



NORLED

The greatest travel experiences



Financial report Norled Q1 – 2022

Norled at a glance

- One of the leading ferry and express boat operators in Norway
- Founded in 1855
- Nationwide operations from Oslo to Tromsø
- 900 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 express boat sector
- Operates 10 ferry contracts and 10 express boat contracts
- Tourism activities related to contracts, and some charter activities
- Operates catering activities on vessels.

Ferries



44 ferries

Expressboats



33 express boats

Operational update 2022 – Q1/YTD

- Norled has in first quarter signed contracts with Oma Shipbuilding AS for two newbuilds. These vessels are built for new express boat contract in Vestland county where Norled has option to start by end of 2023.
- MF Hella has been delivered from Sembcorp Shipyard during first quarter of 2022. Will be set in operation in Sogn during second quarter.
- Norled are currently planning for the start- up of the new contract with The Norwegian Directorate for Fisheries. The contract will start during second quarter of 2022. This include also a new vessel which will be delivered from Oma Shipbuilding AS.
- Norled has sold three vacant vessels during first quarter.
- All agreed operations have been carried out despite the challenges COVID-19 has posed.
- As a result of COVID-19, there is still 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 are delays in delivery.
- The pandemic has also in first quarter 2022 an impact on operation, both because of late delivery of vessels and sick- leave. There are also somewhat effect on catering and tourism volume in first quarter.
- The Russian invasion of Ukraine has led to escalating energy prices and also somewhat stress in the supply chain.



Financial update 2022 – Q1/YTD



- Revenue:
 - Revenue Q1-22 is in line with Q1-21.
 - Revenue is affected by changes in contract portfolio
- EBITDA:
 - Decreased EBITDA profitability is mainly related to increased Other operating cost.
 - Escalating energy prices during first quarter of 2022 is the main reason for increase in other operating cost.
 - A one-year delay in index regulation on contract revenue leads to decrease in profitability in first quarter
- Increased depreciation due to completion of newbuild, infrastructure and retrofit projects.

| NOKm | Q1 2022 | Q1 2021 | Changes | Changes % |
|----------------------------------|------------|------------|------------|---------------|
| Total revenue | 469 | 478 | -9 | -2 % |
| Cost of goods (catering) | 4 | 2 | 1 | 48 % |
| Personnel costs | 199 | 196 | 3 | 1 % |
| Other operating costs | 214 | 193 | 21 | 11 % |
| Net gain on sale of Fixed Assets | 0 | 1 | 0 | -33 % |
| Total operating costs: | 417 | 392 | 25 | 6 % |
| EBITDA | 52 | 86 | -34 | -39 % |
| EBITDA % | 11 % | 18 % | -7 % | |
| Depreciation / writedown | 82 | 70 | 12 | 17 % |
| EBIT | -30 | 15 | -46 | -296 % |
| Net financial costs | 35 | 31 | 4 | 14 % |
| EBT | -65 | -15 | -50 | 328 % |
| Tax expense | -14 | -3 | -11 | 328 % |
| Net Income | -51 | -12 | -39 | 328 % |

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

Balance sheet

- Fixed assets. Increase in fixed assets is due to investments in new vessels and retrofit of existing vessels.
- Changes in bank deposits and cash are normal changes in working capital.
- Long term debt. The increase of long-term debt is due to increase of capex debt for building of new vessels and retrofit of existing vessels.
- Norled is compliant with all financial covenants related to bond and other long-term debt to financial institutions per 1Q-22.

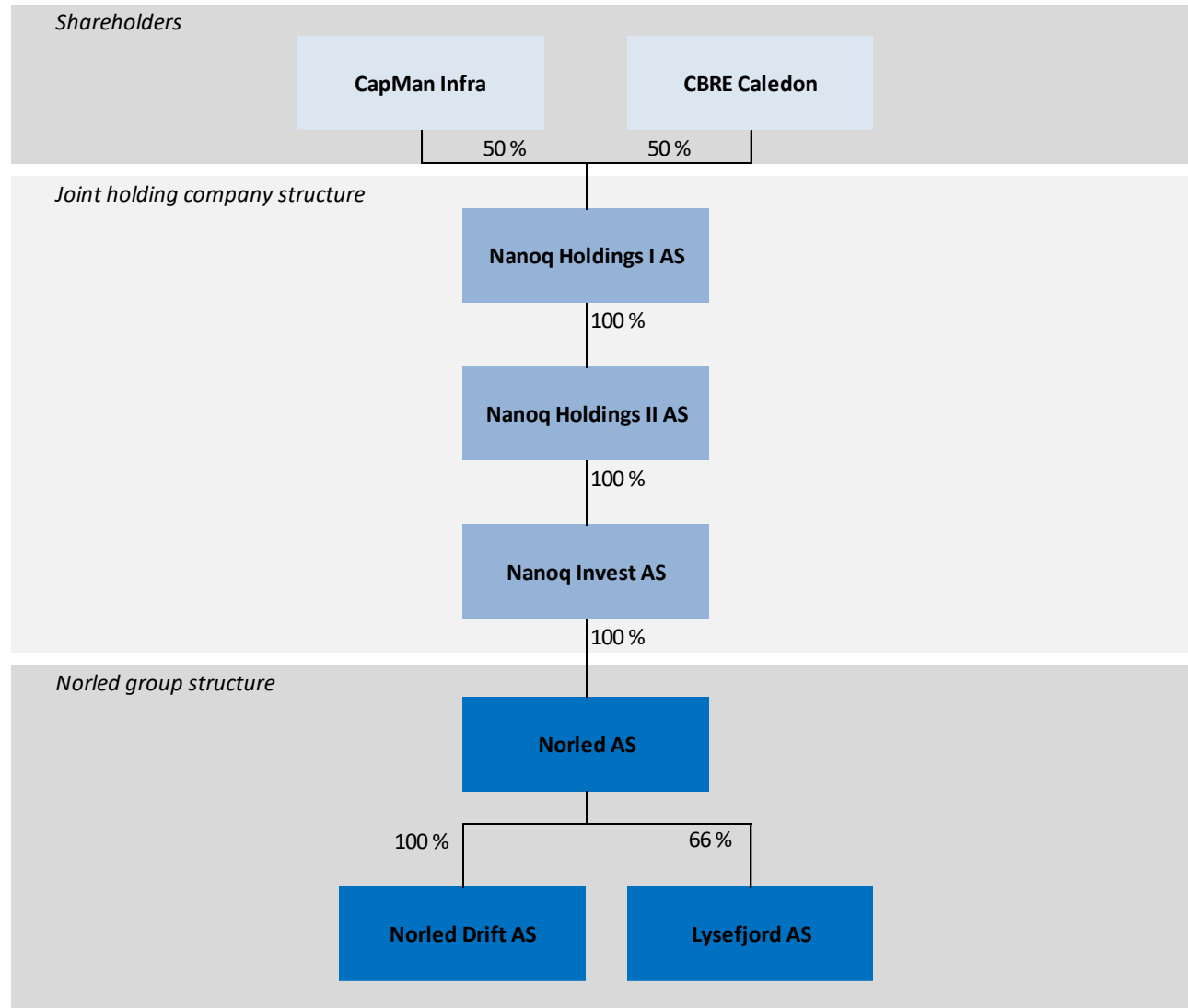
Balance sheet

| NOKm | 31.03.22. | 31.03.21. |
|-------------------------------------|------------------|--------------|
| Fixed assets | 4 604 | 3 911 |
| Bank deposits and cash | 393 | 334 |
| Other assets | 219 | 206 |
| Total assets | 5 216 | 4 451 |
| Equity | 619 | 638 |
| Deferred tax | 268 | 268 |
| Long-term debt | 4 008 | 3 292 |
| Other debt | 322 | 252 |
| Total equity and liabilities | 5 216 | 4 451 |
| NIBD | 3 614 | 2 958 |
| Spec. of long-term debt | 31.03.22. | |
| Long-term debt to financial inst. | 3 508 | |
| Bond | 500 | |
| Total long-term debt | 4 008 | |

Cash flow statement

| Cash flow from operating activities | Q1-22 | Q1-21 |
|--|--------------|--------------|
| Net income before tax | -65 | -15 |
| Net financial items | 35 | 31 |
| Gain on sale of fixed assets | 0 | 1 |
| Depreciation | 82 | 70 |
| Write-down | 0 | 0 |
| Changes in inventory | -11 | 0 |
| Changes in accounts receivable | -13 | -7 |
| Changes in accounts payable | 78 | -9 |
| Changes in pension commitments | 0 | 0 |
| Income tax payable | 0 | 0 |
| Changes in other items | -10 | -10 |
| Net cash flow from operating activities | 95 | 61 |
| Cash flow from investing activities | Q1-22 | Q1-21 |
| Proceeds from sale of fixed assets | 13 | 1 |
| Purchase of fixed assets | -283 | -177 |
| Paid interest | -36 | -31 |
| Received interest | 1 | 0 |
| Net cash flow from investing activities | -306 | -206 |
| Cash flow from financing activities | Q1-22 | Q1-21 |
| Proceeds from borrowings of long term debt | 134 | 70 |
| Repayment of borrowings | -7 | 0 |
| Dividends | 0 | 0 |
| Net cash flow from financing activities | 128 | 70 |
| Net change in cash and cash equivalents | -83 | -75 |
| Cash and cash equivalents at IB | 476 | 411 |
| Cash and cash equivalents at CB | 393 | 334 |

Group structure



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



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IR – Norled

Heidi Wolden
CEO

Phone: + 47 906 14 375
E-mail: heidi.wolden@norled.no

Tord Helland
CFO

Phone: +47 406 31 575
E-mail: tord.helland@norled.no

