



Bonheur ASA

Summary

Green Bond Advisor



Joint Lead Managers



Oslo, 2 November 2020

Summary

Introduction

The name of the securities is FRN Bonheur ASA Senior Unsecured Green Bond Issue 2020/2025. The ISIN code of the securities is NO0010893332.

The name of the Issuer is Bonheur ASA and its registration number in 830 357 432 is the Register of Business Enterprises, Norway. The Issuer's legal entity identifier (LEI) is 213800HOQE1B34SUA323.

The contact details of the Issuer are as follows: Bonheur ASA, Fred. Olsens gt. 2, N-0152 Oslo, Norway

The joint lead managers of the securities are DNB Bank ASA and SpareBank 1 Markets AS, which have acted as advisor to the Issuer in relation to the pricing of the securities. DNB Bank ASA has also acted as green bond advisor. The joint lead manager's legal entity identifier (LEI) is 549300GKFG0RYRRQ1414 (DNB Bank ASA) and 5967007LIEEXZX5AEG57 (SpareBank 1 Markets AS). The contact details of DNB Bank ASA and SpareBank 1 Markets are Dronning Eufemias gt 30, N-0191 Oslo, Norway, and Olav Vs gate 5, N-0014 Oslo, Norway, respectively.

The Norwegian FSA is the competent authority which has approved the prospectus. The Norwegian FSA is registered in the Register of Business Enterprises, Norway with registration number 840 747 972. The contact details of the Norwegian FSA are as follows: Finanstilsynet, P.O. Box 1187 Sentrum, N-0107 Oslo, Norway.

The prospectus was approved on 29 October 2020.

Please note the following warnings:

- the summary should be read as an introduction to the prospectus;
- any decision to invest in the securities should be based on a consideration of the prospectus as a whole by the investor;
- the investor could lose all or part of the invested capital
- where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated;
- civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities;
- you are about to purchase a product that is not simple and may be difficult to understand.

Key information on the issuer

Who is the issuer of the securities ?

The issuer of the securities is Bonheur ASA, a public limited liability company incorporated and domiciled in Norway and existing under the laws of Norway with registration number 830 357 432 is the Register of Business Enterprises, Norway. The Issuer's legal entity identifier (LEI) is 213800HOQE1B34SUA323.

Bonheur ASA (the "Company") has investments through subsidiary companies in several business activities, based upon its long-term commitment to renewable energy, shipping/offshore wind and cruise. The Company is increasingly focusing on renewable energy.

The shares of Bonheur ASA are listed on the Oslo Børs with a total number of shareholders of approximately 3640. The company has a total of 42,531,893 issued shares outstanding, each with a nominal value of NOK 1.25 per share. The largest shareholders as per 3 July 2020 was:

Rank	Holding	Stake in %	Name	Type of account
1	12,328,547	28.98659	INVENTO AS	Ordinary
2	8,736,550	20.54117	QUATRO A/S	Ordinary
3	2,702,979	6.35518	FOLKETRYGDFONDET	Ordinary
4	1,504,640	3.53767	SKAGEN VEKST VERDIPAPIRFOND	Ordinary
5	1,500,000	3.52677	INTERTRADE SHIPPING AS	Ordinary
6	947,266	2.22719	MP PENSJON PK	Ordinary
7	941,623	2.21392	PARETO AKSJE NORGE VERDIPAPIRFOND	Ordinary

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8	793,740	1.86622	TRASSEY SHIPPING LIMITED	Ordinary
9	596,883	1.40338	ARCTIC FUNDS PLC	Ordinary
10	537,384	1.26348	VERDIPAPIRFONDET KLP AKSJENORGE	Ordinary
11	521,764	1.22676	Citibank, N.A.	Nominee
12	489,301	1.15043	VERDIPAPIRFONDET DNB NORDEN	Ordinary
13	442,793	1.04108	VERDIPAPIRFONDET DNB GRØNT NORDEN	Ordinary
14	400,000	0.94047	T.D. VEEN AS	Ordinary
15	390,234	0.91751	KOMMUNAL LANDSPENSJONSKASSE	Ordinary
16	384,424	0.90385	VERDIPAPIRFONDET ALFRED BERG GAMBA	Ordinary
17	317,932	0.74751	VERDIPAPIRFONDET NORGE SELEKTIV	Ordinary
18	257,930	0.60644	SALT VALUE AS	Ordinary
19	220,365	0.51812	KLP AKSJENORGE INDEKS	Ordinary
20	200,000	0.47024	SEB PRIME SOLUTIONS SISSENER CANOP	Ordinary
20	200,000	0.47024	HOLMEN SPESIALFOND	Ordinary

Bonheur ASA has no employees. Fred. Olsen & Co is in charge of the day-to-day operation of Bonheur and as part of these services the proprietor of Fred. Olsen & Co., Anette S. Olsen, holds the positions as Managing Director of Bonheur ASA.

Key personnel with corresponding responsibilities within Fred. Olsen & Co. are as follows: Anette S. Olsen, Richard Olav Aa, Victor Friberg and Kristin Alm.

The statutory auditor for the Issuer is KPMG AS.

What is the key financial information regarding the issuer ?

Bonheur ASA Consolidated

Amounts in NOK 1000	Q2 2020	Q1 2020	2019	2018
Operating profit	-329,100	-100,900	270,199	434,461
Net financial debt (long term debt plus short term debt minus cash)	5,041,000	4,228,000	3,698,000	2,665,000
Net Cash flows from operating activities	-415,900	172,300	1,114,673	212,607
Net Cash flows from financing activities	-271,400	-272,700	-210,621	-47,620
Net Cash flow from investing activities	-64,700	348,400	-689,608	-2,863,195

Bonheur ASA

Amounts in NOK 1000	Q2 2020	Q1 2020	2019	2018
Operating profit	-20,9	-31,8	-143,156	-129,440
Net financial debt (long term debt plus short term debt minus cash)	1,150,000	1,793,000	1,726,300	2,665
Net Cash flows from operating activities	-159,6	146,9	-177,131	-216,767
Net Cash flows from financing activities	-182,9	0,0	-221,328	-85,064
Net Cash flow from investing activities	-298,3	-79,5	834,355	1,192,684

There are no qualifications in the audit reports relating to the historical financial information for the Issuer.

What are the key risks that are specific to the issuer ?

Risk related to our business and the industries in which we operate

Asset utilization risk

The Issuer is a holding company with ownership in various diversified businesses which each operate on an autonomous basis. The profitability within the Group's various business segments will, to a large extent, depend on the degree of revenue generating of the respective segments' main assets which currently are operating onshore wind farms, offshore wind turbine transportation, installation and service vessels and cruise vessels. A significant part of the three main segments' cost base are fixed. As such, fluctuations in revenues may give corresponding impact on profitability and cash flow from operations.

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Revenue generation for the Renewable energy segment is inter alia dependent on wind resources, electricity prices in the UK and Scandinavia and wind turbine up time. Until 2010 FORAS had not been exposed to short-term fluctuations of spot electricity prices due to the long-term electricity contracts based on fixed prices and support regimes for all its wind farms in operations. However, the electricity contract structures related to the wind farms which commenced operation after 2010, are based on prevailing spot market electricity prices only. Most existing fixed price electricity contracts will mature in 2020 and 2021. The revenues from the support regimes will expire in the period between 2027-2037. Consequently, FORAS' results are increasingly impacted by fluctuations in spot market electricity prices. During 2018 approx. 2/3 of Group consolidated EBITDA came from FORAS.

Similar for the Shipping/Offshore wind segment, revenue generation is mainly linked to revenues achieved based on the utilization of the vessels. The key drivers for revenues and/or utilization are inter alia the number of new wind turbine installations, demand for operations and maintenance work on existing wind farms, the availability of installation vessels in the market, technical up time and FOO's ability to secure and execute new contracts.

For the Cruise segment, revenue generation is inter alia dependent on consumers' demand for cruise holidays, technical up time and the competitive situation including the ability to successfully schedule, market and sell cruise holidays. In addition, the segment is exposed to fluctuations in bunker fuel prices, which are fluctuating... A higher fuel price will weaken the segment profit. In addition, vessels may be subject to additional various regulatory fuel and/or emission requirements which can impact which area they can operate in, cost levels and/or need for additional upgrades of the vessels. Due to the current Covid 19 outbreak, FOCL has halted all its cruise operations until further notice.

The Group's main activities are all in capital-intensive markets with a strong competitive situation. As such, significant additional capital investment may be needed in the future to preserve earnings potential and/or market position.

Risk related to our financial profile

Group indebtedness risk

At end 2q19 the Issuer had approx. NOK2,2bn in financial indebtedness. Equity ratio on the Issuer on a non consolidated basis was at the same time 72.6%. In addition, financial indebtedness in various Group companies, including FOO and FORAS was at the same time approx. NOK7,5bn. Existing financial indebtedness have covenants that limit the borrowers' and or the Group's operational and financial flexibility. In addition, the Issuer and Group companies may incur additional debt in the future. Related debt service obligations and covenants to such indebtedness could have important consequences for the Group's operations and flexibility. Increased Group leverage either through incurrence of additional financial indebtedness or reduced earnings may limit the Group's ability to attract new capital to refinance existing financial indebtedness, to finance operations and or to finance investments needed to maintain a competitive market position.

Liquidity risk

The Issuer is a holding company and may be dependent upon cash being distributed from its subsidiaries to be able to service payments in respect of the Bonds. Deteriorating market conditions in the Group's main segments, disruption to operations, contractual provisions or laws as well as financial restrictions may impact the subsidiaries' possibilities to distribute cash to the Issuer.

Fair value of financial derivatives

The Group from time to time holds derivative financial instruments to hedge its foreign currency, interest rate and/or commodity risk exposures. Currently interest rate swaps have been entered for inter alia for parts of two debt facilities related to 8 of FORAS' wind farms. Total outstanding amount under these two facilities at end of 2q19 was approx. NOK5,9bn. Derivatives are recognized initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value. Fluctuations in fair value may incur negative implications for profit and financial position of the Group.

Key information on the securities

What are the main features of the securities ?

The Loan is a green unsecured open bond issue with floating interest rate. Settlement Date was 22 September 2020 and Maturity Date is 22 September 2025. The ISIN code of the Loan is NO0010893332. The initial borrowing amount is NOK 700,000,000 with the possibility to increase the borrowing amount to NOK

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1,000,000,000. The Denomination of each Bond is NOK 500,000. The Coupon Rate is NIBOR 3 months plus a Margin of 2.75 % p.a. with interest payment dates each 22 March, 22 June, 22 September and 22 December.

Both the Issuer and the Bondholders have the right to early terminate the bonds upon certain conditions.

The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and will rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time.

Where will the securities be traded ?

Admission to trading on the regulated market of Oslo Børs will take place as soon as possible after the Prospectus has been approved by the Norwegian FSA. The Bonds are not and will not be listed on any other market place.

Is there a guarantee attached to the securities ?

Not Applicable – there is no guarantee attached to the securities.

What are the key risks that are specific to the guarantors ?

Not Applicable – there is no guarantee attached to the securities.

What are the key risks that are specific to the securities ?

- The coupon payments will vary in accordance with the variability of the NIBOR interest rate. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying.
- The price of the Bonds will be impacted by a combination of the general credit markets fundamentals, the market's view of the credit risk of the Issuer and the liquidity of the Bonds in the market.
- Missing demand in the secondary market for the bonds may result in a loss for the bondholder.
- The bonds are linked to NIBOR. NIBOR and other benchmark rates are the subject of recent national and international regulatory guidance and proposals for reform including, without limitation, the potential replacement of NIBOR as a reference rate.
- The Issuer may be dependent upon cash being distributed from its subsidiaries to be able to service payments in respect of the Bonds. Contractual provisions or laws as well as financial restrictions may impact subsidiaries possibilities to distribute cash to the Issuer.
- The Issuer may in the future be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance such debt is dependent on the conditions of the financial markets in general at such time, and in the financial position of the Group.
- None of the Issuer's subsidiaries guarantee or have any obligations to pay amounts due under the Bonds. Generally, claims of creditors of a subsidiary including inter alia lenders under existing secured indebtedness related to wind parks and offshore wind transportation and installation vessels and trade creditors will have priority with respect to the assets of the subsidiary over the claims by holders of the Bonds.
- The Bond Agreement includes a change of control clause which can give each individual bondholder a right of pre-payment of the Bond at a price of 101% of par. The Issuer's ability to redeem the Bonds with cash in such a situation may be limited and it cannot be assured that there will be sufficient funds available to make these repayments.

Key information on the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security ?

The Loan was initially offered to professional, non-professional and eligible investors prior to the Issue Date 22 September 2020. The Loan is freely negotiable, however certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. There is no market-making agreement entered into in connection with the Bond Issue.

Admission to trading on a regulated market will take place as soon as possible after the Prospectus has been approved by the Norwegian FSA. The estimate of total expenses related to the admission to trading are as follow:

Prospectus fee (NFSA) Supplement to Registration Document NOK 18,000

Prospectus fee (NFSA) Securities Note NOK 18,000

Listing fee 2020 (Oslo Børs): NOK 8,225

Registration fee (Oslo Børs): NOK 16,700

Who is the offeror and/or the person asking for admission to trading ?

DNB Markets, a part of DNB Bank ASA, and SpareBank 1 Markets AS have been mandated by the Issuer as Joint Lead Managers for the issuance of the Loan. The Joint Lead Managers have acted as advisor to the Issuer in relation to the pricing of the Loan and has assisted the Issuer in preparing the Prospectus.

DNB Bank ASA is a public limited liability company incorporated and domiciled in Norway and existing under the laws of Norway with registration number 984 851 006 in the Register of Business Enterprises, Norway.

SpareBank 1 Markets AS is a limited liability company incorporated and domiciled in Norway and existing under the laws of Norway with registration number 992 999 101 in the Register of Business Enterprises, Norway.

Why is this prospectus being produced ?

The Prospectus is being produced for the purpose of listing the FRN Bonheur ASA Senior Unsecured Green Bond Issue 2020/2025 on the regulated market of Oslo Børs. The listing will take place as soon as possible after the Prospectus has been approved by the Norwegian FSA.

The Issuer shall use the net proceeds from the Initial Bond Issue for green projects as further defined by the Green Finance Framework, including inter alia by way of refinancing existing intercompany debt originally incurred to finance such green projects.

The estimated net amount of the proceeds was NOK 694 750 000. The offer of the bonds was not subject to an underwriting agreement on a firm commitment basis. There are no material conflicts of interest pertaining to the offer or the admission to trading.

The Issuer will use the net proceeds from the issuance of any additional bonds as set out in the relevant tap issue addendum.