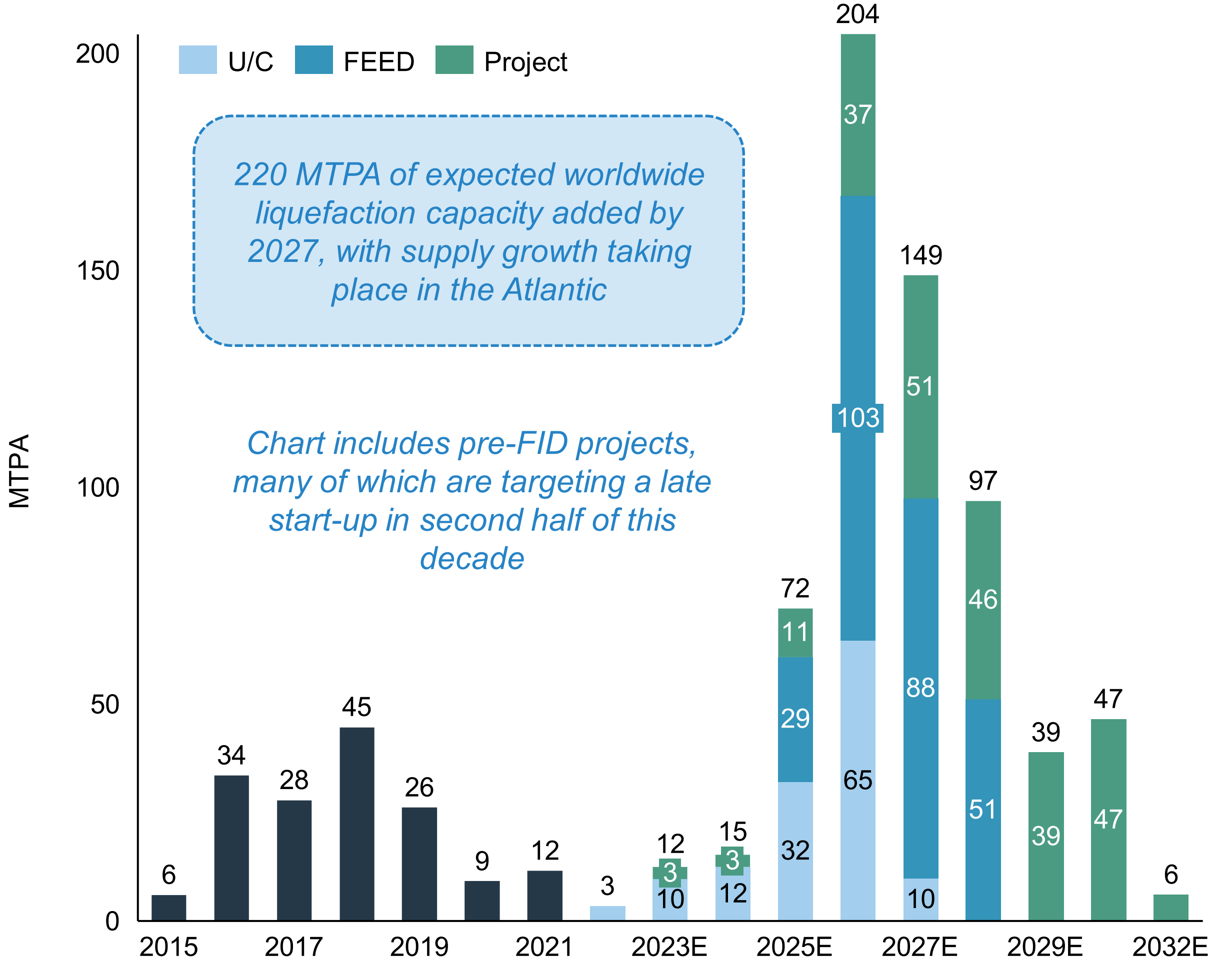
# …with new liquefaction capacity expected to drive continued demand growth

## Pipeline of post-FID liquefaction projects to create additional capacity and drive growth opportunities

### Top 10 LNG Liquefaction Projects Under Construction

| | Country | Project | Export Capacity mtpa | Expected Start Up | Est. Ship Size | Estimated Vessel Requirement |
|---|---|---|---|---|---|---|
| 1 | Canada | LNG Canada | 14.0 | 2025 | 174,000 | 15 |
| 2 | Mozambique | Mozambique LNG | 13.1 | 2026 | 174,000 | 17 |
| 3 | United States | Plaquemines LNG | 10.0 | 2024 | 174,000 | 16 |
| 4 | Qatar | North Field LNG Expansion Train 1 | 7.8 | 2025 | 174,000 | 9 |
| 5 | Qatar | North Field LNG Expansion Train 2 | 7.8 | 2026 | 174,000 | 8 |
| 6 | Qatar | North Field LNG Expansion Train 3 | 7.8 | 2026 | 174,000 | 9 |
| 7 | Qatar | North Field LNG Expansion Train 4 | 7.8 | 2026 | 174,000 | 8 |
| 8 | United States | Golden Pass Train 1 | 6.0 | 2025 | 174,000 | 9 |
| 9 | United States | Golden Pass Train 2 | 6.0 | 2026 | 174,000 | 9 |
| 10 | United States | Golden Pass Train 3 | 6.0 | 2026 | 174,000 | 9 |
| Total Pipeline: | | | 158 | | | 212 |

### LNG Liquefaction Project Start-Ups(1)



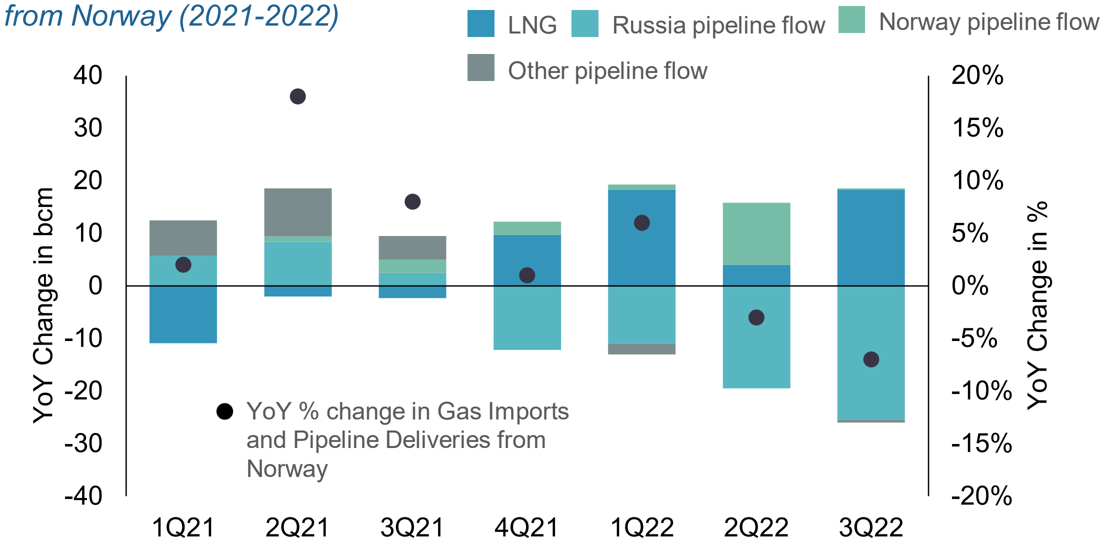

Source: Clarksons research as of September 2022
(1) Reflects volume of LNG liquefaction projects starting up in each year. Excludes Russian projects.

# Short- and long-term factors driving LNGC rates

## Supply shortages and energy transition strengthen outlook for global LNG trade

### Strong near-term dynamics driven by geopolitical factors

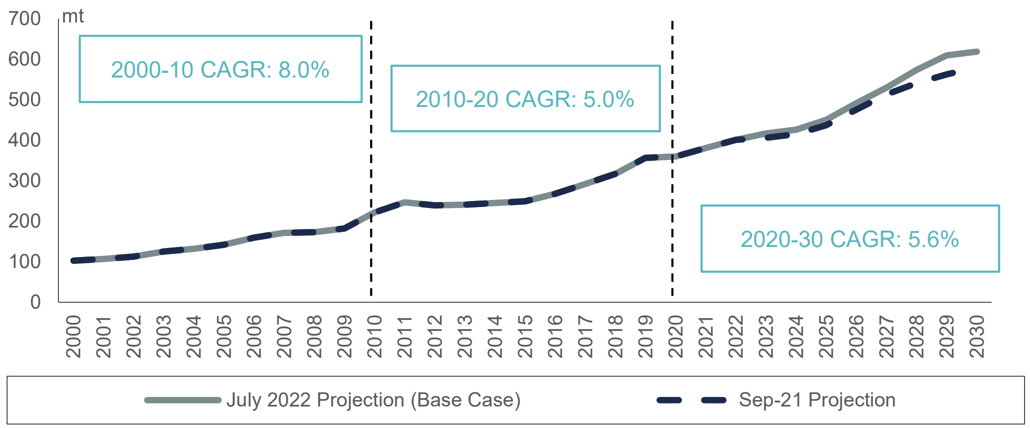
*Year-over-year change in quarterly European natural gas imports and deliveries from Norway (2021-2022)*




- Global gas markets extremely tight against backdrop of firm economic growth and reduced Russian exports
  - Gas prices have risen to firm levels, with 1H22 gas prices in Europe averaging $32/mmbtu, up 34% year over year (2014-2020 averaged $6/mmbtu)
- The war in Ukraine has only exacerbated a structural shortfall in the global LNG market
  - Russia supplied 17% of global gas output and ~40% of European gas in 2021

### …Alongside favourable long-term dynamics

*Global LNG Trade Forecast Scenarios*




- Increasing emission targets and concerns about global warming have shifted energy mix from coal, oil, and nuclear fuels to natural gas
  - Natural gas will play key role as "bridging fuel" in ongoing energy transition, providing underlying support to LNG trade
- LNG trade to account for growing share of total gas trade due to its flexibility and the planned phase-out of pipeline trade between Russia and Europe

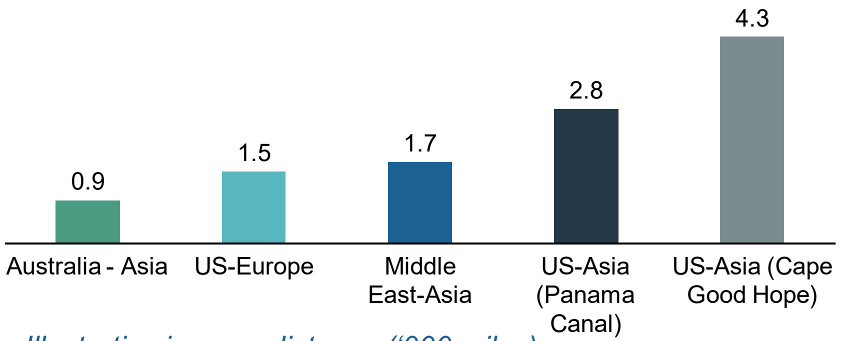
Source: Company, Clarksons research

# Global LNG trade: Vessels required per million ton shipped

LNG supply growth is taking place in the Atlantic, and even as the situation in Europe normalizes, reversion to longer trade routes to major Asian importers will provide LNGC operators with a natural rate and utilization buffer

**US – Asia routes the most intensive**

*Vessels per million ton LNG*

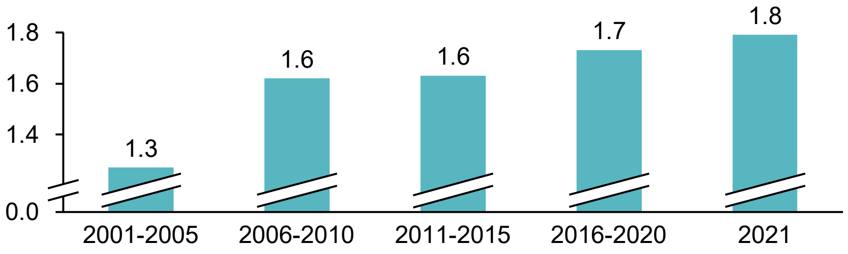


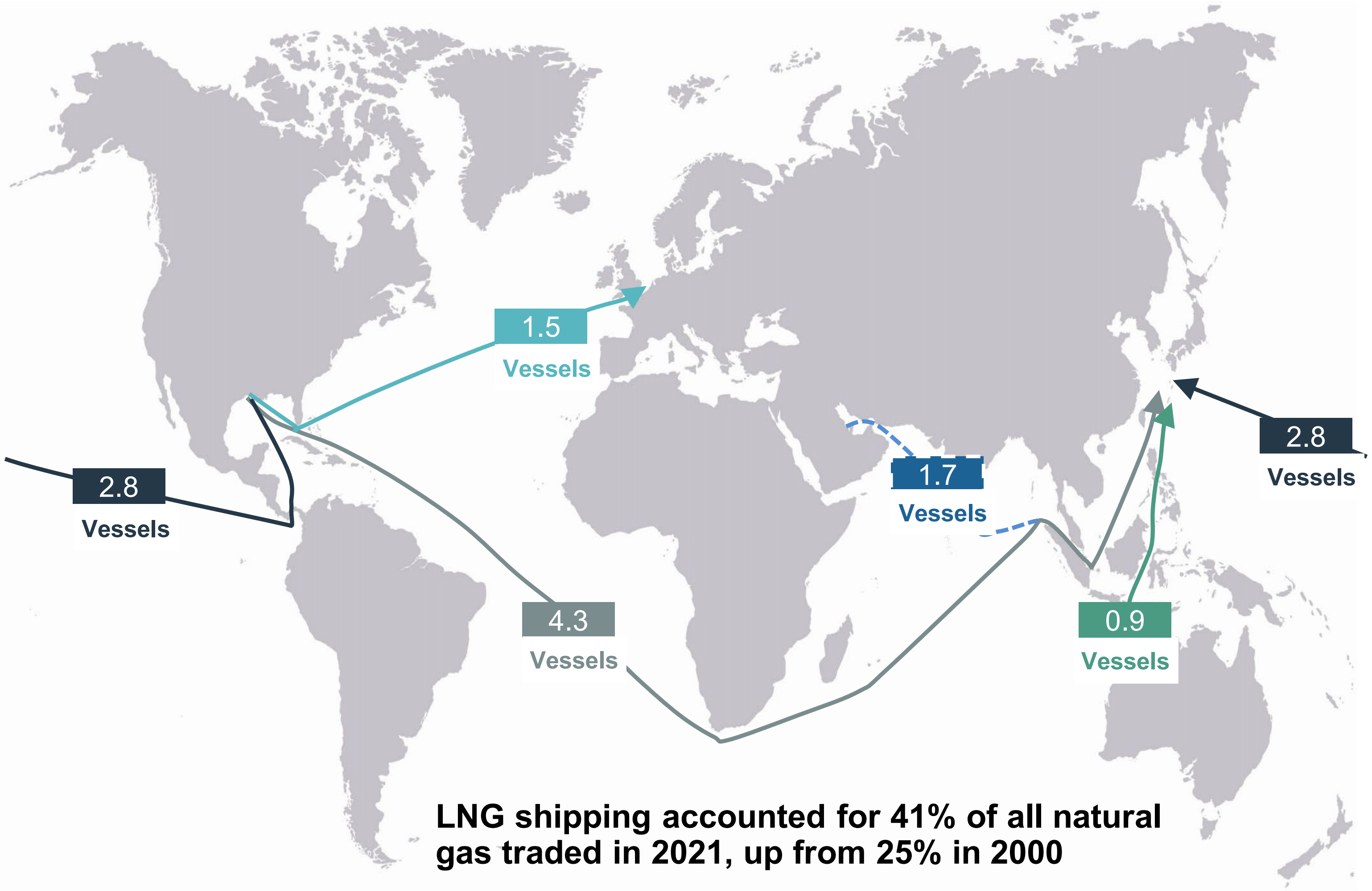

*Illustrative journey distance ('000 miles)*

2.8 | 5.0 | 5.9 | 10.0 | 15.0

**Global shipping intensity has increased over time**

*Vessels per million ton LNG*




Source: Company analysis

# LNGC fleet: Regulatory changes balance incoming orderbook

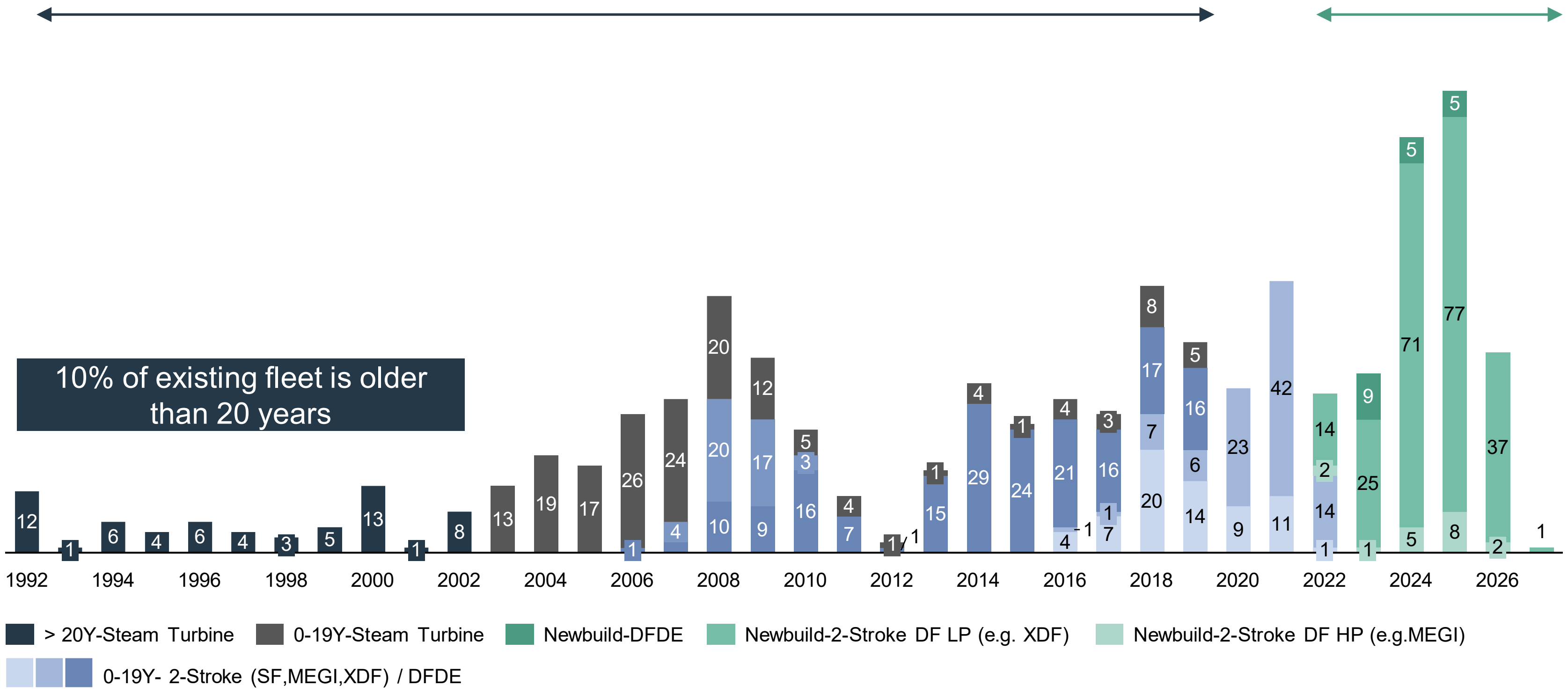
## Older steam turbines under increasing pressure to scrap; 10% of LNGC fleet >20yrs

### Older steam turbine vessels significantly less efficient and will likely not meet new EEXI and CII regulations

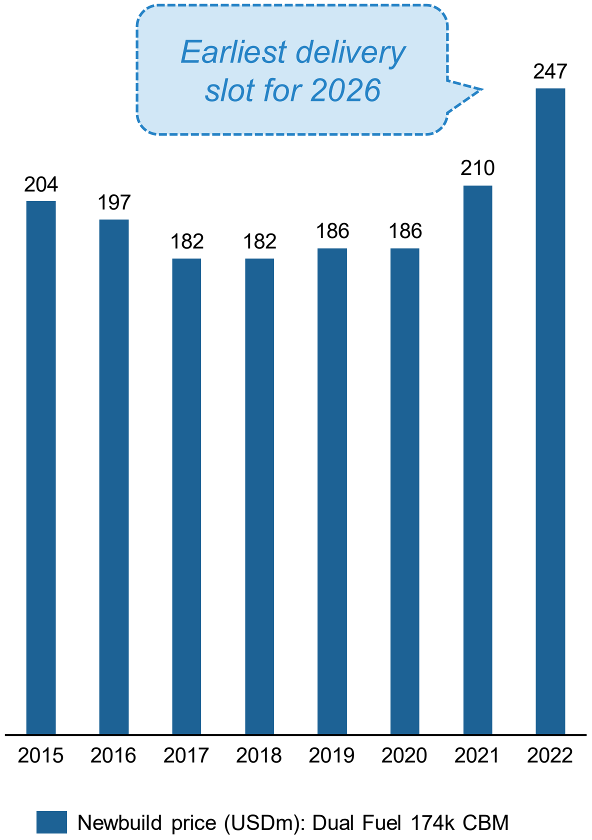
**230 vessels**
**Total steam turbine vessels**

**vs.**

**242 vessels**
**Current LNGC orderbook(1):**




### Newbuild prices at "all time" high



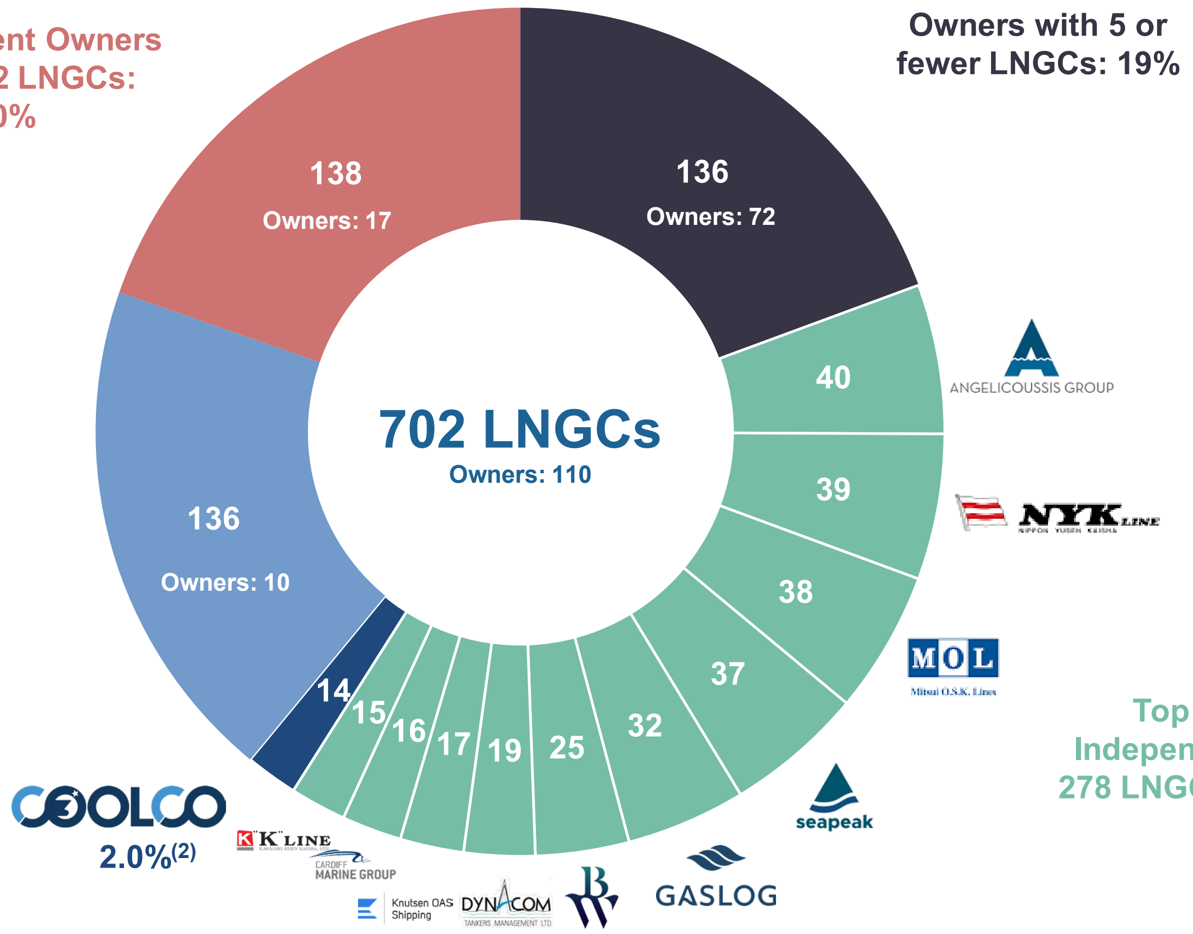

Source: Clarksons research
EEXI: All existing vessels required to comply with new energy efficiency index
CII: Limitations in vessel performance creating a tiered charter market, reducing fleet available to charterers
(1) Excludes Russia specific Arc-7 vessels

# Highly fragmented LNGC market ripe for consolidation

CoolCo is expected to be strategically positioned in having industry shareholders who have the scale of the top market participants

**Number of LNG Carriers by Owner Type**

*(#)*




*Includes multiple platforms owned by infrastructure funds who eventually will seek exit*

Source: Clarksons research as of September 2022

(1) Energy or State Backed ownership includes: Qatar Gas, Petronas, Nigeria LNG, SM Group, Nakilat JC, ADNOC, BP, Chevron, China COSCO Shipping, and Shell

(2) Pro forma of CoolCo's acquisition of 4 ING vessels and 2 optional newbuilds

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# Financing & dividend strategy well matched to chartering strategy

## Chartering strategy

- Balanced portfolio of short-term charters (maximizing earnings potential) and long-term charters (covering fixed cost incl. debt service)
- Rates seeing an upward trend due to global energy security concerns and typical winter spikes
- Taking advantage of attractive market with near-term availability of 2 vessels (1Q23 and 2Q23)

## Leverage

- Net Debt / Annualized Adjusted EBITDA(1) of 4.0x
- Net Debt to Total Capitalization ~60% (Target below 60%). De-leveraging through scheduled amortization
- Interest rate on existing debt is 100% fixed (through swap); bank debt for contemplated acquisition is SOFR-based

## Dividend policy

- Variable dividend policy allocating free cash flow to equity primarily to the payment of a quarterly dividend
- Commencing with effect from the fourth quarter of 2022, with an initial payment expected to take place during the first quarter of 2023
- Free cash flow to equity is after allocations to drydocking and capital expenditures related to improving vessel efficiency

Source: Company financials for the period ending September 30, 2022
(1) Reflects annualized 3Q Adjusted EBITDA of $42m and net (contractual) debt of $674m

# Balance sheet

| *($ in millions)* | **30/09/2022** |
|---|---|
| Cash and Cash Equivalents | 95[(1)] |
| Undrawn Revolving Credit Facility | 25 |
| **Total Available Liquidity** | **120** |
| | |
| Golar Kelvin and Ice Facilities - Contractual Debt | 219 |
| Senior Secured Sustainability Term Loan | 550 |
| **Total Contracted Debt** | **769** |
| | |
| Total Cash and Cash Equivalents | (95) |
| **Net Debt** | **674** |

- No near-term maturities (2025 and 2027)
- Average fixed interest rate on debt of ~5.25%[(3)]
- Available liquidity of over $100mm

Source: Company for the period ending September 30, 2022
(1) Excludes restricted cash balance which is related to VIE accounting
(2) Reflects annualized 3Q Adjusted EBITDA of 42m
(3) Weighted average of 3% fixed interest rate on sale leaseback debt and 6.12% fixed interest rate on bank facility

# Summary

1. Leading LNG Shipping Company
2. Significant Operating Leverage Towards Improved LNG Rates
3. Strong Cash Flow and Dividend Potential
4. Highly Attractive Market Backdrop
5. Experienced Leadership Team

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# Highly competitive owned fleet already on the water

## Large capacity, modern TFDE sister vessels with low boil-off rate of 0.10%

| | | Vessel name | Cargo capacity / Containment system | Delivered | Next dry-docking window (year) |
|---|---|---|---|---|---|
| 1 |  | Golar Bear | 160,000 / Membrane (Mark III) | Sep-2014 | 2024 |
| 2 |  | Golar Crystal | 160,000 / Membrane (Mark III) | May-2014 | 2024 |
| 3 |  | Golar Frost | 160,000 / Membrane (Mark III) | Oct-2014 | 2024 |
| 4 |  | Golar Glacier | 162,000 / Membrane (Mark III) | Oct-2014 | 2024 |
| 5 |  | Golar Ice | 160,000 / Membrane (Mark III) | Feb-2015 | 2025 |
| 6 |  | Golar Kelvin | 162,000 / Membrane (Mark III) | Jan-2015 | 2025 |
| 7 |  | Golar Seal | 160,000 / Membrane (Mark III) | Oct-2013 | 2023 |
| 8 |  | Golar Snow | 160,000 / Membrane (Mark III) | Jan-2015 | 2025 |

*Total Fleet Capacity: 1.3 mm cbm*

*Average Fleet Age: ~8 years(1)*

Source: Company
(1) As of September, 2022

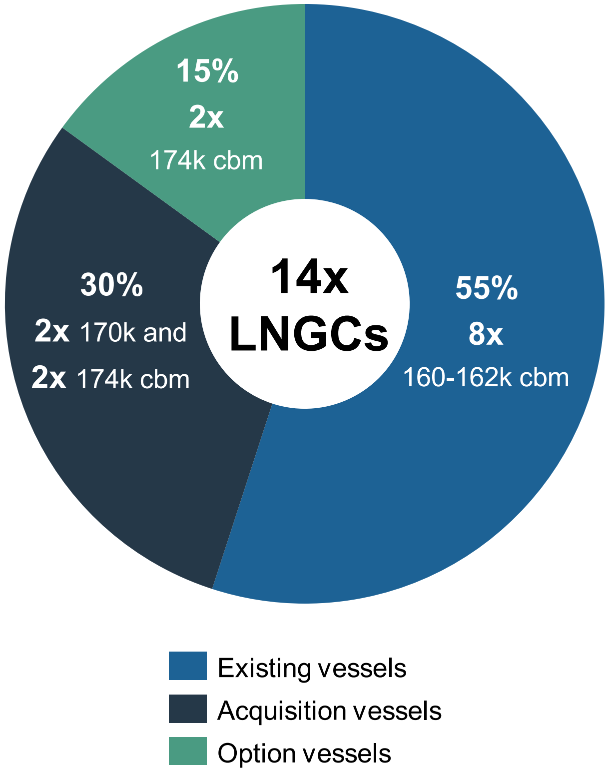
COOLCO

# Built-in growth opportunities from acquisitions and newbuilds

## Offering proceeds expand fleet capacity by 54%

| | Vessel name | Procurement | Cargo capacity / Containment system | Delivered | Yard | Boil-Off Rate (%) | Next dry-docking window (year) |
|---|---|---|---|---|---|---|---|
| 1 | Kool Orca | Acquisition | 174,000 Membrane (Mark III) | Sep-2021 | Hyundai | 0.085 % | 2026 |
| 2 | Kool Firn | Acquisition | 174,000 Membrane (Mark III) | Jan-2020 | Hyundai | 0.085 % | 2025 |
| 3 | Kool Boreas | Acquisition | 170,200 Membrane (NO96 Evo 2 GW) | Jan-2015 | STX | 0.125 % | 2025 |
| 4 | Kool Baltic | Acquisition | 170,200 Membrane (NO96 Evo 2 GW) | Apr-2015 | STX | 0.125 % | 2025 |
| +1 | HHI#1 | Option | 174,000 Membrane (Mark III) | Jan-2025 | Hyundai | 0.085 % | N/A |
| +2 | HHI#2 | Option | 174,000 Membrane (Mark III) | Feb-2025 | Hyundai | 0.085 % | N/A |

***Pro-Forma fleet capacity: 2.3 mm cbm***
***Average Age: ~6 years[(1)]***




Source: Company
(1) As of 9/19/2022

COOLCO

# Historical financials (1H2022)

## First Half 2022 Condensed Statements of Operations

| ($ in millions, rounded to the nearest thousands) | Six months period ended 30 June 2022<br>1 Predecessor (Combined carve-out) | <br>2 Successor (Consolidated) |
|---|---|---|
| Time and voyage charter revenues | 37.3 | 49.8 |
| Vessel and other management fee revenues | 6.2 | - |
| Amortization of intangible assets and liabilities – charter agreements, net | - | 7.1 |
| **Total Operating Revenues** | **43.5** | **56.9** |
| Vessel operating expenses | (7.7) | (13.3) |
| Voyage, charter hire and commission expenses, net | (1.2) | (0.4) |
| Administrative expenses | (5.4) | (2.6) |
| Depreciation and amortization, net | (5.7) | (15.0) |
| Other operating income | 4.4 | - |
| **Operating income** | **27.9** | **25.6** |
| Finance expenses, net | (4.1) | (8.0) |
| Income taxes | (0.4) | - |
| Net income attributable to non-controlling interests | (8.2) | (0.8) |
| **Net income attributable to the owners of Cool Company Ltd.** | **15.2** | **16.8** |

## Selected Commentary

1. Predecessor period includes results derived from historical operations carve-out from Golar entities acquired by CoolCo as part of the Vesel SPA and ManCo SPA until the day before the phased acquisition dates per legal entity during the period beginning from January 1, 2022 to June 30, 2022.

2. In January 2022, CoolCo entered into agreements with Golar, acquiring all of the outstanding shares of nine of Golar’s wholly owned subsidiaries on various dates in March and April 2022. On June 30, 2022, CoolCo purchased Golar’s LNG carrier and FSRU management organization through the acquisition of four of Golar’s wholly owned subsidiaries.

Source: Company unaudited condensed financial statements for the six month period ended June 30, 2022

# Variable interest entity (VIE) Debt overview

## Total Debt Reconciliation to Contractual Debt

| *($ rounded to nearest millions)* | **30/06/2022** |
|---|---|
| **Total Debt (net of deferred finance charges)** | **689** |
| (+) VIE Consolidation adjustments | 88 |
| (+) Deferred Finance Charges | 6 |
| (+) Fair Value Adjustments | 4 |
| **CoolCo Contractual Debt** | **787** |

***Impact on balance sheet of the lessor VIEs:***

- *Cash held within lessor VIEs is considered restricted cash;*
- *All equity attributable to these lessor VIEs is considered non-controlling interest; and*
- *Long-term debt within lessor VIE is reclassified as short-term debt.*

## Total Debt to Contractual Debt Overview

- For our US GAAP reporting purposes, we consolidate lessor VIEs for our sale and leaseback facilities (for the vessels *Golar Ice* and *Golar Kelvin*). This means that on consolidation, our contractual debt is eliminated and replaced with the Lessor VIEs' debt and included within Total Debt.
- Contractual debt (Non-GAAP measure) represents our actual debt payment obligations (net of deferred finance charges) before consolidating the lessor VIEs associated with the *Golar Ice* and *Golar Kelvin*
- Contractual debt measure enables investors and users of our financial statements to assess our liquidity and the split of our debt (current and non-current) based on our underlying contractual obligations.
- It may be computed using present value of recurring bareboat charter lease payments (consisting of a principal and interest component) at an implied average interest rate of ~3%

Source: Company

# Overview of existing debt financing facilities

- Sale and leaseback facilities for *Golar Ice* and *Golar Kelvin* vessels arranged with Chinese lessor ICBC Finance Leasing Co, Ltd.
  - Amount outstanding as of September 30, 2022: $219 million
  - Maturity: January 2025
  - Fixed bareboat rate of ~$54,000/day per each of the two vessels ($39.4 million per year) covering a principal and interest component
  - Implied fixed interest rate of ~3%
- Senior sustainability term loan facility of $570 million
  - Amount outstanding as of September 30, 2022: $550 million
  - Maturity: February 2027
  - Amount outstanding: ~$92m per LNGC
  - Interest rate: fixed rate of 3.37% + margin of 2.75% (+/- 5bps starting 2023 subject to sustainability performance targets such as vessel efficiency ratios)
  - Secured through mortgages and upstream guarantees from six vessel SPVs
  - Amortization: 22 years to zero (age adjusted)
- Golar RCF (currently undrawn)
  - Amount: $25 million
  - Tenor: 2 years
  - Cost: 5% fixed
  - Commitment fee: 50bps on undrawn amount
- Strong support from relationship banks with potential for attractive debt refinancing of future consolidation targets

Source: Company

# Risk factors 1

Investing in the Company's shares (the "**Shares**") involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Investor Presentation. The risks and uncertainties described in this Investor Presentation are the principal known risks and uncertainties faced by the Company and its subsidiaries (collectively, the "**Group**") as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of a negative experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.

If any of the risks were to materialize, individually or together with other circumstances, it could have a material and adverse effect on the Company and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described below are not the only risks the Company may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on its business, financial condition, results of operations and cash flow.

The order in which risks are presented below does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Company's business, financial condition, results of operations, cash flows and/or prospects. The information in this risk factor section is as of the date of this Investor Presentation.

## 1. Risks related to the industry in which the Group operates.

### 1.1 The Group's business, financial condition, results of operations and ability to pay dividends depend on the level of activity in the liquefied natural gas industry.

The liquefied natural gas ("**LNG**") shipping markets could be significantly affected by, among other things, volatile natural gas, oil and other energy prices and may be materially and adversely affected by a decline in natural gas exploration, LNG production, prices in various regions of the world and exports and the overall demand for natural gas in general and in particular LNG. Gas prices are volatile and are affected by numerous factors beyond the Group's control, including, but not limited to the following:

- worldwide demand for natural gas;
- the cost of exploring for, developing, producing, transporting and distributing natural gas;
- expectations regarding future energy prices – for both natural gas and other sources of energy;
- level of worldwide LNG and exports;
- government laws and regulations, including environmental protection laws and regulations;
- local and international political, economic and weather conditions;
- political and military conflicts and political instability; and
- the development and exploitation of alternative energy sources.

The demand for the Group's services depends on the level of activity in the natural gas industry, which is directly affected by trends in natural gas prices, and supply and demand in the gas producing and gas consuming regions. New infrastructure projects for extraction, transport or regasification of LNG may also affect the demand for transport of LNG. Any prolonged reduction in natural gas prices could lead to reduced levels of exploration, development, production and transportation activity, which may in turn have a material adverse effect on the Group's business, financial condition, results of operations and cash flow.

### 1.2 The demand for LNG carriers will depend on prevailing energy prices.

The profitability and prospects of the LNG shipping sector is subject to prevailing energy prices and demand. While global LNG demand has continued to rise, the rate of its growth has fluctuated for several reasons, including fluctuations in the price of natural gas and other sources of energy, the continued increase in natural gas production from unconventional sources, including hydraulic fracturing, in regions such as North America and the highly complex and capital-intensive nature of new and expanded LNG projects, including liquefaction projects. The results of operations and financial condition of the Group will consequently depend on continued world and regional energy prices and demand for LNG and LNG carriers.

# Risk factors 2

**1.3 The Group's operations may be impacted by LNG infrastructure constraints.**

The number of existing LNG import terminal projects is limited, and new or expanded LNG import terminal projects are highly complex and capital intensive. Many factors could negatively affect continued development of LNG-related infrastructure, including floating storage and regasification, including limited downstream infrastructure, local community or political resistance based on safety or environmental concerns, any significant explosion, spill or similar incident involving an LNG facility or vessel involved in the LNG transportation (such as the major fire at the Freeport LNG facility in Quintana, Texas in June 2022). Additionally, if there are adverse effects or delays to the continued development of LNG-related infrastructure, then there could be an excess of available LNG shipping tonnage in the market, resulting in weaker pricing for the Group's services. The Group expects that if the LNG supply chain is disrupted or does not continue to grow, or if a significant explosion, spill or similar incident occurs within the LNG transportation, storage and regasification industry, it could have a material adverse effect on the Group's business, financial condition and results of operations.

**1.4 The Group is exposed to risks associated with oversupply of LNG carriers in the LNG shipping market.**

Oversupply of LNG carriers leads to reduction in charter hire, which may materially impact the Group's profitability (in particular, if the Group's Vessels are employed in the spot market). Hence, an oversupply or over ordering of vessels from shipyards will negatively affect the Group's ability to secure favourable contracts on its Vessels and its future revenues and profitability.

**1.5 The Group is dependent on continued exploration and production of gas.**

The Group depends on oil and gas companies' willingness and ability to continue making operating and capital expenditures to explore, develop and produce natural gas. Limitations on the availability of capital or higher costs of capital for financing expenditures, or the desire to preserve liquidity, may cause oil and gas companies to make additional reductions in future capital budgets and outlays, which will affect the LNG market and the Company's operational costs.

**1.6 Efforts to curb greenhouse emissions, as well as their potential effects may negatively affect demand for transportation of LNG.**

International and/or national efforts to reduce the harmful impacts of airborne emissions from using natural gas as an energy carrier may affect the LNG freight market in several different ways. Taxes or quotas on CO2 emissions will increase the cost of energy derived from natural gas, and may increase the cost of transportation. This may have a negative effect on the demand for transportation. Increased occurrences of storms, adverse currents or other extreme weather events may lead to higher costs and/or risks related to sea passages and may also increase the cost of relevant insurance.

**1.7 Global and regional developments and conflicts could affect the Group's results of operation and financial condition.**

The current conflict between Ukraine and Russia, which resulted in the Russian invasion of Ukrainian territory, has created significant uncertainties and tensions at an international level and, in particular, within the European continent. Although the evolution and impact of intensification of war hostilities are still uncertain and difficult to assess, ongoing political tensions and international economic sanctions could have significant negative repercussions on the global, international and European economy and on the performance of financial markets. Past terrorist attacks, as well as the threat of future terrorist attacks around the world, continue to cause uncertainty in the world's financial markets and may affect the business, operating results and financial condition of the Group. Continuing conflicts, instability and other recent developments in the Korean Peninsula, the East China Sea, the Middle East, including Iraq, Syria, Egypt, West Africa and North Africa, and the presence and/or withdrawal of U.S. or other armed forces in the Middle East, may lead to additional acts of terrorism and armed conflict around the world, which may contribute to further economic instability in the global financial markets. Epidemic/pandemic diseases may lead to crew member illnesses, which can disrupt the operations of the Group's Vessels, or to public health measures, which may prevent its Vessels from calling on ports in the affected areas or in other locations after having visited the affected areas. These uncertainties could also adversely affect the ability to obtain additional financing on terms acceptable to the Company, or at all.

**1.8 The Group is exposed to macroeconomic risks and conditions outside of its control.**

Changes in national and international economic conditions, including, for example interest rate levels, inflation and employment levels may influence the valuation of real tangible and financial assets. In turn, this may impact the demand for goods, services and assets globally and thereby the macroeconomy. The current macroeconomic situation is uncertain and there is a risk of negative developments. In this respect, several international organizations recently revised downward GDP growth estimates on a global scale for 2022. In general, an extended period of economic crisis or the occurrence of other factors could adversely affect the Group's business, financial condition, results of operation and prospects. Interest rate levels can also indirectly affect the value of the assets at the point of sale, which could negatively impact the Group's results of operations and financial condition.

# Risk factors 3

## 2. Risks Related to the Group's Business

### 2.1 Transactional risks associated with the signing and closing of the EPS SPA.

The Company plans to enter into a Share Purchase Agreement (the "**EPS SPA**") with [an affiliate of EPS Ventures Ltd. ("**EPS**"), for the purpose of acquiring four of EPS' subsidiaries, each holding a liquefied natural gas ("**LNG**") carrier (such four subsidiaries hereinafter, the "**Future Subsidiaries**") and the business associated with these entities. The signing of the EPS SPA has not yet occurred and closing is expected to be conditioned upon: (i) the completion of the Company's contemplated follow-on private placement of new and existing Shares, (ii) the novation of EPS' existing debt facility with ING Bank N.V., Singapore Branch, Credit Agricole Corporate & Investment Bank, KFW IPEX-Bank GMBH, and Nordea Bank ABP, Filial I Norge (together, the "**Facility Syndicate**") to the Company (the "**Vessel Facility**") and (iii) other market terms conditions precedent, as well as regular transactional documentation and practicalities. Item (ii) in the foregoing is expected to be satisfied after completion of the Private Placement by the execution of an amendment agreement between the Company and the Facility Syndicate, the material terms of which have been agreed between the parties in a finalized term sheet together with executed commitment letters received from the Facility Syndicate. Should any such conditions precedent not be fulfilled, or should the EPS SPA for other reasons not be closed, the Company will not acquire the Future Subsidiaries from EPS.

In addition, the Group faces post-closing risks in connection with the EPS SPA, including that the value of the LNG carriers held by the Future Subsidiaries could decline in the future below the price at which the Group agrees to acquire them, depending on market conditions. Furthermore, the Group also faces risks in connection with the debt associated with the Future Subsidiaries. When the Group acquires the LNG carriers held by the Future Subsidiaries, the Group will also acquire debt, secured by pledges over the LNG carriers, equal to $[•] million in the aggregate. The acquisition of this debt will significantly increase the Group's debt and risks associated with such debt and will significantly increase the Group's finance expense. Finally, the Group faces risks associated with the charters in place for the LNG carriers held by the Future Subsidiaries. These charters can be extended by the charterer for additional time periods. Such charters may prevent the Group from deploying the vessels on more profitable charters if market rates increase in the future.

### 2.2 The Group faces risks associated with the contracts for the acquisition of the Newbuild Vessels including the risk that we have not obtained any debt financing or charter agreements for these vessels.

The Company plans to acquire the contracts for the Newbuild Vessels and will face a number of risks in connection with the planned acquisition of these contracts. The Company expects to finance, with debt, a significant portion of the purchase price for each vessel but has not yet obtained any financing commitments. If we are unable to obtain sufficient financing, we may need to raise additional equity financing or we may not be able to acquire the vessels as required under the contracts, which could result in loss of deposits, potential claims against us or sales of the contracts (if we are able to sell them) on terms that are not favorable to us. In addition, any financing we do incur may not be on favorable terms, may impose onerous covenants and could result in higher than expected financing expenses.

In addition, we do not have any charter agreements in place for these vessels and do not expect to charter the vessels until closer to the time of delivery. We face the risk that we may be unable to charter the vessels on favorable terms. The rates we are able to achieve will depend on market conditions at the time we enter into the charters. Furthermore, we may not be able to secure charters for the vessels upon delivery.

We also face the risk of delay in delivery of the vessels, scheduled for delivery on or before January 20, 2025 and February 28, 2025, respectively. Any significant delays in the delivery of one or both of these ships would delay our collection of revenues under any charters we are able to enter into for those vessels. Any such delays could result in the cancellation of those time charters or introduce other liabilities under those charters, which could adversely affect our business, financial condition and results of operations. In addition, the delivery of any of these ships with substantial defects or unexpected operational problems post-delivery could have similar consequences.

Finally, as with any vessel newbuild contract, we face the risk that the value of the vessel could be lower than the purchase price at the time of delivery. If market conditions result in a value of the Newbuild Vessels being less than the purchase price, this could have a negative impact on our business, financial condition and results of operations.

### 2.3 The Group may not be able to secure contracts for its Vessels on favourable terms, or at all.

Most of the charters for the vessels the Group currently owns (the "**Vessels**") will expire in the next two years. The Group's ability to renew the charters on its Vessels on the expiration or termination of its current charters, or on vessels the Group may acquire in the future, or the charter rates payable under any replacement charters and vessel values will depend upon, among other things, economic conditions in the sectors in which the Vessels operate at that time, changes in the supply and demand for vessel capacity and changes in the supply and demand for the seaborne transportation of energy resources. There is no certainty that the Group will be able to enter into new charterparties for its Vessels or renew charterparties with equally or more favourable contracts upon their expiry. Any periods of non-employment of the Vessels will negatively affect the Group's results of operation.

# Risk factors 4

**2.4 The Group's business relies on the performance by customers under current charters or charters the Group will enter into in the future, and the Group could be materially and adversely affected if any customer fails to perform its contractual obligations for any reason.**

The substantial majority of the Group's revenue is generated from time charter contracts for its Vessels and other vessels traded in a pooling arrangement managed by The Cool Pool Limited, a subsidiary of the Company. Accordingly, the Group's near-term ability to generate cash is dependent on its customers' continued willingness and ability to continue purchasing the Group's services and to perform their obligations under their respective contracts. Their obligations may include certain nomination or operational responsibilities or compliance with certain contractual representations and warranties in addition to payment of fees for the use of the Group's Vessels.

**2.5 The Group is unilaterally exposed to the LNG shipping market without any diversification in the Group's line of business.**

The Company is unilaterally exposed to the LNG shipping market without any diversification in the Group's line of business. As such, adverse development in the Group's LNG business and/or in the LNG industry in general, will have a significant impact on the Group's business, financial condition and results of operations.

**2.6 The Group operates in a highly competitive and quickly developing market.**

The market for LNG transportation services in which the Group operates is competitive, especially with respect to the negotiation of long-term charters. Furthermore, new competitors with greater resources could enter the market for LNG carriers and operate larger fleets through consolidations, acquisitions or the purchase of new vessels, and may be able to offer lower charter rates and more modern fleets, which may affect the group's business, results of operations and financial condition. The market for the Group's business is characterized by continued and rapid technological development, and if the Group is not successful in acquiring new equipment, upgrading the equipment on its Vessels or acquiring necessary intellectual property rights in a timely and cost-effective manner in response to technological developments or changes in standards in the industry, this could have a material adverse effect on the Group's business.

**2.7 In addition to the long-term charters, the Group operates the majority of its Vessels in the spot/short-term charter market, which is subject to volatility. Failure to find profitable employment for its Vessels could adversely affect the Group's operations**

The Group operates some of its Vessels in the spot/short-term charter market, which is subject to volatility. Failure to find profitable employment for its Vessels could adversely affect the Group's operations. The spot market refers to charters for periods of up to twelve months or less. Spot/short-term charters expose the Group to the volatility in spot charter rates, which can be significant. In contrast, medium to long-term time charters generally provide reliable revenues, but they also limit the portion of the Group's fleet available to the spot market during an upswing in the LNG industry cycle, when spot market voyages might be more profitable. The charter rates payable in the spot market are uncertain and volatile and will depend upon, among other things, economic conditions in the LNG market. A sustained decline in charter or spot rates or a failure to successfully charter the Group's Vessels could have a material adverse effect on the Group's results of operations and its ability to meet our financing obligations as additional working capital may be required for continued operation of its Vessels.

**2.8 The Group may not be able to obtain financing, to meet obligations as they fall due or to fund growth or future capital expenditures.**

In order to fund future maintenance or conversion projects, newbuilding programs, vessel acquisitions, increased working capital levels or other capital expenditures, the Group may be required to use cash from operations, incur additional borrowings, or raise capital through the sale of debt or additional equity securities. The Group's ability to do so may be limited by the Group's financial condition at the time of such financing or offering, as well as by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond the control of the Group. The failure to obtain funds for future capital expenditures could impact the Group's results of operations, financial condition and its ability to settle its obligations as they fall due, as well as limit the Company's ability to pay dividends to its shareholders. The acquisition of the Future Subsidiaries and the Newbuild Contracts will increase the risks we face relating to financing purchase as there is currently no financing in place for the Newbuilds.

# Risk factors 5

**2.9 The Group is dependent on its executive management team, senior management team and key employees with relevant experience.**

In July 2022, the Company completed its acquisition of the management organization responsible for the technical and commercial management of its LNG carriers from Golar Management (Bermuda) Ltd. ("**Golar Management**"), as well as the hiring of Richard Tyrrell as Chief Executive Officer of the Company. The Group is dependent upon its executive management, as well as its senior management team and small number of key employees with relevant and highly specific operational, commercial, technical and financial experience and skillset relating to the LNG industry and value chain. The loss of such personnel and the failure to successfully recruit replacements in a timely manner, or at all, would have a material adverse effect on its business, prospects, financial condition and results of operations. A loss of one or more individuals within these groups may expose the Group to lack of sufficient knowledge about one or more of the projects or activities the Group is engaged in, which could lead to a situation whereby our ability to deliver or execute as per contractually agreed could be compromised, which in turn may have material economic impact on the Group. The Group may be exposed to these situations in respect of commercial, financial, legal and operational relationships across both existing clients, service providers and lenders and prospective new business activities.

**2.10 The Group has a limited history of operations and is dependent on establishing an operational track-record.**

The Group has been operating as an LNG freight company since the acquisition of the operating vessel owning entities from Golar LNG Ltd. ("**Golar**") and the management entities from Golar Management in the first half of 2022. While the Group expects to further develop its operational history in the future, there can be no assurances that the Group will continue to be successful in developing its business activities, including entering into additional charterparties, financing agreements, vessel management agreements, pooling agreements or other agreements. If the Company is unable to adequately continue operations of its Vessels, this will have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

**2.11 The Group operates in jurisdictions with considerable political and security risks.**

The Group operates in, and/or is pursuing projects which could lead to future operations in, areas of the world where there are heightened political and security risks. The Group identifies higher risk countries in which it operates through its own data, the experiences of its partners and customers, and publicly available third-party information such as Transparency International, the World Bank and TRACE International, and monitors the specific risks associated with countries in which the Group operates. The impact from such risks to the Group's business may materialize in damage or loss of a vessel, loss of life, reputational damage, loss of rights and loss of earnings.

**2.12 The values of the Vessels the Group has acquired may fluctuate.**

Vessel values can fluctuate substantially over time due to a number of different factors, such as prevailing economic and market conditions in the natural gas and energy markets; increases in the supply of vessel capacity without a commensurate increase in demand, the type, size and age of a vessel; and the cost of new buildings or retrofitting or modifying existing vessels. Any impairment charges incurred as a result of a decline in market value of the Group's Vessels against its carrying value could negatively affect the Group's business, financial condition, operating results or the trading price of the Company's Shares. The realization of a Vessel or any other investments may consequently take time and will be exposed to a variety of general and specific market conditions. There can be no assurance that the Group will manage to achieve a successful sale or divestment of any of its Vessels, should it want to do so. In addition, when vessel values are elevated, the Group may not be able to acquire additional vessels at attractive prices when it wishes to acquire additional vessels, which could adversely affect the Group's business, results of operations, cash flow and financial condition.

**2.13 The Group is exposed to risks related to accidents, spills or maritime disasters.**

All vessels and industrial processes carry or involve potential pollutants and consequently the operation of LNG carriers is inherently risky. Due to the nature of the operations of the Group, the Group's Vessels and cargo are at risk of being damaged or lost because of events such as marine disasters, acts of piracy, environmental accidents, bad weather, mechanical failures, grounding, fire, explosions and collisions, human error, national emergency and war and terrorism. Any of these risks, should they materialize, could cause damage or loss of a vessel, loss of life or other environmental consequences. Further, the costs of compliance associated with changes in environmental regulations could require significant expenditures, and breaches of such regulations may result in the imposition of material fines and penalties or temporary or permanent suspension of production operations.

# Risk factors 6

**2.14 Dependency on suppliers may limit the Group's ability to obtain supplies and services when needed, at an acceptable cost, or at all.**

The Group relies, and will in the future rely, on supplies of consumables, spare parts and equipment to operate, maintain, repair and upgrade its Vessels. Cost increases, delays or unavailability could negatively impact the Group's future operations and result in higher downtime due to delays in the repair and maintenance of the Group's Vessels. Additionally, the Russia-Ukraine conflict is generating further shortages of materials and parts used in carrier vessels, with the consequence of deteriorating the delivery time of such equipment and parts, and potentially impacting the Group's operations. At the same time, sourcing of available quality products and equipment has become more challenging and, when available, such products and equipment have become more expensive to acquire, which has adversely impacted the Group's operating costs.

**2.15 The Group's ability to service its future debt is dependent on cash flow from its subsidiaries.**

The Company is a holding company that principally relies on dividends paid by its subsidiaries for cash requirements, including the funds necessary to service any debt the Company has incurred or may incur. The Company's subsidiaries may be restricted in their ability to transfer a portion of their net income to the Company whether in the form of dividends, loans or advances, and the imposition of such a limitation could materially and adversely limit the Company's ability to grow, make investments or acquisitions that could be beneficial to its businesses, or otherwise fund and conduct its business.

**2.16 Outbreaks of epidemic and pandemic diseases and governmental responses thereto could adversely affect the Group's business.**

The Group's planned operations are subject to risks related to outbreaks of infectious diseases, including the ongoing COVID-19 pandemic, which has been spreading around the world since December 2019. Many countries worldwide, affected by the outbreak, declared national emergencies due to the outbreak. The COVID-19 outbreak has negatively affected economic conditions and energy prices have been volatile. The COVID-19 outbreak has also negatively affected the supply chain, the labour market, the demand for LNG and LNG shipping regionally as well as globally and may otherwise impact the Group's operations and the operations of its customers and suppliers. Governments in affected countries have been imposing and may continue to impose travel bans, quarantines and other emergency public health measures. These measures, though temporary in nature, may continue and increase as countries attempt to contain the outbreak. The extent of the COVID-19 outbreak's effect on the Group's operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak, all of which are uncertain and difficult to predict considering the rapidly evolving landscape.

**2.17 The Russian invasion of Ukraine has affected, and may continue to affect, the LNG industry and, in turn, the Group's operations.**

Since Russia's invasion of Ukraine in the first quarter of 2022, the geopolitical situation in Eastern Europe has, and is also expected to continue to have, a significant impact on the LNG industry, in particular due to sanctions related to Russia and the export of Russian oil and gas and the closure of the Nord Stream gas pipeline for an indefinite period. In the subsequent months of 2022, spot prices of LNG have surged to an all-time high. There can be no guarantee that such prices will be maintained over time, or at all, mainly due to the adverse inflationary effects high energy prices have on the global economy and the evolution of the sanctions against Russian's exportation of oil and gas. The long-term effects of the Russia-Ukraine conflict are unpredictable and could have a material adverse effect on the Group's revenues, financial condition, results of operations or cash flows

**2.18 The Group is exposed to counterparty risks in its charterparty agreements.**

The performance of the Group's operations depends heavily on the Group's counterparties' ability to perform their obligations under agreed charterparties. Default by a counterparty of its obligations under the agreed charterparty agreements may have material adverse consequences on the Group's operations. The counterparty's current and future financial strength will thus be very important.

**2.19 The Group is exposed to risk of maritime liens.**

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting or attaching a vessel through foreclosure proceedings. In addition, in some jurisdictions a claimant may arrest both the vessel which is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. The arrest or attachment of one or more of the Group's Vessels could interrupt the business or require large sums of money to have the arrest or attachment lifted, which could have a negative effect on the Company's cash flows and the ability to service its debt.

# Risk factors 7

**2.20 Changes in the legislative and fiscal framework may affect the Group's profitability.**

Changes in the political, legislative, fiscal and/or regulatory framework governing the activities of the Company, including current International Maritime Organization ("**IMO**") regulations, could have a material impact on the Company's business, the markets in which it operates, and the financial condition of the Company. The same applies to new technical and/or safety requirements.

**2.21 The Company could be subject to fraudulent behavior from employees and/or third parties.**

Employees of, and/or third parties acting as agents for the Company could engage in fraudulent behaviour against the Company on their own, or that of others' initiative, making them act against the interest of the Company. Such actions could include, but are not limited to, document fraud, port bribes, fraudulent commission agreements, facilitation payments and bribes to get access to exclusive business. Whether deliberate or not, such actions could potentially put the Company at risk of both legal liabilities and reputational damage. Following the introduction of the United Kingdom Bribery Act 2010 and the Bermuda Bribery Act 2016, and the subsequent international conventions on the subject (United Nations, Organization for Economic Co-Operation and Development, European Union (the "**EU**")), a growing number of countries are intensifying their efforts towards fighting corruption. Norway has, like the United Kingdom (the "**UK**"), also changed its tort act to include liability for corruption, requiring employers to take "adequate procedures" to prevent bribery within the organisation in order for the employer to avoid liability for corruptive actions by an employee. The Company has in place adequate procedures to prevent fraudulent behaviour from individuals inside, or with connections to, the Company are implemented and repeatedly reinforced at all levels of the organisation. However, should the Company fail to meet applicable regulations it could potentially trigger criminal, civil and employment sanctions. Ensuing attention from the media could further increase reputational risk. Consequently, the reputational risk of employees acting beyond or without the mandate of the Company could be detrimental to the Company's ability to retain and attract customers, as well as key personnel.

**2.22 The Group faces due diligence risk in connection with any investments made.**

The Company will seek to complete reasonable and appropriate technical, financial and/or legal due diligence prior to making an investment. Such due diligence will primarily be based on information which may only be available through certain third parties. Such information may be erroneous, incomplete and/or misleading, and there can be no assurance that all material issues will be identified. If the Company makes an investment based on erroneous, incomplete and/or misleading information given to the Company in connection with its due diligence process for such investment, or if not all material issues are disclosed to the Company, the investment could have a material adverse effect on the financial condition of the Company.

**2.23 The Group is susceptible to cyber security risk.**

With the increased use of technologies such as the internet to conduct business, the Group and service providers to the Group are susceptible to operational, information security and related "cyber" risks both directly and indirectly, which could result in material adverse consequences for the Group and the shareholders, such as causing disruptions and impacting business operations, potentially resulting in financial losses. Unlike many other types of risks faced by the Group, these risks are typically not covered by any insurance. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber incidents include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

**2.24 Losses arising from the inherent risks of the shipping industry, which the Group's insurance policies may not be adequate to cover.**

The Group procures insurance for its fleet against risks commonly insured against by vessel owners and operators, including hull and machinery insurance, war risks insurance, loss of hire, certificate of financial responsibility and protection and indemnity insurance (which include environmental damage and pollution insurance). There is no assurance that the Group will be adequately insured against all risks or that the insurers will pay a particular claim. Even if the insurance coverage is adequate to cover incurred losses, the Group may not be able to timely obtain a replacement vessel in the event of a loss. Furthermore, in the future, the Company may not be able to obtain adequate insurance coverage at reasonable rates for its fleet. The Group may also be subject to calls, or premiums, in amounts based not only on their own claim records but also the claim records of all other members of the protection and indemnity associations through which they receive indemnity insurance coverage for tort liability. The Group's insurance policies will also contain deductibles, limitations and exclusions which, although they represent standards in the shipping industry, may nevertheless increase the Group's costs or decrease its recovery in the event of a loss.

# Risk factors 8

**2.25 The Group may become involved in claims and disputes, which may have a negative impact on the results and cash flows of the Group.**

As a party to several contracts, governing complex operational, commercial and legal matters which involve significant amounts, the Group may from time to time be subject to commercial disagreements, contractual disputes, and, possibly, litigation with its counterparties, as well as insurance matters, environmental issues, and governmental claims for taxes or duties in its ordinary course of business. The Group cannot predict with certainty the outcome or effect of any current or future commercial disagreements, contractual disputes or litigation involving the Group and its counterparties or others. The Group might suffer economical and reputational damage from its involvement in claims or disputes, which could lead to material adverse change to the Group's financial condition, results of operation and liquidity, as well as the deterioration of existing customer relationships, and/or the Group's ability to attract new customers, all factors which are important for the Group's ability to continue to run its business.

**2.26 The Group may experience increasing costs in the operation of its Vessels.**

The Group's expected vessel operating expenses and dry-dock capital expenditure depend on a variety of factors including crew costs, provisions, deck and engine stores and spares, lubricating oil, insurance, maintenance and repairs and shipyard costs, many of which are beyond the Group's control and affect the entire shipping industry. Increase of such costs may increase vessel operating and dry-docking costs further. If costs rise, this could materially and adversely affect the Group's results of operations.

**2.27 The Group is exposed to risks related to the service life of its Vessels.**

The service life of the Group's Vessels will depend on many factors, including charterers' preferences with regard to age, as well as the Vessels' technical condition, efficiency and the cost of keeping them in operation compared to their ability to produce earnings. There can be no assurance of how long the Group's Vessels will be in operation. The cost associated with the repair and maintenance of vessels normally increases with age. In addition, there may be technical risks associated with ageing vessels, including operational problems leading to unexpectedly high operating costs and/or lost earnings, and which may have a material adverse effect on the financial position of the Group.

**2.28 Risks related to the Administrative Services Agreement with a related party.**

As of the date of this Investor Presentation, the Group's information technology, accounting, treasury, finance operations and other corporate overhead functions are dependent on affiliates of Golar, one of the Company's majority shareholder and key service provider of administrative services for the Group's operations. The Company and affiliates of Golar have on 30 June 2022 entered into an agreement for provision of corporate administrative services to the Company (the "**Administrative Services Agreement**"). Should the affiliates of Golar terminate, or otherwise reduce, the Administrative Service Agreement to the Company, there can be no guarantee that the Group will be able to continue its operations in an efficient manner or at a satisfactory operational level, or at all, which may adversely affect the Group's business activities and have a material adverse impact on the Group's financial condition, results of operations and cash flows.

## 3. Risks related to financing of the Group's business

**3.1 Risks associated with the Group's debt arrangements.**

The Group's current debt arrangements contain covenants and other restrictions that limit the Group's business, such as restrictions on the Group's ability to incur additional indebtedness, merge with or enter into transactions with other entities or dispose of substantial parts of its assets, and restrictions in relation to operations, making capital expenditures and change of control provisions. The Group's primary facility is a $570 million senior sustainability term loan facility, with a maturity date of March 2027 and an initial interest rate of the Secured Overnight Financing Rate ("**SOFR**") plus 275 basis points with a syndicate of banks, which the Group entered into in connection with the acquisition of the eight vessels from Golar. From January 1, 2023, the margin will decrease to 270 basis points if specified sustainability performance targets with respect to vessel efficiency ratios are met, or increase to 280 basis points if such targets are not met. Such targets reduce each year from 2022 to 2026.

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**3.2 The Company is exposed to fluctuations in working capital.**

The Company is dependent on having available funds to support working capital requirements for its business. The adequacy of available funds in the future will depend on many factors, including but not limited to the provision of additional equity, entering into financing agreements, further growth of the business, capital expenditures, and market development. The Company is dependent on operational income, additional financing and/or new equity to ensure the adequacy of available funds to support the business. If the Group’s operational income is not sufficient, it is not certain that the Company will be able to obtain future financing on acceptable terms and conditions, nor that the Company will be able to raise new capital in the equity markets. If the Company is unable to obtain future debt and/or equity financing, it may have a material adverse effect on the Company’s business, financial condition, results of operation and liquidity.

**3.3 The Company is exposed to interest rate and currency fluctuations.**

The Company expects to generate revenues and incur operating expenses in U.S. dollars (“**USD**”) and the expenses of the Group may be denominated in other currencies, such as Norwegian kroners (“**NOK**”). This difference could lead to fluctuations in net income due to changes in the value of the USD relative to the NOK. Expenses incurred in currencies against which the USD falls in value can decrease earnings. A weaker USD could lead to higher expenses payable. The Group currently does not hedge against currency fluctuations and unfavorable fluctuations in foreign currency exchange rates, which exposes the Group to such unfavorable currency fluctuations and may adversely affect the Group’s financial condition and results of operation.

The interest rate on the Company’s existing financing is based on a benchmark interest rate plus a margin and hence, the Company is exposed to fluctuations in interest rates. Furthermore, the financing under the Vessel Facility that the Company is expected to enter into is based on a benchmark interest rate plus a margin, which may increase due to rising benchmark rates prior to the Company entering into the Vessel Facility.

## 4. Risks Related to Regulation

**4.1 The Group is subject to complex laws and regulations.**

Tax

The Group operates in many countries worldwide. As such, the Group may be subject to changes in applicable tax laws, regulations or tax treaties, and the interpretation thereof in the various countries in which the Company operates or earns income or is deemed to be a tax resident. Any such change may result in a materially higher effective tax rate on the Group’s earnings and could have a material impact on the Group’s financial results.

The Group’s income tax returns may be subject to examination and review. If any tax authority successfully challenges the Group’s intercompany pricing policies or operating structures, or if any tax authority interprets a treaty in a manner that is adverse to the Group’s structure, or if any tax authority successfully challenges the taxable presence of any of the key subsidiaries in a relevant jurisdiction, or if the Group loses a key tax dispute in a jurisdiction, the Group’s effective tax rate on worldwide earnings may increase substantially, which could have a material impact on the Group’s earnings and cash flows from operations.

Transactions taking place between the Company and its subsidiaries and related companies or shareholders must be carried out in accordance with arm's length principles in order to avoid adverse tax consequences. There can be no assurance that the tax authorities will conclude that the applied transfer pricing policies calculates correct arm's length prices for intercompany transactions, which could lead to an adjustment of the agreed price, which would in turn lead to increased tax cost for the Company and/or its subsidiaries.

The Company has been incorporated in Bermuda and is, as a consequence, tax resident in Bermuda. As of the date of this Investor Presentation, while the Company is incorporated in Bermuda, it is not subject to taxation under the laws of Bermuda. Distributions received from its subsidiaries also are not subject to any Bermuda tax. The Company has received from the Minister of Finance under The Exempted Undertaking Tax Protection Act 1966, as amended, an assurance that, in the event that Bermuda enacts legislation imposing tax computed on profits, income, any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance, the imposition of any such tax shall not be applicable to the Group or to any of its operations or shares, debentures or other obligations, until March 31, 2035. Consequentially, the Company will not pay taxes calculated on its earnings or assets in Bermuda. There can be no assurance that this situation will continue as Bermuda may change its tax laws. Further, other jurisdictions may claim that the Company is tax resident in their jurisdiction and claim taxes on the Company's earnings or assets on this basis.

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The International Aspects of the Group's business

The Group's operations are subject to numerous international and local laws, regulations, treaties and conventions in force in international waters and the jurisdictions in which its Vessels operate or are registered, which can significantly affect the ownership and operation of its Vessels.

Compliance with such laws and regulations, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lives of the Group's Vessels. Compliance with such laws and regulations may also require the Group to obtain certain permits or authorizations prior to commencing operations. Failure to obtain such permits or authorizations could materially impact the Group's business results of operations, financial condition and ability to pay cash distributions by delaying or limiting its ability to accept charterers. The Group may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions including greenhouse gases, the management of ballast and bilge waters, maintenance and inspection, elimination of tin-based paint, development and implementation of emergency procedures and insurance coverage or other financial assurance of its ability to address pollution incidents.

Environmental Law

Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. In certain circumstances, these laws and requirements may impose strict liability, rendering the Group liable for environmental and natural resource damages without regard to negligence or fault on the Group's part. Implementation of new environmental laws or regulations applicable to LNG carriers may subject the Group to fines, penalties and/or increased costs; may limit the operational capabilities of its Vessels; and could materially and adversely affect its operations and financial condition. The Group may be required to satisfy insurance and financial responsibility requirements for potential pollution incidents. While the Group intends to maintain insurance coverage of the type and in amounts it believes to be customary in the industry from time to time, there can be no assurance that the Group's insurance will be sufficient to cover all such risks or that any claims will not have a material adverse effect on the Group's business, financial condition, results of operations and cash flows. Additionally, the Group cannot predict the cost of compliance with any new environmental protection and other laws and regulations that may become effective in the future.

Economic and Other Sanctions

Many economic sanctions can relate to the Group's business, including prohibitions on doing business with certain countries or governments, as well as prohibitions on dealings of any kind with entities and individuals that appear on sanctioned party lists issued by the United States, the EU, and other jurisdictions (and, in some cases, entities owned or controlled by such listed entities and individuals). For example, on charterers' instructions, vessels may from time to time call on ports located in countries subject to sanctions imposed by the United States, the EU or other applicable jurisdictions.

As another example, charterers or other parties that the Group enters into contracts with, may be affiliated with persons or entities that are the subject of sanctions imposed by the United States, the EU or other applicable jurisdictions as a result of the current conflict between Ukraine and Russia, which resulted in the Russian invasion of Ukrainian territory. If the Group determines that such sanctions require it to terminate contracts or if the Group is found to be in violation of such applicable sanctions, the Group's results of operations may be adversely affected or it may suffer reputational harm.

Although the Group believes that it is in compliance with applicable sanctions laws and regulations, and intends to maintain such compliance, there can be no assurance that it will be in compliance in the future, particularly as the relevant sanctions restrictions are often ambiguous and change regularly. Any such violation could result in fines or other penalties that could severely impact the Group's ability to access U.S. and European capital markets and conduct its business, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in the Company. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of the Group's operations.

**4.2 Failure to comply with applicable anti-corruption laws, sanctions or embargoes may have a material adverse effect on the Group's business, financial conditions and results of operation.**

The Group expects to operate its Vessels in a number of countries, which can involve inherent risks associated with fraud, bribery and corruption and where strict compliance with anti-corruption laws may conflict with local customs and practices. As a result, the Group may be subject to risks under the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act 2010, the Bermuda Bribery Act 2016 and similar laws in other jurisdictions that generally prohibit companies and their intermediaries from making, offering or authorizing improper payments to government officials for the purpose of obtaining or retaining business.

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The Company and its subsidiaries are required to do business in accordance with applicable anti-corruption laws as well as sanctions and embargo laws and regulations (including U.S. Department of the Treasury Office of Foreign Assets Control requirements) and policies and procedures have been adopted by the Group in this respect, which are designed to promote legal and regulatory compliance with such laws and regulations. However, either due to the Company’s or its subsidiaries’ acts or omissions or due to the acts or omissions of others, including the Group’s employees, agents, local sponsors or others, the Company and/or its subsidiaries may be determined to be in violation of such applicable laws and regulations or such policies and procedures. Any such violation could result in substantial fines, sanctions, deferred settlement agreements, civil and/or criminal penalties and curtailment of operations in certain jurisdictions and the seizure of the Group's Vessels and other assets, and might as a result materially adversely affect the group's business, financial condition and results of operations.

The Group’s customers in relevant jurisdictions could seek to impose penalties or take other actions adverse to the Group’s interests. In addition, actual or alleged violations could damage the Group’s reputation and ability to do business and could cause investors to view the Group negatively and adversely affect the market for the Shares. Furthermore, detecting, investigating and resolving actual or alleged violations is expensive and can consume significant time and attention of executive and senior management regardless of the merit of any allegation.

**4.3 Failure to comply with the Economic Substance Act 2018 or the Economic Substance Regulations 2018 of Bermuda may have a material adverse effect on the Company’s results of operation and financial condition.**

The Economic Substance Act 2018 and the Economic Substance Regulations 2018 of Bermuda (the “Economic Substance Act” and the “Economic Substance Regulations”, respectively) became operative on 31 December 2018. The Economic Substance Act applies to every registered entity in Bermuda that engages in a relevant activity, which includes shipping, and requires that every such entity shall maintain a substantial economic presence in Bermuda. The Economic Substance Act provides that a registered entity that carries on a relevant activity complies with economic substance requirements if (a) it is directed and managed in Bermuda, (b) its core income-generating activities (as may be prescribed) are undertaken in Bermuda with respect to the relevant activity, (c) it maintains adequate physical presence in Bermuda, (d) it has adequate full time employees in Bermuda with suitable qualifications and (e) it incurs adequate operating expenditure in Bermuda in relation to the relevant activity. A registered entity that carries on a relevant activity is obliged under the Economic Substance Act to file a declaration in the prescribed form (the “Declaration”) with the Registrar of Companies on an annual basis.

The Economic Substance Regulations provide that minimum economic substance requirements shall apply in relation to an entity if the entity is a pure equity holding entity which only holds equity participations, and earns passive revenues from dividends, distributions, capital gains and other incidental income only. The minimum economic substance requirements include a) compliance with applicable corporate governance requirements set forth in the Bermuda Companies Act 1981 including keeping records of account, books and papers and financial statements and b) submission of an annual economic substance declaration form. Additionally, the Economic Substance Regulations provide that a pure equity holding entity complies with economic substance requirements where it also has adequate employees for holding and managing equity participations and adequate premises in Bermuda.

Failure to comply with economic substance requirements for the financial period to which a Declaration relates makes the Company subject to (i) the imposition of fines by the registrar, (ii) an order of the Bermuda courts requiring the Company to take specified action to satisfy economic substance requirements or (iii) such other order as the Bermuda courts see fit, including (a) the regulation of or restricting the conduct of the Company’s business in the future or (b) authorizing the registrar to bring proceedings to strike the Company off the Bermuda register. It will also result in the disclosure of the information contained in the Declaration by the competent authority in Bermuda to any relevant European Union competent authority.

If the Company is unable to comply with the requirements of the Economic Substance Act, it may have a material adverse effect on the Company's results of operation and financial condition.

## 5. Risks related to Shares.

**5.1 The market price may of the Shares may fluctuate.**

The trading volume and price for the Shares may fluctuate significantly and may not always reflect the underlying asset value of the Company. A number of factors outside the Company's control may impact its performance and the price of the Shares, including but not limited to, adverse business and sector developments, changes in market sentiment regarding the Shares and/or the sectors the Company is operating in, the operating and share price performance of other companies in the industry in which the Company operates, changes in financial estimates and investment recommendations or ratings. Changes in market sentiment may be due to speculation about the Company's business in the media or investment community, changes to the Company's profit estimates (if such have been provided), the publication of research reports by analysts and changes in general market conditions. If any of these factors occur, it may have a material adverse effect on the pricing of the Shares. In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company; and/or without regard to the operating performance of the Company.

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**5.2 Future sales, or the possibility of future sales of substantial numbers of Shares could affect the market price of the shares.**

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market or the perception that such sales could occur, could adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate.

**5.3 Investors' rights and responsibilities as shareholders is governed by Bermuda law.**

The Company's corporate affairs are governed by the memorandum of association and its Bye-laws. The rights of the Company's shareholders and the responsibilities of the members of the Company's board of directors under Bermuda law may not be as clearly established as under the laws of other jurisdictions. In addition, the rights of shareholders as they relate to, for example, the exercise of shareholder rights, are governed by Bermuda law and the Bye-laws could differ from the rights of shareholders under other jurisdictions, including Norway. The holders of the Shares may have more difficulty in protecting their interests in the face of actions by the board of directors than if it were incorporated in the United States, Norway or another jurisdiction.

**5.4 The ability to bring action against the Company may be limited under the laws of Bermuda..**

The Company is a company limited by shares, incorporated under the laws of Bermuda. The assets of the Company and the other members of the Group are located in a number of other jurisdictions. The rights of the shareholders are governed by Bermuda law and the Company's Bye-Laws, and shareholder rights under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions, such as Norway. It is not known whether courts in Bermuda will enforce judgements obtained in other jurisdictions against the Company or its directors or officers under the securities laws of other jurisdictions.

**5.5 The Company's ability to pay dividends is dependent on the availability of distributable reserves and the willingness of the Company to pay any dividends in the future.**

The amount and timing of dividends will depend on the Company's earnings, financial condition, cash position, Bermuda law affecting the payment of distributions and other factors. However, the Company could incur other expenses or contingent liabilities that would reduce or eliminate the cash available for distribution as dividends. In addition, the timing and amount of dividends, if any, is at the discretion of the board of directors. The Company cannot guarantee that the Board will declare dividends in the future.

**5.6 Investors may not be able to exercise their voting rights for Shares registered in a nominee account.**

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is (a) re-registered in their names with the VPS (as the branch register), or in the principal share register maintained in Bermuda, prior to the Company's general meetings or (b) the registered nominee holder grants a proxy to such beneficial owner in the manner provided for in the Company´s Bye-Laws in force at that time and pursuant to the contractual relationship, if any, between the nominee and the beneficial owner, to vote for such Shares. The Company cannot guarantee that beneficial owners of the Shares will receive the notice of a general meeting of shareholders of the Company in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. Any persons that hold their Shares through a nominee arrangement should consult the nominee to ensure that any Shares beneficially held are voted for in the manner desired by such beneficial owner.

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