



**NORLED**

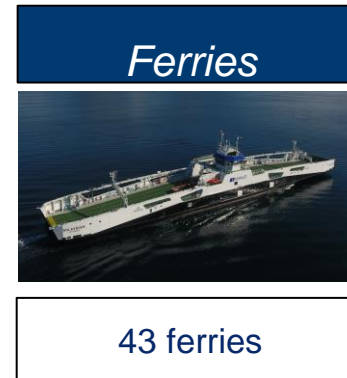
*The greatest travel experiences*



*Financial report Norled Q2 - 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 – Q2

- Successful start of the new Hjelmeland-Skipavik-Nesvik contract 15.04.21. For the new contract the vessels MF Nesvik (hybrid electric) and MF Hydra (hybrid electric/hydrogen) has been delivered in Q2-21. Both of the vessels has been built by Westcon.
- Norled won the expressboat contract Sogn Rutepakke 1 with Skyss . Length of the contract is 2 years and 7 months, with start in 2022.
- 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 also have an impact on tourism activities.

*MF Hydra*



# 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.
- 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 pandemic also have an impact on tourism and catering activities.
- 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.

*Illustration of new vessel for Directorate of Fisheries*



# Financial update 2021 – Q2



- Revenue:
  - Increase in revenue due to changes in the contract portfolio and some increased activity in catering and tourist segments compared to Q2 2020.
  - 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 increased revenue, due to the factors mentioned above.
  - EBITDA profitability is negatively affected by COVID-19, mainly with 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	Q2 2021	Q2 2020	Changes	Changes %
<b>Total revenue</b>	<b>515</b>	<b>478</b>	<b>37</b>	<b>8 %</b>
Cost of goods (catering)	4	1	3	206 %
Personnel costs	177	173	4	2 %
Other operating costs	198	185	13	7 %
Net gain on sale of Fixed Assets	0	1	-1	-100 %
<b>Total operating costs:</b>	<b>379</b>	<b>360</b>	<b>19</b>	<b>5 %</b>
<b>EBITDA</b>	<b>136</b>	<b>118</b>	<b>18</b>	<b>15 %</b>
EBITDA %	26 %	25 %	2 %	
Depreciation / writedown	77	60	18	29 %
<b>EBIT</b>	<b>58</b>	<b>58</b>	<b>1</b>	<b>1 %</b>
Net financial costs	28	25	3	13 %
<b>EBT</b>	<b>30</b>	<b>33</b>	<b>-3</b>	<b>-8 %</b>
Tax expense	7	7	-1	-8 %
<b>Net Income</b>	<b>23</b>	<b>26</b>	<b>-2</b>	<b>-8 %</b>

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

# Financial update 2021 – YTD



- Revenue:
  - Revenue YTD 2021 is in line with YTD 2020. 2021 revenue is affected by lower activity in Q1-21 compared to Q1-20, but higher activity in Q2-21 compared to Q2-20. Also 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:
  - EBITDA profitability is in line with last year YTD due to the factors mentioned above.
  - EBITDA profitability is negatively affected by COVID-19, mainly with reduced tourist related revenue in the express boat segment and reduced catering activity.
  - Other operating cost YTD is also affected by increased fuel price and extra cost because of late delivery of vessels due to COVID-19.
- Increased depreciation due to completion of newbuild, infrastructure and retrofit projects.

NOKm	YTD 2021	YTD 2020	Changes	Changes %	Y 2020
<b>Total revenue</b>	<b>992</b>	<b>987</b>	<b>6</b>	<b>1 %</b>	<b>2 022</b>
Cost of goods (catering)	6	5	1	22 %	13
Personnel costs	373	373	0	0 %	776
Other operating costs	391	391	0	0 %	766
Net gain on sale of Fixed Assets	1	1	0	-5 %	-21
<b>Total operating costs:</b>	<b>771</b>	<b>770</b>	<b>1</b>	<b>0 %</b>	<b>1 535</b>
<b>EBITDA</b>	<b>222</b>	<b>217</b>	<b>5</b>	<b>2 %</b>	<b>487</b>
EBITDA %	22 %	22 %	0 %		24 %
Depreciation / writedown	148	116	31	27 %	241
<b>EBIT</b>	<b>74</b>	<b>100</b>	<b>-27</b>	<b>-26 %</b>	<b>247</b>
Net financial costs	59	57	2	4 %	106
<b>EBT</b>	<b>15</b>	<b>44</b>	<b>-29</b>	<b>-66 %</b>	<b>140</b>
Tax expense	3	10	-6	-66 %	31
<b>Net Income</b>	<b>12</b>	<b>34</b>	<b>-22</b>	<b>-66 %</b>	<b>109</b>

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

# Balance sheet



**NORLED**

The greatest travel experiences

- 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 2Q-21.

## Balance sheet

NOKm	30.06.21.	30.06.20.	31.12.20.
Fixed assets	4 271	3 893	3 806
Bank deposits and cash	310	364	411
Other assets	272	230	217
<b>Total assets</b>	<b>4 853</b>	<b>4 486</b>	<b>4 434</b>
Equity	662	646	650
Deferred tax	275	251	272
Long-term debt	3 664	3 344	3 222
Other debt	252	246	290
<b>Total equity and liabilities</b>	<b>4 853</b>	<b>4 486</b>	<b>4 434</b>
NIBD	3 354	2 980	2 810
<b>Spec. of long-term debt</b>	<b>30.06.21.</b>		
Long-term debt to financial inst.	3 164		
Bond	500		
<b>Total long-term debt</b>	<b>3 664</b>		

# Cash flow statement



**NORLED**

The greatest travel experiences

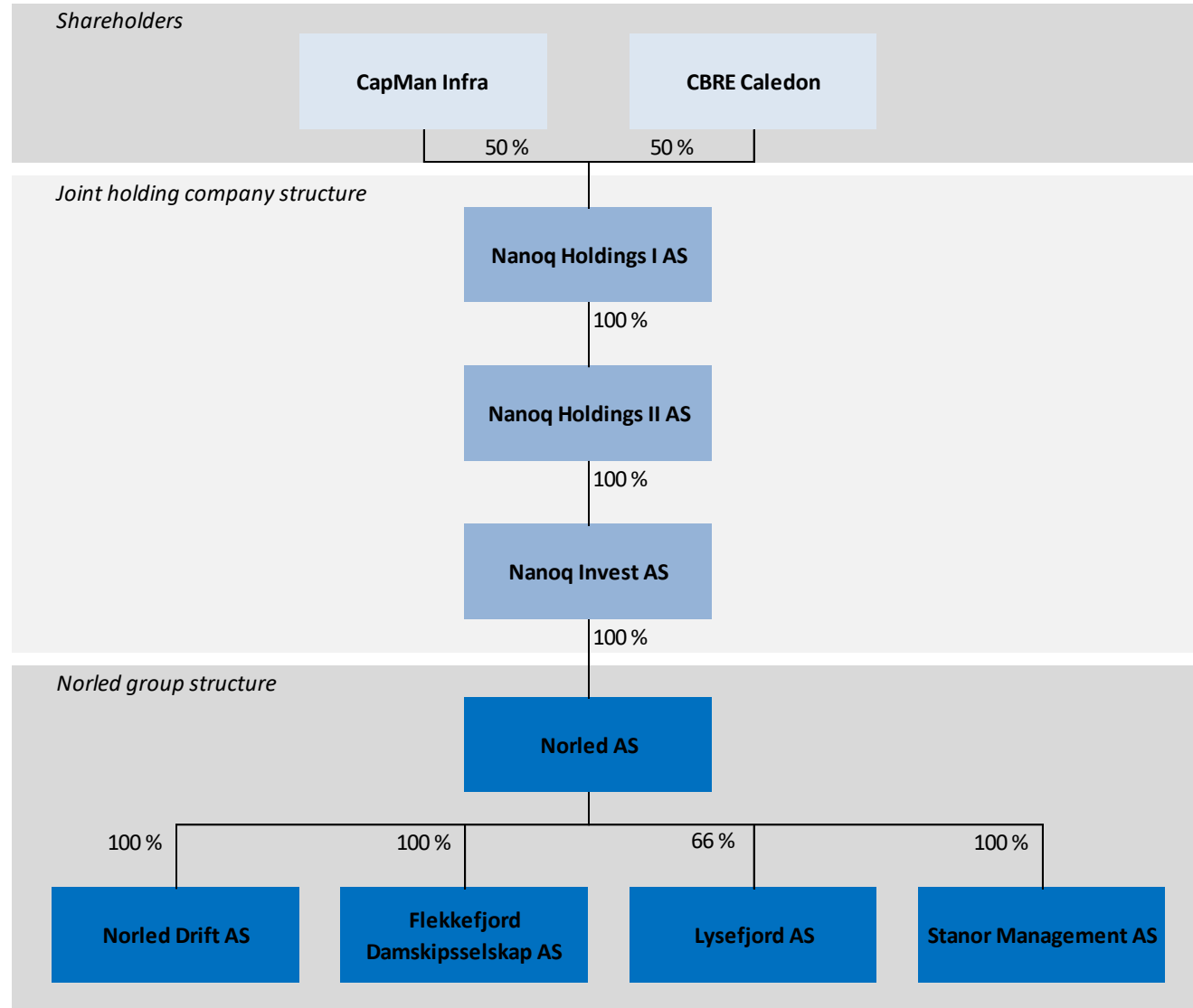
<b>Cash flow from operating activities</b>	<b>Q2-21</b>	<b>Q2-20</b>	<b>YTD 2021</b>	<b>YTD 2020</b>	<b>Y 2020</b>
Net income before tax	30	33	15	44	140
Net financial items	28	25	59	57	106
Gain on sale of fixed assets	0	0	1	0	-21
Depreciation	77	60	148	116	241
Write-down	0	0	0	0	0
Changes in inventory	0	1	0	1	3
Changes in accounts receivable	-31	27	-38	17	48
Changes in accounts payable	-4	-27	-13	-101	-59
Changes in pension commitments	0	3	0	4	12
Income tax payable	0	-1	0	-1	-1
Changes in other items	-33	-35	-43	-86	-111
<b>Net cash flow from operating activities</b>	<b>68</b>	<b>85</b>	<b>129</b>	<b>51</b>	<b>358</b>
<b>Cash flow from investing activities</b>	<b>Q2-21</b>	<b>Q2-20</b>	<b>YTD 2021</b>	<b>YTD 2020</b>	<b>Y 2020</b>
Proceeds from sale of fixed assets	0	8	1	8	282
Purchase of fixed assets	-438	-127	-615	-446	-727
Paid interest	-29	-26	-60	-58	-115
Received interest	1	1	1	1	1
<b>Net cash flow from investing activities</b>	<b>-466</b>	<b>-144</b>	<b>-672</b>	<b>-495</b>	<b>-559</b>
<b>Cash flow from financing activities</b>	<b>Q2-21</b>	<b>Q2-20</b>	<b>YTD 2021</b>	<b>YTD 2020</b>	<b>Y 2020</b>
Proceeds from borrowings of long term debt	526	350	596	650	650
Repayment of borrowings	-154	-122	-154	-123	-248
Dividends	0	0	0	0	-70
<b>Net cash flow from financing activities</b>	<b>373</b>	<b>228</b>	<b>443</b>	<b>527</b>	<b>332</b>
<b>Net change in cash and cash equivalents</b>	<b>-26</b>	<b>169</b>	<b>-101</b>	<b>82</b>	<b>131</b>
Cash and cash equivalents at IB	336	194	411	281	281
Cash and cash equivalents at CB	310	364	310	364	411



# Group structure



**NORLED**  
The greatest travel experiences



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



**NORLED**

*The greatest travel experiences*

IR – Norled

Heidi Wolden  
CEO

Phone: + 47 906 14 375

E-mail: [heidi.wolden@norled.no](mailto:heidi.wolden@norled.no)

Tord Helland  
CFO

Phone: +47 406 31 575

E-mail: [tord.helland@norled.no](mailto:tord.helland@norled.no)

