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## 2Q Presentation

14 July 2021

Building on >170 years of industrial innovation



Large investments within renewable sectors



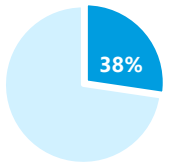
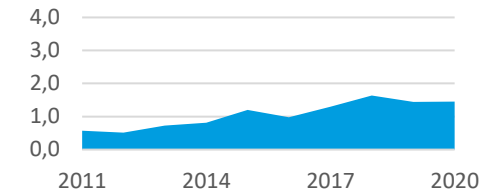
- Long term active investor with origin from 1848
  - Listed on Oslo Stock Exchange since 1921
- Traditionally core activities linked to maritime and energy sectors
- Proven history of being early adaptors into new trends
  - 25 year track record in renewables
- Four defined business segments:
  - Renewable Energy
  - Wind Service
  - Cruise
  - Other
- 68% of book assets\* related to activities across the renewable energy value chain

Renewable Energy

Fred. Olsen Renewables

- Leading developer and owner of renewable energy assets
- 805 MW in operations incl. two sites under construction and 4 GW pipeline
- Onshore and offshore wind and floating solar

Segment revenues and share of book assets

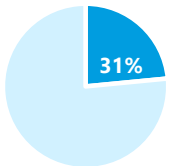
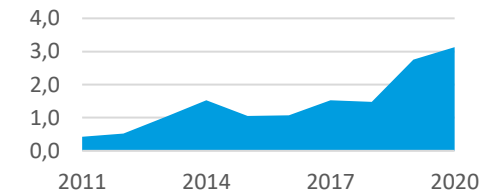


Wind service

Fred. Olsen Windcarrier



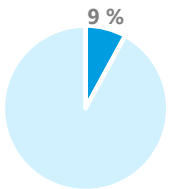
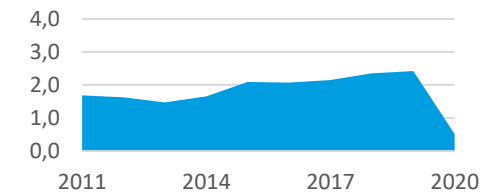
- Leading global provider of logistics, installation and expert services to onshore and offshore wind
- Installed 20% of all offshore wind turbines
- Preferred project partner for complete wind turbine services



Cruise

Fred. Olsen Cruise Lines

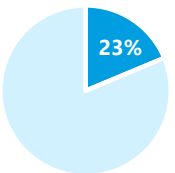
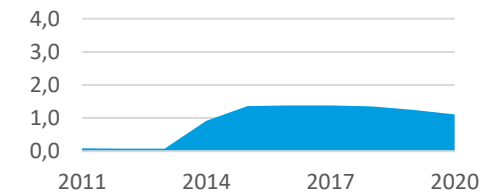
- Leading position in the UK small-medium ship segment
- Newly optimized fleet composition with 4 vessels
- High customer service and proprietary itineraries



Other



- NHST/Business focused media house with industry leading publications
- Financial investments
- Properties

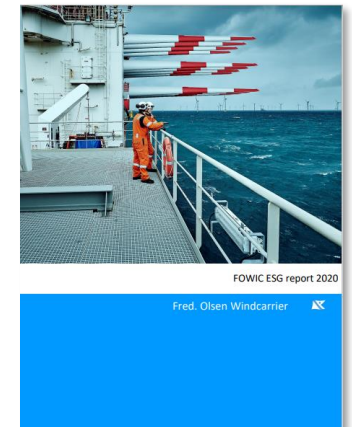


- Strong commitment towards integrating sustainability and social responsibility into long-term business model supporting decarbonisation and minimising the environmental footprint of our activities
- ESG principles in mind when investing in existing operations, new technologies and business opportunities

## Separate business ESG reporting



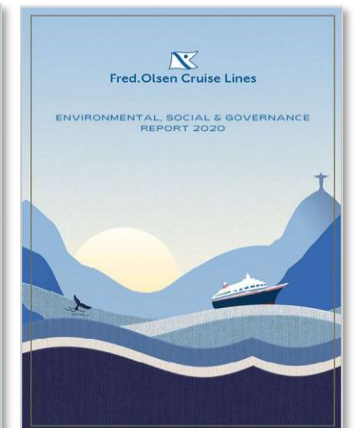
[www.fredolsenrenewables.com](http://www.fredolsenrenewables.com)



[www.windcarrier.com](http://www.windcarrier.com)



[www.globalwindservice.com](http://www.globalwindservice.com)



[www.fredolsencruises.com](http://www.fredolsencruises.com)

### Environment



- Annual production from own wind farms of 1.8 TW equals electricity to 435 000 households
- Installed offshore turbine with a combined capacity of +4GW enabling 10 million tonnes carbon emissions reduction since 2013
- Minimizing environmental footprint; Waste and CO2 reduction management, persevering ecology and target zero environmental spill

### Social



- Equal opportunities for all employees
- Coordinated social responsibility with Fred. Olsen Social Engagement Group
- Work environment in compliance with best industry practice and national regulations
- Sickness absence average for 2020 was 1.5%

### Governance



- Management System implemented and ISO certification where relevant
- Code of Conduct implemented. All employees trained in compliance
- Zero tolerance for corruption. UK Bribery Act translated into policies
- The governance structure of Bonheur has through decades proved to be both successful and resilient

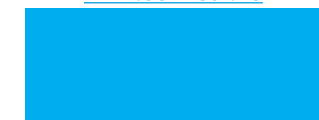
# Group capitalization per 2Q 21

- Group financial objectives targeted to secure long-term visibility and flexibility through business cycles
  - Strong parent financial position built on conservative leverage and solid liquidity position
  - Subsidiaries to continuously work to optimize their long-term financial structures
  - Subsidiaries to optimize its own non-recourse financing taking into account underlying fundamentals for the respective business and relative cost of capital
- Green financing framework in place for Bonheur and its subsidiaries

(NOK million)	Cash	External debt	Whereof guaranteed by Bonheur
Renewable energy (FOR) (Joint Ventures and associated holding companies)	187	5 713	13
Wind Service (FOO) (Joint Venture, associated holding companies and other)	240	1 005	-
<b>Sum (Joint Ventures and associated holding companies)</b>	<b>427</b>	<b>6 717</b>	<b>13</b>
Renewable energy (FOR) (excl. Joint Ventures and associated holding companies)	354	0	-
Wind Service (FOO) (excl. Joint Ventures, associated holding companies and other)	265	645	-
Cruise (FOCL)	206	265	-
Bonheur ASA (parent company) + Other	2 170	2 590	-
<b>Sum (excl. Joint Ventures and associated holding companies)</b>	<b>2 996</b>	<b>3 500</b>	<b>0</b>



[www.bonheur.no](http://www.bonheur.no)



 **Bonheur ASA**

**Green Finance Framework**  
September 2020



[www.bonheur.no](http://www.bonheur.no)




# Highlights 2Q 2021

## Bonheur ASA Group of companies

Figures in paranthesis (2Q20)


### Renewable Energy



100% Fred. Olsen Renewables AS

- EBITDA NOK 197 mill. (NOK 60 mill.)
- High power prices in 2Q partly offset by lower generation
- Establishment of a separate business unit for offshore wind with a strong project pipeline:
  - Codling
  - Scotwind – New partnership with Vattenfall
  - Norway – New partnership with Ørsted in addition to Hafslund Eco
  - Icebreaker


### Wind Service



100% Fred. Olsen Ocean Ltd.

- EBITDA NOK 271 mill. (NOK 50 mill.)
- New partnership with Shimizu
- New contracts of EUR 124 mill.
- T&I utilisation of 96% (68%) in 2Q
- Established fleet upgrade and growth program in FOWIC
- Good performance in GWS


### Cruise



100% Fred. Olsen Cruise Lines Ltd.

- EBITDA NOK -179 mill. (NOK -172 mill.)
- Borealis resumed cruising successfully 5 July from Liverpool
- Substantial demand for future cruises, which is expected to improve annual EBITDA above pre Covid-19 levels
- Remaining cruise ships planned to be phased into operations through to 2Q 2022, with Bolette planned to start mid-August 2021

### Other Investments



- EBITDA NOK 25 mill. (NOK 6 mill.)
- NHST continued development of new digital products and services
- New media division in NHST
- Successful placement of a new NOK 700 mill. green bond

### Consolidated:

- Operating revenues were NOK 1 611 million (NOK 1 263 million)
- EBITDA was NOK 313 million (NOK -57 million)
- EBIT was NOK 80 million (NOK -329 million)
- Net result after tax was NOK -11 million (NOK -632 million)

### Parent company:

- Equity in parent company NOK 6 946 million (NOK 7 391 million)
- Equity ratio of 69.2% (72.2%)
- Cash in parent company NOK 2 143 million (NOK 3 543 million)

# Consolidated summary

Bonheur ASA Group of companies

(NOK million)	2Q 21	2Q 20	Change
Revenues	1 611	1 263	348
EBITDA	313	-57	370
Depreciation	-234	-272	39
Impairment	0	0	0
EBIT	80	-329	409
Net finance	-43	-265	223
EBT	37	-594	632
Net result	-11	-632	621
Shareholders of the parent company *)	-54	-576	522
<hr/>			
<i>Earnings per share (NOK)</i>	-1,3	-13,5	12,2
<i>Net interest bearing debt (NIBD)</i>	6 876	5 041	1 835

## Net Finance - Main items:

- Net interest expenses NOK -90 mill. (NOK -107 mill)
- Other financial expenses NOK -10 mill. (NOK -16 mill)
- Various unrealized gains / losses NOK 57 mill. (NOK -142 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)	<b>2Q 21</b>	<b>2Q 20</b>	Change
Renewable Energy	330	202	128
Wind Service	1 008	798	210
Cruise	0	-2	2
Other	273	265	7
<b>Total Revenues</b>	<b>1 611</b>	<b>1 263</b>	<b>348</b>

NOK / EUR (average)	10,09	11,02	-8,4 %
NOK / GBP (average)	11,70	12,43	-5,9 %
GBP / USD (average)	1,40	1,24	12,7 %



# Segment analysis – EBITDA

Bonheur ASA Group of companies

(NOK million)	2Q 21	2Q 20	Change
Renewable energy	197	60	137
Wind Service	271	50	221
Cruise	-179	-172	-7
Other	25	6	20
Total EBITDA	313	-57	370



## Renewable Energy

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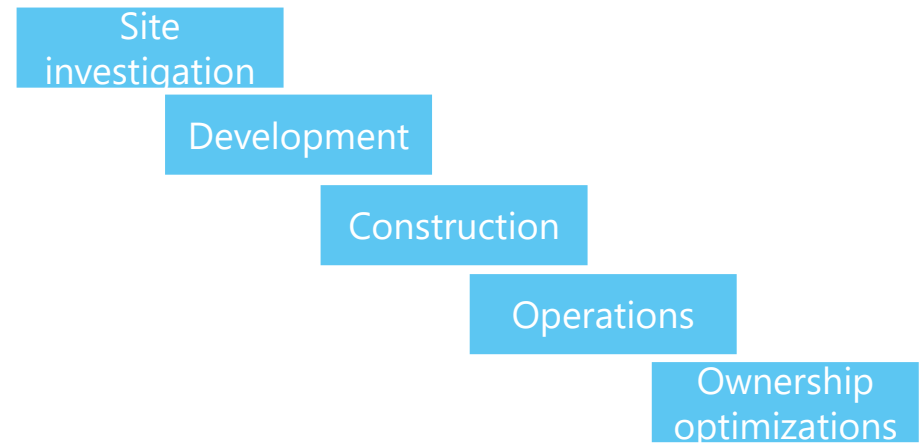
# Introduction to Fred. Olsen Renewables

Full set of in-house capabilities developed to the highest standards over 25 years

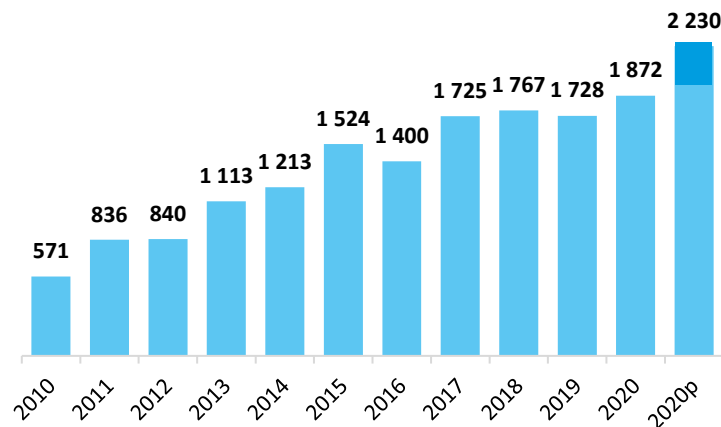
## In brief

- One of the largest independent power producers in Northern Europe
- Early mover in renewables with first park being built in 1996
- 13 wind farms (805 MW) incl. two under construction in Scandinavia and UK
- Track record of on-time and in-budget execution of projects
- Development pipeline in Europe of ~4 GW
- Current main activities being onshore and offshore wind in addition to entering new technologies like floating solar

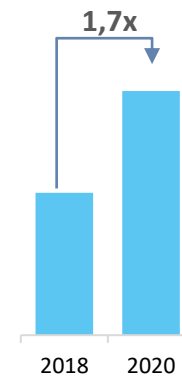
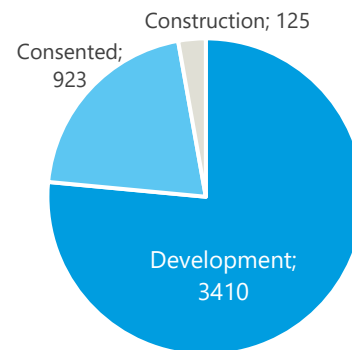
## Full integrated in-house business model



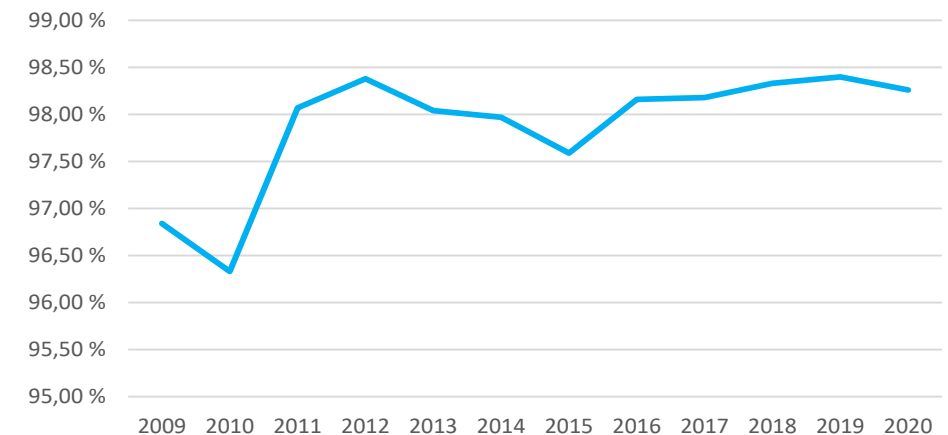
## Production (GWh)



## Development portfolio



## WTG availability

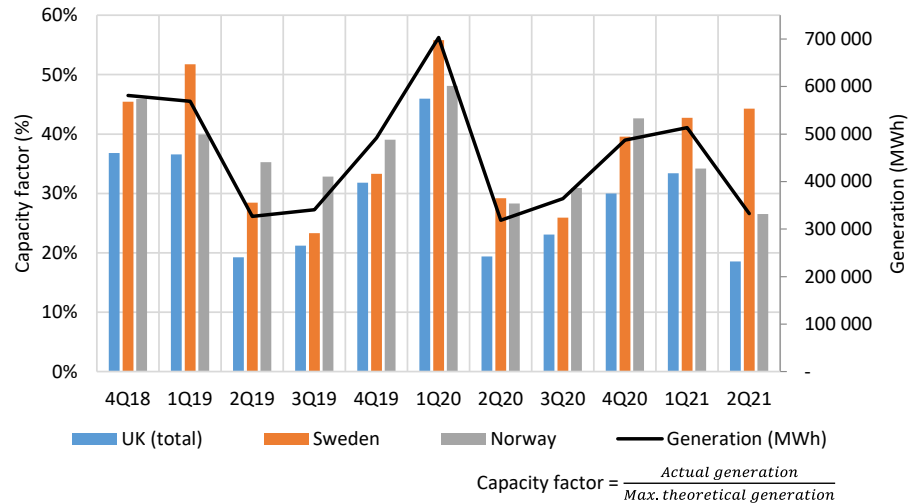


\*2020p includes estimated annual production from project under construction

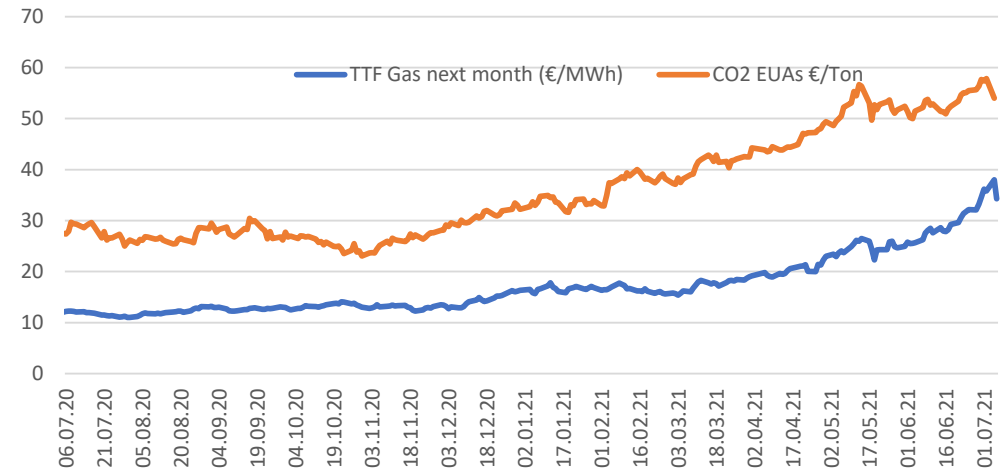
# Renewable energy

## Market backdrop

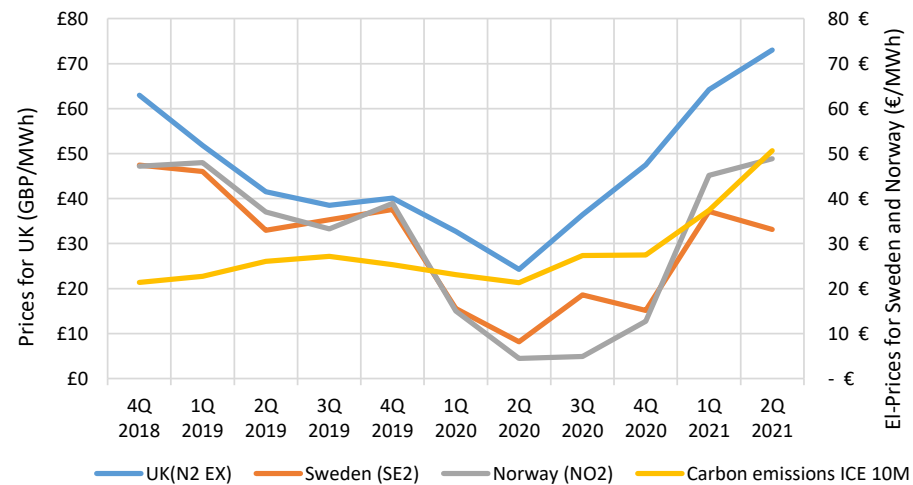
### Capacity Factors and Generation



### Gas and CO2 Pricing last 12 months



### Power prices (quarterly average)



Source: Nordpool, Nordea E-market

### Hydrologic balance in Scandinavia

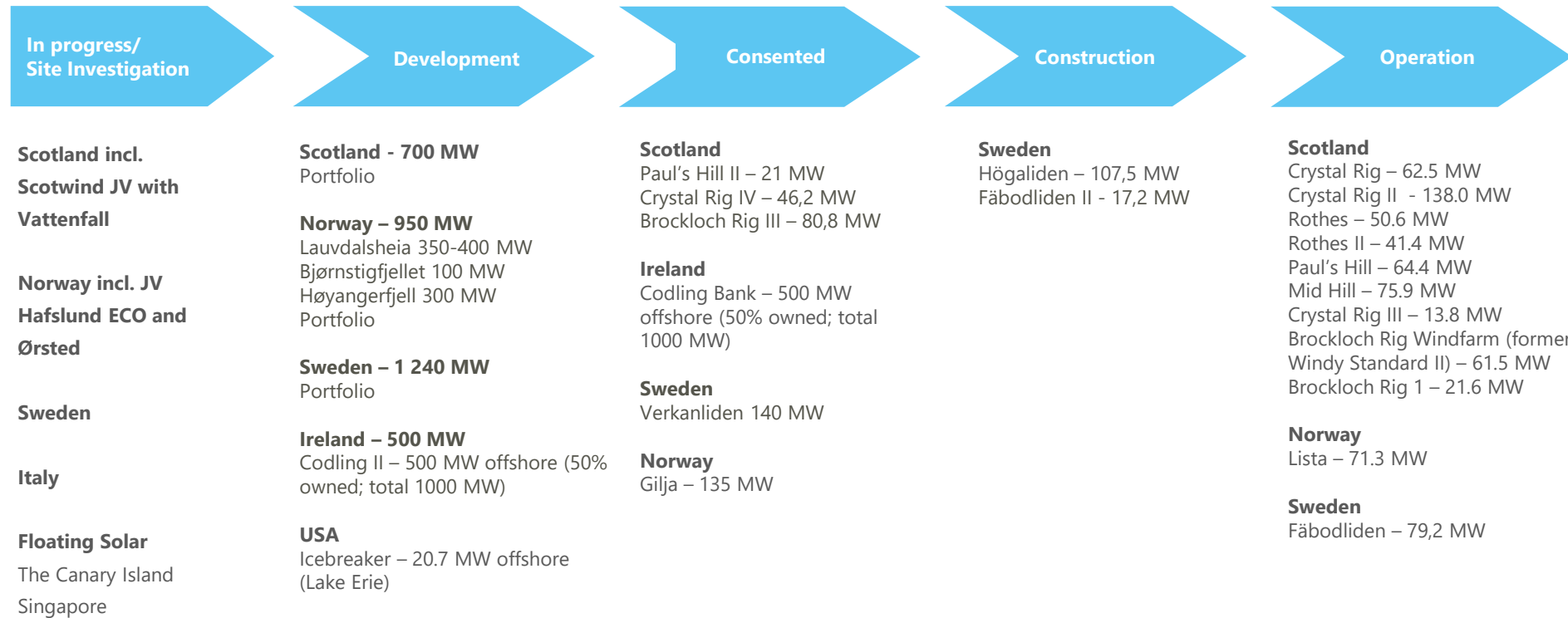


## Högaliden (107.5 MW)

- Wind park currently in late stages of construction
- Faulty blades are being repaired at the suppliers' facility in Denmark
- 11 turbines generated in second quarter 2021 with full production from all 25 wind turbines expected by October 2021
- Fred. Olsen Renewables does not expect any negative financial consequences to arise from this delay
- First wind farm in world with turbine mounted lidar wind measurement sensors



# Business Model and Project Portfolio



**Total portfolio:**

**3 410 MW**

**923 MW**

**124,7 MW**

**680 MW**

**Onshore portfolio:**

**2 910 MW**

**423 MW**

**124,7 MW**

**680 MW**

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**Establish separate business unit with dedicated management team**

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**Follow up and develop existing projects and positions in home markets**

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**Expand portfolio of projects, both in home markets and new markets**

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**Investigate possible alternative financing opportunities, including public listing**

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## **Existing attractive portfolio and prospective projects**

Codling Bank, Sørlige Nordsjø II and Utsira Nord, Scotwind and Icebreaker



## **Well positioned in home markets and new markets**

Ireland, Norway, Scotland and other new markets

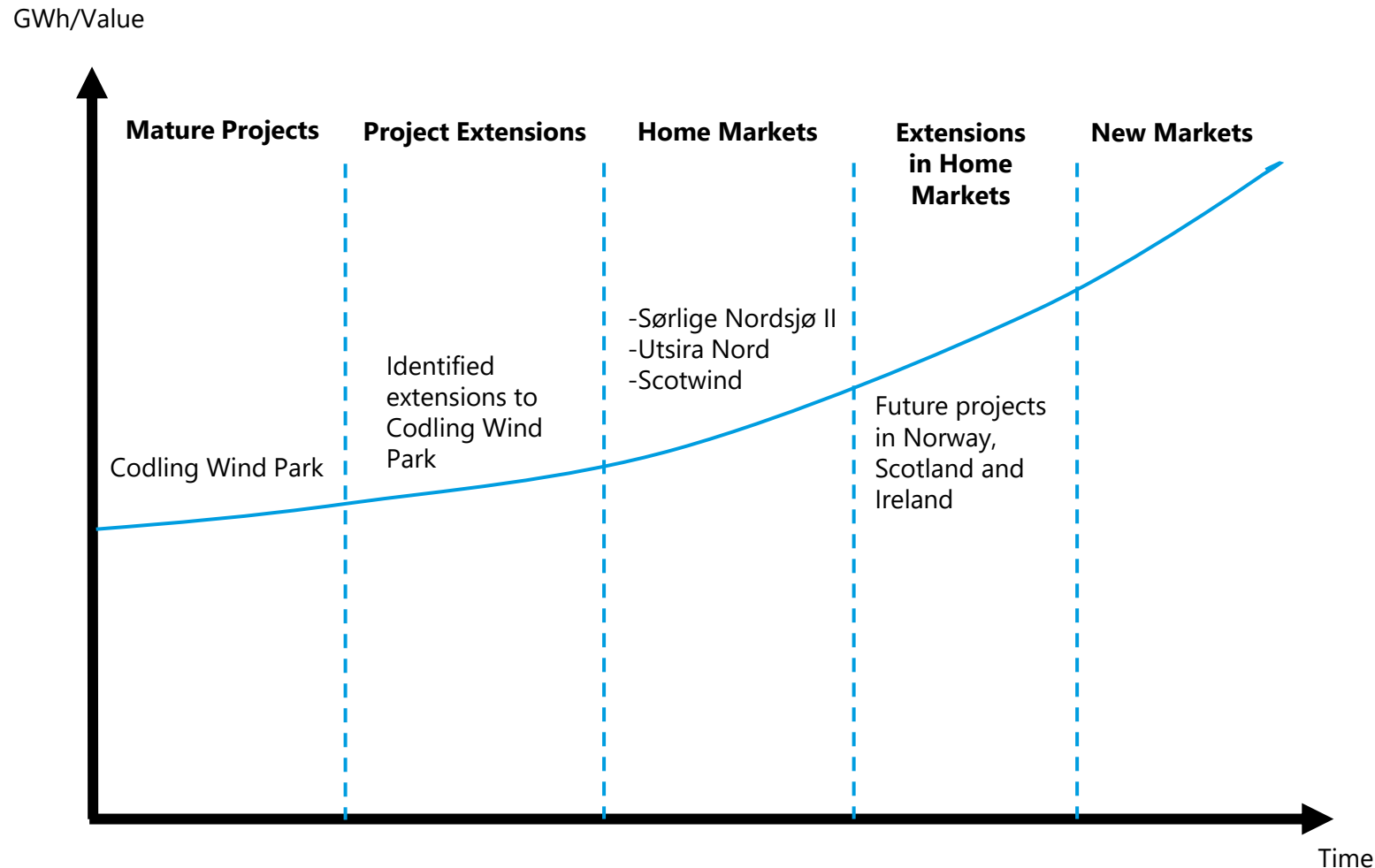


## **Standing on the shoulders of experience gained by Fred. Olsen-related companies**

Extensive construction and wind experience in addition to already existing technology developments and innovations

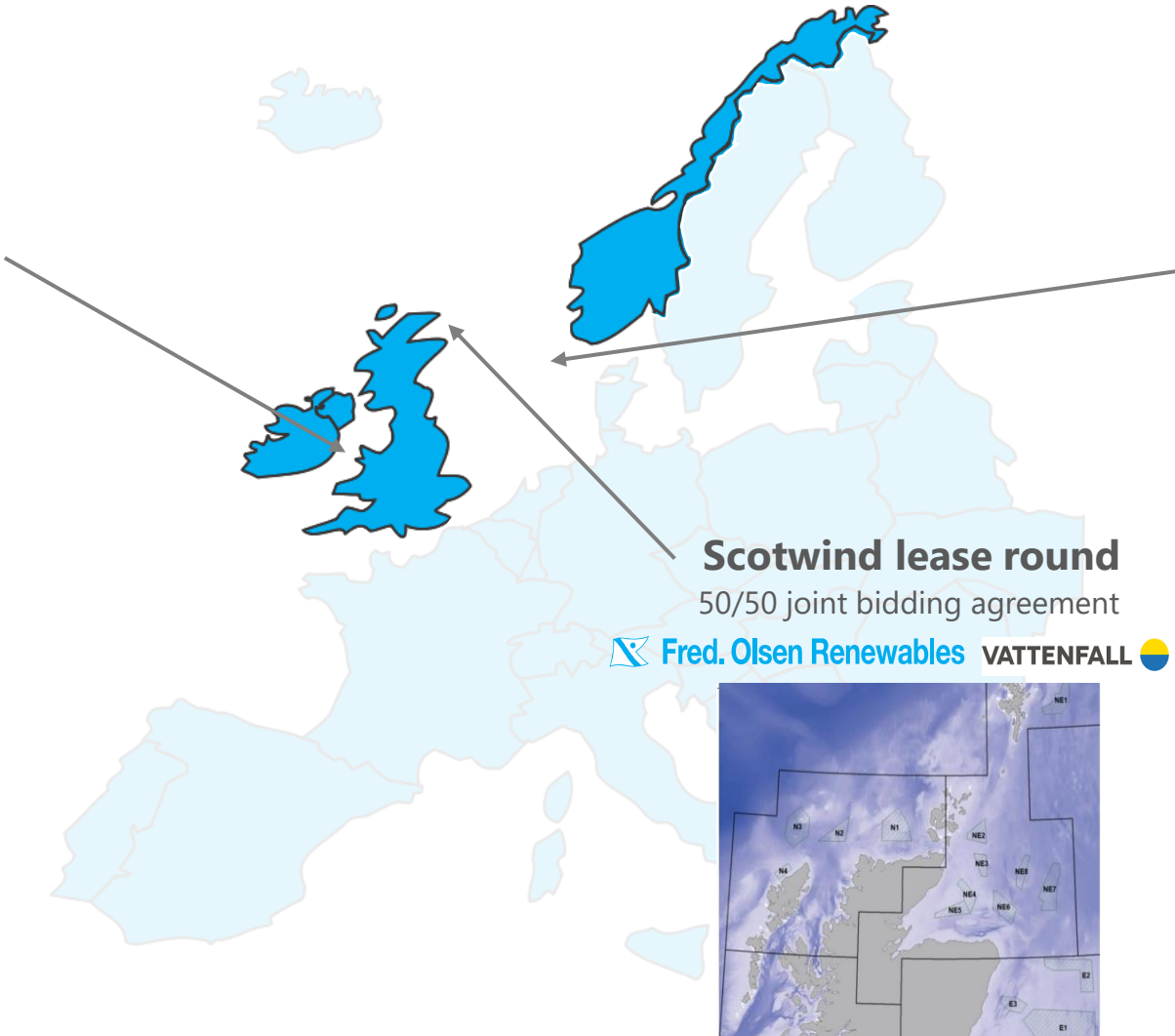
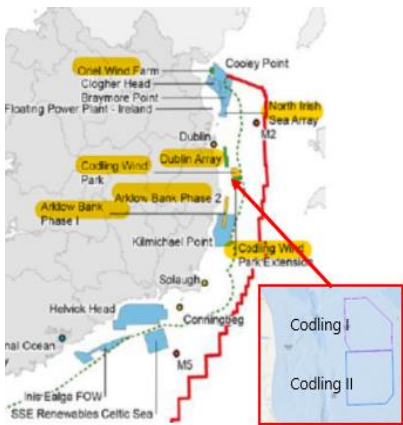


# Building the business on an already existing portfolio and well-established position in home markets



- **Mature Projects:** projects close to CfD and FID
- **Project Extensions:** Projects which are based on already mature projects and with same e.g. grid connection and therefore closer to development
- **Home Markets:** markets where we have a significant foothold and competitive advantage
- **New Markets:** several potential countries have been identified, and are being monitored closely.

**Codling**  
50/50 joint venture on the development of Codling wind farm



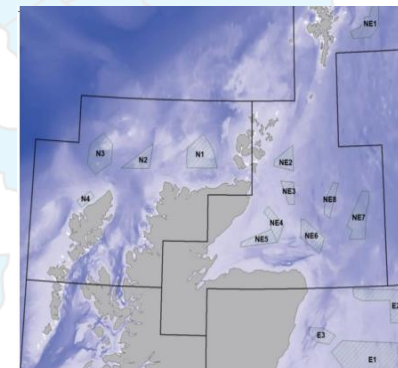
**Norway lease round**  
Long term partnership for Norwegian market including upcoming application round in 2021

- Wind & offshore development
- Grid & interconnectors
- Hydro power
- Stakeholder management
- Local supply chain and cost management
- Track record and market insight

Offshore wind & transmission concept



**Scotwind lease round**  
50/50 joint bidding agreement





Wind Service

 Fred. Olsen Windcarrier

  
GLOBAL WIND SERVICE

 UNITED WIND  
**LOGISTICS**

# Fred. Olsen Windcarrier – A market leader in a growing market

## Key Facts



Fred. Olsen  
Windcarrier  
founded in 2008



World leading  
offshore wind  
installation fleet



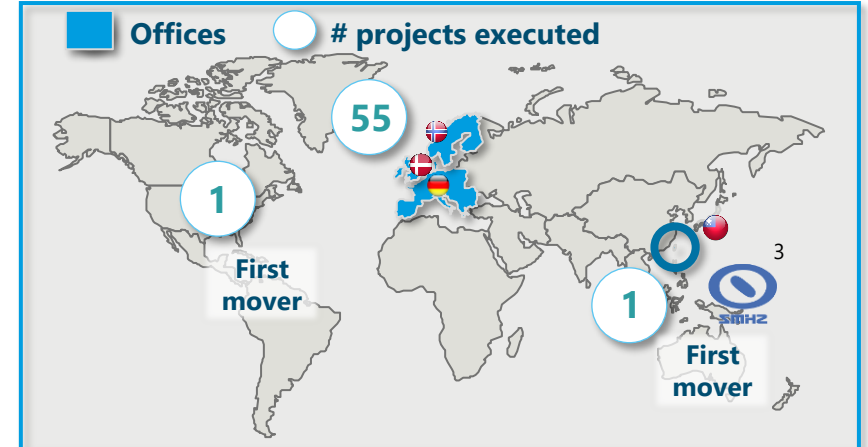
3x Wind Turbine  
Installation Vessels



267 employees



EUR321m backlog  
incl. options



Global market share<sup>1</sup>



WTGs<sup>2</sup> installed

>720

MW installed

>4,400

SIEMENS Gamesa  
RENEWABLE ENERGY

>330 WTGs

Vestas

>150 WTGs

AREVA Adwen

145 WTGs

GE ALSTOM

72 WTGs

BARD  
Energy | Competence | Offshore

14 WTGs

SENVION  
wind energy solutions

11 WTGs

## Current Activity

### Brave Tern

Turbine Installation  
Yunlin Taiwan

### Bold Tern

In transit to Yard for crane  
upgrade

### Blue Tern

Turbine Installation  
Moray East Scotland

1) Excluding China

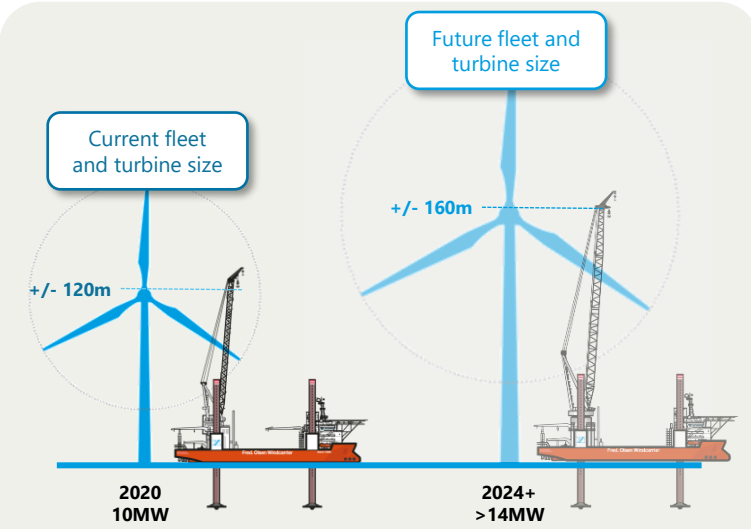
2) WTG: Wind Turbine Generator

3) MOU in place with Shimizu Corporation in Japan

# Offshore wind installation is at an inflection point

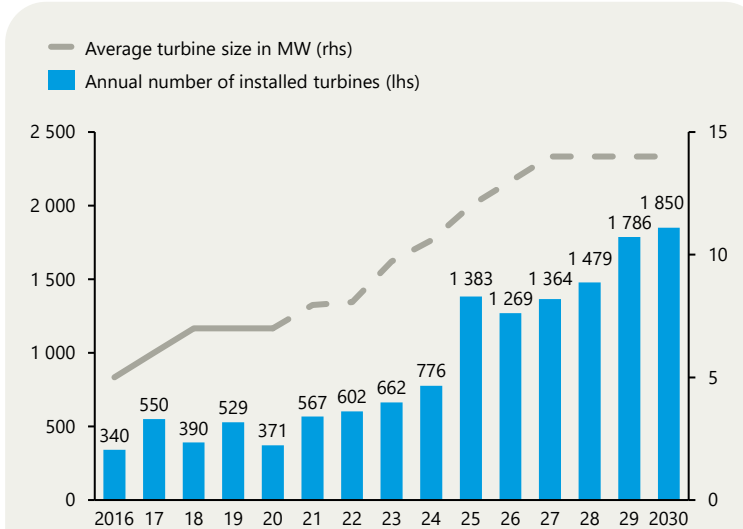
Three major trends are driving a substantial shift in industry dynamics

## 1 Offshore wind turbines are becoming increasingly larger...



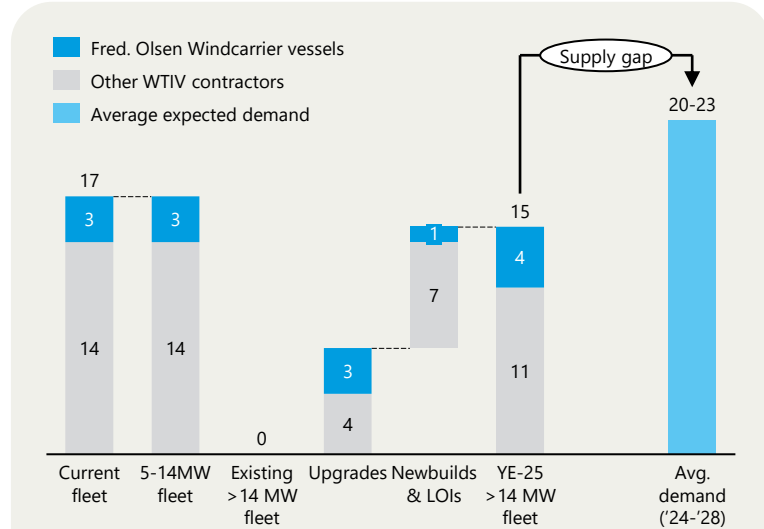
- Turbines are getting increasingly larger to generate more power and thereby decreasing the cost of electricity (LCOE)
- Larger turbines demand Wind Turbine Installation Vessels (WTIV) with higher lifting capacity and reach
- Only a handful of vessels are suited for upgrade hence more newbuilds will be required

## 2 ...and declining costs triggers rapid deployment of new turbines...



- Traditionally offshore wind has been dependent on non-consistent subsidies due to immature technology
- Improved LCOE has made it financially viable to compete on market terms, leading to a step-change in numbers of planned turbine installations
- The lead time and governmental ambitions gives unprecedented demand visibility throughout this decade. In addition, it should be emphasized there is upside to these forecasts

## 3 ...resulting in an expected supply/demand imbalance

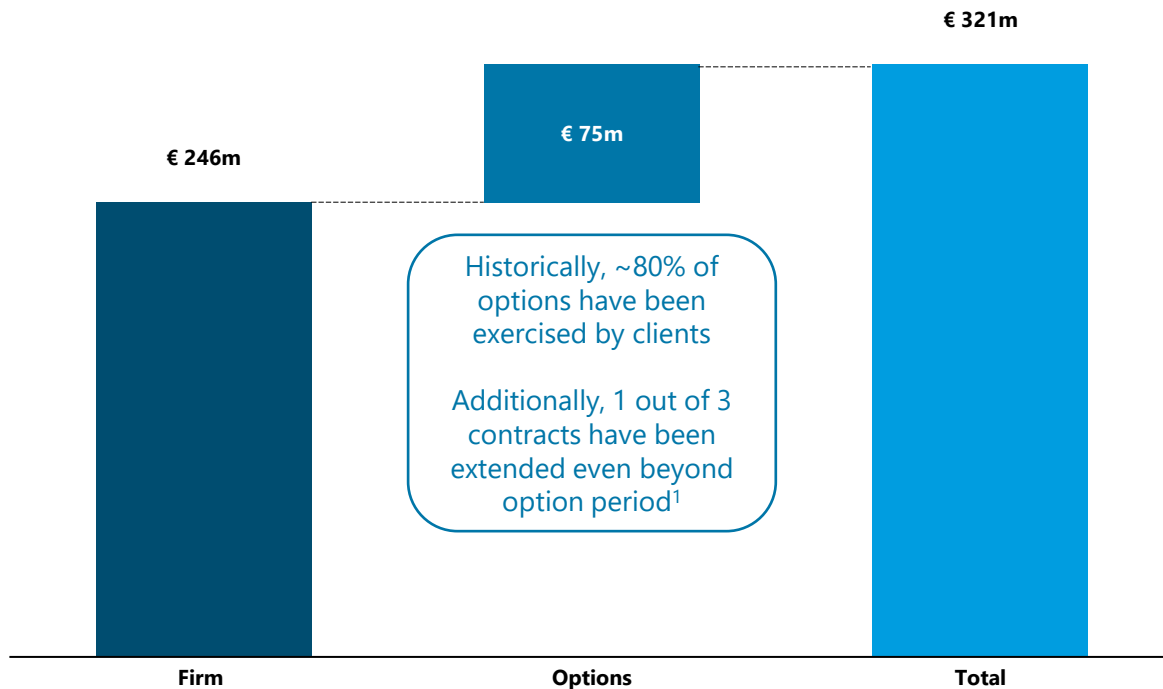


- There is currently no existing Wind Turbine Installation vessel capable of installation of >14MW turbines coming to market in 2024/25
- Currently announced upgrades and newbuilds are insufficient to plug the supply/demand gap
- With a three-year construction lead-time for newbuilds and few vessels suited to be upgraded there will be a tight installation market from 2024/25
- This is expected to result in improved utilization and increased day rates

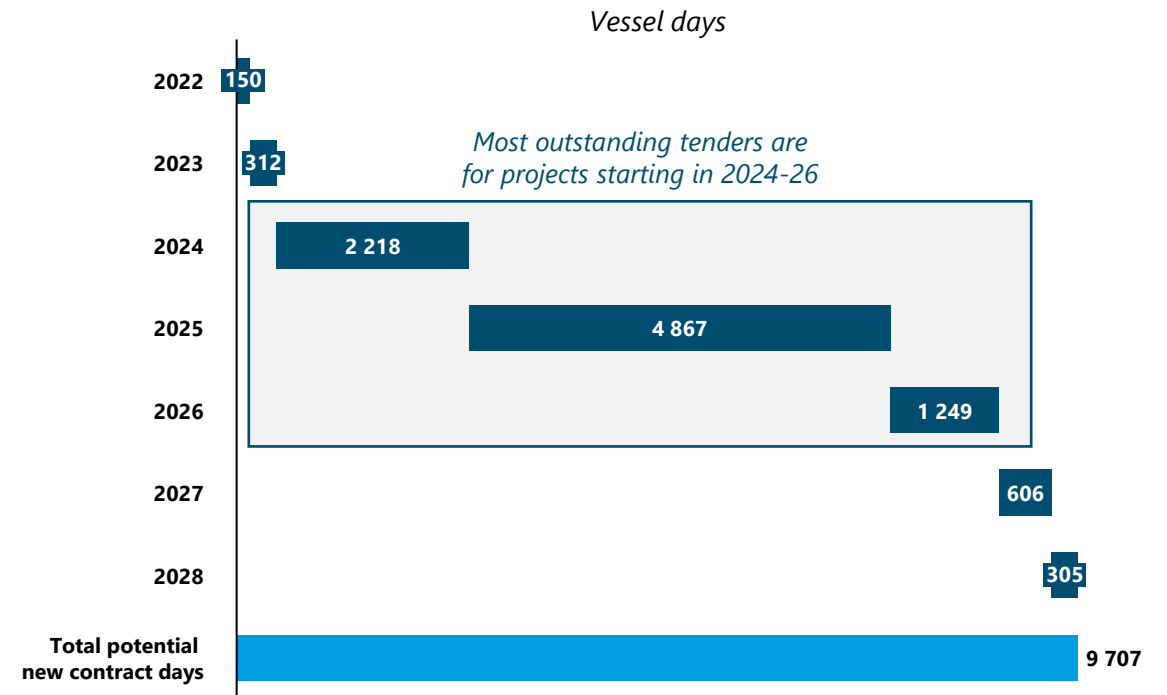
# Fred. Olsen Windcarrier has a strong contract backlog

EUR 321m in backlog with blue chip clients

## Solid medium-term T&I backlog secured...



## ...with high tendering activity for new contracts in 2024-26<sup>2</sup>



## Blue-chip clients



1) Due to project specific issues out of FOWIC's control. From 2016 to date

2) Excludes ongoing discussion for project extension/modifications

# Fred. Olsen Windcarrier operate an industry leading fleet, capable of handling next generation turbines



**Bold Tern**

Today	
• Build year:	2013
• Yard:	Lamprell PLC
• Capacity:	Up to 10MW turbines

After upgrade/newbuild	
• Upgrade year:	2022
• Upgrade yard:	Keppel Fels
• Capacity:	15-20MW turbines



**Brave Tern**

• Build year:	2012
• Yard:	Lamprell PLC
• Capacity:	Up to 10MW turbines

• Upgrade year:	TBD
• Upgrade yard:	TBD
• Capacity:	15-20MW turbines



**Blue Tern**

• Build year:	2013
• Yard:	Keppel Fels
• Capacity:	Up to 10MW turbines

• Upgrade year:	TBD
• Upgrade yard:	TBD
• Capacity:	15-20MW turbines



**Planned newbuild**

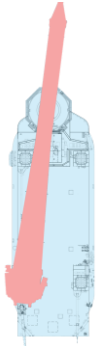
• Build year:	TBD
• Yard:	TBD
• Capacity:	[20+MW turbines]

## Fred. Olsen Windcarrier fleet strategy

- Fred. Olsen Windcarrier (“FOWIC”) currently owns and operates 3 high-end, purpose-built T&I jack ups
  - Proven track record especially for projects with highly challenging conditions
- An upgrade program for its three vessels has been initiated, securing a highly competitive fleet also for installation of next generations turbines
  - New key vessel capacities bring vessel specifications on par with announced newbuilds
  - Capable of installing the next generation turbines
- FOWIC aims to construct a 4<sup>th</sup> vessel to supplement existing fleet
  - Reinforcing a leading position in a growing market
- Partnership with Shimizu where FOWIC will be leading party for installation projects involving Shimizu’s T&I jack-up vessel outside Japan, whereas Shimizu will be leading party for installation projects within Japan. FOWIC and Global Wind Service preferred suppliers for Shimizu, with FOWIC supplementing Shimizu vessel capacity in Japan when needed. For markets outside Japan, FOWIC will represent and market Shimizu’s vessel
- Continuously work to optimize the long term financial structure of the company

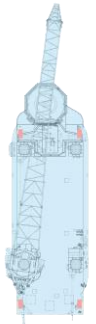
# Vessel upgrades overview

## Bold Tern / Brave Tern / Blue Tern – upgrade concepts



### Main Crane replacement

- Bold Tern / Brave Tern
  - 1,600mt @ 31m LEC
  - 157.5m lifting height above deck
  - 400mt auxiliary hook
- Blue Tern
  - >1,600mt @ 30+m LEC
  - >160m lifting height above deck
  - 400mt auxiliary hook



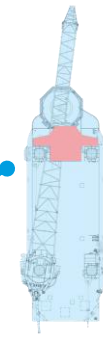
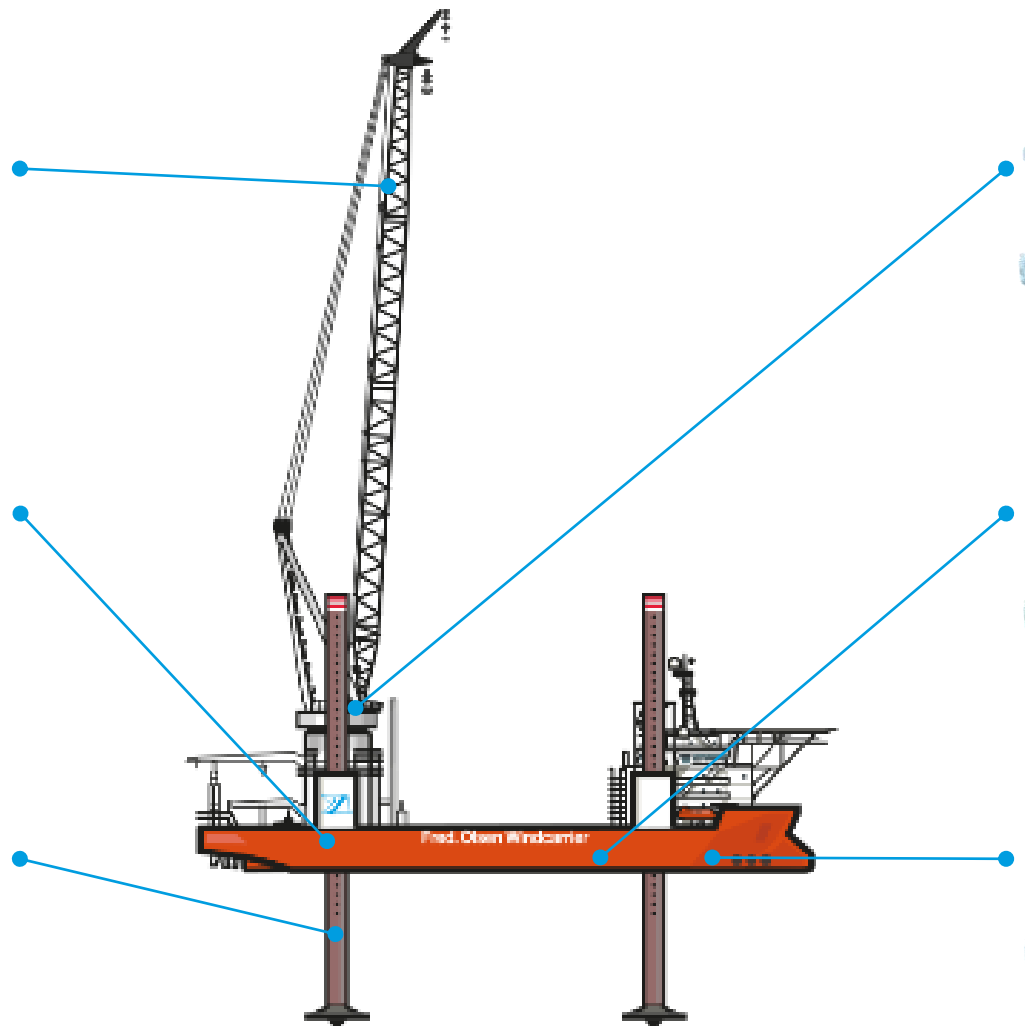
### Mooring System upgrade

- Bold Tern / Brave Tern
  - Ability to moor with deck load
  - Faster mooring and safer operations
  - Improved operations in areas of earthquake risk
- Blue Tern
  - No upgrades currently planned



### Jacking System upgrade

- Bold Tern / Brave Tern
  - Increased elevated weight & preload capacity
  - Increased variable deck load capacity 9000 mt
- Blue Tern
  - Maximize jacking capacity



### Accommodation expansion

- Bold Tern / Brave Tern
  - 12 additional single man cabins
  - Increased number of cabins from 56 to 68
  - Total 80 POB
- Blue Tern
  - Not applicable



### Sponsons

- Bold Tern / Brave Tern
  - Increased buoyancy
  - Improved afloat stability
  - Increased deck area
  - Beam extended from 39m to 45m
- Blue Tern
  - Not applicable



### Hull structure

- Bold Tern / Brave Tern
  - Structural reinforcements to allow for higher deck load component weights
- Blue Tern
  - Structural reinforcement to optimize vessel elevated weight capacity



# Vessel upgrade and crane replacement Bold Tern

- Crane fabrication well underway
- Pre fabrication of steel structures at conversion yard has started
- Bold Tern on route to yard
- 1st project 2Q 2022

## Crane is taking shape:



Slew platform painting completed and outfitting started



E-room welding being completed



Pedestal adapter machining completed, secondary steel outfitting to start



Slipring inner ring ready for painting

# People, systems, track record, client relationships and execution capabilities as important as the vessels

## REPETITIVE AND TIME CRITICAL OPERATIONS OFTEN UNDER HARSH AND EVERCHANGING WORKING CONDITIONS



**Repetitive: 100 turbines equivalent to more than 1000 component lifts per project**



**Adaptable and often harsh offshore conditions: Wind, waves, currents and poor visibility**



**Last on site, lots of interfaces to consider: Seabed geotechnical, Uxo's<sup>1</sup>, boulders, cables and as-built from others**



**Turbine installation is the "final" element in a long value chain before start of wind park cash flow**



**Need for reliant operations with timely completion**



## Need to do it right, every time, under all conditions – high cost in case of failure

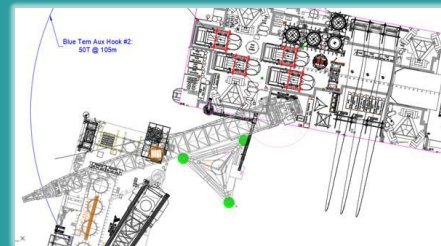
### ➤ Solid governing systems, processes & procedures

- ✓ Certified by highest standards
- ✓ Qualified to tender



### ➤ Leading project planning, execution and flexibility

- ✓ Complex and extensive logistical and engineering planning and operations

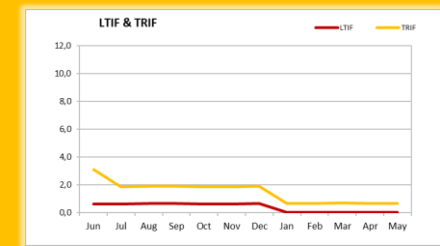


### ➤ Unparalleled team capabilities, people and know-how

- ✓ Management with a combined 125 years of experience
- ✓ Company track record from 12 years in industry
- ✓ >250 highly experienced and trained employees

### ➤ Strong safety track record through high standards and strict training

- ✓ Low personnel injuries & no significant incidents

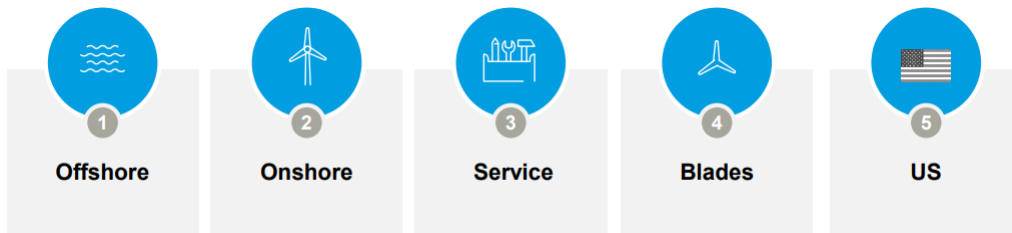


1) Unexploded ordnance – explosives that did not detonate during the war

# Global Wind Service

Leading global project partner for complete wind turbine services

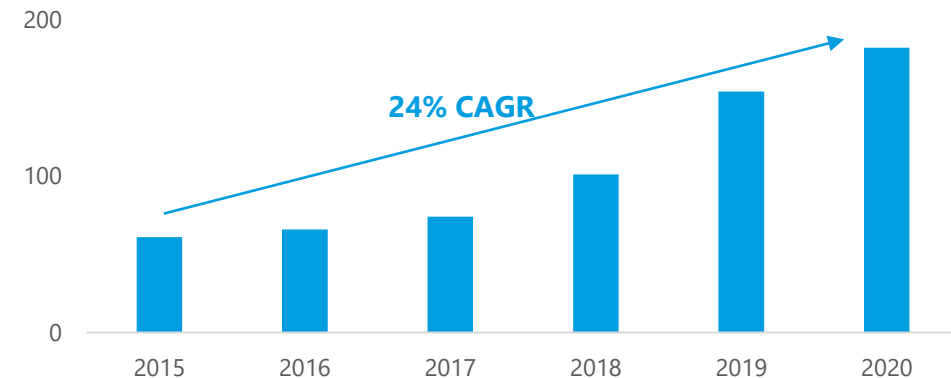
- Installation and pre-assembly, high voltage, O&M, blade inspection and repair
- Statutory Inspection & Repair
- Repowering & life extension
- 1 250 employees per 2Q 2021



## Global track record



## Revenue development (EURm)



- One stop logistic solutions services for wind turbines
  - Analysis of transportation requirements
  - Sourcing of suitable tonnage
  - Project coordination and management
- Owns three vessels
  - VestVind 1 working in the Spot Market
  - BoldWind commenced its 3-year contract with MHI Vestas July 2020
  - BraveWind commenced its 3-year contract with MHI Vestas January 2021
- Fleet utilisation of 100% in 2Q 2021
- The outlook for the spot market is positive for the next six months





Cruise

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- Fred. Olsen Cruise Lines has a leading position in the UK small-medium ship segment
- Leveraging on high customer service and proprietary itineraries
- An award-winning cruise product



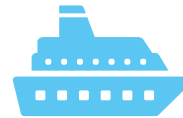
- Fleet optimization during 2020, positioned to emerge from the cruise pause in a stronger and more resilient position with a higher yielding cabin mix



Long term market growth 5% CAGR pre-Covid 19\*



~60% repeat rate, best in UK market\*\*



Borealis



~1350 pax

Bolette



~1350 pax

Balmoral



~1325 pax

Braemar



~900 pax



Gross revenue/pax day NOK 2 263 in 2019

\* UK and Ireland cruise market CAGR 2004-2018, source CLIA

\*\* Source:: YouGov Oct-2019

# Cruise

## Events in the quarter

- Mobilized the new cruise ship Borealis in order to resume sailing on 5 July from Liverpool, with the first 3-night cruise executed successfully
- First intra-UK scenic cruises operated at 50% occupancy in order to meet Covid-19 guidelines
- Remaining cruise ships planned to be gradually phased into operations through to 2Q 2022, with Bolette planned to start sailing from mid-August 2021
- Mobilization of remaining cruise ships is pending other countries opening up for cruising and the company overcoming various logistical and practical challenges caused by the pandemic
- Of the GBP 5.1 mill. monthly Opex in the quarter, GBP 2.8 mill. are lay-up and overhead costs, while the remaining relates to sales and marketing, mobilization and other costs
- FOCL's acquisition of two cruise vessels in 2020 formed part of an optimization of its fleet composition and increased the fleet capacity by approx. 25%. With a higher yielding cabin mix, large attractive public spaces and with upgraded exterior and interior to FOCL's customer-appreciated line of style, these vessels are expected to enhance FOCL's earnings capabilities above pre Covid-19 levels. This is now further supported by a substantial increase in demand for cruises.




Borealis resumes sailing with maiden voyage from Liverpool on 5 July

# Highlights 2Q 2021

## Bonheur ASA Group of companies

Figures in paranthesis (2Q20)

### Renewable Energy



100% Fred. Olsen Renewables AS

- EBITDA NOK 197 mill. (NOK 60 mill.)
- High power prices in 2Q partly offset by lower generation
- Establishment of a separate business unit for offshore wind with a strong project pipeline:
  - Codling
  - Scotwind – New partnership with Vattenfall
  - Norway – New partnership with Ørsted in addition to Hafslund Eco
  - Icebreaker


### Wind Service



100% Fred. Olsen Ocean Ltd.

- EBITDA NOK 271 mill. (NOK 50 mill.)
- New partnership with Shimizu
- New contracts of EUR 124 mill.
- T&I utilisation of 96% (68%) in 2Q
- Established fleet upgrade and growth program in FOWIC
- Good performance in GWS


### Cruise



100% Fred. Olsen Cruise Lines Ltd.

- EBITDA NOK -179 mill. (NOK -172 mill.)
- Borealis resumed cruising successfully 5 July from Liverpool
- Substantial demand for future cruises, which is expected to improve annual EBITDA above pre Covid-19 levels
- Remaining cruise ships planned to be phased into operations through to 2Q 2022, with Bolette planned to start mid-August 2021

### Other Investments



- EBITDA NOK 25 mill. (NOK 6 mill.)
- NHST continued development of new digital products and services
- New media division in NHST
- Successful placement of a new NOK 700 mill. green bond

### Consolidated:

- Operating revenues were NOK 1 611 million (NOK 1 263 million)
- EBITDA was NOK 313 million (NOK -57 million)
- EBIT was NOK 80 million (NOK -329 million)
- Net result after tax was NOK -11 million (NOK -632 million)

### Parent company:

- Equity in parent company NOK 6 946 million (NOK 7 391 million)
- Equity ratio of 69.2% (72.2%)
- Cash in parent company NOK 2 143 million (NOK 3 543 million)