



**GOLDEN
ENERGY
OFFSHORE**



**Golden Energy Offshore Services AS
1st Half 2022 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 financed with a combination of equity and a hire-purchase lease. The Group conducts offshore shipping business with offshore energy clients in both the oil & gas and renewable energy market. The Group is headquartered in Ålesund, Norway

The Group's revenues for the first half year 2022 was NOK 59 878 215. mainly originating from operations in the North Sea and West Africa. The revenues have increased significantly compared with the same period in 2021, mainly as a consequence of reactivation of the Group's vessels driven by the background of stronger market dynamics. Only 1 of the Group's 4 vessels has been in lay-up most of the 1st half of 2022, compared with 2 in lay-up the same period 2021. The market has from first part of Q2 2022 improved with less availability of competing tonnage, higher energy prices and steady demand from the renewables sector. The operating result before depreciations amounted to NOK 1 798 918.

Net Financial Items was negative with NOK -13 673 415 mainly due to interest expenses. The Group's result before tax per Q2 2022 is a deficit of NOK - 23 024 497. This amount is recognized in retained earnings. Booked equity per 30.06.2022 is NOK 57 549 937. The equity ratio is 12%.

Cash flow from operational activities per Q2 is NOK -179 832, NOK – 2 718 483 from investing activities and NOK 2 269 004 from financing activities. The difference between operating result and cash flow from operating activities is mainly depreciations and change in short term receivables and payables.

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 operated in the North Sea, Energy Empress and Energy Duchess operated in the North Sea, West Africa, Caribbean, Brazil and US waters. Energy Scout has been in temporary lay-up for the major part of the first half year 2022, but was reactivated against contract and is from June 2022 fully mobilized for Geotechnical, Geophysical and IMR duties working mainly on the Dutch coast and for Energynet on the Energy Island – the Energy Scout has in the period from reactivation worked solely for the offshore renewable industry.

Financing and Liquidity

The financing of the Energy Empress and Energy Duchess was structured as a hybrid hire purchase agreement where two separate BIMCO Barecon 2017 was entered into with a duration of three years (expiry May 2022) 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. The leases were due for final down payment in May 2022. The Group was not capable of refinancing the leases within the due date and during June and part of July 2022 the

Group finally secured refinancing and the leases were repaid in full in July 2022 with the use of a new long-term loan.

In April 2022 the Group was able to raise NOK 7 484 186 in new equity capital, increasing the share capital of the parent with a corresponding NOK amount.

The repayment of the leases and a working capital facility has improved the Group's liquidity in Q2 2022, but the Group will need to further improve its liquidity position.

Market and future prospective

The market in the first half year 2022 started to improve towards the more normal level experienced pre-Covid 19. The downturn has resulted in a significant reduction of competitive tonnage. There has also been an increased costs of building new vessels, so the Group therefore expects that the vessels will continue attracting higher charter revenue in its operation. The Group also expects that the market value of the Group's vessels has improved correspondingly.

The Group is continuing its focus on environmentally friendly operations through energy efficiency programs and other measures. These are important factors in the competitive market. Installation of shore power connection on the Energy Swan has further reduced the environmental impact of the Group.

Going Concern

The rapid decline in the offshore service market due to Covid-19 and the market situation has resulted in challenges. As of 30 June 2022 the Group was in severe financial difficulties with the leases from Energy Empress and Energy Duchess being in default. The subsequent successful refinancing together with the improved market justify that the Board concludes that the conditions for a going concern are present and the financial statements have been prepared based on this assumption.

Insurance board liability

The Group has taken out board liability insurance. Board liability insurance covers the personal liability of board members and the CEO.

The company and its shareholders

Pr. 30.06.2022 the company had 911 shareholders and the company's share capital was NOK 51 173 762 divided by 51 173 762 shares, each with a nominal value of NOK 1.

Statement from the Board and CEO

We hereby confirm that the semi-annual report for the period 01. January 2022 to 30. June 2022 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 results.

Aalesund, 30.09.2022

Sign.

Sten Gustafsen
Chairman of the board

Per Ivar Fagervoll
CEO/Member of the board

Morten Muggerud
Member of the board

Fredrik Ulstein-Rygnestad
Member of the board

PROFIT AND LOSS ACCOUNT

NOK	Note	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021	2021
Freight income	2	59 878 215	23 589 355	71 188 954
Total income		59 878 215	23 589 355	71 188 954
Operating expenses vessels		-46 712 749	-31 843 331	-78 597 414
Other operating expenses		-11 366 548	-5 256 314	-12 111 955
Operating result before depreciations	2	1 798 918	-13 510 290	-19 520 415
Depreciation	3	-11 150 000	-7 575 398	-18 207 977
Operating result		-9 351 082	-21 085 688	-37 728 392
Currency gain/loss		-367 431	-30 327	1 865 685
Unrealised currency gain/loss		0	-226 092	-9 640 636
Other interest charges		-13 478 363	-1 062 747	-17 513 851
Other financial charges		-54 613	0	0
Net Financial Items		-13 673 415	-1 092 174	-25 288 803
Profit before tax		-23 024 497	-22 177 862	-63 017 195
Taxes ordinary result		0	0	-141 655
RESULT FOR THE YEAR		-23 024 497	-22 177 862	-63 158 850
Result from discontinued operations		0	-7 692 106	0
TOTAL COMPREHENSIVE INCOME		-23 024 497	-29 869 968	-63 158 850
Earnings per share		-0,48	-0,65	-1,38

BALANCE SHEET

NOK	Note	Pr 30.06.2022	Pr 30.06.2021	Pr 31.12.2021
NON-CURRENT ASSETS				
Tangible fixed assets	3	425 938 937	410 656 861	399 948 224
Total non-current assets		425 938 937	410 656 861	399 948 224
Investments in subsidiaries		34 106	34 106	0
Total Financial fixed assets		34 106	34 106	0
Total fixed assets		425 973 043	410 690 967	399 948 224
CURRENT ASSETS				
Stocks		2 720 390	1 984 290	1 714 111
Account receivables		25 529 886	3 784 125	14 641 176
Receivables		27 300 228	18 992 146	15 012 280
Bank deposits		161 687	306 094	790 998
Total current assets		55 712 191	25 066 655	32 158 565
Non-current assets classified as held for sale	3	0	38 155 545	38 482 740
TOTAL ASSETS		481 685 234	473 913 167	470 623 635
EQUITY AND LIABILITIES				
Equity				
Share capital		51 173 762	45 673 762	45 673 762
Share premium		196 924 581	194 940 395	194 940 395
Other equity		-190 548 406	-130 174 512	-163 463 397
Total Equity		57 549 937	110 439 645	77 150 760
Liabilities				
Long-term debt				
Interest bearing liabilities	4	68 425 000	0	57 413 000
Total long-term debt		68 425 000	0	57 413 000
Current liabilities				
Current interest bearing liabilities	4	248 970 491	234 882 559	240 707 309
Trade debt		70 132 318	124 405 240	55 763 671
Tax payable		154 286	66 788	154 286
Other current liabilities		36 453 192	4 118 935	39 434 609
Total current liabilities		355 710 297	363 473 522	336 059 875
Total liabilities		424 135 297	363 473 522	393 472 875

TOTAL EQUITY AND LIABILITIES		481 685 234	473 913 167	470 623 635
CASH FLOW				
NOK	Note	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021	2021
Result before tax		-23 024 497	-29 869 969	-63 017 194
Taxes payable		-56 263		49 693
Depreciation and write downs	3	11 150 000	7 958 844	18 207 977
Change in short-term receivables/payables		2 473 658	31 686 674	-47 541 767
Interest expenses		13 478 363	0	16 095 406
Effects om changes in exchange rates		0	226 092	8 076 575
Change in other accruals		-4 201 103	-8 732 577	73 941 901
Net cash flow from operations	A	-179 832	2 331 811	5 812 591
Investments		-2 718 483	-132 309	0
Net cash flow from investments	B	-2 718 483	-132 309	0
Paid interests		-13 478 363	-1 062 747	-2 579 492
Long-term debt		45 711 921	0	0
Repayment debt		-37 448 740	-1 025 000	-2 636 440
Capital increase		7 484 186	0	0
Net cash flow from financing	C	2 269 004	-2 087 747	-5 215 932
Net change in cash and cash equivalents	A+B+C+	-629 311	111 755	596 659
Cash and cash equivalents at 01.01.		790 998	194 334	194 339
Cash as per balancedate		161 687	306 089	790 998

STATEMENT OF CHANGES IN EQUITY

NOK	Share Capital	Share premium	Retained Earnings	Total Equity
Equity 01.01.2022	45 673 762	194 940 395	-163 463 397	77 150 760
Annual result	0	0	-23 024 497	-23 024 497
Equity Contribution	5 500 000	1 984 186	0	7 484 186
Reclassified assets held for sale	0	0	-4 060 512	4 060 512
Equity 30.06.2022	51 173 762	196 924 581	-190 548 406	57 549 938

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 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 all of them are in 2022 operating in offshore shipping business with offshore energy clients in both the oil & gas and renewable energy market.

NOTE 3 – FIXED ASSETS

NOK	Vessels	Docking	Total
Balance 01.01.2021	403 063 956	15 092 246	418 156 202
Depreciations	15 189 527	3 018 450	18 207 977
Balance 31.12.2021	387 874 429	12 073 796	399 948 225
Reclassified from held for sale	18 952 707	15 469 521	34 422 228
Additions	0	2 718 484	2 718 484
Depreciations	9 350 000	1 800 000	11 150 000
Balance 30.06.2022	397 477 136	28 461 801	425 938 937

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.

By the end of 2021 there was historical write downs of the vessels with a total amount of NOK 92 000 000. This is related to the vessels with the following amounts: Energy Swan; - 31,0 MNOK, Energy Scout; 29,0 MNOK, Energy Empress; -16,0 MNOK and Energy Duchess; -16,0 MNOK.

The vessel Energy Scout was reactivated in Q2 2022.

NOTE 4 – INTEREST BEARING 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. Part of the bareboat hire is considered down payments towards the balance purchase price.

Due to the Covid-19 effects to the market the vessels were unemployed most of 2021, and partly in 1H 2022, and bareboat hire payments were not paid as required by the agreements.

The Group has negotiated with the lender to refinance the debt in July 2022. As a part of this there was established a short term bridge Bond loan to finance an instalment to the lessors of Energy Empress and Energy Duchess in June 2022.

In December 2021, the Group signed and closed a new MNOK 70 credit facility, partly refinancing outstanding trade debt at that time.

The facility has a term of 2 years and 6 months and a fixed interest rate of 11,0% p.a. The vessel Active Swan is established as a security for the bond loan. There is no specific covenants related to the bond terms.

Bond loan	68 425 000
Short term bond loan	45 711 921
Hybrid hire purchase agreement	203 258 570
Outstanding interest-bearing debt pr 30.06.2022:	317 395 491

NOTE 5 – SHARES & STOCKOWNERS

The share capital pr. 30.06.2022 is NOK 51 173 762. It consists of 51 173 762 shares at NOK 1. On the General meeting one share has one right to vote. Below is a table of the 10 top shareholders.

#	Golden Energy Offshore (GEOS-ME)	Country	Type	# of shares	% of total
1	State Street Bank and Trust Comp	United States	Nominee	10 470 276	20,46 %
2	NORDNET LIVSFORSIKRING AS	Norway	Ordinary	3 388 527	6,62 %
3	Brown Brothers Harriman & Co.	United States	Nominee	3 360 247	6,57 %
4	Brown Brothers Harriman & Co.	United States	Nominee	3 089 816	6,04 %
5	GOLDEN ENERGY OFFSHORE AS	Norway	Ordinary	2 447 606	4,78 %
6	UGLAND, Andreas Narten	Norway	Ordinary	1 819 323	3,56 %
7	FAGERVOLL, Per Ivar	Norway	Ordinary	1 773 332	3,47 %
8	GEMSCO AS	Norway	Ordinary	1 631 814	3,19 %
9	GOLDEN ENERGY OFFSHORE MANAGEMENT	Norway	Ordinary	1 311 576	2,56 %
10	ROALD HOLDING AS	Norway	Ordinary	962 256	1,88 %
10	TAJ HOLDING AS	Norway	Ordinary	962 256	1,88 %
12	Brown Brothers Harriman & Co.	United States	Nominee	916 212	1,79 %
13	Euroclear Bank S.A./N.V.	Belgium	Nominee	800 000	1,56 %
14	BERG, Inge Harald	Norway	Ordinary	592 451	1,16 %
15	Nordnet Bank AB	Sweden	Nominee	575 618	1,12 %
16	Avanza Bank AB	Sweden	Nominee	541 139	1,06 %



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