



BOA OCV AS



ANNUAL REPORT

2022

Board's annual report

BOA OCV AS

Nature and location of activities

The company owned and chartered out the offshore construction vessels "Boa Deep C" and "Boa Sub C". The main office of the company is located in Trondheim. Management is undertaken by Boa Management AS.

Work environment

The company does not have any employees. Seafaring personnel and management services are hired from Boa Crewing 2 AS and Boa Management AS. Boa Management AS has been responsible for the management and administration of the company. The Board is of the opinion that the work environment on board the vessels has been good. Absence due to sick leave on board the vessels has been low and there was no serious accidents on board in 2022.

Equal opportunity

The work force has been dominated by men, but there are several positions filled by women. It has proven difficult to find women with the required qualifications and experience to apply for work in a maritime-related job on this type of vessel.

Health, safety, the environment and quality

The goal of the company's health, safety, environment and quality policy was embedded in the quality control system of Boa Management AS. There were no serious personal injuries among hired personnel in 2022.

External environment

The operation of an offshore construction vessel includes a certain risk for the spill of marine diesel oil products. However, no abnormal spillage has been recorded from the vessels which follows laid down procedures when bunkering of diesel and other potential contaminating liquids.

D&O Insurance

Boa OCV AS 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.

Continued operation

In September 2022 Boa Deep C was sold and delivered to new owners, and the second vessel, Boa Sub C, was sold in February 2023. Following the sale of the vessels, there will no longer be operational activity in the company and going forward the administration will work on realizing remaining assets.

Booked value of equity is lost, but there is additional value in the vessel sold in 2023 that make the fair value of book equity positive.

The Board's assessment is that the conditions for continued operation has been complied with, and the accounts have been presented under this assumption.

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.

Following the sale of Boa Deep C a redemption of mNOK 392 plus accrued interest was paid to the bondholders in October 2022. In November 2022 another mNOK 133,5 plus accrued interest was paid to the bondholders following settlement of the Boa OCV rest claim.

Review of annual accounts

The operating profit was mNOK 244,5 (mNOK -74,9).

The financial result was mNOK -6,8 (mNOK -19,6).

The year-end profit was mNOK 237,5 (mNOK -94,8).

Net change in cash during the year was 33,0 mNOK. Net cash from operating activities was 200,3 mNOK, 358,2 mNOK was received from investing activities and mNOK 525,5 was repaid on bond loans.

Total year-end assets were mNOK 509,3 (mNOK 810,0), and the percentage of shareholder's equity on December 31, 2022 was 0 % (0 %).

Financial risk

Market risk

The company is susceptible to fluctuations in currency exchange rates. A considerable percentage of the company's earnings are in USD and EUR. However this market risk is to a certain degree reduced by the company also having certain operating purchases denominated in USD and EUR. The company continuously monitors the currency markets and reduces currency exposure when appropriate by entering into forward agreements or other financial contracts to reduce currency risk.

Credit risk

The company is 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 company's credit risk.

Liquidity risk

The company's liquidity position of 31.12.2022 is mNOK 120,1, and is financed by debt and equity. The company has an outstanding bond amount of mNOK 735 listed at Oslo Stock Exchange Nordic ABM with maturity date in December 2024. If the company fails to repay or refinance its loan facility, additional equity financing may be required. If the current market conditions persists over time there is no assurance that the company will not experience cash flow shortfall.

Appropriation of profits

The annual results for Boa OCV AS were mNOK 237,5. The Board proposes the following disposal:

Transferred to other equity: mNOK 237,5

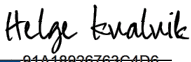
Events after the balance sheet date

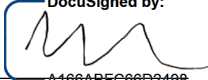
Boa OCV AS has sold the vessel Boa Sub C and delivery took place 9 February 2023. Boa OCV AS expects, over one or several sweeps the next 3 months, to distribute approximately 100-120 percent of the current outstanding amount under the Bonds.

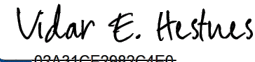
Future development

Following the sale of Boa Sub C the company have no operational activity and will work on realizing the remaining assets.

Trondheim, 17.04.2023

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Helge Kvalvik
Chairman of the Board

DocuSigned by:

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Kristan Bodden
Member of the Board

DocuSigned by:

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Vidar E. Hestnes
Member of the Board

Income Statement

Boa OCV AS

Operating income and operating expenses	Notes	2022	2021
Operating income	2	330 419 153	199 433 471
Other income	2	206 967 098	0
Operating income		<u>537 386 251</u>	<u>199 433 471</u>
Operating expenses vessels	3	132 519 637	121 129 476
Employee benefits expense	3	71 412 564	66 152 603
Depreciation	4	52 677 570	60 345 189
Write-downs of tangible assets	4	0	2 898 401
Other expenses	5	36 277 126	23 856 422
Total expenses		<u>292 886 897</u>	<u>274 382 091</u>
Operating profit		<u>244 499 354</u>	<u>-74 948 621</u>
Financial income and expenses			
Interest income from group companies	3	1 039 000	1 857 764
Other interest income		2 303 826	10 760
Other financial income	3	29 442 819	11 570 227
Other interest expenses		22 959 287	24 716 420
Other financial expenses		16 653 494	8 355 382
Net financial items		<u>-6 827 136</u>	<u>-19 633 052</u>
Net profit before tax		<u>237 672 218</u>	<u>-94 581 673</u>
Income tax expense	6	181 874	222 087
Net profit after tax		<u>237 490 344</u>	<u>-94 803 760</u>
Net profit or loss	7	<u>237 490 344</u>	<u>-94 803 760</u>
Attributable to			
Other equity	7	237 490 344	0
Transferred from other equity	7	0	94 803 760
Total		<u>237 490 344</u>	<u>-94 803 760</u>

Balance sheet

Boa OCV AS

Assets	Notes	2022	2021
Non-current assets			
Tangible assets			
Vessels	4, 9	<u>358 638 968</u>	<u>550 633 912</u>
Total tangible assets		<u>358 638 968</u>	<u>550 633 912</u>
Financial fixed assets			
Loan to group companies	8	0	124 107 249
Other receivables		<u>5 742 686</u>	<u>4 205 684</u>
Total financial fixed assets		<u>5 742 686</u>	<u>128 312 934</u>
Total non-current assets		<u>364 381 654</u>	<u>678 946 846</u>
Current assets			
Inventories		3 252 540	0
Debtors			
Accounts receivables	9	9 589 158	38 096 996
Other receivables		<u>11 995 820</u>	<u>5 808 518</u>
Total receivables		<u>21 584 978</u>	<u>43 905 514</u>
Cash and cash equivalents		120 055 991	87 099 679
Total current assets		<u>144 893 509</u>	<u>131 005 193</u>
Total assets		<u>509 275 163</u>	<u>809 952 039</u>

Balance sheet


Boa OCV AS

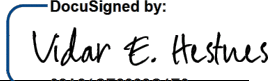
Equity	Notes	2022	2021
Paid-in capital			
Share capital	7, 10	100 000	100 000
Share premium	7	80 108 000	80 108 000
Other restricted equity		14 444 514	14 444 514
Total paid-up equity		<u>94 652 514</u>	<u>94 652 514</u>
Retained earnings			
Other equity	7	-332 850 489	-570 340 833
Total retained earnings		<u>-332 850 489</u>	<u>-570 340 833</u>
Total equity		<u>-238 197 975</u>	<u>-475 688 320</u>
Liabilities			
Other non-current liabilities			
Bonds	9, 11	734 583 062	1 235 218 128
Total non-current liabilities		<u>734 583 062</u>	<u>1 235 218 128</u>
Current liabilities			
Trade payables		4 137 315	17 233 952
Liabilities to group companies	8	0	12 340 137
Tax payable	6	182 018	222 087
Public duties payable		1 468 306	0
Other current liabilities	9	7 102 437	20 626 055
Total current liabilities		<u>12 890 076</u>	<u>50 422 231</u>
Total liabilities		<u>747 473 138</u>	<u>1 285 640 359</u>
Total equity and liabilities		<u>509 275 163</u>	<u>809 952 039</u>

Trondheim, 17.04.2023

DocuSigned by:

 Helge Kvalvik
 Chairman of the board

DocuSigned by:

 Kristan Bodden
 Member of the board

DocuSigned by:

 Vidar E. Hestnes
 Member of the board

Cash flow report

Boa OCV AS

	2022	2021
Cash flow from operating activities		
Profit before income taxes	237 490 344	-94 581 673
Paid in tax	-221 943	-264 432
Gain/loss from sale of assets	-206 967 098	0
Payment in kind bonds (PIK-bonds)/Mandatory Redemption Premium	24 890 101	24 398 564
Depreciation and write down	52 677 570	63 243 589
Write-down receivables from group companies	-	0
Changes in trade receivables and creditors	15 411 201	-12 140 989
Changes in receivables and liabilities to group entities	111 767 112	10 557 800
Changes in other short-term receivables and liabilities	-23 021 934	19 054 662
Net cash flow from operating activities	212 025 353	10 267 521
Cash flow from investing activities		
Purchase of fixed assets	-19 291 909	-54 769 177
Sale of fixed assets	365 748 035	
Net cash flow from investing activities	346 456 126	-54 769 177
Cash flow from financing activities		
Repayment of long term liabilities	-525 525 167	0
Net cash flow from financing activities	-525 525 167	0
Net changes in cash and cash equivalents	32 956 312	-44 501 656
Cash and cash equivalents start at period	87 099 679	131 601 335
Cash and cash equivalents end of period	120 055 991	87 099 679

Note 1 Accounting principles

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

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.

Periodic maintenance are valued at purchase cost and depreciated over the period until next scheduled maintenance.

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.

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.

Bank deposits, cash, etc includes cash, bank deposits and other forms of payment which mature less than three months from the acquisition date.

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.

Cost

As a general rule, costs are booked in the same period as the corresponding income. When there is no clear correlation between costs and income, the allocation of costs is made as a "best effort" appraisal.

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 company entered the Norwegian shipowning tax regime as of 01.01.2007.

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

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

Note 2 Operating income

	2022	2021
Geographical area		
Europe	179 217 064	84 801 471
Asia	358 169 185	114 632 000
Sum	537 386 249	199 433 471

All income were from offshore activity.

Note 3 Transactions with related parties

The outstanding accounts with group companies are mentioned in note 8.

Transactions with related parties:

Operating transactions:	2022	2021
Services		
- Parent company	0	0
- Other group companis	44 681 084	67 290 082
Total expenses from operating transactions	44 681 084	67 290 082
Services		
- Other group companies	428 514	239 721
Total income from operating transactions	428 514	0
Financial transactions:	2022	2021
Interest income		
- Parent company	1 039 000	1 857 764
Other financial income		
- Parent company	0	0
Total income from finance transactions	1 039 000	1 857 764

Note 4 Fixed assets

	Vessel	Periodic maintenance	Sum
Acquisition cost on 01.01	1 229 445 000	228 255 270	1 457 700 270
Additions	10 181 263	9 110 646	19 291 909
Disposals	-454 180 927	-97 428 164	-551 609 091
Acquisition cost on 31.12	785 445 336	139 937 752	925 383 088
Accumulated depreciation on 31.12.	472 902 030	93 842 091	566 744 121
Write-down this year			0
Book value 31.12	312 543 306	46 095 661	358 638 967

Economic lifespan	27 years	2,5 - 10 years
Depreciation schedule	Linear	Linear

Boa OCV has sold the vessel Boa Sub C and delivery took place 9 February 2023.

Note 5 Personnel compensation, number of employees and loans to employees etc.

The company has no employees. Administrative services are hired from Boa Management AS. The Board members have received NOK 3 498 441 in remuneration.

Auditor

The fee paid in 2022 to Deloitte AS for accounting services was NOK 132 256 and for other services NOK 399 057.

Note 6 Tax

This years tax:	2022	2021
Tax payable	135 362	169 527
Tonnage tax	46 512	52 560
This years tax expense	181 874	222 087

Payable tax:	2022	2021
Payable tax	135 506	169 527
Tonnage tax	46 512	52 560
Net payable tax	182 018	222 087

Temporary differences:	2022	2021
Varer	-3 252 540	0
Profit and loss account	2 463 748	3 079 685
Loss brought forward	-33 588 254	-41 522 687
Net temporary differences	-31 124 506	-38 443 002

Note 7 Equity

	Share capital	Share premium	Other paid-in capital	Other equity	Sum
Equity 01.01.	100 000	80 108 000	14 444 514	-570 340 833	-475 688 320
Profit of the year				237 490 344	237 490 344
Pr 31.12.2022	100 000	80 108 000	14 444 514	-332 850 489	-238 197 976

Note 8 Outstanding accounts with companies within the same group

	Long term receivables		Short term receivables	
	2022	2021	2022	2021
Boa Offshore AS	0	124 107 249	0	0
Sum	0	124 107 249	0	0

	Long term liabilities		Short term liabilities	
	2022	2021	2022	2021
Boa Management AS	0	0	0	12 115 889
Boa Crewing 2 AS	0	0	0	35 349
Boa Offshore LLC	0	0	0	33 028
Boa Marine Management LLC	0	0	0	155 869
Sum	0	0	0	12 340 135

Note 9 Secured debt/other long-term debt

Secured debt/other long-term debt	2022	2021
Bonds	-734 583 062	-1 235 218 128
Accrued interest	-3 387 245	-5 695 728
Sum	-737 970 307	-1 240 913 856

Book value of assets mortgaged for debt:	2022	2021
Bank deposits	118 936 361	87 099 679
Accounts receivables	9 589 158	38 096 995
Vessels	358 638 968	550 633 912
Group receivables	0	124 107 249
Sum	487 164 487	799 937 835

Note 10 Share capital and shareholder information

	Shares	Equity share	Voting share
NT Refectio 24 AS	1 000	100 %	100 %
Total number of shares	1 000	100 %	100 %

The company share capital is NOK 100 000, 1 000 shares with a nominal value of NOK 100.

The company has only one class of shares.

Nordic Trustee has on behalf of the bondholders in Boa OCV AS, exercised the Stock Accession Option on 28.07.2022. 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.

Note 11 Long term debt

	2024
Instalments	734 583 062

Boa OCV AS expects, over one or several sweeps next 3 months, to distribute approximately 100-120 percent of the current outstanding amount under the Bonds. The first sweep of mNOK 700 plus accrued interest was announced 27 February 2023 with redemption date 6 March 2023.

To the General Meeting of Boa OCV AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Boa OCV 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.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- 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.

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 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 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 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'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 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.

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, 17 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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