GOLDEN
ENERGY
OFFSHORE

2020

Golden Energy Offshore Services AS

ANNUAL REPORT
2020

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GOLDEN ENERGY OFFSHORE

ANNUAL REPORT

Results

The Group's revenue for 2020 was NOK 70 046 585. Mainly originate from the operations in the Europe segment. The operating result before depreciations and write-downs amounted to NOK – 31 989 836.

The Group has recognized impairments of NOK 88 000 000 during 2020. In addition an accrual for loss of receivable of 8 799 000 NOK has been made due to uncertainty of recovering an outstanding receivable.

Net financing was negative with NOK -11 318 392 mainly due to expensed interests.

The Group's profit before tax in 2020 is a deficit of NOK -156 175 427. Booked equity per 31.12.2020 is NOK 140 309 610. The equity ratio is 30 %.

In 2020 cash flows from operational activities are NOK 40 645 584, NOK -31 665 785 from investing activities and NOK -12 903 420 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 receiveables 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. In 2020 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 parts of the year.

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 light of the severe downturn in the offshore service market (which has resulted in three of the Group's four vessels having been in temporary layup most of 2020), the Board recognizes that the Group needed to increase its liquidity position after several unsuccessful attempts to improve the equity and liquidity, the board is together with legal advisors to the Group in dialogue with the creditors to improve the situation. The extraordinary general meeting held in February 2021 gave power of attorney to the board of directors for issuance of new shares also against conversion of debts enabling the some flexibility in order to find solutions.

In addition, the subsidiaries, Energy Empress AS and Energy Duchess AS is obliged under the hire purchase agreements entered into with Nantong Rainbow Offshore & Engineering Equipment Co., Ltd. ("ROC") to make 2nd anniversary lease payments for Energy Empress and Energy Duchess (the "Vessels"); originally in May this year. Those payments have not been made and the Group is in dialogue with ROC to find a solution to the non-payment. The Group also is looking into the possibility of employing these state of the art modern vessels in the renewable market, this require additional investments not available to the Group at present. The Board is actively seeking investors injecting capital for a transition to the green part of the market wich will likely enable a refinancing of the Energy Empress and Energy Duchess if such investments materializes in a transaction.

Market and future prospective

The market in 2020 was extremely challenging and difficult as an consequence of the outbreak of the Covid-19 virus and the sudden decline in the oil price 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 and lead to significant marked weakness. The challenging markets have continued into 2021. Although we see kind of uplift now in May-21 it is yet to see if there are any substance, and there are signs of increased activity from 2022, however the timing of a recovery is highly uncertain – hence the future earnings and asset values are difficult to forecast.

As announced on 30.04.2020 the Group have placed the vessels Energy Duchess and Energy Scout in lay-up, Energy Duchess are planned to be reactivated beginning of June 2021. The Group continue to pursue possibilities for Energy Scout.

Covid-19

The Covid-19 situation continued to severely deteriorate the possibility of employing the Group's vessels throughout the second half of 2020. In the first half of 2021 the market is improving and the Group expects that 3 of its 4 vessels will have resumed operation in June 2021. The costs of layup combined with a corresponding dramatic reduction in income has resulted in a challenging situation. The Board has actively pursued various possible solutions without success. However the work continue and the improved market may assist the Group to reach an acceptable solution.

Going Concern

The rapid decline in the offshore service market due to Covid-19 and significant reduction in oil price resulted in challenges to the Company. After the capital increase in June 2020, the Board at that time found it satisfactory to conclude that the conditions for a going concern were present and the financial statements were prepared on the basis for this assumption.

The 2020 annual report is prepared on the assumption of going concern. It has taken much longer than anticipated for the market to normalise and the Group has therefore during the later part of 2020 and into 2021 worked through several measures to strengthen the Groups financials. This work has not yet resulted in necessary results. The board emphasise that the situation is difficult with accumulating trade debts and overdue payments towards the lessor for the Energy Empress and Energy Duchess. Nevertheless, the Group continues the dialogue with creditors and has received interest in the vessels at levels which reconfirms that the going concerns assumptions are supported. The possibility of utilising the Energy Empress and Energy Duchess with reasonable investments in the renewable market will likely reconfirm the values of these vessels. Therefore, the board is of the view that the value of the Group's assets exceeds the debts. The liquidity remains a challenge and the Group is dependent on the continuing support of its creditors to remain as a going concern. Should the support not continue, there is a material risk that the Group will not be able to maintain as a going concern.

If the Group cannot be treated as going concern the valuation of the Group's assets will need to be further revised. Valuation of assets without the going concern assumption will result in further impairment of the Group's assets.

Work environment, equality and discrimination
The Company does not have any employees as per today and buys management services. The crew is part of the services acquired from management companies. The Company has a clear "Anti-Harassment Policy", forbidding any discriminating against anybody because of their background, sex, age, religion or ethnicity. The work environment is considered as good.

External environment
To the best of the Board´s knowledge, the Company´s activities have not caused any environmental pollution outside the legal limits set by the authorities of the different trading areas. New and crucial measures are taken in order to increase energy efficiency within all Company's activities with subsequent reduced emissions to the external environment.

Community responsibility
The Company is part of the Golden Energy Offshore Group and operates in according to international rules and is fully certified by ISM, ISO 9001, ISO 14001, ISO 45001 and ISO 50001. The Management system that the entire organization is working in is called Golden Energy Offshore Integrated Management System (GIMS) and contains all procedures and policies necessary for the Company to conduct the business in a way that ensures quality in all aspects, safety, is environmentally friendly, energy efficient, and where sustainable operation of all Company activities have the highest focus. Everyone in the organization are trained to use this system. Internal and external audits are conducted on a frequent basis. The management system also contains policies on anti-corruption and anti-harassment.

The Company has a proactive approach to Energy Efficiency and Fuel Management (EEFM) that includes improvement of vessel and voyage efficiencies aimed at controlling EEFM on vessels by the use of auditable, prioritized methodologies. The efficient use of energy should be a fundamental requirement for GEO operated vessels. Energy Efficiency and Fuel Management discusses the systems and procedures necessary for operational efficiency. Company has well documented excellent performance in energy efficiency and reduced emission.

Corporate governance
The purpose of Golden Energy Offshore Services AS is derived from the Company´s articles § 3 and is shipping business with related activities. The Company runs all its operations by the Plan – Do – Check – Act (PDCA) methodology, which is secured in the Company´s management system GIMS. In addition, procedures regarding internal controls for risk management is part of the GIMS and is under continuous improvement. The Company´s external auditor is Pricewaterhousecoopers AS (PwC). The auditor is chosen at the Annual meeting.

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The Company shall have up to 3-4 Board members. As of today there are 3 Board Members who are all chosen by the Annual meeting:

Chairman Sten Gustafson – Chairman since February 2018
Board member Morten Muggerud – Board member since August 2020
Board member Per Ivar Fagervoll – Board member since May 2014

The company and its shareholders
Pr 31.12.2020 the company had 103 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.

Result parent company
Golden Energy Offshore Services AS (the "Company") was incorporated on 16.12.2013. The Company conducts shipping business and the place of business is Ålesund Norway.

The Company's revenue for 2020 was NOK 0. The operating result before depreciations amounted to NOK -10 294 948 compared to NOK -11 435 469 in 2019. Through the transfer of vessels to wholly owned subsidiaries in 2018 and 2019, the Company is now a holding company for the Group's shipowning companies.

Net financing was negative with NOK -154 892 217 due to impairment of the shares and the receivables towards subsidiaries.

The Company's result is a deficit of NOK -165 187 165 in 2020. This is suggested moved to equity. Booked equity per 31.12.2020 is NOK 140 249 611. Equity ratio is 98%.

Cash flow from operational activities in 2020 is NOK -11 411 783, NOK -34 106 from investing activities and NOK +10 257 890 from financing activities. To achieve a high stable cash flow is a preferred goal for the Company.

	Aalesund, 28.05.2021	
	Sign.	
Sten Gustavsen Chairman of the board	Morten Muggerud Member of the board	Per Ivar Fagervoll CEO/Member of the board

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Statement from the Board and CEO

We hereby confirm that the annual accounts for the period 01.01.2020 to 31.12.2020, to the best of our knowledge, are prepared in accordance with IFRS. The annual 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, 28.05.2021	
	Sign.	
Sten Gustavsen	Morten Muggerud	Per Ivar Fagervoll
Chairman of the board	Member of the board	CEO/Member of the board

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2020

Golden Energy Offshore Services AS

GROUP ACCOUNTS
2020

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PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

NOK	Note	2020	2019
Freight income	2	70 046 585	110 366 026
Total income		**70 046 585**	**110 366 026**
Operating expenses vessels		-80 658 405	-75 523 096
Other operating expenses	10	-21 378 016	-17 827 692
Operating result before depreciations and write downs	2	**-31 989 836**	**17 015 238**
Depreciation	4	-24 867 199	-19 504 216
Write down	4	-88 000 000	-4 000 000
Operating result	2	**-144 857 035**	**-6 488 978**
Interest income		628 696	11 306
Financial income		6 762 028	0
Currency gain/loss		329 507	-595 370
Other interest charges		-19 038 623	-10 099 777
Net Financial Items		**-11 318 392**	**-10 683 841**
Profit before tax		**-156 175 427**	**-17 172 819**
Taxes ordinary result	9	-62 350	-23 672
RESULT FOR THE YEAR		**-156 237 777**	**-17 196 491**
Other comprehensive income		0	0
TOTAL COMPREHENSIVE INCOME		**-156 237 777**	**-17 196 491**
Earnings per share	16	-3,71	0,54

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BALANCE SHEET – GROUP

NOK	Note	Pr 31.12.2020	Pr 31.12.2019
NON-CURRENT ASSETS			
Tangible fixed assets	3,4, 18	418 156 202	537 874 461
Total non-current assets		**418 156 202**	**537 874 461**
Investments in other companies	17	34 106	0
Total Financial fixed assets		**34 106**	**0**
Total fixed assets		**418 190 308**	**537 874 461**
CURRENT ASSETS			
Stocks		1 886 770	4 103 235
Account receivables	7	3 770 119	23 759 219
Other receivables	12	10 393 751	9 019 188
Bank deposits	8	194 339	4 117 955
Total current assets		**16 244 978**	**40 999 597**
Assets classified as held for sale	18	38 482 740	0
TOTAL ASSETS		**472 918 026**	**578 874 058**

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EQUITY AND LIABILITIES			
Equity			
Share capital	13	45 673 762	35 415 872
Share premium		194 940 395	194 761 993
Other equity		0	55 933 259
Loss brought forward		-100 304 547	0
Total Equity		**140 309 610**	**286 111 124**
Liabilities			
Interest bearing liabilities	5,7	0	221 728 916
Total long-term debt		**0**	**221 728 916**
Current liabilites			
Current interest bearing liabilities	5,7	235 908 200	36 455 805
Trade debt	6	92 607 040	34 554 540
Tax payable	9	75 464	23 672
Other current liabilities		4 017 712	0
Total current liabilities		**332 608 416**	**71 034 017**
Total liabilities		**332 608 416**	**292 762 933**
TOTAL EQUITY AND LIABILITIES		**472 918 026**	**578 874 057**

Aalesund, 28.05.2021

Sign.

Sten Gustavsen	Morten Muggerud	Per Ivar Fagervoll
Chairman of the board	Member of the board	CEO/Member of the board

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CASH FLOW – GROUP

NOK	Note	2020	2019
Result before tax		-156 175 459	-17 172 819
Depreciation and write downs	4	112 867 199	23 504 216
Change in short-term receivables/payables		67 304 012	26 397 113
Interest expenses		17 201 749	10 095 671
Effects on changes in exchange rates		5 505 936	7 785 873
Change in other accruals		-6 034 155	-13 815 556
Net cash flow from operations	A	**40 645 584**	**36 794 498**
Investments	4	-31 665 785	-74 408 980
Net cash flow from investments	B	**-31 665 785**	**-74 408 980**
Paid interests		-9 077 618	-1 712 158
Repayment debt		-14 083 692	-8 560 792
Capital increase		10 257 890	36 712 746
Net cash flow from financing	C	**-12 903 420**	**26 439 796**
Effect of changes in foreign exchange rates cash	D	0	0
Net change in cash and cash equivalents	A+B+C+D	-3 923 621	-11 174 686
Cash and cash equivalents at 01.01.		4 117 955	15 292 641
Cash and cash equivalents at end of period		**194 334**	**4 117 955**

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STATEMENT OF CHANGES IN EQUITY - GROUP

NOK	Note	Share Capital	Share premium	Retained Earnings	Total Equity
Equity 01.01.2020		35 415 872	194 761 993	55 933 259	286 111 124
Annual result		0	0	-156 237 777	-156 237 777
Comprehensive income		0	0	0	0
Transactions with owners:					
Equity Contribution		10 257 890	0	0	10 257 890
Share option expense		0	178 402	0	178 402
Equity 31.12.2020		**45 673 762**	**194 940 395**	**-100 304 546**	**140 309 611**
Equity 01.01.2019		24 926 516	167 922 331	76 869 232	269 718 079
Annual result		0	0	-17 196 491	-17 196 491
Comprehensive income		**0**	**0**	**0**	**0**
Transactions with owners:					
Equity Contribution		10 489 356	26 223 390	0	36 712 746
Share issue costs		0	0	-3 739 481	-3 739 481
Share option expense		0	616 272	0	616 272
Equity 31.12.2019		**35 415 872**	**194 761 993**	**55 933 259**	**286 111 125**

NOTES

NOTE 1 – GENERAL

Golden Energy Offshore Services AS (the "Group") is operating within the shipping business area and currently owns 4 offshore service vessels (PSVs). The Group was established 11.12.2018 when the parent company purchased two newly incorporated subsidiaries. On the 31.12.2018 the vessels Energy Swan and Energy Scout were transferred to each of the new companies. In 2019 the Group also acquired two new vessels: Energy Duchess and Energy Empress. The head office is located in Aalesund and the Group shares are listed on Euronext Growt on Oslo Stock Exchange. The date of listing of the shares was 05.04.2018.

1.1 Basis for preparation of the annual report

The annual report is prepared in accordance with the International Financial Reporting Standards (IFRS) which are adopted by the EU and associated interpretations that apply for fiscal years starting 01.01.2020, and which meet the Norwegian disclosure requirements from the accounting legislation.

The financial statements were approved for publishing by the Board on 28.05.2021.

1.2 Functional and presentation currency

Functional currency of the Group is Norwegian kroner (NOK). Transactions in foreign currencies are converted to the functional currency using the exchange rate at the transaction time. At the end of each reporting period the monetary items in foreign currency are converted using the closing rate, non-monetary items are measured at historic cost converted at the time of the transaction. Non-monetary items in foreign currency that are being measured at fair value are converted using the applicable exchange rates at the time when the fair values was determined. Changes in foreign exchange rates are booked continuously during the accounting period.

1.3 Consolidation

The consolidated financial statements comprise of the financial statements of Golden Energy Offshore Services AS and its subsidiaries as at 31st December each year. Any deviating accounting principles are adjusted for in this consolidation.

The Group accounts state the total profit or loss and financial position of Golden Energy Offshore Services AS and its controlling interests as a whole. The consolidated accounts include companies in which Golden Energy Offshore Services AS has direct or indirect ownership of more than 50% of the voting shares, or otherwise has direct control, according to IFRS 10. Share options, convertibles and other equity instruments are evaluated when assessing whether control exists.

Subsidiaries are consolidated 100% line by line in the group accounts. A subsidiary is an entity where the Group has controlling interest, direct or indirect, of more than 50% of the voting shares.

All inter-company transactions, receivables, liabilities and unrealized profits, as well as intra-group profit distributions, are eliminated. The balance sheet is translated using the balance sheet date exchange rate. Translation adjustments between local currency and functional currency are classified as financial items, while adjustments arising from translation from functional to presentation currency are booked in equity.

1.4 Use of estimates and assessment of accounting principles when creating the accounts
The Management has to some degree used estimates and assumptions that have influenced assets, debt, revenue, costs and information on potential obligations. Future events may result in a change of these estimates. The estimates and assumptions are continuously assessed, and are based on best judgment and historical experience. Changes in accounting estimates are booked in the period of which they arise. If the changes affect future periods, the effects are distributed over present and future periods.

1.5 Principles for revenue recognition
Revenue for the group relates primarily to charterparties of the vessels. The agreed upon rate is recognised over time on a straight line basis, and in accordance with the rates in the contract for various type of work (including stand-by and fully operational rates). The rate includes both an implicit lease revenue for the vessel and additional service components such as crew. The service component, if separated, would also be recognised over time on a straight line basis. Therefore a split between lease and service revenues has not been made.

1.6 Operational segments
The Group identifies its reportable segments and discloses segment information under IFRS 8 Operating Segments which requires the Group to identify its segments according to the organization and reporting structure used by management. Operating segments are components of a business that are evaluated regularly by the Chief Executive Officer (chief operating decision maker) for the purpose of assessing performance and allocating resources. For further inforamation please see note 2.

1.7 Taxes
The Subsidiaries is subject to the Norwegian rules for tonnage taxation, which means that there is no taxation of the net operating result. The tonnage taxation requires that the relevant companies has to relate to detailed regulations regarding allowance of activities and assets. Any voluntarily or forced exit from the taxation scheme would result in an ordinary taxation of the net operating result. Net finance result is taxed on an ordinary basis according to the tonnage tax rules.

The parent company is from 2020 subject to the ordinary Norwegain rules for taxation. Deferred tax asset has not been recognized as the company does not expect to have taxable income in the coming years

1.8 Ships, docking and depreciation
Vessels are measured at acquisition cost less any accumulated depreciations and write-offs. When vessels are sold or disposed, the value in the balance sheet is deducted and the potential profit or loss is allocated to net income.

The vessel values are decomposed into vessel and docking. The Group's vessels are depreciated over a defined remaining working life, with a presumed residual value of the vessels at the end of the working life. Remaining working life is estimated on the date of acquisition of the vessels based on the Group's intentions to own the vessels until they reach 30 years of age. The residual value is based on an estimate of what the vessels can be sold for after its remaining working life. The estimate is based on the Golden Energy Offshore Group´s previous experience from selling 30-year-old vessels. The estimate for residual value is assessed annually and any changes are booked as change in estimate.

Ordinary maintenance is allocated to the net operating result in the same period as it is conducted, while expenses related to dockings are recognized in the balance sheet and charged as an expense linearly over the period until the next scheduled docking. The period between dockings for all vessels is set to 5 years based on the maintenance program and class requirements for the Vessels. Expenses are booked as depreciations.

If any events or circumstances show an indication that the booked value of the vessels cannot be recovered, the booked value is analyzed for impairment. If the indications are confirmed and the booked value is higher than the recoverable amount, then the vessel is written off to the recoverable amount. Each vessel is evaluated individually. The recoverable amount is defined as the highest of net sale price and value in use. Value in use is derived by estimating future cash flows that the vessel is generating and by discounting those cash flows to net present value using an after-tax interest that reflects the value and risks associated with the vessel. Former write-offs are reversed if the estimates used to determine the recoverable amount are changed. Reversal is however limited to what the booked value would have been if the write-off was not conducted in the first place.

1.9 Government grants

Government grants are booked when reasonable probability exists that the Group fulfills the terms necessary to receive the grants and that they will be received. The Group is eligible for the Norwegian net wage refund scheme and the refund is booked against the expense it is meant to cover.

1.10 Financial instruments

The Group's financial instruments by initial recognition are classified in accordance with IFRS 9. After initial recognition, loans and receivables and financial obligations are measured at amortized cost by effective interest method. When calculating the effective interest, cash flows and all contractual matters regarding the financial instruments are taken into consideration. The calculation includes all fees between the parties of the contract as an integrated part of the effective interest and transaction expenses. The amortization of the period is included as financial expense in the profit or loss statement.

Accounts receivable and other short-term receivables, plus cash and cash-equivalents are measured at fair value at amortized cost. A financial asset is impaired using the expected credit loss 3-stage model (ECL) or the practical expedient of lifetime ECL for accounts receivable in accordance with IFRS 9. Further details regarding the financial intruments are given in note 6 and 7.

1.11 Stocks

Stocks consists mainly of bunkers and lubricating oil onboard the vessels. The stocks are valued at cost price. If the booked value is higher than the market value, the stocks are written off to market value.

1.12 Cash & cash equivalents

Cash includes cash in hand and bank deposits. Cash equivalents are short term liquid investments that immediately can be converted to cash by a known amount, and maximal maturity is 3 months. Funds that are originally locked for more than 3 months are not included in cash and cash equivalents.

1.13 Non - current assets held for sale and discontinued operations

Non-current assets and groups of non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sales transaction instead of through continued use. This is only regarded as having been fulfilled when a sale is highly probable and the non-current asset (or groups of non-current assets and liabilities) is available for immediate sale in its present form. The management must be committed to a sale and the sale must be expected to be carried out within one year after the classification date.

Non-current assets and groups of non-current assets and liabilities which are classified as held for sale are valued at the lower of their former carrying amount or fair value minus sales costs.

1.14 Debt & Equity
Financial instruments are classified as debt or equity in accordance with the underlying economic reality.

Interests, dividends, profit and loss related to a financial instrument classified as debt, will be presented as loss or profit. Distribution to owners of financial instruments that are classified as equity will be booked directly to equity.

Transaction expenses directly related to an equity transaction are booked directly to equity.

1.15 Accruals
An accrual is booked when the Group has an obligation (legal or self-imposed) as a consequence of a previous event, it is probable (more likely than not) that an economic settlement will happen as a consequence of this obligation and the size of the amount can be measured reliably. If the effect is material the accrual is calculated by discounting of expected cash flows using a discount rate pretax, which reflects the market's pricing of the timed value of cash, and, if relevant, risks specifically associated with the obligation.

1.16 Events after the balance sheet date
New information after the balance sheet date regarding the Group's financial position on the balance date has been taken into account in the annual report. Events after the balance sheet date that do not affect the Group's financial position on the balance date, but will affect the financial position in the future have been described if found material.

1.17 Changes in accounting principles and note information
Except for the changes noted below, the same accounting principles as last year have been used in this year.

Other published standards and interpretations with effective date in the future are not relevant for the Group and will not affect the accounts.

1.18 New accounting standards with future effective date
Accounting standards and interpretations that are approved up to the date of completion of these accounts, but where the effective date is in future time are not considered to have any material effect for the Group.

NOTE 2 – SEGMENT

The operating segments are determined based on where the vessels have been operating geographically in 2020. Energy Swan, Energy Empress and Energy Duchess have operated on both fixed and spot contracts in Europe , whereas Energy Scout has worked on short-term contracts within the West Coast of Africa.

NOK

Freight income per geographical area	2020	2019
Europe	66 304 751	70 295 730
West Coast of Africa	3 741 834	40 070 296
Total operating revenue	**70 046 585**	**110 366 026**
Operating result per geographical area		
Europe	-3 792 773	14 719 215
West Coast of Africa	-22 841 715	12 523 716
Administration	-5 355 348	-10 227 692
Operating result before depreciations	**-31 989 836**	**17 015 239**
Depreciation	-24 867 199	-19 504 216
Write down	-88 000 000	-4 000 000
Operating result	**-144 857 035**	**-6 488 977**

NOTE 3 – ESTIMATE UNCERTAINTY & DISCRETIONARY ASSESSMENT

Estimate uncertainty

When preparing the annual accounts, the Group's management has used estimates based on best judgment and assumptions that are considered realistic. It is a probability that situations or changes in market conditions occur, which can lead to changes in estimates, and affect the Group's assets, debt, equity and profit.

The Group's most material accounting estimates are related to write-offs of fixed assets.

The most critical estimate related to impairment of fixed assets is the future cash flows given the market situation at current date. For further information see note 4.

NOTE 4 – FIXED ASSETS

NOK	Vessels	Docking	Vessels under construction	Total
Balance 01.01.2019	**197 930 857**	**2 699 183**	**23 004 333**	**223 634 423**
Additions	355 858 449	4 890 137	-23 004 333	337 744 253
Depreciations	16 805 032	2 699 183	0	19 504 215
Write off	4 000 000	0	0	4 000 000
Balance 01.01.2020	**532 984 274**	**4 890 137**	**0**	**537 874 461**
Additions	1 350 000	30 281 679	0	31 631 679
Depreciations	21 000 028	3 867 170	0	24 867 198
Write off	88 000 000	0	0	88 000 000
Reclassified as held for sale	-22 270 290	-16 212 400	0	-38 482 690
Balance 31.12.2020	**403 063 956**	**15 092 246**	**0**	**418 156 202**

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 her in September 2020.

Because of the development of the market outlook and the uncertainty of the vessels' future income, an impairment test has been conducted 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.

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

NOTE 5 – 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.

There is a negotiation ongoing with the creditor and the debt is therefore classified as short time debt. The Group is dependent on the continuing support of the creditor. Should the Group be able to secure contracts in the renewable market for the vessels, it is likely that the Group will be able to refinance the Vessels and pay the balance outstanding. The renewable market is, according to market sources and the interest already received by the Company, likely to be very attractive in the near future. However it is a risk that the creditor under the agreements will not accept continuing deferrals till the market improves.

Outstanding debt at year end: **235 908 200**

NOTE 6 – FINANCIAL INSTRUMENTS

Financial risk

The Group has financial instruments such as accounts receivables, trade debt and similar debts related to the ordinary business of the Group.

Routines for risk management have been adopted by the Board of Directors and are conducted in cooperation with each department.

Below is a description of the the most important financial risks:

1) Credit risk

The Group is mainly exposed to credit risk associated with accounts receivable. The main counterparts are mainly major oil companies and the maximum exposure to credit risk is the same as accounts receivable(MNOK 3,770). Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group. The credit risk has increased as a consequence of the reduced activities in the oil industry, but is still expected to be limited. The Group has procedures to monitor and collect receivables. Continuous accruals for loss are done if deemed necessary and is decided on a corporate level. The Group has not guaranteed for any third party debt, but has guaranteed for debt within the group.

2) Interest risk

Interest are fixed throughout the period of the bareboat agreement. Since the loan is under renegotation there could be a risk for changes in the interest.

3) Foreign currency risk
The Group has ordinary bank deposits in USD & EUR and accounts receivable per 31.12.2020. In addition the long term debt is in USD

The following table shows the sensitivity of the Companys profit or loss before tax due to changes in USD and EUR + / - 10%. All other variables remain unchanged.

Increase/decrease in EUR & USD			Effect on result before tax
+ / - 10%	2020	+ / -	7 004 659

Increase/decrease in EUR & USD:			Effect on result before tax
+ / - 10%	2019	+ / -	24 588 546

4) Liquidity risk / Going concern
Liquidity risk is the risk that the Group will not be in a position to meet all its financial obligations as they fall due. The strategy for managing liquidity risk is to have sufficient liquid cash at any time in order to settle the financial obligations at due date, both under normal and extraordinary circumstances, without risking unacceptable losses or loss of reputation. The unexpected continuing low market has severely deteriorated the Group's liquidity and thus the Group has become dependent on the continuing support of its trade creditors. Should that support stop the Group will likely need to seek court protection to find a solution through the Norwegian Reconstruction Act. The following table shows an overview of the maturity structure of the Company's financial obligations, based on undiscounted contractual payments. In cases where the counterparty can demand settlement prior to due date, the amount is stated in the earliest period which the amount can be demanded settled by the counterparty. If any obligations can be demanded settled immediately it is included in the first column(less than 1 year).

NOK	**Remaining period**				
31.12.2020	less 1 year	1 year	2 years	3 years or more	Total
Financial obligations					
Trade debt	92 607 040	0	0	0	92 607 040
Other short term debt	4 017 712	0	0	0	4 017 712
Interest bearing liabilities	235 908 200	0	0	0	235 908 200
Total:	**332 532 952**	**0**	**0**	**0**	**332 532 952**

NOK	**Remaining period**				
31.12.2019	less 1 year	1 year	2 years	3 years or more	Total
Financial obligations					
Trade debt	34 554 540	0	0	0	34 554 540
Interest bearing liabilities	36 455 805	80 998 268	140 730 648	0	258 184 721
Total:	**71 010 345**	**80 998 268**	**140 730 648**	**0**	**292 739 261**

NOTE 7 – ACCOUNTS RECEIVABLES

NOK	Pr 31.12.2020	Not due	0-30 days	30-60 days	> 60 days
Accounts receivables	**3 770 119**	3 770 119	0	0	0

There exists uncertainty about the value of some of the receivables in USD from client in Nigeria. The Company has therefore wholly been booked as a loss in 2020, and the receivable is not included in the table above.

NOK	Pr 31.12.2019	Not due	0-30 days	30-60 days	> 60 days
Accounts receivables	**23 759 219**	11 020 185	3 939 411	0	8 799 623

NOTE 8 – BANK DEPOSIT

The Group has no restricted bank deposits.

NOTE 9 –TAX

In 2019 all companies in the group where subject to the Norwegian tonnage tax rules. Tax payable is based on the taxable financial result only in accordance with these rules. In 2020 the parent company is subject to the ordinary Norwegian tax rules, and the subsidiaries are still subject to the Norwegian tonnage tax system. In the ordinary Norwegian tax rules the Tax payables is based on the total result in accordance with these rules.

Year	**2020**	**2019**
Taxable income:		
Profit that is subject for ordinary taxation	-163 183 881	0
Changes in temporary differences	89 826 120	0
Taxable finance income (Norwegian Tonnage tax system)	86 581	3 665 148
Loss brought forward	-10 469	-3 802 689
Taxable income	**-73 281 649**	**-137 541**
Income tax for the year:		
Income tax for the year	62 324	23 672
Too little (-much) accrued tax payable previous years	26	0
Tax expense for the year	**62 350**	**23 672**
Tonnage tax for the year:		
Tonnage tax for the year	13 140	0
Too little (-much) accrued tonnage tax previous years	10 676	0
Tonnage tax expense for the year	**23 816**	**0**

Temporary differences:	31.12.20	31.12.19	Changes
Loss to be brought forward	-76 100 839	-2 546 373	-76 100 839
Receivables	-94 064 760	0	-94 064 760
Sum temporary differences	**-170 165 599**	**-2 546 373**	**-170 165 599**

The group has not recognised deferreed tax assets for negative temporary differences outside of the tonnage regim

Short term tax payable balance sheet:	31.12.20	31.12.19
Tonnage tax	13 140	0
Income tax payable	62 324	23 672
Sum temporary differences	**75 464**	**23 672**

NOTE 10 – OTHER OPERATING EXPENSES

NOK	2020	2018
Management fee	7 600 000	7 600 000
Audit fee*	547 524	547 524
Legal fees	3 050 724	3 050 724
Accrued loss of receivables	8 799 623	4 152 613
Other	1 380 145	2 476 830
Total other operating expenses	**21 378 016**	**17 827 692**

***Audit fee consits of the following: (ex VAT)**

NOK	2020	2019
Statutory audit	378 410	312 000
Tax consultancy	-	4 500
Other services	93 350	168 300
Total fee for auditor	**471 760**	**484 800**

NOTE 11 –GOVERNMENT GRANTS

The Group meets the criteria for the Norwegian net wage refund scheme which exists to secure Norwegian maritime competence and recruitment of Norwegian sailors. It is Golden Energy Offshore Management AS that handles the applications for the refund scheme but it is Golden Energy Offshore Services AS that get the benefits. The Group has received NOK 11 640 060 as refund as of 31.12.2020. In 2019 the amount was NOK 5 258 772.

NOTE 12 –CURRENT RECEIVABLES

NOK	Pr 31.12.2020	Pr 31.12.2019
Pre paid expenses	1 710 993	632 641
Net wage refund	4 026 788	4 262 666
Norwegian Maritime Competance	0	-151 000
Insurance settlement	1 000 000	0
Refundable VAT	3 620 967	3 371 973
Earned, but not invoiced revenue	0	570 719
Other	35 002	332 191
Total	**10 393 750**	**9 019 190**

NOTE 13–SHARES & STOCKOWNERS

The share capital pr 31.12.2020 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. The Chief Executive Officer has an indirect and direct ownership of 4,07 % in the Group per 31.12.2020. See note 12 for the parent accounts for a list of the top 20 shareholders.

NOTE 14 – GROUP COMPANIES

The Group consist of the following companies:

Company	Role	Owned by	%	Result	Equity
Golden Energy Offshore Services AS	Parent			-165 187 165	140 249 611
Energy Swan AS	Subsidiary	Golden Energy Offshore Services AS	100 %	-28 556 779	66 287 416
Energy Scout AS	Subsidiary	Golden Energy Offshore Services AS	100 %	-45 786 851	524 747
Energy Empress AS	Subsidiary	Golden Energy Offshore Services AS	100 %	-32 926 909	-35 921 795
Energy Duchess AS	Subsidiary	Golden Energy Offshore Services AS	100 %	-40 960 742	-47 570 968

All companies have registered offices in Ålesund.

NOTE 15–SHARE BASED REMUNERATION

The annual general meeting approved 3 000 000 subscription rights on 31.05.2018 which are issued to Directors and Key employees. This gives them the right to acquire up to a certain maximum amount of shares in the Company at a fixed strike price of NOK 4,30 or if a private placement is carried out the strike price will be set to the price of shares applied in such private placement. The options can be exercised over a period of 3 years and they are non-tradeable and conditional upon the participants being employed at the vesting date. As of 31.12.2020, the Group has recognized NOK 174 802 in cost related to the options. This does not affect the total equity. The arrangement was terminated in May 2020.

NOTE 16–EARNINGS PER SHARE

Earnings per share is calculated by dividing the annual profit allocated to the Group´s shareholders by a weighted average of total shares. For 2019 and 2020 all of the profit is allocated to the shareholders. As for the outstanding stock options the Group considers it unlikely that these will be declared at the strike price and hereby considers that there are no dilution effect.

NOK	2020	2019
Number of Shares	45 673 762	35 415 872
Weighted average of total issued shares	42 104 578	31 766 151
Earnings per share	-3,71	-0,54

NOTE 17–OTHER INVESTMENTS

NOK

Company	Ownerpart	Number og shares	Purchase price	Balance sheet value	Market value
Aker Carbon Cature AS	0,00 %	1 000	18,493	18 493	17 100
EAM Solar AS	0,01 %	1 000	15,612	15 612	9 820
Sum				**34 105**	**26 920**

NOTE 18–ASSETS CLASSIFIED AS HELD FOR SALE

The vessel Energy Scout is held for sale and the valuation is based on actual ongoing contract negotiations.

NOTE 19–EVENTS AFTER THE BALANCE SHEET DATE

The Combination of Covid -19 and a significant reduction in oil price resulted in a rapid market decline which has continued into 2021. 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.

As a result the Energy Scout is marketed primarily for sale and the Energy Duchess has remained in lay-up for the first five months of 2021. The Energy Duchess is expected to resume operation in June 2021 as a result of an improved demand and the value of Groups vessels will likely increase in accordance with improved demands. It is expected that the market for the Group's vessels will continue to improve. However, the Group remain dependent on the continuing support of its creditors to maintain as a going concern.

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 2nd anniversary lease payments for Energy Empress and Energy Duchess (the "Vessels"); originally in May this year. Those payments have not been made and the Group is in dialogue with ROC to find a solution to the non-payment. The Group is actively exploring the possibility of conversion of these two modern vessels enabling them to service the renewable wind farms. Should long term contracts within that industry be secured, the Group expects to refinance the balance payments to ROC. It is however a risk that such contracts will not be secured within the time required by ROC.

With the above reservation, 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 continuing improvement and the Groups capability of employing the Energy Empress and Energy Duchess at with charter contracts attracting alternative long term finance. Such work is most likely available in the renewable wind farm industry. The Group will work to realise assets, obtain new financing and/or raise new equity to be able to continue as a going concern and will continue to explore solutions with its creditors.

2020

Golden Energy Offshore Services AS

PARENT ACCOUNTS
2020

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PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

NOK	Note	2020	2019
Freight income	2	0	165 256
Total income		**0**	**165 256**
Operating expenses vessels		0	-2 054 155
Other operating expenses	9	-10 294 948	-9 546 570
Operating result before depreciations		**-10 294 948**	**-11 435 469**
Depreciation		0	0
Operating result		**-10 294 948**	**-11 435 469**
Interest income		2 902 787	3 112 036
Currency gain/loss		-308 222	117 748
Other interest charges		-306 141	-121 247
Other financial charges	10,14	-157 180 640	0
Net Financial Items	4	**-154 892 217**	**3 108 536**
Profit before tax		**-165 187 165**	**-8 326 933**
Taxes ordinary result	8	0	0
RESULT FOR THE YEAR		**-165 187 165**	**-8 326 933**
TOTAL COMPREHENSIVE INCOME		**-165 187 165**	**-8 326 933**

BALANCE SHEET

NOK	Note	Pr 31.12.2020	Pr 31.12.2019
NON-CURRENT ASSETS			
Investments in subsidiaries	14	66 812 163	140 500 040
Investments in other companies	15	34 106	0
Total Financial fixed assets		**66 846 269**	**140 500 040**
Total fixed assets		**66 846 269**	**140 500 040**
CURRENT ASSETS			
Account receivables	6	0	8 799 623
Receivables	10,11	76 649 330	147 188 041
Bank deposits	7	57 520	1 245 519
Total current assets		**76 706 851**	**157 233 183**
TOTAL ASSETS		**143 553 119**	**297 733 223**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	45 673 762	35 415 872
Share premium		194 940 395	194 761 993
Other equity		0	64 822 618
Loss brought forward		-100 364 547	0
Total Equity		**140 249 611**	**295 000 484**
Liabilities			
Current liabilites			
Trade debt	5	3 269 403	2 732 739
Other current liabilities		34 106	0
Total current liabilities		**3 303 509**	**2 732 739**
Total liabilities		**3 303 509**	**2 732 739**
TOTAL EQUITY AND LIABILITIES		**143 553 119**	**297 733 223**

Aalesund, 28.05.2021

Sign.

Sten Gustavsen	Morten Muggerud	Per Ivar Fagervoll
Chairman of the board	Member of the board	CEO/Member of the board

CASH FLOW

NOK	Note	2020	2019
Result before tax		-165 187 165	-8 326 933
Depreciation and write downs		157 180 640	0
Change in short-term receivables/payables		-3 617 766	12 975 052
Change in other accruals		212 508	972 731
Net cash flow from operations	A	**-11 411 783**	**5 620 850**
Investments		-34 106	-56 320 718
Net cash flow from investments	B	**-34 106**	**-56 320 718**
Capital increase	12	10 257 890	36 712 746
Net cash flow from financing	C	**10 257 890**	**36 712 746**
Effect of changes in foreign exchange rates	D	0	0
Net change in cash and cash equivalents	A+B+C+D	-1 187 999	-13 987 122
Cash and cash equivalents at 01.01.		1 245 519	15 232 641
Cash as per balancedate		**57 520**	**1 245 519**

STATEMENT OF CHANGES IN EQUITY

NOK	Note	Share Capital	Share premium	Retained Earnings	Total Equity
Equity 01.01.2020	12	35 415 872	194 761 993	64 822 619	295 000 484
Annual result		0	0	-165 187 165	-165 187 165
Comprehensive income		0	0	0	0
Transactions with owners:					
Equity Contribution		10 257 890	0	0	10 257 890
Share option expense	13	0	178 402	0	178 402
Equity 31.12.2020		**45 673 762**	**194 940 395**	**-100 364 546**	**140 249 611**
Equity 01.01.2019		24 926 516	167 922 331	76 889 032	269 737 879
Annual result		0	0	-8 326 933	-8 326 933
Comprehensive income		0	0	0	0
Transactions with owners:					
Equity Contribution		10 489 356	26 223 390	0	36 712 746
Share issue costs		0	0	-3 739 480	-3 739 480
Share option expense	13	0	616 272	0	616 272
Equity 31.12.2019		**35 415 872**	**194 761 993**	**64 822 619**	**295 000 484**

NOTES

NOTE 1 – GENERAL

Golden Energy Offshore Services AS (the "Company") is functioning as a holding company and currently owns 4 subsidiaries that operates within the shipping business area. The Company was incorporated 16.12.2013, as a part of the Golden Energy Offshore Group, the head office is located in Aalesund and the Company shares are listed on Euronext Growth market on Oslo Stock Exchange. The listing was completed on 05.04.2018.

1.1 Basis for preparation of the annual report

The annual report is prepared in accordance with the International Financial Reporting Standards (IFRS) which are adopted by the EU and associated interpretations that apply for fiscal years starting 01.01.2019, and which meet the Norwegian disclosure requirements from the accounting legislation.

The financial statements were approved for publishing by the Board on 28.05.2021.

1.2 Functional and presentation currency

Functional currency of the Company is Norwegian kroner (NOK). Transactions in foreign currencies are converted to the functional currency using the exchange rate at the transaction time. At the end of each reporting period the monetary items in foreign currency are converted using the closing rate, non-monetary items are measured at historic cost converted at the time of the transaction. Non-monetary items in foreign currency that are being measured at fair value are converted using the applicable exchange rates at the time when the fair values was determined. Changes in foreign exchange rates are booked continuously during the accounting period.

1.3 Use of estimates and assessment of accounting principles when creating the accounts.

The Management has to some degree used estimates and assumptions that have influenced assets, debt, revenue, costs and information on potential obligations. Future events may result in a change of these estimates. The estimates and assumptions are continuously assessed, and are based on best judgment and historical experience. Changes in accounting estimates are booked in the period of which they arise. If the changes affect future periods, the effects are distributed over present and future periods.

1.4 Principles for revenue recognition

Revenue for the company relates primarily to charterparties of the vessels. The agreed upon rate is recognised over time on a straight line basis, and in accordance with the rates in the contract for various type of work (including stand-by and fully operational rates). The rate includes both an implicit lease revenue for the vessel and additional service components such as crew. The service component, if separated, would also be recognised over time on a straight line basis. Therefore a split between lease and service revenues has not been made.

1.5 Operational segments

The Company identifies its reportable segments and discloses segment information under IFRS 8 Operating Segments which requires the Company to identify its segments according to the organization and reporting structure used by management. Operating segments are components of a business that are evaluated regularly by the Chief Executive Officer (chief operating decision maker) for the purpose of assessing performance and allocating resources. For further inforamation please see note 2.

1.6 Taxes
The Company is starting 2020 subject to the ordinary Norwegian taxation rules.

In 2019 and previously it was subjedt to theNorwegian rules for tonnage taxation, which means that there is no taxation of the net operating result. The tonnage taxation requires that the Compnay has to relate to detailed regulations regarding allowance of activities and assets. Any voluntarily or forced exit from the taxation scheme would result in an ordinary taxation of the net operating result. Net finance result is taxed on an ordinary basis according to the tonnage tax rules.

It is not accrued for any deferred taxes.

1.7 Government grants
Government grants are booked when reasonable probability exists that the Company fulfills the terms necessary to receive the grants and that they will be received. The Company is eligible for the Norwegian net wage refund scheme and the refund is booked against the expense it is meant to cover.

1.8 Financial instruments
The Company's financial instruments by initial recognition are classified in accordance with IFRS 9. After initial recognition, loans and receivables and financial obligations are measured at amortized cost by effective interest method. When calculating the effective interest, cash flows and all contractual matters regarding the financial instruments are taken into consideration. The calculation includes all fees between the parties of the contract as an integrated part of the effective interest and transaction expenses. The amortization of the period is included as financial expense in the profit or loss statement.

Accounts receivable and other short-term receivables, plus cash and cash-equivalents are measured at fair value at amortized cost . A financial asset is impaired using the expected credit loss 3-stage model (ECL) or the practical expedient of lifetime ECL for accounts receivable in accordance with IFRS 9. Further details regarding the financial intruments are given in note 6 and 7.

1.9 Cash & cash equivalents
Cash includes cash in hand and bank deposits. Cash equivalents are short term liquid investments that immediately can be converted to cash by a known amount, and maximal maturity is 3 months. Funds that are originally locked for more than 3 months are not included in cash and cash equivalents.

1.10 Debt & Equity
Financial instruments are classified as debt or equity in accordance with the underlying economic reality.

Interests, dividends, profit and loss related to a financial instrument classified as debt, will be presented as loss or profit. Distribution to owners of financial instruments that are classified as equity will be booked directly toequity.Transaction expenses directly related to an equity transaction are booked directly to equity.

1.11 Accruals
An accrual is booked when the Company has an obligation (legal or self-imposed) as a consequence of a previous event, it is probable (more likely than not) that an economic settlement will happen as a consequence of this obligation and the size of the amount can be measured reliably. If the effect is material the accrual is calculated by discounting of expected cash flows using a discount rate pretax,

which reflects the market's pricing of the timed value of cash, and, if relevant, risks specifically associated with the obligation.

1.12 Events after the balance sheet date
New information after the balance sheet date regarding the Company's financial position on the balance date has been taken into account in the annual report. Events after the balance sheet date that do not affect the Company's financial position on the balance date, but will affect the financial position in the future have been described if found material.

1.13 Changes in accounting principles and note information
Except for the changes noted below, the same accounting principles as last year have been used in this year.

1.14 Warrants for employees
Warrants are booked at time where an employee is awarded it. The warrant is booked at an amount equivalent to fair value directly towards equity. Fair value has been calculated by independent third party.

1.15 New accounting standards with future effective date
Accounting standards and interpretations that are approved up to the date of completion of these accounts, but where the effective date is in future time are not considered to have any material effect for the Group.

1.16 Investments in subsidiaries
Investments in subsidiarys are booked by the cost method. The investments are written off to booked equity in the individual subisdiery.

NOTE 2 – SEGMENT
The operating segments are determined based on where the vessels have been operating geographically in 2019. In 2020 the company has had no operating activities.

NOK

Freight income per geographical area	**2020**	**2019**
West Coast of Africa	0	165 256
Total operating revenue	**0**	**165 256**

NOTE 3 – ESTIMATE UNCERTAINTY & DISCRETIONARY ASSESSMENT
When preparing the annual accounts, the Company's management has used estimates based on best judgment and assumptions that are considered realistic. It is a probability that situations or changes in market conditions occur, which can lead to changes in estimates, and affect the Company's assets, debt, equity and profit.

The Company's most material accounting estimates are related to write-offs of fixed assets in the subsidiaries.

NOTE 4 – FINANCIAL ITEMS

NOK	2020	2019
Exchange gains	0	1 325 577
Interests from outher group companies	2 902 771	3 103 824
Exchange losses	-308 222	-1 207 829
Interest expenses	-306 141	-121 247
Write off Receiveables in subsidiaries	-83 492 763	0
Write off Shares in susidiaries	-73 687 877	0
Other financial revenues	15	8 212
Net financial items	**-154 892 217**	**3 108 536**

Investments in subsidiaries are write off to booked equity in subsidiaries. When the equity is negative, the receiveables are respective reduced.

NOTE 5 – FINANCIAL INSTRUMENTS

Financial risk

The Company has financial instruments such as receivables, trade debt and similar debts related to the ordinary running of the Company.
Routines for risk management have been adopted by the Board of Directors and are conducted in cooperation with each department.

The most important financial risks that the Company is exposed to are related to liquidity risk and credit risk.

1) Credit risk

The Company is mainly exposed to credit risk associated with receivable from subsidiaries. Receivable are written off when there is no reasonable expectation of recovery. The credit risk has increased as a consequence of the reduced activities in the oil industry, but is expected to be limited.

2) Interest risk

The Company currently no interest bearing debt.

3) Liquidity risk / Going concern

Liquidity risk is the risk that the Company will not be in a position to meet all its financial obligations as they fall due. The strategy for managing liquidity risk is to have sufficient liquid cash at any time in order to settle the financial obligations at due date, both under normal and extraordinary circumstances, without risking unacceptable losses or loss of reputation. The unexpected continuing low market has severely deteriorated the Companys's liquidity and thus the Company has become dependent on the continuing support of its trade creditors. Should that support stop the Company will likely need to seek court protection to find a solution through the Norwegian Reconstruction Act. The following table shows an overview of the maturity structure of the Company's financial obligations, based on undiscounted contractual payments. In cases where the counterparty can demand settlement prior to due date, the amount is stated in the earliest period which the amount can be demanded settled by the counterparty. If any obligations can be demanded settled immediately it is included in the first column(less than 1 year).

NOK	Remaining period				
31.12.2020	less 1 year	1 year	2 years	3 years or more	Total
Financial obligations					
Trade debt	3 269 403	0	0	0	3 269 403
Other short term debt	34 106	0	0	0	34 106
Total:	**3 269 403**	**0**	**0**	**0**	**3 269 403**

NOK			Remaining period		
31.12.2019	less 1 year	1 year	2 years	3 years or more	Total
Financial obligations					
Trade debt	2 732 739	0	0	0	2 732 739
Total:	**2 732 739**	**0**	**0**	**0**	**2 732 739**

NOTE 6 – ACCOUNTS RECEIVABLES

NOK	**Pr 31.12.2020**	**Not due**	**0-30 days**	**30-60 days**	**> 60 days**
Accounts receivables	**0**	**0**	**0**	**0**	**0**

NOK	**Pr 31.12.2019**	Not due	0-30 days	30-60 days	> 60 days
Accounts receivables	**8 799 623**	0	0	0	8 799 623

There exists uncertainty about the original requirement according to MNOK 12,4 from a client in Nigeria, and the Company has made the loss of the remaining amount of MNOK 8,8 in 2020.

NOTE 7 – BANK DEPOSIT

The Company has no restricted bank deposits.

NOTE 8 –TAX

Golden Energy Offshore Services AS was in 2019 subject to the Norwegian tonnage tax rules. In 2020 the company is subject for the ordinary Norwegian tax rules.

In the Norwegian tonnage tax system the Tax payable is based on the taxable financial result only in accordance with these rules. In the ordinary rules the Tax payables is based on the total result in accordance with these rules.

Year	**2020**	**2019**
Taxable income:		
Profit before tax	-165 187 165	0
Changes in temporary differences	91 829 405	0
Taxable finance income (Norwegian Tonnage tax system)	0	3 802 689
Loss brought forward	0	-3 802 689
Taxable income	**-73 357 760**	**0**

Temporary differences:	31.12.20	31.12.19	Changes
Loss to be brought forward	-75 658 991	-2 301 231	-73 357 760
Receivables	-96 068 045	0	-96 068 045
Sum temporary differences	**-171 727 036**	**-2 301 231**	**-169 425 805**

Tax effect of temporary differences are not capitalized.

NOTE 9 – OTHER OPERATING EXPENSES

NOK	**2020**	**2019**
Management fee	360 392	0
Audit fee	322 113	402 924
Legal fees	1 187 275	3 050 724
Accrued loss of receivables	8 422 668	4 152 613
Other	2 500	1 940 309
Total other operating expenses	**10 294 948**	**9 546 570**

***Audit fee consists of the following (ex VAT)**

NOK	**2020**	**2019**
Statutory audit	228 763	188 000
Tax consultancy	-	4 500
Other services	93 350	210 424
Total fee for auditor	322 113	402 924

NOTE 10 – TRANSACTIONS WITH RELATED PARTIES

As of 31.12.2020 a receivable towards subsidiaries:

NOK	Nominal value pr 31.12.2020	Booked value pr 31.12.2020
Energy Swan AS	24 304 915	24 304 915
Energy Scout AS	17 261 190	17 261 190
Energy Empress AS	54 422 163	18 500 368
Energy Duchess AS	59 146 037	11 575 069

The receivables towards Energy Empress AS and Energy Duchess AS is reduced with the negative Equity in the respective companies.

NOTE 11 –CURRENT RECEIVABLES

NOK	Pr 31.12.2020	Pr 31.12.2019
Refundable VAT	3 620 967	3 371 973
Golden Energy Offshore Management AS	1 386 821	0
Energy Swan AS	24 304 915	40 140 988
Energy Scout AS	17 261 190	8 540 783
Energy Empress AS	18 500 368	46 025 917
Energy Duchess AS	11 575 069	49 108 380
Total	**76 649 331**	**147 188 041**

NOTE 12 –SHARES & STOCKOWNERS

The share capital pr 31.12.2020 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. The Chief Executive Officer has an indirect and direct ownership of 4,07 % in the company per 31.12.2020. Below is table of the 20 top shareholders.

#	Golden Energy Offshore (GEOS-ME)	Country	Type	# of shares	% of total	
1	GEMSCO AS	Norway	Ordinary	11 235 033	24,60	%
2	State Street Bank and Trust Comp	United States	Nominee	10 470 276	22,92	%
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	CLEARSTREAM BANKING S.A.	Luxembourg	Nominee	800 001	1,75	%
13	PENSJONSORDNINGEN	Norway	Ordinary	704 278	1,54	%
14	BERG	Norway	Ordinary	592 451	1,30	%

15	IMAGINE CAPITAL AS	Norway	Ordinary	518 585	1,14	%
16	KEWA INVEST AS	Norway	Ordinary	336 789	0,74	%
17	ALSTAD INVEST AS	Norway	Ordinary	300 000	0,66	%
18	NORDNET LIVSFORSIKRING AS	Norway	Ordinary	210 045	0,46	%
19	GADD Holding AS	Norway	Ordinary	192 451	0,42	%
19	FORSMO	Norway	Ordinary	192 451	0,42	%
	Total top 20			**41 949 064**	**91,84**	%
	Other			3 724 698	8,16	%
	Total stock			**45 673 762**	**100,00**	%

NOTE 13–SHARE BASED REMUNERATION

The annual meeting approved 3 000 000 subscription rights on 31.05.2018 which are issued to Directors and Key employees. This gives them the right to acquire up to a certain maximum amount of shares in the Company at a fixed strike price of NOK 4,30 or if a private placement is carried out the strike price will be set to the price of shares applied in such private placement. The options can be exercised over a period of 3 years and they are non-tradeable and conditional upon the participants being employed at the vesting date. As of 31.12.2020, the Company has recognized NOK 178 402 in cost related to the options. This does not affect the total equity. The arrangement was terminated in May 2020.

NOTE 14–SHARES IN SUBSIDIARIES

Subsidiary	Place of business	Share	Purchase price	Balance sheet value	Company equity 31.12.2020	Company Profit 2020
Energy Swan AS	Ålesund	100 %	45 000	66 287 416	66 287 416	-28 556 779
Energy Scout AS	Ålesund	100 %	45 000	524 747	524 747	-45 786 851
Energy Empress AS	Ålesund	100 %	45 000	0	-35 921 795	-32 926 909
Energy Duchess AS	Ålesund	100 %	45 000	0	-47 570 968	-40 960 742

The booked value of the shares in the subsidiaries has been through an imparment, and is reduced to correspond with the booked equity in the subsidiary.

NOTE 15–OTHER INVESTMENTS

NOK

Company	Ownerpart	Number og shares	Purchase price	Balance sheet value	Market value
Aker Carbon Cature AS	0,00 %	1 000	18,493	18 493	17 100
EAM Solar AS	0,01 %	1 000	15,612	15 612	9 820
Sum				**34 105**	**26 920**

NOTE 16–EVENTS AFTER THE BALANCE SHEET DATE

The Combination of Covid -19 and a significant reduction in oil price resulted in a rapid market decline which has continued into 2021. 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.

As a result the Energy Scout is marketed primarily for sale and the Energy Duchess has remained in lay-up for the first five months of 2021. The Energy Duchess is expected to resume operation in June 2021 as a result of an improved demand and the sales value of Groups vessels will likely increase in accordance with improved demands. It is expected that the market for the Group's vessels will continue to improve. However, the Group remain dependent on the continuing support of its creditors to maintain as a going concern.

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 2nd anniversary lease payments for Energy Empress and Energy Duchess (the "Vessels"); originally in May this year. Those payments have not been made and the Group is in dialogue with ROC to find a solution to the non-payment. The Group is actively exploring the possibility of conversion of these two modern vessels enabling them to service the renewable wind farms. Should long term contracts within that industry be secured, the Group expects to refinance the balance payments to ROC. It is however a risk that such contracts will not be secured within the time required by ROC.

The going concern assumption is however dependent on the offshore service market normalising in accordance with the current expectiations 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 and will continue to explore solutions with its creditors

To the General Meeting of Golden Energy Offshore Services AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Golden Energy Offshore Services AS, which comprise:

- The financial statements of the parent company Golden Energy Offshore Services AS (the Company), which comprise the balance sheet as at 31 December 2020, the statement of profit and loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of Golden Energy Offshore Services AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.

- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 6.4 and 19 in the group financial statements, Note 5.3 and 16 in the parent financial statements and the Board of Directors' report, which indicates that the Group is in a difficult situation with accumulating and overdue debt, and that the Company and the Group is dependent on the continuing support of its creditors to remain as a going concern. Should the support not continue, the Company and the Group will likely need to seek court protection to find a solution through the Norwegian Reconstruction legislation.

As stated in the notes and the Board of Directors' report, these events or conditions, along with other matters as set forth in the notes and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. We emphasize that the financial statements do not reflect impairment charges that may occur should a sale of assets be forced. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to https://revisorforeningen.no/revisjonsberetninger

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Ålesund, 28 May 2021
PricewaterhouseCoopers AS

Nils Robert Stokke
State Authorised Public Accountant

(This document is signed electronically)

Audit opinion GEOS

Signers:

Name	*Method*	*Date*
Stokke, Nils Robert	BANKID	2021-05-28 20:17