



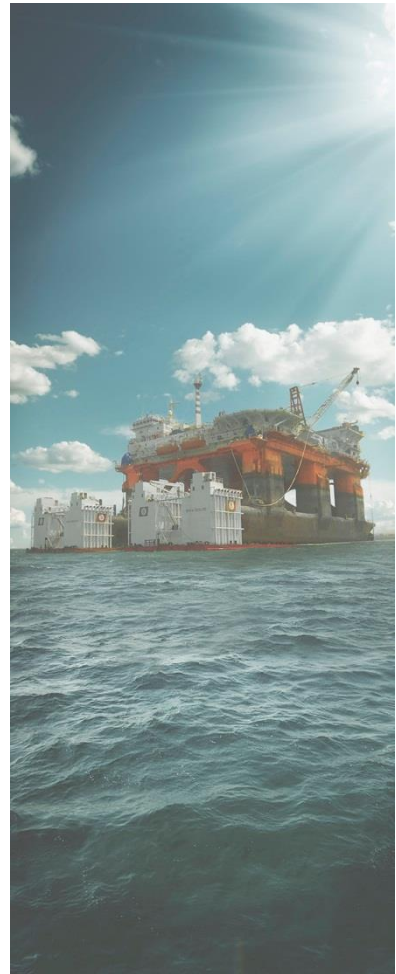
**BOA**

# Quarterly Report

## Boa SBL AS

### 4Q - 2015

Org.nr. 990 899 576



# BOA SBL AS

## CEO'S REPORT – 4Q 2015

### **General Information:**

The unaudited interim report is prepared in accordance with NGAAP.

### **Nature and location of activities:**

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

### **Review of fourth quarter 2015 accounts:**

Operating income in the period was NOK 39,5 million (NOK 30,5 million in the same period 2014).

EBITDA for the period was NOK 16,1 million (NOK 19,9 million).

Operating expenses were NOK 30,2 million (NOK 20,3 million).

Operating Profit/EBIT was NOK 9,3 million (NOK 10,2 million).

Net financial items were - NOK 2,5 million (- NOK 5,3 million).

Profit before tax was NOK 6,8 million (NOK 4,9 million).

### **Cash flow in the period:**

Net cash flow from operating activities was NOK 33,4 million (NOK -5,3 million).

Net cash flow from investing activities was - NOK 0,0 million (- NOK 0,3 million).

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

Net change in cash was NOK 28,3 million (- NOK 10,6 million).

### **Balance sheet 31.12.2015:**

Total assets per 31.12.2015 were NOK 685 million (NOK 656 million per 31.12.2014). Interest bearing debt was NOK 350 million (NOK 370 million), and the equity NOK 252 million (NOK 212 million). The equity ratio 36,8 %, increased from 36,2 % last quarter (32,4 % per 31.12.2014).

Cash and Cash equivalents per 31.12.2015 were NOK 91,7 million (NOK 31,7 million per 31.12.2014).

### **Financial risk:**

#### *Market risk:*

The company is susceptible to fluctuations in currency exchange rates. A considerable percentage of the company's earnings are in USD. However this market risk is to a certain degree reduced by the company also having certain operating purchases denominated in USD. The company continuously monitors the currency markets and reduces currency exposure when appropriate by entering into forward agreements or other financial contracts to reduce currency risk.

#### *Credit risk:*

The potential risk that the other contracting party will not have the financial means to meet their obligations is considered to be low to medium. No agreements have been entered into 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 to medium term outlook for the seismic sector remains challenging due to the fall 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 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 is on a firm contract with EMGS until April 2017, whereas the Boa Galatea ended its firm contract in January 2016 and is now idle. EMGS has seen a significant deterioration in sales over the recent quarters along with the industry. A potential new contract for Galatea with EMGS or other seismic companies depends on when the oil price and the oil and gas industry turn again. 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 offer opportunities.

**Statement from the CEO:**

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

Trondheim, 29 February 2016



Helge Kvalvik  
CEO

**Income statement**  
**Boa SBL AS**

(figures in NOK 1 000)

	<b>4Q 2015</b>	<b>YTD 2015</b>	<b>4Q 2014</b>	<b>YTD 2014</b>
<b>Operating income and operating exp.</b>				
Operating income	39 502	165 229	30 512	121 150
<b>Operating income</b>	<b>39 502</b>	<b>165 229</b>	<b>30 512</b>	<b>121 150</b>
Operating expenses ships	5 978	17 870	2 272	13 851
Payroll expenses	11 750	48 896	7 072	36 444
Depreciation	6 869	27 247	9 671	37 228
Other operating expenses	5 609	13 580	1 309	7 086
<b>Operating expenses</b>	<b>30 205</b>	<b>107 593</b>	<b>20 324</b>	<b>94 609</b>
<b>Operating profit</b>	<b>9 297</b>	<b>57 636</b>	<b>10 189</b>	<b>26 541</b>
<b>Financial income and expenses</b>				
Interest income from group entities	1 685	6 851	1 703	6 805
Other interest income	0	45	140	653
Other financial income	3 019	13 916	2 795	6 712
Interest expenses to group entities	788	3 072	890	3 466
Other interest expenses	6 001	24 945	6 779	27 589
Other financial expenses	385	9 910	2 258	4 618
<b>Net financial income and expenses</b>	<b>-2 469</b>	<b>-17 115</b>	<b>-5 290</b>	<b>-21 503</b>
<b>Operating result before tax</b>	<b>6 828</b>	<b>40 521</b>	<b>4 899</b>	<b>5 038</b>
Tax	852	852	20	20
<b>Result after tax</b>	<b>5 975</b>	<b>39 669</b>	<b>4 879</b>	<b>5 018</b>

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

*(figures in NOK 1 000)*

	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Deferred tax asset	11 330	12 183
<b>Total intangible fixed assets</b>	<b>11 330</b>	<b>12 183</b>
<b>Tangible fixed assets</b>		
Ships	453 423	476 617
<b>Total tangible fixed assets</b>	<b>453 423</b>	<b>476 617</b>
<b>Financial fixed assets</b>		
Loan to group companies	108 137	101 287
<b>Total financial fixed assets</b>	<b>108 137</b>	<b>101 287</b>
<b>Total fixed assets</b>	<b>572 891</b>	<b>590 086</b>
<b>Current assets</b>		
<b>Debtors</b>		
Accounts receivables	15 803	20 744
Other receivables	3 874	9 293
Group receivables	983	4 593
<b>Total debtors</b>	<b>20 660</b>	<b>34 630</b>
Cash and bank deposits	91 686	31 742
<b>Total current assets</b>	<b>112 346</b>	<b>66 372</b>
<b>Total assets</b>	<b>685 237</b>	<b>656 458</b>

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

*(figures in NOK 1 000)*

	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	200 100	200 100
Share premium	14	14
<b>Total restricted equity</b>	<b>200 114</b>	<b>200 114</b>
<b>Retained earnings</b>		
Other equity	52 027	12 359
<b>Total retained earnings</b>	<b>52 027</b>	<b>12 359</b>
<b>Total equity</b>	<b>252 141</b>	<b>212 473</b>
<b>Liabilities</b>		
<b>Other long term liabilities</b>		
Bonds	350 000	370 000
Group liabilities	65 927	62 855
<b>Total of other long term liabilities</b>	<b>415 927</b>	<b>432 855</b>
<b>Current liabilities</b>		
Trade creditors	6 660	3 456
Group liabilities	4 056	2 686
Other short term liabilities	6 453	4 989
<b>Total short term liabilities</b>	<b>17 169</b>	<b>11 131</b>
<b>Total liabilities</b>	<b>433 096</b>	<b>443 985</b>
<b>Total equity and liabilities</b>	<b>685 237</b>	<b>656 458</b>

## Cash flow statement

Figures in 1 000 NOK	4Q 2015	YTD 2015	4Q 2014	YTD 2014
<b>Cash flow from operating activities</b>				
Profit before income taxes	6 828	40 521	4 898	5 038
Depreciation	6 869	27 247	9 671	37 228
Changes in trade receivables and creditors	15 050	10 052	-19 318	3 275
Changes in receivables from group entities	2 176	-705	-2 019	-10 341
Changes in other short-term receivables and liabilities	2 433	6 882	1 485	-6 850
<b>Net cash flow from operating activities</b>	<b>33 356</b>	<b>83 997</b>	<b>-5 283</b>	<b>28 350</b>
<b>Cash flow from investing activities</b>				
Purchase of tangible fixed assets	-31	-4 053	-275	-16 827
<b>Net cash flow from investing activities</b>	<b>-31</b>	<b>-4 053</b>	<b>-275</b>	<b>-16 827</b>
<b>Cash flow from financing activities</b>				
Repayment of long term liabilities	-5 000	-20 000	-5 000	-20 000
<b>Net cash flow from financing activities</b>	<b>-5 000</b>	<b>-20 000</b>	<b>-5 000</b>	<b>-20 000</b>
Net changes in cash and cash equivalents	28 325	59 944	-10 558	-8 477
Cash and cash equivalents start of period	63 361	31 742	42 300	40 219
<b>Cash and cash equivalents end of period</b>	<b>91 686</b>	<b>91 686</b>	<b>31 742</b>	<b>31 742</b>

## Notes to 4Q 2015 report

### Note 1 Accounting principles / general information

The quarterly report is unaudited and prepared in compliance with NGAAP using the same principles as the last financial year.

#### 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	1 302	2 751	4 053
Disposals	0	0	0
<b>Acquisition cost 31.12.15</b>	<b>642 955</b>	<b>25 912</b>	<b>668 867</b>
Accumulated depr. 01.01.15	182 929	5 268	188 197
Acc. depreciation disposals	0	0	0
Depreciation this year	21 566	5 681	27 247
<b>Accum. depreciation 31.12.15</b>	<b>204 495</b>	<b>10 949</b>	<b>215 444</b>
<b>Book value 31.12.15</b>	<b>438 460</b>	<b>14 962</b>	<b>453 423</b>
Economic life	27	2,5 -10	
Depreciation schedule	Linear	Linear	

The economic lifetime for the vessels has been extended from 20 to 27 years in 2015.

### 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	0	0	39 669	39 669
<b>Equity 31.12.15</b>	<b>200 100</b>	<b>14</b>	<b>52 027</b>	<b>252 141</b>



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

	<b>4Q 2015</b>	<b>YTD 2015</b>	<b>Q4 2014</b>	<b>YTD 2014</b>
<b>Operating income</b>	<b>39 502</b>	<b>165 229</b>	<b>30 512</b>	<b>121 150</b>
Operating expences	23 336	80 346	10 652	57 381
<b>EBITDA</b>	<b>16 166</b>	<b>84 883</b>	<b>19 860</b>	<b>63 769</b>
EBITDA %	41 %	51 %	65 %	53 %
Depreciation	6 869	27 247	9 671	37 228
<b>EBIT</b>	<b>9 297</b>	<b>57 636</b>	<b>10 189</b>	<b>26 541</b>
Net finance	-2 469	-17 115	-5 290	-21 503
<b>Pre tax profit</b>	<b>6 828</b>	<b>40 521</b>	<b>4 899</b>	<b>5 038</b>
Tax	852	852	20	20
<b>Net profit</b>	<b>5 975</b>	<b>39 669</b>	<b>4 879</b>	<b>5 018</b>