



BOA OFFSHORE AS



THIRD 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 positioned on the left side of the frame, with the sea extending to the horizon on the right. A yellow buoy is visible in the bottom right corner, and a blue rope is attached to the ship's hull.

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CEO's Report

GENERAL INFORMATION

The unaudited interim report is prepared in accordance with NGAAP.

Net cash flow from financing activities was mNOK -1,0 (mNOK 40,3).

Net change in cash was mNOK 17,4 (mNOK 159,0).

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 30.09.2021

Total assets per 30.09.2021 were mNOK 2 564 (mNOK 2 778 per 30.09.2020). Interest bearing debt was mNOK 2 598 (mNOK 2 718), and the equity mNOK -327 (mNOK -292).

Cash and Cash equivalents per 30.09.2021 were mNOK 417 (mNOK 472 per 30.09.2020).

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 10,14 (EBITDA last 12 months).

REVIEW OF THIRD QUARTER 2021 ACCOUNTS

Operating income in the period was mNOK 179,3 (mNOK 170,2 in the same period 2020).

EBITDA for the period was mNOK 48,2 (mNOK 58,6).
Operating expenses were mNOK 167,9 (mNOK 149,7).
Operating Profit/EBIT was mNOK 11,5 (mNOK 20,5).
Net financial items were mNOK -17,8 (mNOK -31,5).
Profit before tax was mNOK -6,3 (mNOK -11,0).

FINANCIAL RISK

Interest risk

The Group companies are exposed to interest rate fluctuations on long-term debt. By 30.09.2021 the total of the group's interest-bearing debt was mNOK 2 598 where of 1 555 is fixed with non-cash PIK interest and another mNOK 447 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.

CASH FLOW IN THE PERIOD

Net cash flow from operating activities was mNOK 64,1 (mNOK 133,3).

Net cash flow from investing activities was mNOK -45,7 (mNOK -14,6).

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 30.09.2021 is mNOK 417. The parent company has a bond of mNOK 400 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 415 of which mNOK 124 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 30.09.2021 was mNOK 1 644 whereof mNOK 1 353 is interest bearing (all with non-cash PIK interest). The group has in addition loan to financial institutions of mNOK 1 291 with various maturities between 2024 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 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 30.09.2021.

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 and into 2021 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 USD80/bbl, supported by OPEC and allies implementing significant production cut agreements and demand recovering as many countries lifted COVID-19 restrictions. Current oil demand is still below the 2019 level and is not expected to return to pre-pandemic levels until end 2022.

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 into next year and that these vaccines prove effective also for new mutations. 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 no setback in the COVID-19 situation during the remaining of 2021 and into 2022, Offshore E&P and Subsea investments could be set for a meaningful recovery in 2022-23, with an expectation to increased activity by 10% in 2022.

On a positive note, growth in the Offshore Wind installation spending continue to increase, leaving opportunities for alternative work outside the traditional oil & gas market. By Q3 2021 around 46 GW Offshore Wind capacity has been installed on a global basis, with Europe counting the majority of this capacity (approx. 60%). The total capacity additions in 2021 are expected to reach more than twice the capacity added in 2020. 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 almost 250 GW of total global operational capacity expected to be reached by 2030. Europe is still expected to dominate the offshore wind market this decade, with Asia and North America now taking a significant portion the upcoming years. 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 three quarters of 2021, supported by two of the larger tugs on term contracts in West Africa. The next quarter is also expected to be reasonable, but not at the same level as the first three quarters in 2021.

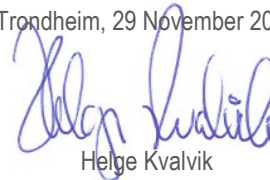
The AHTS vessels Boa Jarl and Boa Bison were awarded contracts by The Norwegian Defense Logistic Organization (FLO) in October 2019. The duration of the agreement is 5 years, with the option to extend the agreement for another 5 years. Both vessels commenced this contract in January 2020.

In latter part of 1Q21 and 2Q21 Boa Sub C performed class survey work. In 2Q21 Boa Sub C commenced a long-term contract for offshore wind work for DEME in France, which currently will last until end 4Q21. 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 was unfortunately cancelled due to delay to previous project and logistical challenges related to COVID 19. In July the Boa Deep C was awarded a short-term contract with a European contractor with commencement end of September 2021, which will last until end of November 2021. The subsea market remains challenging in the short-term. However, there are a handful of new contract opportunities out in the market and we are starting to see term contract fixtures reducing number of vessels in competition with our vessels.

STATEMENT FROM THE CEO

I hereby declare that to the best of my knowledge the interim accounts for the third 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, 29 November 2021



Helge Kvalvik
CEO



Consolidated Income Statement

(Figures in 1 000 NOK)

	Note	3Q 2021	YTD 2021	3Q 2020	YTD 2020
Operating income and operating expenses					
Operating income	2	179 343	634 740	170 159	535 462
Operating cost ships		74 271	291 649	50 852	196 351
Payroll expenses		46 896	142 253	50 614	154 229
Depreciation	3	36 417	108 390	35 341	106 553
Write down on tangible assets	3	252	3 151	2 766	2 663
Other operating expenses		10 021	32 895	10 119	23 234
Total operating expenses		167 857	578 337	149 692	483 030
Operating profit		11 486	56 402	20 467	52 431
Financial income and expenses					
Interest income from group companies		0	0	0	1 481
Other interest income		176	572	869	40 239
Other financial income		6 148	13 594	11 654	323 028
Other interest expenses		19 806	60 307	22 109	106 573
Other financial expenses		4 279	7 889	21 926	74 726
Net financial income and expenses		-17 761	-54 030	-31 512	183 448
Operating result before tax		-6 275	2 372	-11 046	235 880
Tax on ordinary result		0	3	-513	-510
Operating result		-6 275	2 369	-10 533	236 390

Consolidated Balance Sheet

	Note	30.09.2021	30.09.2020	31.12.2020
<i>(Figures in NOK 1 000)</i>				
Assets				
Fixed assets				
Deferred tax asset		0	0	0
Total intangible assets		0	0	0
Tangible fixed assets				
Ships	3	1 921 103	1 979 221	1 922 614
Equipment and other movables	3	5 092	1 185	4 295
Total tangible fixed assets		1 926 195	1 980 406	1 926 910
Financial fixed assets				
Investments in shares		1 522	1 522	1 522
Other receivables		26 793	47 210	26 485
Total financial fixed assets		28 314	48 732	28 007
Total fixed assets		1 954 509	2 029 138	1 954 916
Current assets				
Inventories		2 882	2 246	12 423
Debtors				
Accounts receivables		142 685	141 454	90 898
Other receivables		47 179	132 755	116 984
Total debtors		189 864	274 208	207 881
Cash and bank deposits		417 216	471 952	448 979
Total current assets		609 963	748 406	669 283
Total assets		2 564 472	2 777 544	2 624 199

Consolidated Balance Sheet

(Figures in NOK 1 000)

Equity and liabilities

Restricted equity

	Note	30.09.2021	30.09.2020	31.12.2020
Share capital	4	2 501	2 501	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	80 054	80 054

Retained earnings

Other equity	4	-407 270	-372 203	-409 040
Total retained earnings		-407 270	-372 203	-409 040

Total equity

	-327 217	-292 149	-328 986
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Liabilities

Provisions

Deferred tax		1 460	1 146	1 460
Total provisions		1 460	1 146	1 460

Other long-term liabilities

Bonds	5	1 387 700	1 396 220	1 368 400
Liabilities to financial institutions	5	1 291 179	1 396 584	1 356 572
Other long term liabilities		25 134	27 733	24 853
Total of other long term liabilities		2 704 013	2 820 537	2 749 825

Current liabilities

Trade creditors		51 833	37 405	38 239
Liabilities to group companies		0	0	24
Tax payable		0	0	859
Public duties payable		5 904	4 703	7 122
Other short term liabilities		128 478	205 902	155 656
Total short term liabilities		186 215	248 010	201 900

Total liabilities

	2 891 688	3 069 693	2 953 185
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Total equity and liabilities

	2 564 472	2 777 544	2 624 199
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Consolidated Cash Flow Statement

Figures in 1 000 NOK

		3Q 2021	YTD 2021	3Q 2020	YTD 2020
Cash flow from operating activities					
Profit before income taxes		-6 275	2 372	-11 046	235 880
Payment in kind bonds (PIK-bonds)		6 465	19 527	6 498	-68 410
Income tax paid		0	487	326	54
Depreciation and write-down		36 670	111 541	35 341	106 450
Gain on sale of financial items		0	0	-5 098	-116 365
Write-down of financial fixed assets		0	0	1 082	15 511
Currency gain/-loss		-245	-1 526	642	5 650
Changes in inventories		-178	9 541	411	1 561
Changes in trade receivables		-17 296	-44 194	13 431	8 582
Changes in other receivables		7 435	69 189	154 160	70 001
Changes in trade creditors		-13 551	13 593	-770	-26 920
Changes in receivables from group companies		0	-24	-1 558	40 558
Changes in other short-term liabilities		51 087	-36 660	-60 098	33 409
Net cash flow from operating activities	A	64 111	143 846	133 321	305 960
Cash flow from investing activities					
Purchase of tangible fixed assets		-45 691	-110 401	-20 215	-110 654
Sale of financial fixed assets		0	0	5 599	5 599
Purchase of financial fixed assets		0	0	0	-6 165
Net cash flow from investing activities	B	-45 691	-110 401	-14 616	-111 220
Cash flow from financing activities					
Raised long term liabilities		23 674	23 674	890 985	906 985
Paid in long term liabilities		-24 649	-88 881	-847 079	-867 401
Cash impact from sale of subsidiary		0	0	-3 607	-3 607
Capital contribution		0	0	0	1
Net cash flow from financing activities	C	-975	-65 207	40 299	35 978
Net changes in cash and cash equivalents	A+B+C	17 445	-31 762	159 004	230 718
Cash and cash equivalent start at period		399 771	448 979	312 948	241 234
Cash and cash equivalents at end of period		417 217	417 217	471 952	471 952



Income Statement

(Figures in 1 000 NOK)

	Note	3Q 2021	YTD 2021	3Q 2020	YTD 2020
Operating income and operating expenses					
Operating income	2	0	0	0	0
Other operating income	2	0	0	0	0
Operating income	2	0	0	0	0
Operating cost ships		0	0	0	0
Payroll expenses		0	1 122	0	1 227
Depreciation	3	0	0	0	0
Write down on tangible assets	3	0	0	0	0
Other operating expenses		480	1 504	323	802
Total operating expenses		480	2 626	323	2 028
Operating profit		-480	-2 626	-323	-2 028
Financial income and expenses					
Income from subsidiaries		0	0	0	0
Interest income from group companies		27	4 375	4 915	17 741
Other interest income		117	348	126	288
Other financial income		0	20	10 589	122 874
Depreciation of other financial current assets		0	0	0	0
Write down of other financial fixed assets		0	0	0	0
Interest expense to group companies		466	1 393	632	1 882
Other interest expenses		561	1 680	560	1 581
Other financial expenses		148	440	119	100 912
Net financial income and expenses		-1 031	1 230	14 319	36 528
Operating result before tax		-1 511	-1 396	13 996	34 500
Tax on ordinary result		0	0	0	0
Operating result		-1 511	-1 396	13 996	34 500

Balance Sheet

	Note	30.09.2021	30.09.2020	31.12.2020
<i>(Figures in NOK 1 000)</i>				
Assets				
Financial fixed assets				
Investments in subsidiaries		406 206	154 606	154 606
Loans to group companies		0	244 782	249 477
Investments in shares		0	0	0
Other receivables		0	22 389	0
Total financial fixed assets		406 206	421 777	404 082
Total fixed assets		406 206	421 777	404 082
Current assets				
Receivables				
Trade receivables		598	1 983	679
Loans to group companies		4 700	2 566	2 172
Other receivables		417	459	598
Total receivables		5 715	5 009	3 448
Cash and bank deposits		129 331	139 307	129 544
Total current assets		135 045	144 316	132 993
Total assets		541 251	566 093	537 075

Balance Sheet

(Figures in NOK 1 000)

Equity and liabilities

Restricted equity

Note	30.09.2021	30.09.2020	31.12.2020	
Share capital	4	2 501	2 501	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	80 054	80 054

Retained earnings

Other equity	4	-34 877	-35 777	-33 481
Total retained earnings		-34 877	-35 777	-33 481

Total equity

	45 177	44 277	46 572
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Liabilities

Other long term liabilities

Bonds	5	230 240	238 162	229 193
Liabilities to subsidiaries		234 197	248 569	232 803
Other long term liabilities		25 134	27 733	24 853
Total other long term liabilities		489 571	514 464	486 850

Current liabilities

Trade creditors		149	976	0
Liabilities to group companies		6 297	6 161	3 434
Tax payable		0	0	0
Public duties payable		-112	45	60
Other short term liabilities		169	171	159
Total short term liabilities		6 503	7 352	3 653

Total liabilities

	496 074	521 816	490 503
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Total liabilities and equity

	541 251	566 093	537 075
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Cash Flow Statement

(Figures in 1 000 NOK)

		3Q 2021	YTD 2021	3Q 2020	YTD 2020
Cash flow from operating activities					
Profit before income taxes		-1 511	-1 396	13 996	34 500
Payment in kind bonds (PIK-bonds)		350	1 274	380	1 265
Income tax paid		0	0	0	0
Loss / (gain) on sale of financial items		0	0	-5 591	-116 857
Write-down of financial fixed assets		0	0	-4 985	81 057
Changes in trade receivables		0	81	-626	1 412
Changes in other receivables		-382	181	-22 542	-22 607
Changes in trade creditors		149	149	701	1 047
Changes in receivables from group companies		2 654	-1 263	145 991	169 832
Changes in other short-term liabilities		-2	760	-609	-558
Net cash flow from operating activities	A	1 259	-214	126 716	149 091
Cash flow from investing activities					
Sale of financial fixed assets		0	0	5 599	5 599
Purchase of financial fixed assets		0	0	0	-6 165
Changes in other investments		0	0	4 985	4 985
Net cash flow from investing activities	B	0	0	10 584	4 419
Cash flow from financing activities					
Paid in long term liabilities		0	0	0	-20 322
Capital contribution		0	0	0	1
Net cash flow from financing activities	C	0	0	0	-20 321
Net changes in cash and cash equivalents	A+B+C	1 259	-214	137 300	133 189
Cash and cash equivalent start at period		128 072	129 544	2 008	6 119
Cash and cash equivalents at end of period		129 330	129 331	139 307	139 307

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 3Q 2021

Company	Segment	Operating income	EBITDA	Cash 30.09.
Boa OCV AS	OCV	130 827	-17 901	86 179
Boa Barges AS	Barges	332 881	123 390	65 305
Boa Barges LLC	Barges	104 071	-6 911	7 481
Boa Tugs AS	Tugs	163 470	33 110	25 944
Boa AHTS Holding AS	AHTS	0	-47	76
Boa AHTS AS	AHTS	40 074	39 775	26 282
Boa Offshore AS	Other	0	-2 626	129 331
Boa Management AS	Other	57 296	1 377	51 333
Other / elimination	Other	-193 879	-2 224	25 285
Total		634 740	167 943	417 216

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	55 234	54 446	1 145	110 825
Disposals	0	-17 507	0	-17 507
Acquisition cost 30.09.	3 944 579	443 463	25 547	4 415 486
Accumulated depr. 01.01.	2 114 660	258 594	20 107	2 395 258
Disposals	0	-17 507	0	-17 507
Write-down this period	252	2 898	0	3 151
Depreciation this period	75 579	32 462	349	108 390
Accum. depr. 30.09.	2 190 492	276 448	20 455	2 489 291
Book value 30.09.	1 754 088	167 015	5 092	1 926 195
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:

29 866

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	-1 396	-1 396
Other changes	0	0	0	0	0
Equity 30.09.	2 501	74 447	3 106	-34 877	45 177

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	2 369	2 369
Other changes	0	0	0	-600	-600
Equity 30.09.	2 501	74 447	3 106	-407 270	-327 217

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	733	0	0	0	254 641

Consolidated

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

	2021	2022	2023	2024	→
Instalments	25 412	99 357	100 278	1 735 759	733 208

Note 6 Consolidated income statement - summary

	3Q 2021	YTD 2021	3Q 2020	YTD 2020
Operating income	179 343	634 740	170 159	535 462
Operating expenses	131 187	466 797	111 585	373 815
EBITDA	48 156	167 943	58 574	161 647
EBITDA %	27 %	26 %	34 %	30 %
Depreciation and write-down	36 670	111 541	38 107	109 216
EBIT	11 486	56 402	20 467	52 431
Net finance	-17 761	-54 030	-31 512	183 448
Pre tax profit	-6 275	2 372	-11 046	235 880
Tax	0	3	-513	-510
Net profit	-6 275	2 369	-10 533	236 390

Note 7 Interest bearing debt / equity

Key figures	30.09.21	30.09.20	31.12.20
Interest bearing debt	2 597 676	2 717 736	2 643 558
Cash and cash equivalents	417 216	471 952	448 979
Net Interest Bearing Debt (NIBD)	2 180 460	2 245 784	2 194 580
NIBD / EBITDA *	10,14	11,46	10,52
* Last four quarters			
Booked equity ratio	-12,8 %	-10,5 %	-12,5 %
Value adjusted equity ratio	13,8 %	17,7 %	14,6 %





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