



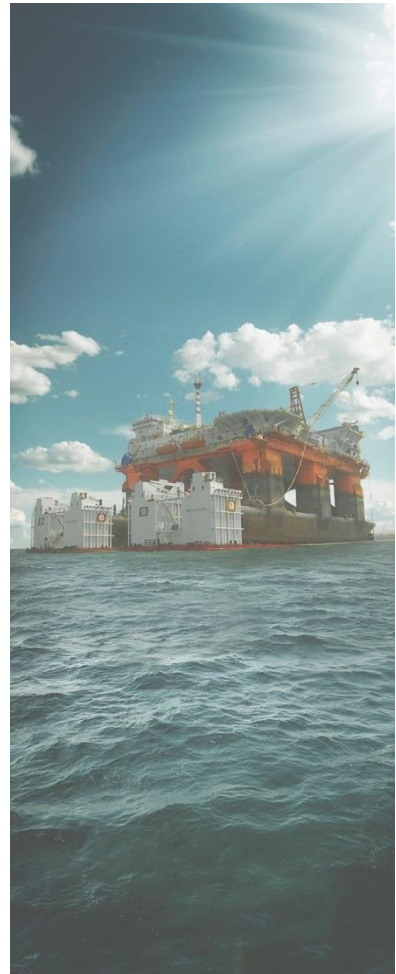
**BOA**

# Quarterly Report

## Boa SBL AS

### 1Q - 2015

Org.nr. 990 899 576



# BOA SBL AS

## CEO'S REPORT – 1Q 2015

### General Information

The unaudited interim report is prepared in accordance with NGAAP.

### Nature and location of activities:

The company owns and charters out the two special built vessels for EM Technology “Boa Thalassa” and “Boa Galatea”, and the management of the vessels is performed by BOA Offshore AS. The main office of the company is located in Trondheim.

### Review of first quarter 2015 accounts:

Operating income in the period was NOK 40,7 million (NOK 31,8 million in the same period 2014).

EBITDA for the period was NOK 23,5 million (NOK 14,9 million).

Operating expenses were NOK 24,2 million (NOK 25,9 million).

Operating Profit/EBIT was NOK 16,5 million (NOK 5,9 million).

Net financial items were - NOK 5,5 million (- NOK 5,9 million).

Profit before tax was NOK 11,0 million (NOK 0,0 million).

### Cash flow in the period

Net cash flow from operating activities was NOK 32,0 million (NOK 13,2 million).

Net cash flow from investing activities was - NOK 0,7 million (- NOK 0,0 million).

Net cash flow from financing activities was - NOK 5,0 million (- NOK 5,0 million).

Net change in cash was NOK 26,3 million (NOK 8,2 million).

### Balance sheet 31.03.2015

Total assets per 31.03.2015 were NOK 665 million (NOK 669 million per 31.03.2014). Interest bearing debt was NOK 365 million (NOK 385 million), and the equity NOK 223 million (NOK 207 million). The equity ratio 33,6 %, increased from last quarter (31,0 % per 31.03.2014).

Cash and Cash equivalents per 31.03.2015 were NOK 58,0 million (NOK 48,4 million per 31.03.2014).

### Financial risk:

#### *Market risk:*

The company is susceptible to changes in currency exchange rates, since a considerable percentage of the company's earnings are in USD. The market risk is reduced somewhat since the company's operating purchases partially also takes place in USD. The company continuously considers entering into currency futures contracts or other agreements to reduce currency risk.

#### *Credit risk:*

The risk that the other contracting party will not have the financial means to meet its obligations is considered to be low. No agreements have been made or other financial means established to minimize the company's credit risk.

#### *Liquidity risk:*

The company's liquidity risk is considered to be acceptable.

### Events after the balance sheet date:

There have been no events after the end of the period that would have material impact on the evaluation of the company's profit and loss account or balance sheet.

**Future development:**

The short-term outlook for the seismic sector remains challenging on the back of the drop in oil prices from mid 2014. Exploration seems to be harder hit than the Development part of the E&P value chain when oil companies now scale back their E&P investment budgets. The long-term outlook for the offshore seismic sector is still considered to be prospective as global demand for oil and gas continue to grow, and offshore seismic will play an important role in finding new reserves and maintain producing reserves.

Boa Thalassa and Boa Galatea have been working for EMGS since they were delivered from the yard in 2008 and 2009, respectively. Boa Thalassa and Boa Galatea are occupied until December 2015 and July 2016 on firm contracts with EMGS. In addition to the EM seismic segment with EMGS, the company sees opportunities for the SBL vessels within alternative segments such as accommodation support, Subsea IMR and Survey, lightweight construction and in the offshore wind-farm segment. Some of these segments have deteriorated in line with the industry, others still show opportunities.

**Statement from the CEO**

I hereby declare that to the best of my knowledge the interim accounts for the first quarter of 2015 are prepared in accordance with NGAAP – Interim financial reporting, and that the information in the financial statements gives a true picture of the company's assets, liabilities, financial position and result as a whole, as well as the most important risk and uncertainty factors to which the company might be exposed in the next financial period.

Trondheim, 29 May 2015



Helge Kvalvik  
CEO

## Income statement

### Boa SBL AS

(figures in NOK 1 000)

	1Q 2015	1Q 2014	FY 2014
<b>Operating income and operating exp.</b>			
Operating income	40 735	31 765	121 150
<b>Operating income</b>	<b>40 735</b>	<b>31 765</b>	<b>121 150</b>
Operating expenses ships	3 319	3 196	13 851
Payroll expenses	11 277	11 468	36 444
Depreciation	6 928	9 016	37 228
Other operating expenses	2 678	2 227	7 086
<b>Operating expenses</b>	<b>24 202</b>	<b>25 907</b>	<b>94 609</b>
<b>Operating profit</b>	<b>16 533</b>	<b>5 858</b>	<b>26 541</b>
<b>Financial income and expenses</b>			
Interest income from group entities	1 741	1 673	6 805
Other interest income	12	101	653
Other financial income	4 496	781	6 712
Interest expenses to group entities	744	846	3 466
Other interest expenses	6 365	6 883	27 589
Other financial expenses	4 671	694	4 618
<b>Net financial income and expenses</b>	<b>-5 531</b>	<b>-5 867</b>	<b>-21 503</b>
<b>Operating result before tax</b>	<b>11 002</b>	<b>-9</b>	<b>5 038</b>
Tax	0	0	20
<b>Result after tax</b>	<b>11 002</b>	<b>-9</b>	<b>5 018</b>

**Balance sheet**  
**Boa SBL AS**

(figures in NOK 1 000)

	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.12.2014</b>
<b>Assets</b>			
<b>Intangible fixed assets</b>			
Deferred tax asset	12 183	12 203	12 183
<b>Total intangible fixed assets</b>	<b>12 183</b>	<b>12 203</b>	<b>12 183</b>
<b>Fixed assets</b>			
Ships	470 427	488 003	476 617
<b>Total tangible fixed assets</b>	<b>470 427</b>	<b>488 003</b>	<b>476 617</b>
<b>Financial fixed assets</b>			
Other receivables	0	517	0
Loan to group companies	103 027	96 154	101 287
<b>Total financial receivables</b>	<b>103 027</b>	<b>96 671</b>	<b>101 287</b>
<b>Total fixed assets</b>	<b>585 637</b>	<b>596 877</b>	<b>590 086</b>
<b>Current assets</b>			
<b>Debtors</b>			
Accounts receivables	16 352	18 268	25 338
Other receivables	5 179	5 527	9 293
<b>Total debtors</b>	<b>21 531</b>	<b>23 795</b>	<b>34 630</b>
Cash and bank deposits	57 997	48 421	31 742
<b>Total current assets</b>	<b>79 528</b>	<b>72 216</b>	<b>66 372</b>
<b>Total assets</b>	<b>665 165</b>	<b>669 093</b>	<b>656 458</b>

**Balance sheet**  
**Boa SBL AS**

(figures in NOK 1 000)

	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.12.2014</b>
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	200 100	200 100	200 100
Share premium	14	14	14
<b>Total restricted equity</b>	<b>200 114</b>	<b>200 114</b>	<b>200 114</b>
<b>Retained earnings</b>			
Other equity	12 359	7 340	12 359
This years retained earnings	11 002	-9	
<b>Total retained earnings</b>	<b>23 361</b>	<b>7 331</b>	<b>12 359</b>
<b>Total equity</b>	<b>223 475</b>	<b>207 445</b>	<b>212 473</b>
<b>Liabilities</b>			
<b>Provisions</b>			
Other provisions	0	0	0
<b>Total provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other long term liabilities</b>			
Bonds	365 000	385 000	370 000
Group liabilities	63 599	60 236	62 855
<b>Total of other long term liabilities</b>	<b>428 599</b>	<b>445 236</b>	<b>432 855</b>
<b>Current liabilities</b>			
Trade creditors	7 216	10 907	6 141
Other short term liabilities	5 875	5 505	4 989
<b>Total short term liabilities</b>	<b>13 091</b>	<b>16 412</b>	<b>11 131</b>
<b>Total liabilities</b>	<b>441 690</b>	<b>461 648</b>	<b>443 985</b>
<b>Total equity and liabilities</b>	<b>665 165</b>	<b>669 093</b>	<b>656 458</b>

## Cash flow statement

Figures in 1 000 NOK	1Q 2015	1Q 2014	FY 2014
<b>Cash flow from operating activities</b>			
Profit before income taxes	11 002	-9	5 038
Depreciation	6 928	9 016	37 228
Changes in trade receivables and creditors	10 059	8 842	3 275
Changes in receivables from group entities	-996	-826	-10 341
Changes in other short-term receivables and liabilities	5 000	-3 821	-6 850
<b>Net cash flow from operating activities</b>	<b>31 993</b>	<b>13 202</b>	<b>28 350</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets	-738	-	-16 827
<b>Net cash flow from investing activities</b>	<b>-738</b>	<b>-</b>	<b>-16 827</b>
<b>Cash flow from financing activities</b>			
Repayment of long term liabilities	-5 000	-5 000	-20 000
<b>Net cash flow from financing activities</b>	<b>-5 000</b>	<b>-5 000</b>	<b>-20 000</b>
Net changes in cash and cash equivalents	26 255	8 202	-8 477
Cash and cash equivalents start of period	31 742	40 219	40 219
<b>Cash and cash equivalents end of period</b>	<b>57 997</b>	<b>48 421</b>	<b>31 742</b>

## Notes to 1Q 2015 report

### Note 1 Accounting principles / general information

The quarterly report is unaudited and is prepared in compliance with NGAAP using the same principles as in the last financial year, except the following explained change of principle.

#### Miscellaneous

All figures in the notes are quoted in NOK 1 000.

#### Events after the balance date

There have been no significant events taking place after the balance date.

### Note 2 Fixed assets

	Vessels	Periodic maintenance	Total
Acquisition cost 01.01.15	641 653	23 161	664 814
Additions	738		738
Disposals			0
<b>Acquisition cost 31.03.15</b>	<b>642 391</b>	<b>23 161</b>	<b>665 552</b>
Accumulated depr. 01.01.15	182 929	5 268	188 197
Acc. depreciation disposals			0
Depreciation this year	5 385	1 542	6 928
<b>Accum. depreciation 31.03.15</b>	<b>188 314</b>	<b>6 810</b>	<b>195 125</b>
<b>Book value 31.03.15</b>	<b>454 077</b>	<b>16 351</b>	<b>470 427</b>
Economic life	27		
Depreciation schedule	Linear	Linear	

The economic lifetime for the vessels has been extended from 20 to 27 years.

### Note 3 Shareholder's equity

	Share capital	Share premium	Other equity	Total
Equity 01.01.15	200 100	14	12 359	212 473
Profit for the period			11 002	11 002
<b>Equity 31.03.15</b>	<b>200 100</b>	<b>14</b>	<b>23 361</b>	<b>223 475</b>



**Note 4**            **Income statement - summary**

	<b>1Q 2015</b>	<b>1Q 2014</b>	<b>FY 2014</b>
<b>Operating income</b>	<b>40 735</b>	<b>31 765</b>	<b>121 150</b>
Operating expences	17 274	16 891	57 381
<b>EBITDA</b>	<b>23 461</b>	<b>14 874</b>	<b>63 769</b>
EBITDA %	58 %	47 %	53 %
Depreciation	6 928	9 016	37 228
<b>EBIT</b>	<b>16 533</b>	<b>5 858</b>	<b>26 541</b>
Net finance	-5 531	-5 867	-21 503
<b>Pre tax profit</b>	<b>11 002</b>	<b>-9</b>	<b>5 038</b>
Tax	-	-	20
<b>Net profit</b>	<b>11 002</b>	<b>-9</b>	<b>5 018</b>