



**GOLDEN
ENERGY
OFFSHORE**



**Golden Energy Offshore Services AS
1st Half 2020 report**

Results

Golden Energy Offshore Services AS (the Group) was incorporated 16 December 2013 and acquired the vessels Energy Scout and Energy Swan 30 May 2014. In May 2019 The Group acquired the two newbuilds Energy Empress and Energy Duchess after a successful equity raise. The Group conducts shipping offshore business and the place of business is Ålesund Norway.

The Group's revenues for the first half year 2020 was NOK 38 301 814, whereby NOK 732 122 originate from operations in the West coast of Africa/Mediterranean segment and NOK 37 569 693 originate from the operations in the Northern Europe segment. The revenues have dropped due to the fact that 3 of the vessels have been in lay-up big parts of the 1st half year 2020. The operating result before depreciations amounted to NOK -13 590 942.

Net financing was negative with NOK -39 061 742 mainly due to interests paid on debt facilities for the new builds but also due to a large unrealized currency loss on the interest bearing debt which is in USD.

The Group's result before tax per Q2 2020 is a deficit of NOK -64 119 930. This amount is recognized in retained earnings. Booked equity per 30.06.2020 is NOK 232 427 488. The equity ratio is 40 %.

Cash flow from operational activities per Q2 is NOK 21 397 451, NOK -17 100 127 from investing activities and NOK 1 879 022 from financing activities. To achieve a high and stable cash flow is a preferred goal for the Group. The difference between operating result and cash flow from operating activities is mainly depreciations and change in short term receivables and payables.

Vessels and acquisition of new vessels

The Group owns four platform supply vessels (PSV's) (the "Vessels") which are operated and managed by Golden Energy Offshore Management AS in Ålesund, Norway. Energy Swan, Energy Empress and Energy Duchess operated in the North Sea, and Energy Scout operated outside of Nigeria in Africa and the Mediterranean.

On the 30.04.2019, the Group signed an addendum with Nantong Rainbow Offshore regarding the purchase of the two new build offshore support vessels, Energy Empress and Energy Duchess, of PX121H design. The Group took delivery of Energy Empress on 11.05.2019 and Energy Duchess 27.05.2019.

These new environmental friendly vessels where focus on safety and comfort for the crew, energy - and cost efficient solutions will fit the demand in the PSV market. The Vessels is presumably among the youngest vessels available in the market and will be so for a long time. This is a major step for the Company to create additional shareholder value.

During first half of 2020 the Energy Scout completed her 15 year class-renewal.

Financing and Liquidity

The take out finance of the two new builds is a hybrid hire purchase agreement where two separate BIMCO Barecon 2017 have been entered into with a duration of three years with the Group and each

of Energy Empress AS and Energy Duchess AS as co-charterers. Part of the charter hire paid under the Barecon is considered down payments towards the balance purchase price.

In light of recent developments in the offshore service market the Board recognized that the Group needed to increase its liquidity position to be able to continue operation if the downturn in the market should worsen or remain as-is of today over some time.

In addition, the subsidiaries, Energy Empress AS and Energy Duchess AS were obliged under the hire purchase agreements entered into with Nantong Rainbow Offshore & Engineering Equipment Co., Ltd. ("ROC") to make 1st anniversary lease payments for Energy Empress and Energy Duchess (the "Vessels"); originally in May this year. Pursuant to an addendum entered into between Group on one side, and ROC on the other, the hire purchase agreements were amended in respect of the 1st anniversary payments as follows (main terms):

- The Owners shall pay USD 600,000 (of which USD 25.000 has already been paid) per Vessel as a partial down payment on the 1st anniversary lease payment, for which ROC will issue a commercial invoice due 11 July 2020;
- the balance 1st anniversary payments of USD 1,067,000 per Vessel shall be paid by the Owners at the latest together with the 2nd anniversary payment (respectively) and shall carry an interest of 8% p.a. from the original due date of the 1st anniversary payments and until finally settled; and
- the mortgage over the vessel Energy Scout shall continue in full force and effect until the 1st anniversary payments have been settled in full.

On the basis of the above, the Group successfully completed a capital increase of NOK 10 257 890 in June 2020 that improved the liquidity position of the Company and enabled the down payment per Vessel in accordance with the referred addendum for the hire purchase agreements.

It is however the board's best assessment that the capital increase will enable the Company to continue its operations for the coming year; albeit assuming that the market situation normalizes in accordance with the current expectations from relevant market players. The board however explicitly notes that payment of the postponed 1st anniversary payment of USD 1,067,000 per Vessel (plus interest) and the 2nd anniversary payments will require additional capital at such later stage; which there is a clear risk it will need to be raised either through the realization of assets or through a further equity injection from shareholders/investors. The board and management of the Group will continue to work to financially strengthen the Group to meet its future obligations, but the board notes that succeeding in this will depend on aspects outside the control of the board, such as the market development.

The extraordinary general meeting held in June 2020 gave power of attorney to the board of directors for issuance of new shares to ensure that the board has sufficient flexibility needed in order to find willing capital in the investor market.

Market and future prospective

The activity in the market did increase in 2019 and also in the beginning of 2020 there were signs of continued improvements of the market. However as no one could foresee the outbreak of the Covid-19 virus and the sudden decline in the oil price have had a devastating impact on the Business of the Group and the market outlook in general with charter rates dropping and an oversupply of vessels as the result. This Global pandemic will most likely affect the world in the coming years and this together with the uncertainty about the oil price, impacts the Groups activity going forward.

The Group is continuing its focus on environmental friendly operations through energy efficiency programs and other measures are important factors in the competitive market. Energy Empress and Energy Duchess were introduced to the N-sea spot market following their arrival after their positioning voyage from the Chinese yard. These vessels have been welcomed by charterers and have had a good utilization in 2019. The vessel Energy Swan has a long-term contract that expires 30. November 2020 (but with options for continued employment for the charterers).

Covid-19

The virus that was first identified as the cause of an outbreak of respiratory illness in Wuhan, China has now been declared by the World health Organization (WHO) as a pandemic. Authorities worldwide have imposed a number of measures in order to limit the spread of the virus. The Group together with the management company for the vessels have special focus for the health and safety of all the sailors in the fleet. New procedures was quickly implemented in order to follow all requirements and advice from authorities and the Norwegian Institute of Public Health.

There exists a large portion of uncertainty of how all measures will affect the operation of the vessels. Restrictions by governments around the world can have an effect on planned crew changes, planned periodical maintenance and classification work and the supply of various goods and services on board the vessels. So far the vast majority of the crew changes have been carried out according to plan. For the vessel Energy Swan that was originally due for class renewal in May 2020, a 3-month extension is granted. The class renewal was completed in September 2020.

The Combination of Covid -19 and a significant reduction in oil price have also resulted in a rapid market decline. Oil and renewable operators are postponing or terminating projects in order to save costs. Also drilling activity is reduced to a minimum in order to cope with the oversupply of oil. All in all this affects our vessels utilization and day rate levels in a negative way, but it is still too early to see the full impact of this. Once again the times ahead appears challenging.

Going Concern

The rapid decline in the offshore service market due to Covid-19 and significant reduction in oil price is resulting in challenges. After the capital increase in June 2020, the Board finds it satisfactory to conclude that the conditions for a going concern are present and the financial statements have been prepared on the basis for this assumption.

The going concern assumption is however dependent on the offshore service market normalising in accordance with the current expectations from relevant players. The Group will work to realise assets, obtain new financing and/or raise new equity to be able to continue as a going concern also if the market is not normalising as expected.

The company and its shareholders

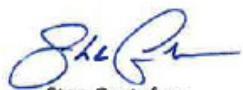
Pr 30.06.2020 the company had 112 shareholders and the company's share capital was NOK 35 415 872 divided by 35 415 872 shares, each with a nominal value of NOK 1. An amount of NOK 10 257 890 was raised and paid in as new share capital pr 30.06.2020. However as the capital increase was not registered at the Brønnøysund registers per 30.06.2020 the amount of NOK 10 257 890 is presented as paid in not registered share capital.



Statement from the Board and CEO

We hereby confirm that the semi-annual report for the period 01.January 2020 to 30. June 2020 to the best of our knowledge is prepared in accordance with IAS 34. The report together with the report from the Board give a fair and true value of the Company's assets, debt, financial position and result.

Aalesund, 30.09.2020



Sten Gustafson
Chairman of the Board



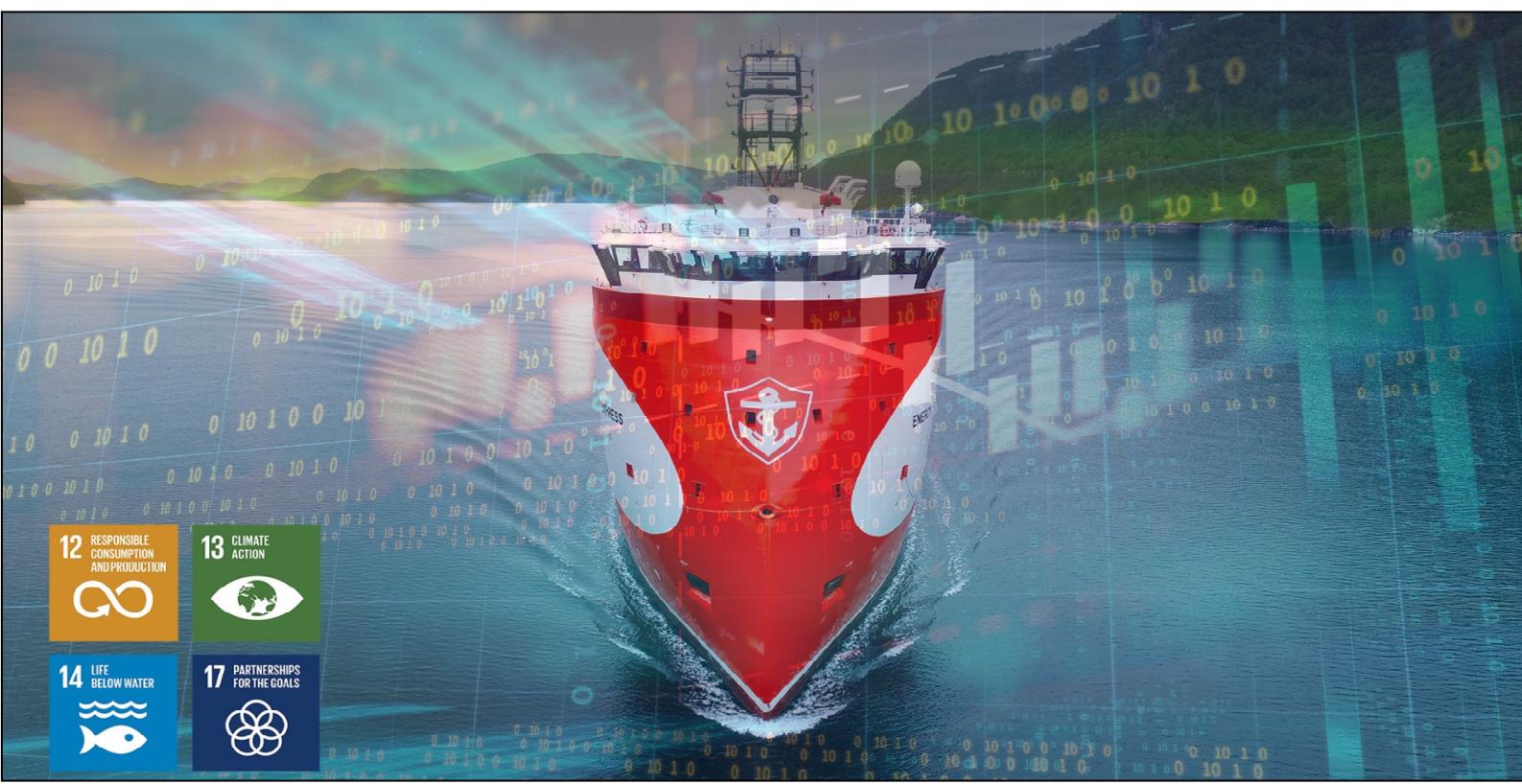
Morten Muggerud
Member of the Board



Per Ivar Fagervoll
CEO/Member of the Board

PROFIT AND LOSS ACCOUNT

		01.01.2020 - 30.06.2020	01.01.2019 - 30.06.2019	2019
NOK	Note			
Freight income	2	38 301 814	34 491 336	110 366 026
Total income		38 301 814	34 491 336	110 366 026
Operating expenses vessels		-46 124 734	-24 869 493	-75 523 096
Other operating expenses		-5 768 022	-4 563 959	-17 827 692
Operating result before depreciations	2	-13 590 942	5 057 885	17 015 239
Depreciation	3	-11 467 246	-7 690 178	-19 504 216
Write down	3	0	0	-4 000 000
Operating result		-25 058 188	-2 632 293	-6 488 977
Interest income		60	2 985	11 306
Currency gain/loss		-29 943 551	6 451 334	-595 370
Other interest charges		-9 118 250	-1 806 350	-10 099 777
Net Financial Items		-39 061 742	4 647 969	-10 683 842
Profit before tax		-64 119 930	2 015 676	-17 172 819
Taxes ordinary result		0	0	-23 672
RESULT FOR THE YEAR		-64 119 930	2 015 676	-17 196 491
Other comprehensive income		0	0	0
TOTAL COMPREHENSIVE INCOME		-64 119 930	2 015 676	-17 196 491
Earnings per share		-1,81	4,76	-0,54



BALANCE SHEET

NOK	Note	Pr 30.06.2020	Pr 30.06.2019	Pr 31.12.2019
NON-CURRENT ASSETS				
Tangible fixed assets	3	543 507 341	542 470 508	537 874 461
Total non-current assets		543 507 341	542 470 508	537 874 461
Total fixed assets		543 507 341	542 470 508	537 874 461
CURRENT ASSETS				
Stocks		3 110 849	1 731 403	4 103 235
Account receivables		11 817 820	21 374 846	23 759 219
Receivables		8 049 653	12 557 164	9 019 190
Bank deposits		10 294 301	2 494 024	4 117 955
Total current assets		33 272 622	38 157 437	40 999 597
TOTAL ASSETS		576 779 963	580 627 944	578 874 058
EQUITY AND LIABILITIES				
Equity				
Share capital		35 415 872	35 415 872	35 415 872
Share premium		194 940 395	194 576 331	194 761 993
Paid in not registered share capital		10 257 890	0	0
Other equity		-8 186 670	77 232 836	55 933 259
Total Equity		232 427 488	307 225 039	286 111 125
Liabilities				
Interest bearing liabilities	4	192 098 030	220 317 322	221 728 916
Total long-term debt		192 098 030	220 317 322	221 728 916
Current liabilities				
Current interest bearing liabilities	4	94 568 614	31 722 149	36 455 805
Trade debt		57 662 160	21 363 434	34 554 540
Tax payable		23 672	0	23 672
Total current liabilities		152 254 446	53 085 583	71 034 017
Total liabilities		344 352 476	273 402 905	292 762 933
TOTAL EQUITY AND LIABILITIES		576 779 963	580 627 944	578 874 058

CASH FLOW

NOK	Note	01.01.2020 - 30.06.2020	01.01.2019 - 30.06.2019	2019
Result before tax		-64 119 930	3 140 336	-17 172 819
Depreciation and write downs	3	11 467 246	6 565 518	23 504 216
Change in short-term receivables/payables		34 453 574	15 581 464	26 397 113
Interest expenses		9 118 250	0	10 095 671
Effects om changes in exchange rates		30 980 970	0	7 785 873
Change in other accruals		-502 660	-1 386 720	-13 815 556
Net cash flow from operations	A	21 397 451	25 706 947	36 794 498
Investments		-17 100 127	-326 526 312	-74 408 980
Net cash flow from investments	B	-17 100 127	-326 526 312	-74 408 980
Paid interests		-5 879 821	-526 848	-1 712 158
Long-term debt		0	258 069 080	0
Repayment debt		-2 499 047	-105 370	-8 560 792
Exchange rate adjustment debt		0	-5 924 241	0
Capital increase		10 257 890	36 712 746	36 712 746
Net cash flow from financing	C	1 879 022	288 225 367	26 439 796
Effect of changes in foreign exchange rates cash	D	0	-204 619	0
Net change in cash and cash equivalents	A+B+C+D	6 176 346	-12 798 617	-11 174 686
Cash and cash equivalents at 01.01.		4 117 955	15 292 641	15 292 641
Cash as per balancedate		10 294 301	2 494 024	4 117 955

STATEMENT OF CHANGES IN EQUITY

NOK	Share Capital	Share premium	Paid in not registered share capital	Retained Earnings	Total Equity
Equity 01.01.2020	35 415 872	194 761 993	0	55 933 259	286 111 125
Annual result	0	0	0	-64 119 930	-64 119 930
Comprehensive income	0	0	0	0	0
Transactions with owners:					
Equity Contribution	0	0	10 257 890	0	10 257 890
Share option expense	0	178 402	178 402	0	178 402
Equity 30.06.2020	35 415 872	194 940 395	10 257 890	-8 186 670	232 427 488

NOTE 1 – GENERAL

Golden Energy Offshore Services AS (the “Group”) is operating within the shipping business area and currently owns four offshore service vessels (PSVs). The Group was incorporated at the end of 2013, the head office is located in Aalesund and the all of the Group’s shares are listed on Oslo Stock Exchange. The half-yearly report is prepared in accordance with the same accounting principles as the last annual accounts and according to IAS 34 Interim financial reporting.

NOTE 2 – SEGMENT

The Group owns four vessels and the segments are divided into where the vessels operate geographically.

NOK

	01.01.2020 - 30.06.2020	01.01.2019 - 30.06.2019	2019
Freight income per geographical area			
Northern Europe	37 569 693	15 765 928	70 295 730
West Coast of Africa/Mediterranean	732 122	18 725 408	40 070 296
Total operating revenue	38 301 814	34 491 336	110 366 026
Operating result per geographical area			
Northern Europe	-1 854 119	1 891 097	14 719 215
West Coast of Africa/Mediterranean	-10 768 801	6 801 369	12 523 716
Administration	-968 022	-3 634 581	-10 227 692
Operating result before depreciations	-13 590 942	5 057 885	17 015 239
Depreciation	-11 467 246	-7 690 178	-19 504 216
Write down	0	0	-4 000 000
Operating result	-25 058 188	-2 632 292	-6 488 977

NOTE 3 – FIXED ASSETS

	Vessels	Docking	Ships under construction	Total
NOK				
Balance 01.01.2019	197 930 857	2 699 183	23 004 333	223 634 373
Additions	355 858 450	4 890 187	-23 004 333	337 744 304
Depreciations	16 805 033	2 699 183	0	19 504 216
Write off	4 000 000	0	0	4 000 000
Balance 01.01.2020	532 984 274	4 890 187	0	537 874 461
Additions	0	17 100 126	0	17 100 126
Depreciations	10 465 095	1 002 151	0	11 467 246
Balance 30.06.2020	522 519 179	20 988 162	0	543 507 341

The Vessels are depreciated linearly to a residual value when the vessels reach 30 years. The residual value is NOK 15 million for Energy Swan, Energy Duchess, Energy Empress and NOK 10 million for

Energy Scout. Costs for acquiring Energy Duchess and Energy Empress are already included in the acquisition cost for both vessels. Accrued and estimated docking expenses for the vessels are depreciated over 5 years until the next docking. Energy Scout completed her year class renewal in March 2020 and Energy Swan completed her class renewal in September 2020.

NOTE 4 – LONG TERM DEBT

The hybrid hire purchase agreement for the acquisition of Energy Empress and Energy Duchess is a 3 year bareboat hire agreement with a purchase obligation at the end of the period. One part of the bareboat hire is considered down payments towards the balance purchase price and the outstanding balance is classified as long term debt with the exception of the first year instalments which are classified as short term debt. The other part of the bareboat hire is a fixed interest amount per day hence the implied interest increases as the outstanding balance decreases.

Interest bearing liabilities	192 098 030
Current interest bearing liabilities	94 568 614
TOTAL	286 666 644

The first anniversary down payment of the interest bearing debt is secured by a mortgage over the vessel Energy Scout. As part of the new agreement reached in 2020 this mortgage is extended until the 2nd anniversary payment. Golden Energy Offshore Services AS has guaranteed for the payments during the 3 year period.

NOTE 5 – SHARES & STOCKOWNERS

The share capital pr 30.06.2020 is NOK 35 415 872. It consists of 35 415 872 shares at NOK 1. On the General meeting one share has one right to vote. Below is table of the 20 top shareholders. Please note that this is not updated with the capital increase in June of NOK 10 257 890 as the capital increase was not registered at the Brønnøysund registers until 09.07.2020.

#	Golden Energy Offshore (GEOS-ME)	Country	Type	# of shares	% of total
1	State Street Bank and Trust Comp	United States	Nominee	10 470 276	29,56 %
2	GEMSCO AS	Norway	Ordinary	6 235 033	17,61 %
3	Brown Brothers Harriman & Co.	United States	Nominee	3 360 247	9,49 %
4	Brown Brothers Harriman & Co.	United States	Nominee	3 089 816	8,72 %
5	K11 INVESTOR AS	Norway	Ordinary	1 573 403	4,44 %
6	ROALD HOLDING AS	Norway	Ordinary	962 256	2,72 %
6	TAJ HOLDING AS	Norway	Ordinary	962 256	2,72 %
8	Brown Brothers Harriman & Co.	United States	Nominee	916 212	2,59 %
9	CLEARSTREAM BANKING S.A.	Luxembourg	Nominee	800 001	2,26 %
10	Brown Brothers Harriman & Co.	United States	Nominee	732 536	2,07 %
11	PENSJONSORDNINGEN	Norway	Ordinary	704 278	1,99 %
12	IMAGINE CAPITAL AS	Norway	Ordinary	679 693	1,92 %
13	VERDIPAPIRFONDET EIKA KREDITT	Norway	Ordinary	645 900	1,82 %
14	BERG	Norway	Ordinary	592 451	1,67 %
15	FAGERVOLL	Norway	Ordinary	495 848	1,40 %
16	KEWA INVEST AS	Norway	Ordinary	336 789	0,95 %
17	VERDIPAPIRFONDET EIKA BALANSERT	Norway	Ordinary	304 262	0,86 %
18	ALSTAD INVEST AS	Norway	Ordinary	300 000	0,85 %
19	GADD Holding AS	Norway	Ordinary	192 451	0,54 %
19	FORSMO	Norway	Ordinary	192 451	0,54 %
19	ODD ERIK HANSEN INVEST AS	Norway	Ordinary	192 451	0,54 %
Total top 20				33 738 610	95,26 %
Other				1 677 262	4,74 %
Total stock				35 415 872	100,00 %

