

4 quarter 2020 Presentation


19 February 2021

Highlights 4Q 2020

Bonheur ASA Group of companies

Figures in paranthesis (4Q19)


Renewable Energy



100% Fred. Olsen Renewables AS

- EBITDA NOK 247 mill. (NOK 276 mill.)
- Improved power prices in UK, but still low prices in Scandinavia in Q4
- Högaliden project estimated completion by end of second quarter
- Continued progress on Codling Wind Park offshore projects
- JV partnership with Hafslund ECO for Norwegian offshore wind and transmission concept
- Established projects for floating offshore solar

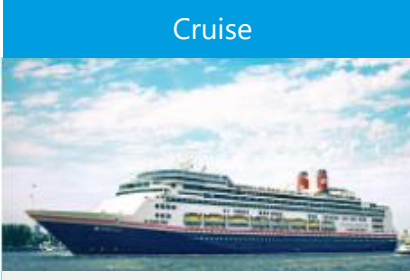
Wind Service



100% Fred. Olsen Ocean Ltd.

- EBITDA NOK 102 mill. (NOK -73 mill.)
- Brave Tern on contract in Taiwan
- Solid execution on blade repair for Bold Tern
- Low utilization on Blue Tern
- Established fleet upgrade and growth program in FOWIC
- Strong performance in GWS
- UWL took delivery of the second newbuild and acquired VestVind 1


Cruise



100% Fred. Olsen Cruise Lines Ltd.

- EBITDA NOK -113 mill. (NOK 23 mill.)
- Borealis and Bolette acquired in Q3 and delivered in Q4
- Estimated lay-up costs and overhead costs going forward is about GBP 3.0 mill. per month
- Solid demand for cruises for second half of 2021 and 2022

Other Investments



- NHST continued development of new digital products and services
- Improved digital subscriptions in the quarter
- Cost reductions in line with plans

Consolidated:

- Operating revenues were NOK 1 575 million (NOK 1 893 million)
- EBITDA was NOK 207 million (NOK 189 million)
- EBIT was NOK -146 million (NOK -289 million)
- Net result after tax was NOK -289 million (NOK -162 million)

Parent company:

- Dividend proposal of NOK 4.00 per share, (NOK 170 million)
- Equity in parent company NOK 7 007 million (NOK 7 506 million)
- Equity ratio of 68.2% (71.2%)
- Cash in parent company NOK 2 908 million (NOK 4 117 million)

Consolidated summary

Bonheur ASA Group of companies

(NOK million)	4Q 20	4Q 19	Change
Revenues	1 574	1 893	-319
EBITDA	206	188	18
Depreciation	-256	-252	-4
Impairment	-97	-225	129
EBIT	-146	-289	142
Net finance	-115	106	-220
EBT	-263	-187	-75
Net result	-289	-162	-126
Shareholders of the parent company *)	-343	-219	-123
<i>Earnings per share (NOK)</i>	<i>-8,1</i>	<i>-5,2</i>	<i>-2,9</i>
<i>Net interest bearing debt (NIBD)</i>	<i>6 439</i>	<i>3 714</i>	<i>2 725</i>

Impairment – Main item:

- Impairment of exclusivity rights of €7.9 mill for Jill

Net Finance - Main items:

- Net interest expenses NOK -98 mill. (NOK -87 mill)
- Other financial expenses NOK -20 mill. (NOK -16 mill)
- Various unrealized gains / losses NOK 3 mill. (NOK 209 mill)

*) The non-controlling interests consist of 43.28% of NHST Media Group AS and 49% in Fred. Olsen Wind Limited (FOWL) (UK), 49% of Fred. Olsen CBH Limited (FOCBH) (UK), 49% of Blue Tern Limited and 7.84 % of Global Wind Services AS

Segment analysis – Revenues

Bonheur ASA Group of companies

(NOK million)	4Q 20	4Q 19	Change
Renewable energy	415	448	-33
Wind Service	866	624	242
Cruise	19	529	-510
Other	275	292	-17
Total Revenues	1 574	1 893	-319

NOK / EUR (average)	10,76	10,09	6,6 %
NOK / GBP (average)	11,91	11,74	1,4 %
GBP / USD (average)	1,32	1,29	2,5 %

Segment analysis – EBITDA

Bonheur ASA Group of companies

(NOK million)	4Q 20	4Q 19	Change
Renewable energy	247	276	-29
Wind Service	102	-73	175
Cruise	-113	23	-136
Other	-29	-37	8
Total EBITDA	206	188	18

Cash, Debt and Guarantees as per 4Q 20

Bonheur ASA Group of companies

(NOK million)	Cash	External debt	Whereof guaranteed by Bonheur
Renewable energy (FOR) (Joint Ventures and associated holding companies)	255	5 862	18
Wind Service (FOO) (Joint Venture, associated holding companies and other)	268	1 042	-
Sum (Joint Ventures and associated holding companies)	523	6 904	18
Renewable energy (FOR) (excl. Joint Ventures and associated holding companies)	174	0	-
Wind Service (FOO) (excl. Joint Ventures, associated holding companies and other)	383	720	-
Cruise (FOCL)	125	260	-
Bonheur ASA (parent company) + Other	2 928	2 589	-
Sum (excl. Joint Ventures and associated holding companies)	3 610	3 569	0

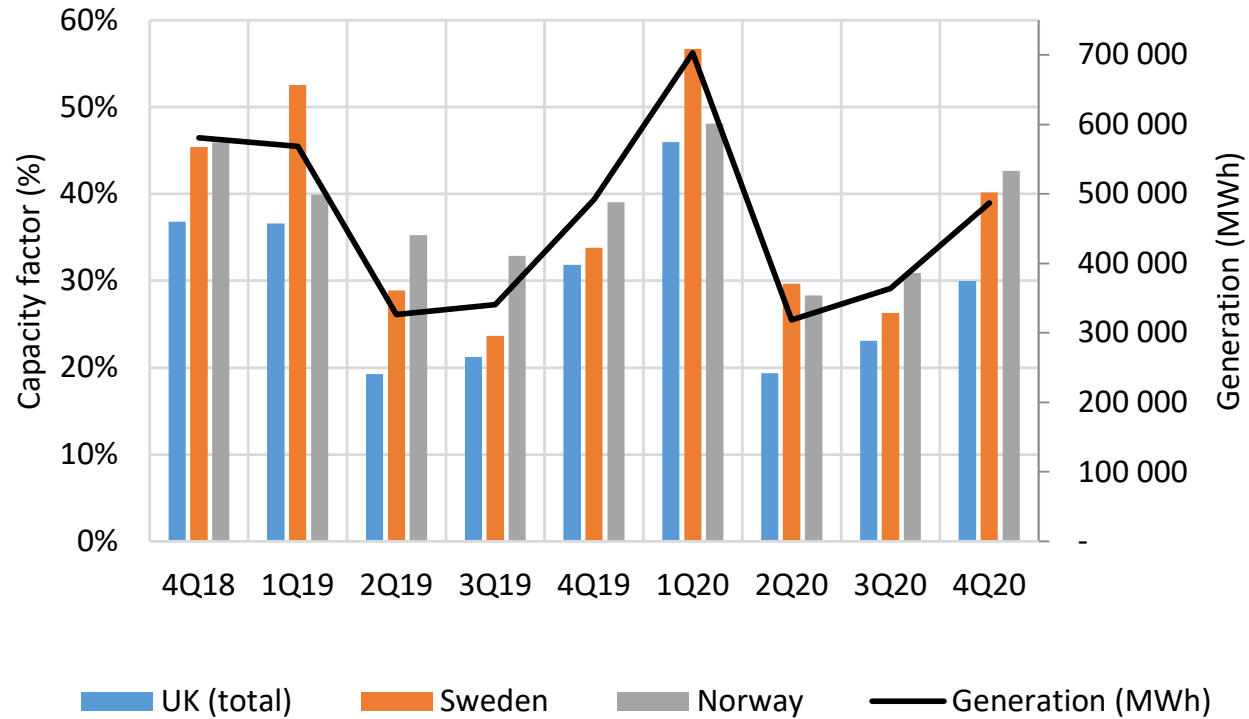
Major Events in 4Q20:

- Bonheur ASA repaid a bond loan of NOK 500 million



Renewable energy

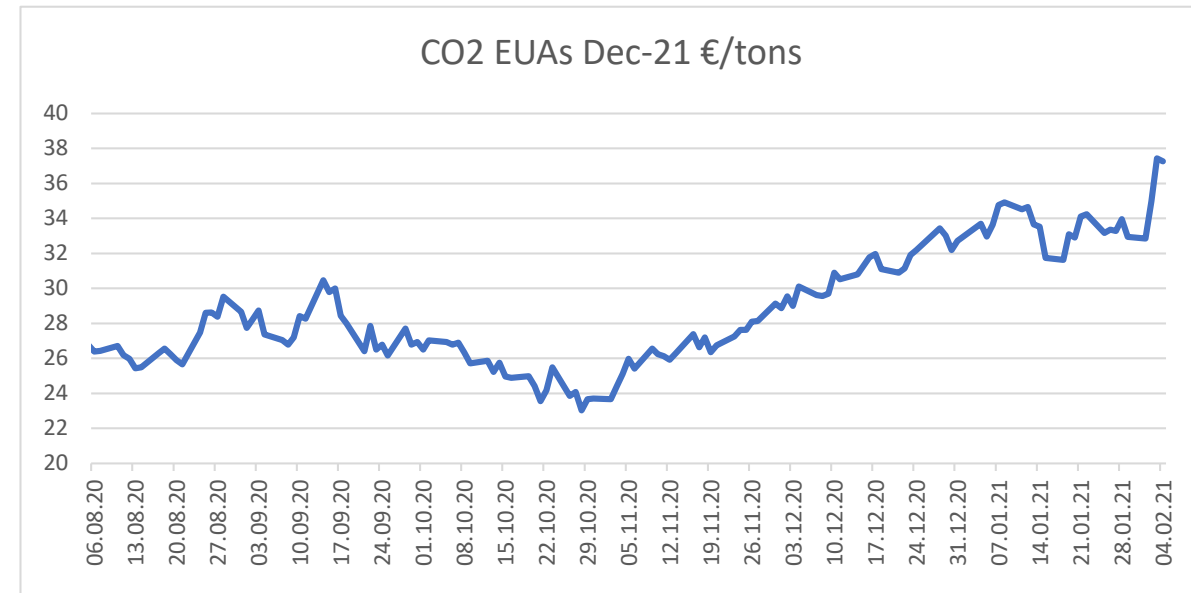
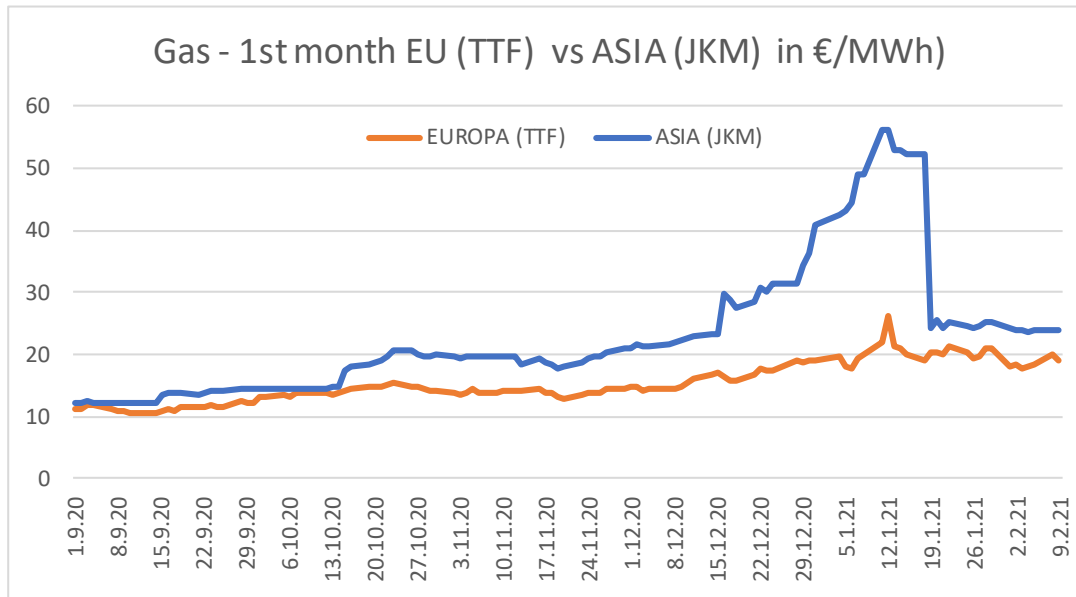
Capacity Factors and Generation



$$\text{Capacity factor} = \frac{\text{Actual generation}}{\text{Max. theoretical generation}}$$

Renewable energy

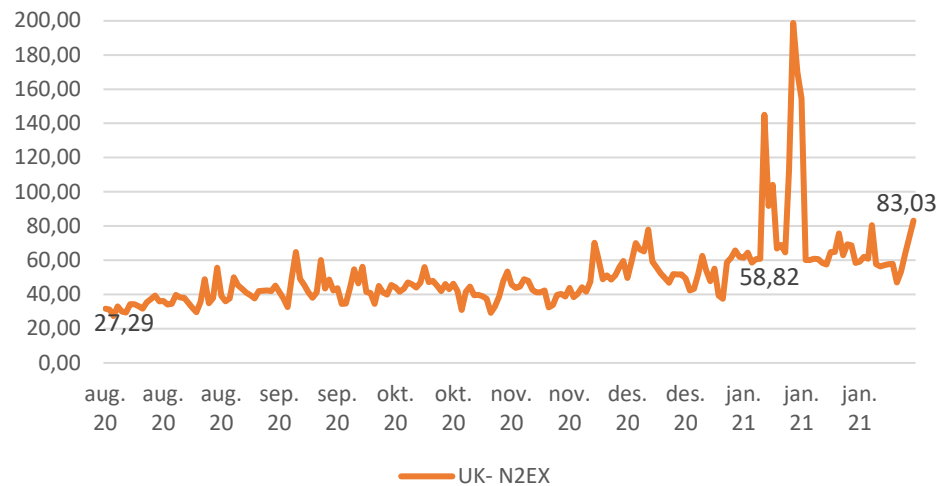
Energy prices development



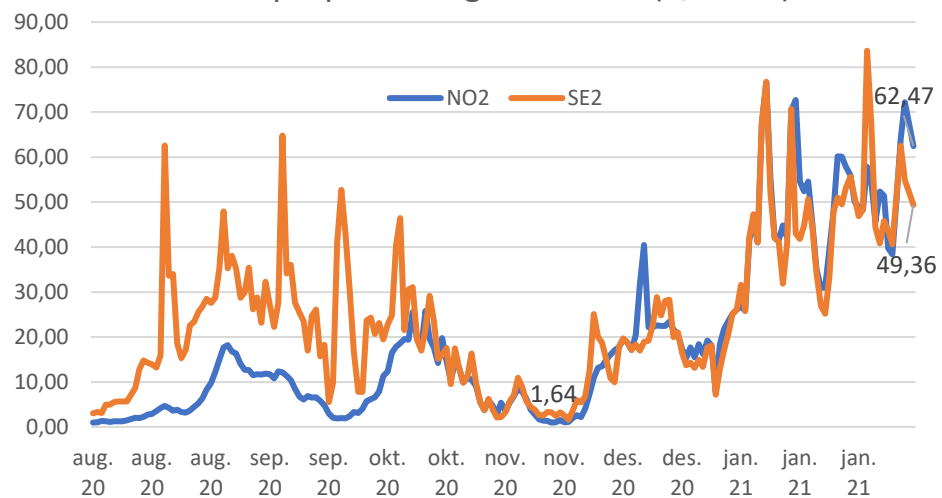
Renewable energy

Energy prices development

UK spotprices Aug-20 -Feb21 (£/MWh)

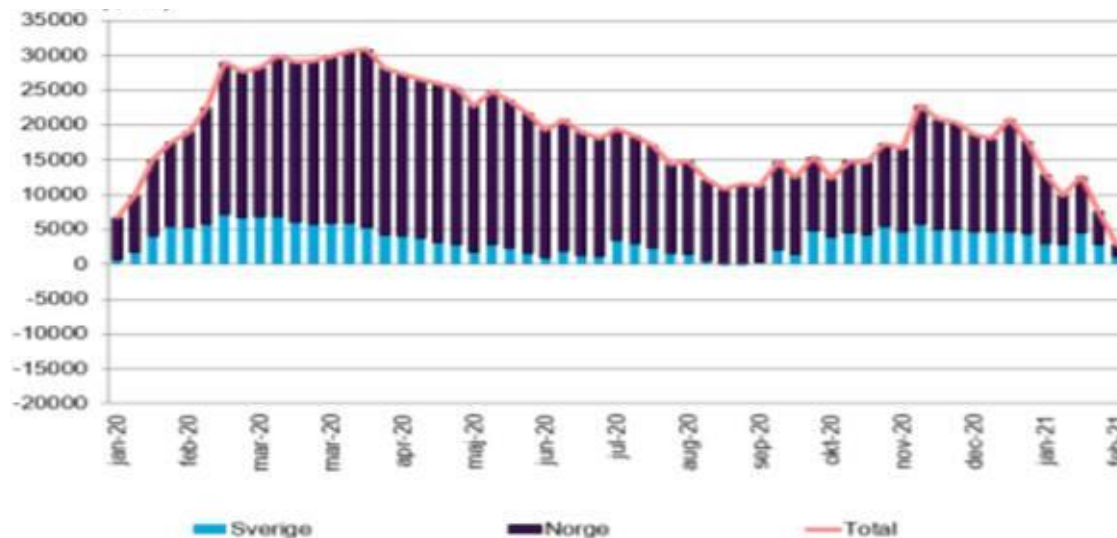


Nordic spotprices Aug-20 -Feb21 (€/MWh)



Deviation from Normal (GWh)

Hydrology balance Sweden and Norway



Source: Skellefteå Kraft

Project information

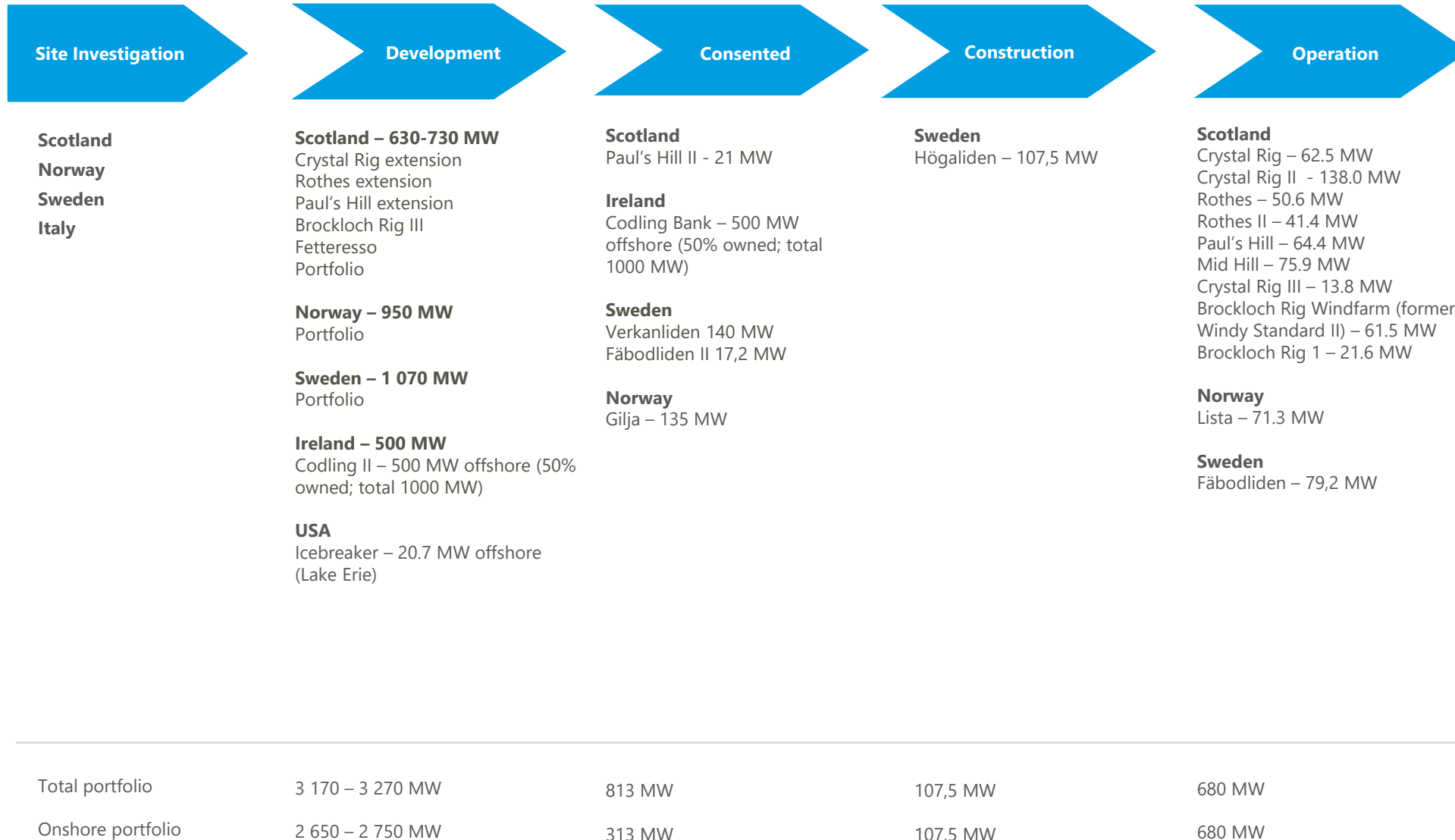
- Number of Wind turbines : 25 WTGs
- Type of Turbine : Vestas V150-4,3 MW
- Wind farm capacity : 107,5 MW
- Civil & Electrical Works : Skanska Sverige AB
- Grid connection : Skellefteå Kraft AB

Project status

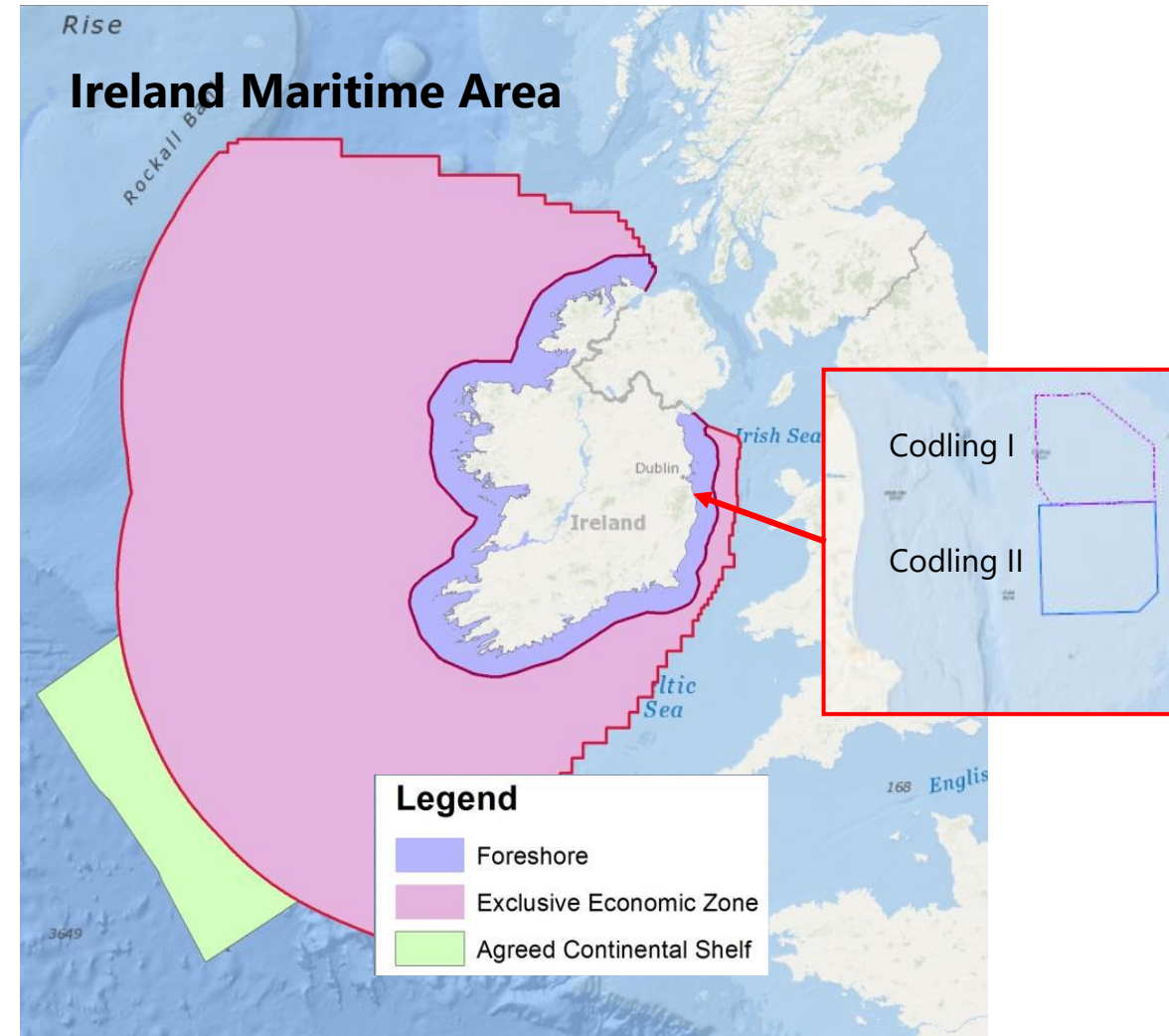
- The incident at Aldermyrberget, covid 19 outbreaks among the installation crew and severe weather condition at site has delayed the project.
- The current plan is to have 12 complete turbines generating within Q1 2021 and full production from all 25 wind turbines from end of second quarter
- We do not expect the delay to have any material profitability impact



Business Model and Project Portfolio

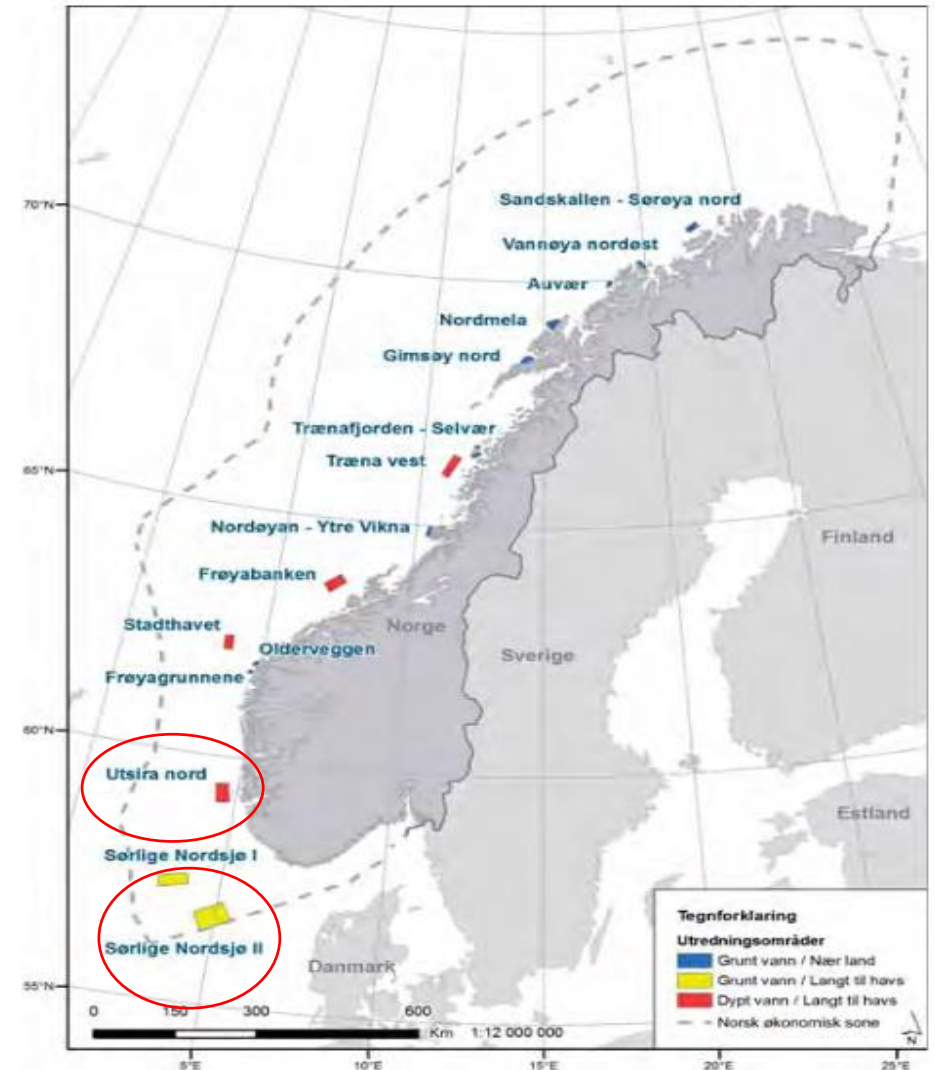


- Codling Holding Ltd. – 50/50 Joint Venture
 - Fred. Olsen Renewables Ltd.
 - Wicklow Windfarm Holding Ltd. (EDF-R)
- Codling is located south of Dublin 13 km off the coast
- Offshore wind is expected to develop and deliver 5GW by 2030 in support of Ireland's Climate Action Plan
- The lease granted identified a combined maximum total energy output of up to 2.1 GW.
- The final MW output is not currently determined and is subject to further detailed environmental, technical and engineering design work including consideration of grid and turbine technologies, and future developments.
- First offshore RESS auction planned early 2022, open to Phase 1 projects (pre-qualification Q4 2021)
 - **Codling Wind Park (I & II)**
 - Dublin Array
 - Oriel
 - North Irish Sea Array
 - Arklow Bank (use existing consent/Lease)



Offshore Wind - Norway

- The Government has opened two areas – Utsira Nord and Sørlige Nordsjø II – for offshore wind.
- The potential capacity awarded will be 4500 MW across the two sites (could be less depending on Government desire)
- Utsira Nord is suited for floating and Sørlige Nordsjø is suited for bottom-fixed.
- We are 50/50 partners with Hafslund ECO for offshore wind in Norway and we intend to submit a pre-application (melding) for a site within both areas (bottom-fixed and floating).



Our concept for offshore wind in Norway

- Profitability for Norwegian offshore wind is challenging given the low power prices in Norway, unless high subsidies are taken into account.
- Our solution to this is to combine the wind farm with an offshore transmission concept, which e.g. is connected to England.
- The transmission concept ("havnett") will over time include connections to several countries, oil and gas platforms, other windfarms etc.
- Such a solution will allow us to:
 - Sell the power from the windfarm in a market where the willingness to pay is higher (e.g. England)
 - Balance the power between UK and Norway
 - Utilize the natural advantage Norway has in form of large hydro reservoir capacity. In practice fill the reservoir capacity when the wind blows, but no/low demand for the power in e.g. UK and then sell the power when the demand and willingness to pay increases. While most power will go to e.g. England, we expect a net inflow of power to Norway, with Norway paying for low priced hours.
- Such a solution in combination with the wind farm will make the total concept commercially viable and will not require subsidies for bottom fixed sites.

Combination of offshore wind farm and transmission concept



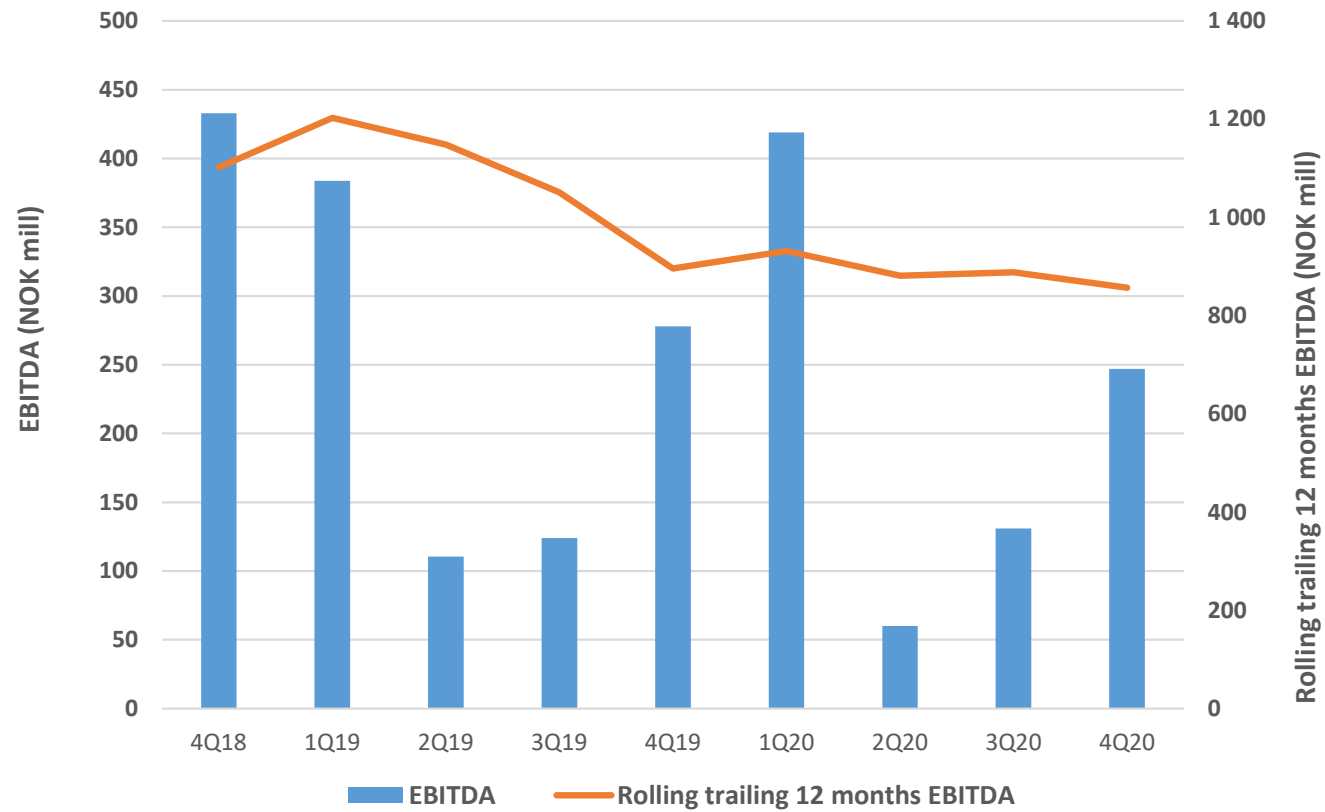
In Q4 2020 we started two projects for near- and offshore FPV

- FPV in seawater is new to the industry. FOR is engaged to gain experience and to accelerate technology development
- In Singapore:
 - Signed bilateral collaboration agreement with the Solar Energy Research Institute of Singapore (SERIS)
 - SERIS and FOR will test and compare several FPV technologies in seawater
- In the Canary Islands:
 - FOR has established a consortium with four other partners to test offshore floating solar in the “BOOST project”
 - EU funding (Horizon 2020) covers 70% of the costs



Renewable energy

Key financials





Wind Service

Wind Service

Main operating entities

Fred. Olsen Windcarrier (100 %)



- Providing vessels and expertise mainly for:
 - Transport & Installation services (T&I)
 - Operation & Maintenance services (O&M)
- Own and operate three Jack-up vessels
 - Brave Tern
 - Bold Tern
 - Blue Tern
- Have installed ~20% of all offshore wind turbines 2013-2020
- Global footprint; Europe, US and Taiwan

Global Wind Service (92.2 %)



- An international supplier of installation services, blade repair services and expertise to the global onshore and offshore wind turbine industry
- Global footprint with operations in Europe, US and Australia
- About 1 100 employees as per 4Q 2020

United Wind Logistics (50 %)



- Providing marine transportation of offshore wind turbine components from manufacturing sites to pre-assembly ports
- The first of two newbuildings was delivered in 2Q 2020, while the second was delivered in 4Q.
- Both newbuildings chartered to client MHI Vestas
- Estimated capex for each newbuilding approximately EUR 20m
- Purchase of VestVind 1 in December 2020

Wind Service

Main activities in the quarter

- Utilization for T&I and O&M vessels 76% in Q4 (46%)
- Brave Tern has been on standby rate in Taiwan for most of quarter until SGRE completed demobilization on the 10th of December.
- Bold Tern improved progress has continued through 4th quarter and installed 37 turbines in the quarter all on Luichterduinen, and project completed 10th of December ahead of forecasted schedule. Mobilized for Moray East Project back-to-back with the Luichterduinen project
- Blue Tern has completed two small O&M jobs in the quarter and been out of service for a month due to damage in leg well bulkheads
- Jill completed two contracts, one accommodation contract and one small O&M contract



FOWIC fleet upgrade and growth program - background

A market leader in a growing market

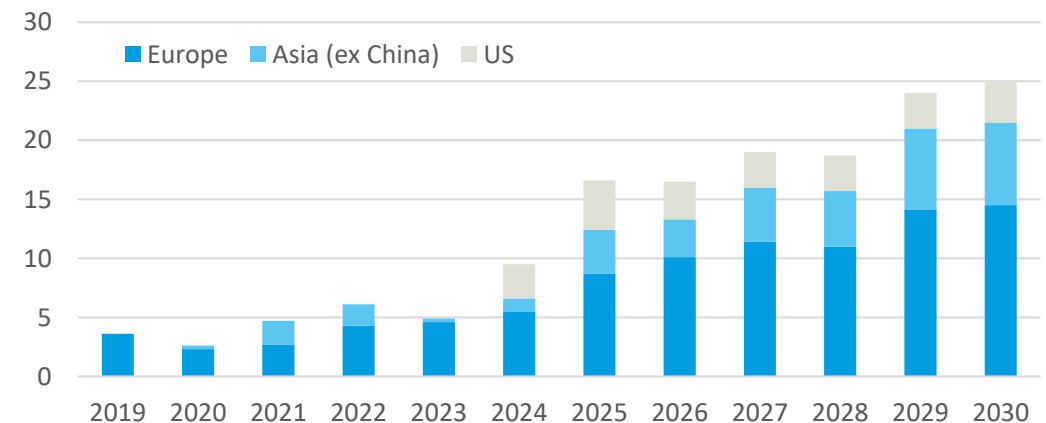
- FOWIC serves its customers with full scale, premium and flexible services
 - An Industry leading position
 - Agile, experienced and innovative organization with strong customer relationships
 - Fleet size
- Turbine installation is a critical part of a wind farm construction
 - Most time critical element; impacted by the other construction activities, weather and timely completion of the farm
 - Project execution capabilities and track record are key assets of FOWIC

FOWIC in numbers

- 1 Established 2008
- 2 Operates 3 high end T&I jackups
- 3 20% global market share 2013 – 2020
- 4 First company to operate in all three relevant continents

Market growth expected to accelerate from 2025*

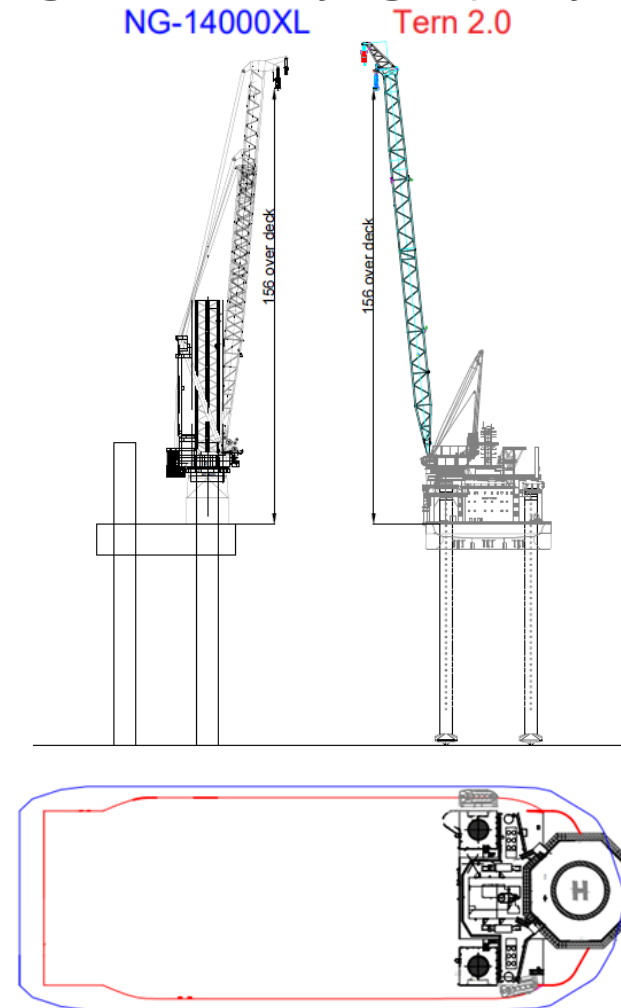
Volatility may also be expected based on our past experience



*Source; GWEC June 2020, annual new GW installed

- An upgrade program for its three vessels has been initiated, securing a highly competitive and future proof fleet
- Crane replaced and enhanced turbine carrying capacity through installation of sponsons
 - New key vessel capacities brings vessel specifications on par with announced newbuilds
- Installs the new 13-15 MW turbines but also bigger turbines if they come to market
 - Steel cut for the 1st new crane has commenced and installation to be completed early 2022
- Similar upgrades for the other 2 vessels expected to be completed ahead 13-15MW turbine projects

Lifting heights and carrying capacity are the keys



- FOWIC aims to construct a 4th vessel to supplement existing fleet
 - Reinforcing a leading market position in a growing market
 - Secure optimization of fleet utilization and economies of scale
 - Secure options for further newbuilds
- Various delivery alternatives are under review and aligned with the expected uptick in market activity
- Vessel design leverages on FOWIC's unique industry experience and client dialogues
 - Expertise and know-how in actual operations are key success factors for constructing the right vessel

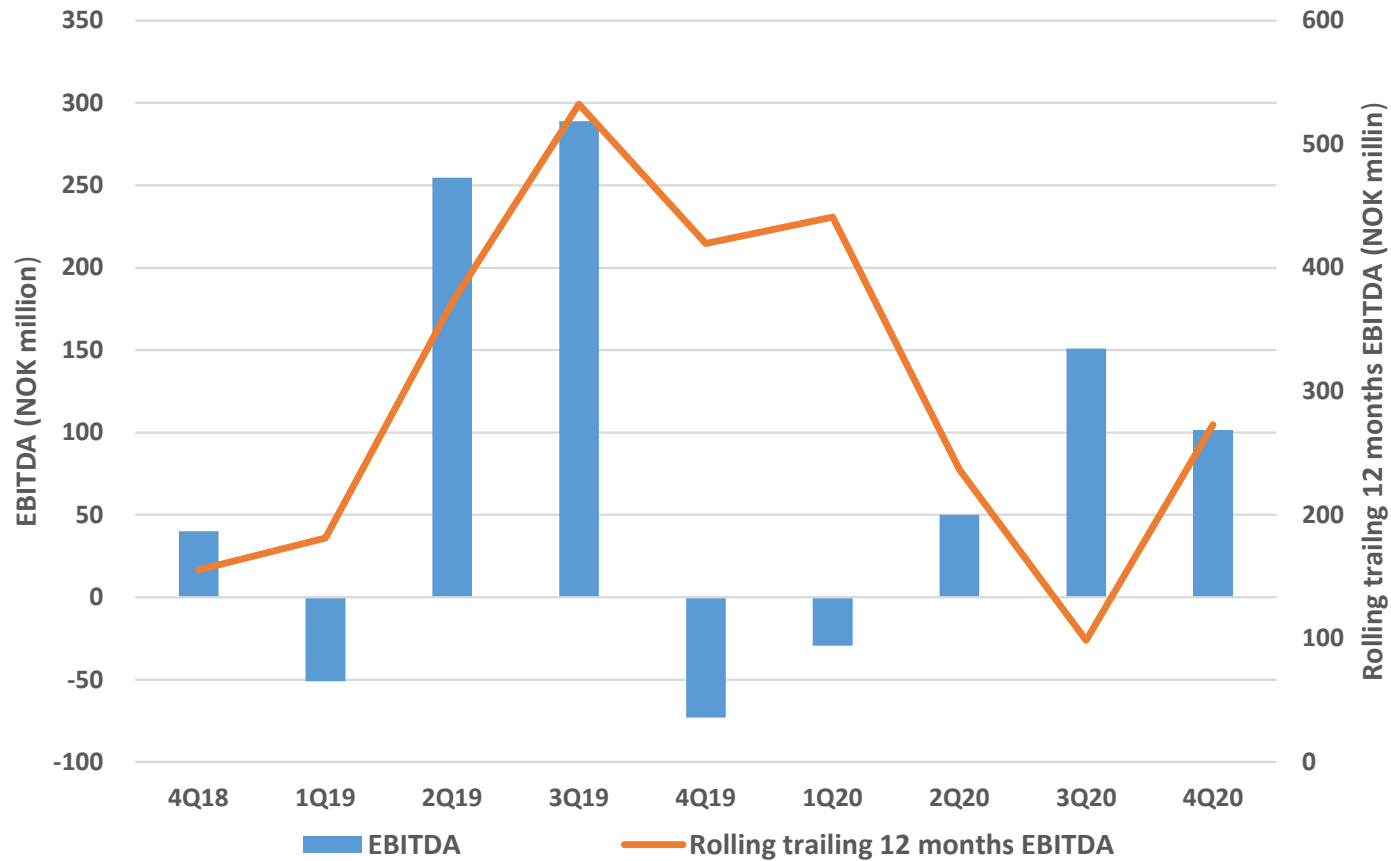


- VestVind 1
 - Purchased 30th December 2020 for €9 mill
 - Working in the Spot Market
- BoldWind
 - Was delivered from the yard in May 2020.
 - Commenced its 3-year contract with MHI Vestas July 2020
- BraveWind
 - Was delivered from the Yard in October 2020.
 - Commenced its 3-year contract with MHI Vestas January 2021



Wind Service (Fred. Olsen Ocean)

Key financials





Cruise

Cruise

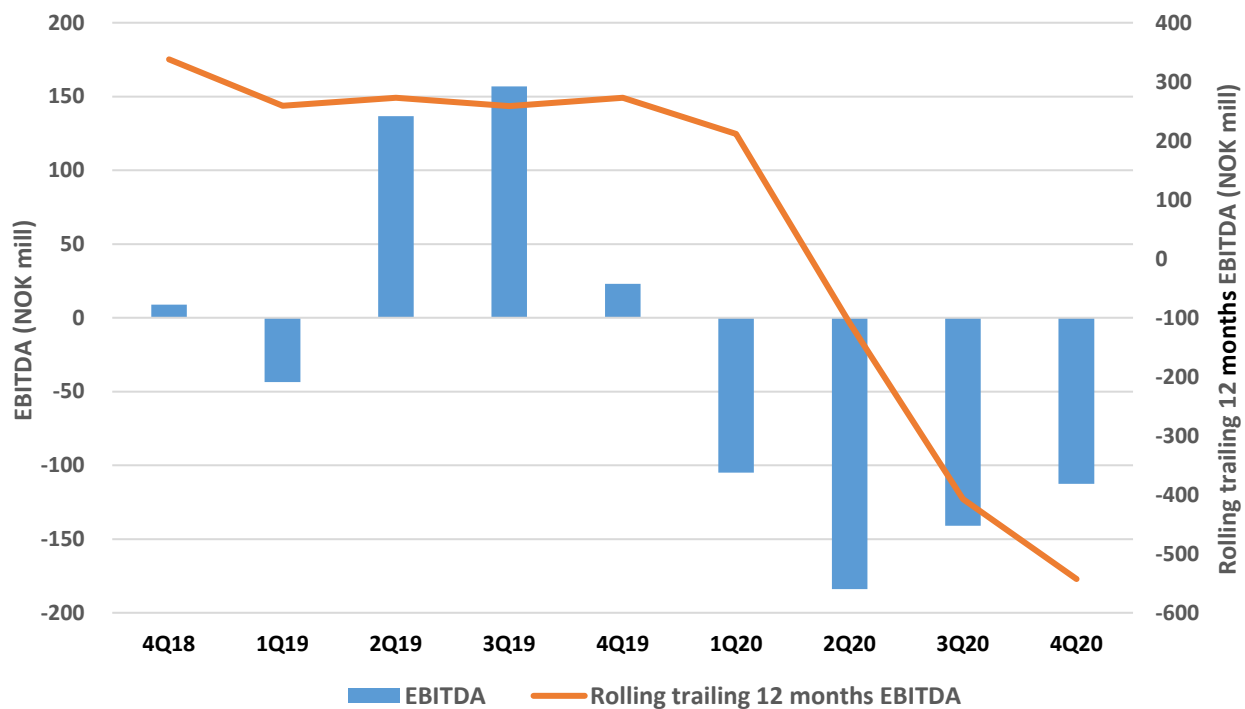
Events in the quarter

- Fleet optimized through divesting Boudicca and Black Watch in 4Q, and acquiring Bolette and Borealis in 3Q
- Cruise operation remains paused until it is considered safe to resume cruising due to Covid-19
- All cruise ships in lay-up in Scotland
- Of the GBP 3.9 mill. monthly Opex in the quarter, GBP 2.6 mill. are lay-up costs and overhead costs, while the remaining relates to sales and marketing and other costs
- Estimated lay-up costs and overhead costs going forward is about GBP 3.0 mill. per month
- Solid customer demand for future cruises



Cruise

Key financials



Bonheur - Cruise segment		
(Figures in NOK million)	Per 4Q 20	Per 3Q 20
Vessels	1.123	1.228
Cash and cash equivalents	125	225
Other assets	219	224
Total assets	1.467	1.677
Equity	300	440
Gross interest bearing debt *)	557	599
Other liabilities	611	638
Total equity and liabilities	1.467	1.677


*) Hereof internal debt to Bonheur ASA of NOK 297 million.

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