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Financial report Norled Q4 - 2021

Norled at a glance

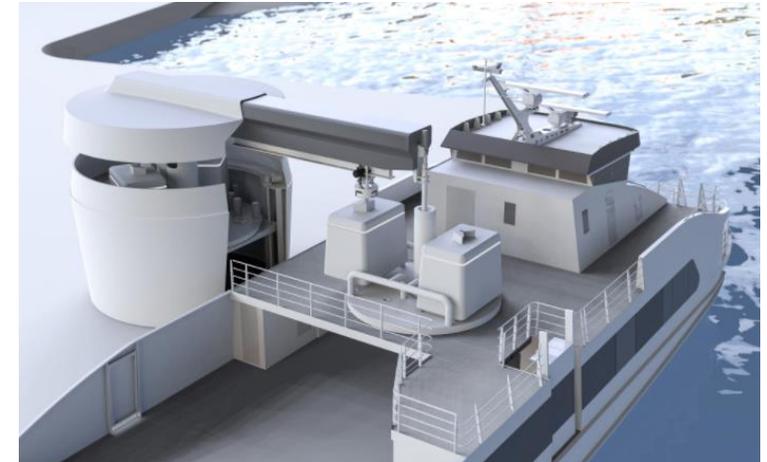
- One of the leading ferry and express boat operators in Norway
- Founded in 1855
- Nationwide operations from Oslo to Tromsø
- 900 employees, HQ in Stavanger
- Norled aims to operate with low and zero emissions and to be the leader in developing green solutions in the ferry and express boat sector
- Operates 14 ferry contracts and 9 express boat contracts (2021)
- Tourism related to contracts, and some charter activities
- Catering



Operational update 2021 – Q4

- Norled won expressboat contract Kystvegekspressen. Start of contract in 2024. Length of the contract 1 year.
- Norled launched an autonomous battery swap solution. A battery replacement solution for express boats that will ensure speed and regularity, in addition to emission-free operation. The battery swap technology means that an autonomous robot in three minutes switches the vessel's battery when docked, to a charged battery so that the service can continue.
- MF Ombo has been delivered from shipyard ADA, Turkey. Will start operating in the new Finnøy contract during Q1-22.
- Norled has sold two vacant vessels during fourth quarter.
- 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.
- The pandemic has also in fourth quarter 2021 an impact on tourism activities and catering.

Norled Autonomous Battery Swap



Operational update 2021 – YTD

- Successful start of 5 new contracts in 2021.
 - Ferry: Sunnmøre (partly re- win)
 - Ferry: Finnøy (re- win)
 - Ferry: Ryfylkeferjen (new contract)
 - Ferry: Lyngen (re- win)
 - Ferry: Hjelmeland-Skipavik-Nesvik (re- win)
- Won contracts:
 - Contract with the Norwegian Directorate of Fisheries for operation and delivery of a hybrid high-speed vessel. The vessel will carry out assignments along the entire Norwegian coast, including fishing controls, rescue of lost fishing equipment and coastal data collection, and it will be operational all year round. Length of the contract is 10 year including options, with start in 2022.
 - Expressboat contract Sogn Rutepakke 1 with Skyss . Length of the contract is 2 years and 7 months, with start in 2022.
 - Expressboat contract Kystvegekspressen. Start of contract in 2024. Length of the contract 1 year.
- Apart from reduced catering activity, 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.
- The tourism and catering activities have been affected by COVID-19.
- Delivered vessels:
 - MF Fodnes. Yard, Remontowa. Will operate in Indre Sogn contract. MF Fodnes was the last delivery of 4 new sister vessels being built at Remontowa.
 - MF Nesvik and MF Hydra. Yard, Westcon. Will operate in the Hjelmeland-Skipavik-Nesvik contract.
 - MF Hidle anf MF Ombo. Yard ADA. Will operate in the Finnøy contract.
- Norled has sold 5 vacant vessels during 2021.

Illustration of new vessel for Directorate of Fisheries



Financial update 2021 – Q4



- Revenue:
 - Revenue Q4-21 is in line with Q4-20.
 - Revenue is affected by COVID-19, mainly with reduced passenger revenue in the express boat segment and less catering activity.
- EBITDA:
 - Increased EBITDA profitability is mainly related to net gain on sale of fixed assets.
 - EBITDA profitability is negatively affected by COVID-19, mainly with reduced tourist related revenue in the express boat segment and reduced catering activity. There have also been extra cost due to late delivery of vessels, and increased fuel price.
- Increased depreciation due to completion of newbuild, infrastructure and retrofit projects.

NOKm	Q4 2021	Q4 2020	Changes	Changes %
Total revenue	528	511	17	3 %
Cost of goods (catering)	3	2	1	39 %
Personnel costs	209	207	2	1 %
Other operating costs	212	200	13	6 %
Net gain on sale of Fixed Assets	-49	0	-49	-724208 %
Total operating costs:	376	409	-33	-8 %
EBITDA	152	101	50	50 %
EBITDA %	29 %	20 %	9 %	
Depreciation / writedown	83	63	20	32 %
EBIT	69	39	30	78 %
Net financial costs	31	26	5	19 %
EBT	38	13	25	201 %
Tax expense	8	3	6	206 %
Net Income	29	10	20	200 %

Financial update 2021 – YTD



- Revenue:
 - Revenue YTD 2021 is in line with YTD 2020. Changes in the contract portfolio affected the revenue.
 - Revenue is affected by COVID-19, mainly with reduced passenger revenue in the express boat segment and less catering activity.
- EBITDA:
 - Other operating cost YTD is affected by increased fuel price and extra cost because of late delivery of vessels due to COVID-19.
 - EBITDA profitability is also negatively affected by COVID-19 because of reduced tourist related revenue in the express boat segment and reduced catering activity.
- Increased depreciation due to completion of newbuild, infrastructure and retrofit projects.

NOKm	YTD 2021	YTD 2020	Changes	Changes %
Total revenue	2 043	2 022	21	1 %
Cost of goods (catering)	16	13	3	23 %
Personnel costs	796	776	19	3 %
Other operating costs	801	766	35	5 %
Net gain on sale of Fixed Assets	-51	-21	-30	146 %
Total operating costs:	1 562	1 535	27	2 %
EBITDA	481	487	-6	-1 %
EBITDA %	24 %	24 %	-1 %	
Depreciation / writedown	310	241	69	29 %
EBIT	171	247	-75	-31 %
Net financial costs	119	106	13	12 %
EBT	52	140	-88	-63 %
Tax expense	11	31	-19	-63 %
Net Income	40	109	-69	-63 %

Balance sheet



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- 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 4Q-21.

Balance sheet

NOKm	31.12.21.	31.12.20.
Fixed assets	4 446	3 806
Bank deposits and cash	476	412
Other assets	171	217
Total assets	5 093	4 434
Equity	668	650
Deferred tax	283	272
Long-term debt	3 880	3 222
Other debt	262	290
Total equity and liabilities	5 093	4 434
NIBD	3 404	2 810
Spec. of long-term debt	31.12.21.	
Long-term debt to financial inst.	3 380	
Bond	500	
Total long-term debt	3 880	

Cash flow statement



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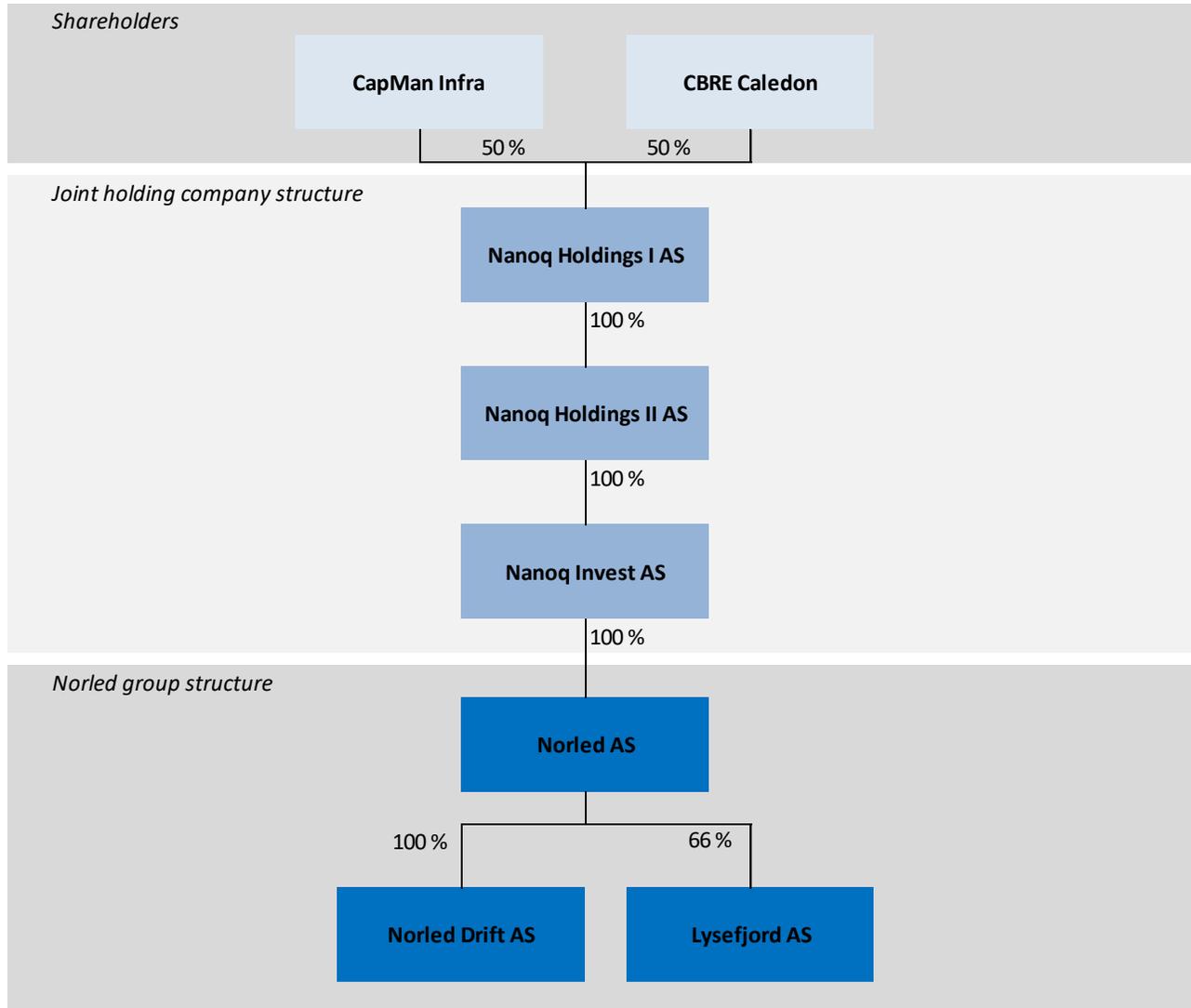
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Cash flow from operating activities	Q4-21	Q4-20	YTD 2021	YTD 2020
Net income before tax	38	13	52	140
Net financial items	31	26	119	106
Gain on sale of fixed assets	-49	0	-51	-21
Depreciation	83	63	310	241
Write-down	0	0	0	0
Changes in inventory	-4	4	-4	3
Changes in accounts receivable	59	2	8	48
Changes in accounts payable	-22	26	6	-59
Changes in pension commitments	0	6	0	12
Income tax payable	0	-1	0	-1
Changes in other items	32	-16	1	-111
Net cash flow from operating activities	168	122	442	358
Cash flow from investing activities	Q4-21	Q4-20	YTD 2021	YTD 2020
Proceeds from sale of fixed assets	182	0	187	282
Purchase of fixed assets	-250	-106	-1 083	-727
Paid interest	-34	-33	-123	-115
Received interest	3	0	4	1
Net cash flow from investing activities	-99	-139	-1 015	-559
Cash flow from financing activities	Q4-21	Q4-20	YTD 2021	YTD 2020
Proceeds from borrowings of long term debt	30	0	976	650
Repayment of borrowings	-157	-125	-318	-248
Dividends	-20	-70	-20	-70
Net cash flow from financing activities	-147	-195	638	332
Net change in cash and cash equivalents	-79	-212	65	131
Cash and cash equivalents at IB	554	623	411	281
Cash and cash equivalents at CB	476	411	476	411

Group structure



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



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