



# Announcement Of Variable Dividend Policy

October 31, 2022

Cool Company Ltd. ("CoolCo" or "the Company", ticker: COOL.OL) announced today that the Board of Directors has approved the initiation of a dividend policy under which it intends to allocate its free cash flow to equity primarily to the payment of a quarterly dividend.

Following CoolCo's formation in early 2022, the Company has realized material benefit from its pure-play exposure to a rapidly strengthening charter market for modern Tri-Fuel Diesel Electric ("TFDE") LNG carriers. Against CoolCo's second quarter 2022 Daily Time Charter Equivalent Earnings ("TCE") of approximately \$62,000 per day and an all-in cash breakeven for the fleet of approximately \$54,000 per day, the Company has secured the following vessel charters that materially increase CoolCo's free cash flow generation profile for an extended period:

- In April 2022, we agreed a 12-month charter at \$120,000 per day.
- In September 2022, we agreed a 12-month charter at \$140,000 per day.
- For a vessel due to enter the charter market during the fourth quarter of 2022, a charter has been agreed at either approximately \$190,000 per day for one year or \$120,000 per day for three years. A three-year charter has been confirmed subject to charterer vetting process.
- Advanced discussions on a second 3-year charter for a vessel available in 1Q23 at prevailing market rates.

Richard Tyrrell, CEO of CoolCo, commented: *"We are pleased to have successfully executed our chartering strategy against the backdrop of a sharply improving charter market. The current market strength is being driven by a near-absence of available vessel capacity globally, robust demand for modern tonnage, and a renewed emphasis on energy security. In this environment, the attractive charters that we have agreed throughout 2022 have materially improved our free cash flow generation moving forward. We are also seeing strong inquiries in relation to our remaining vessels coming open in 2023, the nearest of which re-enters the charter market in April. On this basis, our Board of Directors has determined that CoolCo is now prepared to enter the next stage of our capital allocation strategy with the introduction of a policy that includes a quarterly dividend, enabling our shareholders to benefit from our fleet's exposure to this extraordinary market environment and our much stronger free cash flow generation profile."*

Under CoolCo's newly introduced variable dividend policy, the Company intends to allocate its free cash flow to equity primarily to the payment of a quarterly dividend, after allocations to drydocking and capital expenditures related to improving vessel efficiency. The dividend policy is scheduled to commence with effect from the fourth quarter of 2022, with an initial payment expected to take place during the first quarter of 2023. The declaration and payment of dividends are 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 Company's balance sheet, market cyclicality, distributable reserves, liquidity requirements and macroeconomic conditions.

## FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements which reflect management's current expectations, estimates and projections. All statements, other than statements of historical facts, that address activities and events that will, should, could or may occur in the future are forward-looking statements. Words such as "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "will," "may," "should," "expect," "could," "would," "predict," "propose," "continue," and similar expressions are intended to identify such forward-looking statements. These statements include statements relating to our dividend policy, cash flow generation, outlook, expected results and performance, expected industry and business trends including trends in LNG demand, LNG vessel supply and demand, charter rates, contracting, utilization, regulation other non-historical matters. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release.

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This information is subject to the disclosure requirements pursuant to Article 17 of the EU Market Abuse Regulation (MAR) and Section 5-12 of the Norwegian Securities Trading Act.



Source: Cool Company Ltd.