



**GOLDEN
ENERGY
OFFSHORE**



**Golden Energy Offshore Services AS
1st Half 2021 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 2021 was NOK 23 192 949. Mainly originate from the operations in the Europe segment. The revenues have dropped due to the fact that 3 of the Group's 4 vessels have been in lay-up mostly of the 1st half year 2021. The operating result before depreciations amounted to NOK - 13 510 290.

Net financing was negative with NOK -1 092 174 mainly due to interests paid.

The Group's result before tax per Q2 2021 is a deficit of NOK - 29 869 968. This amount is recognized in retained earnings. Booked equity per 30.06.2021 is NOK 110 439 645. The equity ratio is 23%.

Cash flow from operational activities per Q2 is NOK 2 331 811, NOK – 132 309 from investing activities and NOK - 2 087 747 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

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. Energy Empress, Energy Duchess and Energy Scout has been in temporary lay-up the major part of the first half year 2021.

Energy Scout is circulated for sale and there has been received bids subject to conditions outside of the potential buyers' control. It is therefore uncertain whether a transaction will materialize and the vessel may be sold to others or activated for further trading.

Financing and Liquidity

The finance of the Energy Empress and Energy Duchess is a hybrid hire purchase agreement where two separate BIMCO Barecon 2017 have been 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. In June the Company successfully negotiated an agreement for one year extension of the amounts payable in May 2021 till May 2022.

In light of the severe downturn in the offshore service market (which has resulted that three of the Group's four vessels have been in temporary layup in some months in the 1st half of year 2021), the Board recognizes that the Group needed to increase its liquidity position. The group are in dialogue with the creditors to improve the situation.



As part of the dialogue with the creditors, part of the overdue short term payables are expected to be converted into a longer term secured debt. This will improve the liquidity situation.

Market and future prospective

The market in the first half year 2021 was extremely challenging and difficult as a consequence of the continuing effects of the Covid-19 virus. Towards the latter part of the period the group have experienced that the market is improving and at the end of the period 3 of the 4 vessels owned by the group was back in employment..

The Group is continuing its focus on environmental friendly operations through energy efficiency programs and other measures are important factors in the competitive market. The vessel Energy Swan has after end of the first half year 2021 entered into a long term contract that expires November 1st 2022. Installation of shore power further reducing the environmental impact of the group will be carried out on Energy Swan as separately reported.

Covid-19

The Combination of Covid -19 and a significant reduction in oil price have 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. Totally 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.

In the second quarter of 2021 the market has improved and the Group has managed to start operations in the 3 of its 4 vessels from June 2021. The costs of layup combined with a corresponding dramatic reduction in income, has resulted in a challenging situation.

Going Concern

The rapid decline in the offshore service market due to Covid-19 and the market situation has resulted in challenges. Based on the current situation, the Board finds it justifiable 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 continue the work to sell Energy Scout and is also dependent on finding a long term solution for its trade payables. The dialogue with creditors in that respect is continuing with good process.

The company and its shareholders

Pr. 30.06.2021 the company had 482 shareholders and the company`s share capital was NOK 45 673 762 divided by 45 673 762 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 2021 to 30. June 2021 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, 30.09.2021

Sign.

Sten Gustavsen
Chairman of the board

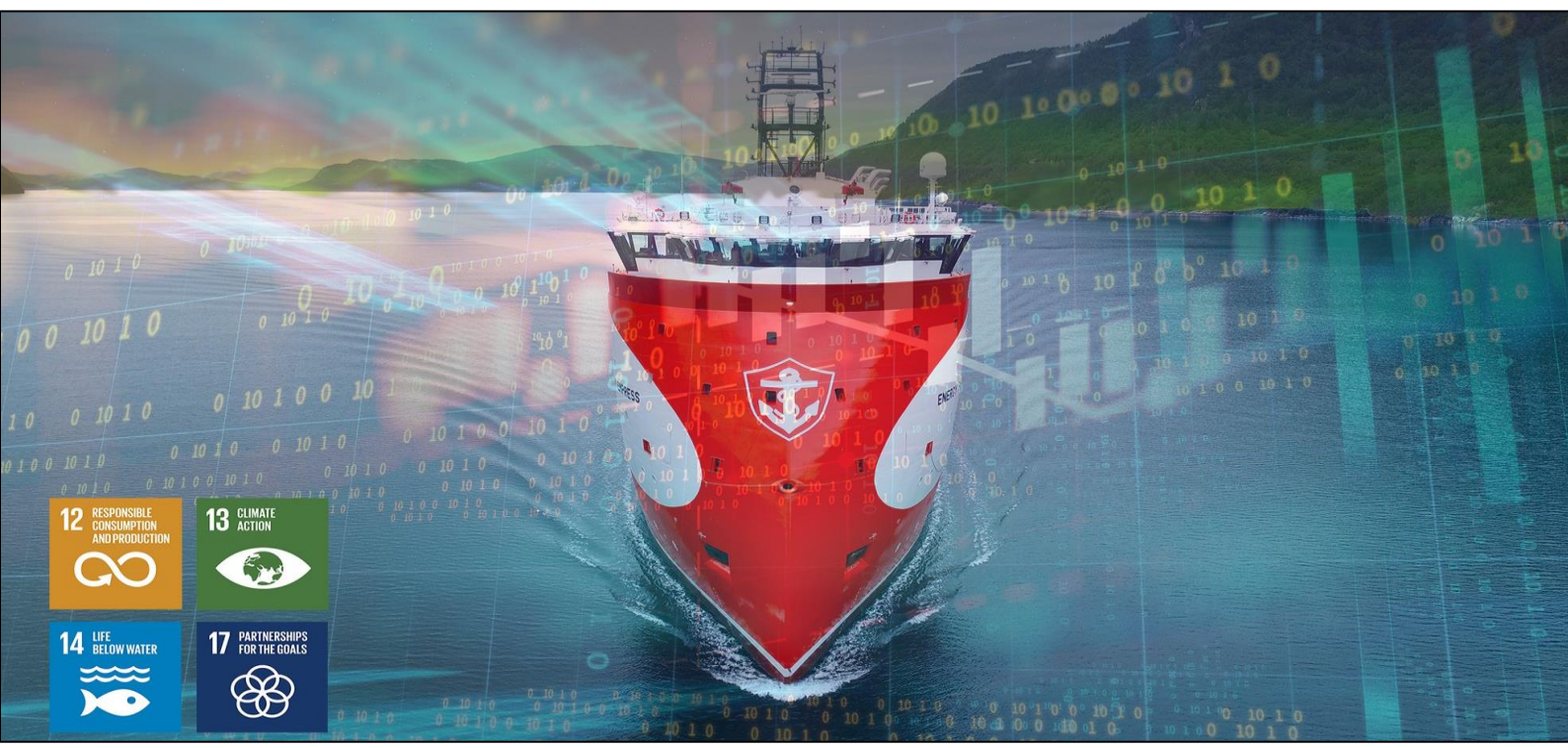
Morten Muggerud
Member of the board

Per Ivar Fagervoll
CEO/Member of the board



PROFIT AND LOSS ACCOUNT

NOK	Note	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020	2020
Freight income	2	23 589 355	38 301 814	70 046 585
Total income		23 589 355	38 301 814	70 046 585
Operating expenses vessels		-31 843 331	-46 124 734	-80 658 405
Other operating expenses		-5 256 314	-5 768 022	-21 378 016
Operating result before depreciations	2	-13 510 290	-13 590 942	-31 989 836
Depreciation	3	-7 575 398	-11 467 246	-24 867 199
Write down	3	0	0	-88 000 000
Operating result		-21 085 688	-25 058 188	-144 857 035
Interest income		0	60	7 390 724
Currency gain/loss		-30 327	-29 943 551	329 507
Other interest charges		-1 062 747	-9 118 250	-19 038 623
Net Financial Items		-1 092 174	-39 061 742	-11 318 392
Profit before tax		-22 177 862	-64 119 930	-156 175 427
Taxes ordinary result		0	0	-62 350
RESULT FOR THE YEAR		-22 177 862	-64 119 930	-156 237 777
Result from discontinued operations		-7 692 106	0	0
TOTAL COMPREHENSIVE INCOME		-29 869 968	-64 119 930	-156 237 777
Earnings per share		-0,65	-1,81	-3,71





BALANCE SHEET

NOK	Note	Pr 30.06.2021	Pr 30.06.2020	Pr 31.12.2020
NON-CURRENT ASSETS				
Tangible fixed assets	3	410 656 861	543 507 341	418 156 202
Total non-current assets		410 656 861	543 507 341	418 156 202
Investments in other companies		34 106	0	34 106
Total Financial fixed assets		34 106	0	0
Total fixed assets		410 690 967	543 507 341	418 190 308
CURRENT ASSETS				
Stocks	5	1 984 290	3 110 849	1 886 770
Account receivables		3 784 125	11 817 820	3 770 119
Receivables		18 992 146	8 049 653	10 393 751
Bank deposits		306 094	10 294 301	194 339
Total current assets		25 066 655	33 272 622	16 244 978
Non-current assets classified as held for sale	3	38 155 545	0	38 482 740
TOTAL ASSETS		473 913 167	576 779 963	472 918 026
EQUITY AND LIABILITIES				
Equity				
Share capital		45 673 762	35 415 872	45 673 762
Share premium		194 940 395	194 940 395	194 940 395
Paid in not registered share capital		0	10 257 890	0
Other equity		-130 174 512	-8 186 670	-100 304 547
Total Equity		110 439 645	232 427 488	140 309 610
Liabilities				
Interest bearing liabilities	4	0	192 098 030	0
Total long-term debt		0	192 098 030	0
Current liabilities				
Current interest bearing liabilities	4	234 882 559	94 568 614	235 908 200
Trade debt		124 405 240	57 662 160	92 607 040
Tax payable		66 788	23 672	75 464
Other current liabilities		4 118 935	0	4 017 712
Total current liabilities		363 473 522	152 254 446	332 608 416
Total liabilities		363 473 522	344 352 476	332 608 416
TOTAL EQUITY AND LIABILITIES		473 913 167	576 779 963	472 918 026



CASH FLOW

NOK	Note	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020	2020
Result before tax		-29 869 969	-64 119 930	-156 175 459
Taxes payable		0		-23 698
Depreciation and write downs	3	7 958 844	11 467 246	112 867 199
Change in short-term receivables/payables		31 686 674	34 453 574	67 304 012
Interest expenses		1 062 747	0	17 201 749
Effects om changes in exchange rates		226 092	30 980 970	5 505 936
Change in other accruals		-8 732 577	-502 660	-6 034 150
Net cash flow from operations	A	2 331 811	21 397 451	40 645 589
Investments		-132 309	-17 100 127	-31 665 785
Net cash flow from investments	B	-132 309	-17 100 127	-31 665 785
Paid interests		-1 062 747	-5 879 821	-9 077 618
Repayment debt		-1 025 000	-2 499 047	-14 083 692
Capital increase		0	10 257 890	10 257 890
Net cash flow from financing	C	-2 087 747	1 879 022	-12 903 420
Effect of changes in foreign exchange rates cash	D	0	0	0
Net change in cash and cash equivalents	A+B+C+D	111 755	6 176 346	-3 923 617
Cash and cash equivalents at 01.01.		194 334	4 117 955	4 117 955
Cash as per balancedate		306 089	10 294 301	194 339

STATEMENT OF CHANGES IN EQUITY

NOK	Share Capital	Share premium	Retained Earnings	Total Equity
Equity 01.01.2021	45 673 762	194 940 395	-100 304 546	140 309 611
Annual result	0	0	-29 869 968	-29 869 968
Comprehensive income	0	0	0	0
Transactions with owners	0	0	0	0
Equity 30.06.2021	45 673 762	194 940 395	-130 174 514	110 439 643

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 all of them are in 2021 operating in the same segment.

NOTE 3 – FIXED ASSETS

NOK	Vessels	Docking	Total
Balance 01.01.2020	532 984 274	4 890 187	537 874 461
Additions	1 350 000	30 281 679	31 631 679
Depreciations	21 000 028	3 867 170	24 867 198
Write off	88 000 000	0	88 000 000
Reclassified	-22 270 290	-16 212 400	-38 482 690
Balance 31.12.2020	403 063 956	15 092 296	418 156 202
Additions	0	76 007	76 007
Depreciations	7 277 714	298 184	7 575 398
Balance 30.06.2021	395 786 242	14 870 119	410 656 861

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.

Because of the development of the market outlook and the uncertainty of the vessels’ future income, an impairment test was conducted by the end of 2020 according to IAS 36. As a result of the completed analysis, an impairment of NOK 88 000 000 has been recognized in 2020 for the vessels. The following impairment has been made: Energy Swan; - 31,0 MNOK, Energy Scout; -25,0 MNOK, Energy Empress; -16,0 MNOK and Energy Duchess; -16,0 MNOK. The Group has conducted a value in use calculation for each vessel where estimated cash flows before finance expenses are used. In addition two independent shipbrokers valuations of the vessels are used for the impairment test.

The value in use calculation is based on net present value of the future cash flows that the Group estimates during the remaining economical lifetime of the vessels. A discount rate after tax (WACC) has been used as the discount factor. The Group has used a WACC of 9,1 %, which is based on the Group’s and equivalent comparable companies’ demand for return on capital. Other material

assumptions in the estimated cash flows are: inflation rate, order reserve, utilization, OPEX, CAPEX, charter rates and exchange rates of foreign currencies.

There is a large uncertainty regarding the assumptions used in the model. The Group uses a spot-rate that reflects the market. After these 3 years a “steady state” rate is assumed with an annual growth of 2,5 % which is equivalent to the same target as the government has placed for the growth in the monetary policy. In the entire period a utilization of approximately 80 % is assumed.

OPEX is in the value in use calculation based on the vessels budgets, approved by the Board. Class renewals are also considered in the model.

There is not performed a new impairment test by 30.06.2021, since no significant changes in vessel values were considered during the period.

For the vessel Energy Scout a bid is used as impairment value, and the asset is reclassified as held for sale.

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.

The 1st anniversary installments were partly paid (in June 2020) and partly rolled over to the 2nd anniversary payment due in May 2021. Due to the Covid-19 effects to the market the vessels were unemployed most of 2020 and bareboat hire payments have not been paid as required by the agreements.

In May 2021 there was made a new agreement where the anniversary payment due in May 2021 was rolled over to May 2022.

Outstanding debt by 30.06.2021:

NOK 234 882 559

NOTE 5 – SHARES & STOCKOWNERS

The share capital pr. 30.06.2021 is NOK 45 673 762. It consists of 45 673 762 shares at NOK 1. On the General meeting one share has one right to vote. Below is table of the 20 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	22,92	%
2	GEMSCO AS	Norway	Ordinary	10 062 431	22,03	%
3	Brown Brothers Harriman & Co.	United States	Nominee	3 360 247	7,36	%
4	Brown Brothers Harriman & Co.	United States	Nominee	3 089 816	6,76	%
5	GOLDEN ENERGY OFFSHORE AS	Norway	Ordinary	2 447 606	5,36	%



6	FAGERVOLL	Norway	Ordinary	1 773 332	3,88	%
7	K11 INVESTOR AS	Norway	Ordinary	1 573 403	3,44	%
8	GOLDEN ENERGY OFFSHORE MANAGEMENT	Norway	Ordinary	1 311 576	2,87	%
9	ROALD HOLDING AS	Norway	Ordinary	962 256	2,11	%
9	TAJ HOLDING AS	Norway	Ordinary	962 256	2,11	%
11	Brown Brothers Harriman & Co.	United States	Nominee	916 212	2,01	%
12	Euroclear Bank S.A./N.V.	Belgium	Nominee	800 000	1,75	%
13	BERG	Norway	Ordinary	592 451	1,30	%
14	NORDNET LIVSFORSIKRING AS	Norway	Ordinary	360 169	0,79	%
15	Nordnet Bank AB	Sweden	Nominee	360 166	0,79	%
16	KEWA INVEST AS	Norway	Ordinary	336 789	0,74	%
17	NORLING	Norway	Ordinary	315 097	0,69	%
18	ALSTAD INVEST AS	Norway	Ordinary	300 000	0,66	%
19	GADD Holding AS	Norway	Ordinary	192 451	0,42	%
19	FORSMO	Norway	Ordinary	192 451	0,42	%
Total top 20				40 378 985	88,41	%
Other				5 294 777	11,59	%
Total stock				45 673 762	100,00	%



ENERGY EMPRESS

ULSTEIN
X-BOW

PX121

NO 8740758

GOLDEN ENERGY
OFFSHORE