



**GOLDEN
ENERGY**
OFFSHORE



Golden Energy Offshore Services AS
1st Half 2023 Report

Results

Key Highlights for the Q2 2023:

- *Time charter equivalent earnings of TNOK 169 per day on average*
- *EBITDA of TNOK 19 360 for the quarter*
- *Utilization of 95.6%*
- *Acquisition of 100% of the shares in Golden Energy Offshore Management AS (GEOM) which transforms GEOS from a pure asset owning Group to fully integrated owner with management and crewing in-house.*

The Group's revenues for H1-2023 were TNOK 77 827, mainly originating from operations in the North Sea and Caribbean. The revenues have increased significantly compared with the same period in 2022, mainly because of reactivation of the Group's vessels and a stronger underlying market.

Net Financial Items in H1-2023 were negative with TNOK 52 884, significantly affected by changes in the USD-NOK exchange rate. The Group's result before tax in H1-2023 is a deficit of TNOK 3 881. Book equity per 30.06.2023 is TNOK 104 131.

The operating result before depreciation and sale of asset for the 1st half year was TNOK 18 360, excluding potential insurance settlement related to the Energy Duchess and Energy Swan

Present chartering status

Vessel	Built	Deck (m2)	Employment	Day rate*	Firm expire	Avail. option
Energy Swan	2005	1,060	TC	kr 150 000,00	01.11.2023	New contract**
Energy Empress	2019	856	TC	kr 194 000,00	24.04.2024	1 x 6 months
Energy Duchess	2019	856	Spot/Short term	kr 275 000,00	16.09 2023	14 dbd opt

*Rates in NOK converted with USD/NOK exchange rate 10,4

**a new contract has been entered into in direct continuation
for 2 months firm plus 2 x 2 months options

Energy Duchess worked in the North Sea short term / spot market, mainly on supply duties in the North Sea but also on B2W and decommissioning projects.

Energy Empress remains on the 1-year firm contract offshore Trinidad & Tobago, starting full operation on the 24th October 2022

Energy Swan's contract with Repsol was extended during the quarter and is now firm until 1st November 2023.

Subsequent Events

- Announced acquisition of 4 x PX121 PSV's and 1 x SSV from Vroon Holding B.V. for USD 94.0m
- Announced signed Term Sheet with Fleetscape Capital Ltd. for part-financing of the fleet acquisition, expected to close within end of Q3 2023
- Extension of time-charter contract for Energy Swan for 2 months fixed, plus 2 x 2-month extension options in direct continuation of current charter.
- Exercise of extension option by BP on Energy Empress for 6 months
- Oaktree Capital Management and Athos Capital Limited exercised warrants for 61.78m shares in total, increasing share capital to 115.55m shares on fully diluted basis.

Vessels

As of H1-2023, the Group owns three Platform Supply Vessels (PSV's) (the "Vessels") which are operated and managed by Golden Energy Offshore Management AS in Ålesund, Norway.

The vessel values have increased significantly in the period and the Group's three vessels have now received average broker values as follows:

Fleet valuation as per 30.06.2023 (TNOK)		
Vessel	Average Broker 1	Average Broker 2
Swan	190 980	180 370
Empress	286 470	283 818
Duchess	286 470	283 818
NOK	763 920	748 005
Avg FMV 2 brokers		755 963

Other

- The Group has an unpaid claim against the insurers of the opponent vessel after an allision between this vessel and the Group's vessel Energy Duchess, (Energy Duchess was moored alongside in port of Aberdeen September 2022 when hit). The insurers have issued a letter of undertaking (LOU) in the amount of USD 3,663,000, representing the Group's full claim. The claim is disputed and is handled by the Group's insurers and its English lawyers. The claim is not included in the unaudited accounts.

Financing and Liquidity

The Group has a senior secured fleet loan of USD 36,225m over the vessels Energy Empress and Energy Duchess with a final maturity July 2027. The Group also has a senior secured bond loan of NOK 70 million over the vessel Energy Swan with final maturity June 2024.

Market and Future Prospects

The North Sea spot market had a slow start to the year, however activity levels increased as we approached the summer season when the majority of projects and campaigns commence. The spot market on the Norwegian side of the North Sea has seen a significant shortage in available vessels, leading to a strong spot market.

The seasonal volatility in the spot market has little impact on our forward-looking view on this segment. The fundamental activity drivers for this segment are robust and we foresee a healthy market going forward on the background of expected high demand from increased activity levels and limited supply from a historically low fleet to order book ratio.

The Group therefore expects that the vessels will continue attracting higher charter revenue in its operations. The Group also see improved values and expects that the market value of the Group's vessels will continue to improve 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.

Going Concern

The successful refinancing in Q3 2022 together with the improved market justify the Board's conclusion that the conditions for a going concern are present, and the financial statements have been prepared based on this assumption. The Group will however need to improve its liquidity and the Board is working on measures to this effect.

The Company and Its Shareholders

Pr. 30.06.2023 the company had 744 shareholders and the company's share capital was NOK 53 773 762 divided by 53 773 762 shares, each with a nominal value of NOK 1.

Ålesund, 11.09.2023

Sign.

Sten Gustafson
Chairman of the Board

Morten Muggerud
Member of the Board

Per Ivar Fagervoll
CEO/Member of the Board

Fredrik Ulstein-Rygnestad
Member of the Board



Unaudited interim consolidated PROFIT AND LOSS ACCOUNT

Amounts in TNOK	Note	H1-2023	H1-2022	2022
Freight income	2	76 827	59 878	141 054
Other income		1 000	0	0
Total income		77 827	59 878	141 054
Operating expenses vessels		-44 414	-46 713	-116 806
Other operating expenses		-14 053	-11 367	-39 890
Operating result before depr. and sale	2	19 360	1 799	-15 642
Gain/loss from sale of vessel		-2 152	0	0
Result before depreciations		17 208	1 799	-15 642
Depreciation	3,4	-14 305	-15 211	-24 468
Reversal of impairment	4	46 100	0	111 000
Operating result		49 003	-13 412	70 890
Interest income		12	0	118
Financial income		0	0	1 195
Currency gain/loss	5	-1 940	-140	-1 076
Unrealized currency gain/loss		-22 912	-34 835	-36 305
Other interest charges	5	-22 576	-38 104	-69 648
Other financial charges		-5 469	-55	-23 063
Net Financial Items		-52 884	-73 133	-128 780
Profit before tax		-3 881	-86 545	-57 889
Taxes ordinary result		0	0	0
RESULT		-3 881	-86 545	-57 889
Earnings per share		-0,07	-1,79	-1,15



Unaudited interim consolidated BALANCE SHEET

Amounts in TNOK	Note	Per 30.06.2023	Per 30.06.2022	Per 31.12.2022
NON-CURRENT ASSETS				
Goodwill	3	18 553	0	0
Total intangible assets		18 553	0	0
Tangible fixed assets	4	498 606	425 939	527 622
Total non-current assets		498 606	425 939	527 622
Investments in shares		2 664	34	45
Total financial fixed assets		2 664	34	45
Total fixed assets		519 824	425 973	527 667
CURRENT ASSETS				
Stocks		563	2 720	2 263
Account receivables		26 662	25 530	17 581
Receivables		14 631	27 300	16 553
Bank deposits		7 714	162	957
Total current assets		49 570	55 712	37 354
TOTAL ASSETS		569 394	481 685	565 021
EQUITY AND LIABILITIES				
Equity				
Share capital		53 774	51 174	53 774
Share premium		198 485	196 925	198 485
Other equity		-148 127	-250 008	-144 246
Total Equity	5,6,7	104 131	-1 910	108 013
Liabilities				
Long-term debt				
Interest bearing liabilities	5	70 000	68 425	70 000
Other long-term liabilities	5,6	230 975	0	222 741
Total long-term debt		300 975	68 425	292 741
Current liabilities				
Current interest-bearing liabilities	5	61 952	283 805	79 287
Trade debt		44 450	70 132	75 229
Tax payable		18	154	0
Other current liabilities		57 867	61 078	9 752
Total current liabilities		164 287	415 170	164 268
Total liabilities		465 262	483 595	457 009
TOTAL EQUITY AND LIABILITIES		569 394	481 685	565 021



Unaudited interim consolidated STATEMENT OF CASH FLOWS

Amounts in TNOK	Note	H1-2023	H1-2022
Result before tax		-3 881	-86 545
Taxes payable		0	-56
Booked profit/loss from sales of non-current assets		2 152	0
Depreciation and write downs	4	-31 795	15 211
Change in short-term receivables/payables		-17 064	2 474
Interest expenses		22 576	38 104
Effects on changes in foreign exchange rates		22 912	34 835
Change in other accruals		-20 163	-4 201
Net cash flow from operations		-25 263	-180
Investments		-3 108	-2 718
Sale of non-current assets		63 830	0
Net cash flow from investments		60 721	-2 718
Paid interests		0	-13 478
Proceeds from new debt		19 805	45 712
Repayment debt		-48 506	-37 449
Capital increase		0	7 484
Net cash flow from financing		-28 701	2 269
Net change in cash and cash equivalents		6 757	-629
Cash and cash equivalents at 01.01.		957	791
Cash as per balance sheet date		7 714	162

Unaudited interim consolidated STATEMENT OF CHANGES IN EQUITY

Amounts in TNOK	Share Capital	Share Premium	Retained Earnings	Total Equity
Equity 01.01.2023	53 774	198 485	-144 246	108 013
Result	0	0	-3 881	-3 881
Equity 30.06.2023	53 774	198 485	-148 127	104 131
Equity 01.01.2022	45 674	194 940	-163 463	77 151
Result	0	0	-86 545	-86 545
Transactions with owners:				0
Equity Contribution	5 500	1 984	0	7 484
Equity 30.06.2022	51 174	196 925	-250 008	-1 910



NOTE 1 – GENERAL

Golden Energy Offshore Services AS (the “Group”) is operating within the offshore service vessel business area and currently owns three PSVs (Energy Scout delivered to new owners 10th January 2023) PSVs during 1H - 2023. The Group was incorporated at the end of 2013, the head office located in Ålesund and all of the Group’s shares are listed on Euronext Growth in Oslo Stock Exchange. The quarterly 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 currently owns three vessels operating in offshore service vessel business with offshore energy clients, both in the oil & gas and renewable energy market.

NOTE 3 – GOODWILL

Amounts in TNOK	Goodwill	Total
Cost price 01.01.2022	0	0
Acc. depr and write off 01.01.2022	0	0
Additions	0	0
Depreciations	0	0
Balance 31.12.2022	0	0
 Additions	 18 553	 18 553
Disposals	0	0
Depreciations	0	0
Balance 30.06.2023	18 553	18 553

The goodwill originates from the acquisition of 100% of the shares in Golden Energy Offshore Management AS. The acquisition is undergoing an analysis as per IFRS 3, hence valuation preliminary at present time.

NOTE 4 – FIXED ASSETS

Amounts in TNOK	Vessels	Docking	Total
Cost price 01.01.2022	514 064	15 092	529 156
Acc. depr and write off 01.01.2022	15 190	3 018	18 208
Additions	4 432	2 845	7 277
Depreciations	22 018	7 068	29 085
Balance 31.12.2022	503 559	24 063	527 622
 Additions	 3 108	 0	 3 108
Disposals	54 192	9 727	63 919
Depreciations	12 388	1 917	14 305
Reversal of impairment	-46 100	0	-46 100
Balance 30.06.2023	486 188	12 418	498 606



The Vessels are depreciated linearly to a residual value when the Vessels reach 30 years. The residual value is TNOK 15 000 for each of Energy Swan, Energy Duchess, and Energy Empress. 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.

Previously there has been a write down on the Vessels based on the impairment test. Considering the new market outlook, and due to observed indicators, such as improved market conditions and increase in market interest rates, the Vessels' book values have been tested for impairment and reversal of previous impairments was completed on September 30, 2022, for all three Vessels, and the Group has recognized a net reversal of total of TNOK 111 000. A new impairment has been done, and additional TNOK 46 100 has been reversed.

The Group monitors the presence of impairment indicators during the periodical financial reporting, and thus may update its assessments of impairments to reflect further changes in the underlying market assumptions. The assessment of ship values has been done by two independent shipbrokers.

The vessel Energy Scout was sold in Q1 2023, and the loss from the sale is booked as loss from sale of vessel.

NOTE 5 – INTEREST BEARING DEBT

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

The long-term facility has an annuity interest for cash pay of 5.00 % per annum, payable quarterly in arrears and Payment-In-Kind (PIK) interest of 4.00% per annum capitalizing quarterly in arrears.

The short-term facility was repaid in Q1 2023, and a new short-term facility of MUS\$ 4,2 has been drawn as a short-term interest-bearing loan with an interest rate of SOFR + 9.00%.

The fair value of these issued warrants was – in accordance with IFRS accounting standards – recognized as other paid in capital and included in the effective interest rate for the financing (reducing the carrying value of the loan). Fair value was estimated to TNOK 72 681. The fair value of the warrants are included in the interest expense during the 5-year period the loan is outstanding as an amortized cost.



	Currency	Nominal debt in currency	Recognized in currency	Recognized in TNOK
Amounts in TNOK or TUSD				
Senior secured bond loan	NOK	70 000	70 000	70 000
Long-term interest-bearing loan *	USD	27 349	21 448	230 975
Outstanding long-term interest-bearing debt per 30.06.2023:				300 975
Short-term interest-bearing loan *	USD	4 200	3 688	39 728
Short-term installment of long-term loan *	USD	5 000	2 063	22 224
Outstanding short-term interest-bearing debt per 30.06.2023:				61 952
Total Outstanding interest-bearing debt per 30.06.2023:				362 927

* The difference between nominal and recognized values originates from the cash flow calculation on the warrants connected to the long-term interest bearing loan and amortization of the short-term interest bearing loan.

NOTE 6 WARRANTS

The company issued 61 773 762 warrants July 27th 2022. The lifetime of the warrants is divided into 57 773 762 warrants 5 years, and 4 000 000 warrants 3 years. Strike price for all warrants is NOK 1,00.

See Subsequent Events

NOTE 7 – SHARES & STOCKOWNERS

The share capital pr. 30.06.2023 is NOK 53 773 762. It consists of 53 773 762 shares at NOK 1. On the General meeting one share has one right to vote. Below is a table of the 20 top shareholders. The Chief Executive Officer has an indirect and direct ownership of 9,73 % in the company per 30.06.2023.

There are issued share options, with 4 000 000 options to the lender of the bridge loan, and 57 773 762 options to the lender of the credit facility.



#	Golden Energy Offshore (GEOS-ME)	Country	Type	# of shares	% of total
1	State Street Bank and Trust Comp	United States	Nominee	10 470 276	19,47 %
2	FAGERVOLL Per Ivar	Norway	Ordinary	4 191 908	7,80 %
3	Brown Brothers Harriman & Co.	United States	Nominee	3 360 247	6,25 %
4	Brown Brothers Harriman & Co.	United States	Nominee	3 089 816	5,75 %
5	NORDNET LIVSFORSIKRING AS	Norway	Ordinary	2 925 834	5,44 %
6	GOLDEN ENERGY OFFSHORE AS	Norway	Ordinary	2 447 606	4,55 %
7	GEMSCO AS	Norway	Ordinary	2 211 959	4,11 %
8	ANU INVEST AS	Norway	Ordinary	2 005 953	3,73 %
9	ROALD HOLDING AS	Norway	Ordinary	962 256	1,79 %
9	TAJ HOLDING AS	Norway	Ordinary	962 256	1,79 %
11	Brown Brothers Harriman & Co.	United States	Nominee	916 212	1,70 %
12	Euroclear Bank S.A./N.V.	Belgium	Nominee	800 001	1,49 %
13	GRØNLAND	Norway	Ordinary	762 881	1,42 %
14	DEVOLD	Norway	Ordinary	612 500	1,14 %
15	BERG	Norway	Ordinary	592 451	1,10 %
16	FAGERVOLL Svein Terje	Norway	Ordinary	538 713	1,00 %
17	BAHAM AS	Norway	Ordinary	512 600	0,95 %
18	FAGERVOLL Karoline	Norway	Ordinary	500 000	0,93 %
19	FINSETH	Norway	Ordinary	479 000	0,89 %
20	MTB EIENDOMSUTVIKLING AS	Norway	Ordinary	466 512	0,87 %
Total top 20				38 808 981	72,17 %
Other				14 964 781	27,83 %
Total stock				53 773 762	100,00 %



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