



BOA OFFSHORE AS



FIRST QUARTER

2021

A large red and white ship, likely a container ship, is shown from a low angle, emphasizing its massive scale. The ship's hull is painted in alternating red and white horizontal stripes. The upper part of the ship, including the bridge and various antennas, is visible against a clear blue sky with some light clouds. The ship is moving through the water, with a yellow buoy visible in the foreground. The overall scene conveys a sense of global logistics and maritime transport.

Content

CEO's Report /3/

Income Statement /7/

Balance Sheet /8/

Cash Flow Report /10/

Consolidated Income Statement /12/

Consolidated Balance Sheet /13/

Consolidated Cash Flow Report /15/

Notes /16/

CEO's Report

GENERAL INFORMATION

The unaudited interim report is prepared in accordance with NGAAP.

Net cash flow from financing activities was mNOK -39,6 (mNOK 16,0).

Net change in cash was mNOK -12,0 (mNOK 39,8).

NATURE AND LOCATION OF ACTIVITIES

Boa Offshore AS is the parent company of the Boa Offshore Group ("Group"). The company invests in shipping and offshore related companies. The Group is comprised of several ship owning companies within the following segments; tugboats, barges and offshore vessels. The tugboat activity, including salvaging, operates along the Norwegian coast and the North Sea. The barge fleet consists of larger barges operated internationally, and the offshore department manages offshore support vessels within construction, operating worldwide. The management is located in Trondheim.

BALANCE SHEET 31.03.2021

Total assets per 31.03.2021 were mNOK 2 581 (mNOK 2 811 per 31.03.2020). Interest bearing debt was mNOK 2 610 (mNOK 2 856), and the equity mNOK -320 (mNOK -656).

Cash and Cash equivalents per 31.03.2021 were mNOK 437 (mNOK 281 per 31.03.2020).

The booked value of equity for the Group is negative, however, the financial restructuring in 2020 gives the fundament for continued operations. The NIBD/EBITDA ratio was 9,70 (EBITDA last 12 months).

REVIEW OF FIRST QUARTER 2021 ACCOUNTS

Operating income in the period was mNOK 227,6 (mNOK 197,1 in the same period 2020).

EBITDA for the period was mNOK 61,9 (mNOK 46,5).
Operating expenses were mNOK 201,5 (mNOK 185,7).
Operating Profit/EBIT was mNOK 26,0 (mNOK 11,4).
Net financial items were mNOK -17,5 (mNOK -36,9).
Profit before tax was mNOK 8,6 (mNOK -25,5).

CASH FLOW IN THE PERIOD

Net cash flow from operating activities was mNOK 42,6 (mNOK 35,8).

Net cash flow from investing activities was mNOK -15,0 (mNOK -12,0).

FINANCIAL RISK

Interest risk

The Group companies are exposed to interest rate fluctuations on long-term debt. By 31.03.2021 the total of the group's interest-bearing debt was mNOK 2 610 where of 1 542 is fixed with non-cash PIK interest and another mNOK 604 is secured by 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 USD and EUR. 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 31.03.2021 is mNOK 437. The parent company has a bond of mNOK 399 and a subordinated bond of mNOK 15 outstanding, both listed at Oslo Stock Exchange Nordic ABN. The total of outstanding bonds for the company was mNOK 414 of which mNOK 123 is interest bearing with non-cash PIK interest. The parent company has also a liability to former subsidiary SBL Recovery AS of mNOK 25. The total of outstanding bonds for the group as of 31.03.2021 was mNOK 1 631 whereof mNOK 1 340 is interest bearing (all with non-cash PIK interest). The group has in addition loan to financial institutions of mNOK 1 317 with various maturities between 2021 and 2025.

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

On 12 January 2021, Boa IMR AS was served with a writ of summons from Calexco, submitted to Sør-Trøndelag tingrett. The writ of summons concerns a resolution passed by the extraordinary general meeting in Boa IMR held on 15 October 2020. Boa IMR has disputed Calexco's claims in the writ of summons.

EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the end of the financial period that would have material impact on the evaluation of the Group's profit and loss account or balance sheet as per 31.03.2021.

FUTURE DEVELOPMENT

The short to medium term outlook for Boa OCV and Boa's oil & gas related business changed dramatically for the worse during 2020 as a consequence of the global spread of the COVID-19 pandemic and the following negative impact on most countries and economies world-wide. The COVID-19 virus spread caused at the low point in March/April 2020 an estimated short-term demand contraction of oil of at least 20% from the 2019 demand level of close to 100 million barrels per day. This resulting in the Brent spot oil price dropping from above USD60 per barrel at the start of the year to around USD20 per barrel in early April 2020. Since then the oil price has gradually recovered to the current level around USD65/bbl, supported by OPEC and allies implementing significant production cut agreements from 2020 and demand recovering as economies and countries world-wide have at best efforts adapted to the COVID-19 situation and commenced significant roll-out of vaccines. Current oil demand is still estimated 5% below the 2019 level, as aviation activity and to some extent road activity is negatively impacted by travel and communication restrictions in most countries.

The situation remains fragile despite recent improving trends, and the recovery is highly dependent on COVID-19 vaccines being delivered to the market in a significant scale throughout the year and that these vaccines prove effective. In addition to the drop in oil prices the COVID-19 virus has also led to significant logistical and procurement challenges, making E&P companies reluctant in committing to new projects. E&P investments came down around 30% in 2020 compared with 2019 levels, with the level for 2021 estimated only marginally up from 2020. Given a positive development in the COVID-19 situation during 2021, Offshore E&P and Subsea investments could be set for a meaningful recovery in 2022-23.

On a positive note, growth in the Offshore Wind market seems to continue, leaving some opportunities for alternative work outside the traditional oil & gas market. By year-end 2020 around 33 GW Offshore Wind capacity has been installed on a global basis, with North West Europe counting the majority of this capacity (almost 75%). Ten folds of traditional offshore vessels of different type and capacities have found work in this market. According to Rystad Energy the Offshore Wind market is set to more than double again over the next 5 years, with Asia and North America now taking a significant portion

of this growth. There are opportunities for both Boa Barges and Boa OCV in this market.

Boa Offshore's Barge and Tug segments are exposed to more industries and demand drivers than oil and gas and remain relatively stable and robust. However, due to the general economic contraction and above-mentioned logistical challenges it is expected that these two segments also will continue to be negatively impacted by COVID-19 to some extent. Nevertheless, Boa Barges has a relatively robust backlog for the remainder of 2021, and activity for 2022 and beyond is starting to pick up. Boa Tugs experienced a strong first quarter 2021, supported by two of the larger tugs on term contracts in West Africa. The next two quarters is also expected to be reasonable, but not at the same level as 1Q21.

The AHTS vessels Boa Jarl and Boa Bison were awarded contracts by The Norwegian Defense Logistic Organization (FLO) in October 2019. The duration of the agreement is 5 years, with the option to extend the agreement for another 5 years. Both vessels commenced this contract in January 2020.

In early February this year Boa OCV was awarded another 220 days offshore wind support contract by DEME for work in France with commencement 2Q21. In latter part of 1Q21 and 2Q21 Boa Sub C performed class survey work. The Boa Deep C performed work in Asia with a European contractor in the first and into second quarter 2021. In March this year a new contract for work for the remainder of 2021 in the Gulf of Thailand was announced. This contract has now unfortunately been cancelled due to delay to previous project and logistical challenges related to COVID 19. The subsea market remains challenging in the short-term, despite a handful of new contract opportunities out in the market.

STATEMENT FROM THE CEO

I hereby declare that to the best of my knowledge the interim accounts for the first quarter of 2021 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, 28 May 2021



Helge Kvalvik
CEO



Income Statement

(Figures in 1 000 NOK)

	Note	1Q 2021	1Q 2020	FY 2020
Operating income and operating expenses				
Operating income	2	0	0	0
Payroll expenses		1 122	0	1 227
Other operating expenses		690	150	1 435
Total operating expenses		1 812	150	2 662
Operating profit		-1 812	-150	-2 662
Financial income and expenses				
Interest income from group companies		4 319	7 117	22 606
Other interest income		116	14	404
Other financial income		2	929	117 976
Write down of other financial fixed assets		0	0	-4 985
Interest expense to group companies		463	625	1 938
Other interest expenses		557	505	2 396
Other financial expenses		160	1 654	101 174
Net financial income and expenses		3 257	5 276	40 463
Operating result before tax		1 445	5 127	37 801
Tax on ordinary result		0	0	0
Operating result		1 445	5 127	37 801

Balance Sheet

	Note	31.03.2021	31.03.2020	31.12.2020
<i>(Figures in NOK 1 000)</i>				
Assets				
Financial fixed assets				
Investments in subsidiaries		406 206	154 614	154 606
Loans to group companies		2 195	372 171	249 477
Total financial fixed assets		408 400	526 785	404 082
Total fixed assets		408 400	526 785	404 082
Current assets				
Receivables				
Trade receivables		598	656	679
Loans to group companies		3 284	22 163	2 172
Other receivables		151	169	598
Total receivables		4 033	22 989	3 448
Cash and bank deposits		128 988	5 999	129 544
Total current assets		133 021	28 988	132 993
Total assets		541 421	555 773	537 075

Balance Sheet

(Figures in NOK 1 000)

Equity and liabilities

Restricted equity

Share capital	4	2 501	2 500	2 501
Share premium	4	74 447	74 447	74 447
Other restricted equity	4	3 106	3 106	3 106
Total restricted equity		80 054	80 053	80 054

Retained earnings

Other equity	4	-32 036	-165 868	-33 481
Total retained earnings		-32 036	-165 868	-33 481

Total equity

	48 018	-85 815	46 572
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Liabilities

Other long term liabilities

Bonds	5	229 541	462 510	229 193
Liabilities to subsidiaries		233 266	140 060	232 803
Other long term liabilities		24 947	28 136	24 853
Total other long term liabilities		487 753	630 706	486 850

Current liabilities

Trade creditors		57	646	0
Liabilities to group companies		4 951	10 040	3 434
Public duties payable		19	150	60
Other short term liabilities		623	46	159
Total short term liabilities		5 650	10 882	3 653

Total liabilities

	493 403	641 588	490 503
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Total liabilities and equity

	541 421	555 773	537 075
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Cash Flow Statement

(Figures in 1 000 NOK)

		1Q 2021	1Q 2020	FY 2020
Cash flow from operating activities				
Profit before income taxes		1 445	5 127	37 801
Payment in kind bonds (PIK-bonds)		461	506	1 582
Income tax paid		0	0	0
Loss / (gain) on sale of financial items		0	0	-116 857
Write-down of financial fixed assets		0	0	81 271
Changes in trade receivables		81	2 038	2 716
Changes in other receivables		446	72	-357
Changes in trade creditors		57	717	71
Changes in receivables from group companies		-4 318	-8 596	147 039
Changes in other short-term liabilities		1 271	18	-646
Net cash flow from operating activities	A	-557	-119	152 619
Cash flow from investing activities				
Sale of financial fixed assets		0	0	5 599
Purchase of financial fixed assets		0	0	-6 165
Changes in other investments		0	0	4 985
Net cash flow from investing activities	B	0	0	4 419
Cash flow from financing activities				
Paid in long term liabilities		0	0	-33 614
Capital contribution		0	0	1
Net cash flow from financing activities	C	0	0	-33 612
Net changes in cash and cash equivalents	A+B+C	-557	-119	123 426
Cash and cash equivalent start at period		129 544	6 119	6 119
Cash and cash equivalents at end of period		128 988	5 999	129 544



Consolidated Income Statement

(Figures in 1 000 NOK)

	Note	1Q 2021	1Q 2020	FY 2020
Operating income and operating expenses				
Operating income	2	213 692	181 409	730 676
Other operating income	2	13 901	15 695	1 827
Operating income	2	227 593	197 104	732 503
Operating cost ships		103 168	78 666	269 028
Payroll expenses		52 084	57 025	214 759
Depreciation	3	35 879	35 051	142 431
Write down on tangible assets	3	0	0	29 274
Other operating expenses		10 419	14 949	40 049
Total operating expenses		201 550	185 691	695 540
Operating profit		26 044	11 413	36 963
Financial income and expenses				
Interest income from group companies		0	1 481	1 481
Other interest income		217	391	40 458
Other financial income		2 386	34 338	328 076
Write down of other financial fixed assets		0	0	-9 244
Interest expense to group companies		0	0	0
Other interest expenses		20 301	49 152	127 520
Other financial expenses		-216	23 957	89 248
Net financial income and expenses		-17 482	-36 899	162 492
Operating result before tax		8 562	-25 486	199 455
Tax on ordinary result		0	0	-293
Operating result		8 562	-25 486	199 748

Consolidated Balance Sheet

	Note	31.03.2021	31.03.2020	31.12.2020
<i>(Figures in NOK 1 000)</i>				
Assets				
Fixed assets				
Deferred tax asset		0	1 751	0
Total intangible assets		0	1 751	0
Tangible fixed assets				
Buildings and land	3	0	1 897	0
Ships	3	1 901 135	1 968 501	1 922 614
Equipment and other movables	3	4 340	1 439	4 295
Total tangible fixed assets		1 905 475	1 971 837	1 926 910
Financial fixed assets				
Loans to group companies		0	113 859	0
Investments in shares		1 522	1 772	1 522
Other receivables		26 694	15 580	26 485
Total financial fixed assets		28 215	131 210	28 007
Total fixed assets		1 933 691	2 104 797	1 954 916
Current assets				
Inventories		2 250	4 889	12 423
Debtors				
Accounts receivables		117 218	150 292	90 898
Loan to group companies		0	1 613	0
Other receivables		90 703	268 230	116 984
Total debtors		207 921	420 135	207 881
Investments				
Other financial instruments		0	362	0
Total investments		0	362	0
Cash and bank deposits		436 975	281 038	448 979
Total current assets		647 145	706 425	669 283
Total assets		2 580 836	2 811 222	2 624 199

Consolidated Balance Sheet

	Note	31.03.2021	31.03.2020	31.12.2020
<i>(Figures in NOK 1 000)</i>				
Equity and liabilities				
Restricted equity				
Share capital	4	2 501	2 500	2 501
Share premium	4	74 447	74 447	74 447
Other restricted equity	4	3 106	3 106	3 106
Total restricted equity		80 054	80 053	80 054
Retained earnings				
Other equity	4	-400 523	-736 498	-409 040
Total retained earnings		-400 523	-736 498	-409 040
Total equity		-320 469	-656 446	-328 986
Liabilities				
Provisions				
Deferred tax		1 460	0	1 460
Total provisions		1 460	0	1 460
Other long-term liabilities				
Bonds	5	1 374 801	1 800 737	1 368 400
Liabilities to financial institutions	5	1 316 775	1 314 936	1 356 572
Other long term liabilities		24 947	28 136	24 853
Total of other long term liabilities		2 716 523	3 143 809	2 749 825
Current liabilities				
Trade creditors		30 741	56 869	38 239
Liabilities to group companies		0	1 250	24
Tax payable		-52	209	859
Public duties payable		2 328	2 923	7 122
Other short term liabilities		150 305	262 606	155 656
Total short term liabilities		183 322	323 857	201 900
Total liabilities		2 901 305	3 467 667	2 953 185
Total equity and liabilities		2 580 836	2 811 222	2 624 199

Consolidated Cash Flow Statement

Figures in 1 000 NOK

		1Q 2021	1Q 2020	FY 2020
Cash flow from operating activities				
Profit before income taxes		8 562	-25 486	199 455
Payment in kind bonds (PIK-bonds)		6 515	39 387	-54 986
Income tax paid		485	-275	36
Depreciation and write-down		35 879	35 051	171 705
Gain on sale of financial items		0	0	-116 365
Write-down of financial fixed assets		0	0	15 725
Currency gain/-loss		-186	2 928	4 716
Changes in inventories		10 173	-1 082	-8 616
Changes in trade receivables		-18 726	-257	59 138
Changes in other receivables		25 863	-56 233	106 497
Changes in trade creditors		-7 498	-7 456	-26 085
Changes in receivables from group companies		-24	-475	40 581
Changes in other short-term liabilities		-18 410	49 714	-15 492
Net cash flow from operating activities	A	42 632	35 816	376 308
Cash flow from investing activities				
Purchase of tangible fixed assets		-15 025	-12 011	-119 646
Sale of financial fixed assets		0	0	5 599
Purchase of financial fixed assets		0	0	-6 165
Net cash flow from investing activities	B	-15 025	-12 011	-120 213
Cash flow from financing activities				
Raised long term liabilities		0	16 000	906 985
Paid in long term liabilities		-39 611	0	-951 730
Cash impact from sale of subsidiary		0	0	-3 607
Capital contribution		0	0	1
Net cash flow from financing activities	C	-39 611	16 000	-48 350
Net changes in cash and cash equivalents	A+B+C	-12 004	39 804	207 745
Cash and cash equivalent start at period		448 979	241 234	241 234
Cash and cash equivalents at end of period		436 975	281 038	448 979

Notes

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 Spesification companies and segments

Consolidated - YTD 1Q 2021

Company	Segment	Operating income	EBITDA	Cash 31.03.
Boa OCV AS	OCV	57 224	-651	114 405
Boa Barges AS	Barges	119 771	41 599	56 938
Boa Barges LLC	Barges	28 059	-850	8 277
Boa Tugs AS	Tugs	51 744	12 783	22 889
Boa AHTS Holding AS	AHTS	0	-17	86
Boa AHTS AS	AHTS	13 358	13 269	13 271
Boa Offshore AS	Other	0	-1 812	128 988
Boa Management AS	Other	20 183	-1 620	59 696
Other / elimination	Other	-62 747	-779	32 426
Total		227 593	61 922	436 975

Note 3 Fixed assets - consolidated

	Vessels	Periodic maintenance	Equipment	Sum
Acquisition cost 01.01.	3 889 346	406 523	24 402	4 322 167
Additions	6 868	7 436	141	14 445
Disposals	0	0	0	0
Acquisition cost 31.03.	3 896 213	413 959	24 543	4 336 612
Accumulated depr. 01.01.	2 114 660	258 594	20 107	2 395 258
Disposals	0	0	0	0
Write-down this period	0	0	0	0
Depreciation this period	25 155	10 629	96	35 879
Accum. depr. 31.03.	2 139 815	269 223	20 202	2 431 136
Book value 31.03.	1 756 399	144 736	4 341	1 905 476
Economic life	27-30 years	2,5-10 years	5 years	
Depreciation schedule	Linear	Linear	Linear	

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

6 359

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

	Share capital	Share premium	Other restricted equity	Other equity	Total
Equity 01.01.	2 501	74 447	3 106	-33 481	46 572
Profit of the year	0	0	0	1 445	1 445
Other changes	0	0	0	0	0
Equity 31.03.	2 501	74 447	3 106	-32 036	48 018

Consolidated

	Share capital	Share premium	Other restricted equity	Other equity	Total
Equity 01.01.	2 501	74 447	3 106	-409 040	-328 986
Profit of the year	0	0	0	8 562	8 562
Other changes	0	0	0	-45	-45
Equity 31.03.	2 501	74 447	3 106	-400 523	-320 469

Note 5 Long term liabilities**Parent company**

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

	2021	2022	2023	2024	→
Instalments	0	0	0	0	254 488

Consolidated

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

	2021	2022	2023	2024	→
Instalments	73 949	99 357	100 278	1 709 886	733 054

Note 6 Consolidated income statement - summary

	1Q 2021	1Q 2020	FY 2020
Operating income	227 593	197 104	732 503
Operating expenses	165 671	150 640	523 835
EBITDA	61 922	46 464	208 668
EBITDA %	27 %	24 %	28 %
Depreciation and write-down	35 879	35 051	171 705
EBIT	26 044	11 413	36 963
Net finance	-17 482	-36 899	162 492
Pre tax profit	8 562	-25 486	199 455
Tax	0	0	-293
Net profit	8 562	-25 486	199 748

Note 7 Interest bearing debt / equity

Key figures	31.03.21	31.03.20	31.12.20
Interest bearing debt	2 610 370	2 855 778	2 643 558
Cash and cash equivalents	436 975	281 038	448 979
Net Interest Bearing Debt (NIBD)	2 173 395	2 574 740	2 194 580
NIBD / EBITDA *	9,70	13,14	10,52
* Last four quarters			
Booked equity ratio	-12,4 %	-23,4 %	-12,5 %
Value adjusted equity ratio	15,5 %	8,6 %	14,6 %





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