

Financial report Q1-2021



28. May 2021



Let's go together

- Boreal is a leading provider of mobility in Norway with 2 700 employees. Mobility is about people, and in Boreal we strive to provide our passengers with service beyond what is expected
- Our core values reflect who we are and our way of working:

Safety

Quality

Environment

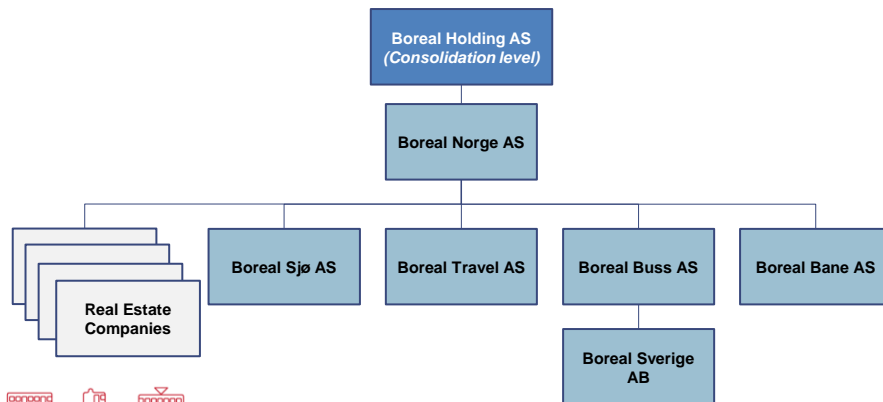
- We are ISO 9001-certified, which commits us to strive for satisfied customers
- We are ISO 14001-certified, which commits us to take care of the environment
- Our zero philosophy commits us to strive for an operation without damage to people, the environment or equipment

Boreal at a glance

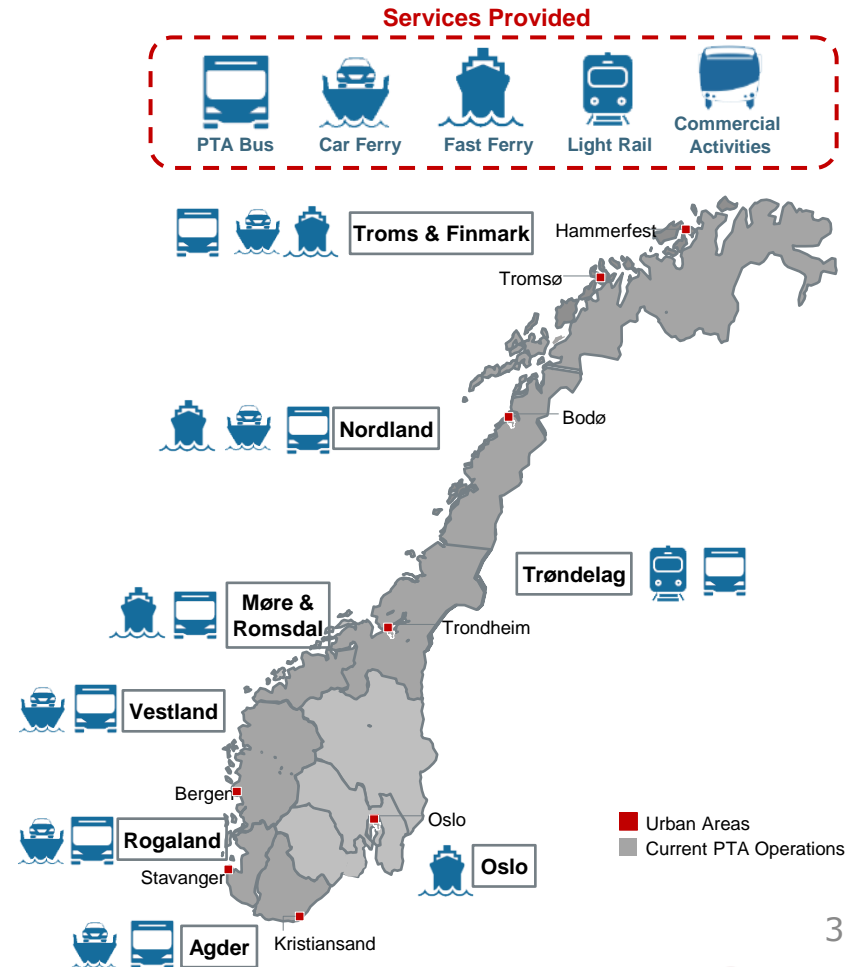
Vast majority of the business relates to PTA contracts

A public transportation provider

- Leading public transport provider in Norway
- Operating in four PTA segments; bus, car ferry, fast ferry, light rail in addition to commercial activities and Minol services
- 2 700 employees, HQ in Stavanger
- Main revenues stem from operating long-term gross contracts (i.e. availability based) from Norwegian Public Transport Administrators (“PTAs”)
- Boreal is owned by Everbright Overseas Infrastructure Investment Fund, managed by China Everbright Limited, since 2018



Geographical footprint



Financial highlights – Q1

- Decrease in revenue Q1-2021 versus Q1-2020 is mainly due to a drop in the travel market related to the Covid-19 situation, however partly offset by new contracts
- Increased EBITDA currently quarter stems from cost savings initiatives/restructuring process within the Groups business aimed at tourism and airport buses, compared to Q1 2020

<i>NOKm</i>	Q1 2021	Q1 2020	Changes
Total revenue	837,7	881,4	-43,7
Cost of goods sold	-78,4	-93,9	15,4
Personnel expenses	-355,4	-363,7	8,2
Other operating expenses	-320,6	-346,1	25,5
Operating expenses	-754,5	-803,7	49,2
EBITDA	83,2	77,7	5,5
<i>EBITDA margin</i>	9,9 %	8,8 %	1,1 %
Depreciation	-94,1	-83,2	-10,9
Net financial items	-33,4	-37,6	4,2
Result before taxes	-44,3	-43,1	-1,2
Estimated tax*	4,4	4,6	-0,2
Result after taxes	-39,9	-38,5	-1,4

* Full tax calculations is performed on annual figures. Quarterly tax is estimated from 22% on result before taxes in addition to include deferred tax related to depreciation added values that stems from PPA18

Balance sheet

Currently significant newbuilds program

- As a result of PTA ferry contracts starting up the coming two years Boreal has a large newbuild ferry program. Currently 11 ferries are under construction. As such fixed assets will increase quarter by quarter
- Positive change in cash is mainly due to the closed bond tap in Q3-2020
- Increase in long-term debt is related to vessels under construction, delivered ferries and bond tap
- Boreal is in compliance with covenants

<i>NOKm</i>	Q1 2021	Q1 2020	Changes
Assets			
Fixed assets	4 519,8	3 750,6	769,2
Cash and cash eq.	363,9	266,9	97,1
Other current assets	444,3	446,1	-1,8
Total assets	5 328,0	4 463,7	864,4
Equity and liabilities			
Equity	879,6	938,5	-58,9
Long term liabilities	3 684,2	2 770,0	914,2
Current liabilities	764,3	755,2	9,1
Total equity and liabilities	5 328,0	4 463,7	864,4

Spec long term debt	Q1 2021
Bond	2 461,0
Subordinated loan	572,0
Term loan and other	481,3
Deferred tax liabilities	169,9
Long term liabilities	3 684,2

Cash flow statement

<i>NOKm</i>	Q1 2021	Q1 2020
Ordinary result before taxes	-44,3	-43,1
Depreciation and write-downs	94,1	83,2
Paid taxes	0,0	4,7
Change current rec., liab. and other periodisation	-118,0	6,4
Net cash flow from operations	-68,2	51,2
Capex fixed assets	-225,9	-176,8
Sales fixed assets	0,1	0,0
Investments in subsidiaries and associated comp.	-14,0	0,0
Net cash flow from investments	-239,8	-176,8
Proceeds from increased long term debt	0,0	0,0
Repayments long term debt	-6,0	191,4
Other changes (e.g. financial lease)	-4,7	-7,1
Net cash flow from financing activities	-10,7	184,3
Change in cash position in the period	-318,7	58,7
Liquidity reserve at the beginning of the period	682,6	208,2
Liquidity reserve at the end of the period	363,9	266,9

Operational highlights – Q1

- Boreal Sjø had a positive startup of the new 8-year Molde-Vestnes contract. Due to Covid-19 there is some delay in delivery of new vessels, but all operations are conducted according to contract requirements
- Boreal Sjø, -Buss and -Bane have insignificant effects related to Covid-19 regarding our PTA contract portfolio. Boreal saw a further drop in revenue in Q1 related to the travel market due to the Covid-19 situation
- Boreal Buss acquired Arctic Bus Sweden AB in January 2021
- Boreal Travel took delivery of the first Norwegian registered electric tour bus
- Boreal Sjø had a planned following up audit from NMA in March 2021. Boreal has maintained its DOC until September 2021 where the regular yearly audit will take place



First electric tour bus in Norway

IR – Boreal



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