



BOA OFFSHORE AS



FIRST
QUARTER

2022

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. It is positioned in the center of the frame, with the sea visible in the foreground and a clear blue sky in the background. The ship's superstructure, including masts and cranes, is visible at the top left. A yellow buoy is attached to a rope in the foreground, and a small white logo is visible on the red hull.

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CEO's Report

GENERAL INFORMATION

The unaudited interim report is prepared in accordance with NGAAP.

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.

REVIEW OF FIRST QUARTER 2022 ACCOUNTS

Operating income in the period was mNOK 190,5 (mNOK 227,6 in the same period 2021).

EBITDA for the period was mNOK 51,8 (mNOK 61,9).
Operating expenses were mNOK 170,7 (mNOK 201,6).
Operating Profit/EBIT was mNOK 19,9 (mNOK 26,0).
Net financial items were mNOK -20,9 (mNOK -17,5).
Profit before tax was mNOK -1,0 (mNOK 8,6).

CASH FLOW IN THE PERIOD

Net cash flow from operating activities was mNOK 10,6 (mNOK 42,6).

Net cash flow from investing activities was mNOK -15,9 (mNOK -15,0).

Net cash flow from financing activities was mNOK -29,0 (mNOK -39,6).

Net change in cash was mNOK -34,3 (mNOK -12,0).

BALANCE SHEET 31.03.2022

Total assets per 31.03.2022 were mNOK 2 486 (mNOK 2 581 per 31.03.2021). Interest bearing debt was mNOK 2 582 (mNOK 2 610), and the equity mNOK -336 (mNOK -320).

Cash and Cash equivalents per 31.03.2022 were mNOK 385 (mNOK 437 per 31.03.2021).

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 10,27 (EBITDA last 12 months).

FINANCIAL RISK

Interest risk

The Group companies are exposed to interest rate fluctuations on long-term debt. By 31.03.2022 the total of the group's interest-bearing debt was mNOK 2 582 where of 1 577 is fixed with non-cash PIK interest and another mNOK 425 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 31.03.2022 is mNOK 385. The parent company has a bond of mNOK 396 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 411 of which mNOK 120 is interest bearing with non-cash PIK interest. The parent company has also a liability to former subsidiary SBL Recovery AS of mNOK 24. The total of outstanding bonds for the group as of 31.03.2022 was mNOK 1 652 whereof mNOK 1 361 is interest bearing (all with non-cash PIK interest). The group has in addition loan to financial institutions of mNOK 1 268 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 31.03.2022.

FUTURE DEVELOPMENT

With Russia's invasion of Ukraine, oil and gas prices have increased due to sanctions and potential elevated sanctions that will mean that buyers of Russian Oil and gas will have to find alternative sources of supply. The oil prices are trading near USD 109 per barrel and Rystad estimates an average brent oil prices around USD 111 per barrel in 2022, compared to near USD 20 per barrel in 2020. There are still market uncertainties as the oil price has seen intensified bouts of volatility not only in relation to the risk premium associated with the loss of

Russian oil barrels from the market, but also downswings due to Covid-19 shutdowns in China, as well as fear over the execution of monetary tightening and financial markets sell-offs.

E&P companies are on track to break previous record profit this year as high oil and gas prices and surging demand drive financial success. With oil prices far above the levels required for the oil and gas industry to turn profits from operations, the market outlook has become increasingly favorable and are experiencing a substantial increase in both rates and contracts awards. As new deals are signed and vessel capacities removed from the market, upwards pressure on supply will intensify in the months and years to come, as a limited number of new vessels are entering the market. Upstream oil and gas spending's are projected to grow 16% compared to last year increase of 3%.

With Russia's invasion of Ukraine, European countries are trying to shift away from Russian gas and coal and the renewable energy market is expected to continue its growth in the coming years and an acceleration of offshore wind permitting processes in Europe is expected. In the short term, challenges may arise with the supply time as sanctions on Russian steel import will tighten the supply of renewable energy equipment. Notwithstanding, the market gives opportunities for alternative work outside the traditional O&G market and tenfolds of traditional offshore vessels have found work in this market. The global installed based capacity is forecasted to grow 21% annually from 2022 to 2027. This is mainly driven by Europe and China in the short term and further by increased activity in Asia and US towards 2027.

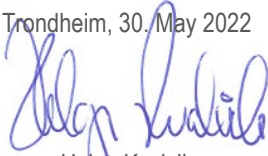
BOA Sub C has been working with DEME Offshore on the St. Nazaire Wind Farm, France, during most of 2021 and into 2022. 2nd of May BSC started to work for Boskalis in UK, the contract will last for 150 days with options. BDC started to work for McDermott India early January, in direct continuation from previous job. BDC will continue with this work until mid-year, several options after this are being evaluated, also with other clients. The market has improved in 2022 and it seems that the market will improve for the coming 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. Boa Barges has a decent 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 1Q and expect 2Q also to be driven by relatively high activity. The Tug and Barge segment has because of the war in Ukraine decided to cancel projects/transactions to Russian counterparts, giving a modest negative impact on the business for 1Q.

STATEMENT FROM THE CEO

I hereby declare that to the best of my knowledge the interim accounts for the first quarter of 2022 are prepared in accordance with NGAAP – Interim financial reporting, and that the information in the financial statements portrays a true picture of the company's assets, liabilities, financial position and result as a whole, as well as the more important risk and uncertainty factors to which the company might be exposed in the next financial period.

Trondheim, 30. May 2022



Helge Kvalvik
CEO



Consolidated Income Statement

(Figures in 1 000 NOK)

	Note	1Q 2022	1Q 2021	FY 2021
Operating income and operating expenses				
Operating income	2	190 538	227 593	844 282
Operating cost ships		62 761	103 168	373 778
Payroll expenses		55 999	52 084	198 083
Depreciation	3	36 552	35 879	144 721
Write down on tangible assets	3	-4 564	0	3 161
Other operating expenses		19 937	10 419	48 326
Total operating expenses		170 684	201 550	768 070
Operating profit		19 854	26 044	76 212
Financial income and expenses				
Other interest income		311	217	849
Other financial income		2 811	2 386	38 055
Write down of other financial fixed assets		-278	0	0
Other interest expenses		20 250	20 301	80 516
Other financial expenses		4 014	-216	37 670
Net financial income and expenses		-20 863	-17 482	-79 282
Operating result before tax		-1 009	8 562	-3 070
Tax on ordinary result		4	0	1 748
Operating result		-1 013	8 562	-4 818

Consolidated Balance Sheet

	Note	31.03.2022	31.03.2021	31.12.2021
<i>(Figures in NOK 1 000)</i>				
Assets				
Tangible fixed assets				
Ships	3	1 816 030	1 901 135	1 847 531
Equipment and other movables	3	5 095	4 340	5 326
Newbuilding	3	95 177	0	79 506
Total tangible fixed assets		1 916 302	1 905 476	1 932 363
Financial fixed assets				
Investments in shares		1 800	1 522	1 522
Other receivables		25 903	26 694	25 538
Total financial fixed assets		27 703	28 215	27 059
Total fixed assets		1 944 004	1 933 691	1 959 423
Current assets				
Inventories		3 713	2 250	1 785
Debtors				
Accounts receivables		93 013	117 218	104 354
Other receivables		60 056	90 703	36 965
Total debtors		153 069	207 920	141 319
Cash and bank deposits		384 833	436 975	419 175
Total current assets		541 615	647 145	562 280
Total assets		2 485 620	2 580 836	2 521 702

Consolidated Balance Sheet

	Note	31.03.2022	31.03.2021	31.12.2021
<i>(Figures in NOK 1 000)</i>				
Equity and liabilities				
Restricted equity				
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	-415 994	-400 523	-414 778
Total retained earnings		-415 994	-400 523	-414 778
Total equity		-335 940	-320 469	-334 724
Liabilities				
Provisions				
Deferred tax		2 816	1 460	2 816
Total provisions		2 816	1 460	2 816
Other long-term liabilities				
Bonds	5	1 396 897	1 374 801	1 393 462
Liabilities to financial institutions	5	1 267 859	1 316 775	1 292 880
Other long term liabilities		24 110	24 947	24 996
Total of other long term liabilities		2 688 866	2 716 523	2 711 338
Current liabilities				
Trade creditors		32 162	30 741	45 917
Liabilities to group companies		0	0	0
Tax payable		0	-52	390
Public duties payable		2 457	2 328	11 422
Other short term liabilities		95 260	150 305	84 543
Total short term liabilities		129 878	183 322	142 272
Total liabilities		2 821 560	2 901 305	2 856 426
Total equity and liabilities		2 485 620	2 580 836	2 521 702

Consolidated Cash Flow Statement

Figures in 1 000 NOK

		1Q 2022	1Q 2021	FY 2021
Cash flow from operating activities				
Profit before income taxes		-1 009	8 562	-3 070
Payment in kind bonds (PIK-bonds)		6 518	6 515	40 648
Income tax paid		-432	485	540
Depreciation and write-down		31 987	35 879	147 882
Write-down of financial fixed assets		-278	0	0
Currency gain/-loss		-217	-186	-3 952
Changes in inventories		-1 929	10 173	10 638
Changes in trade receivables		11 341	-18 726	-5 863
Changes in other receivables		-23 455	25 863	80 658
Changes in trade creditors		-13 756	-7 498	7 678
Changes in receivables from group companies		0	-24	-24
Changes in other short-term liabilities		1 849	-18 410	-74 077
Net cash flow from operating activities	A	10 619	42 632	201 058
Cash flow from investing activities				
Purchase of tangible fixed assets		-15 926	-15 025	-152 911
Net cash flow from investing activities	B	-15 926	-15 025	-152 911
Cash flow from financing activities				
Raised long term liabilities		0	0	35 609
Paid in long term liabilities		-28 703	-39 611	-113 560
Changes in other accruals and liabilities		-332	0	0
Net cash flow from financing activities	C	-29 035	-39 611	-77 950
Net changes in cash and cash equivalents	A+B+C	-34 342	-12 004	-29 803
Cash and cash equivalent start at period		419 175	448 979	448 979
Cash and cash equivalents at end of period		384 833	436 975	419 175



Income Statement

(Figures in 1 000 NOK)

	Note	1Q 2022	1Q 2021	FY 2021
Operating income and operating expenses				
Operating income	2	0	0	0
Payroll expenses		0	1 122	1 122
Other operating expenses		693	690	4 769
Total operating expenses		693	1 812	5 892
Operating profit		-693	-1 812	-5 892
Financial income and expenses				
Interest income from group companies		0	4 319	4 375
Other interest income		131	116	468
Other financial income		0	2	9 373
Interest expense to group companies		450	463	1 858
Other interest expenses		544	557	2 239
Other financial expenses		269	160	739
Net financial income and expenses		-1 132	3 257	9 380
Operating result before tax		-1 826	1 445	3 488
Tax on ordinary result		0	0	0
Operating result		-1 826	1 445	3 488

Balance Sheet

	Note	31.03.2022	31.03.2021	31.12.2021
<i>(Figures in NOK 1 000)</i>				
Assets				
Financial fixed assets				
Investments in subsidiaries		406 206	406 206	406 206
Loans to group companies		0	2 195	0
Other receivables		750	0	750
Total financial fixed assets		406 956	408 400	406 956
Total fixed assets		406 956	408 400	406 956
Current assets				
Receivables				
Trade receivables		123	598	123
Loans to group companies		6 166	3 284	5 014
Other receivables		359	151	485
Total receivables		6 648	4 033	5 622
Cash and bank deposits		121 787	128 988	132 086
Total current assets		128 435	133 020	137 707
Total assets		535 391	541 421	544 663

Balance Sheet

(Figures in NOK 1 000)

Equity and liabilities

Restricted equity

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	-32 230	-32 036	-30 072
Total retained earnings		-32 230	-32 036	-30 072

Total equity

	47 824	48 018	49 981
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Liabilities

Other long term liabilities

Bonds	5	227 116	229 541	229 857
Liabilities to subsidiaries		229 116	233 266	233 509
Other long term liabilities		24 110	24 947	24 996
Total other long term liabilities		480 342	487 754	488 361

Current liabilities

Trade creditors		304	57	78
Liabilities to group companies		6 720	4 951	6 013
Public duties payable		91	19	0
Other short term liabilities		111	623	230
Total short term liabilities		7 225	5 650	6 320

Total liabilities

	487 567	493 403	494 682
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Total liabilities and equity

	535 391	541 421	544 663
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Cash Flow Statement

(Figures in 1 000 NOK)

		1Q 2022	1Q 2021	FY 2021
Cash flow from operating activities				
Profit before income taxes		-1 826	1 445	3 488
Payment in kind bonds (PIK-bonds)		342	461	1 617
Income tax paid		0	0	0
Loss / (gain) on sale of financial items		0	0	0
Write-down of financial fixed assets		0	0	0
Changes in trade receivables		0	81	484
Changes in other receivables		126	446	-637
Changes in trade creditors		226	57	78
Changes in receivables from group companies		-4 839	-4 318	-2 549
Changes in other short-term liabilities		-28	1 271	60
Net cash flow from operating activities	A	-5 998	-557	2 541
Cash flow from investing activities				
Sale of financial fixed assets		0	0	0
Purchase of financial fixed assets		0	0	0
Net cash flow from investing activities	B	0	0	0
Cash flow from financing activities				
Paid in long term liabilities		-3 968	0	0
Changes in other accruals and liabilities		-332	0	0
Capital contribution		0	0	0
Net cash flow from financing activities	C	-4 300	0	0
Net changes in cash and cash equivalents	A+B+C	-10 299	-557	2 541
Cash and cash equivalent start at period		132 086	129 544	129 544
Cash and cash equivalents at end of period		121 787	128 988	132 086

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

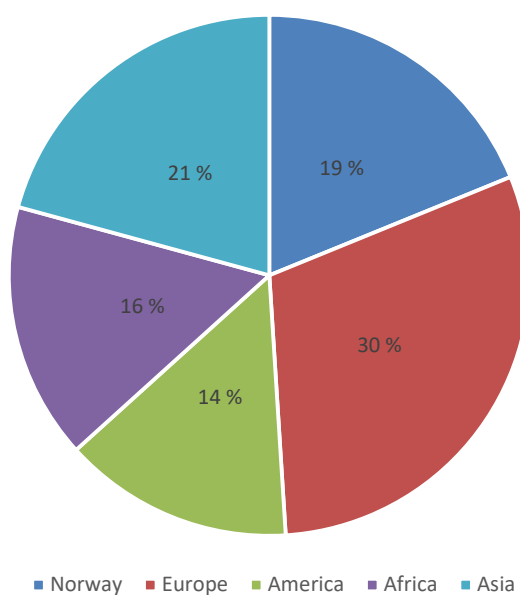
All figures in the notes are quoted in NOK 1 000.

Note 2 Spesification companies and segments

Consolidated - YTD 1Q 2022

Company	Segment	Operating income	EBITDA	Cash 31.03.
Boa OCV AS	OCV	69 401	15 232	88 200
Boa Barges AS	Barges	69 747	18 018	22 961
Boa Barges LLC	Barges	11 771	-5 398	22 949
Boa Tugs AS	Tugs	54 263	11 052	12 105
Boa AHTS Holding AS	AHTS	0	-20	14
Boa AHTS AS	AHTS	13 358	13 291	12 420
Boa Offshore AS	Other	0	-693	121 787
Boa Management AS	Other	22 162	356	64 206
Other / elimination	Other	-50 165	4	40 192
Total		190 538	51 841	384 833

Operating Income per geographical area



Note 3 Fixed assets - consolidated

	Vessels	Newbuilding	Periodic maintenance	Equipment	Sum
Acquisition cost 01.01.	3 896 116	84 070	450 128	25 785	4 457 996
Additions	4 819	11 107	0	0	15 926
Disposals	0	0	0	0	0
Acquisition cost 31.03.	3 900 935	95 177	450 128	25 785	4 473 922
Accumulated depr. 01.01.	2 211 277	4 564	287 435	20 459	2 525 632
Disposals	0	0	0	0	0
Write-down this period	0	-4 564	0	0	-4 564
Depreciation this period	25 366	0	10 955	231	36 552
Accum. depr. 31.03.	2 236 643	0	298 390	20 690	2 557 620
Book value 31.03.	1 664 292	95 177	151 738	5 095	1 916 302
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:					17 062

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	-30 072	49 981
Profit of the year	0	0	0	-1 826	-1 826
Other changes	0	0	0	-332	-332
Equity 31.03.	2 501	74 447	3 106	-32 230	47 824

Consolidated

	Share capital	Share premium	Other restricted equity	Other equity	Total
Equity 01.01.	2 501	74 447	3 106	-414 778	-334 724
Profit of the year	0	0	0	-1 013	-1 013
Capital contribution	0	0	0	0	0
Dividends	0	0	0	0	0
Other changes	0	0	0	-203	-203
Equity 31.03.	2 501	74 447	3 106	-415 994	-335 940

Note 5 Long term liabilities**Parent company**

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

	2022	2023	2024	2025	→
Instalments	0	0	0	0	251 226

Consolidated

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

	2022	2023	2024	2025	→
Instalments	74 623	101 753	1 768 065	564 812	179 613

Note 6 Consolidated income statement - summary

	1Q 2022	1Q 2021	FY 2021
Operating income	190 538	227 593	844 282
Operating expenses	138 697	165 671	620 187
EBITDA	51 841	61 922	224 094
EBITDA %	27 %	27 %	27 %
Depreciation and write-down	31 987	35 879	147 882
EBIT	19 854	26 044	76 212
Net finance	-20 863	-17 482	-79 282
Pre tax profit	-1 009	8 562	-3 070
Tax	4	0	1 748
Net profit	-1 013	8 562	-4 818

Note 7 Interest bearing debt / equity

Key figures	31.03.22	31.03.21	31.12.21
Interest bearing debt	2 581 698	2 610 370	2 605 244
Cash and cash equivalents	384 833	436 975	419 175
Net Interest Bearing Debt (NIBD)	2 196 865	2 173 395	2 186 068
NIBD / EBITDA *	10,27	9,70	9,76
* Last four quarters			
Booked equity ratio	-13,5 %	-12,4 %	-13,3 %
Value adjusted equity ratio	14,8 %	15,5 %	13,9 %





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