



BOA OFFSHORE AS



ANNUAL REPORT

2021

BOA OFFSHORE AS

GROUP

BOARD'S ANNUAL REPORT FOR 2021

Nature and location of activities

Boa Offshore AS is the parent company of the Boa Offshore Group ("The Group"). The Group is comprised of several ship owning companies within the following segments; tugboats, barges and offshore vessels. The tugboat activity, including salvaging, is mainly operating along the Norwegian coast and the North Sea. The barge fleet consists of larger barges, and the offshore department manages offshore supply vessels within construction, operating worldwide. The management is located in Trondheim. The group has also an office in Houston, operating part of the Groups fleet in the Gulf of Mexico.

Work environment

At year-end the Group had approx. 252 employees and, in the opinion of the Board, a good work environment. The total absenteeism rate for the year was around 2 %.

Equal opportunities for all

BOA recognizes that diversity creates a dynamic and innovative culture which in turn adds value both to the business and industry in general. A diverse company with a range of nationalities both onshore and at sea, the challenge lies in closing the gender gap in a male dominated industry.

Gender Composition

Female recruiting is a general challenge throughout the offshore, marine and shipping industry - especially among seafarers, a historically male dominated profession. In BOA this is reflected in our crewing companies; 0% employed in BOA Crewing 1 AS, 3,4 % in BOA Crewing 2 AS, and 0% employed in BOA Crewing 3.

Company	Employees	Female	Temporary employment
BOA Management AS	42	10	0 %
BOA Crewing 1	52	0	0 %
BOA Crewing 2	119	4	50,5 %
BOA Crewing 3	7	0	0 %

BOA Management AS, which includes the onshore organization consists of 23,8% women. This number have risen from 15% in 2020 after a strategic focus to increase female employment in all parts of the organization. This focus will continue in 2022.

Amongst seafarers there are several temporary contracts due to the nature of the contractual employment structure in the marine industry. Regardless of the contract format in BOA Crewing 2 AS, most of the employees are assigned a permanent rotation.

The compensation packages offered to men and women are equal and we have no signs of gender discrimination.

Equality and Non-Discrimination

There are several measures in place to enhance equality and non-discrimination, aspects that are deeply rooted in our policies, principles, guidelines and standards. BOA is committed to attracting and retaining top talents based on their contribution, competence and potential regardless of age, gender, nationality and religious belief in order to attain and maintain a gender equal, diverse and inclusive culture.

To further promote equality and non-discrimination several stakeholders are involved, including the Board of Directors, top management, HSEQ, HR, the employee representative and safety delegates.

The issue of diversity, equality and harassment are frequently addressed in meetings with HR, Employee Representative and Safety Delegates, and through employee evaluations and employee surveys. For the coming year special emphasis will be placed on procedure reviews, quarterly risk assessment, seminars, HSEQ meetings, department meetings, employee branding, awareness campaigns and HR processes in general.

Furthermore, the management system is continuously reviewed to strengthen the systematic approach and continuously raise awareness towards this very important issue. Identified issues and risks are used as input in the risk assessment aimed to improve processes related to recruitment, salary and benefits, career development and work-life balance. Actions and expected results from this work is continuously reviewed.

Health, safety, the environment and quality

The goal of the Group's health, safety, the environment and quality policy is 'zero tolerance' when it comes to injury to persons, damage to ships, work-related illness and environmental damage. This can be achieved by establishing a good work environment and work routines both onboard the vessels and onshore. The risk factors linked to the company's operations are continuously identified and the necessary risk-reducing measures implemented. The Group has established procedures for dealing with accidents and other emergency situations and meets international requirements concerning safeguards against acts of terrorism. The Group aims to be known in the market for providing high-quality services and in accordance with national and international laws and regulations.

To achieve these goals, the Group has established an integrated health, safety, environment and quality control system that is used by both the onshore organisations and those onboard the vessels. The system meets all relevant requirements with regard to international standards as well as requirements and guidelines developed by branch organisations within the offshore and shipping sectors. The system undergoes continuous improvements based on reports from users and annual reviews by customers, authorities and the organisation itself.

The goal for the future with regard to the integrated health, safety, the environment and quality system is to achieve combined certification pursuant to the requirements of the ISM code, environment standard ISO 14000 and ISO 9001:2015 quality standard. Parts of this certification are now introduced.

Over the last year there has been no serious work-related injury among employees nor contracted personnel. The Group is continuously working to reduce the number of work-related injuries.

External environment

The machinery on the vessels run on fuel and, apart from the emissions from this machinery, the Board does not believe that the ships pollute the external environment beyond what is normal for this type of maritime activity. The Group is continuously working to reduce discharge to sea and air.

Continued operations

To ensure continued operations, a proposal for restructuring of the Boa Offshore Group was initiated in November 2016. The proposal was presented to and discussed with the Group's largest creditors and a final agreement with the financial creditors was entered into in July 2017. The restructuring included for the outstanding Boa Group corporate bonds extended maturity dates to December 2020 with full amortization holiday until maturity, PIK interests and future cash-sweeps. 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 was discharged. Intercompany loans were discharged or significantly reduced as a part of the solution.

In May 2020 an amendment to the restructuring agreement has been agreed with bank and bond creditors and the maturity dates for the loans have been extended to December 2024 and Desember 2025.

Boa Offshore AS has booked debt related to both Boa Offshore Unsec Bond and Boa Offshore Sub Bond at assumed fair value. Both bonds contain provisions that this debt must only be repaid on certain terms. Boa Offshore Unsec Bond shall only be repaid if and to the extent that the company receives (i) net income from certain specific potential sources of income or (ii)

funds to be used for repayment of a residual claim with a nominal value of MNOK 116.5 plus interest. If the remaining claim is not met within 30 years, all amounts outstanding under the bond loan agreement shall be waived. The bond loan's total outstanding with accrued interest constitutes the upper limit for potential repayments. Boa Offshore Sub Bond contains similar mechanisms. This means that the relevant creditors will not be able to claim payment on outstanding amounts unless the company receives corresponding funds.

Based on the implemented financial restructuring, the agreement with the creditors, it is the opinion of the Board that there is no significant uncertainty about continued operations, and the annual accounts for 2021 for the company and the Group were drawn up under the assumption of continued operations.

The Covid-19 pandemic had to some extent negative impact on the BOA segmented revenues. In BOA OCV the contract for Boa Deep C for 250 days firm period was cancelled in spring 2021 by the client, partly due to late delivery and partly due to Covid-19. The difficulties surrounding repatriation and crew changes and the requirement for quarantine due to Covid 19 also had some impact on revenues, which is estimated to approx. 5% increase in salary cost for 2021. Despite the worsened market conditions due to Covid-19, BOA OCV managed to sign new contracts for both vessels during 2021.

Review of annual accounts:

The operating profit for the Group in 2021 was MNOK 76.2, compared to MNOK 37.0 in 2020. In 2021, ship value impairment losses of MNOK 3.2 were made. It is the board's view that in today's market these valuations are associated with uncertainty.

Net financial items were MNOK -79.3 (loss), compared to MNOK 162,5 (gain) in 2020.

The Group had in 2021 a net tax expense of MNOK 1.7, compared to a net tax income of MNOK 0.3 in 2020.

The profit for the year was a loss of MNOK 4.8 compared to a gain of MNOK 199.7 in 2020.

Total year end assets were MNOK 2 522, compared to MNOK 2 624 the previous year. The equity on December 31, 2021 was MNOK -335, compared with MNOK -329 on December 31, 2020. Booked value of equity for the Group is negative, however the value adjusted equity ratio per 31.12.2021 was 13.9 %. This is based on two independent ship broker valuations.

Financial risk:

Market risk:

The Group companies are susceptible to changes in currency rates considering that the Group's earnings and long-term financing is partly in foreign currency. However, this market risk is to a certain degree reduced by the Group also having certain operating costs in the same currency. The Group continuously considers entering into forward contracts and other agreements in order to reduce the currency risk. By 31.12.2021 the total of the group's interest-bearing debt was MNOK 2 605 where of MNOK 1 575 is fixed with non-cash PIK interest and another MNOK 436 is secured by fixed rates.

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.

Liquidity risk:

The Group's liquidity position as of 31.12.2021 is MNOK 419. The parent company has a bond of MNOK 400 and a subordinated bond of MNOK 15 both listed at Oslo Stock Exchange ABN. The total of outstanding bonds as of 31.12.2021 for the company was MNOK 415. Out of this 124 MNOK is interest bearing debt with non-cash PIK-interest. Total outstanding bonds for the Group is MNOK 1 650 whereof MNOK 1 359 is interest bearing. The group has in addition loan to financial institutions of MNOK 1 293 with various maturities between 2024 and 2025.

Appropriation of profits:

The year-end result of the parent company, Boa Offshore AS, was MNOK 3.5. The Board proposes the following distribution:

Transferred to other equity	MNOK	3.5
-----------------------------	------	-----

Events after the balance sheet date:

No events have taken place after the end of the financial year that would materially affect the evaluation of the Group's profit and loss account or balance sheet as per December 31, 2021.

D&O Insurance:

Boa Offshore AS and its subsidiaries holds a Directors & Officers insurance. The cover provide board members and CEO with insurance against personal liability, for actual or alleged, wrongful acts in managing the company. Directors & Officers insurance holds officers harmless, covering legal fees, settlements and associated costs.

Future development:

The oil price has gradually recovered from the low levels triggered by the COVID 19 pandemic and now the oil prices is trading around USD 100 per barrel, compared to around USD 20 per barrel in early April 2021. This year will continue to be impacted by Covid 19 as the pervasive spread of the new Omicron virus will inevitably lead to restrictions on movement in the first quarter of 2022, capping energy demand and recovery in the major crude consuming sectors of road transport and aviation. But despite the ongoing disruption caused by Covid 19, the outlook for the global O&G market is promising. The Omicron virus variant and the surge in new Covid 19 cases is expected to temporarily slow, but not upend, the recovery in oil demand. New containment measures put in place to halt the spread of the virus are likely to have a more muted impact on the economy versus previous Covid 19 waves, not least because of the widespread vaccination campaigns. Current oil demand is still below 2019 level, and in Rystad Energy's view we will need to wait until 2023 to see annualized demand pass 2019 levels.

Regarding the ongoing crisis in Ukraine, we do not currently see any significant impact on the group's day-to-day operations as of today.

After several challenging years for E&P players, the upstream sector appears to be returning to profitability, which is set to feed through into strong growth in investments. After an almost 30% decrease in global investments in 2021, spending has been growing at around 3 % in 2021. With strong free cash flow set to continue into next year, we expect to see ongoing strength in global E&P investments with a growth of 8% anticipated in 2022, which will be the strongest growth rate in upstream investments since 2012.

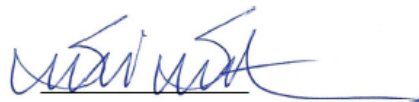
Offshore wind investments are increasingly closing the gap on O&G investments and is forecasted to surpass them in several key markets by 2030, and the market gives opportunities for alternative work outside the traditional O&G market. By year- end 2021 around 50 GW Offshore Wind Capacity has been installed on a global basis, with China and North West Europe counting for the majority of this capacity. 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 over 250 GW 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.

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 robust backlog for 2022, and activity for 2023 and beyond is starting to pick up, especially in the offshore wind market. Boa Tugs experienced a strong 2021, supported by two of the larger tugs on term contracts in West Africa.

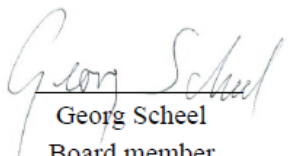
BOA Sub C has been working with DEME Offshore on the St. Nazaire Wind Farm, France, during most of 2021 and into 2022. In early January 2022 BOA OCV was awarded a 150-day contract for work in UK/DK with commencement May 2022. The Boa Deep C finished a contract in India in late November 2021, and subsequently mobilized for another job in India early January. The market has improved in 2022 and it seems that the market will improve for the coming years.

Trondheim, 28. Februar 2022

The Board of Boa Offshore AS



Svein Sivertsen
Chairman of the Board



Georg Scheel
Board member



Kristan Bodden
Board member



Torbjørn Vik
Board member



Tore Holtan
Board member



Helge Kvalvik
CEO

Income statement

Boa Offshore AS

Figures in 1 000 NOK

Parent company				Group	
2021	2020		Note	2021	2020
Operating income and operating expenses					
<u>0</u>	<u>0</u>	Total operating income	2	<u>844 282</u>	<u>732 503</u>
0	0	Operating cost ships		373 778	269 028
1 122	1 227	Payroll expenses	3, 9, 15	198 083	214 759
0	0	Depreciation	4	144 721	142 431
0	0	Write down fixed assets	4	3 161	29 274
4 769	1 435	Other operating expenses	3, 15	48 326	40 049
<u>5 892</u>	<u>2 662</u>	Total operating expenses		<u>768 070</u>	<u>695 540</u>
<u>-5 892</u>	<u>-2 662</u>	Operating result		<u>76 212</u>	<u>36 963</u>
Financial income and expenses					
4 375	22 606	Interest income from group companies	15	0	1 481
468	404	Other interest income		849	40 458
9 373	117 976	Other financial income		38 055	328 076
0	-4 985	Depreciation of other financial fixed assets		0	-8 163
1 858	1 938	Interest expense to group companies	15	0	0
2 239	2 396	Other interest expenses		80 516	127 520
739	101 174	Other financial expenses		37 670	88 166
<u>9 380</u>	<u>40 463</u>	Financial result		<u>-79 282</u>	<u>162 492</u>
<u>3 488</u>	<u>37 801</u>	Result before tax		<u>-3 070</u>	<u>199 455</u>
0	0	Tax on ordinary result	12	1 748	-293
<u>3 488</u>	<u>37 801</u>	Profit for the year		<u>-4 818</u>	<u>199 748</u>
<u>-3 488</u>	<u>-37 801</u>	From other equity	8	<u>4 818</u>	<u>-199 748</u>
<u>3 488</u>	<u>37 801</u>	Net brought forward		<u>-4 818</u>	<u>199 748</u>

Balance sheet

Boa Offshore AS

Figures in 1 000 NOK

Parent company					Group	
31.12.2021	31.12.2020	Fixed assets	Note	31.12.2021	31.12.2020	
		Intangible assets				
		Tangible fixed assets				
0	0	Vessels		1 847 531	1 918 338	
0	0	Equipment and other movables		5 326	4 295	
0	0	Newbuilding contracts		79 506	4 276	
<u>0</u>	<u>0</u>	Total tangible fixed assets	4	<u>1 932 363</u>	<u>1 926 910</u>	
		Financial fixed assets				
406 206	154 606	Investments in subsidiaries	5	0	0	
0	249 477	Loans to group companies	6, 11	0	0	
0	0	Investments in shares	5	1 522	1 522	
750	0	Other receivables	6, 9	25 538	26 485	
<u>406 956</u>	<u>404 082</u>	Total financial fixed assets		<u>27 059</u>	<u>28 007</u>	
<u>406 956</u>	<u>404 082</u>	Total fixed assets		<u>1 959 423</u>	<u>1 954 916</u>	
		Current assets				
0	0	Inventories		1 785	12 423	
		Receivables				
123	679	Trade receivables		104 354	90 898	
5 014	2 172	Loans to group companies	11	0	0	
485	598	Other receivables		36 965	116 984	
<u>5 622</u>	<u>3 448</u>	Total receivables		<u>141 319</u>	<u>207 881</u>	
		Investments				
132 086	129 544	Cash and bank deposits	2, 14	419 175	448 979	
<u>137 707</u>	<u>132 993</u>	Total current assets		<u>562 280</u>	<u>669 283</u>	
<u>544 663</u>	<u>537 075</u>	Total assets		<u>2 521 702</u>	<u>2 624 199</u>	

Balance sheet

Boa Offshore AS

Figures in 1 000 NOK

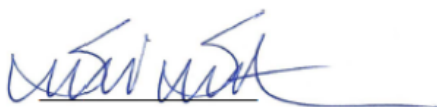
Parent company					Group		
31.12.2021	31.12.2020	Equity and liabilities	Note	31.12.2021	31.12.2020		
		Restricted equity					
2 501	2 501	Share capital	7, 8	2 501	2 501		
74 447	74 447	Share premium	8	74 447	74 447		
3 106	3 106	Other restricted equity	8	3 106	3 106		
80 054	80 054	Total restricted equity		80 054	80 054		
		Retained earnings					
-30 072	-33 481	Other equity	8	-414 778	-409 040		
-30 072	-33 481	Total retained earnings		-414 778	-409 040		
49 981	46 572	Total equity		-334 724	-328 986		
		Liabilities					
		Provisions					
0	0	Deferred tax	12	2 816	1 460		
0	0	Total provisions		2 816	1 460		
		Other long term liabilities					
229 857	229 193	Bonds	10, 13	1 393 462	1 368 400		
0	0	Liabilities to financial institutions	10, 13	1 292 880	1 356 572		
233 509	232 803	Liabilities to subsidiaries	11	0	0		
24 996	24 853	Other long term liabilities	10, 13	24 996	24 853		
488 361	486 850	Total other long term liabilities		2 711 338	2 749 825		
		Current liabilities					
78	0	Trade creditors		45 917	38 239		
6 013	3 434	Liabilities to subsidiaries	11	0	24		
0	0	Tax payable	12	390	859		
0	60	Public duties payable		11 422	7 122		
230	159	Other short term liabilities		84 543	155 656		
6 320	3 653	Total short term liabilities		142 272	201 900		
494 682	490 503	Total liabilities		2 856 426	2 953 185		
544 663	537 075	Total liabilities and equity		2 521 702	2 624 199		

Balance sheet

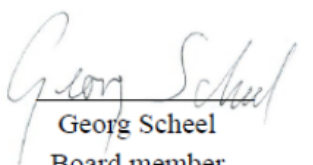
Boa Offshore AS

Trondheim, 48.04.2022

The board of Boa Offshore AS



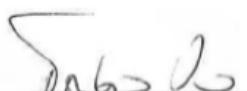
Svein Sivertsen
Chairman of the Board



Georg Scheel
Board member



Kristan Bodden
Board member



Torbjørn Vik
Board member



Tore Holtan
Board member



Helge Kvalvik
CEO

Consolidated Cash Flow Statement

Boa Offshore AS

Figures in 1 000 NOK

2021	2020			2021	2020
		Cash flow from operating activities			
3 488	37 801	Profit before income taxes		-3 070	199 455
1 617	1 688	Payment in kind bonds (PIK-bonds)		40 648	-54 986
0	0	Income tax paid		540	36
0	0	Depreciation and write-down		147 882	171 705
0	-116 857	Gain on sale of financial fixed assets		0	-116 365
0	81 271	Write-down of financial fixed assets		0	15 725
0	0	Currency gain/-loss		-3 952	4 716
0	0	Changes in inventories		10 638	-8 616
484	2 716	Changes in trade receivables		-5 863	59 138
-637	-357	Changes in other receivables		80 658	106 497
78	71	Changes in trade creditors		7 678	-26 085
-2 549	147 039	Changes in receivables from group companies		-24	40 581
60	-752	Changes in other short-term liabilities		-74 077	-15 493
2 541	152 619	Net cash flow from operating activities	A	201 058	376 307
		Cash flow from investing activities			
0	0	Purchase of tangible fixed assets		-152 911	-119 646
0	5 599	Sale of financial fixed assets		0	5 599
0	-6 165	Purchase of financial fixed assets		0	-6 165
0	4 985	Changes in other investments		0	0
0	4 419	Net cash flow from investing activities	B	-152 911	-120 213
		Cash flow from financing activities			
0	0	Raised long term liabilities		35 609	906 985
0	-33 614	Paid in long term liabilities		-113 560	-951 730
0	1	Capital contribution		0	1
0	0	Cash impact from sale of subsidiary		0	-3 607
0	-33 612	Net cash flow from financing activities	C	-77 950	-48 350
2 541	123 426	Net changes in cash and cash equivalents	A+B+C	-29 803	207 744
129 544	6 119	Cash and cash equivalent start at period		448 979	241 234
132 086*	129 544	Cash and cash equivalents at end of period		419 175	448 979

* Other restricted deposits in Boa Offshore AS (MNOK 109) are restricted until processes regarding Boa IMR AS is legally clarified.

Note 1 Accounting principles

The annual accounts are established in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles.

Consolidation principles

The consolidated financial statement comprises Boa Offshore AS and subsidiaries, where the company has controlling interest as a result of legal or actual control. The consolidated accounts are established in accordance with uniform accounting principles for similar transactions within all companies included in the consolidated financial statement. All essential transactions and outstanding accounts between companies within the group are eliminated. Investments in companies in which the group has considerable influence (associates and joint ventures) are valued in the consolidated financial statement in accordance with the equity method. Considerable influence generally means that the group owns 20 to 50 percent of the voting capital.

Principle rule for recording and categorising assets and debts

Assets intended for long-term ownership or usage are categorised as fixed assets. Other assets are categorised as current assets. Debts to be paid back within a year are also categorised as current assets. Similar criteria are used to categorise short-term and long-term debts.

Fixed assets are valued at purchase cost, and depreciated over the economic lifetime. If the actual value of the fixed assets is lower than the booked value and the decrease in value is not expected to be temporary, devaluation to the actual value is carried out. Fixed assets are depreciated linearly.

Current assets are recorded at the lowest of historical cost and net realisable value.

Other long-term and short-term debts are recognised at nominal value.

Assets and debt in foreign currency

Money items in foreign currency are converted at the rate applicable on the balance sheet date.

Capitalised interests

Interest related to ships under construction are capitalized.

Shares in associates, joint ventures and subsidiaries

Investments in subsidiaries are valued according to the cost method and written down at the actual value if the decrease in value is not temporary, and it is considered necessary in accordance with generally accepted accounting principles. Dividend from subsidiaries are recorded as other financial income. The same applies to investments in associates and joint ventures.

Other shares classified as fixed assets

Shares and investments in general partnerships and limited partnerships in which the company does not have considerable influence are valued according to the cost method. Investments are written down at the actual value if the decrease in value is not expected to be temporary. Profits received from the companies are recognised as other financial income.

Bonds classified as fixed assets

Bonds are recognised at purchase cost. Bonds are written down at the actual value if the decrease in value is not expected to be temporary.

Investments classified as floating assets

Market-based financial instruments, including shares included in a trading portfolio, are recognised at the actual value on the balance sheet date.

Receivables

Accounts receivable and other receivables are entered at nominal value after deducting the provision for expected losses. The provision for losses is based on an individual assessment of the separate claims.

Bank deposits, cash, etc.

This category includes cash, bank deposits and other forms of payment with an expiration date that is shorter than three months from purchase.

Revenue

Revenues from the sale of services are recognised in the income statement according to the project's level of completion. Revenues are booked at the net sales value at the time of the transaction.

Expenses

Expenses are recognised in the same period as the related revenues. In those instances in which there is no clear connection between expenses and revenues, the distribution is determined based on discretionary criteria. Other exceptions from the classification principle are disclosed when relevant.

Pensions

Contribution pension plan

The company has a contribution-based obligatory company pension scheme for all personnel. This is expensed at date of payment.

Government subsidies

The group receives a subsidy from the Norwegian Maritime Directorate in connection with the employment of Norwegian maritime personnel. The subsidy is entered as a reduction under the group's salary costs.

Taxes

Tax expenses are grouped with operating profit before tax. Taxes are recognised directly in equity to the extent that they relate to equity transactions.

The Ship Owning companies is taxed by the Norwegian shipowning tax regime.

Tax cost includes taxes payable (tax on this years taxable income and interest surplus), tonnage tax and change in net deferred taxes.

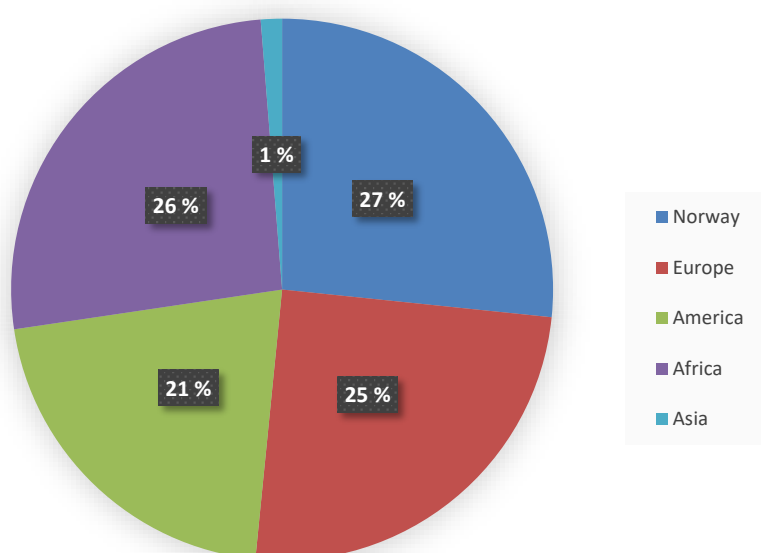
Deferred tax and deferred tax benefits are entered in net amounts on the balance sheet.

Miscellaneous

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

Note 2 Segments**Group**

Company	Segment	Operating income	EBITDA	Cash
Boa OCV AS	OCV	199 433	-11 705	87 100
Boa Barges AS	Barge	406 460	151 888	56 953
Boa Barges LLC	Barge	141 026	-427	23 730
Boa Tugs AS	Tugs	216 708	38 403	11 231
Boa AHTS Holding AS	AHTS	0	-110	10
Boa AHTS AS	AHTS	53 433	53 079	12 557
Boa Offshore AS	Other	0	-5 892	132 086
Boa Management AS	Other	81 119	4 191	66 227
Other/elimination	Other	-253 897	-5 334	29 282
Sum		844 282	224 094	419 175

Operating Income per geographical area

Note 3 Personnel compensation, number of employees and loans to employees etc.

	Parent company		Group	
	2021	2020	2021	2020
Salaries	0	0	161 544	157 531
Employer's national insurance contribution	111	173	16 112	15 630
Pension contribution	0	0	5 879	7 969
Other personnel expenses	0	0	10 268	6 338
Hired in staff	1 012	1 054	13 036	30 628
Total personnel costs	1 122	1 227	198 083	214 759
Number of man-labour years employed	0	0	238	247

Management remuneration*		Salary	Other
CEO		4 882	184
Board member			122
Board of Directors	parent company		1 012
	group		2 103

Loan and securities to shareholders, management personnel and employees	Amount	Interest rate	Securities
Related parties	3 928	1,3 - 1,5 %	Security in fixed assets
CEO *	9 790	1,3 - 1,5 %	Security in fixed assets

* 10 years term on general market conditions

Boa Management AS has established a share-based long term incentive program for certain employees. The purpose of the long term incentive program is to attract new talent and to keep current key employees. For 2021 the program consists of 7 persons.

The employees that have entered the program have been offered to subscribe for phantom shares in Boa Offshore AS. The subscription price for each Phantom share is the market value of each ordinary share based on a valuation dated 20 January 2020. The total number of phantom shares are 200, and the subscription price is NOK 1,562,50 per share. The CEO has subscribed for 64 shares in 2021. A total of 170 shares have been subscribed for.

The employees have an obligation to hold on to and keep the phantom shares for a period of five years. Upon expiration period of five years, the employees will sell the phantom shares, and the company will repurchase the phantom shares by a purchase price equal to the fair market value of each ordinary share.

The change in the fair market value of the total number of phantom shares are presented as a financial expense in the annual accounts. Total amount expenses related to the long term incentive program is 11,5 mNOK for 2021.

Auditor	Parent company	Group
Audit fee for 2021 to Deloitte AS was NOK	438	1 358
Fee for audit related services was NOK	65	297
Fee paid to Deloitte Advokatfirma AS was NOK	0	466

Note 4 Fixed assets**Group**

	Vessels	Newbuilding	Periodic maintenance	Equipment	Sum
Acquisition cost on 01.01	3 885 069	4 276	406 523	24 402	4 320 271
Additions	15 611	75 230	61 111	1 383	153 336
Disposals	0	0	-17 507	0	-17 507
Acquisition cost on 31.12	3 900 681	79 506	450 128	25 785	4 456 100
Accumulated depreciation 01.01	2 114 660	0	258 594	20 107	2 393 361
Acc. depreciation disposals	0	0	-17 507	0	-17 507
Depreciation this year	100 920	0	43 449	353	144 722
Write-down this year	262	0	2 898	0	3 161
Accum. depreciation 31.12.	2 215 842	0	287 435	20 459	2 523 737
Book value	1 684 838	79 506	162 693	5 326	1 932 363
Economic life	27-30 years	27-30 years	2,5-10 years	5 years	
Depreciation schedule	Linear	Linear	Linear	Linear	

Annual lease amount on fixed assets not included on the balance sheet

47 995

In 2021 vessels have been written off with NOK 3.161.000,-. By the end of 2021, two independent broker values are obtained to determine net selling price for the vessels. Brokers' estimate assume the vessels are without charter contracts, immediately available for sale in the market and that a willing seller and a willing buyer exist. In cases where there is uncertainty regarding book value against net selling price, a calculation for value in use is done by discounting future cash flows to present value at the balance sheet date. Due to reduced liquidity in the market for vessels, there is an increased uncertainty about the estimated ship values in today's market.

Note 5 Shareholdings in subsidiaries, associated companies and joint ventures

Group	Year of acquisition	Office address	Share	Equity Dec. 31 2021	Results 2021	
Subsidiaries (Norwegian)						
Boa Shipping AS	2000	Trondheim	100 %	240 847	-11 013	
Boa OCV AS	2002	Trondheim	100 %	-475 688	-94 804	
Boa IMR AS	2014	Trondheim	63 %	105 099	-2 905	
Tier subsidiaries (Norwegian)						
Boa Barges AS	2008	Trondheim	100 %	371 766	93 371	
Boa Tugs AS	2008	Trondheim	100 %	61 801	17 647	
Boa Management AS	2017	Trondheim	100 %	91 952	-4 440	
Boa AHTS Holding AS	2012	Trondheim	100 %	-395 247	-23 831	
Boa AHTS AS	2020	Trondheim	100 %	172 481	5 843	
Boa Crewing 1 AS	2017	Trondheim	100 %	2 740	236	
Boa Crewing 2 AS	2017	Trondheim	100 %	5 260	744	
Boa Crewing 3 AS	2021	Trondheim	100 %	-141	-175	
Boa Contracting AS	2021	Trondheim	100 %	110	199	
Boa Salvage AS	2021	Trondheim	100 %	34	-1	
Subsidiaries (foreign)						
Boa Marine S.A	2006	Gdynia i Polen	100 %	610	316	
Boa Offshore LLC	2011	USA	100 %	-21 466	1	
Tier subsidiaries (foreign)						
Boa Barges LLC	2015	USA	100 %	21 033	-427	
Boa Marine Management LLC	2016	USA	100 %	-14 081	-807	
Boa Marine LLC	2016	USA	100 %	99	0	
Group						
Company			Share	Acq. costs	Book value	Market value
Midnor Bestik (foundation)			0,5 %	10	10	10
EMGS ASA				135	4	0
Nio Inc.				10	0	0
Åfjord Utvikling AS			3,0 %	6	6	6
Åfjord Sparebank				1 974	1 502	1 824
Sum				2 134	1 522	1 839

Note 6 Long-term receivables

	Parent company		Group	
	2021	2020	2021	2020
Receivables from group companies	0	249 477	0	0
Other long-term receivables	750	0	25 538	26 485
Sum	750	249 477	25 538	26 485

Note 7 Shareholder information

	Shares	Equity share	Voting share
Taubåtkompaniet AS	2 000	100,00 %	0,00 %
NT Refectio 22 AS	1	0,00 %	100,00 %
Total number of shares	2 001	100,00 %	100,00 %

The company's share capital is NOK 2 501 250, distributed among 2 000 A-shares of par value NOK 1 250 and 1 B-share of NOK 1 250.

Note 8 Shareholder's equity

Parent company		Share premium	Other restricted equity	Other equity	SUM
	Share capital				
Equity 01.01.	2 501	74 447	3 106	-33 481	46 572
Profit of the year	0	0	0	3 488	3 488
Other changes	0	0	0	-79	-79
Equity 31.12.	2 501	74 447	3 106	-30 072	49 981

Group		Share premium	Other restricted equity	Other equity	SUM
	Share capital				
Equity 01.01.	2 501	74 447	3 106	-409 040	-328 986
Profit of the year	0	0	0	-4 818	-4 818
Other changes	0	0	0	-920	-920
Equity 31.12.	2 501	74 447	3 106	-414 778	-334 724

Note 9 Pension costs

The company is obliged to have a company pension scheme in accordance with the Norwegian Pension Act. All employees are covered by a defined contribution pension scheme.

Note 10 Long-term debts**Parent company**

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

	2022	2023	2024	2025	→
Instalments	0	0	0	0	254 852

Boa Offshore AS has booked debt according to its outstanding bonds at assumed fair value. Both bonds contain provisions that this debt must only be repaid on certain terms.

Group

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

	2022	2023	2024	2025	→
Instalments	99 357	101 753	1 762 176	564 812	183 239

Note 11 Outstanding accounts with companies within the same group

Parent company	Long term liabilities		Short term liabilities	
	2021	2020	2021	2020
Boa Barges AS	0	0	597	597
Boa Barges LLC	0	0	2 242	2 242
Boa IMR AS	109 402	109 402	0	0
Boa OCV AS	124 107	123 401	0	0
Boa Management AS	0	0	3 174	595
Sum	233 509	232 803	6 013	3 434

	Long term receivables		Short term receivables	
	2021	2020	2021	2020
Boa IMR AS	0	0	3 915	1 073
Boa Offshore LLC	0	0	1 099	1 099
Boa Management AS	0	54 700	0	0
Boa Crewing 2 AS	0	2 166	0	0
Boa Shipping AS	0	192 610	0	0
Sum	0	249 477	5 014	2 172

Group	Long term debt		Short term debt	
	2021	2020	2021	2020
Speedlink sp. z o.o.	0	0	0	24
Sum	0	0	0	24

Note 12 Tax

Parent company			
This years tax:		2021	2020
Changes in deferred tax		0	0
Tax payable abroad		0	0
Tax previous years		0	0
This years tax expense		0	0
This years tax basis:		2021	2020
Result before tax		3 488	37 801
Permanent differences		-8 759	-4 670
Changes in timing differences		-3 531	-4 413
Utilized loss carried forward		0	-28 718
This years tax basis		-8 802	0
Temporary differences:		2021	2020
Profit and loss account		-14 122	-17 653
Tax losses carried forward		-170 978	-162 176
Net temporary differences		-185 100	-179 829
Net deferred tax		0	0

Tax losses carried forward is reduced with TNOK 172.902 due to remission of debt in 2020. Net deferred tax asset is not booked on the balance sheet.

Note 12 Tax, continuing.

Group:		
This years tax:	2021	2020
Changes in deferred tax	1 356	314
Tax payable Norway	169	212
Tonnage tax	220	221
Tax previous years	0	0
Tax payable US	3	-1 040
This years tax expense	1 748	-293
This years tax basis, ordinary taxation:	2021	2020
Result before tax	-3 070	199 455
-Result before tax tax by the Norwegian shipowning tax regime.	1 043	-131 101
Permanent differences	-7 623	-23 116
Changes in timing differences	-51 031	-38 083
Utilized loss carried forward	0	-69 824
This years tax basis	-60 681	-62 669
Calculation of tax base for the year shipping taxation:	2021	2020
Profit and loss account	770	962
Financial result	6 357	-422
Tax base for the year	7 127	540
Tax payable in balance:	2021	2020
Calculated tonnage tax	220	221
Taxes payable	169	638
Tax payable in balance	390	859
Temporary differences:	2021	2020
Tangible fixed assets	77 547	22 937
Receivables	2 372	3 446
Profit and loss account	1 375	1 718
Short term liabilities	-2 161	0
Tax losses carried forward	-1 353 702	-1 278 690
Net temporary differences	-1 274 569	-1 250 588
Temporary differences not included	-1 287 369	-1 257 224
Net temporary differences	12 800	6 636
Net deferred tax	-2 816	-1 460

The shipowning companies in the group are taxed in accordance with the Norwegian shipowning tax regime.

Note 13 Pledges and guarantees, etc.

Parent company:		
Book debt secured by pledge:	2021	2020
Debts to credit institutions	0	0
Accrued interest	0	0
Total	0	0
Book value of pledged assets:		
	2021	2020
Cash deposits	0	0
Total	0	0
Book value of assets mortgaged for debt for group companies:		
	2021	2020
Shares	0	0
Total	0	0
Guarantee liabilities	0	0
Group:		
Book debt secured by pledge:	2021	2020
Debts to credit institutions	2 528 099	2 567 392
Accrued interest	13 535	13 676
Total	2 541 634	2 581 068
Banker's guarantee	0	20 941
Book value of pledged assets:		
	2021	2020
Cash deposits	159 210	205 620
Accounts receivables	83 858	81 329
Vessels	1 839 117	1 913 521
Shares/bonds	436 451	394 548
Other	20 000	20 000
Total	2 538 635	2 615 017

Note 14 Bank deposits

	Parent company		Group	
Restricted deposits	2021	2020	2021	2020
Employees' tax deduction	0	623	5 395	5 248
Other restricted deposits	120 264	126 592	192 667	249 181
Total	120 264	127 215	198 062	254 428

Other restricted deposits in Boa Offshore AS (MNOK 109) are restricted until processes regarding Boa IMR AS is legally clarified.

Note 15 Intercompany transactions

Management remunerations are mentioned in note 3, and the outstanding accounts with group companies are mentioned in note 9. Mortgages and guarantees are mentioned in note 11.

Parent company:		
Operating transactions:	2021	2020
Income		
- Mother company	0	0
- Subsidiary	0	0
- Other group companies	0	0
Total revenue from operating transactions	0	0
Services		
- Mother company	0	0
- Subsidiary	300	300
- Other group companies	0	0
Total expenses from operating transactions	300	300
Finance transactions:		
Group contribution and dividend		
- Subsidiary	0	0
Interest income		
- Mother company	0	1 446
- Subsidiary	4 375	21 125
- Other group companies	0	35
Other financial income		
- Subsidiary	0	0
- Other group companies	0	0
Income from guarantee commission		
- Subsidiary	0	0
Total income from finance transactions	4 375	22 606
Interest expense		
- Subsidiary	1 858	1 938
- Other group company	0	0
Write-down shares		
- Subsidiary	0	0
Total expenses from finance transactions	1 858	1 938

Service to group companies are priced at the same conditions as for external parts. Services to group companies are management and crew hire. These services are priced at cost + 2,5% to 10%. Financial transactions are priced at the same conditions as for external parts.

Note 15 Intercompany transactions, continuing.**Group:**

Operating transactions:	2021	2020
Income		
- Mother company	0	8
- Other group companies	0	6
Total revenue from operating transactions	0	14
Services		
- Mother company	0	2 500
- Other group companies	0	0
Total expenses from operating transactions	0	2 500
Finance transactions:		
Interest income		
- Mother company	0	1 446
- Other group companies	0	35
Other financial income		
- Other group companies	0	0
Total income from finance transactions	0	1 481
Other financial expense		
- Mother company	0	73 190
Total expenses from finance transactions	0	73 190

Service to group companies are priced at the same conditions as for external parts. Services to group companies are management and crew hire. These services are priced at cost + 2,5% to 10%. Financial transactions are priced at the same conditions as for external parts.

To the General Meeting of Boa Offshore AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Boa Offshore AS, which comprise:

- The financial statements of the parent company Boa Offshore AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Boa Offshore AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bergen, 28 February 2022
Deloitte AS

Tord Teige
State Authorised Public Accountant

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Tord Arne Persson Teige

State Authorised Public Accountant (Norway)

Serienummer: 9578-5997-4-546844

IP: 80.213.xxx.xxx

2022-02-28 15:33:40 UTC



Penneo Dokumentnøkkel: 2IVYS-EKYCE-JUUY2-BFQ5E-TUNGS-NTB5L

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>