



NORLED

The greatest travel experiences



Financial report Norled Q4 - 2020

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 13 ferry contracts and 12 express boat contracts (2020)
- Tourism related to contracts, and some charter activities
- Catering

Ferries



39 ferries and 18 routes

Expressboats



31 express boats and 15 routes

Operational highlights 2020 – Q4

- Stable operation with high regularity and few unforeseen events.
- Apart from some closed kiosks and reduced catering activity, all agreed operations have been carried out despite the challenges COVID-19 has posed. Measures have been implemented to reduce impact of COVID-19.
- Reduced tourist activity in tourist routes.
- Delivery of the electric ferry MF Manheller from Remontowa. MF Manheller will operate in the new Indre Sogn contract. MF Manheller is the third delivery out of 4 ferries being built at Remontowa.
- As a result of COVID-19, there is a 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.
- Norled has scrapped one vessel during fourth quarter.

MF Manheller. Delivered Q4-20



Operational highlights 2020 – YTD



NORLED

The greatest travel experiences

- Successful start of 4 new contracts from 01.01.2020.
 - Indre Sogn (ferries)
 - Sunnmøre (ferries)
 - Rutepakke 3 Hordaland (ferries)
 - Troms (express boats)
- 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.
- Apart from the planned postponement of the start-up and earlier close-down of tourist routes and closed kiosks for some periods, all agreed operations have been carried out despite the challenges COVID-19 has posed.
- As a result of COVID-19, there is a 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 started as the new CEO in Norled.
- Delivered vessels:
 - MF Hjellestad. Yard, Westcon. Will operate in contract Rutepakke 3 Hordaland.
 - MF Festøya and MF Solavågen. Yard, Remontowa. Will operate in Sunnmøre contract.
 - MF Mannheller. Yard, Remontowa. Will operate in Indre Sogn contract.
 - MS Fjordjarl. Yard, Oma Baatbyggeri. Will operate in Troms contract.

Delivered vessels 2020:

Q1:

MF Hjellestad



MS Fjordjarl



Q2:

MF Festøya



Q3:

MF Solavågen



Q4:

MF Mannheller



Financial highlights 2020 – Q4



- Decrease in revenue Q4-20 vs. Q4-19 is mainly due to changes in contract portfolio and reduced tourist related revenue. Norled ended 5 contracts at year end 2019, and started 4 new contracts 1. January 2020.
- Decreased EBITDA margins Q4-20 vs Q4-19. The decrease in profitability is mainly due to changes in contract portfolio and net gain on sale of fixed assets in Q4-19. EBITDA profitability in Q4-20 is affected by COVID-19, mainly with reduced tourist related revenue in the expressboat segment.
- Increased depreciation due to completion of newbuild- and retrofit projects.
- Decrease in net financial items as a result of lower interest rates on long-term interest-bearing debt.

| NOKm | Q4 2020 | Q4 2019 | Changes | Changes % |
|----------------------------------|------------|------------|------------|--------------|
| Total revenue | 511 | 558 | -47 | -8 % |
| Cost of goods (catering) | 2 | 4 | -2 | -42 % |
| Personnel costs | 207 | 235 | -28 | -12 % |
| Other operating costs | 200 | 246 | -46 | -19 % |
| Net gain on sale of Fixed Assets | 0 | -38 | 38 | |
| Total operating costs: | 409 | 447 | -38 | -8 % |
| EBITDA | 101 | 110 | -9 | -8 % |
| EBITDA % | 20 % | 20 % | 0 % | |
| Depreciation / writedown | 63 | 54 | 9 | 16 % |
| EBIT | 39 | 56 | -18 | -31 % |
| Net financial items | -26 | -28 | 2 | -7 % |
| EBT | 13 | 28 | -16 | -56 % |
| Tax expense | -3 | -7 | 4 | -58 % |
| Net Income | 10 | 22 | -12 | -55 % |

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

Financial highlights 2020 - YTD

- Revenue:
 - Decrease in revenue is mainly due to changes in contract portfolio. Norled ended 5 contracts at year end 2019, and started 4 new contracts 1. January 2020.
 - Revenue is affected by COVID-19, mainly with reduced tourist related revenue in the express boat segment and less catering activity.
- EBITDA:
 - Increased EBITDA profitability is mainly due to changes in contract portfolio.
 - EBITDA profitability is negatively affected by COVID-19, mainly with reduced tourist related revenue in the express boat segment.
 - Contracts with subsequent regulation on contract revenue gain effect of reduced fuelprice in 2020.
- 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.

| NOKm | Q4 2020 | Q4 2019 | Y 2020 | Y 2019 |
|----------------------------------|------------|------------|--------------|--------------|
| Total revenue | 511 | 558 | 2 022 | 2 330 |
| Cost of goods (catering) | 2 | 4 | 13 | 25 |
| Personnel costs | 207 | 235 | 778 | 915 |
| Other operating costs | 200 | 246 | 765 | 958 |
| Net gain on sale of Fixed Assets | 0 | -38 | -21 | -40 |
| Total operating costs: | 409 | 447 | 1 535 | 1 858 |
| EBITDA | 101 | 110 | 487 | 471 |
| EBITDA % | 20 % | 20 % | 24 % | 20 % |
| Depreciation / writedown | 63 | 54 | 241 | 198 |
| EBIT | 39 | 56 | 247 | 273 |
| Net financial items | -26 | -28 | -106 | -81 |
| EBT | 13 | 28 | 140 | 192 |
| Tax expense | -3 | -7 | -31 | -42 |
| Net Income | 10 | 22 | 109 | 149 |

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.
- 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.
- Other debt. Reduction from Q4-19 is mainly due to reduction in prepaid value ferry-card related to the transition to Autopass for ferries and other normal changes in working capital.
- Equity. Distributed additional dividend of 70 MNOK based on the 2019 Financial Statements in 4Q-20.
- Norled is in compliance with all covenants related to bond and other long-term debt to financial institutions per 4Q-20.

Balance sheet

| NOKm | 31.12.20. | 31.12.19. |
|------------------------|--------------|--------------|
| Fixed assets | 3 806 | 3 571 |
| Bank deposits and cash | 411 | 281 |
| Other assets | 230 | 220 |
| Total assets | 4 447 | 4 071 |

| | | |
|-------------------------------------|--------------|--------------|
| Equity | 650 | 537 |
| Deferred tax | 272 | 242 |
| Long-term debt financial inst. | 3 222 | 2 817 |
| Other debt | 304 | 476 |
| Total equity and liabilities | 4 447 | 4 071 |

| | | |
|------|-------|-------|
| NIBD | 2 810 | 2 536 |
|------|-------|-------|

| Total investments: | 2020 | 2021 | 2022 |
|---------------------------|-------------|-------------|-------------|
| Total investments: | 735 | 1 558 | 241 |

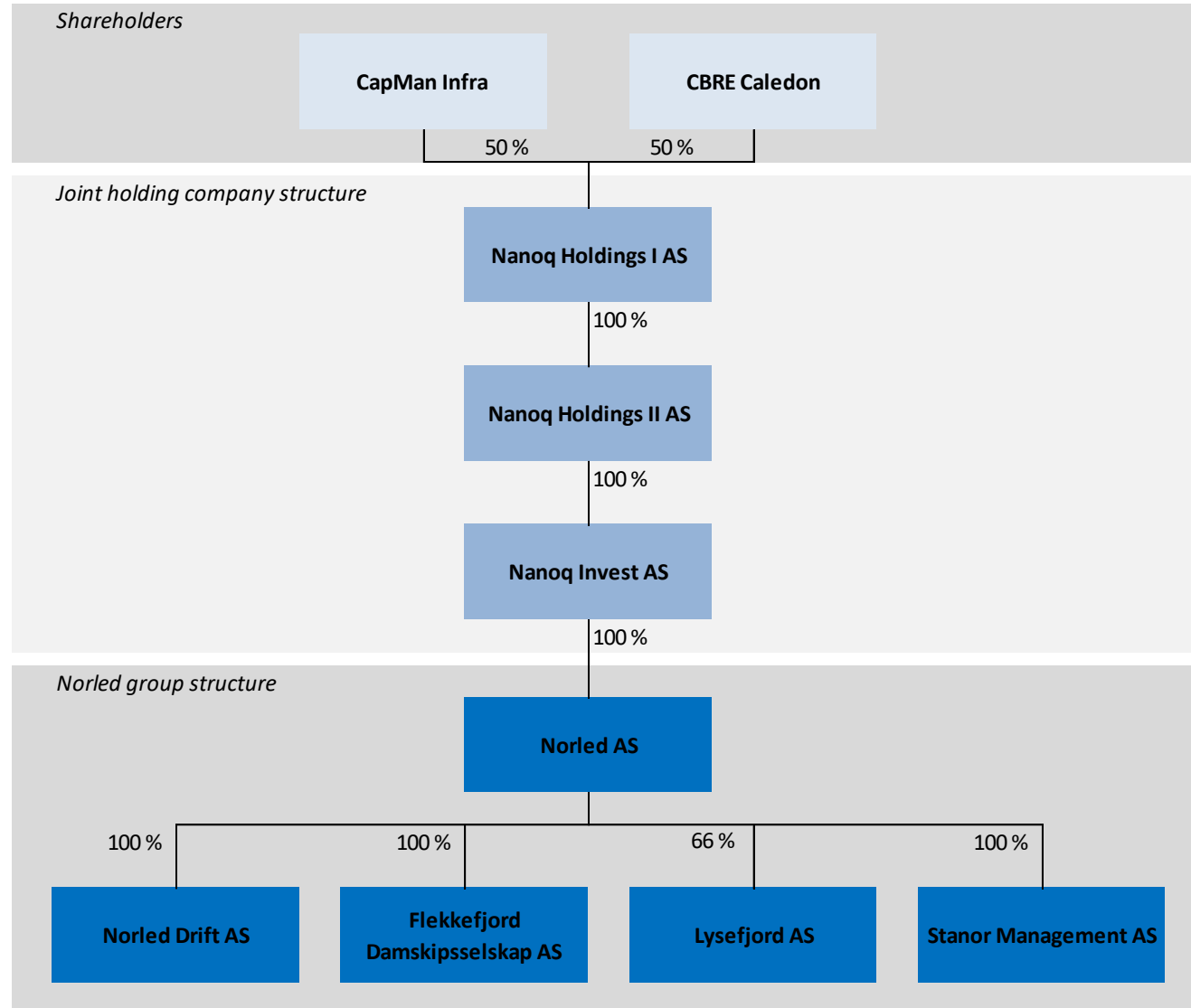
| Spec. of long-term debt | 31.12.20. |
|--------------------------------|------------------|
| Term loan | 1 530 |
| Capex facility | 1 191 |
| Bond | 500 |
| Total long-term debt | 3 222 |

Cash flow statement

| Cash flow from operating activities | Q4-20 | Q4-19 | Y 2020 | Y 2019 |
|--|--------------|--------------|---------------|---------------|
| Net income before tax | 13 | 28 | 140 | 192 |
| Net financial items | 26 | 28 | 106 | 81 |
| Gain on sale of fixed assets | 0 | -38 | -21 | -40 |
| Depreciation | 63 | 53 | 241 | 197 |
| Write-down | 0 | 2 | 0 | 2 |
| Changes in inventory | 4 | -2 | 3 | -1 |
| Changes in accounts receivable | 2 | -18 | 48 | 27 |
| Changes in accounts payable | 26 | 45 | -59 | -12 |
| Changes in pension commitments | 6 | -1 | 12 | 7 |
| Income tax payable | -1 | 0 | -1 | -1 |
| Changes in other items | -16 | -39 | -111 | -137 |
| Net cash flow from operating activities | 122 | 58 | 358 | 314 |
| Cash flow from investing activities | Q4-20 | Q4-19 | Y 2020 | Y 2019 |
| Proceeds from sale of fixed assets | 0 | 76 | 282 | 78 |
| Purchase of fixed assets | -106 | -326 | -727 | -1 110 |
| Paid interest | -33 | -28 | -115 | -87 |
| Received interest | 0 | 0 | 1 | 6 |
| Net cash flow from investing activities | -139 | -278 | -559 | -1 113 |
| Cash flow from financing activities | Q4-20 | Q4-19 | Y 2020 | Y 2019 |
| Proceeds from borrowings of long term debt* | 0 | 750 | 650 | 3 171 |
| Repayment of borrowings | -125 | -501 | -248 | -2 051 |
| Dividends* | -70 | 0 | -70 | -583 |
| Changes in intra-group balance | 0 | 0 | 0 | 126 |
| Net cash flow from financing activities | -195 | 249 | 332 | 663 |
| Net change in cash and cash equivalents | -212 | 29 | 131 | -136 |
| Cash and cash equivalents at IB | 623 | 252 | 281 | 417 |
| Cash and cash equivalents at CB | 411 | 281 | 411 | 281 |

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

Group structure



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



NORLED
The greatest travel experiences

IR – Norled

Tord Helland
CFO

Phone: +47 406 31 575

E-mail: tord.helland@norled.no

