



***Fjord1*** 

**Q1  
2020**

**THE LEADING  
FERRY COMPANY  
IN NORWAY**

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# About Fjord1



Fjord1 aims to be the **safest and most attractive provider of environmentally friendly and reliable transport** for our customers, clients and partners.

Our values reflect who we are and the way we work.



Cheerful



Open and honest



Reliable and keeping promises



Profitable



Working together and team spirit



Proud

- Fjord1 is a leading player in the Norwegian ferry market. It also operates passenger boat services and has interests in the catering and tourism sectors
- Competent employees enable Fjord1 to be at the forefront with respect to safety, innovation, technology and the environment
- Fjord1 is instrumental in investing in low-emission and zero-emission technologies, and the electrification of Norway's fjord crossings
- Listed on the Oslo Stock Exchange under the ticker FJORD - see [www.fjord1.no](http://www.fjord1.no)

MOLDE  
Branch office

FLORØ  
Head office

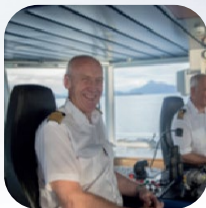
BERGEN  
Branch office

## Ferry contract overview 2020

1. Brekstad-Valset
2. Nordmørspakken
3. Nordøyane
4. Romsdalspakken
5. Sulapkken
6. Indre Sunnmøre
7. Sølnes-Arfarnes
8. Anda-Lote
9. Fylkesvegsamband S&F
10. Hordaland rutepakke 1
11. Hordaland rutepakke 2
12. Mortavika-Arsvågen
13. Svelvik-Verket

# AGENDA

**2020**



**Q1**



**1**

**Covid-19 update**

**2**

**Q1 key figures and highlights**

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**Segment review**

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**Appendix**

# SAFEGUARDING PEOPLE & OPERATIONS

- Top priorities to ensure the safety and security of our employees and customers, and safeguard operations and business continuity
- No confirmed cases of Covid-19 among the workforce
- Operating in compliance with all national and local regulations and recommendations to limit the spread of the virus
- **Ferries** and **passenger boats** defined as critical infrastructure
  - Operations maintained with a minor reduction to schedule
  - Changed ticketing process and onboard practices due to Covid-19
- **Catering** services closed in second half of March to limit the spread of the virus
- **Tourism** significantly impacted.

2020



EMPLOYEES  
1,056



VESSELS  
79

Q1



PEOPLE  
2.8 million



VEHICLES  
1.5 million



## Q1 2020 – COVID-19 UPDATE

# MANAGEABLE FINANCIAL EFFECTS

- Revenue of NOK 752 million and EBITDA margin of 26%
- **Ferries:** Covid-19 has limited financial impact
  - Revenue boosted by new ferry service from 1 January
  - Reduced sailing frequency and volume of traffic from 15 March affects revenue and costs, with moderate impact on profits due to contract structures.
  - Remaining net contracts are impacted by lower traffic volumes
  - Completion of new infrastructure may be delayed due to travel restrictions for technical personnel
- **Passenger boats:** Stable operations with minimal Covid-19 impact
- **Catering:** Closed mid-March with employees furloughed
- **Tourism:** Low-season quarter, potential revenue shortfall higher for Q2 and Q3.



2020



REVENUE  
752 million



EBITDA  
194 million

Q1



LBT  
35 million

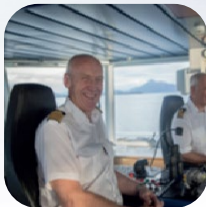


INVESTMENTS  
932 million

# AGENDA



**2020**



**Q1**



1 Covid-19 update

2 **Q1 key figures and highlights**

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Q1 2020

# FINANCIAL HIGHLIGHTS

- Revenue boost from new contracts
  - Revenue increase of 17% to NOK 752 million
  - Increased EBITDA of 23%
- Investments of NOK 932 million, including NOK 115 million in quays and infrastructure
- Increase in NIBD to NOK 5.8 billion – expected to level off with the completion of new infrastructure and release of NO<sub>x</sub> funds
- Delays in delivery of vessels and infrastructure.



2020



REVENUE  
752 million



EBITDA  
194 million

Q1



LBT  
35 million

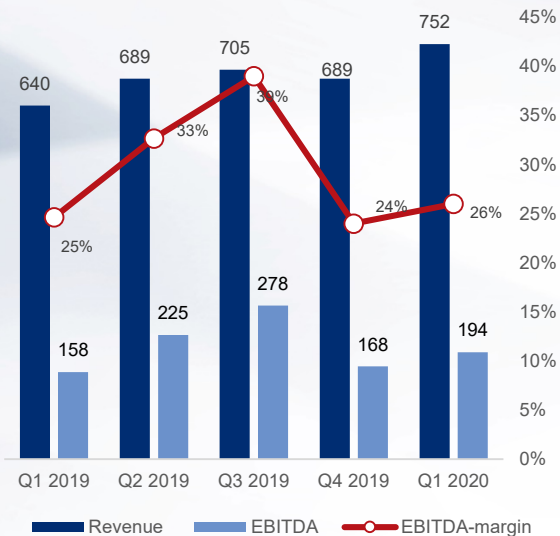


INVESTMENTS  
932 million

# KEY FIGURES



Revenue, EBITDA and EBITDA margin  
(NOK m and %)



Gross investments  
(NOK m)



Net interest bearing debt and NIBD/EBITDA\*  
(NOK m and x times)



\* Adjusted NIBD/EBITDA reflects covenant allowance to adjust NIBD to align with start-up of associated contracts. Please see note 8 in the financial statement



Q1 2020

# OPERATIONAL HIGHLIGHTS

- Safety and regularity
  - No serious incidents – 1.1 passenger injuries and 3.8 lost-time injuries (staff)
  - Regularity above 99%
- Thorough preparations enabled satisfactory contract start-up 1 January
  - Completed building of four quay structures/infrastructure
  - Expect infrastructure-related activities to continue throughout 2020
- The vessel renewal programme is coming to an end
  - Delivery of MF Florøy, MF Sildafjord, MF Grip, MF Bømlafjord and MF Smøla during the quarter
  - Remaining vessels to be delivered in June and August



2020



EMPLOYEES  
1,056



VESSELS  
79

Q1



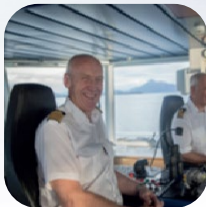
PEOPLE  
2.8 million



VEHICLES  
1.5 million

# AGENDA

**2020**



**Q1**



1 Covid-19 update

2 Q1 key figures and highlights

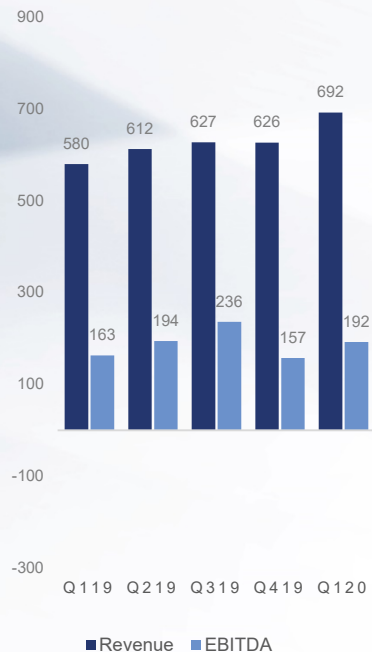
3 **Segment review**

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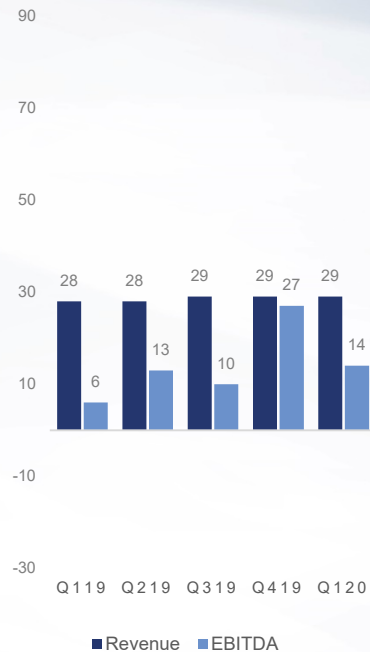
# Q1 2020 SEGMENT OVERVIEW



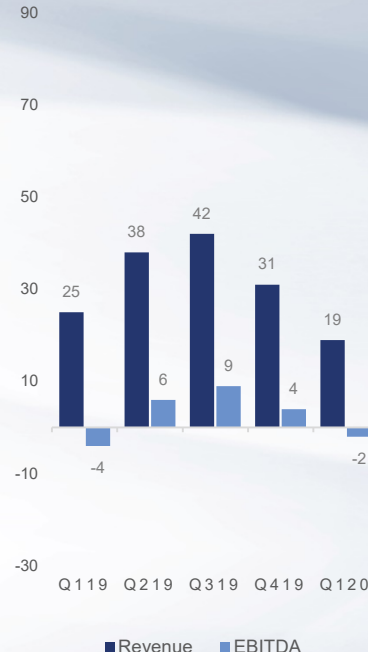
**Ferries (NOK m)**



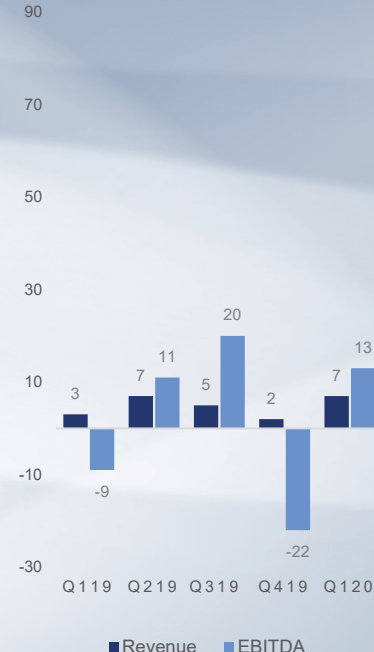
**Passenger Boats (NOK m)**



**Catering (NOK m)**



**Tourism (NOK m)**



Q1 2020

# LIQUIDITY AND SOLIDITY



- 5 vessels delivered and infrastructure, NOK 932 million
- Sale of infrastructure and public NO<sub>x</sub> funds were projected to lower NIBD for 2020, but delay of new infrastructure completion may impact the turning point
- Equity ratio of 22.5%
- Solid liquidity with NOK 370 million in cash and cash equivalents

Net interest bearing debt and NIBD/EBITDA\*  
(NOK million and x times)



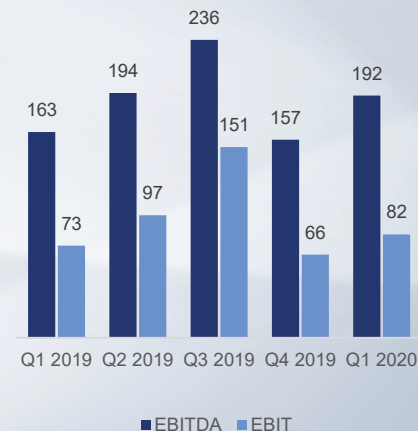
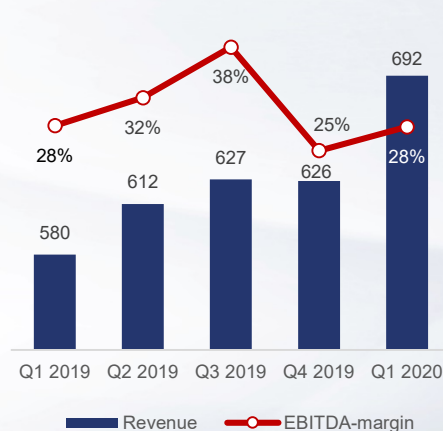
\* Adjusted NIBD/EBITDA reflects covenant allowance to adjust NIBD to align with start-up of associated contracts. Please see Note 8 to the financial statement

## Q1 2020 FERRIES



- Revenue increased by 19% due to new contracts commencing 1 January
- EBITDA margin of 28%
- EBITDA is effected of costs relating to start-up of new contracts, and delay of infrastructure.
- Higher depreciation due to investments in the vessel renewal programme, and related quay and infrastructure investments

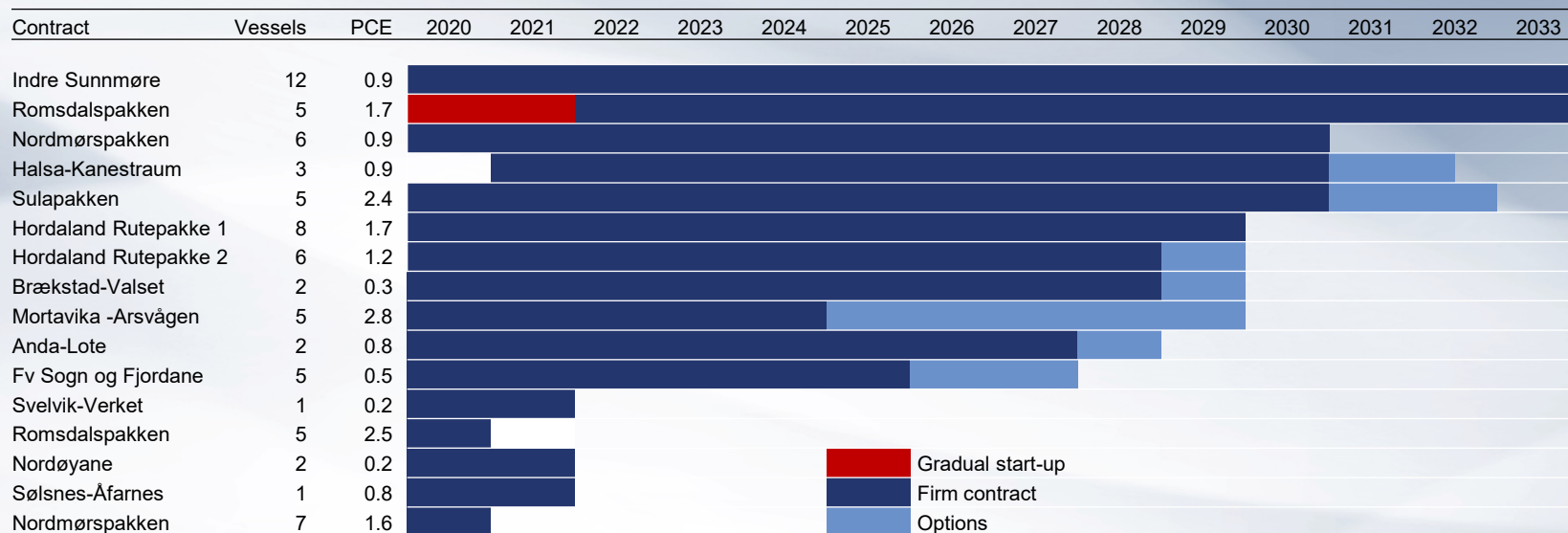
(NOK m)	Q1 2020	Q1 2019	YTD 2020	YTD 2019
Revenue	692	580	692	580
EBITDA	192	163	192	163
<i>EBITDA-margin</i>	28 %	28 %	28 %	28 %
EBIT	82	73	82	73
<i>EBIT-margin</i>	12 %	13 %	12 %	13 %





## FERRY CONTRACT OVERVIEW

# NOK 22.8 BN CONTRACT BASE\*



\* Total contract volume, including the three passenger boat contracts. NOK 22.8 billion excl. options and index regulation

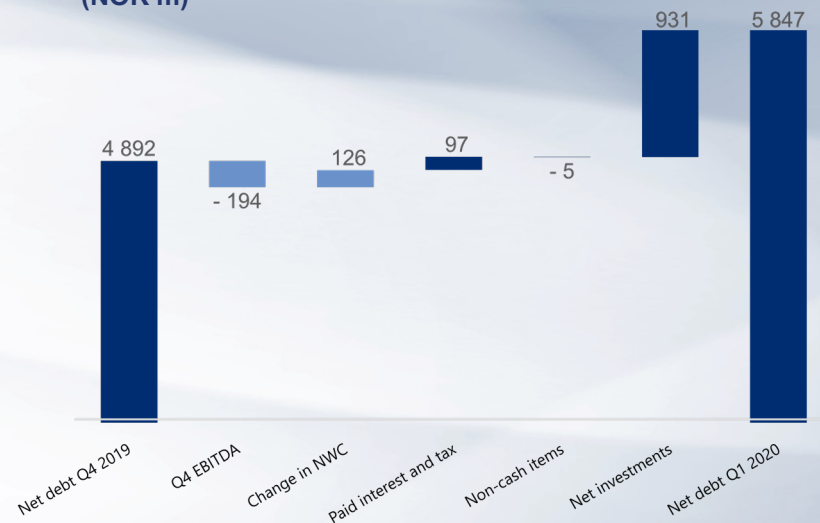
Q1 2020

# INVESTMENTS DRIVING NET DEBT



- Investment programme is coming to an end.
- Net investments of NOK 931 million
- NIBD trend expected to level off and reverse, but Covid-19 effects may delay the turning point

Change in net interest-bearing debt (NIBD) in the quarter (NOK m)



Q1 2020

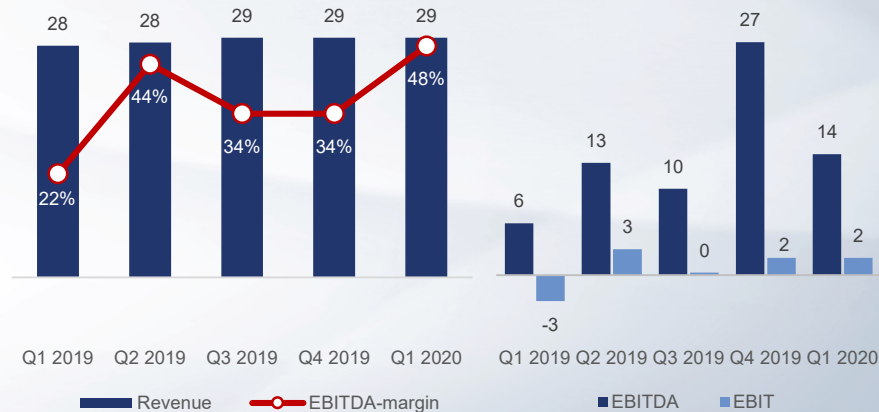
# PASSENGER BOATS



- 5% revenue increase mainly explained by yearly adjustments of contracts
- EBITDA increase due to contribution from JV and improved cost control
- Stable operations on established routes

(NOK m)	Q1 2020	Q1 2019	YTD 2020	YTD 2019
Revenue	29	28	29	28
Associates	2	-1	2	-1
EBITDA*	14	6	14	6
<i>EBITDA margin</i>	48 %	22 %	48 %	22 %
EBIT	2	-3	2	-3
<i>EBIT margin</i>	7 %	-12 %	7 %	-12 %

\*EBITDA incl. associates

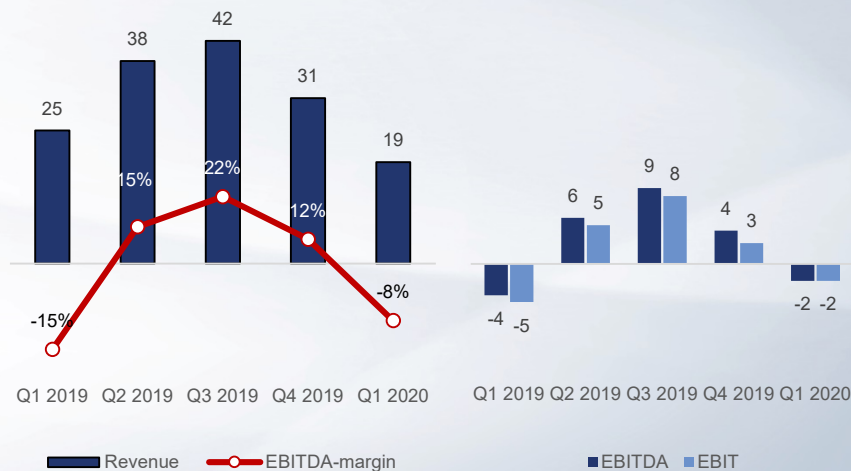


# Q1 2020 CATERING



- Revenue effected by leased vessels and closing of all services from mid-March
- Self-service cafeterias reopened in April
- Focus on conseptdevelopment.

(NOK m)	Q1 2020	Q1 2019	YTD 2020	YTD 2019
Revenue	19	25	19	25
EBITDA	-2	-4	-2	-4
<i>EBITDA margin</i>	-8 %	-15 %	-8 %	-15 %
EBIT	-2	-5	-2	-5
<i>EBIT margin</i>	-12 %	-18 %	-12 %	-18 %



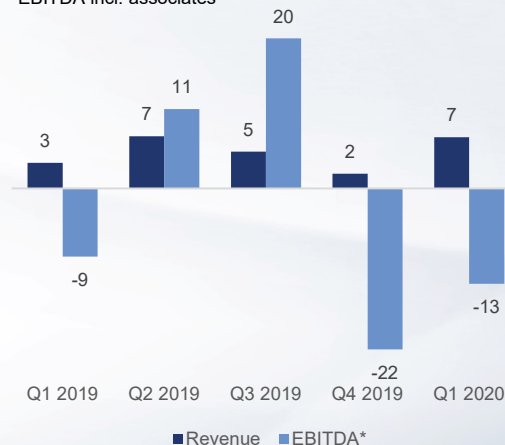
## Q1 2020 TOURISM



- Q1 a low-season quarter
- Negative contribution from associates explained by effect of Covid-19 travel restrictions
- Activity and cost level in associates adjusted to reflect lower customer demand
- Expected increase in domestic travel.

(NOK m)	Q1 2020	Q1 2019	YTD 2020	YTD 2019
Revenue	7	3	7	3
Associates	-13	-7	-13	-7
EBITDA*	-13	-9	-13	-9
<i>EBITDA margin</i>	-170 %	-267 %	-170 %	-267 %
EBIT	-13	-10	-13	-10
<i>EBIT margin</i>	-171 %	-279 %	-171 %	-279 %

\*EBITDA incl. associates





Q1 2020

# UNCHANGED STRATEGIC OUTLOOK



- Fjord1 is a crucial part of Norway's coastal infrastructure
- Safe, reliable and environmentally sustainable transport
- Completing newbuild programme for a greener future
- Strong foundation with large long-term contract base
- Growth ambitions in ferry and tourism sectors

Number of ferries and fuel mix

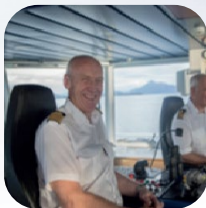


\* Based on expected deliveries and upgrades

# AGENDA



2019



Q4



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# STATEMENT OF PROFIT AND LOSS

NOK m	Q1 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
<b>Total revenue</b>	<b>751.5</b>	<b>640.3</b>	<b>751.5</b>	<b>640.3</b>	<b>3102.0</b>
Cost of sales	(117.6)	(111.6)	(117.6)	(111.6)	(574.0)
Personnel expenses	(275.8)	(243.0)	(275.8)	(243.0)	(1005.0)
Other operating expenses	(153.4)	(119.2)	(153.4)	(119.2)	(483.7)
<b>Total operating expenses</b>	<b>(546.7)</b>	<b>(473.8)</b>	<b>(546.7)</b>	<b>(473.8)</b>	<b>(2062.7)</b>
Share of profit/(loss) from joint ventures and associated companies	(11.2)	(8.8)	(11.2)	(8.8)	11.8
<b>Operating profit before depreciation and impairment (EBITDA)</b>	<b>193.6</b>	<b>157.7</b>	<b>193.6</b>	<b>157.7</b>	<b>1051.1</b>
Total depreciation and impairment	(122.6)	(101.0)	(122.6)	(101.0)	(306.0)
<b>Operating profit (EBIT)</b>	<b>71.0</b>	<b>56.7</b>	<b>71.0</b>	<b>56.7</b>	<b>745.1</b>
Share of profit/(loss) from other JVs and associated companies	(23.0)	16.8	(23.0)	16.8	1.0
Interest income	1.1	0.4	1.1	0.4	3.5
Interest expense	(62.5)	(32.0)	(62.5)	(32.0)	(102.2)
Other financial items, net	(21.3)	(23.4)	(21.3)	(23.4)	27.3
<b>Profit/(loss) before tax</b>	<b>(34.7)</b>	<b>18.5</b>	<b>(34.7)</b>	<b>18.5</b>	<b>674.8</b>
Income tax (expense)	7.7	(4.3)	7.7	(4.3)	(134.5)
<b>Profit/(loss) for the period</b>	<b>(27.1)</b>	<b>14.2</b>	<b>(27.1)</b>	<b>14.2</b>	<b>540.3</b>
<i>Attributable to:</i>					
Owners of the parent company	-27.2	14.0	-27.2	14.0	538.7
Non-controlling interest	0.2	0.2	0.2	0.2	1.6
<i>Earnings per share (EPS)</i>					
Basic earnings per share (NOK)	-0.27	0.14	-0.27	0.14	5.39
Diluted earnings per share (NOK)	-0.27	0.14	-0.27	0.14	5.39

# STATEMENT OF FINANCIAL POSITION

## ASSETS

NOK m	31.03.2020	31.03.2019	31.12.2019
Deferred tax assets	37.4	17.5	37.4
Property, plant and equipment	8,382.6	6,236.2	7,559.3
Right of use assets	37.2	62.9	40.4
Investments in JVs & associates	447.2	404.2	481.5
Other non-current financial assets	4.6	5.4	4.7
<b>Total non-current assets</b>	<b>8,909.0</b>	<b>6,726.2</b>	<b>8,123.2</b>
Inventories	23.8	22.9	22.5
Derivative financial instruments	0.0	4.5	0.0
Trade receivables	304.5	90.5	139.2
Other current receivables	180.2	173.7	294.0
Cash and cash equivalent	370.0	156.5	484.1
Assets held for sale	177.4	0.0	177.4
<b>Total current assets</b>	<b>1,055.8</b>	<b>448.2</b>	<b>1,117.0</b>
<b>Total assets</b>	<b>9,964.8</b>	<b>7,174.3</b>	<b>9,240.2</b>

## EQUITY AND LIABILITIES

NOK m	31.03.20	31.03.19	31.12.19
Share capital	250.0	250.0	250.0
Share premium	360.9	360.9	360.9
Treasury shares	-3.6	-2.1	-3.6
Retained earnings	1,630.1	1,731.2	1,657.6
<b>Total equity attributable to owners of the parent</b>	<b>2,237.4</b>	<b>2,340.0</b>	<b>2,264.9</b>
Non-controlling interest	4.9	6.0	4.7
<b>Total equity</b>	<b>2,242.3</b>	<b>2,346.0</b>	<b>2,269.7</b>
Borrowings	5,001.6	2,776.8	4,179.4
Derivative financial instruments	24.3	1.1	6.8
Non-current leases obligations	17.8	27.6	9.1
Net employee defined benefit liabilities	10.4	20.8	13.1
Other non-current liabilities	125.3	0.4	127.5
Deferred tax liabilities	568.1	503.3	575.8
<b>Total non-current liabilities</b>	<b>5,747.6</b>	<b>3,329.9</b>	<b>4,911.6</b>
Borrowings	1,216.3	589.4	1,196.8
Derivative financial instruments	4.8	0.0	1.3
Current lease obligation	19.8	35.4	31.5
Trade and other payables	236.9	248.8	202.5
Current income and tax liabilities	0.0	71.0	0.7
Social security and other taxes	81.3	47.9	107.2
Other current liabilities	415.9	505.9	519.0
<b>Total current liabilities</b>	<b>1,975.0</b>	<b>1,498.4</b>	<b>2,058.9</b>
<b>Total liabilities</b>	<b>7,722.5</b>	<b>4,828.3</b>	<b>6,970.6</b>
<b>Total equity and liabilities</b>	<b>9,964.8</b>	<b>7,174.3</b>	<b>9,240.2</b>

# CONSOLIDATED CASH FLOW

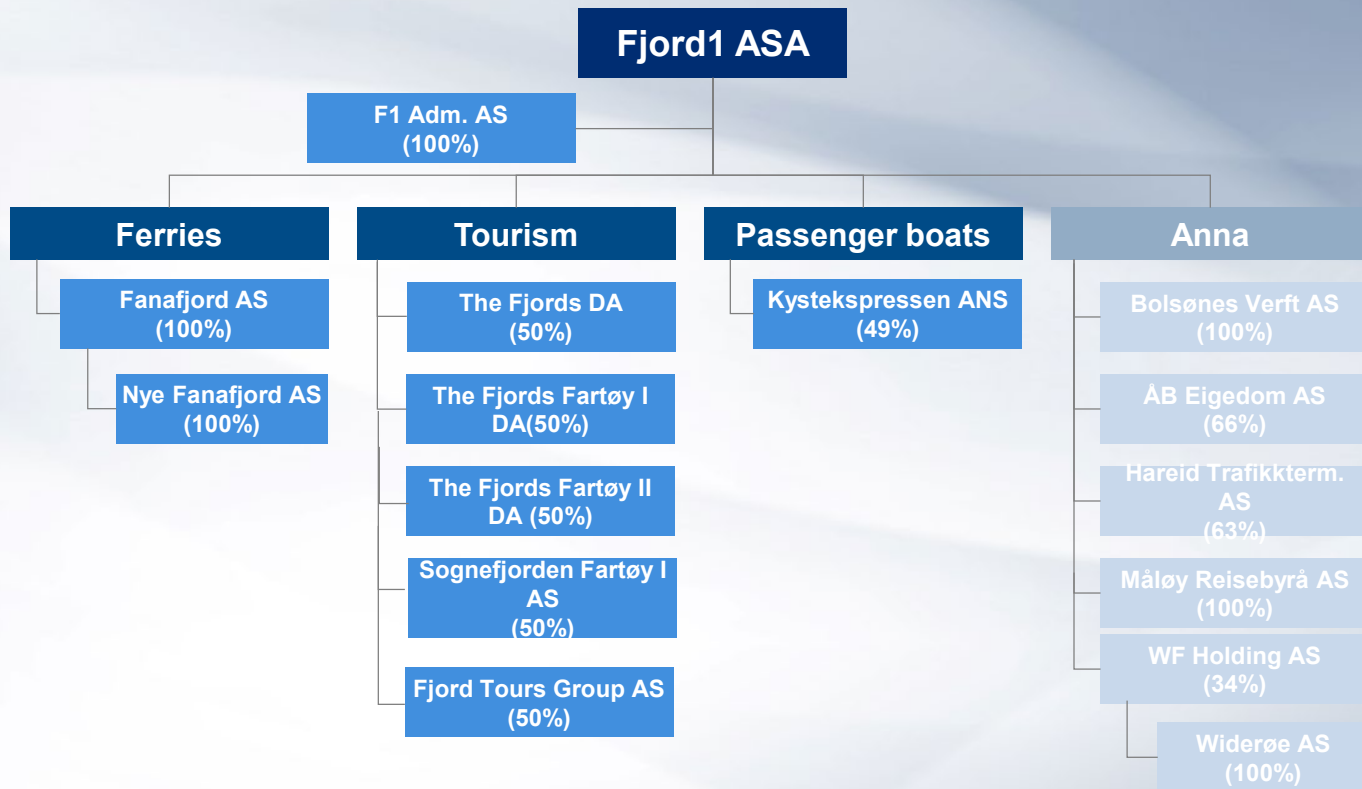
NOK m	Q1 2020	Q1 2019	YTD 2019	YTD 2019	FY 2019
Profit before tax	-34.7	18.5	-34.7	18.5	253.0
Adjustments for P/L items with no effect on liquidity:					
Depreciation and impairment	122.6	110.2	122.6	110.2	421.9
Interest expense, net	61.4	31.6	61.4	31.6	165.4
Gain/(loss) from sale of assets	0.5	0.3	0.5	0.3	(4.3)
Gain/(loss) from realisation of shares	-	-	-	-	(31.1)
Share of Profit/(loss) from JVs and associates	34.3	(7.9)	34.3	(7.9)	(29.2)
Change in other current receivables/liabilities	18.3	14.7	18.3	14.7	18.5
Change in working capital, net	(109.6)	(269.2)	(109.6)	(269.2)	(250.1)
<b>Cash generated from operations</b>	<b>92.8</b>	<b>-101.9</b>	<b>92.8</b>	<b>-101.9</b>	<b>544.1</b>
Interest paid and received, net	(61.4)	(15.5)	(61.4)	(15.5)	(146.8)
Income tax paid	(35.9)	(15.6)	(35.9)	(15.6)	(73.7)
<b>Net cash flow from operating activities</b>	<b>-4.5</b>	<b>-133.0</b>	<b>-4.5</b>	<b>-133.0</b>	<b>323.6</b>
Purchase of property, plant and equipment	(932.4)	(561.9)	(932.4)	(561.9)	(2399.1)
Purchase of shares incl. JVs	-	-	-	-	(38.7)
Proceeds from dividends from associates	-	-	-	-	11.7
Proceeds from sale of property, plant and equipment	1.3	-	1.3	-	63.2
Proceeds from other non-current assets, net	0.1	3.3	0.1	3.3	4.1
Proceeds from other non-current receivables, net	-	-	-	-	-
<b>Net cash flow from investing activities</b>	<b>-931.0</b>	<b>-558.6</b>	<b>-931.0</b>	<b>-558.6</b>	<b>-2,358.9</b>
Proceeds from borrowings	993.0	317.8	993.0	317.8	2042.3
Repayment of borrowings	(155.2)	(92.6)	(155.2)	(92.6)	(236.2)
Payment of lease obligation	(16.3)	-	(16.3)	-	(65.4)
Purchase of treasury shares	-	-	-	-	(1.5)
Proceeds from short-term borrowings	-	350.0	-	350.0	1320.0
Repayment of short-term borrowings	-	-	-	-	(540.9)
Repayment of other non-current liabilities, net	-	0.3	-	0.3	-
Dividends paid	-	-	-	-	(271.4)
<b>Net cash flow from financing activities</b>	<b>821.5</b>	<b>575.6</b>	<b>821.5</b>	<b>575.6</b>	<b>2,246.8</b>
<b>Net change in cash and cash equivalents</b>	<b>(114.1)</b>	<b>(116.0)</b>	<b>(114.1)</b>	<b>(116.0)</b>	<b>211.6</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>484.1</b>	<b>272.5</b>	<b>484.1</b>	<b>272.5</b>	<b>272.5</b>
<b>Cash and cash equivalents at end of the period</b>	<b>370.0</b>	<b>156.5</b>	<b>370.0</b>	<b>156.5</b>	<b>484.1</b>



# FLEET OVERVIEW – 31 MARCH 2020

Ferries	Year built	PCE	Ferries	Year built	PCE	Ferries	Year built	PCE	Ferries	Year built	PCE
Sildafjord	2020	83	Edøyfjord	2012	50	Glutra	2000	120	Veøy	1974	50
Smøla	2020	50	Boknafjord	2011	240	Ivar Aasen	1997	76	Tingvoll	1972	35
Bømlafjord	2020	50	Hjørundfjord	2011	120	Lærdal	1997	77	Bolsøy	1971	38
Florøy	2020	83	Storfjord	2011	120	Svanøy	1992	89	Ørsta	1964	25
Grip	2020	80	Fannefjord	2010	128	Gulen	1989	90	Driva	1963	29
Eresfjord	2019	120	Korsfjord	2010	128	Rauma	1988	73			
Tustna	2019	80	Lifjord	2010	110	Romsdal	1988	87			
Fedjebjørn	2019	50	Norangsford	2010	120	Dalsfjord	1986	28			
Hillefjord	2019	83	Romsdalsfjord	2010	128	Sulafjord	1986	106			
Skopphorn	2019	120	Davik	2009	45	Selje	1986	58			
Samlafjord	2019	130	Moldefjord	2009	128	Sognefjord	1984	64	Passenger boats	Year built	Passengers
Rovdehorn	2019	120	Årdal	2008	105	Sogn	1982	110	Tansøy	2007	96
Giskøy	2019	120	Vågsøy	2008	31	Solskjel	1981	35	Fjordgyltt	2000	81
Suløy	2019	120	Fanafjord	2007	212	Bjørnsund	1979	61	Sylvarnes	2000	70
Kommandøren	2018	120	Mastrafjord	2007	240	Geiranger	1979	36			
Hadarøy	2018	120	Raunefjord	2007	212	Stordal	1979	51	Under construction	Delivery	PCE
Austrått	2018	50	Lote	2006	120	Stryn	1979	81	TBN 1	2Q 2020	50
Vesrått	2018	50	Bergensfjord	2006	212	Aukra	1978	36	TBN 2	3Q 2020	50
Husavik	2018	45	Stavangerfjord	2006	240	Eid	1978	35	TBN 3	3Q 2021	120
Horgefjord	2018	120	Dryna	2005	35	Nordmøre	1978	52			
Møkstrafjord	2018	130	Harøy	2005	35	Sunnfjord	1978	46			
Gloppefjord	2017	120	Julsund	2004	99	Aurland	1977	35			
Eidsfjord	2017	120	Eira	2002	100	Solnør	1977	36			
Hornelen	2016	60	Volda	2002	80	Kvernes	1976	35			
Losna	2016	60	Nordfjord	2001	54	Sykkylvsfjord	1975	36			

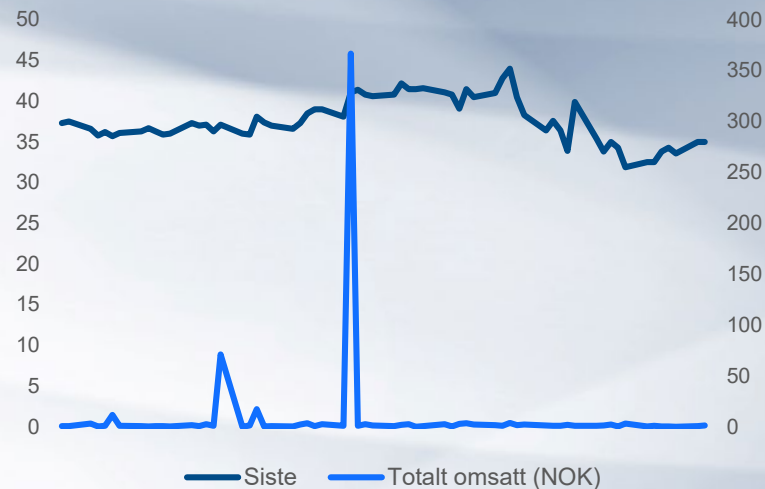
# LEGAL STRUCTURE



# OVERVIEW OF SHAREHOLDERS AND SHAREHOLDINGS - 31 March 2020

#	Shareholders	Number of shares	Share (%)
1	HAVILAFJORD AS	51500000	51.5
2	PERESTROIKA AS	18459849	18.45
3	HAVILAFJORD HOLDING AS	15000000	15.00
4	Citibank, N.A.	3850000	3.85
5	DZ PRIVATBANK S.A.	2669132	2.66
6	State Street Bank and Trust Comp	1101983	1.10
7	CLEARSTREAM BANKING S.A.	1003480	1.00
8	Pictet & Cie (Europe) S.A.	650000	0.65
9	KLP AKSJENORGE INDEKS	387307	0.38
10	Citibank, N.A.	375993	0.37
Total, 10 largest shareholders		94,997,774	94,99
Other shareholders		5,002,226	5,01
Total		100,000,000	100 %

Share price development and turnaround



# SAFETY AND REGULARITY TARGETS AND RESULTS – Q1 2020



## LOST-TIME INJURIES

**TARGET: 3.0**  
**RESULT: 3.8**

(per million hours worked)



## SICK LEAVE

**TARGET: 4.9 %**  
**RESULT: 7.5 %**

(%)



## PASSENGER INJURIES

**TARGET: 0.3**  
**RESULT: 1.1**

(per million passengers)



## ALLISIONS

**TARGET: 0**  
**RESULT: 3.3**

(per 100,000 port calls)



## CUSTOMER COMPLAINTS

**TARGET: 3.9**  
**RESULT: 9.1**

(per 100,000 passengers)



## REGULARITY

**TARGET: 99.9%**  
**RESULT: 99.4%**

(scheduled route production)

# KEY FIGURES 2019



## **EMPLOYEES**

1,056



## **VESSELS**

76



## **PASSENGERS**

19.2 million



## **VEHICLES**

9.9 million



## **REVENUE**

3.1 billion



## **ASSETS**

9.2 billion



## **EQUITY**

2.3 billion



## **PBT**

253 million



## **EBITDA**

0.8 billion



## **INVESTMENTS**

2.4 billion





Fjord1 ASA  
Strandavegen 15  
6905 Florø

[www.fjord1.no](http://www.fjord1.no)