



# NORLED

*The greatest travel experiences*



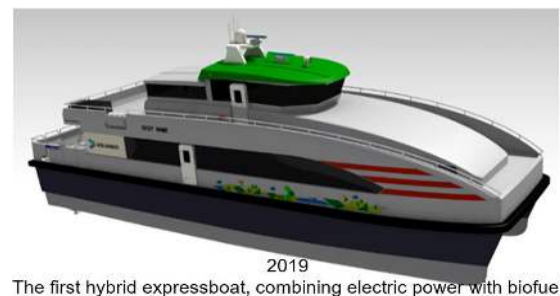
*Financial report Norled Q1 - 2020*

# Norled at a glance

- One of the leading ferry and expressboat operators in Norway
- Nationwide operations from Oslo to Tromsø
- 1 000 employees, HQ in Stavanger
- Norled aims to operate with low and zero emissions and to be the leader in developing green solutions in the ferry and expressboat sector
- Founded in 1855

Ferries	Expressboats
	
59 ferries and 18 routes	27 expressboats and 15 routes

- Operation of 13 ferry contracts and 12 expressboat contracts (2020)
- Tourism related to contracts, and some charter activities
- Catering



# Operational highlights 2020 – Q1



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- Successful start of 4 new contracts from 01.01.2020.
  - Indre Sogn (ferries)
  - Sunnmøre (ferries)
  - Rutepakke 3 Hordaland (ferries)
  - Troms (expressboats)
- Norled win the ferry contract Ryfylkeferjen in Rogaland county. Length of the contract is 01.01.21-31.12.32.
- Norled win the ferry contract Lyngsambandet with the routes Lyngseidet-Olderdalen and Svendsby-Breivikeidet in Troms and Finnmark county. Length of the contract is 01.01.21.-30.04.31.
- Delivery of MF Hjellestad from Westcon. MF Hjellestad will operate in the new contract Rutepakke 3 Hordaland.
- Delivery of MS Fjordjarl from Oma Baatbyggeri AS. MS Fjordjarl will operate in the new expressboat contract in Troms.
- All catering kiosks on vessels closed mid-March due to restrictions related to the COVID-19 pandemic. Apart from closed kiosks, all other production has been carried out as planned despite the challenges COVID-19 has posed.
- As a result of COVID-19, there is an increased risk of delays in the construction and delivery of new vessels. The company is constantly working to optimize a plan with temporary vessels on the routes where there may be delays in delivery.
- Heidi Wolden is hired as the new CEO in Norled. Starts in May 20.

*MF Hjellestad. Delivered Q1-20*



*MS Fjordjarl. Delivered Q1-20*



# Financial highlights 2020 – Q1



- Decrease in revenue Q1-20 vs. Q1-19 is mainly due to changes in contract portfolio. Norled ended 5 contracts at year end 2019, and started 4 new contracts 1. January 2020.
- Increased EBITDA profitability Q1-20 vs Q1-19. Mainly due to changes in contract portfolio.
- Increased depreciation due to completion of newbuild- and retrofit projects.
- Increase in net financial items as a result of increase in long-term interest-bearing debt.
- For Q1 20, the Norled numbers are not significantly affected by the COVID-19 pandemic. The effects will be more significant in Q2 and Q3, especially in the expressboat segments related to tourist routes and charter activity. How significant the effect will be depends on several factors such as the prevalence of Corona infection in Norway during the summer, restrictions on public travel, etc.

NOKm	Q1 2020	Q1 2019	Changes	Changes %
<b>Total revenue</b>	<b>509</b>	<b>531</b>	<b>-23</b>	<b>-4 %</b>
Cost of goods (catering)	4	4	0	-7 %
Personnel costs	200	225	-25	-11 %
Other operating costs	205	240	-35	-15 %
Net gain on sale of Fixed Assets	0	0	0	
<b>Total operating costs:</b>	<b>410</b>	<b>469</b>	<b>-60</b>	<b>-13 %</b>
<b>EBITDA</b>	<b>99</b>	<b>62</b>	<b>37</b>	<b>59 %</b>
EBITDA %	19 %	12 %	8 %	
Depreciation / writedown	57	47	9	20 %
<b>EBIT</b>	<b>42</b>	<b>15</b>	<b>28</b>	<b>185 %</b>
Net financial items	-32	-13	-19	143 %
<b>EBT</b>	<b>11</b>	<b>2</b>	<b>9</b>	<b>473 %</b>
Tax expense	-2	0	-2	473 %
<b>Net Income</b>	<b>8</b>	<b>1</b>	<b>7</b>	<b>473 %</b>

Quarterly tax expense is calculated based on 22% of EBT. Full year numbers include full tax calculation.

# Financial highlights 2020 - YTD



- Decrease in revenue Q1-20 vs. Q1-19 is mainly due to changes in contract portfolio. Norled ended 5 contracts at year end 2019, and started 4 new contracts 1. January 2020.
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NOKm	Q1 2020	Q1 2019	YTD 2020	YTD 2019	Y 2019
<b>Total revenue</b>	<b>509</b>	<b>531</b>	<b>509</b>	<b>531</b>	<b>2 330</b>
Cost of goods (catering)	4	4	4	4	25
Personnel costs	200	225	200	225	915
Other operating costs	205	240	205	240	958
Net gain on sale of Fixed Assets	0	0	0	0	-40
<b>Total operating costs:</b>	<b>410</b>	<b>469</b>	<b>410</b>	<b>469</b>	<b>1 858</b>
<b>EBITDA</b>	<b>99</b>	<b>62</b>	<b>99</b>	<b>62</b>	<b>471</b>
EBITDA %	19 %	12 %	19 %	12 %	20 %
Depreciation / writedown	57	47	57	47	198
<b>EBIT</b>	<b>42</b>	<b>15</b>	<b>42</b>	<b>15</b>	<b>273</b>
Net financial items	-32	-13	-32	-13	-81
<b>EBT</b>	<b>11</b>	<b>2</b>	<b>11</b>	<b>2</b>	<b>192</b>
Tax expense	-2	0	-2	0	-42
<b>Net Income</b>	<b>8</b>	<b>1</b>	<b>8</b>	<b>1</b>	<b>149</b>

Quarterly tax expense is calculated based on 22% of EBT. Full year numbers include full tax calculation.

# Balance sheet and investments

- Fixed assets. Increase in fixed assets is due to investments in new vessels and retrofit of existing vessels.
- Changes in bank deposits and cash is normal changes in working capital.
- Other assets. Decrease in other assets is mainly related to decreases in intra-group receivable of 123 MNOK from Q1 2019.
- Equity. As a part of the transaction structuring a dividend of 583 MNOK was decided, and netted against increased debt in July 2019.
- Long term debt. The increase of long-term debt from Q1 2019 is due to increase of capex debt for building of new vessels and retrofit of existing vessels.
- Other debt. Reduction from Q1 2019 is mainly due to reduction in prepaid value ferry-card related to the transition to Autopass for ferries.
- Norled is in compliance with all covenants related to bond and other long-term debt to financial institutions per 1Q 2020.

## Balance sheet

NOKm	31.03.20.	31.03.19.	31.12.19.
Fixed assets	3 833	2 758	3 571
Bank deposits and cash	194	296	281
Other assets	234	358	220
<b>Total assets</b>	<b>4 262</b>	<b>3 412</b>	<b>4 071</b>
Equity	620	1 046	537
Long-term debt financial inst.	3 116	1 695	2 817
Other debt	526	671	717
<b>Total equity and liabilities</b>	<b>4 262</b>	<b>3 412</b>	<b>4 071</b>
NIBD	2 921	1 399	2 536
<b>Total investments:</b>	<b>2020</b>	<b>2021</b>	
Total investments:	1 302	890	
<b>Spec. of long-term debt</b>	<b>31.03.19.</b>		
Term loan	1 700		
Capex facility	916		
Bond	500		
<b>Total long-term debt</b>	<b>3 116</b>		

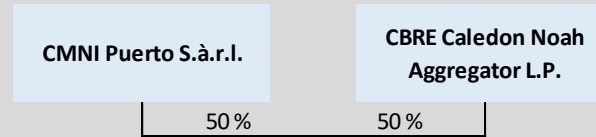
# Cash flow statement

Cash flow from operating activities	Q1 2020	Q1 2019	YTD 2020	YTD 2019	Y 2019
Net income before tax	11	2	11	2	192
Net financial items	32	13	32	13	81
Gain on sale of fixed assets	0	0	0	0	-40
Depreciation	57	47	57	47	197
Write-down	0	0	0	0	2
Changes in inventory	-1	1	-1	1	-1
Changes in accounts receivable	-10	44	-10	44	27
Changes in accounts payable	-73	-6	-73	-6	-12
Changes in pension commitments	1	3	1	3	7
Income tax payable	0	0	0	0	-1
Changes in other items	-51	-110	-51	-110	-137
<b>Net cash flow from operating activities</b>	<b>-34</b>	<b>-5</b>	<b>-34</b>	<b>-5</b>	<b>314</b>
Cash flow from investing activities	Q1 2020	Q1 2019	YTD 2020	YTD 2019	2019
Proceeds from sale of fixed assets	0	0	0	0	78
Purchase of fixed assets	-319	-104	-319	-104	-1 110
Paid interest	-32	-15	-32	-15	-87
Received interest	1	2	1	2	6
<b>Net cash flow from investing activities</b>	<b>-351</b>	<b>-117</b>	<b>-351</b>	<b>-117</b>	<b>-1 113</b>
Cash flow from financing activities	Q1 2020	Q1 2019	YTD 2020	YTD 2019	2019
Proceeds from borrowings of long term debt*	300	26	300	26	3 171
Repayment of borrowings	-1	-28	-1	-28	-2 051
Sale of shares	0	0	0	0	0
Dividends*	0	0	0	0	-583
Changes in intra-group balance	0	3	0	3	126
Paid group contribution	0	0	0	0	0
<b>Net cash flow from financing activities</b>	<b>299</b>	<b>0</b>	<b>299</b>	<b>0</b>	<b>663</b>
<b>Net change in cash and cash equivalents</b>	<b>-87</b>	<b>-121</b>	<b>-87</b>	<b>-121</b>	<b>-136</b>
Cash and cash equivalents at IB	281	417	281	417	417
Cash and cash equivalents at CB	194	296	194	296	281

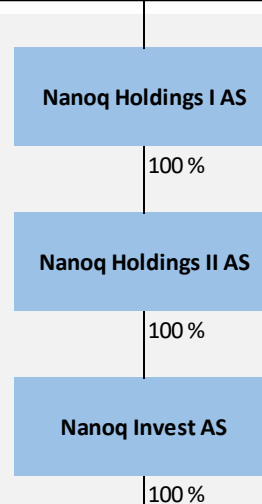
\*As a part of the transaction structuring a dividend of 583 MNOK was decided, and netted against increased debt.

# Group structure

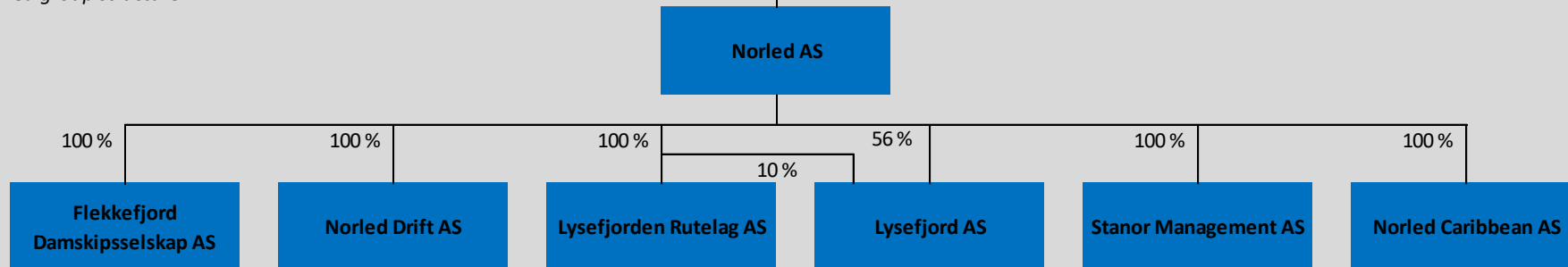
*Sponsors' holding company structures*



*Joint holding company structure*



*Norled group structure*



The quarterly report contains consolidated numbers and information for the «Norled group structure» only.



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