



BOA OFFSHORE AS



THIRD QUARTER

2022

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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 -99,9 (mNOK -1,0).

Net change in cash was mNOK -71,5 (mNOK 17,4).

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 ship management and several ship owning companies within the following segments: tugboats, barges, and offshore vessels. The tugboat activity, including salvage, operates along the Norwegian coast and the North Sea. The barge fleet consists of larger flattop and semi-submersible barges operated internationally, and the offshore fleet consist of AHTS and offshore construction vessels operating worldwide. The head office is located in Trondheim.

BALANCE SHEET 30.09.2022

Total assets per 30.09.2022 were mNOK 1 788 (mNOK 2 564 per 30.09.2021). Interest bearing debt was mNOK 1 503 (mNOK 2 598), and the equity mNOK 16 (mNOK - 327).

Cash and Cash equivalents per 30.09.2022 were mNOK 331 (mNOK 417 per 30.09.2021).

The booked value of equity for the Group is 0,9%. Value adjusted equity ratio is 19,2%. NIBD/EBITDA ratio was 5,76 (EBITDA last 12 months ex. gain from exit of subsidiary).

REVIEW OF THIRD QUARTER 2022 ACCOUNTS

Operating income* in the period was mNOK 616,7 (mNOK 179,3 in the same period 2021).

EBITDA for the period was mNOK 471,8 (mNOK 48,2).

Operating expenses were mNOK 144,8 (mNOK 131,2).

Operating Profit/EBIT was mNOK 447,0 (mNOK 11,5).

Net financial items were mNOK -93,7 (mNOK -17,8).

Profit before tax was mNOK 353,3 (mNOK -6,3).

** incl. gain of mNOK 460 from exit of subsidiary*

CASH FLOW IN THE PERIOD

Net cash flow from operating activities was mNOK 43,0 (mNOK 64,1).

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

FINANCIAL RISK

Interest risk

The Group companies are exposed to interest rate fluctuations on long-term debt. By 30.09.2022 the total of the group's interest-bearing debt was mNOK 1 503 where of 529 is fixed with non-cash PIK interest and another mNOK 403 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 30.09.2022 is mNOK 331. 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 412 of which mNOK 121 is interest bearing with non-cash PIK interest. The parent company has also a liability to the former subsidiaries SBL Recovery AS and Boa OCV AS of mNOK 145. The group has in addition loan to financial institutions of mNOK 1 237 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 IN THE PERIOD

On 28 Juli 2022, Nordic Trustee exercised the Stock Accession Option on behalf of the bondholders of Boa OCV AS. Consequently, the Bond Trustee has taken possession of the shares in Boa OCV AS and transferred ownership to NT Refectio 24 AS, ultimately owned by Stiftelsen NT Refectio. Boa Management continues the management agreement with Boa OCV AS and the vessel Boa Sub C.

EVENTS AFTER THE BALANCE SHEET DATE

A summons to a bondholder's meeting was sent on 11 October 2022 after several months of dialogue with the A-share owner Taubåtkompaniet AS regarding settlement of the rest claim and the transfer of the B-share issued by Boa Offshore AS to Taubåtkompaniet AS. The proposed resolutions were adopted in bondholders's meetings held 25 October 2022, the completion occurred on 31 October 2022 and settlement of the rest claim 3 November 2022.

FUTURE DEVELOPMENT

Boa Offshore's Barge and Tug segments are exposed to several industries and demand drivers and remain relatively stable and robust. Boa Barges had less activity than expected in Q3 however activity and prospects for 2023 and beyond is promising, especially in the offshore wind market. BOA Tugs experienced a strong first half and despite a slower Q3 we see 4Q to be driven by reasonable activity. The Tug and Barge segment has due to the war in Ukraine cancelled projects/transactions to Russian counterparts, giving a modest negative impact on the business in 2022.

STATEMENT FROM THE CEO

I hereby declare that to the best of my knowledge the interim accounts for the third 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, 29. November 2022


 Ole T. Børnevik
 CEO



Consolidated Income Statement

(Figures in 1 000 NOK)

	Note	3Q 2022	YTD 2022	3Q 2021	YTD 2021
Operating income and operating expenses					
Operating income	2	616 665	1 045 041	179 343	634 740
Operating cost ships		60 804	202 357	74 271	291 649
Payroll expenses		70 063	183 311	46 896	142 253
Depreciation	3	24 816	97 217	36 417	108 390
Write down on tangible assets	3	0	-4 564	252	3 151
Other operating expenses		13 958	52 667	10 021	32 895
Total operating expenses		169 640	530 988	167 857	578 337
Operating profit		447 025	514 053	11 486	56 402
Financial income and expenses					
Other interest income		458	1 166	176	572
Other financial income		6 584	19 259	6 148	13 594
Write down of other financial fixed assets		0	-278	0	0
Other interest expenses		16 363	57 154	19 806	60 307
Other financial expenses		84 386	121 941	4 279	7 889
Net financial income and expenses		-93 707	-158 392	-17 761	-54 030
Operating result before tax		353 317	355 661	-6 275	2 372
Tax on ordinary result		4	13	0	3
Operating result		353 313	355 648	-6 275	2 369

Consolidated Balance Sheet

	Note	30.09.2022	30.09.2021	31.12.2021
<i>(Figures in NOK 1 000)</i>				
Assets				
Tangible fixed assets				
Ships	3	1 227 571	1 921 103	1 847 531
Equipment and other movables	3	5 309	5 092	5 326
Newbuilding	3	124 076	0	79 506
Total tangible fixed assets		1 356 956	1 926 195	1 932 363
Financial fixed assets				
Investments in shares		1 800	1 522	1 522
Other receivables		22 313	26 793	25 538
Total financial fixed assets		24 113	28 314	27 059
Total fixed assets		1 381 069	1 954 509	1 959 423
Current assets				
Inventories		3 376	2 882	1 785
Debtors				
Accounts receivables		39 359	142 685	104 354
Loan to group companies		0	0	0
Other receivables		33 169	47 179	36 965
Total debtors		72 529	189 864	141 319
Cash and bank deposits		330 704	417 216	419 175
Total current assets		406 609	609 963	562 280
Total assets		1 787 678	2 564 472	2 521 702

Consolidated Balance Sheet

	Note	30.09.2022	30.09.2021	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	-64 095	-407 270	-414 778
Total retained earnings		-64 095	-407 270	-414 778
Total equity		15 958	-327 217	-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	227 797	1 387 700	1 393 462
Liabilities to financial institutions	5	1 236 840	1 291 179	1 292 880
Other long term liabilities		144 905	25 134	24 996
Total of other long term liabilities		1 609 543	2 704 013	2 711 338
Current liabilities				
Trade creditors		12 415	51 833	45 917
Tax payable		0	0	390
Public duties payable		3 345	5 904	11 422
Other short term liabilities		143 602	128 478	84 543
Total short term liabilities		159 361	186 215	142 272
Total liabilities		1 771 720	2 891 688	2 856 426
Total equity and liabilities		1 787 678	2 564 472	2 521 702

Consolidated Cash Flow Statement

Figures in 1 000 NOK

		3Q 2022	YTD 2022	3Q 2021	YTD 2021
Cash flow from operating activities					
Profit before income taxes		353 317	355 661	-6 275	2 372
Payment in kind bonds (PIK-bonds)		340	13 405	6 465	19 527
Income tax paid		43	-390	0	487
Depreciation and write-down		24 816	92 653	36 670	111 541
Gain on sale of tangible fixed assets		0	-12 262	0	0
Gain on exit of subsidiary		-459 517	-459 517	0	0
Write-down of financial fixed assets		0	-278	0	0
Currency gain/-loss		7 434	12 624	-245	-1 526
Changes in inventories		-403	-1 591	-178	9 541
Changes in trade receivables		104 016	64 994	-17 296	-44 194
Changes in other receivables		29 900	10 610	7 435	69 189
Changes in trade creditors		-50 489	-33 503	-13 551	13 593
Changes in receivables from group companies		0	0	0	-24
Changes in other short-term liabilities		33 495	67 749	51 087	-36 660
Net cash flow from operating activities	A	42 953	110 155	64 111	143 846
Cash flow from investing activities					
Sale of tangible fixed assets		0	50 119	0	0
Purchase of tangible fixed assets		-14 584	-82 780	-45 691	-110 401
Net cash flow from investing activities	B	-14 584	-32 660	-45 691	-110 401
Cash flow from financing activities					
Raised long term liabilities		15 301	39 126	23 674	23 674
Paid in long term liabilities		-24 874	-114 419	-24 649	-88 881
Changes in other accruals and liabilities		-90 341	-90 673	0	0
Net cash flow from financing activities	C	-99 914	-165 966	-975	-65 207
Net changes in cash and cash equivalents	A+B+C	-71 545	-88 471	17 445	-31 762
Cash and cash equivalent start at period		402 250	419 175	399 771	448 979
Cash and cash equivalents at end of period		330 704	330 704	417 217	417 217



Income Statement

(Figures in 1 000 NOK)

	Note	3Q 2022	YTD 2022	3Q 2021	YTD 2021
Operating income and operating expenses					
Operating income	2	0	0	0	0
Payroll expenses		753	2 231	0	1 122
Other operating expenses		793	1 875	480	1 504
Total operating expenses		1 545	4 107	480	2 626
Operating profit		-1 545	-4 107	-480	-2 626
Financial income and expenses					
Interest income from group companies		0	0	27	4 375
Other interest income		161	425	117	348
Other financial income		3	11	0	20
Interest expense to group companies		140	1 039	466	1 393
Other interest expenses		856	1 943	561	1 680
Other financial expenses		190	670	148	440
Net financial income and expenses		-1 022	-3 217	-1 031	1 230
Operating result before tax		-2 567	-7 323	-1 511	-1 396
Tax on ordinary result		0	0	0	0
Operating result		-2 567	-7 323	-1 511	-1 396

Balance Sheet

	Note	30.09.2022	30.09.2021	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	2 224	0
Other receivables		856	0	750
Total financial fixed assets		407 061	406 206	406 956
Total fixed assets		407 061	406 206	406 956
Current assets				
Receivables				
Trade receivables		16	598	123
Loans to group companies		7 570	4 700	5 014
Other receivables		316	417	485
Total receivables		7 902	5 715	5 622
Cash and bank deposits		119 816	129 331	132 086
Total current assets		127 718	135 045	137 707
Total assets		534 780	541 251	544 663

Balance Sheet

(Figures in NOK 1 000)

Equity and liabilities

Restricted equity

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	-37 728	-34 877	-30 072
Total retained earnings		-37 728	-34 877	-30 072

Total equity

	42 326	45 177	49 981
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Liabilities

Other long term liabilities

Bonds	5	227 797	230 240	229 857
Liabilities to subsidiaries		109 402	234 197	233 509
Other long term liabilities		144 905	25 134	24 996
Total other long term liabilities		482 104	489 571	488 361

Current liabilities

Trade creditors		164	149	78
Liabilities to group companies		9 907	6 297	6 013
Other short term liabilities		279	57	230
Total short term liabilities		10 350	6 503	6 320

Total liabilities

	492 454	496 075	494 682
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Total liabilities and equity

	534 780	541 251	544 663
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Cash Flow Statement

(Figures in 1 000 NOK)

		3Q 2022	YTD 2022	3Q 2021	YTD 2021
Cash flow from operating activities					
Profit before income taxes		-2 567	-7 323	-1 511	-1 396
Payment in kind bonds (PIK-bonds)		341	1 023	350	1 274
Income tax paid		0	0	0	0
Changes in trade receivables		0	107	0	81
Changes in other receivables		-164	63	-382	181
Changes in trade creditors		161	86	149	149
Changes in receivables from group companies		-119 677	-122 934	2 654	-1 263
Changes in other short-term liabilities		121 091	121 007	-2	760
Net cash flow from operating activities	A	-815	-7 969	1 259	-214
Cash flow from investing activities					
Sale of financial fixed assets		0	0	0	0
Purchase of financial fixed assets		0	0	0	0
Net cash flow from investing activities	B	0	0	0	0
Cash flow from financing activities					
Paid in long term liabilities		0	-3 968	0	0
Changes in other accruals and liabilities		0	-332	0	0
Capital contribution		0	0	0	0
Net cash flow from financing activities	C	0	-4 300	0	0
Net changes in cash and cash equivalents	A+B+C	-815	-12 270	1 259	-214
Cash and cash equivalent start at period		120 631	132 086	128 072	129 544
Cash and cash equivalents at end of period		119 816	119 816	129 331	129 331

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

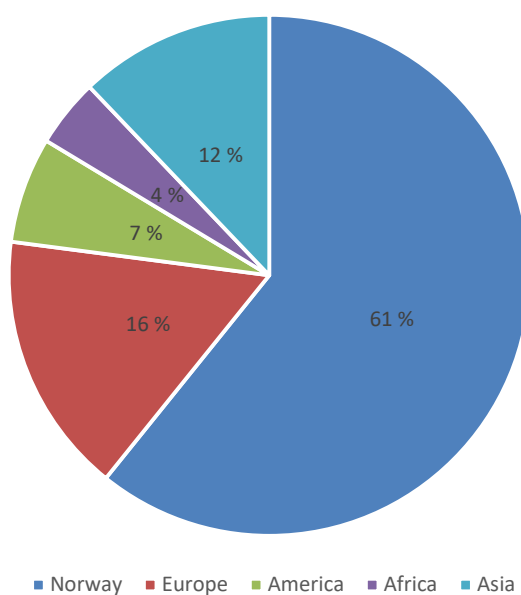
All figures in the notes are quoted in NOK 1 000.

Note 2 Spesification companies and segments

Consolidated - YTD 3Q 2022

Company	Segment	Operating income	EBITDA	Cash 30.09.
Boa OCV AS	OCV	216 865	64 862	0
Boa Barges AS	Barges	137 240	34 521	24 762
Boa Barges LLC	Barges	52 214	-7 441	42 613
Boa Tugs AS	Tugs	181 760	34 287	33 005
Boa AHTS Holding AS	AHTS	0	-46	14
Boa AHTS AS	AHTS	40 074	39 874	8 040
Boa Offshore AS	Other	0	-4 107	119 816
Boa Management AS	Other	64 016	-13 228	70 648
Other / elimination	Other	352 871	457 984	31 807
Total		1 045 041	606 706	330 704

Operating Income per geographical area



Note 3 Fixed assets - consolidated

	Vessels	Newbuilding	Periodic maintenance	Equipment	Sum
Acquisition cost 01.01.	3 896 115	84 071	450 128	25 785	4 457 996
Additions	18 969	40 004	23 066	740	82 780
Disposals	-1 290 584	0	-270 282	0	-1 560 866
Acquisition cost 30.09.	2 624 500	124 076	202 912	26 525	2 979 910
Accumulated depr. 01.01.	2 211 277	4 564	287 435	20 459	2 525 632
Disposals	-808 643	0	-186 688	0	-995 331
Write-down this period	0	-4 564	0	0	-4 564
Depreciation this period	68 982	0	27 479	757	97 217
Accum. depr. 30.09.	1 471 615	0	128 226	21 216	1 622 954
Book value 30.09.	1 152 885	124 076	74 686	5 309	1 356 956
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:					55 557

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	-7 323	-7 323
Other changes	0	0	0	-332	-332
Equity 30.06.	2 501	74 447	3 106	-37 728	42 326

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	355 648	355 648
Other changes	0	0	0	-4 966	-4 966
Equity 30.06.	2 501	74 447	3 106	-64 095	15 958

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	372 702

Consolidated

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

	2022	2023	2024	2025	→
Instalments	24 874	100 278	546 844	564 845	372 702

Note 6 Consolidated income statement - summary

	3Q 2022	YTD 2022	3Q 2021	YTD 2021
Operating income*	616 665	1 045 041	179 343	634 740
Operating expenses	144 824	438 335	131 187	634 740
EBITDA	471 841	606 706	48 156	167 943
EBITDA %	77 %	58 %	27 %	26 %
Depreciation and write-down	24 816	92 653	36 670	111 541
EBIT	447 025	514 053	11 486	56 402
Net finance	-93 707	-158 392	-17 761	-54 030
Pre tax profit	353 317	355 661	-6 275	2 372
Tax	4	13	0	3
Net profit	353 313	355 648	-6 275	2 369

* incl. gain of mNOK 460 from exit of subsidiary

EBITDA ex gain:	12 323	147 189	48 156	167 943
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Note 7 Interest bearing debt / equity

Key figures	30.09.22	30.09.21	31.12.21
Interest bearing debt	1 502 595	2 597 676	2 605 244
Cash and cash equivalents	330 704	417 216	419 175
Net Interest Bearing Debt (NIBD)	1 171 890	2 180 460	2 186 068
NIBD / EBITDA *	5,76	10,14	9,76

* Last four quarters ex. gain from exit of subsidiary

Booked equity ratio	0,9 %	-12,8 %	-13,3 %
Value adjusted equity ratio	19,2 %	13,8 %	13,9 %



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