



# Taubåtkompaniet AS



# FIRST HALF

# 2019

# CONSOLIDATED TAUBÅTKOMPANIET AS

## CEO'S REPORT – 1H 2019

### **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 and in helicopters through Det Nordenfjeldske Dampskibsselskab AS. The management is located in Trondheim.

### **Review of first half 2019 accounts:**

Operating income in the period was mNOK 601,7 (mNOK 298,6 YTD 2018).

Operating expenses were mNOK 541,0 (mNOK 343,0).

EBITDA for the period was mNOK 139,7 (mNOK 38,3).

Operating Profit/EBIT was mNOK 60,7 (mNOK -44,4).

Net financial items were mNOK -93,4 (mNOK -111,8).

Profit before tax was mNOK -32,7 (mNOK -156,2).

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

Net cash flow from operating activities was mNOK 112,5 (mNOK -34,6).

Net cash flow from investing activities was mNOK -62,9 (mNOK -15,6).

Net cash flow from financing activities was mNOK -82,6 (mNOK -40,5).

Net change in cash was mNOK -33,1 (mNOK -90,7).

### **Balance sheet 30.06.2019:**

Total assets per 30.06.2019 were mNOK 2 808 (mNOK 3 247 per 30.06.2018). Interest bearing debt was mNOK 2 705 (mNOK 3 005), and the equity mNOK -353 (mNOK -257).

Cash and Cash equivalents per 30.06.2019 were mNOK 271 (mNOK 282 per 30.06.2018).

The booked value of equity for the Group is lost, but there are additional values in the vessels that make the fair value of book equity positive.

### **Financial risk:**

#### *Interest risk*

The Group companies are exposed to interest rate fluctuations on long-term debt. By 30.06.2019 the total of the group's interest bearing debt was mNOK 2 705 where of 1 346 is fixed with non-cash PIK interest and another 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 and EUR. However this currency risk is to a certain degree reduced by the companies also having certain operating costs denominated in the same currencies. The Group companies continuously monitor the currency markets and reduce 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 30.06.2019 is mNOK 271. The total of outstanding bonds for the group as of 30.06.2019 was mNOK 1 600 whereof mNOK 1 346 is interest bearing (all with non-cash PIK interest). The group has in addition loan to financial institutions of mNOK 1 331 with various maturities between 2020 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 after the balance sheet date:**

Following settlement of one of the legal claims in June the bondholders was 2nd July notified of mNOK 25 distribution with settlement 8th July 2019.

### **TBK Asset realization – update:**

Boa Eiendom AS (Eiendom) has previously sold all significant assets except their Boa Unsec' bonds holding. In August Eiendom received its part of the TBK Asset realization (gross mNOK 6,5).

Det Nordenfjeldske Dampskibsselskab AS (NFDS), former Boa Investment AS and the subsidiary Nordenfjeldske Luftfart AS (NFL); NFL has previously sold their shares in Helitrans AS, and a total of five helicopters. The remaining eight helicopters are on a dry lease to Helitrans. Three of the helicopters are scheduled to be redelivered end of August, and the remaining in February 2021. The lease has a three months termination clause for the lessee and also a first right to buy the helicopters. NFL has entered into a sales agreement for one of the helicopters and closing is estimated to early September. The sales process for the remaining helicopters continues.

The total distribution has so far been mNOK 87,75 and the estimated total distribution from the TBK Asset realization is still in the original range of mNOK 80-120.

### **Future development:**

The medium to long-term outlook for Boa Offshore's Oil & Gas related business has improved somewhat during 2018 and 2019. However, activity has recovered from very low levels and in a slow mode. It is expected to see increased sanctioning of offshore field development projects in the remainder of 2019 and in 2020. This should lay basis for higher offshore activity in the years 2020-22, with the majority of work appearing back-end loaded in this period. The recent oil price volatility and increased global macro-economic uncertainty has put some more risk to this picture. The short-term outlook remains challenging as demand is recovering from very low levels and need to catch up with a significant overcapacity of vessels in many offshore segments. From an earnings perspective 2019 will most likely not be very different from 2018 in Boa's Oil & Gas related business.

Boa Offshore's Barge and Tug segments are exposed to more industries and demand drivers than oil and gas and these two segments remain stable and robust, with an increase in the backlog in recent quarters. The Tug business has since summer 2017 experienced higher and more stable activity. In 4Q18 and 1Q19 the Tugs business has seen an extraordinary high activity due to the Helge Ingstad salvage contract with the Royal Norwegian Navy.

The North Sea AHTS spot remains challenging, despite a few short-term periods of higher spot rates during the summer. Despite higher activity in the North Sea in general, the outlook remains uncertain due to the vast overhang of idle/laid-up AHTS vessels and uncertainty regarding the timing of recovery in other regions. The AHTS vessels Boa Jarl and Boa Bison remain in lay-up.

For Boa OCV, Boa Sub C has mobilized for a 1-year term contract in West Africa, keeping the vessel occupied until mid 2020. The Boa Deep C is currently idle after performing work in the North Sea Offshore Wind Market until recently. Boa Deep C will early October mobilize for a new short to medium term contract in Asia, with firm commitment into 1Q20. The number of opportunities for new work in 2020-21 has improved somewhat over the last 12-18 months. However, competition for these contracts is still relatively tough and still few contracts are of longer term duration.

**Statement from the CEO:**

I hereby declare that to the best of my knowledge the interim accounts for the first half of 2019 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 2019

A handwritten signature in blue ink, appearing to read 'Ole Bjørnevik', is written over a horizontal line.

Ole Bjørnevik  
CEO







# Income statement - 30.06

Taubåtkompaniet AS

Figures in 1 000 NOK

Parent company				Group	
YTD 2019	YTD 2018	Operating income and operating expenses	Note	YTD 2019	YTD 2018
725	0	Operating income		603 470	289 359
2 500	2 500	Other operating income		-1 735	9 214
<b>3 225</b>	<b>2 500</b>	<b>Total operating income</b>	<b>2</b>	<b>601 736</b>	<b>298 574</b>
901	994	Payroll expenses		119 337	110 840
0	0	Depreciation	3	79 024	82 755
67	60	Other operating expenses		342 665	149 359
<b>967</b>	<b>1 055</b>	<b>Total operating expenses</b>		<b>541 025</b>	<b>342 954</b>
<b>2 257</b>	<b>1 445</b>	<b>Operating result</b>		<b>60 710</b>	<b>-44 380</b>
<b>Financial income and expenses</b>					
442	445	Interest income from subsidiaries		0	0
0	0	Interest income		694	475
0	0	Other financial income		30 502	7 877
3 056	3 504	Interest expenses to subsidiaries		0	0
0	0	Interest expenses		104 613	98 502
0	0	Other financial expenses		20 028	21 623
<b>-2 614</b>	<b>-3 059</b>	<b>Financial result</b>		<b>-93 444</b>	<b>-111 772</b>
<b>-356</b>	<b>-1 614</b>	<b>Result before tax</b>		<b>-32 734</b>	<b>-156 152</b>
0	0	Tax on ordinary result		1 030	286
<b>-356</b>	<b>-1 614</b>	<b>Profit for the year</b>		<b>-33 764</b>	<b>-156 438</b>
<b>Brought forward</b>					
356	1 614	From other equity		33 764	156 438
<b>-356</b>	<b>-1 614</b>	<b>Net brought forward</b>		<b>-33 764</b>	<b>-156 438</b>

## Balance sheet - 30.06

Taubåtkompaniet AS

Figures in 1 000 NOK

Parent company			Group	
30.06.2019	30.06.2018	Note	30.06.2019	30.06.2018

## Balance sheet - 30.06

Taubåtkompaniet AS

Figures in 1 000 NOK

Parent company				Group	
30.06.2019	30.06.2018	Note	Equity and liabilities	30.06.2019	30.06.2018
			<b>Restricted equity</b>		
1 250	1 250	4	Share capital	1 250	1 250
4 080	4 080	4	Share premium	4 080	4 080
<b>5 330</b>	<b>5 330</b>		<b>Total restricted equity</b>	<b>5 330</b>	<b>5 330</b>
			<b>Retained earnings</b>		
3 389	4 634	4	Other equity	-358 758	-262 467
<b>3 389</b>	<b>4 634</b>		<b>Total retained earnings</b>	<b>-358 758</b>	<b>-262 467</b>
<b>8 719</b>	<b>9 964</b>		<b>Total equity</b>	<b>-353 428</b>	<b>-257 137</b>
			<b>Liabilities</b>		
0	0		Deferred tax	10 577	0
<b>0</b>	<b>0</b>		<b>Total provisions</b>	<b>10 577</b>	<b>0</b>
			<b>Other long term liabilities</b>		
0	0	5	Bonds	1 600 327	1 953 260
0	0	5	Liabilities to financial institutions	1 330 682	1 376 633
118 581	113 734		Liabilities to subsidiaries	0	0
0	0		Other long term liabilities	28 265	0
<b>118 581</b>	<b>113 734</b>		<b>Total other long term liabilities</b>	<b>2 959 275</b>	<b>3 329 893</b>
			<b>Current liabilities</b>		
40	1 263		Trade creditors	60 479	72 245
2 833	1 225		Liabilities to subsidiaries	0	0
0	0		Tax payable	-14	0
0	-12		Public duties payable	7 227	3 255
5 000	0		Dividends	5 000	0
0	4 205		Other short term liabilities	119 180	98 855
<b>7 873</b>	<b>6 681</b>		<b>Total short term liabilities</b>	<b>191 871</b>	<b>174 355</b>
<b>126 454</b>	<b>120 414</b>		<b>Total liabilities</b>	<b>3 161 723</b>	<b>3 504 248</b>
<b>135 174</b>	<b>130 379</b>		<b>Total liabilities and equity</b>	<b>2 808 295</b>	<b>3 247 111</b>



# Taubåtkompaniet AS - group

## Cash flow statement

Figures in 1 000 NOK

		Group		
YTD 2018	YTD 2019	Cash flow from operating activities	YTD 2019	YTD 2018
-1 614	-356	Profit before income taxes	-32 734	-156 152
0	0	Payment in kind bonds (PIK-bonds)	74 075	71 783
0	0	Income tax payable	-1 512	-861
0	0	Depreciation and write-down	79 024	82 755
0	0	Gain/loss on tangible fixed assets	0	-5 916
0	0	Gain/loss on financial fixed assets	-22 658	0
0	0	Changes in inventories	-3 415	2 988
0	0	Changes in trade receivables	81 628	-20 316
3 100	-844	Changes in other receivables	-4 048	-9 953
63	0	Changes in trade creditors	-72 309	12 145
-30 913	2 196	Changes in receivables from subsidiaries	0	0
513	-1 000	Changes in other short-term liabilities	14 438	-11 077
-28 851	-5	<b>Net cash flow from operating activities</b>	<b>A</b>	<b>112 488</b>
<hr/>				
		<b>Cash flow from investing activities</b>		
		<b>Investing activities</b>		
0	0	Sale of tangible fixed assets	0	0
0	0	Purchase of tangible fixed assets	-62 939	-30 284
0	0	Sale of financial fixed assets	0	14 700
0	0	Purchase of financial fixed assets	0	0
0	0	Changes in other investments	0	0
0	0	<b>Net cash flow from investing activities</b>	<b>B</b>	<b>-62 939</b>
<hr/>				
		<b>Cash flow from financing activities</b>		
0	0	Paid in long term liabilities	-29 226	-37 383
28 900	0	Dividends/Group contribution	0	-3 100
0	0	Cash impact from sale of subsidiary	-53 401	0
28 900	0	<b>Net cash flow from financing activities</b>	<b>C</b>	<b>-82 627</b>
<hr/>				
49	-5	Net changes in cash and cash equivalents	<b>A+B+C</b>	-33 079
36	19	Cash and cash equivalent at 01.01		304 442
85	14	<b>Cash and cash equivalents at 30.06.</b>		<b>271 363</b>
				<b>282 378</b>



**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.

\*The subsidiary Boa SBL AS was sold 23.05.2019

**Note 2      Segments****Consolidated - YTD 2Q 2019**

<b>Company</b>	<b>Segment</b>	<b>Operating income</b>	<b>EBITDA</b>	<b>Cash 30.06</b>
Boa OCV AS	OCV	122 407	20 107	78 063
Boa SBL AS*	Seismic	23 983	5 546	0
Boa Barges AS	Barges	101 473	62 366	33 447
Boa Barges LLC	Barges	48 622	411	762
Boa Tugs AS	Tugs	323 987	41 095	58 017
T.A. Kittilsen Shipping AS	Tugs	19 356	5 721	3 012
NFDS Offshore 1 AS	AHTS	0	-4 766	16 337
NFDS Offshore 2 AS	AHTS	0	-4 710	3 852
Boa Offshore AS	Other	700	-886	2 918
Boa Management AS	Other	62 902	14 995	47 544
Nordenfjeldske Luftfart AS	Helicopters	6 581	6 283	3 716
Other / elimination	Other	-108 276	-6 427	23 695
<b>Total</b>		<b>601 736</b>	<b>139 734</b>	<b>271 363</b>

**Note 3      Fixed assets - consolidated**

	<b>Vessels and barges</b>	<b>Heli-copters</b>	<b>Fictures and fitting</b>	<b>Buildings and land</b>	<b>Sum</b>
Acquisition cost 01.01.	4 828 034	103 827	24 926	5 323	4 962 110
Transfer	3 331		-3 341		-10
Additions	64 169	0	236	0	64 406
Disposals *	-687 851	0	0	0	-687 851
<b>Acquisition cost 30.06.</b>	<b>4 207 683</b>	<b>103 827</b>	<b>21 821</b>	<b>5 323</b>	<b>4 338 654</b>
Accumulated depr. 01.01.	2 457 182	13 729	18 107	2 003	2 491 020
Disposals *	-385 970	0	0	0	-385 970
Transfer	0	0	0	0	0
Write-down this period	0	0	0	0	0
Depreciation this period	76 446	1 138	1 311	129	79 024
Corr. due to change of princ.					0
<b>Accum. depr. 30.06.</b>	<b>2 147 658</b>	<b>14 866</b>	<b>19 417</b>	<b>2 132</b>	<b>2 184 073</b>
<b>Book value 30.06.</b>	<b>2 060 026</b>	<b>88 960</b>	<b>2 404</b>	<b>3 191</b>	<b>2 154 581</b>
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:

123 002



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

	Share capital	Share premium	Other equity	Total
Equity 01.01.	1 250	4 080	3 746	9 076
Profit of the year	0	0	-356	-356
<b>Equity 30.06</b>	<b>1 250</b>	<b>4 080</b>	<b>3 389</b>	<b>8 719</b>

**Consolidated**

	Share capital	Share premium	Other equity	Total
Equity 01.01.	1 250	4 080	-410 554	-405 224
Profit of the year	0	0	-33 764	-33 764
Gain own bonds from 2018	0	0	84 812	84 812
Other changes	0	0	747	747
<b>Equity 30.06.</b>	<b>1 250</b>	<b>4 080</b>	<b>-358 758</b>	<b>-353 428</b>

Minority share of operating result YTD	-1 391
Minority share of total equity	-12 357

**Note 5 Long term liabilities****Parent company**

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

	2019	2020	2021	2022	→
Instalments	0	0	0	0	0

**Consolidated**

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

	2019	2020	2021	2022	→
Instalments	29 554	2 084 700	74 190	86 070	684 761

**Note 6 Consolidated income statement - summary**

	<b>YTD 2019</b>	<b>YTD 2018</b>	<b>FY 2018</b>
<b>Operating income</b>	<b>601 736</b>	<b>298 574</b>	<b>950 607</b>
Operating expenses	462 001	260 199	815 490
<b>EBITDA</b>	<b>139 734</b>	<b>38 375</b>	<b>135 117</b>
EBITDA %	23 %	13 %	14 %
Depreciation and write-down	79 024	82 755	198 587
<b>EBIT</b>	<b>60 710</b>	<b>-44 380</b>	<b>-63 471</b>
Net finance	-93 444	-111 772	-211 614
<b>Pre tax profit</b>	<b>-32 734</b>	<b>-156 152</b>	<b>-275 084</b>
Tax	1 030	286	15 397
<b>Net profit</b>	<b>-33 764</b>	<b>-156 438</b>	<b>-290 481</b>

**Note 7 Interest bearing debt / equity**

<b>Key figures</b>	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>31.12.2018</b>
Interest bearing debt	2 705 024	3 005 006	3 023 200
Cash and cash equivalents	271 363	282 378	304 442
Net Interest Bearing Debt (NIBD)	2 433 661	2 722 629	2 718 758
NIBD / EBITDA *	10,29	27,76	20,12
<i>* Last twelve months</i>			
Booked equity ratio	-12,6 %	-7,9 %	-12,5 %
Value adjusted equity ratio	17,8 %	19,8 %	15,5 %







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