



BOA

First half Report

Taubåtkompaniet AS

Consolidated

2017

Org.nr. 989 023 268



CONSOLIDATED TAUBÅTKOMPANIET AS

CEO'S REPORT – 1H 2017

General information:

The unaudited interim report is prepared in accordance with NGAAP.

Nature and location of activities:

Taubåtkompaniet AS is the parent company of the Taubåtkompaniet Group ("Group"). The company invests in shipping and offshore related companies through its subsidiary Boa Offshore AS. Further Taubåtkompaniet invests in real estate through Boa Eiendom AS and in helicopters and helicopter operations through Boa Investment AS. The management is located in Trondheim.

Review of first half 2017 accounts:

Operating income in the period was mNOK 328,2 (mNOK 507,3 last year 2016).

Operating expenses were mNOK 297,3 (mNOK 746,0).

EBITDA for the period was mNOK 120,0 (mNOK 84,0).

Operating Profit/EBIT was mNOK 30,9 (mNOK -238,6).

Net financial items were mNOK -121,6 (mNOK -37,9).

Profit before tax was mNOK -90,6 (mNOK -276,5).

Cash flow in the period:

Net cash flow from operating activities was mNOK -16,9 (mNOK 482,3).

Net cash flow from investing activities was mNOK 41,0 (mNOK -137,5).

Net cash flow from financing activities was mNOK -54,8 (mNOK -328,7).

Net change in cash was mNOK -30,6 (mNOK 16,2).

Balance sheet 30.06.2017:

Total assets per 30.06.2016 were mNOK 3 735 (mNOK 4 704 per 30.06.2016). Interest bearing debt was mNOK 3 331 (mNOK 3 511), and the equity mNOK 133 (mNOK 931). The equity ratio is 3,6 %, an decrease from 19,8 % 30.06.2016.

Cash and Cash equivalents per 30.06.2017 were mNOK 341 (mNOK 517 per 30.06.2016).

Financial risk:

Interest risk

The Group companies are exposed to interest rate fluctuations on long-term debt. By 30.06.2017 the total of the group's interest bearing debt was mNOK 3 331 where of mNOK 569 is secured by interest rate swap agreements or fixed rates.

Currency risk

The Group companies are exposed to currency risk as revenues and costs are denominated in various currencies. Substantial parts of the earnings in the Group are in USD. However this currency risk is to a certain degree reduced by the companies also having certain operating costs denominated in USD. The Group companies continuously monitor the currency markets and reduces currency exposure when appropriate by entering into forward agreements or other financial contracts to reduce currency risk.

Liquidity risk

The Groups liquidity position as per 30.06.2017 is mNOK 341. The Group companies are financed by debt and equity. The total of outstanding bonds for the Group with maturity dates from 2020 and forward, was mNOK 1859. The group has in addition loan to financial institutions of mNOK 1 472 with various maturities between 2017 and 2027.

Credit risk

The Group companies are exposed to the risk that the contracting parties will not have the financial means to meet their obligations. No agreements have been entered into or other financial means established to minimize the Group companies credit risk.

Events in the period:

Nordenfjeldske Luftfart AS has sold 100 % of the shares in Helitrans AS.

Events after the balance sheet date:

The financial restructuring of Boa Group which has been ongoing since end of November 2016 was completed in July. The restructuring includes for the outstanding Boa Group corporate bonds extended maturity dates to December 2020, interest cost to be carried as PIK interest, certain immediate and future cash distributions, and full amortization holiday until maturity with the exception of certain cash sweep and distribution mechanisms. With respect to the outstanding Boa Offshore corporate bonds the restructuring also includes certain limited resource/rest claim provisions. Applied for both the outstanding corporate bonds and bank debt of the Boa Group, all guarantees except Taubåtkompaniet AS' guarantee for the Boa Offshore Sub bond have been discharged. Also all intercompany loans have been discharged or significantly reduced as a part of the solution.

The new financial model also includes a change to the corporate legal structure, where management of the Group's vessels now will be performed by Boa Management AS instead of previously Boa Offshore AS. Boa Management is a subsidiary of Boa Shipping AS. Furthermore, the financial restructuring contains certain requirements to sale and realization of assets for the Boa Offshore Group and Taubåtkompaniet AS (TBK). The objective of the financial restructuring is to form a sustainable financial solution to the Boa Group in a sustained challenging environment for offshore vessels. More comprehensive information and details regarding the financial restructuring can be found in the summons to Bondholder's meeting dated 22 June 2017.

Boa Offshore distributed 184,4 mNOK as initial cash distribution in total, and of this Boa OCV received mNOK 88,5, Boa SBL AS mNOK 17,8 and the bondholders in the Boa Offshore Unsec bond received mNOK 78.

There have been no other significant events after the end of the second quarter that have material impact on the evaluation of the Group's profit and loss account or balance sheet as of 30.06.2017.

TBK Asset realization – update:

Boa Eiendom AS (Eiendom) has sold the following assets; shares in Trondheim Maritime Senter AS and Fremo Næringspark AS and real estate in Ånn, Sweden. Eiendom has also received their part of the Initial Cash Distribution on their bonds holding (Boa Unsec). The significant assets remaining are shares in Royal Garden, 2 helicopters and their Boa Unsec' bonds holding. Sales processes for Royal Garden and helicopters are ongoing. Current cash position in Eiendom is approximately mNOK 21.

Boa Investment AS (Investment) and the subsidiary Nordenfjeldske Luftfart AS (NFL); NFL has sold their shares in Helitrans AS. The helicopters are on a dry lease to Helitrans until February 2020. The lease has a 3 month termination clause for the lessee and also a first right to buy the helicopters. Negotiations and sales process is initiated and will be continued. Current cash position in Investment/NFL is approximately mNOK 25.

Intercompany claims in NFL/Investment/Eiendom are or will be settled as part of the process, and to the extent agreed upon with financial creditors in the respective companies. Clarification with financial creditors is ongoing.

The total estimated distribution from the TBK Asset realization is unchanged and in the range of mNOK 80-120. Approximately mNOK 20-30 of this is estimated to be distributed in 3Q 17.

Future development:

The outlook for Taubåtkompaniet AS is a mixed picture. The Barge and Tug segments are exposed to more industries and demand drivers than oil and gas. The Barge business currently holds a relatively robust backlog, of which a significant part is non-oil and gas related. The Tug business has over the last 4-5 months experienced somewhat higher activity, especially in the spot market, after some challenging quarters in 2016. However, medium term to longer term outlook for the Tug business

is still considered more uncertain. The short to medium term outlook for the offshore vessel segment (OCV, SBL and AHTS) remains uncertain and challenging due to the drop in oil prices from mid-2014. With persistent challenging markets the Group continues its cost focus program, including a cost efficient lay-up plan for the Groups AHTSs, tugs and one seismic vessel.

Statement from the CEO:

I hereby declare that to the best of my knowledge the interim accounts for the first half of 2017 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, 30 August 2017



Ole Bjørnevik
CEO

Income statement - 30.06.2017

Taubåtkompaniet AS

Figures in 1 000 NOK

Parent company				Group	
YTD 2017	YTD 2016	Operating income and operating expenses	Note	YTD 2017	YTD 2016
0	0	Operating income		317 319	431 918
2 500	6 700	Other operating income		10 908	75 428
2 500	6 700	Total operating income	2	328 227	507 346
827	843	Payroll expenses		96 491	162 063
0	0	Depreciation	3	88 570	98 304
0	0	Write-down fixed assets	3	470	224 360
1 236	9	Other operating expenses		111 778	261 239
2 062	852	Total operating expenses		297 309	745 966
438	5 848	Operating result		30 918	-238 620
		Financial income and expenses			
665	0	Interest income from subsidiaries		0	0
0	0	Interest income		3 993	116 196
0	0	Other financial income		42 654	31 035
3 524	3 370	Interest expenses to subsidiaries		0	0
0	0	Interest expenses		101 443	113 950
0	0	Other financial expenses		66 766	71 178
-2 859	-3 370	Financial result		-121 562	-37 896
-2 421	2 478	Result before tax		-90 644	-276 516
0	0	Tax on ordinary result		589	632
-2 421	2 478	Profit for the year		-91 232	-277 148
		Brought forward			
2 421	-2 478	From other equity		91 232	277 148
-2 421	2 478	Net brought forward		-91 232	-277 148

Balance sheet - 30.06.2017

Taubåtkompaniet AS

Figures in 1 000 NOK

Parent company			Group		
30.06.2017	30.06.2016	Note	Assets	30.06.2017	30.06.2016
			Fixed assets		
			Intangible assets		
0	0		Concessions, patents etc	1 500	1 500
12 240	14 250		Deferred tax asset	68 768	260 481
12 240	14 250		Total intangible assets	70 268	261 981
			Tangible fixed assets		
0	0	3	Buildings and land	7 035	9 261
0	0	3	Fictures and fitting etc.	19 168	8 464
0	0	3	Vessels and barges	2 621 642	3 147 613
0	0	3	Helicopters	118 364	125 365
0	0		Total tangible fixed assets	2 766 209	3 290 702
			Financial fixed assets		
112 159	112 159		Investments in subsidiaries	0	0
31 519	32 493		Loans to subsidiaries	0	0
0	0		Investments in associated comp. and joint ventures	15 610	10 182
0	0		Loans to associated companies and joint ventures	1 535	1 459
0	0		Investments in shares	1 772	3 455
4 727	4 074		Other receivables	61 851	63 234
148 406	148 726		Total financial fixed assets	80 768	78 330
160 646	162 976		Total fixed assets	2 917 245	3 631 013
			Current assets		
0	0		Inventories	5 706	16 230
			Receivables		
0	0		Trade receivables	179 494	275 410
891	2 854		Trade receivables to subsidiaries	0	0
0	0		Other receivables	291 300	263 221
891	2 854		Total receivables	470 795	538 631
			Investments		
0	0		Bonds	357	350
0	0		Total investments	357	350
17	132		Cash and bank deposits	341 303	517 330
908	2 985		Total current assets	818 161	1 072 541
161 553	165 961		Total assets	3 735 406	4 703 554

Balance sheet - 30.06.2017

Taubåtkompaniet AS

Figures in 1 000 NOK

Parent company				Group	
30.06.2017	30.06.2016	Note	Equity and liabilities	30.06.2017	30.06.2016
			Restricted equity		
1 250	1 200	4	Share capital	1 250	1 200
4 080	4 080	4	Share premium	4 080	4 080
5 330	5 280		Total restricted equity	5 330	5 280
			Retained earnings		
-1 837	2 750	4	Other equity	127 617	926 131
-1 837	2 750		Total retained earnings	127 617	926 131
3 493	8 030		Total equity	132 947	931 411
			Liabilities		
			Other long term liabilities		
0	0	5	Bonds	1 858 560	1 968 560
0	0	5	Liabilities to financial institutions	1 472 452	1 542 896
152 256	153 716		Liabilities to subsidiaries	0	0
152 256	153 716		Total other long term liabilities	3 331 012	3 511 456
			Current liabilities		
0	0		Liabilities to financial institutions	0	7 561
1 201	0		Trade creditors	63 183	134 179
103	2 753		Liabilities to subsidiaries	0	0
-7	1 462		Public duties payable	729	7 389
3 679	0		Dividends	3 679	0
827	0		Other short term liabilities	203 856	111 559
5 804	4 216		Total short term liabilities	271 447	260 687
158 061	157 932		Total liabilities	3 602 459	3 772 143
161 553	165 961		Total liabilities and equity	3 735 406	4 703 554

Taubåtkompaniet AS - group

Cash flow statement

Figures in 1 000 NOK

Parent company			Group	
YTD 2017	YTD 2016	Cash flow from operating activities	YTD 2017	YTD 2016
-2 421	2 478	Profit before income taxes	-90 644	-276 516
0	0	Income tax payable	-1 386	-4 963
0	0	Depreciation and write-down	89 040	322 664
0	0	Gain/loss on tangible fixed assets	-6 404	988
0	0	Gain/loss on financial fixed assets	-21 580	-5 040
0	0	Changes in inventories	9 408	6 052
0	0	Changes in trade receivables	49 256	-61 493
-64	-187	Changes in other receivables	-85 560	603 072
488	0	Changes in trade creditors	-22 165	-28 993
1 165	6 375	Changes in receivables from subsidiaries	0	0
520	1 462	Changes in other short-term liabilities	63 124	-73 490
-312	10 128	Net cash flow from operating activities	-16 912	482 281
		Cash flow from investing activities		
		Investing activities		
0	0	Sale of tangible fixed assets	26 854	4 743
0	0	Purchase of tangible fixed assets	-10 391	-85 057
0	0	Sale of financial fixed assets	30 150	0
0	0	Purchase of financial fixed assets	-5 571	-58 000
0	0	Changes in other investments	0	850
0	0	Net cash flow from investing activities	41 042	-137 464
		Cash flow from financing activities		
0	0	Raised long term liabilities	0	42 909
0	0	Paid in long term liabilities	-54 779	-361 576
0	-10 000	Dividends	0	-10 000
0	-10 000	Net cash flow from financing activities	-54 779	-328 667
-312	128	Net changes in cash and cash equivalents	-30 649	16 150
329	4	Cash and cash equivalent at 01.01	371 952	501 180
17	132	Cash and cash equivalents at 30.06.	341 303	517 330

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.

Miscellaneous

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

Note 2 Segments**Consolidated - YTD 2Q 2017**

Company	Segment	Operating income	EBITDA	Cash 30.06
Boa OCV AS	OCV	138 098	22 415	14 873
Boa SBL AS	Seismic	11 938	-6 500	46 453
Boa Barges AS	Barges	79 505	35 560	60 580
Boa Barges LLC	Barges	6 196	559	95
Boa Tugs AS	Tugs	44 111	-2 142	14 713
T.A. Kittilsen Shipping AS	Tugs	15 680	1 495	6 435
NFDS Offshore 1 AS	AHTS	0	-10 542	12 892
NFDS Offshore 2 AS	AHTS	0	-8 915	24 543
Boa Offshore AS	Other	109 896	13 311	79 201
Boa PSV AS	Other	3 972	3 536	49 180
Nordenfjeldske Luftfart AS	Helicopters	10 237	8 238	25 673
Other / elimination	Other	-91 406	62 942	6 665
Total		328 227	119 958	341 303

Note 3 Fixed assets - consolidated

	Vessels and barges	Heli- copters	Figures and fitting	Buildings and land	Sum
Acquisition cost 01.01.	4 861 250	147 222	33 791	18 029	5 060 292
Additions	10 309	0	-43	50	10 316
Disposals	-10 380	-3 588	-9 375	-8 270	-31 613
Acquisition cost 30.06.	4 861 179	143 634	24 373	9 810	5 038 995
Accumulated depr. 01.01.	2 160 859	21 840	10 962	9 125	2 202 785
Disposals	-5 934	562	-7 075	-6 592	-19 039
Write-down this period	470	0	0	0	470
Depreciation this period	84 141	2 868	1 319	241	88 570
Accum. depr. 30.06.	2 239 536	25 271	5 205	2 774	2 272 786
Book value 30.06.	2 621 643	118 363	19 167	7 036	2 766 209
Economic life	27-30 years	12-30 years	5 years	10-20 years	
Depreciation schedule	Linear	Linear	Linear	Linear	

Lease amount on fixed assets, not included in the balance sheet, year to date:

9 744

Note 4 Shareholder's equity**Parent company**

	Share capital	Share premium	Other equity	Total
Equity 01.01.	1 250	4 080	584	5 914
Profit of the year	0	0	-2 421	-2 421
Equity 30.06	1 250	4 080	-1 837	3 493

Consolidated

	Share capital	Share premium	Other equity	Total
Equity 01.01.	1 250	4 080	208 182	213 512
Profit of the year	0	0	-91 232	-91 232
Other changes	0	0	10 668	10 668
Equity 30.06.	1 250	4 080	127 617	132 947

Minority share of operating result YTD	-803
Minority share of total equity	-5 267

Note 5 Long term liabilities**Parent company**

Instalments of debt falling due more than 5 years from the balance date:

	2017	2018	2019	2020	2021	→
Instalments	0	0	0	0	0	0

Consolidated

Instalments of debt falling due more than 5 years from the balance date:

	2017	2018	2019	2020	2021	→
Instalments	196 307	28 601	28 234	1 911 089	40 078	1 126 703

Note 6 Consolidated income statement - summary

	YTD 2017	YTD 2016	FY 2016
Operating income	328 227	507 346	898 113
Operating expenses	208 269	423 302	774 293
EBITDA	119 958	84 044	123 820
EBITDA %	37 %	17 %	14 %
Depreciation and write-down	89 040	322 664	777 959
EBIT	30 918	-238 620	-654 139
Net finance	-121 562	-37 896	-143 059
Pre tax profit	-90 644	-276 516	-797 198
Tax	589	632	193 525
Net profit	-91 232	-277 148	-990 723

Note 7 Interest bearing debt / equity

Key figures	30.06.2017	30.06.2016	31.12.2016
Interest bearing debt	3 331 012	3 511 456	3 385 791
Cash and cash equivalents	341 303	517 330	371 952
Net Interest Bearing Debt (NIBD)	2 989 708	2 994 126	3 013 839
NIBD / EBITDA *	18,72	17,81	24,34
* 1H Annualized			
Booked equity ratio	3,6 %	19,8 %	5,6 %