



## **Fjord1 AS**

### Information Memorandum

### February 2015

DHT Corporate Services AS  
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Opplysningsvesenets  
ettersøkt og off. 313(1) i  
for. 313(1) nr. 2 - foretaks-  
sensitiv informasjon.

## Disclaimer

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This document has been prepared Sogn og Fjordane County ("Sogn og Fjordane") in cooperation with DHT Corporate Services AS ("DHT"), Norway. This document is presented solely for informational purposes to ensure that investors - intending to evaluate an acquisition of the shares in Fjord1 Holding AS - have been introduced to essential aspects of the company relevant to a decision. DHT has endeavored to present as accurate and complete information about the company as possible. However, DHT cannot accept any financial or legal responsibility for the information contained herein. This document has been prepared in order to provide a base for own assessment and possible decision as to investing in the company. This document does not necessarily contain all the information needed to make a final decision. Investors interested in the project should conduct their own evaluations and analyses as deemed necessary based on the information provided by this document.

# Contents

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## **Introduction**

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Company presentation

Market overview

Strategic agenda

Financials

Appendix

Fjord1 is Norway's largest ferry company with around 1 279 employees generating NOK 2,3 billion in revenue

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**157**

years of experience in crossing the fjords and connecting the Norwegian islands to the mainland



**72**

ferries and passenger boats



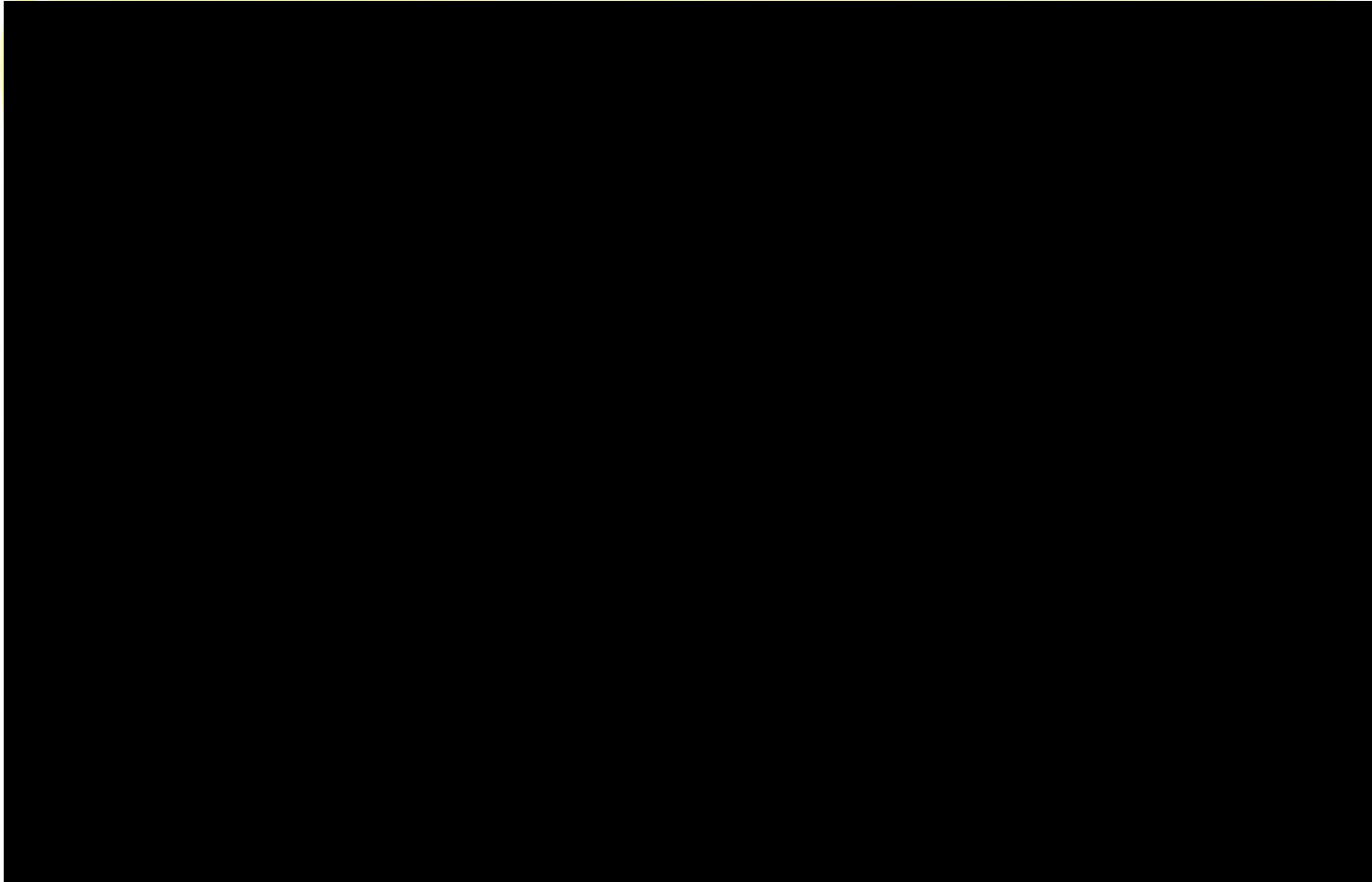
**1.279**

skilled employees



## Key figures per business area

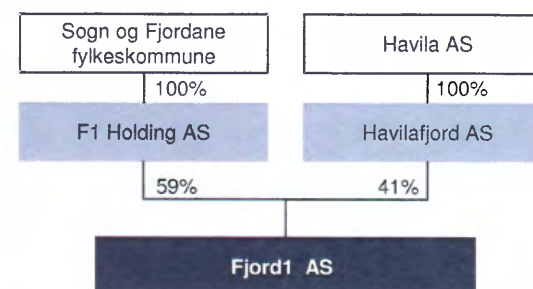
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## Sogn og Fjordane County considers selling up to 100% of their shares in Fjord1 AS

- «Fjord1 Nordvestlandske AS» was established in 2001, following the merger of «Fylkesbaatane i Sogn og Fjordane AS» and «Møre og Romsdal Fylkesbåtar AS», owned by «Sogn og Fjordane County» and «Møre og Romsdal County» respectively
- In 2011 Møre og Romsdal County sold their 41% stake in Fjord1 to Havilafjord AS, controlled by the Norwegian Sævik-family
- Fjord1 AS («Fjord1») constitute the parent company of the group, and is owned by Sogn og Fjordane County (59 percent) and Havilafjord (41 percent).
- Sogn and Fjordane county is considering alternative strategies regarding their ownership in Fjord1 AS.
  - Alt. 1: Continued ownership with a revised ownership strategy
  - Alt. 2: Continued ownership and invite potential investors with capital and competence to further develop the company
  - Alt. 3: Sale of all or part of their shares in Fjord1
- Sogn and Fjordane County wishes to explore strategic alternatives, and considers selling up to 100% of its majority stake, totaling 59% of the shares in Fjord1. Sogn and Fjordane county is looking for a buyer with the ability to further develop Fjord1 as a competitive player in a Norwegian or Nordic perspective.
- Given this background, DHT Corporate Services AS and Wiersholm has been engaged to identify potential investors with a relevant profile
- The terms regulating the process is outlined in a separate process letter

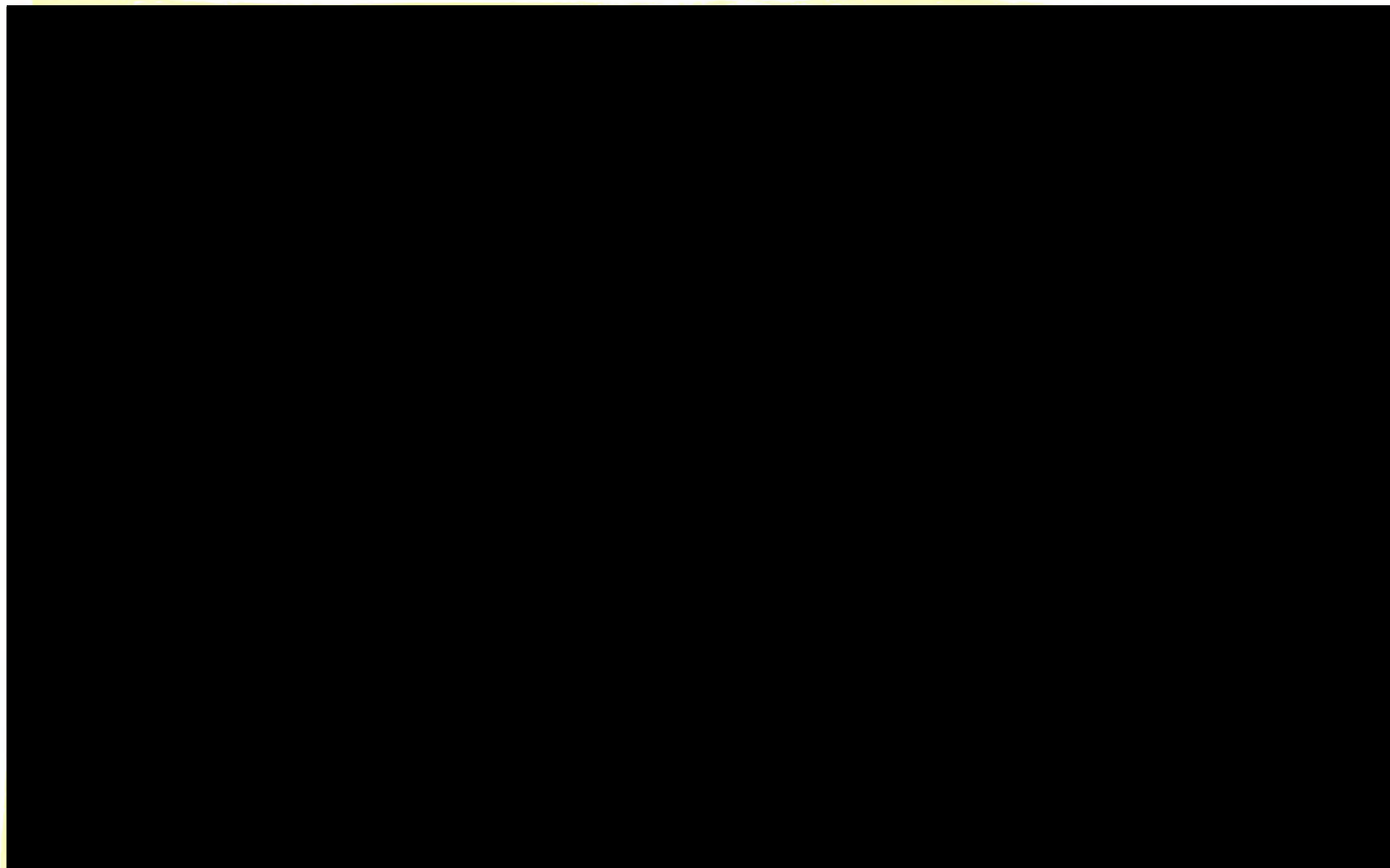
### Ownership structure



### Board – Fjord1 AS

Chairman Of the Board	Mr. Reidar Jørgen Sandal	(24.03.49)
Vice chairman	Mr. Vegard Sævik	(28.11.78)
Board member	Mr. Lars Birkeland	(16.06.64)
Board member	Mr. Nils R Sandal	(09.06.50)
Board member	Mr. Jan Lars Kildal	(16.11.50)
Board member*	Mr. Atle Olav Trollebø	(02.02.63)
Board member	Mrs. Heidi Kathrin Osland	(28.05.66)
Board member*	Mr. Arnstein Aamås	(27.12.54)

\*Staff representative



# Contents

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Introduction

---

**Company presentation**

---

Market overview

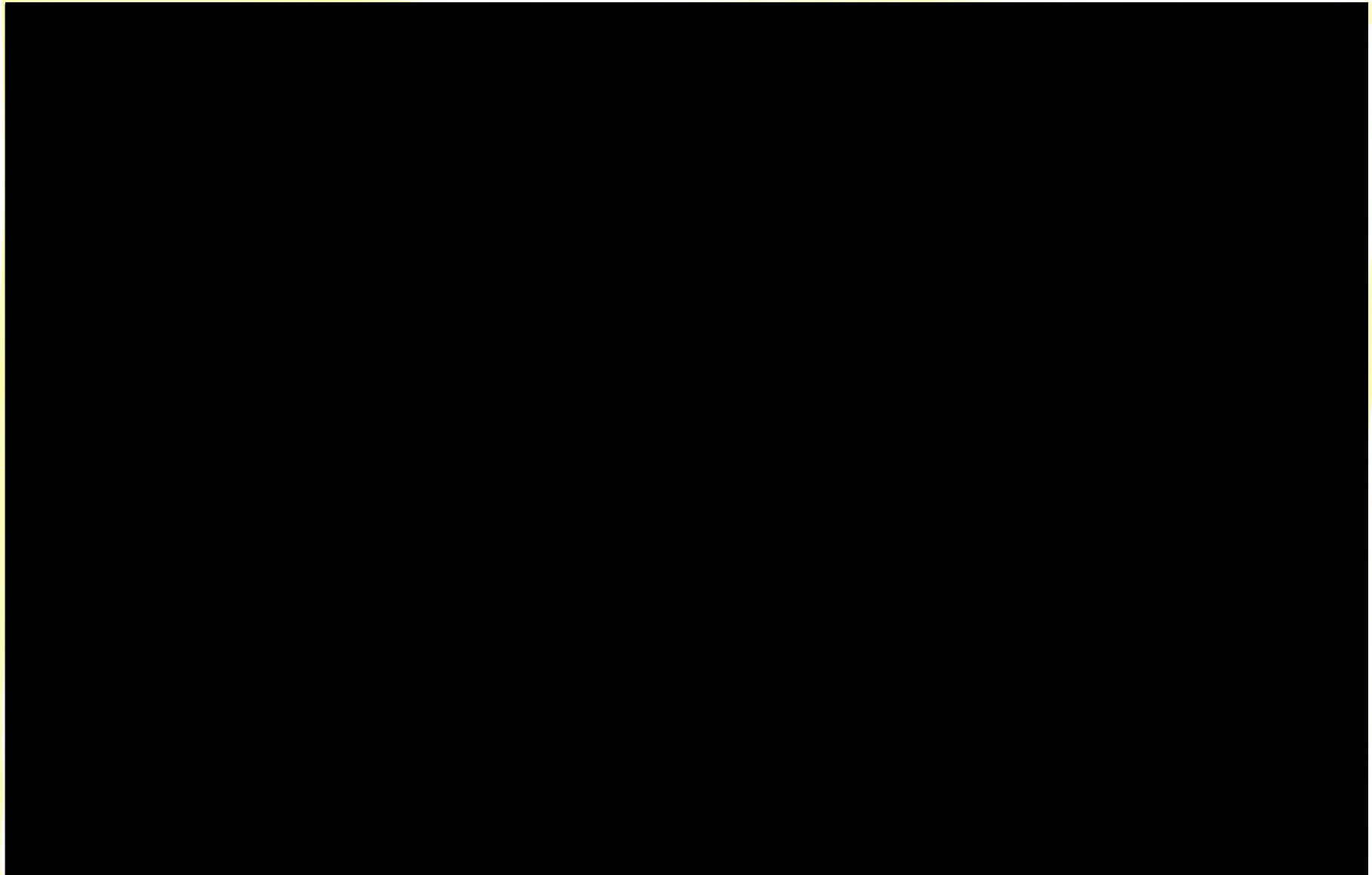
Strategic agenda

Financials

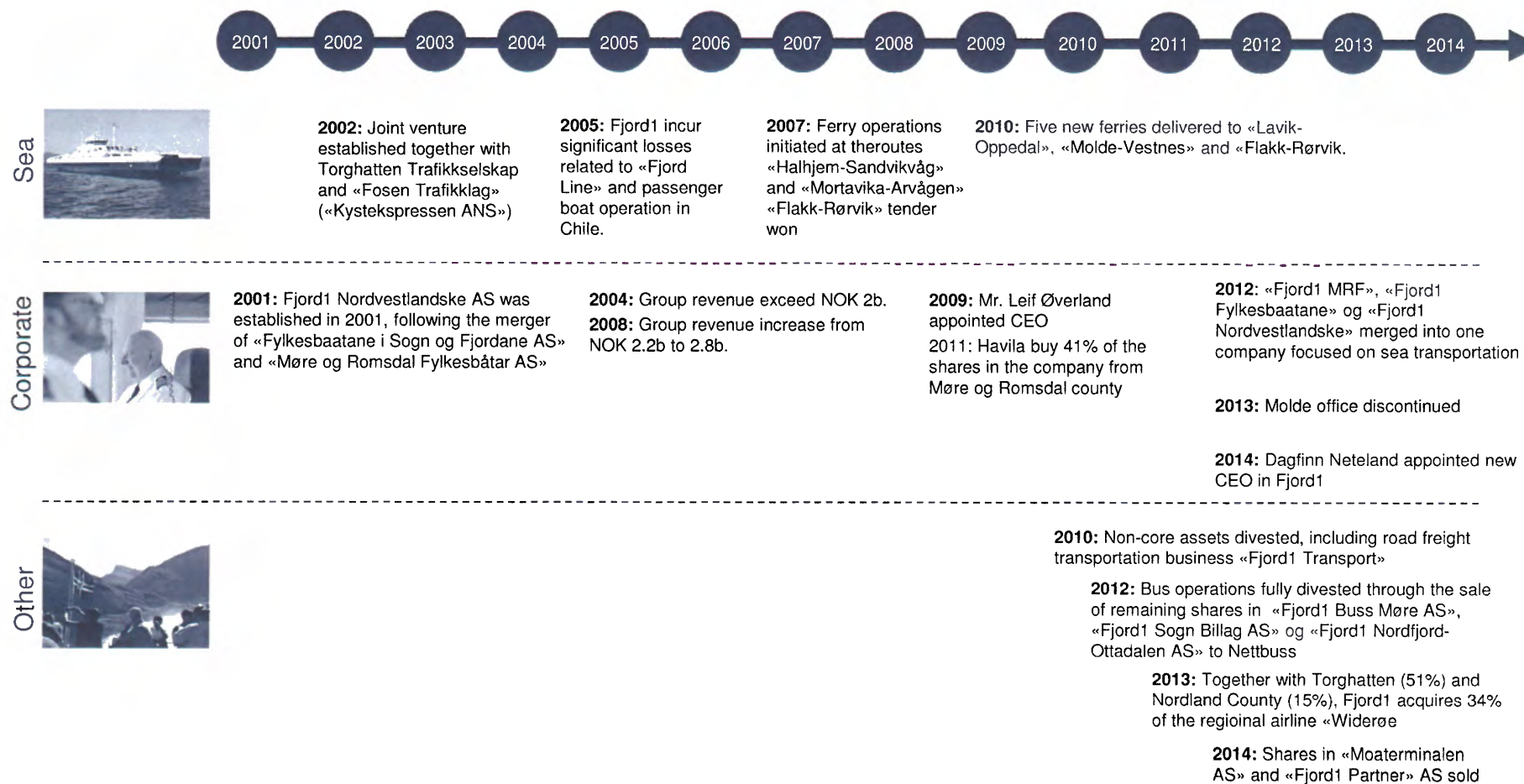
Appendix



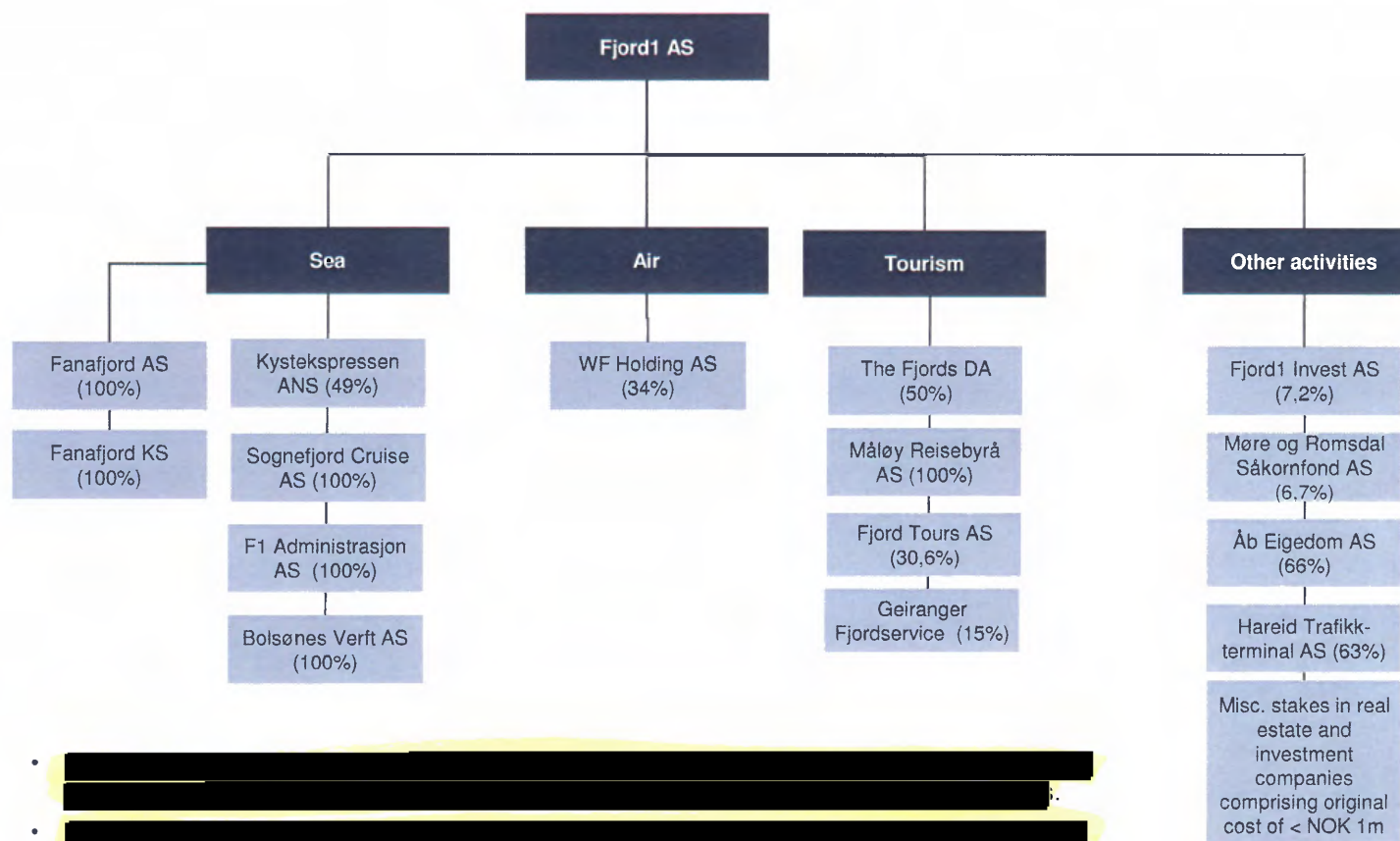
## *Mission statement and strategic objectives*



## For over 10 years the Fjord1-ferries have been inevitable parts of the public transportation infrastructure on the west coast of Norway

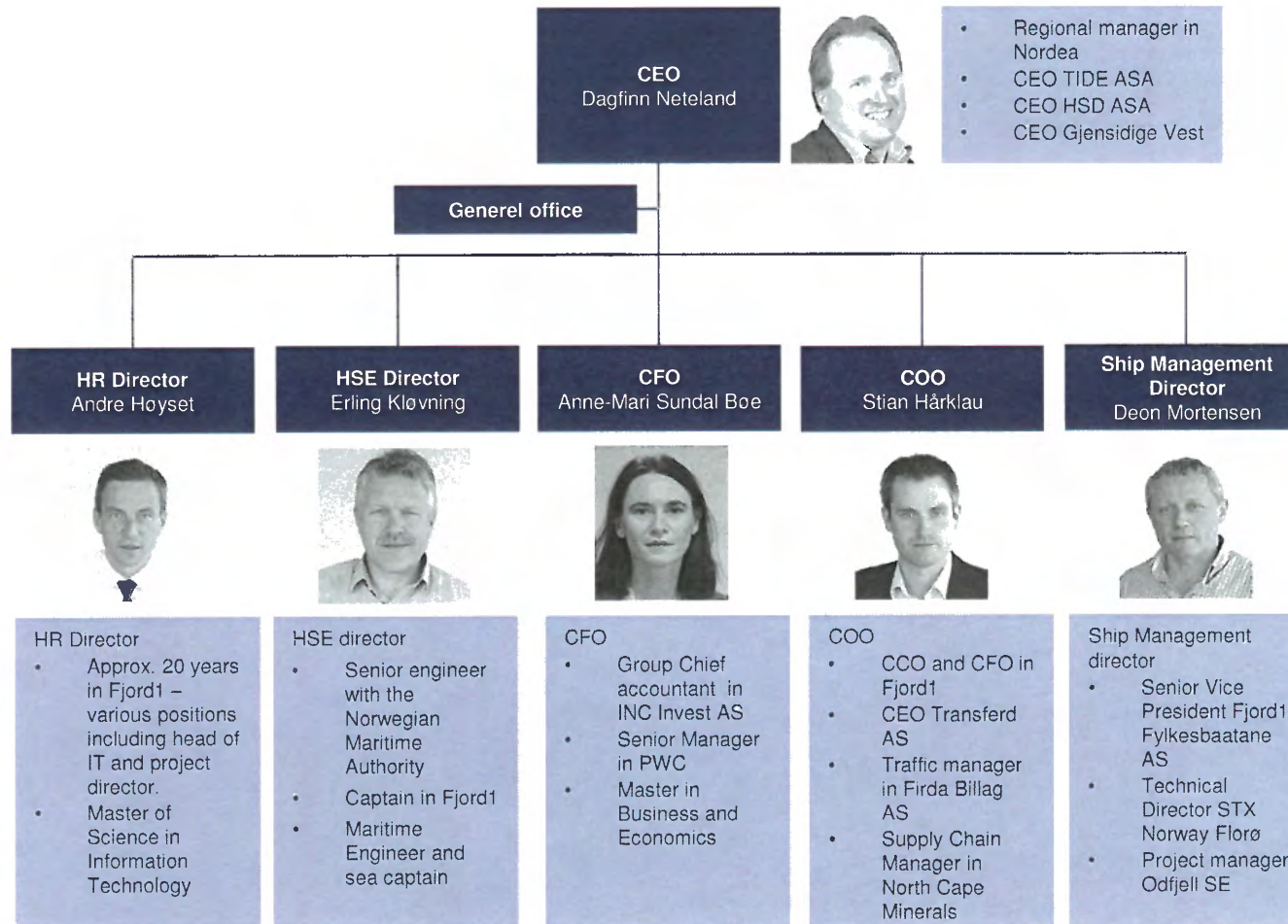


Fjord1 comprise the key component of the group, but the group also hold stakes in other companies within the core business areas, as well as financial investments

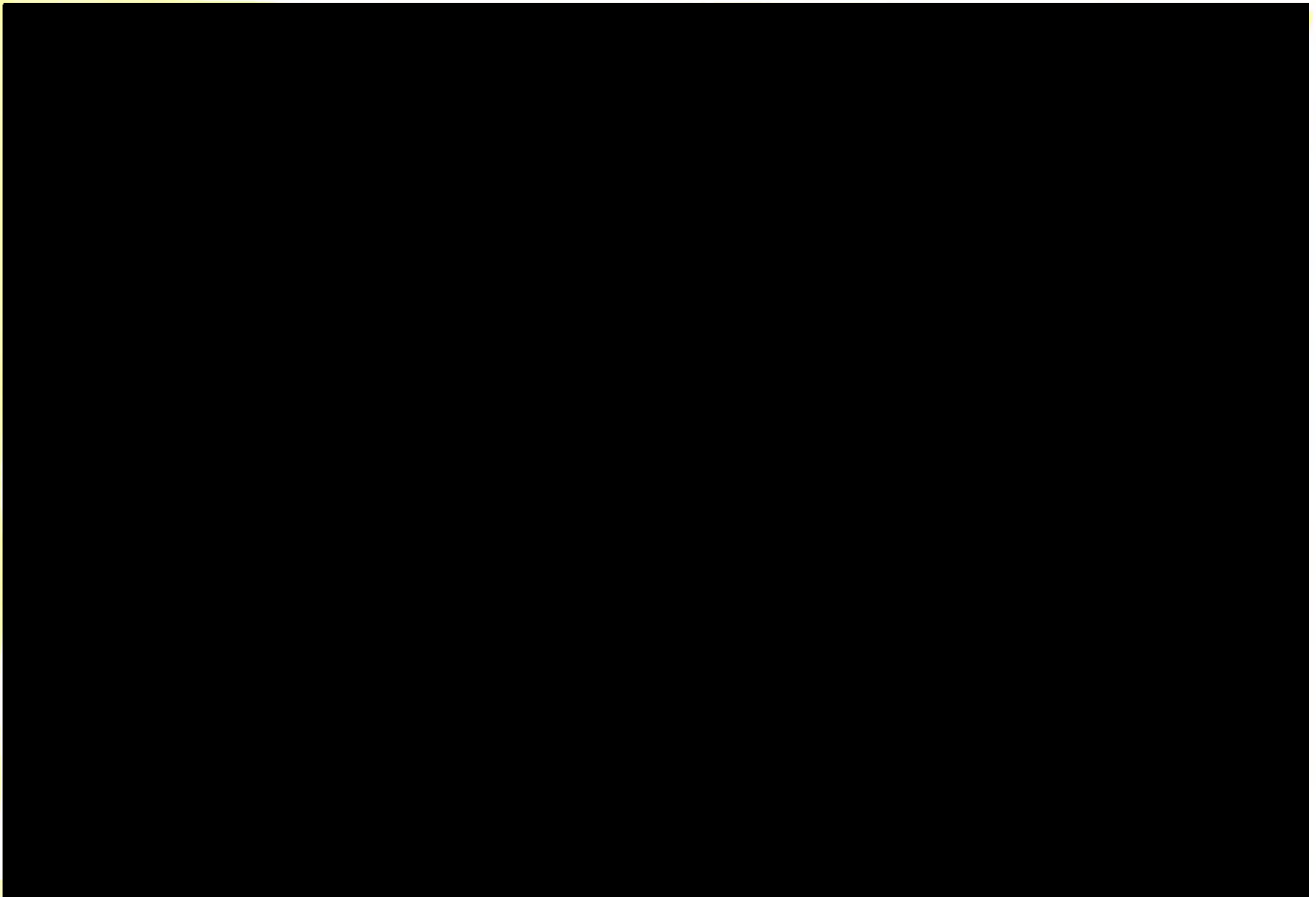


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## Fjord1 management represent significant relevant experience

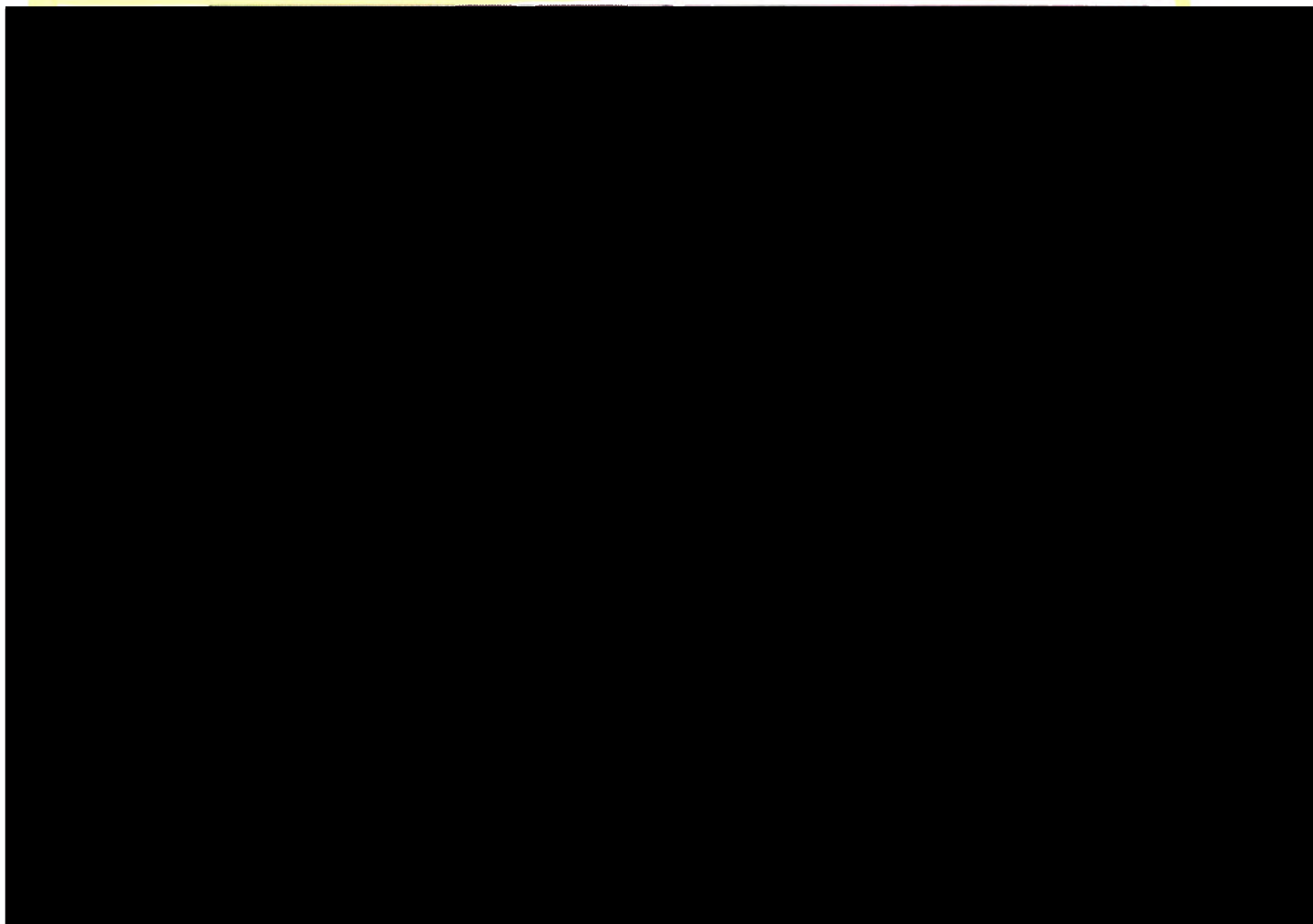


*Business areas*



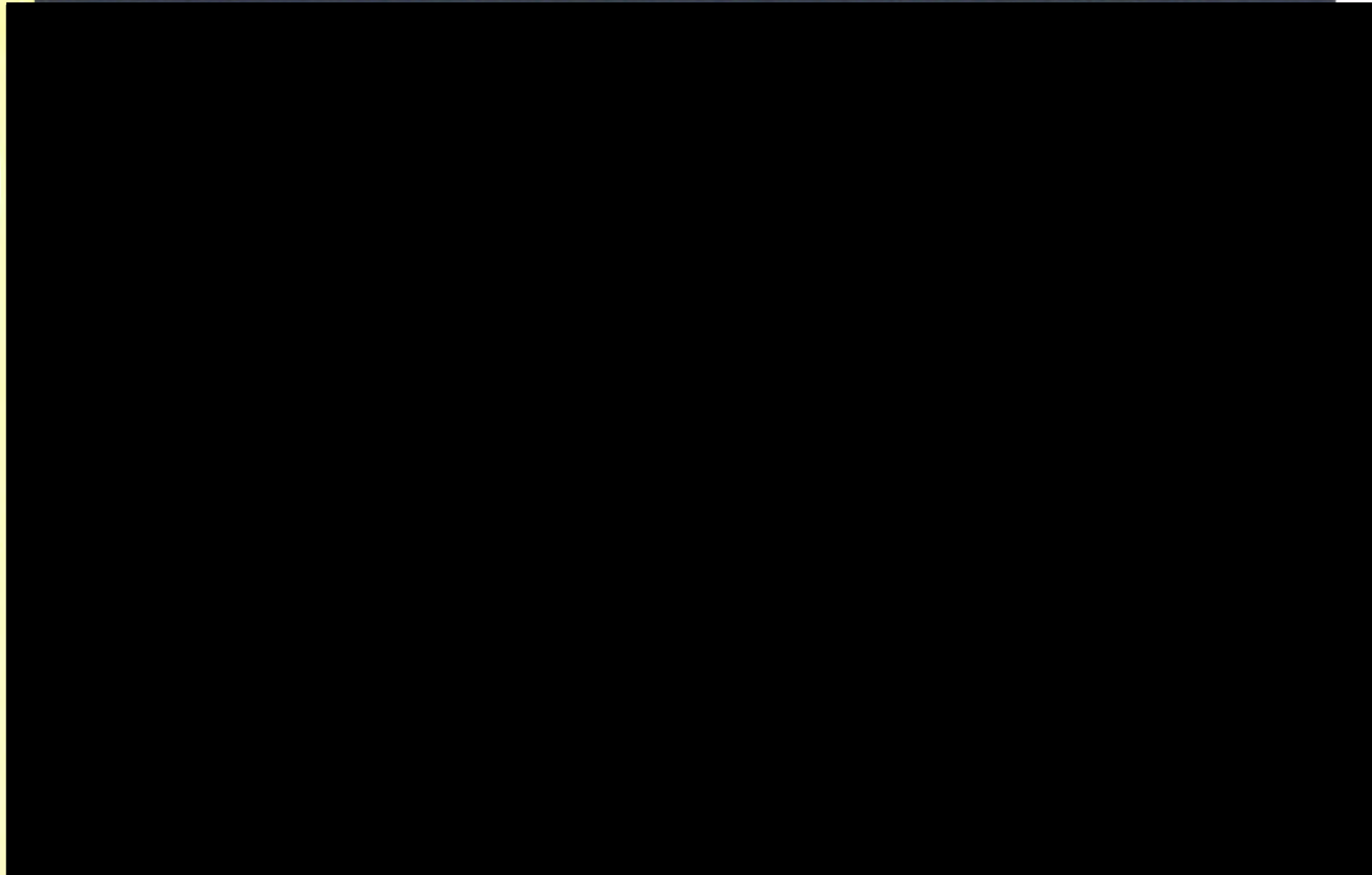
In addition to revenue from tourism, Fjord1 generates revenue from finance, travel agencies and real estate

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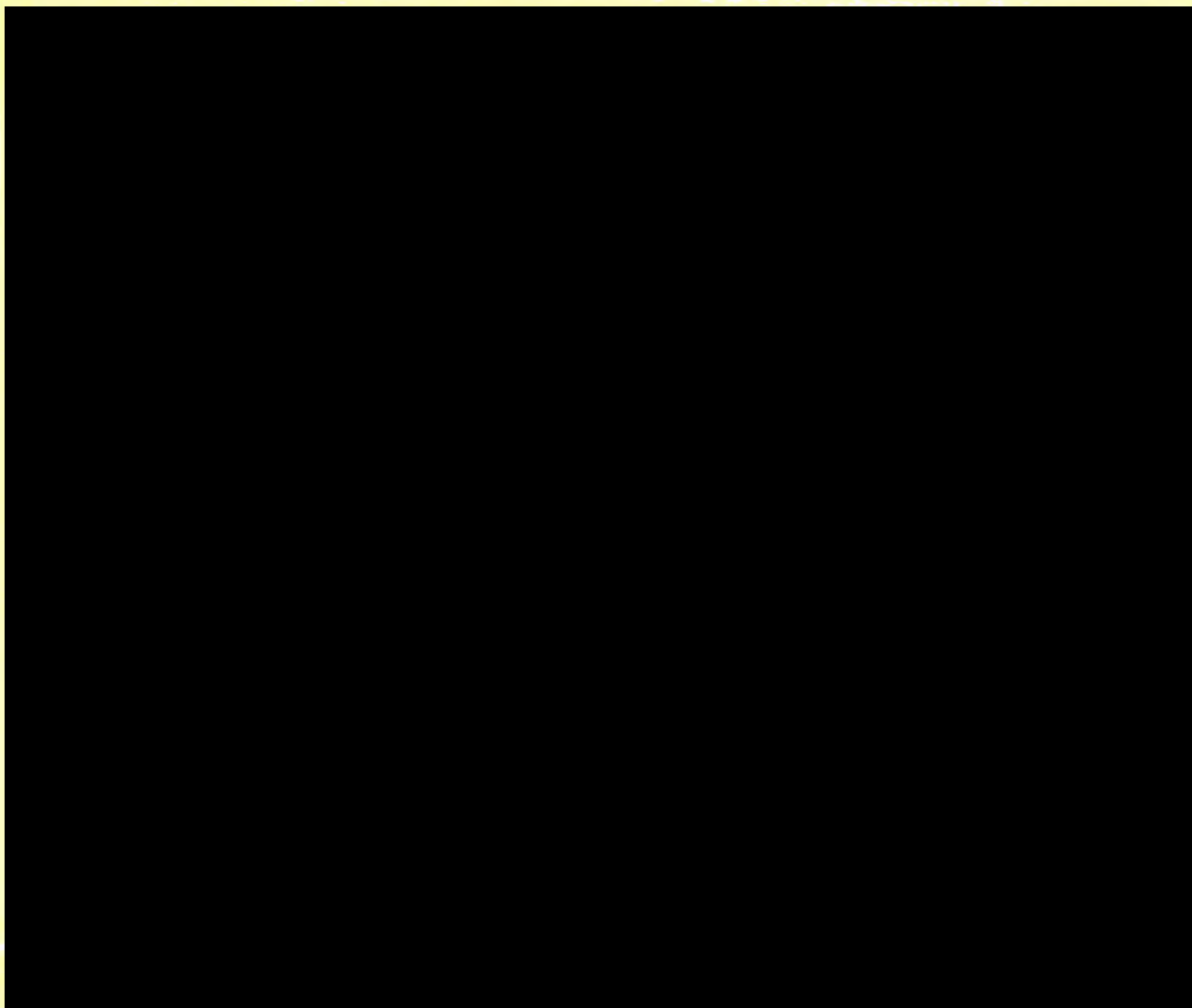
The ferry and passenger boat activity is based on 6-10 year contracts with county authorities and governmental road authorities

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Based on contracts with county authorities and governmental road authorities, Fjord1 has an order backlog of approximately [REDACTED]

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- Fjord1 is at the cutting edge of environment-friendly transport solutions, and is one of the world's foremost users of gas-powered ferries.
- In 2000, the company was first in the world to commission a gas-powered ferry, the MF Glutra in Møre og Romsdal.
- In 2011 Fjord1 received MF Boknafjord - the world's largest gas-powered ferry, currently serving routes in Rogaland.
- Every gas-powered ferry reduces NOx emissions by 90 per cent compared to a traditional ferry. CO2 emissions are reduced by 25 per cent, and the SO2 emissions are reduced by 100 per cent in a gas-powered ferry.



In 2013, Fjord1 acquired a 34% stake in the regional airline Widerøe, the leading regional airline in the Nordic region

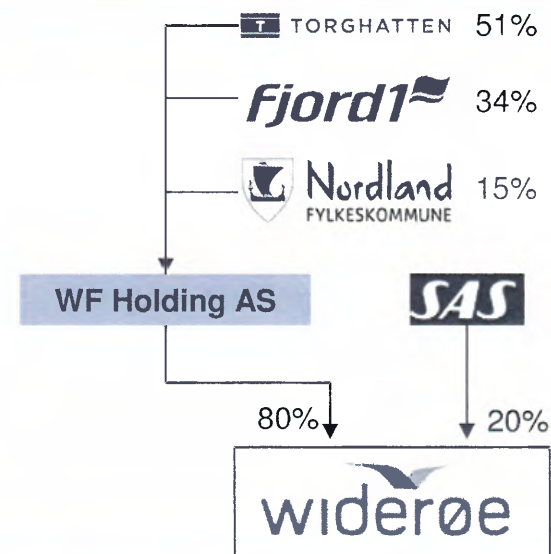
### Description of transaction



- In 2013, Fjord1 established «WF Holding AS» together with the transportation company «Torghatten ASA» and Nordland County

- [REDACTED]
- [REDACTED]
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- [REDACTED]

### Owner structure in Widerøe



### Management situation

- [REDACTED]
- [REDACTED]
- [REDACTED]
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# Contents

---

Introduction

Company presentation

---

**Market overview**

---

Strategic agenda

Financials

Appendix

## Fjord1 is the largest company within the consolidated Norwegian market

### Market description

- The Norwegian ferry market is characterized by long term contracts between the ferry companies and public authorities, based on tender announcements.
- The Norwegian ferry- and passenger boat market has gone through a comprehensive consolidation phase, resulting in four remaining companies in the market.
- All companies operate nationwide, and compete on tenders announcements all over the country.

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### HQ of key players




Fjord1 operates ■ of the ■ largest ferry connections in Norway

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### Established market structure

- The Norwegian ferry- and passenger boat market has gone through a comprehensive consolidation phase, resulting in four remaining companies in the market.
- In a long term perspective, the market is expected to consist of  key players
- Construction of new roads and tunnels is expected to replace some of the current connections, driving competition for the remaining tenders.

## Norway comprise the key component of the Nordic market for sea based public transportation

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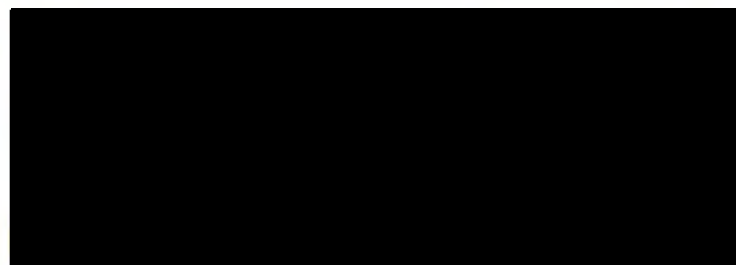
**Norway comprise the key segment of the gross Nordic market**

- The Norwegian market for ferry and passenger boat market significantly differs from that of Sweden, Denmark and Finland due to the extensive coastal line in Norway



**Clear market divition between commercial routes and public transportation**

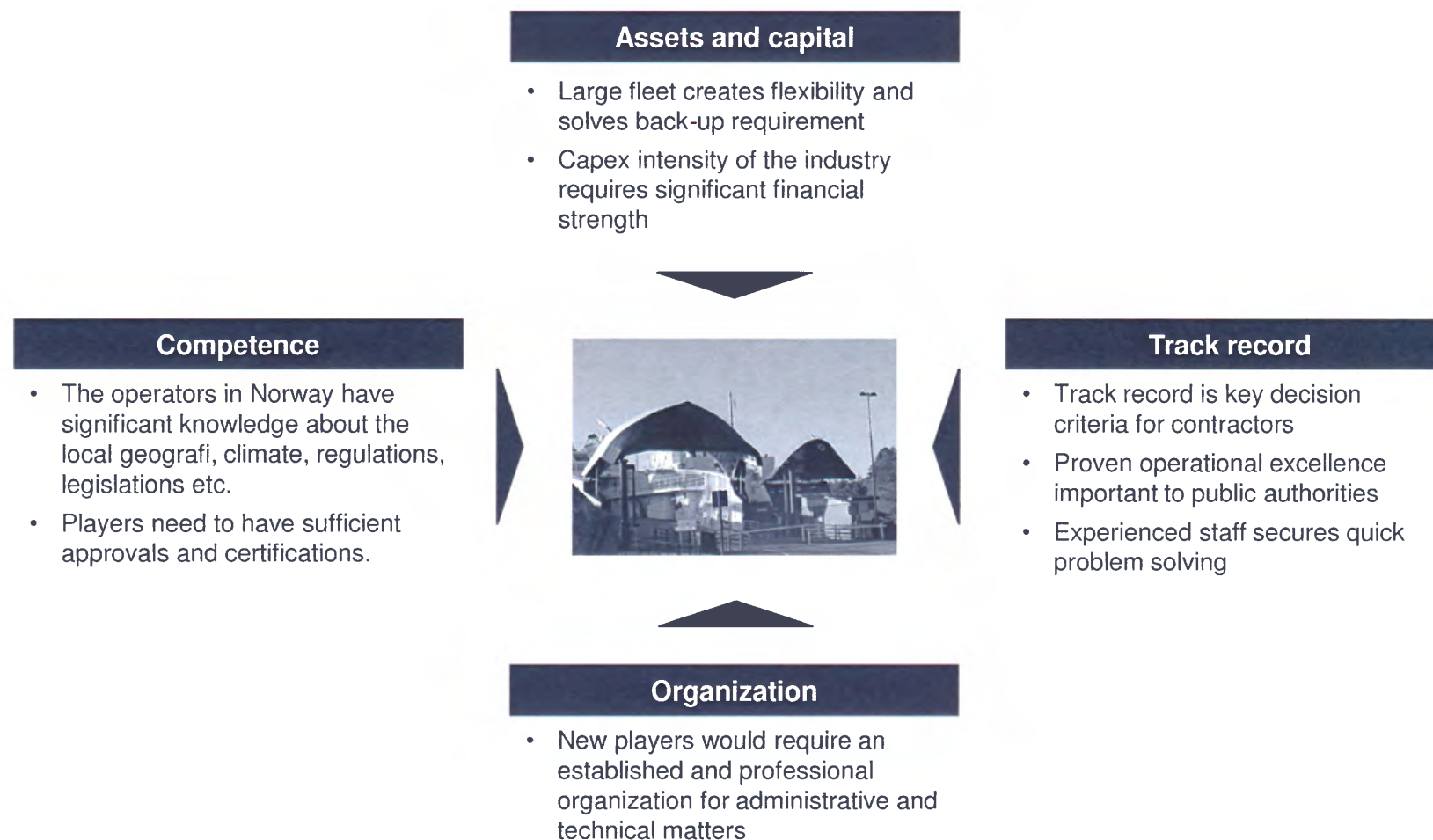
- Companies operating commercial routes between the Nordic countries and/or to Germany are not included in the market definition, as both the underlying revenue drivers, regulatory variables and market players differs significantly from that of Fjord1's market





## The entry barriers to the Norwegian ferry and passenger boat market are significant

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# Contents

---

Introduction

Company presentation

Market overview

---

**Strategic agenda**

---

Financials

Appendix

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# Contents

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Introduction

Company presentation

Market overview

Strategic agenda

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**Financials**

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# Contents

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Introduction

Company presentation

Market overview

Strategic agenda

Financials

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**Appendix**

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## Contact information

### Financial advisor

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E-mail: odd.solheim@dht.no

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Partner

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E-mail: ts@dht.no

### Legal advisor

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Fax: +47 210 210 01

Inge Ekker Bartnes

Partner

Tlf: +47 210 210 52

Mobil: +47 90 55 98 30

E-mail: ieb@wiersholm.no

**Any questions regarding the process, the procedures outlined in the process letter or other matters regarding the transaction should solely be directed to the above mentioned persons**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]