



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



39 ferries and 18 routes



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



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- 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 Lyngensambandet 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



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- 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
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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



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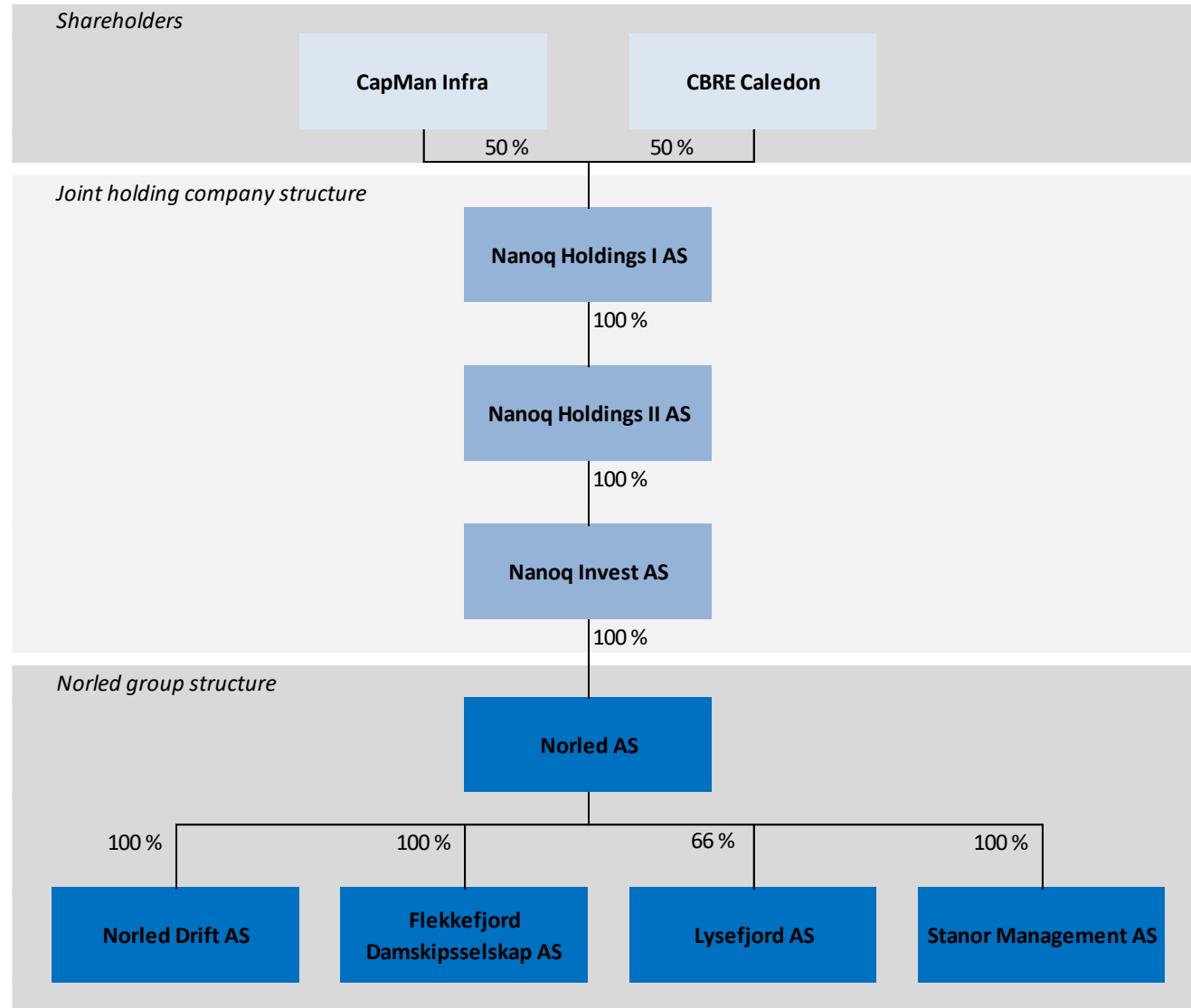
Cash flow from operating activities	Q4-20	Q4-19	Y 2020	Y 2019
Net income before tax	13	28	140	192
Net financial items	26	28	106	81
Gain on sale of fixed assets	0	-38	-21	-40
Depreciation	63	53	241	197
Write-down	0	2	0	2
Changes in inventory	4	-2	3	-1
Changes in accounts receivable	2	-18	48	27
Changes 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



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



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