



BOA OFFSHORE AS



ANNUAL
REPORT

2022

BOA OFFSHORE AS

GROUP

BOARD'S ANNUAL REPORT FOR 2022

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 anchor handling tug supply vessels. 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. 158 employees and, in the opinion of the Board, a good work environment. The total absenteeism rate for the year was around 5%.

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, 3,9 % in BOA Crewing 2 AS, and 0% employed in BOA Crewing 3.

	#Employees	Female	Temporary employment
BOA Management AS	37	8	0%
BOA Crewing 1	43	0	0%
BOA Crewing 2	69	2	23,2%
BOA Crewing 3	2	0	0%

BOA Management AS, which includes the onshore organization consists of 21,6% women. This number has increased from 15% in 2020 after a strategic focus to increase female employment in all parts of the organization. This focus will continue in 2023.

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 and paid according to the current scale of tariffs.

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. The Boa Offshore Group will in second quarter, on its website, publish their Report on work on fundamental human rights and decent working conditions, covering all its subsidiaries.

Continued operations

In July 2022, bondholders in subsidiary Boa OCV AS exercised the stock accession option and transferred ownership to NT Refectio 24 AS (owned by Stiftelsen Refectio). Boa Management AS maintained management of the only vessel remaining until the vessel BOA SUB C was sold in February 2023. In October 2022, the parent company Taubåtkompaniet AS refinanced and repaid the rest claim and the B-share was transferred to Taubåtkompaniet AS, now the company with controlling interest. 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 2022 for the company and the Group were drawn up under the assumption of continued operations.

Review of annual accounts:

The operating profit for the Group in 2022 was MNOK 651.2, compared to MNOK 76.2 in 2021. In 2022 MNOK 459.5 relates to gain from exit of subsidiary, ship value impairment losses of MNOK 6.3 were made and MNOK 141,3 of previously impairment losses were reversed.

Net financial items were MNOK -177.3 (loss), compared to MNOK -79,3 in 2021.

The Group had in 2022 a net tax expense of MNOK 3.7, compared to MNOK 1.7 in 2021.

The profit for the year was a gain of MNOK 470.2 compared to a loss of MNOK 4.8 in 2021.

Total year end assets were MNOK 1 934, compared to MNOK 2 522 the previous year. The equity on December 31, 2022 was MNOK 133, compared with MNOK -335 on December 31, 2021. The value adjusted equity ratio per 31.12.2022 was 24,7% compared to 13.9 % 31.12.2021. This is based on two independent ship broker valuations.

The previous Board entered into an agreement for a Phantom Shares long-term incentive program (LTIP) for the CEO and selected Directors that were to be settled upon change of control. The calculation of the LTIP was made by the previous management and was paid out before the change of control. The LTIP stands for mNOK -33,3 of the operating cash flow. In addition the former board made a remission of a mNOK 9,7 loan to former CEO, prior to change of control.

During 2022 research and development costs amounted to mNOK 11,0 was activated in the The Group's newbuilding program.

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 31.12.2022 the total of the group's interest-bearing debt was MNOK 1 571 where of MNOK 278 is fixed with non-cash PIK interest and another MNOK 392 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 Groups liquidity position as per 31.12.2022 is mNOK 245. The parent company has outstanding bonds of mNOK 279 listed at Oslo Stock Exchange Nordic ABN. The bond is not interest bearing after the repayment of the rest claim. The company has liabilities to group companies and related parties of mNOK 253. The group has in addition loan to financial institutions of mNOK 1 318 with various maturities between 2024 and 2025.

Appropriation of profits:

The year-end result of the parent company, Boa Offshore AS, was MNOK 7.4. The Board proposes the following distribution:

Transferred to other equity	MNOK	7.4
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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, 2022.

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 increased in first-half 2022 and declined in second-half 2022. In the first half of 2022, Russia's invasion of Ukraine contributed to oil price increases because of supply concerns. In second half of 2022 oil prices generally decreased as concerns about a possible economic recession reduced demand. In the final trading day of 2022, the spot price closed at USD 85, USD 7 higher than the price in the beginning of the year. Even though there is a geopolitical and macroeconomic uncertainty in the year ahead, O&G companies are given a clear mandate to secure supply in the short term, while transitioning to cleaner energy. The outlook for the global O&G market is still promising.

Boa Offshore's Barge and Tug segments are exposed to more industries and demand drivers than oil and gas, and are increasingly involved in the offshore wind market. 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. Boa Barges has a robust backlog for 2023 and into 2024, and market activity remains healthy. Boa Tugs has seen activities dropping in the weaker winter period. This is expected to improve into the summer season.

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. The options were declared early in 2023, and both vessels will be on contract with the The Norwegian Defense Logistic Organization until 2030.

Trondheim, 28. April 2023

The Board of Boa Offshore AS

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Siw M. Bjørnevik
Board member

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Eskil Bjørnevik
Board member

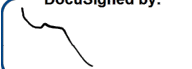
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Tore Holtan
Board member

DocuSigned by:

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Ole T. Bjørnevik
Chairman of the Board/
CEO

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Ivar J. Koteng
Board member



Income statement

Boa Offshore AS

Figures in 1 000 NOK

Parent company				Group	
2022	2021		Note	2022	2021
Operating income and operating expenses					
<u>0</u>	<u>0</u>	Total operating income	2	<u>1 165 152</u>	<u>844 282</u>
0	0	Operating cost ships		252 286	373 778
2 231	1 122	Payroll expenses	3, 9, 15	215 928	198 083
0	0	Depreciation	4	118 031	144 721
0	0	Write down fixed assets	4	-135 042	3 161
789	4 769	Other operating expenses	3, 15	62 740	48 326
<u>3 021</u>	<u>5 892</u>	Total operating expenses		<u>513 943</u>	<u>768 070</u>
<u>-3 021</u>	<u>-5 892</u>	Operating result		<u>651 209</u>	<u>76 212</u>
Financial income and expenses					
0	4 375	Interest income from group companies	15	0	0
493	468	Other interest income		1 623	849
58 266	9 373	Other financial income		61 956	38 055
0	0	Depreciation of financial current assets		-278	0
4 076	1 858	Interest expense to group companies	15	3 037	0
3 881	2 239	Other interest expenses		74 029	80 516
40 400	739	Other financial expenses		164 121	37 670
<u>10 402</u>	<u>9 380</u>	Financial result		<u>-177 329</u>	<u>-79 282</u>
<u>7 382</u>	<u>3 488</u>	Result before tax		<u>473 880</u>	<u>-3 070</u>
0	0	Tax on ordinary result	12	3 693	1 748
<u>7 382</u>	<u>3 488</u>	Profit for the year		<u>470 188</u>	<u>-4 818</u>
-7 382	-3 488	From other equity	8	-470 188	4 818
<u>7 382</u>	<u>3 488</u>	Net brought forward		<u>470 188</u>	<u>-4 818</u>

Balance sheet

Boa Offshore AS

Figures in 1 000 NOK

Parent company				Group	
31.12.2022	31.12.2021		Note	31.12.2022	31.12.2021
		Fixed assets			
		Intangible assets			
		Tangible fixed assets			
0	0	Vessels		1 349 101	1 847 531
0	0	Equipment and other movables		5 152	5 326
0	0	Newbuilding contracts		233 839	79 506
<u>0</u>	<u>0</u>	Total tangible fixed assets	4	<u>1 588 092</u>	<u>1 932 363</u>
		Financial fixed assets			
337 206	406 206	Investments in subsidiaries	5	0	0
0	0	Investments in shares	5	1 800	1 522
0	750	Other receivables	6, 9	495	25 538
<u>337 206</u>	<u>406 956</u>	Total financial fixed assets		<u>2 295</u>	<u>27 059</u>
<u>337 206</u>	<u>406 956</u>	Total fixed assets		<u>1 590 387</u>	<u>1 959 423</u>
		Current assets			
0	0	Inventories		3 019	1 785
		Receivables			
20	123	Trade receivables		48 926	104 354
8 899	5 014	Loans to group companies	11	0	0
4 508	485	Other receivables		46 936	36 965
<u>13 427</u>	<u>5 622</u>	Total receivables		<u>95 861</u>	<u>141 319</u>
		Investments			
118 942	132 086	Cash and bank deposits	2, 14	244 953	419 175
<u>132 368</u>	<u>137 707</u>	Total current assets		<u>343 834</u>	<u>562 280</u>
<u>469 574</u>	<u>544 663</u>	Total assets		<u>1 934 221</u>	<u>2 521 702</u>

Balance sheet

Boa Offshore AS

Figures in 1 000 NOK

Parent company				Group	
31.12.2022	31.12.2021		Note	31.12.2022	31.12.2021
		Equity and liabilities			
		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			
-23 023	-30 072	Other equity	8	52 985	-414 778
-23 023	-30 072	Total retained earnings		52 985	-414 778
57 031	49 981	Total equity		133 038	-334 724
		Liabilities			
		Provisions			
0	0	Deferred tax	12	6 335	2 816
0	0	Total provisions		6 335	2 816
		Other long term liabilities			
109 402	229 857	Bonds	10, 13	109 402	1 393 462
0	0	Liabilities to financial institutions	10, 13	1 317 871	1 292 880
207 735	233 509	Liabilities to group companies	11	167 333	0
85 990	24 996	Other long term liabilities	10, 13	85 990	24 996
403 126	488 361	Total other long term liabilities		1 680 596	2 711 338
		Current liabilities			
277	78	Trade creditors		21 096	45 917
9 123	6 013	Liabilities to group companies	11	0	0
0	0	Tax payable	12	168	390
0	0	Public duties payable		8 147	11 422
16	230	Other short term liabilities		84 841	84 543
9 416	6 320	Total short term liabilities		114 252	142 272
412 543	494 682	Total liabilities		1 801 183	2 856 426
469 574	544 663	Total liabilities and equity		1 934 221	2 521 702

Balance sheet

Boa Offshore AS

Trondheim, 28. April 2023

The board of Boa Offshore AS

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Siw M. Bjørnevik

Board member

DocuSigned by:



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Tore Holtan

Board member

DocuSigned by:



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Ole T. Bjørnevik

Chairman of the Board /

CEO

DocuSigned by:



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Eskil Bjørnevik

Board member

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Ivar J. Koteng

Board member

Consolidated Cash Flow Statement

Boa Offshore AS

Figures in 1 000 NOK

2022	2021		2022	2021
		Cash flow from operating activities		
7 382	3 488	Profit before income taxes	473 880	-3 070
3 426	1 617	Payment in kind (PIK)	37 498	40 648
0	0	Income tax paid	-390	540
0	0	Depreciation and write-down	-17 011	147 882
0	0	Gain on sale of financial fixed assets	-12 262	0
0	0	Gain on exit of subsidiary	-459 517	0
-18 790	0	Write-down of financial fixed assets	52 545	0
0	0	Currency gain/-loss	10 293	-3 952
0	0	Changes in inventories	-1 235	10 638
103	484	Changes in trade receivables	-51 734	-5 863
-3 273	-637	Changes in other receivables	19 940	80 658
199	78	Changes in trade creditors	18 657	7 678
-4 868	-2 549	Changes in receivables from group companies	0	-24
3 820	60	Changes in other short-term liabilities	4 936	-74 077
-12 001	2 541	Net cash flow from operating activities	75 600	201 058
		Cash flow from investing activities		
0	0	Sale of tangible fixed assets	50 119	0
0	0	Purchase of tangible fixed assets	-204 253	-152 911
0	0	Net cash flow from investing activities	-154 134	-152 911
		Cash flow from financing activities		
270 718	0	Raised long term liabilities	409 131	35 609
-271 860	0	Paid in long term liabilities	-407 218	-113 560
0	0	Cash impact from sale of subsidiary	-97 602	0
-1 143	0	Net cash flow from financing activities	-95 689	-77 950
-13 144	2 541	Net changes in cash and cash equivalents	-174 222	-29 803
132 086	129 544	Cash and cash equivalent start at period	419 175	448 979
118 942	132 086	Cash and cash equivalents at end of period	244 953	419 175



Notes to 2022 annual report

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.

Notes to 2022 annual report

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.

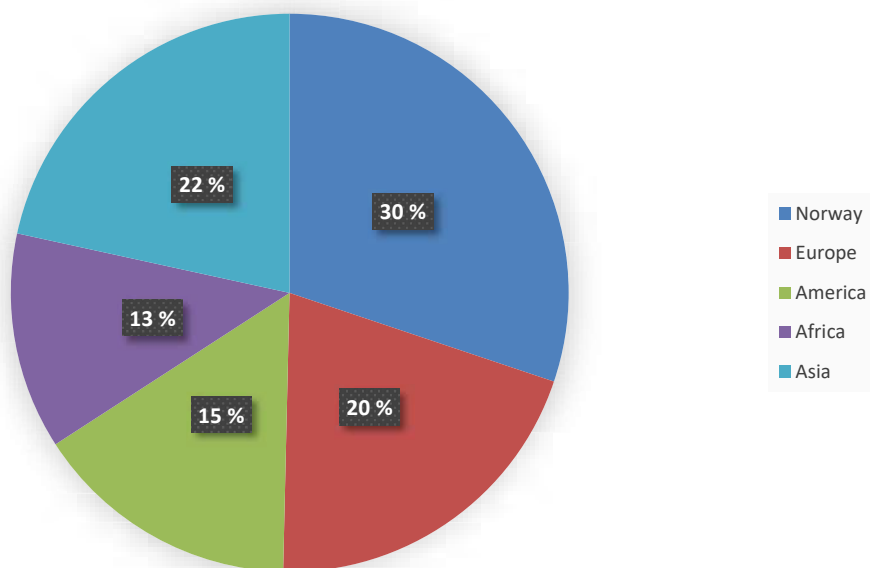
Miscellaneous

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

Notes to 2022 annual report

Note 2 Segments**Group**

Company	Segment	Operating income	EBITDA	Cash
Boa OCV AS	OCV	216 865	64 862	0
Boa Barges AS	Barge	171 907	46 647	30 670
Boa Barges LLC	Barge	80 763	-24 475	22 197
Boa Tugs AS	Tugs	228 991	36 880	21 591
Boa AHTS Holding AS	AHTS	0	-74	0
Boa AHTS AS	AHTS	53 433	53 160	12 479
Boa Offshore AS	Other	0	-3 021	118 942
Boa Management AS	Other	86 178	-9 842	15 550
Other/elimination	Other	327 016	470 061	23 525
Sum		1 165 152	634 198	244 953

Operating Income per geographical area

Notes to 2022 annual report

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

	Parent company		Group	
	2022	2021	2022	2021
Salaries	0	0	165 981	161 544
Employer's national insurance contribution	231	111	19 365	16 112
Pension contribution	0	0	5 832	5 879
Other personnel expenses	0	0	23 414	10 268
Hired in staff	2 000	1 012	7 014	13 036
Total personnel costs	2 231	1 122	215 928	198 083

Number of man-labour years employed	0	0	201	238
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Management remuneration	LTIP	Salary	Other	Total
CEO	0	0	1 000	1 000
Former CEO*	12 538	3 121	17 007	32 666
Board member			823	823
Board of Directors				
		parent company		2 000
		group		2 572

*Included in the formers CEO's remuneration is a remission of a mNOK 9,7 loan made by the former board.

Long term incentive program (LTIP)

Boa Management AS had a share-based long term incentive program for certain directors established in 2020. The program was terminated in 2022 due to change of control.

The directors that entered the program was offered to subscribe for phantom shares in Boa Offshore AS. The subscription price for each Phantom share was the market value of each ordinary share based on a valuation dated 20 January 2020. The total number of phantom shares was 200, and the subscription price was NOK 1.562,50 per share.

The directors had an obligation to hold on to and keep the phantom shares for a period of five years. Upon expiration period of five years, the directors should sell the phantom shares, and the company should 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 expensed related to LTIP was 21,7 mNOK for 2022 in addition of mNOK 11,5 in 2021. The program was terminated in 2022 and a total amount of mNOK 33,3 was paid to the participants in October, of this mNOK 12,5 to the former CEO.

Loan and securities to shareholders, management personnel and employees

	Amount	Interest rate	Securities
Related parties	242	1,3 - 2,3 %	Security in fixed assets

Auditor

	Parent company	Group
Audit fee for 2022 to Deloitte AS was NOK	448	1 245
Fee for audit related services was NOK	0	426
Fee paid to Deloitte Advokatfirma AS was NOK	0	299

Notes to 2022 annual report

Note 4 Fixed assets**Group**

	Vessels	Newbuilding	Periodic maintenance	Equipment	Sum
Acquisition cost on 01.01	3 896 115	84 071	450 128	25 785	4 456 100
Additions	23 659	149 768	29 946	880	204 253
Disposals	-1 290 584	0	-270 282	0	-1 560 866
Acquisition cost on 31.12	2 629 190	233 839	209 793	26 665	3 099 486
Accumulated depreciation 01.01	2 211 277	4 564	287 435	20 459	2 523 736
Acc. depreciation disposals	-808 643	0	-186 688	0	-995 331
Depreciation this year	84 307	0	32 671	1 054	118 032
Write-down this year	-130 478	-4 564	0	0	-135 042
Accum. depreciation 31.12.	1 356 462	0	133 419	21 513	1 511 394
Book value	1 272 728	233 839	76 374	5 152	1 588 092
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

56 169

By the end of 2022, 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. Based on independent broker values and firm offers, the group has reversed previous impairments made to three tugs for a total of 36.803.236 and two AHTS vessels of 100.000.000. In addition, two tugs has been impaired for 6.325.262, making the total impact of reversed impairments for the year 135.042.375. Included in the total is also an reversed impairment of 4.564.401 on the group's newbuilding program; Boa Barge 38. Boa Barge 38 is a Semi Submersible Heavy Lift and Launching Cargo Barge, finalized in February 2023.

Notes to 2022 annual report

Note 5 Shareholdings in subsidiaries, associated companies and joint ventures

Group	Year of acquisition	Office address	Share	Equity Dec. 31 2022	Results 2022
Subsidiaries (Norwegian)					
Boa Shipping AS	2000	Trondheim	100 %	302 211	61 364
Boa OCV AS*	2002	Trondheim	0 %	0	16 171
Boa IMR AS	2014	Trondheim	63 %	31 457	-4 642
Tier subsidiaries (Norwegian)					
Boa Barges AS	2008	Trondheim	100 %	352 369	-19 397
Boa Tugs AS	2008	Trondheim	100 %	110 810	49 009
Boa Management AS	2017	Trondheim	100 %	66 459	-25 493
Boa AHTS Holding AS	2012	Trondheim	100 %	-420 441	-25 194
Boa AHTS AS	2020	Trondheim	100 %	179 564	7 083
Boa Crewing 1 AS	2017	Trondheim	100 %	3 273	388
Boa Crewing 2 AS	2017	Trondheim	100 %	6 409	750
Boa Crewing 3 AS	2021	Trondheim	100 %	-70	70
Boa Contracting AS	2021	Trondheim	100 %	1 208	834
Boa Salvage AS	2021	Trondheim	100 %	7	-26
Subsidiaries (foreign)					
Boa Marine S.A	2006	Gdynia i Polen	100 %	570	-96
Boa Offshore LLC	2011	USA	100 %	-21 528	2 548
Tier subsidiaries (foreign)					
Boa Barges LLC	2015	USA	100 %	-3 172	-24 475
Boa Marine Management LLC	2016	USA	100 %	562	14 460
Boa Marine LLC	2016	USA	100 %	110	0

* 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.

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	1 780	1 824
Sum		2 134	1 800	1 839

Notes to 2022 annual report

Note 6 Long-term receivables

	Parent company		Group	
	2022	2021	2022	2021
Receivables from group companies	0	0	0	0
Other long-term receivables	0	750	495	25 538
Sum	0	750	495	25 538

Note 7 Shareholder information

	Shares	Equity share	Voting share
Taubåtkompaniet AS	2 000	100,00 %	0,00 %
Taubåtkompaniet 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 capital	Share premium	Other restricted equity	Other equity	SUM
Equity 01.01.	2 501	74 447	3 106	-30 072	49 981
Profit of the year	0	0	0	7 382	7 382
Other changes	0	0	0	-332	-332
Equity 31.12.	2 501	74 447	3 106	-23 023	57 031

Group	Share capital	Share premium	Other restricted equity	Other equity	SUM
Equity 01.01.	2 501	74 447	3 106	-414 778	-334 724
Profit of the year	0	0	0	470 188	470 188
Other changes	0	0	0	-2 426	-2 426
Equity 31.12.	2 501	74 447	3 106	52 985	133 038

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:

	2023	2024	2025	2026	→
Instalments	0	0	0	0	403 126

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:

	2023	2024	2025	2026	→
Instalments	107 791	629 816	45 014	45 723	852 253

Notes to 2022 annual report

Note 11 Outstanding accounts with companies within the same group

Parent company	Long term liabilities		Short term liabilities	
	2022	2021	2022	2021
Boa Barges AS	0	0	597	597
Boa Barges LLC	0	0	0	2 242
Boa IMR AS	40 402	109 402	0	0
Boa OCV AS	0	124 107	0	0
Boa Management AS	0	0	7 226	3 174
Boa Shipping AS	0	0	1 300	0
Taubåtkompaniet AS	167 333	0	0	0
Sum	207 735	233 509	9 123	6 013

	Long term receivables		Short term receivables	
	2022	2021	2022	2021
Boa IMR AS	0	0	8 794	3 915
Boa Offshore LLC	0	0	0	1 099
Boa Management AS	0	0	93	0
Boa Tugs AS	0	0	12	0
Sum	0	0	8 899	5 014

Group	Long term debt		Short term debt	
	2022	2021	2022	2021
Taubåtkompaniet AS	167 333	0	0	0
Sum	167 333	0	0	0

Note 12 Tax

Parent company	2022	2021
This years tax:		
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:	2022	2021
Result before tax	7 382	3 488
Permanent differences	-32 897	-8 759
Changes in timing differences	-2 824	-3 531
This years tax basis	-28 340	-8 802
Temporary differences:	2022	2021
Profit and loss account	-11 298	-14 122
Tax losses carried forward	-199 318	-170 978
Net temporary differences	-210 616	-185 100
Net deferred tax	0	0

Net deferred tax asset is not booked on the balance sheet.

Notes to 2022 annual report

Note 12 Tax, continuing.

Group:		
This years tax:	2022	2021
Changes in deferred tax	3 519	1 356
Tax payable Norway	0	169
Tonnage tax	168	220
Tax payable abroad	6	3
This years tax expense	3 693	1 748
This years tax basis, ordinary taxation:	2022	2021
Result before tax	473 880	-3 070
-Result before tax tax by the Norwegian shipowning tax regime.	3 059	1 043
Permanent differences	-467 550	-7 623
Changes in timing differences	-85 835	-51 031
Utilized loss carried forward	-5 061	0
This years tax basis	-81 506	-60 681
Calculation of tax base for the year shipping taxation:	2022	2021
Profit and loss account	0	770
Financial result	7 568	6 357
Tax base for the year	7 568	7 127
Tax payable in balance:	2022	2021
Calculated tonnage tax	168	220
Taxes payable	0	169
Tax payable in balance	168	390
Temporary differences:	2022	2021
Tangible fixed assets	174 421	77 547
Receivables	886	2 372
Profit and loss account	-10 339	1 375
Short term liabilities	0	-2 161
Tax losses carried forward	-1 414 990	-1 353 702
Net temporary differences	-1 250 023	-1 274 569
Temporary differences not included	-1 278 820	-1 287 369
Net temporary differences	28 797	12 800
Net deferred tax	-6 335	-2 816

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

Notes to 2022 annual report

Note 13 Pledges and guarantees, etc.

Parent company:		
Book debt secured by pledge:	2022	2021
Debts to credit institutions	0	0
Accrued interest	0	0
Total	0	0
Book value of pledged assets:		
	2022	2021
Cash deposits	0	0
Total	0	0
Book value of assets mortgaged for debt for group companies:		
	2022	2021
Shares	0	0
Total	0	0
Guarantee liabilities	0	0
Group:		
Book debt secured by pledge:	2022	2021
Debts to credit institutions	1 317 871	2 528 099
Accrued interest	10 632	13 535
Total	1 328 504	2 541 634
Banker's guarantee	0	0
Book value of pledged assets:		
	2022	2021
Cash deposits	43 125	159 210
Accounts receivables	32 709	83 858
Vessels	1 547 831	1 839 117
Shares/bonds	436 451	436 451
Other	0	20 000
Total	2 060 116	2 538 635

Note 14 Bank deposits

Restricted deposits	Parent company		Group	
	2022	2021	2022	2021
Employees' tax deduction	0	0	5 096	5 395
Other restricted deposits	118 605	120 264	121 118	192 667
Total	118 605	120 264	126 214	198 062

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

Notes to 2022 annual report

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:	2022	2021
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	69 000	0
Interest income		
- Mother company	0	0
- Subsidiary	0	4 375
- Other group companies	0	0
Other financial income		
- Subsidiary	0	0
- Other group companies	0	0
Income from guarantee commission		
- Subsidiary	0	0
Total income from finance transactions	69 000	4 375
Interest expense		
- Mother company	3 037	0
- Subsidiary	1 039	1 858
Write-down shares		
- Subsidiary	0	0
Total expenses from finance transactions	4 076	1 858

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.

Group:

Finance transactions:		
Other financial expense		
- Mother company	3 037	0
Total expenses from finance transactions	3 037	0

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.



BOA OFFSHORE AS

Strandveien 43
7067 Trondheim
Norway
+47 73 99 11 99
office@boa.no

www.boa.no

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 2022, 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 2022, 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 2022, 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, 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 relevant laws and regulations in Norway 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 statutory 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 and 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 April 2023
Deloitte AS

Tord Teige
State Authorised Public Accountant

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Tord Arne Persson Teige

State Authorised Public Accountant (Norway)

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