



**GOLDEN  
ENERGY  
OFFSHORE**



**Golden Energy Offshore Services AS  
Q4 2022 report**



## Results

Golden Energy Offshore Services AS (the Group) was incorporated 16 December 2013 and acquired the vessels Energy Scout and Energy Swan 30 May 2014. In May 2019 the Group acquired the two new-builds Energy Empress and Energy Duchess. The Group conducts offshore service vessel business with offshore energy clients in both the oil & gas and renewable energy market. The Group is headquartered in Ålesund, Norway.

The Group's revenues for the 4th quarter of 2022 were TNOK 25 533, mainly originating from operations in the North Sea and Caribbean. The revenues have increased significantly compared with the same period in 2021, mainly because of reactivation of the Group's vessels driven by the background of stronger market dynamics. None of the Group's four vessels have been laid up during the period, compared with one in lay-up during the same period 2021, and the fleet achieved 70,5% utilization throughout 4Q-2022 on market levels. The main reason for low utilization is related to an unfortunate event of Energy Duchess being hit whilst she was moored alongside in port of Aberdeen UK – causing 24 days off-hire at shipyard for repair. This led to loss of revenues, and a claim has been issued through the insurance for reimbursement of lost earnings. The market has improved significantly in 2022, with less availability of competing tonnage, higher energy prices and steady demand from both oil & gas and the renewables sector. The operating result before depreciation amounted for the 4<sup>th</sup> quarter were TNOK -18 366, excluding any potential insurance settlement related to the Energy Duchess, but including TNOK 2 318 in activation of direct service and repair cost related to the allision.

Fourth quarter revenues were TNOK 25 533 for the three months ending 31.12.2022 compared to TNOK 23 998 for the three months ending 31.12.2021.

Net Financial Items in Q4-2022 were positive with TNOK 16 571 mainly due to changes in the exchange rate USD-NOK. The Group's result before tax in Q4 2022 is a deficit of TNOK -9 695. This amount is recognized in retained earnings. Booked equity per 31.12.2022 is TNOK 106 653. The equity ratio is 18,8%.

## Vessels

As of Q4, 2022, the Group owns four Platform Supply Vessels (PSV's) (the "Vessels") which are operated and managed by Golden Energy Offshore Management AS in Ålesund, Norway. Energy Swan, Energy Empress and Energy Duchess operated in the North Sea and the Caribbean. Energy Scout also worked in the North Sea area within Geotechnical, Geophysical and IMR mainly on the Dutch coast and for Energynet on the Energy Island. MoA for the sale of Energy Scout was signed during Q4-2022.

Energy Swan extended to Repsol during the quarter and is now firm until 1<sup>st</sup> May 2023 with remaining options in Charterers option until 1<sup>st</sup> November 2023. Energy Empress commenced the 1-year firm contract and headed towards Trinidad & Tobago where she started full operation from 24<sup>th</sup> October 2022, replacing the Energy Duchess due the damage after the allision as described above.



### **Financing and Liquidity**

The Group refinanced a substantial portion of its interest-bearing debt in Q3 2022 and now has a senior secured fleet loan of USD 39,1 mill over the vessels Energy Scout, Energy Empress and Energy Duchess with a final maturity after 5 years, of which USD 5,0 mill, was paid in January 2023 following the sale of Energy Scout. The Group also has a senior secured bond loan of NOK 70 million over the vessel Energy Swan with final maturity 30 June 2023. The Group has available a debt tranche to refinance the bond loan under certain conditions which the Group expects to fulfill prior to maturity.

### **Market and Future Prospects**

Although the activity level for PSVs in the North Sea has been low throughout Q4 2022 with low utilization levels, extension and long-term tenders have been concluded at attractive rate levels and we expect continued tightening of the supply and demand balance going forward.

Throughout Q4 -2022 – GEOS vessels had 70,5% utilization, with the lower utilization driven by the allision described above.

The spot market was volatile with acceptable day rates in the beginning of the quarter, softening somewhat towards the end as vessel availability increased significantly towards year end. However - the seasonal volatility in the spot market has little impact on our forward-looking view on this segment. The fundamental activity drivers for this segment are robust and we foresee a healthy market going forward on the background of expected high demand from increased activity levels and limited supply from a historically low fleet to order book ratio.

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

The Group is continuing its focus on environmentally friendly operations through energy efficiency programs and other measures. These are important factors in the competitive market.

### **Subsequent Events**

- Energy Scout delivered to new Owners in January 2023
- Tranche C – working Capital MUSD 5 facility repaid in full in January 2023



### **Going Concern**

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

### **The Company and Its Shareholders**

Pr. 31.12.2022 the company had 822 shareholders and the company's share capital was NOK 53 773 762 divided by 53 773 762 shares, each with a nominal value of NOK 1.

Ålesund, 20.02.2023

Sign.

Sten Gustafson  
Chairman of the Board

Per Ivar Fagervoll  
CEO/Member of the Board

Morten Muggerud  
Member of the Board

Fredrik Ulstein-Rygnestad  
Member of the Board

## Unaudited interim consolidated PROFIT AND LOSS ACCOUNT

Amounts in TNOK	Note	Q4-2022	Q4-2021	2022	2021
Freight income	2	25 533	23 998	138 458	71 189
<b>Total income</b>		<b>25 533</b>	<b>23 998</b>	<b>138 458</b>	<b>71 189</b>
Operating expenses vessels		-32 642	-20 538	-111 211	-78 597
Other operating expenses		-11 257	-2 811	-39 965	-12 112
<b>Operating result before depreciations</b>	2	<b>-18 366</b>	<b>649</b>	<b>-12 718</b>	<b>-19 520</b>
Depreciation	3	-7 900	-5 125	-29 086	-18 208
Reversal of impairment	3	0	0	111 000	0
<b>Operating result</b>		<b>-26 266</b>	<b>-4 475</b>	<b>69 197</b>	<b>-37 728</b>
Interest income		118	0	118	0
Financial income		189	0	1 195	0
Currency gain/loss	4	39 325	948	-32 139	1 866
Unrealized currency gain/loss		503	-4 707	0	-9 641
Other interest charges	4	-6 067	-8 226	-74 775	-17 514
Other financial charges		-17 498	0	-22 845	0
<b>Net Financial Items</b>		<b>16 571</b>	<b>-11 985</b>	<b>-128 446</b>	<b>-25 289</b>
<b>Profit before tax</b>		<b>-9 695</b>	<b>-16 460</b>	<b>-59 249</b>	<b>-63 017</b>
Taxes ordinary result		0	0	0	-142
<b>RESULT</b>		<b>-9 695</b>	<b>-16 460</b>	<b>-59 249</b>	<b>-63 159</b>
Earnings per share		-0,18	-0,36	-1,17	-1,38



## Unaudited interim consolidated BALANCE SHEET

Amounts in TNOK	Note	31.12.2022	31.12.2021
<b>NON-CURRENT ASSETS</b>			
Tangible fixed assets	3	526 820	399 948
<b>Total non-current assets</b>		<b>526 820</b>	<b>399 948</b>
Investments in shares		45	34
<b>Total financial fixed assets</b>		<b>45</b>	<b>34</b>
<b>Total fixed assets</b>		<b>526 866</b>	<b>399 982</b>
<b>CURRENT ASSETS</b>			
Stocks		5 262	1 714
Account receivables		17 582	14 641
Receivables		16 520	15 012
Bank deposits		957	791
<b>Total current assets</b>		<b>40 321</b>	<b>32 159</b>
Non-current assets classified as held for sale	3	0	38 483
<b>TOTAL ASSETS</b>		<b>567 186</b>	<b>470 624</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		53 774	45 674
Share premium		198 485	194 940
Other equity		-145 606	-163 463
<b>Total Equity</b>	<b>4,5,6</b>	<b>106 653</b>	<b>77 151</b>
<b>Liabilities</b>			
<b>Long-term debt</b>			
Interest bearing liabilities	4	70 000	57 413
Other long-term liabilities	4,5	223 599	0
<b>Total long-term debt</b>		<b>293 599</b>	<b>57 413</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	4	79 113	240 707
Trade debt		72 737	55 764
Tax payable		0	154
Other current liabilities		15 084	39 435
<b>Total current liabilities</b>		<b>166 934</b>	<b>336 060</b>
<b>Total liabilities</b>		<b>460 534</b>	<b>393 473</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>567 186</b>	<b>470 624</b>



## Unaudited interim consolidated STATEMENT OF CASH FLOWS

<b>Amounts in TNOK</b>	Note	<b>2022</b>	<b>2021</b>
Result before tax		-59 249	-63 017
Taxes payable		0	50
Depreciation and write downs	3	-81 914	18 208
Change in short-term receivables/payables		10 485	-47 542
Interest expenses		74 775	16 095
Effects on changes in foreign exchange rates		0	8 077
Change in other accruals		-71 160	73 942
<b>Net cash flow from operations</b>		<b>-127 064</b>	<b>5 813</b>
Investments		-6 507	0
Sale of non-current assets		-18	0
<b>Net cash flow from investments</b>		<b>-6 525</b>	<b>0</b>
Paid interests		-80 892	-2 579
Long-term debt		503 735	0
Repayment debt		-296 573	-2 636
Capital increase		7 484	0
<b>Net cash flow from financing</b>		<b>133 754</b>	<b>-5 216</b>
Net change in cash and cash equivalents		166	597
Cash and cash equivalents at 01.01.		791	194
<b>Cash as per balance sheet date</b>		<b>957</b>	<b>791</b>



## Unaudited interim consolidated STATEMENT OF CHANGES IN EQUITY

	<b>Share Capital</b>	<b>Share Premium</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
<b>Amounts in TNOK</b>				
Equity 01.01.2022	45 674	194 940	-163 463	77 151
Result	0	0	-59 249	-59 249
<b>Transactions with owners</b>				
Equity contribution	5 500	1 984	0	7 484
Share option expense	2 600	1 560	77 107	81 267
<b>Equity 31.12.2022</b>	<b>53 774</b>	<b>198 485</b>	<b>-145 606</b>	<b>106 653</b>
Equity 01.01.2021	45 674	194 940	-100 305	140 310
Result	0	0	-63 159	-63 159
<b>Equity 31.12.2021</b>	<b>45 674</b>	<b>194 940</b>	<b>-163 463</b>	<b>77 151</b>





### NOTE 1 – GENERAL

Golden Energy Offshore Services AS (the “Group”) is operating within the offshore service vessel 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 Ålesund and all of the Group’s shares are listed on Euronext Growth in Oslo Stock Exchange. The quarterly report is prepared in accordance with the same accounting principles as the last annual accounts and according to IAS 34 Interim financial reporting.

### NOTE 2 – SEGMENT

The Group owns four vessels and all of them are in 2022 operating in offshore service vessel business with offshore energy clients in both the oil & gas and renewable energy market.

### NOTE 3 – FIXED ASSETS

<b>Amounts in TNOK</b>	<b>Vessels</b>	<b>Docking</b>	<b>Total</b>
<b>Cost price 01.01.2021</b>	<b>825 615</b>	<b>35 172</b>	<b>860 787</b>
Acc. Depr and write off 01.01.2021	422 551	20 080	442 631
Additions	0	0	0
Depreciations	15 190	3 018	18 208
Write off	0	0	0
<b>Balance 31.12.2021</b>	<b>387 874</b>	<b>12 074</b>	<b>399 948</b>
Reclassified from held for sale	22 270	16 212	38 483
Additions	3 630	2 845	6 475
Depreciations	17 343	3 843	21 185
Reversal of impairment	-111 000	0	-111 000
<b>Balance 30.09.2022</b>	<b>507 432</b>	<b>27 288</b>	<b>534 720</b>
Additions	0	0	0
Depreciations	4 675	3 225	7 900
Write off	0	0	0
<b>Balance 31.12.2022</b>	<b>502 757</b>	<b>24 063</b>	<b>526 820</b>

The Vessels are depreciated linearly to a residual value when the vessels reach 30 years. The residual value is TNOK 15 000 for Energy Swan, Energy Duchess, Energy Empress and TNOK 10 000 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.

Previously there has been a write down on the vessels based on the impairment test. Considering the new market outlook, and due to observed indicators, such as improved market conditions and



increase in market interest rates, the vessels' book values have been tested for impairment and reversal of previous impairments was completed on September 30, 2022, for all four vessels, and the Group has recognized a net reversal of total of TNOK 111 000.

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

The vessel Energy Scout was reactivated in Q2 2022.

#### **NOTE 4 – INTEREST BEARING DEBT**

The hybrid hire purchase agreement for the acquisition of Energy Empress and Energy Duchess was a 3-year bareboat hire agreement with a purchase obligation at the end of the period. Part of the bareboat hire is considered down payments towards the balance purchase price.

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

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

The bridge Bond loan was repaid in July 2022. The bridge Bond loan had a warrant of 4 000 000 options, see Note 5.

In July 2022, the Group entered into a new credit facility, with a maximum of MUSD 45. At the end of September 2022, the Group had drawn MUSD 39,1 of this facility, MUSD 34,1 as a long-term facility over 5 year, and MUSD 5 as short-term facility, due within 2022. The lenders under the credit facility were awarded 57 773 762 warrants in the company as a part of the financing, see Note 6.

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

The short-term facility has a current interest rate of 12%.

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

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



	Currency	Nominal debt in currency	Recognized in currency	Recognized in TNOK
<b>Amounts in TNOK or TUSD</b>				
Senior secured bond loan	NOK	70 000	70 000	70 000
Long-term interest-bearing loan *	USD	28 695	22 683	223 599
<b>Outstanding long-term interest-bearing debt per 31.12.2022:</b>				<b>293 599</b>
Short-term interest-bearing loan	USD	5 000	5 000	49 287
Short-term installment of long-term loan *	USD	5 000	3 026	29 826
<b>Outstanding short-term interest-bearing debt per 31.12.2022:</b>				<b>79 113</b>
<b>Total Outstanding interest-bearing debt per 31.12.2022:</b>				<b>372 712</b>

\* The difference between nominal and recognized values originates from the cash flow calculation in regards to the warrants connected to the long-term interest bearing loan.

#### NOTE 5 WARRANTS

In order to obtain the bridge loan and the new credit facility, the company has issued warrants, in a total of 61 773 762. Using Black-Scholes calculation, the total cost of the warrants is calculated to TNOK 77 107. Grant date was July 27<sup>th</sup>, 2022. Underlying price is based on a 10-day VWAP. Risk free rate is based on Norwegian government bond for the same lifetime as the warrants.

Warrant – Black-Scholes - Call option	Credit facility long term	Bridge loan short term financing	Total
Lifetime	5 years	3 years	
Volatility	100 %	100 %	100 %
Risk free rate	2,70 %	2,70 %	2,70 %
Price of underlying	1,56	1,56	1,56
Strike	1,00	1,00	1,00
Call option value	1,26	1,11	
Number of warrants	57 773 762	4 000 000	61 773 762
Total value	72 681 000	4 426 000	77 107 000

The cost of the warrants for the bridge loan has been amortized in full when the loan was repaid.

The cost of the warrants for the long-term facility is amortized over the repayment period of 5 years. The fair value of the issued warrants is recognized as other paid in capital.



## NOTE 6 – SHARES & STOCKOWNERS

The share capital pr. 31.12.2022 is NOK 53 773 762. It consists of 53 773 762 shares at NOK 1. On the General meeting one share has one right to vote. Below is a table of the 20 top shareholders. There are issued share option, with 4 000 000 options to the lender of the bridge loan, and 57 773 762 options to the lender of the credit facility.

#	Golden Energy Offshore (GEOS-ME)	Country	Type	# of shares	% of total
1	State Street Bank and Trust Comp	United States	Nominee	10 470 276	19,47 %
2	NORDNET LIVSFORSIKRING AS	Norway	Ordinary	3 773 884	7,02 %
3	Brown Brothers Harriman & Co.	United States	Nominee	3 360 247	6,25 %
4	Brown Brothers Harriman & Co.	United States	Nominee	3 089 816	5,75 %
5	FAGERVOLL	Norway	Ordinary	2 773 332	5,16 %
6	GOLDEN ENERGY OFFSHORE AS	Norway	Ordinary	2 447 606	4,55 %
7	UGLAND	Norway	Ordinary	1 879 892	3,50 %
8	GEMSCO AS	Norway	Ordinary	1 631 814	3,03 %
9	GOLDEN ENERGY OFFSHORE MANAGEMENT	Norway	Ordinary	1 311 576	2,44 %
10	ROALD HOLDING AS	Norway	Ordinary	962 256	1,79 %
11	TAJ HOLDING AS	Norway	Ordinary	962 256	1,79 %
12	Brown Brothers Harriman & Co.	United States	Nominee	916 212	1,70 %
13	GRØNLAND	GRØNLAND	Ordinary	880 991	1,64 %
14	Euroclear Bank S.A./N.V.	Belgium	Nominee	800 001	1,49 %
15	DEVOLD	DEVOLD	Ordinary	612 500	1,14 %
16	BERG	Norway	Ordinary	592 451	1,10 %
17	FAGERVOLL	Norway	Ordinary	538 713	1,00 %
18	FAGERVOLL	Norway	Ordinary	500 000	0,93 %
19	FINSETH	Norway	Ordinary	480 000	0,89 %
20	MTB EIENDOMSUTVIKLING AS	Norway	Ordinary	466 512	0,87 %
	<b>Total top 20</b>			<b>38 450 335</b>	<b>71,50 %</b>
	Other			15 323 427	28,50 %
	<b>Total stock</b>			<b>53 773 762</b>	<b>100,00 %</b>





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