CONSOLIDATED FINANCIAL STATEMENTS 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

AMOUNTS IN NOK THOUSANDS	NOTE	2019	2018
Revenue	3, 5	2 662 750	3 060 946
Other income	3, 5	61 066	41 102
Total income		**2 723 816**	**3 102 048**
Purchased goods and fuel		(448 891)	(574 001)
Personnel expenses	7, 14, 19	(994 061)	(1 004 979)
Other operating expenses	8	(465 568)	(483 653)
Total operating expenses		**(1 908 519)**	**(2 062 632)**
Share of profit/(loss) from associates	4	2 550	11 794
Operating profit before depreciation and impairment (EBITDA)		**817 846**	**1 051 210**
Depreciation	11, 16	(419 344)	(306 578)
Impairment	11	(67 717)	(84 064)
Reversal of impairment	11	65 160	84 625
Total depreciation and impairment		**(421 901)**	**(306 017)**
Operating profit (EBIT)		**395 945**	**745 193**
Share of profit/(loss) from other associates	4	26 629	975
Interest income	12	2 616	3 496
Interest expense	12	(168 002)	(113 078)
Other financial items, net	8	(4 223)	38 166
Net financial income / (expenses)		**(142 980)**	**(70 440)**
Profit/(loss) before tax		**252 965**	**674 753**
Income tax (expense) / income	9	(43 861)	(134 464)
Profit/(loss) for the year		**209 104**	**540 289**
Attributable to:			
Parent company owners		208 608	538 660
Non-controlling interest		497	1 629
Basic earnings per share (in NOK)*	10	2,09	5,39
Diluted earnings per share (in NOK)*	10	2,09	5,39

*Based on weighted average number of shares outstanding. Reference is made to note 10 and 13 regarding earnings per share and share capital.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN NOK THOUSANDS	NOTE	2019	2018
Profit/(loss) for the year		209 104	540 289
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Share of other comprehensive income of associates accounted for using the equity method - net of tax	4	2 826	(2 221)
Actuarial gain/(loss) on pension obligations - net of tax	14	(744)	(2 287)
Total		**2 082**	**(4 508)**
Total other comprehensive income for the year, net of tax		**2 082**	**(4 508)**
Total comprehensive income for the year		**211 186**	**535 781**
Attributable to:			
Parent company owners		210 690	534 152
Non-controlling interest		497	1 629

CONSOLIDATED STATEMENT OF FINANCIAL POSTITION

AMOUNTS IN NOK THOUSANDS	NOTE	31.12.2019	31.12.2018
ASSETS			
Non current assets			
Deferred tax assets	9	37 399	19 148
Property, plant and equipment	11	7 559 294	5 598 220
Right-of-use assets	16	40 354	-
Investments in associates	4	481 455	391 393
Other non-current financial assets	12	4 671	8 730
Total non-current assets		**8 123 174**	**6 017 491**
Current assets			
Inventories		22 457	24 097
Derivative financial instruments	12	-	30 085
Trade receivables	12	139 162	96 529
Other current receivables	12	293 970	116 941
Cash and cash equivalents	12	484 081	272 492
		939 669	**540 145**
Assets classified as held for sale	11	177 372	173 510
Total current assets		**1 117 041**	**713 655**
Total assets		**9 240 216**	**6 731 146**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	13	250 000	250 000
Share premium		360 924	360 924
Treasury shares	13	(3 617)	(2 079)
Retained earnings		1 657 612	1 716 795
Total equity attributable to owners of the parent		**2 264 918**	**2 325 640**
Non-controlling interests		4 745	5 796
Total equity		**2 269 663**	**2 331 436**
Non-current liabilities			
Borrowings	12, 15	4 179 391	2 577 780
Derivative financial instruments	12	6 829	1 751
Non-current lease obligations	16	9 050	-
Net employee defined benefit liabilities	14	13 104	23 263
Other non-current liabilities	5	127 476	-
Deferred tax liabilitites	9	575 798	497 763
Total non-current liabilites		**4 911 649**	**3 100 557**
Current liabilities			
Borrowings	12, 15	1 196 796	213 212
Derivative financial instruments	12	1 274	7 735
Current lease obligations	16	31 490	-
Trade and other payables	12	202 521	285 749
Current income tax liabilities	9	664	92 719
Social security and other taxes		107 186	102 751
Other current liabilities	12	518 973	596 988
Total current liabilities		**2 058 904**	**1 299 154**
Total liabilities		**6 970 553**	**4 399 711**
Total equity and liabilities		**9 240 216**	**6 731 146**

The Board of Directors of Fjord1 ASA

Florø, 31 March 2020

Vegard Sævik
Chairman

Per Rolf Sævik
Board member

Siri Hatland
Board member

Birthe Cecilie Lepsøe
Board member

Terje Hals
Board member

Reuben Aguilar Samuels Munger
Board member

Atle Olav Trollebø
Board member

Dagfinn Neteland
CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent						
Amounts in NOK thousands	Share capital	Share premium	Treasury shares*	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 01.01.2018	**250 000**	**360 924**	**-**	**1 452 644**	**2 063 568**	**4 166**	**2 067 734**
Profit/(loss) for the period	-	-	-	538 660	**538 660**	1 629	**540 289**
Other comprehensive income for the year	-	-	-	(4 508)	**(4 508)**	-	**(4 508)**
Total comprehensive income for the year	**-**	**-**	**-**	**534 152**	**534 152**	**1 629**	**535 781**
Aquisition of treasury shares	-	-	(2 079)	-	**(2 079)**	-	**(2 079)**
Dividends paid	-	-	-	(270 000)	**(270 000)**	-	**(270 000)**
Other contributions to owners	-	-	-	-	**-**	-	**-**
Transactions with owners	-	-	(2 079)	(270 000)	**(272 079)**	-	**(272 079)**
Balance at 31.12.2018	**250 000**	**360 924**	**(2 079)**	**1 716 796**	**2 325 640**	**5 795**	**2 331 436**
Balance at 01.01.2019	**250 000**	**360 924**	**(2 079)**	**1 716 796**	**2 325 640**	**5 795**	**2 331 436**
Profit/(loss) for the period	-	-	-	208 608	**208 608**	497	**209 104**
Other comprehensive income for the year	-	-	-	2 082	**2 082**	-	**2 082**
Total comprehensive income for the year	**-**	**-**	**-**	**210 690**	**210 690**	**497**	**211 186**
Aquisition of treasury shares	-	-	(1 537)	-	**(1 537)**	-	**(1 537)**
Dividends paid	-	-	-	(269 874)	**(269 874)**	(1 548)	**(271 422)**
Other contributions to owners	-	-	-	-	**-**	-	**-**
Transactions with owners	-	-	(1 537)	(269 874)	**(271 411)**	(1 548)	**(272 959)**
Balance at 31.12.2019	**250 000**	**360 924**	**(3 616)**	**1 657 612**	**2 264 919**	**4 745**	**2 269 663**

*See note 13.

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in NOK thousands	Note	2019	2018
Operating activities			
Profit before tax		252 965	674 753
Adjustments for:			
Depreciation and impairment	11, 16	421 901	306 017
Interest expense - net		165 386	109 582
Change in fair value of financial instruments	12	28 703	(59 353)
Non-cash post-employment benefit expense		(10 159)	(637)
Gain on disposal of property, plant and equipment		(4 267)	(6 882)
Gain on realisation of investments in shares		(31 103)	-
Share of profit from associates and joint ventures		(29 178)	(12 770)
Change in working capital:			
Trade receivables	12	(42 632)	(10 430)
Inventories		1 641	(7 590)
Trade payables	12	(83 228)	120 854
Other accruals		(125 883)	(4 819)
Cash generated from operations		**544 146**	**1 108 725**
Interest paid		(149 448)	(91 278)
Interest received		2 616	3 496
Income tax paid		(73 676)	(38 206)
Net cash from operating activities		**323 637**	**982 737**
Investing activities			
Purchases of property, plant and equipment	11	(2 399 132)	(1 901 235)
Purchase of shares incl. joint ventures		(38 696)	(10 447)
Proceeds from dividends from associates		11 742	38 183
Proceeds from sale of property, plant and equipment	11	63 153	11 754
Net proceeds/(investments) from other non-current financial assets		4 059	(2 525)
Net cash used in investing activities		**(2 358 875)**	**(1 864 270)**
Financing activities			
Proceeds from borrowings	15	2 042 306	1 863 110
Repayment of borrowings	15	(236 211)	(911 299)
Payment of lease obligation	16	(65 410)	-
Acquisition of treasury shares	13	(1 537)	(2 079)
Proceeds from short-term borrowings	12	1 320 000	(200 000)
Repayment of short-term borrowings	12	(540 900)	200 000
Dividends		(271 422)	(270 000)
Net cash used in financing activities		**2 246 827**	**679 732**
Net change in cash and cash equivalents		**211 589**	**(201 800)**
Cash and cash equivalents 01.01		272 492	474 294
Cash and cash equivalents at 31.12		**484 081**	**272 492**

NOTE 1 ACCOUNTING PRINCIPLES

GENERAL INFORMATION
Fjord1 ASA and its subsidiaries (together 'the Group') operates passenger ferries and other passenger boats in Norway. The Group's core business is concentrated at sea transportation through its operation of ferries and express passenger boats, in addition to on-board catering operation. Fjord1 ASA is incorporated and domiciled in Norway, and is listed on the Oslo Stock Exchange. The address of its registered office is Strandavegen 15, 6900 Florø, Norway.

These consolidated financial statements were approved by the Board of Directors on 31 March 2020.

These consolidated financial statements have been audited.

BASIS FOR PREPARATION
These consolidated financial statements of Fjord1 ASA for the year ended December 31, 2019, have been prepared in accordance with International Financial Reporting Standards (IFRS).

GOING CONCERN
The Group has adopted the going concern basis in preparing its consolidated financial statements. When assessing this assumption, management has assessed all available information about the future. This comprises information about net cash flows from existing ferry contracts and other service contracts, debt service and obligations under existing newbuilding contracts. Forecasts take into consideration expected future net income from assets under construction. After making such assessments, management has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future.

BASIS OF MEASUREMENT
The consolidated financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets, and derivative instruments, which are measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving higher degree of judgement or complexity, or areas where the assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES
The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- IFRS 16 Leases
- Prepayment features with negative compensation - Amendments to IFRS 9
- Long-term interests in associates and joint ventures - Amendments to IAS 28
- Annual improvements to IFRS Standards 2015-2017 Cycle
- Plan amendment, curtailment or settlement - Amendments to IAS 19
- Interpretation 23 Uncertainty over Income Tax Treatments

The Group also elected to adopt the following amendments early:

- Definition of material - Amendments to IAS 1 and IAS 8

The Group had to change its accounting policies as a result of adopting IFRS 16. The impact of adopting IFRS 16 is disclosed in note 16. The other amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

(i)Subsidiaries
Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described below in the section "Impairment of assets".

(iv) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Fjord 1 ASA

PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Fjord1 ASA is deemed to be the chief operating decision maker.

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian kroner, which is Fjord 1 ASAs functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non- monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

REVENUE RECOGNITION

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain benefits from the good or service

The specific accounting policies for the group's main types of revenue are as follows:

(i) Sale of goods: The Group offers certain catering services related to its ferry operations where revenue is recognised when the item is sold to a customer.

(ii) Sale of tickets: Revenue from sale of tickets are recognised as revenue when it is sold to a customer. For prepaid travel cards, revenue is deferred and recognised when utilised.

(iii) Revenue from ferry contracts: The group derives revenue from operating ferries and passenger boats on behalf of public authorities. There are two types of contract:

- Gross contracts, where the Group receives a fixed annual index-adjusted fee. The amount received each year depends on the planned number of voyages. Number of voyages is used as a measure of progress. The index used to adjust the transaction price compensates for price changes on input factors required to operate the vessels. The variability in transaction price caused by the index is allocated to the year to which the adjustment relates. If the index increases throughout the contract period, revenue will therefore increase year by year. The Group receives monthly/quarterly payments from the public authority, while ticket fees collected from passengers are transferred to the public authority each month.

- Net contracts, where the Group assumes the risk related to passenger volume and receives a fixed fee from the contractor in addition to revenues from sale of tickets to passengers. The fixed fee from the public authority is recognised over the contract period using number of passengers as a measure of progress. The contracts will usually have the same index adjustments as for the contracts above. The ticket revenues are a variable component of the transaction price, which is recognised as revenue on a voyage-by-voyage basis.

The Group is entitled to compensation for lost revenue when the customer introduced a new tariff structure compared to assumptions outlined in the tender for certain ferry contracts. The parties are yet to agree on the final calculation of the compensation. The compensation is considered to be a variable consideration, where the most likely amount of consideration is recognised as revenue in the financial statements. A variable consideration is only recognised to the extent that it is highly probable that a significant reversal of the amount of cumulative revenue recognised revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

LEASES

As explained above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy and the impact of the change is described in note 16.

Until 31 December 2018 leases of property, plant and equipment where the Group, as a lessee, had substansially all the risk and rewards of ownership were classified as finance leases.

Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and lon-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the ownership were not transferred to the Group as a lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

IMPAIRMENT OF ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See note 12 for further information about the group’s accounting for trade receivables and credit risk.

Inventories Inventories are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fari value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. THis assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, employee loans and other non-current receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments and listed equity instruments which the Group had not irrevocably elected to classify at fair value through OCI.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred substantially all the risks and rewards of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 15.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

DERIVATIVES AND HEDGING ACTIVITIES
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group has no designated hedges as the derivatives used by the Group does not qualify for hedge accounting.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

PROPERTY, PLANT AND EQUIPMENT
All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the group are disclosed in note 11.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 11)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

ASSETS HELD FOR SALE

The Group classifies assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets classfied as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, exlcuding finance costs and income tax expense.

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

BORROWING COSTS

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

PROVISIONS

Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

EMPLOYEE BENEFITS

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

Pension obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding shares issued during the year and excluding treasury shares (note 10)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTE 2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

1) RECOGNITION OF VARIABLE CONSIDERATION

The Group is entitled to compensation for lost revenue when the customer introduced a new tariff structure compared to assumptions outlined in the tender for certain ferry contracts. The following variable consideration has been recognised:

- For the period 2014 - 2016: NOK 375.58 million
- For the period 2017 - 2018: NOK 98.22 million
- For the period 2019: NOK 35.90 million

Per 31.12.19 the Group has a receivable relating to the variable consideration of NOK 98.22 million. The Group is currently negotiating the final settlement of compensation for the period 2014-2019. The variable consideration recognised has been determined based on what the Group considers to be the most likely amount of revenue, and thus the final outcome of the negotiations with the client may result in a compensation that differ from what the Group has recognised as variable consideration.

2) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that the assets may be impaired. If any indication exists, or when annual impairment testing is required by IFRS, the Group estimates the assets' recoverable amount.

An impairment loss recognised in prior periods for the assets other than goodwill shall be reversed if, and only if, there has been a change in estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount is increased to the recoverable amount of the impaired assets.

The carrying amount of the Group's vessels represents a significant share of the total assets in the statement of financial position. Consequently, policies and estimates linked to the vessels have a significant impact on the Group's financial statements.

The Group has determined that impairment indicators existed at the reporting date. As a result, the Group has performed impairment assessments at 31 December 2019. Further, the Group has determined that there are indications that impairment losses recognised in prior periods no longer exist or have decreased at the reporting date, thus the recoverable amounts of such assets have been estimated at 31 December 2019.

The impairment test is based on fair value less costs of disposal. Each ferry contract, including designated vesssels for the ferry contract, is determined to be a cash-generating unit (CGU). When calculating fair value, the Group use cash flow projections for the remaining contract period and estimate residual values at the end of each contract. Forecasted cash flows are based on the latest EBITDA forecast taking into account the contract terms and forecasted operating expenses, together with forecasted maintenance capital expenditures.

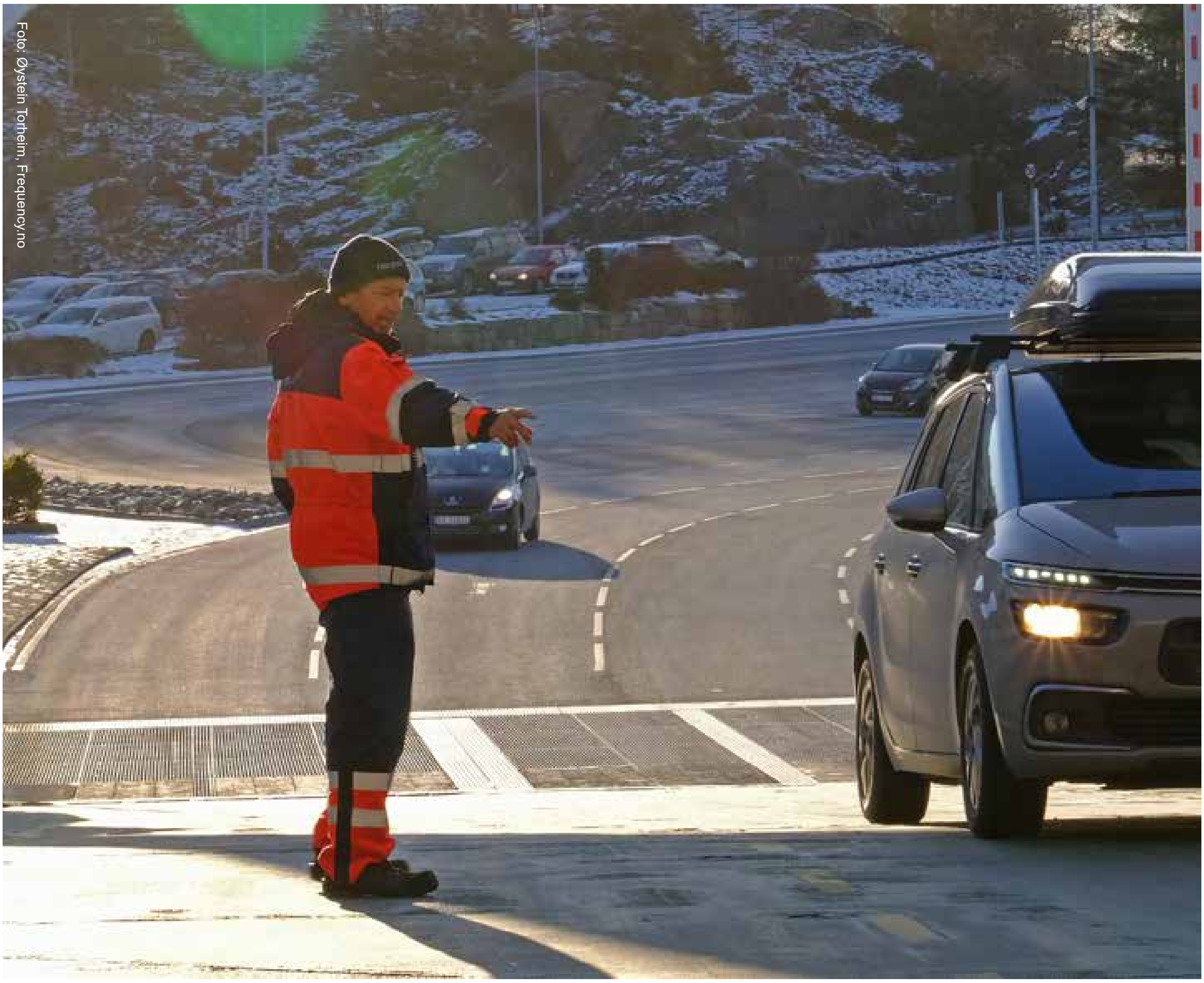
At the end of the contract period, the Group has estimated a realisable value of each vessel. The realisable value is based on the average of two external broker estimates obtained at the balance sheet date adjusted for inflation and expected depreciation during the remaining contract period. The broker valuations are based on the basis of "willing seller and willing buyer" and on a contract free basis.

The total of the present value of the contract and the present value of the estimated realisable values at the end of the contract period are deemed to be the Group's estimate of the vessels fair value less costs of disposal.

The Weighted Average Cost of Capital (WACC) is used as a discount rate in the calculation of the present value of the contracts, and reflects a normalised capital structure for the industry. The WACC represents the rate of return the Group is expected to pay to its sources of finance for cash flows with similar risks. Cash flows are calculated after tax and discounted with an after tax discount rate. The nominal WACC used in the calculations is 7.0%.

Sensitivity analysis have been carried out for the key assumptions in the assessment, including WACC, EBITDA and residual value.

Reference is made to note 11 for further details



NOTE 3 SEGMENT INFORMATION

The Group provides ferry- and passengerboat services, catering and tourism services. Operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision-maker. The segment reporting to the chief operating decision-maker does not include a segment balance or segment cash flow. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board. The Board examines the Group's performance from a type of services perspective. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The group has four reportable segments:

- Ferry
- Passengerboat
- Catering
- Tourism

No operating segments have been aggregated to form the above reportable segments. Financing (including finance costs, finance income and profit or loss from the interest in Widerøe) and income taxes are managed on a group basis and are not allocated to operating segments.

All Group activities are carried out in Norway. There are no customers representing more than 10% of revenue.

Year ended 31 December 2019

NOK in thousands	Ferry	Passenger-boats	Catering	Tourism	Total segments	Corporate and eliminations	Consolidated
Income							
External customers	2 444 602	114 665	135 276	17 827	2 712 370	11 445	2 723 816
Total income	**2 444 602**	**114 665**	**135 276**	**17 827**	**2 712 370**	**11 445**	**2 723 816**
Operating expenses excluding depreciation and impairment	(1 705 857)	(61 210)	(120 701)	(17 889)	(1 905 657)	(2 862)	(1 908 520)
Share of profit/(loss) from associates	-	2 151	-	399	2 550	-	2 550
EBITDA	**738 745**	**55 606**	**14 575**	**337**	**809 263**	**8 583**	**817 846**
Depreciation	(359 072)	(53 533)	(3 868)	(1 265)	(417 738)	(1 606)	(419 344)
(Impairment)/Reversal of impairment	(2 557)	-	-	-	(2 557)	-	(2 557)
Segment profit	**379 673**	**2 073**	**10 707**	**(928)**	**391 525**	**6 977**	**395 945**

Year ended 31 December 2018

NOK in thousands	Ferry	Passenger-boats	Catering	Tourism	Total segments	Corporate and eliminations	Consolidated
Income							
External customers	2 759 778	104 541	191 623	22 500	3 078 442	23 606	3 102 048
Total income	**2 759 778**	**104 541**	**191 623**	**22 500**	**3 078 442**	**23 606**	**3 102 048**
Operating expenses excluding depreciation and impairment	(1 774 310)	(101 473)	(157 549)	(22 961)	(2 056 293)	(6 339)	(2 062 632)
Share of profit/(loss) from associates	-	3 450	-	8 344	11 794	-	11 794
EBITDA	**985 467**	**6 519**	**34 074**	**7 884**	**1 033 943**	**17 267**	**1 051 210**
Depreciation	(295 268)	(5 476)	(2 932)	(831)	(304 506)	(2 073)	(306 579)
(Impairment)/Reversal of impairment	561	-	-	-	561	-	561
Segment profit	**690 760**	**1 043**	**31 142**	**7 053**	**729 998**	**15 194**	**745 193**

Reconciliation to Consolidated profit/(loss) for the year	2019	2018
Segment profit	395 945	745 193
Share of profit from other associates	26 629	975
Impairment/Reversal of impairment	-	-
Interest income	2 616	3 496
Interest expense	(168 002)	(113 078)
Other financial items, net	(4 223)	38 166
Income tax (expense)	(43 861)	(134 464)
Group profit	**209 104**	**540 289**

Specification of income	2019	2018
Freight of passengers and cars, incl. ferry contracts	2 559 267	2 864 319
Catering	135 276	191 623
Tourism	17 827	22 500
Other	11 445	23 606
Total income	**2 723 816**	**3 102 048**

NOTE 4 INTERESTS IN OTHER ENTITIES

MATERIAL SUBSIDIARIES

The Group's principal subsidiaries at 31 December 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Name of entity	Place of business	Ownership interest held by the Group	Ownership interest held by non-controlling interests	Principal activities
Hareid Trafikkterminal AS	Hareid	63 %	37 %	Owner of property
ÅB Eigedom AS	Årdal	66 %	34 %	Owner of property
Bolsønes Verft AS	Molde	100 %	0 %	Shipyard
Måløy Reisebyrå AS	Måløy	100 %	0 %	Travel agency
F1 Administrasjon AS	Florø	100 %	0 %	Group administration
Fanafjord AS	Florø	100 %	0 %	Holding company
Nye Fanafjord AS	Florø	100 %	0 %	10% is held by Fanafjord AS, an entity. 100% controlled by the Group.

INTERESTS IN ASSOCIATES AND JOINT VENTURES

Set out below are the associates and joint ventures of the Group as at 31 December 2019 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	% of ownership interest	Nature of relationship	Measurement method	31.12.2019	31.12.2018
The Fjords Fartøy I DA	50,0 %	Associate	Equity method	15 853	15 742
The Fjords Fartøy II DA	50,0 %	Associate	Equity method	19 805	19 568
The Fjords Fartøy III DA	50,0 %	Associate	Equity method	15 841	8 750
Sognefjorden Fartøy I AS	50,0 %	Associate	Equity method	579	579
The Fjords DA	50,0 %	Associate	Equity method	13 312	4 944
Fjord Tours Group AS*	50,0 %	Joint venture	Equity method	65 434	-
Fjord Tours AS*	30,6 %	Associate	Equity method	-	12 164
Geiranger Fjordservice AS*	30,2 %	Associate	Equity method	-	7 169
Partsrederiet Kystekspressen ANS	49,0 %	Associate	Equity method	25 066	26 365
WF Holding AS**	34,0 %	Associate	Equity method	325 569	296 114
Investments in joint ventures and associates				**481 455**	**391 393**

*Fjord Tours Group was founded in 2019. The entity is a joint-venture between Fjord1 ASA and Vygruppen AS. A capital increase was performed in medio 2019 where Fjord1 ASA transferred it's existing shares in Fjord Tours AS and Geiranger Fjordservice AS and made a cash payment of NOK 26.4 million. Fjord1 ASA recognised a gain of NOK 31.1 million (ref. note 8) in relation to the transaction as a financial income in the statement of profit and loss for the financial year.

**WF Holding AS holds 100% of the shares in Widerøe's Flyveselskap AS. The company is controlled by Torghatten ASA, who prepare consolidated accounts where WF Holding AS is included. The consolidated accounts for Torghatten ASA is available at its head office in Havnegata 40, 8900 Brønnøysund. Consequently, Fjord1's share of underlying profit or loss in Widerøe is 34%.

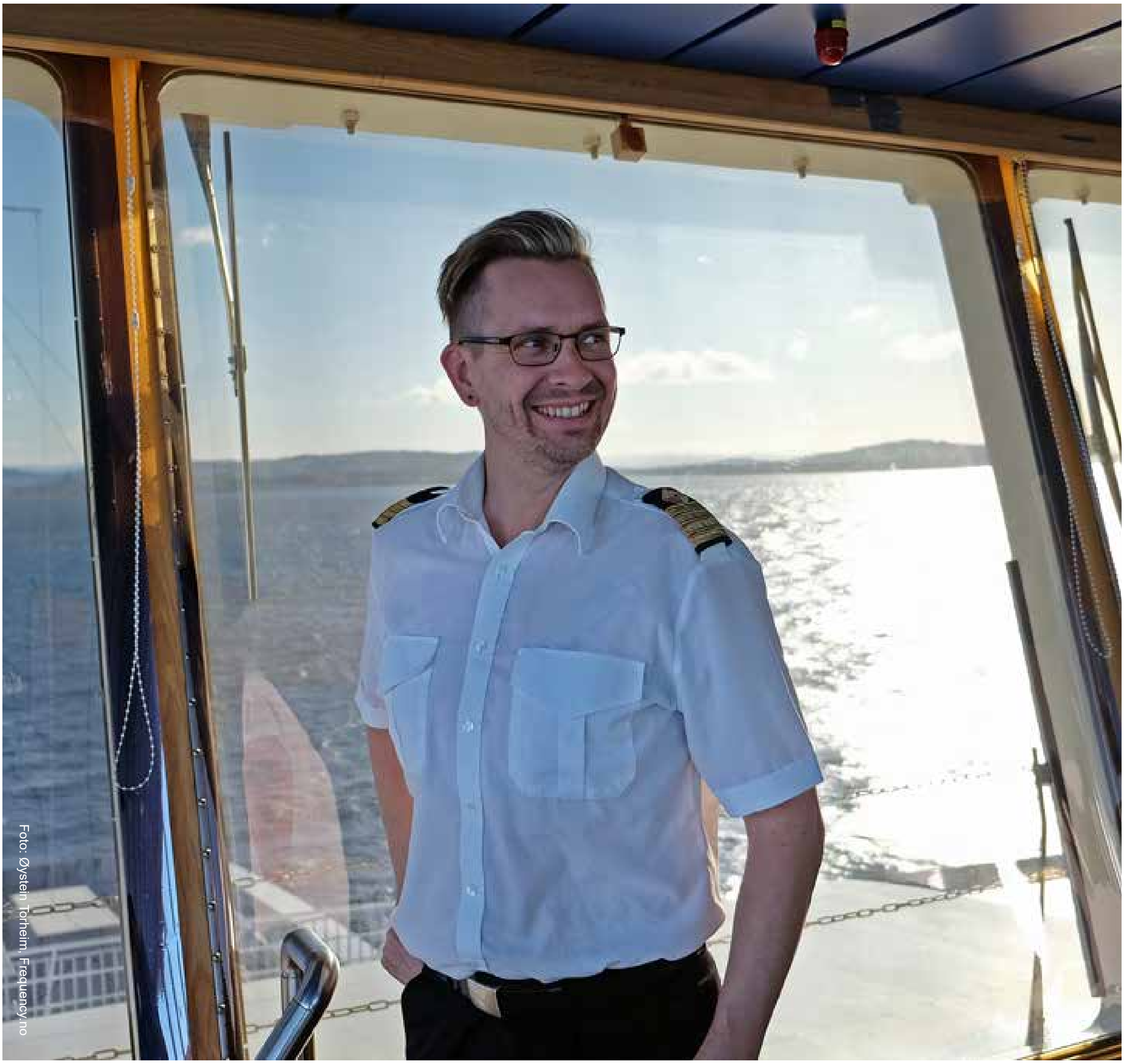


Foto: Øystein Torheim, Frequency.no

COMMITMENTS AND CONTINGENT LIABILITIES IN RESPECT OF ASSOCIATES AND JOINT VENTURES

As an unlimited liability partner in The Fjords DA, The Fjords Fartøy I DA, The Fjords Fartøy II DA and The Fjords Fartøy III DA, the Group is jointly liable with respect to all liabilities concerning these entities.

SUMMARISED FINANCIAL INFORMATION FOR ASSOCIATES AND JOINT VENTURES

The tables below provide summarised financial information for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised balance sheet	WF Holding Group		The Fjords DA	
Amounts in NOK thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Cash and cash equivalents	33 508	30 294	13 587	429
Other current assets	583 117	556 336	23 967	11 093
Total current assets	**616 625**	**586 630**	**37 554**	**11 522**
Non-current assets	**2 738 063**	**2 822 817**	**10 068**	**12 573**
Trade payables	202 323	160 957	5 935	7 206
Other current liabilities	815 190	927 077	8 520	10 295
Total current liabilities	**1 017 513**	**1 088 034**	**14 455**	**17 501**
Borrowings	1 115 167	1 240 610	-	-
Other non-current liabilities	264 453	174 018	-	-
Total non-current liabilities	**1 379 620**	**1 414 628**	**-**	**-**
Net assets	**957 555**	**906 785**	**33 167**	**6 594**
Reconciliation to carrying amounts:				
Opening net assets 1 January	870 922	924 584	9 890	40 859
Profit/(loss) for the period	78 320	2 869	6 732	(6 733)
Other comprehensive income	8 312	(6 531)	-	-
(Dividends paid)/Capital contribution	-	(50 000)	10 000	(24 236)
Closing net assets 31 December	**957 555**	**870 922**	**26 622**	**9 890**
Group's share in %	34,0 %	34,0 %	50,0 %	50,0 %
Group's share in NOK thousands	325 569	296 114	13 312	4 945
Carrying amount	**325 569**	**296 114**	**13 312**	**4 945**
Summarised statement of comprehensive income				
Amounts in NOK thousands				
Revenue	5 087 789	4 720 977	203 101	176 234
Operating expenses	(4 572 217)	(4 276 733)	(185 307)	(179 880)
Depreciation and amortisation	(333 743)	(324 930)	(10 831)	(2 947)
Net financial items	(81 203)	(128 179)	(231)	(140)
Income tax expense	(22 306)	11 733	-	-
Profit/(loss for the period)	**78 320**	**2 869**	**6 732**	**(6 733)**
Other comprehensive income	8 312	(6 531)	-	-
Total comprehensive income	**86 632**	**(3 662)**	**6 732**	**(6 733)**

Summarised balance sheet	The Fjords Fartøy I DA		Partsrederiet Kystekspressen ANS	
Amounts in NOK thousands	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash and cash equivalents	1 022	70	22 422	24 219
Other current assets	855	403	14 664	11 764
Total current assets	**1 877**	**474**	**37 086**	**35 983**
Non-current assets	**85 590**	**88 816**	**117 181**	**126 581**
Trade payables	503	95	15 887	19 261
Other current liabilities	5 241	3 555	9 453	6 267
Total current liabilities	**5 743**	**3 651**	**25 340**	**25 528**
Borrowings	49 350	53 550	-	-
Other non-current liabilities	-	-	77 774	83 232
Total non-current liabilities	**49 350**	**53 550**	**77 774**	**83 232**
Net assets	**32 373**	**32 089**	**51 153**	**53 803**
Reconciliation to carrying amounts:				
Opening net assets 1 January	31 485	31 544	53 804	50 263
Profit/(loss) for the period	222	(59)	4 390	7 041
Other comprehensive income	-	-	-	-
(Dividends paid)/Capital contribution	-	-	(7 041)	(3 500)
Closing net assets 31 December	**31 707**	**31 485**	**51 152**	**53 804**
Group's share in %	50,0 %	50,0 %	49,0 %	49,0 %
Group's share in NOK thousands	15 853	15 743	25 066	26 366
Carrying amount	**15 853**	**15 743**	**25 066**	**26 366**
Summarised statement of comprehensive income				
Amounts in NOK thousands				
Revenue	8 925	8 750	154 391	145 166
Operating expenses	(1 215)	(1 817)	(134 029)	(122 666)
Depreciation and amortisation	(5 402)	(5 152)	(6 673)	(13 293)
Net financial items	(2 086)	(1 840)	(2 283)	(2 167)
Income tax expense	-	-	-	-
Profit/(loss for the period)	**222**	**(59)**	**11 406**	**7 041**
Other comprehensive income	-	-	-	-
Total comprehensive income	**222**	**(59)**	**11 406**	**7 041**

Summarised balance sheet	The Fjords Fartøy II DA		The Fjords Fartøy III DA	
Amounts in NOK thousands	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash and cash equivalents	4 806	1 464	9	37
Other current assets	54	11	226	31
Total current assets	**4 860**	**1 475**	**235**	**68**
Non-current assets	**122 909**	**125 978**	**51 559**	**17 543**
Trade payables	44	136	548	129
Other current liabilities	3 892	5 733	3 194	-
Total current liabilities	**3 937**	**5 868**	**3 742**	**129**
Borrowings	82 583	81 200	16 427	-
Other non-current liabilities	-	-	-	-
Total non-current liabilities	**82 583**	**81 200**	**16 427**	**-**
Net assets	**41 250**	**40 385**	**31 626**	**17 482**
Reconciliation to carrying amounts:				
Opening net assets 1 January	39 136	35 947	17 502	-
Profit/(loss) for the period	473	(61)	(138)	(18)
Other comprehensive income	-	-	-	-
(Dividends paid)/Capital contribution	-	3 250	14 320	17 520
Closing net assets 31 December	**39 609**	**39 136**	**31 684**	**17 502**
Group's share in %	50,0 %	50,0 %	50,0 %	50,0 %
Group's share in NOK thousands	19 805	19 568	15 841	8 751
Carrying amount	**19 805**	**19 568**	**15 841**	**8 751**
Summarised statement of comprehensive income				
Amounts in NOK thousands				
Revenue	11 957	7 867	-	-
Operating expenses	(1 205)	(1 990)	(89)	(18)
Depreciation and amortisation	(7 105)	(4 008)	-	-
Net financial items	(3 175)	(1 930)	(49)	-
Income tax expense	-	-	-	-
Profit/(loss for the period)	**473**	**(61)**	**(138)**	**(18)**
Other comprehensive income	-	-	-	-
Total comprehensive income	**473**	**(61)**	**(138)**	**(18)**

Summarised balance sheet	Fjord Tours Group AS
Amounts in NOK thousands	**31.12.2019**
Cash and cash equivalents	99 705
Other current assets	10 003
Total current assets	**109 708**
Non-current assets	**285 154**
Trade payables	37 620
Other current liabilities	32 696
Total current liabilities	**70 316**
Borrowings	-
Other non-current liabilities	31 902
Total non-current liabilities	**31 902**
	-
Net assets	**292 644**
Reconciliation to carrying amounts:	
Opening net assets 1 January	-
Profit/(loss) for the period	(6 490)
Minority's share of profit/(loss) for the period	(1 568)
Other comprehensive income	-
Minority's share of equity	(67 451)
Contribution in kind	202 008
(Dividends paid)/Capital contribution	98 694
Excess value	(94 325)
Closing net assets 31 December	**130 868**
Group's share in %	50,0 %
Group's share in NOK thousands	65 434
Carrying amount	**65 434**

Summarised statement of comprehensive income	
Amounts in NOK thousands	
Revenue	83 277
Operating expenses	(79 938)
Depreciation and amortisation	(14 914)
Net financial items	677
Income tax expense	2 840
Profit/(loss for the period)	(8 058)
Other comprehensive income	-
Total comprehensive income	**(8 058)**

INDIVIDUALLY IMMATERIAL ASSOCIATES

In addition to the interests in associates disclosed above, the Group also has interests in Sognefjorden Fartøy I AS that is deemed individually immaterial associate, accounted for using the equity method.

	2019	2018
Carrying amount of immaterial associates	579	12 739
Profit/(loss) for the period	(93)	10 892

SHARE OF PROFIT/(LOSS) FROM ASSOCIATES

Share of profit or loss from associates are recognised in either as part of operating profit/(loss) or as part of net financial items, based on the nature of the ownership in the associates. Associates that are suppliers or customers of the Group are classified as operating activities driftsaktivitetar.

	2019	2018
The Fjords DA	3 366	(3 367)
The Fjords Fartøy I DA	111	(29)
The Fjords Fartøy II DA	237	(31)
The Fjords Fartøy III DA	(69)	-
Sognefjorden Fartøy AS	-	-
Fjord Tours Group AS	(3 245)	-
Fjord Tours AS	-	10 892
Geiranger Fjordservice AS	-	879
PR Kystekspressen ANS	2 151	3 450
Share of profit/(loss) from associates classified as operating activities	**2 550**	**11 794**
WF Holding AS	26 629	975
Share of profit/(loss) from associates classified as financial items	**26 629**	**975**
WF Holding AS	2 826	-
Share of profit/(loss) from associates classified as OCI	**2 826**	**-**

NOTE 5 REVENUE FROM CONTRACTS WITH CUSTOMERS

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives revenue from the operations of ferries and passengerboats. There are two types of contracts:

- Gross contracts where the customer assumes the risk related to passenger volume. The Group receives a fixed annual price-index adjusted fee. The amount received each contract year depends on the planned number of voyages.
- Net contracts where the Group assumes the risk related to passenger volume and receives a fixed fee from the customer in addition to revenue from sale of tickets to passengers.

In the catering segment, revenue is recognised at point in time.

Disaggregation of revenue from contracts with customers

Year ended 31 December 2019

Amounts in NOK thousands	Ferry	Passenger-boats	Catering	Tourism	Corporate and eliminations	Total
	Norway	Norway	Norway	Norway		
Revenue from external customers	**2 444 602**	**114 665**	**135 276**	**17 827**	**11 445**	**2 723 816**
Timing of revenue recognition						
Over time	2 444 602	112 887	-	-	3 613	2 561 103
At a point in time	-	1 778	135 276	17 827	7 833	162 713
Breakdown of revenue:						
Contract revenue ferry and passenger boats, revenue from gross contracts	1 370 867	112 887	-	-	-	1 483 754
Contract revenue ferry and passenger boats, revenue from net contracts	454 607	-	-	-	-	454 607
Freight of passengers under net contracts	567 577	1 599	-	-	-	569 176
Sale of food and beverages	-	-	135 276	-	-	135 276
Other revenue	11 341	27	-	-	8 569	19 937
Total revenue	**2 404 392**	**114 513**	**135 276**	**-**	**8 569**	**2 662 750**
Rental income	32 179	152	-	14 219	879	47 429
Gain/(loss) on disposal of property, plant and equipment	7 099	-	-	-	-	7 099
NOX refund	932	-	-	-	-	932
Other income	-	-	-	3 608	1 998	5 606
Total other income	**40 210**	**152**	**-**	**17 827**	**2 877**	**61 066**

Year ended 31 December 2018

Amounts in NOK thousands	Ferry	Passenger-boats	Catering	Tourism	Corporate and eliminations	Total
	Norway	Norway	Norway	Norway		
Revenue from external customers	**2 759 778**	**104 541**	**191 623**	**22 500**	**23 606**	**3 102 048**
Timing of revenue recognition						
Over time	2 759 777	102 818	-	-	13 606	2 876 201
At a point in time	-	1 723	191 623	22 501	10 305	226 152
Breakdown of revenue:						
Contract revenue ferry and passenger boats, revenue from gross contracts	1 673 670	104 541	-	-	-	1 778 211
Contract revenue ferry and passenger boats, revenue from net contracts	457 663	-	-	-	-	457 663
Freight of passengers under net contracts	622 515	-	-	-	-	622 515
Sale of food and beverages	-	-	191 623	-	1 023	192 646
Other revenue	-	-	-	-	9 911	9 911
Total revenue	**2 753 848**	**104 541**	**191 623**	**-**	**10 934**	**3 060 946**
Rental income	-	-	-	22 500	4 823	27 323
Gain/(loss) on disposal of property, plant and equipment	-	-	-	-	7 018	7 018
NOX refund	5 930	-	-	-	-	5 930
Other income	-	-	-	-	831	831
Total other income	**5 930**	**-**	**-**	**22 500**	**12 672**	**41 102**

ASSETS AND LIABILITIES RELATED TO CONTRACT WITH CUSTOMERS

The Group has recognised the following assets and liabilities related to contract with customers:

Amounts in NOK thousands	31.12.2019	31.12.2018
Non-current contract liabilities relating to Ferry services	127 476	-
Total non-current contract liabilities	**127 476**	**-**
Current contract liabilities relating to Ferry and passenger-boat services	417 072	397 189
Total current contract liabilities	**417 072**	**397 189**

All trade receivables are related to IFRS 15 transactions.

UNSATISFIED PERFORMANCE OBLIGATIONS LONG-TERM FERRY CONTRACTS

The following table shows unsatisfied performance obligations resulting from long-term ferry contracts. The amount disclosed do not include variable consideration which is constrained.

Amounts in NOK thousands	2020	2021	2022	2023-2025	2026-2033	Total
Amount of the transaction price allocated to long-term ferry contracts	2 580 839	2 727 518	2 553 634	6 767 619	7 814 707	**22 444 317**

The amounts above does not include options.

NOTE 6 CONTINGENCIES

REBATE COMPENSATION

Fjord1 ASA is entitled to compensation for loss of transport revenue as a consequence of the client changing the conditions for the discount structure and fare zones beyond what was set out in the tender. Since 2010, no final settlement by the client has been made for some contracts. Payments from the client since 2010 have been made subject to conditions. The choice of model used for calculation of compensation, may affect the final level of compensation. As a result, the Group may receive additional compensation or may receive a claim on paid out preliminary compensation. The Group is in dialogue with the client in regards to determining and settling the final compensation.

See note 2.1.

NOTE 7 PERSONNEL EXPENSES

Amounts in NOK thousands	Note	2019	2018
Salaries		785 442	785 464
Social security		116 760	112 416
Pension expenses	14	45 263	59 524
Other benefits		46 596	47 576
Total personnel expenses		**994 061**	**1 004 979**
		-	-
Number of employees		1 066	1 264

Defined benefit pension obligations are covered through insurance companies and KLP. Norwegian entities are obligated to establish a mandatory company pension. This obligation is fulfilled under the current pension plans.

NOTE 8 OTHER INCOME AND EXPENSE ITEMS

This note provides a breakdown of the items included in other operating expenses and other net financial items.

Other operating expenses

Amounts in NOK thousands	Note	2019	2018
Port fees, sanitation and other route related costs		46 627	37 064
Repair and maintenance		227 965	195 116
Vessel operating expenses	16	166 149	173 273
Other operating expenses		24 828	78 200
Total other operating expenses		**465 568**	**483 653**

Other financial items

Amounts in NOK thousands		2019	2018
Change in fair value derivatives	12	(29 207)	47 724
Foreign exchange gains		2 914	605
Foreign exchange losses		(520)	(501)
Dividends received		-	92
Gains/losses regarding realisation investments in shares		31 103	75
Impairment of investments in shares		-	(400)
Commitment fees		(8 370)	(10 692)
Other financial income		908	1 264
Other financial expenses		(1 052)	-
Total other financial items		**(4 223)**	**38 166**

NOTE 9 INCOME TAX

Specification of tax expense recognised in stament of profit or loss

Amounts in NOK thousands	2019	2018
Tax payable on profit for the year	664	92 719
Adjustments prior years tax payable	-	(5 185)
Tax effect Group contribution	-	-
Change in deferred tax/(tax asset)	43 197	46 930
Tax expense recognised in statement of profit or loss	**43 861**	**134 464**

Reconciliation of statutory tax rate to effective tax rate:

	2019	2018
Profit before tax	252 965	672 532
Income tax at statutory tax rate	**55 652**	**154 682**
Tax expenses recognised in statement of profit or loss	43 861	134 464
Difference	**11 792**	**20 219**
Change in tax rate	-	21 755
Permanent differences	11 791	(6 719)
Adjustments prior years tax payable	-	5 185
Difference	**11 791**	**20 219**

Specification of basis for deferred tax

	2019	2018
Property, plant and equipment	2 374 476	2 105 738
Receivables	(965)	(937)
Deferred capital gain	89 714	87 977
Shares in partnerships	(12 114)	(5 846)
Pension liabilities	17 478	(23 282)
Derivatives	(8 449)	20 757
Arrangement fee	58 442	-
Temporary differences	2 518 582	2 184 407
Loss carried forward	(71 312)	(8 880)
Basis for calculation of deferred tax/(tax assets)	2 447 270	2 175 526
Deferred tax/(tax asset)	538 399	478 616
Deferred tax asset recognised in statement of financial position	**37 399**	**19 148**
Deferred tax recognised in statement of financial position	**575 798**	**497 763**
Net position	538 399	478 616

Reconciliation of change in net deferred tax

	2019	2018
Opening balance	478 615	432 369
Changes recognised in profit or loss	58 777	46 930
Changes recognised in other comprehensive income	1 007	(683)
Other adjustments	-	-
Closing balance	**538 399**	**478 615**

NOTE 10 EARNINGS PER SHARE

The basic and diluted earnings per share are the same, as there are no convertible bond loan or stock option plans. Earnings per share is calculated as net result allocated to shareholders for the year divided by the weighted average number of outstanding shares.

Amounts in NOK thousands	2019	2018
Profit/(loss) attributable to equity holders of the company	208 608	538 660
Weighted average number of ordinary shares in issue	99 916 397	99 988 308
Earnings per share in NOK	**2,09**	**5,39**

NOTE 11 PROPERTY, PLANT AND EQUIPMENT

2019

Amounts in NOK thousands	Vessels	Periodic maintenance	Vessels under construction	Property	Infrastruc-ture	Infrastruc-ture under con-struction	Machinery and equipment	Total
Cost price 01.01.2019	7 112 664	337 707	596 138	176 393	-	200 682	201 586	**8 625 170**
Additions	-	66 220	1 980 805	534	-	319 028	17 137	**2 383 724**
Transferred from vessels/infra-structure under construction	1 998 104	55 100	-2 053 204	-	35 339	-35 339	-	**-**
Disposals	-311 549	-14 167	-	-3 293	-	-	-	**-329 009**
Cost price 31.12.2019	**8 799 219**	**444 860**	**523 739**	**173 634**	**35 339**	**484 371**	**218 723**	**10 679 885**
Accumulated depreciation 01.01.2019	2 552 711	142 213	-	56 904	-	-	167 716	**2 919 544**
Depreciation for the year	273 840	60 362	-	8 258	1 178	-	11 536	**355 174**
Disposals	-233 945	-6 144	-	-72	-	-	-1 076	**-241 237**
Accumulated depreciation 31.12.2019	**2 592 606**	**196 431**	**-**	**65 090**	**1 178**	**-**	**178 176**	**3 033 481**
Accumulated impairment losses 01.01.2019	107 404	-	-	-	-	-	-	**107 404**
Impairment loss	50 440	-	-	-	-	-	-	**50 440**
Reversal impairment	-65 160	-	-	-	-	-	-	**-65 160**
Disposals	-5 579	-	-	-	-	-	-	**-5 579**
Accumulated impairment losses 31.12.2019	**87 105**	**-**	**-**	**-**	**-**	**-**	**-**	**87 105**
Carrying amount 31.12.2019	**6 119 507**	**248 429**	**523 740**	**108 544**	**34 161**	**484 371**	**40 547**	**7 559 295**

2018

Amounts in NOK thousands	Vessels	Periodic maintenance	Vessels under construction	Property	Infrastruc-ture	Infrastruc-ture under con-struction	Machinery and equipment	Total
Cost price 01.01.2018	5 899 137	210 987	679 639	135 912	-	-	186 295	**7 111 970**
Additions	-	72 887	1 564 887	45 122	-	200 682	17 657	**1 901 235**
Transferred from vessels under construction	1 585 181	63 206	-1 648 387	-	-	-	-	**-**
Reclassified to held for sale	-353 805	-9 373	-	-	-	-	-	**-363 178**
Disposals	-17 849	-	-	-4 641	-	-	-2 367	**-24 857**
Cost price 31.12.2018	**7 112 664**	**337 707**	**596 138**	**176 393**	**-**	**200 682**	**201 586**	**8 625 170**
Accumulated depreciation 01.01.2018	2 433 527	93 473	-	50 209	-	-	161 347	**2 738 556**
Depreciation for the year	239 599	49 605	-	8 764	-	-	8 609	**306 577**
Reclassified to held for sale	-104 739	-865	-	-	-	-	-	**-105 604**
Disposals	-15 676	-	-	-2 069	-	-	-2 240	**-19 985**
Accumulated depreciation 31.12.2018	**2 552 711**	**142 213**	**-**	**56 904**	**-**	**-**	**167 716**	**2 919 544**
Accumulated impairment losses 01.01.2018	192 029	-	-	-	-	-	-	**192 029**
Impairment loss	84 064	-	-	-	-	-	-	**84 064**
Reclassified to held for sale	-84 064	-	-	-	-	-	-	**-84 064**
Reversal impairment	-84 625	-	-	-	-	-	-	**-84 625**
Accumulated impairment losses 31.12.2018	**107 404**	**-**	**-**	**-**	**-**	**-**	**-**	**107 404**
Carrying amount 31.12.2018	**4 452 549**	**195 493**	**596 137**	**119 488**	**-**	**200 681**	**33 869**	**5 598 220**
Useful life	10-40 years	5 years		5-33 years	10-15 years		3-10 years	
Depreciation method	Straight line	Straight line		Straight line	Straight line		Straight line	

ADDITIONS
Nine vessels were delivered in 2019: MF «Suløy», MF «Giskøy», MF «Rovdehorn», MF «Samlafjord», MF «Skopphorn», MF «Hillefjord», MF «Eresfjord», MF «Tustna» and MF «Fedjebjørn». In addition, the Group has seven additional vessels under construction as of 31 December 2019. See note 20 for further information of delivered vessels in 2020.

DISPOSALS
Three vessels were disposed of in 2019: MF «Skagastøl», MF «Fanaraaken» and MF «Tresfjord». In connection with the sale of MF «Tresfjord», a reversal of previous impairment related to the vessel of NOK 14.4 million was recognised in 2019.

HELD FOR SALE
The Group decided to initiate a process with the intention to sell the vessel MF «Fanafjord», which was not designated for use on any ferry contract after 31 December 2018. The sale process was initially completed on 13 March 2019, but the sale was not finalised due the buyer's lack of funding. The vessel is still held for sale as at 31 December 2019. The Group recognised an impairment of NOK 17.28 million for MF «Fanafjord» in 2019.

INFRASTRUCTURE
Infrastructure relates to quay structures and land investments for chargings of the Group's electrical fleet. The structures are customised to fit the Group's vessels and is depreciated over the contract period.

IMPAIRMENT TEST OF VESSELS
The Group has during 2019 identified impairment indicators for the Group's vessels in the Ferry segment such as expiration of several contracts and the continous updates of technological and environmental requirements in public tenders. Further, the Group has identified indications that impairment losses recognised in prior periods no longer exist or have decreased at the reporting date, such as expiration of several contracts.

Due to the identified indicators for the Ferry segment, the Group has conducted impairment tests for its vessels by estimating the recoverable amount. Each ferry contract, and all vessels designated for use under the different ferry contracts, has been identified as separate CGUs (Cash Generating Unit).

When evaluating the potential impairment of the different ferry contracts, the Group has assessed each contract's recoverable amount based on a fair value less costs of disposal. The fair value is based on a calculated net present value of forecasted cash flow under each ferry contract, with a residual value equal to an estimated value of the vessels after the expiration of the different ferry contracts based on two independent broker values. The broker values have been reduced with an estimated sales commission, which is the estimate of the costs of disposal. A reversal of any impairment of vessels in previous periods is recognised when circumstances and evidence indicates that impairment recognised in previous years no longer exists or has decreased. Please refer to note 2 for further information about the estimates and judgements applied.

Based on impairment tests performed as at 31 December 2019, the Group has recognised an impairment of four vessels and reversal of impairment on one contract:

Impairment of four vessels
The rapid technological development in recent years has impacted the fair value of LNG vessels. The Group has calculated impairment losses on four LNG vessels. As a result of the calculation, the Group has written down these four vessels to the estimated fair value less costs of disposal. The fair value has been estimated based on the remaining value of the contract which these vessels have been designated (CGU) and the estimated residual vessel values at the end of the contract.

Reversal of impairment on one contract
One of the Group's ferry contracts expired on 31 December 2019, thus all or a major part of the fair value of the CGU relates to the residual value of the vessels designated to the CGU, and no or a small part of the fair value of the CGU relates to the fair value of the ferry contract. When calculating the fair value less costs of disposal of these CGUs, the impairment losses recognised on this CGU in prior periods does no longer exist or have decreased.

The cash flows are discounted using an estimated Weighted Average Cost of Capital (WACC). Cash flows are calculated after tax and discounted with an after tax discount rate. The nominal WACC used in the calculations is 7.0%.

SENSITIVITY ANALYSIS - IMPAIRMENT TEST 2019
The Group has a portfolio of ferry contracts where the Group has identified the key sensitive assumptions applied in the impairment test to be the discount rate (WACC), Net cash flow from contract and residual value of the vessels at the expiration date of the different ferry contracts. Changes in these assumptions would have considerable effects on the fair value.

	Impairment	Reversal impairment	Net impairment (reversal)
Recognised in statement of profit or loss 2019	67 717	(65 160)	2 557

	Impairment	Change
WACC increased by 1 percentage point	53 361	50 804
WACC increased by 2 percentage point	105 110	102 553
Net cash flow from contract decreased by 5%	36 972	34 415
Net cash flow from contract decreased by 10%	77 234	74 677
Residual value decreased by 5%	14 827	12 270
Residual value decreased by 10%	33 448	30 891

NOTE 12 FINANCIAL RISK MANAGEMENT, FINANCIAL ASSETS AND FINANCIAL LIABILITIES

This note provides information about the Group's financial instruments, including:

- an overview of all financial instruments held by the Group
- specific information about each type of financial instrument
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved
- financial risk management

The Group holds the following financial instruments:

Financial assets

Amounts in NOK thousands	2019	2018
Financial assets at amortised cost		
Trade receivables and other receivables	433 132	213 470
Employee loans	216	2 749
Other non-current receivables	169	244
Cash and cash equivalents	484 081	272 492
Financial assets at fair value through other comprehensive income (FVOCI)	-	-
Financial assets at fair value through profit or loss (FVPL)	4 272	5 737
Derivative financial instruments		
Used for hedging	-	-
Held for trading at FVPL	-	30 085
Total	**921 869**	**524 776**

Financial liabilities

Amounts in NOK thousands	2019	2018
Liabilities at amortised cost		
Trade and other payables *	829 344	882 737
Borrowings **	5 376 187	2 790 992
Lease liabilities **	40 540	-
Derivative financial instruments		
Used for hedging	-	-
Held for trading at FVPL	8 103	9 486
Total	**6 254 174**	**3 683 215**

* Excluding non-financial liabilities
** See note 16 for details about the impact from changes in accounting policies.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Trade receivables

Amounts in NOK thousands	31.12.19	31.12.18	01.01.18
Current assets			
Trade receivables from contract with customers	140 098	97 465	87 035
Loss allowance	(936)	(936)	(936)
Total	**139 162**	**96 529**	**86 099**

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current.
Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group’s impairment policies and the calculation of the loss allowance are provided in note 1.

(ii) Fair value of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Other current receivables

Amounts in NOK thousands	2019	2018
Prepayments	179	119
Insurance claims	23 085	14 345
VAT receivable	13 474	15 568
Accrued revenue	192 079	55 347
Other receivables (ii)	65 154	31 561
Total	**293 970**	**116 940**

Other financial assets at amortised cost

(i) Classification of financial assets at amortised cost

The group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost include the following debt investments:

Amounts in NOK thousands	2019			2018		
	Current	Non-current	Total	Current	Non-current	Total
Employee loans	-	3 617	3 617	-	2 749	2 749
Total	**-**	**3 617**	**3 617**	**-**	**2 749**	**2 749**

(ii) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and payable within three years from the end of the reporting period.

Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different from their carrying amounts.

The fair values were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(iii) Impairment and risk exposure

Impairment of financial assets and the Group's exposure to credit risk if further described below.

The majority of the financial assets at amortised cost are denominated in NOK. As a result, there is limited exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held to maturity.

Financial assets at fair value trough profit or loss

(i) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value trough profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are not held for trading
- equity contribution for pension plan membership, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Financial assets mandatorily measured at FVPL include the following:

Amounts in NOK thousands	2019	2018
Non-current assets		
Unlisted equity securities	840	855
Equity contribution for pension plan membership	3 432	4 881
Total non-current assets	**4 272**	**5 736**
Total	**4 272**	**5 736**

(ii) Amounts recognised in profit or loss

During the year, the following gains/(losses) were recognised in profit or loss:

Amounts in NOK thousands	2019	2018
Fair value gains (losses) on equity investments at FVPL recognised in other gains/(losses)	-	-
Total	**-**	**-**

(iii) Risk exposure and fair value measurements

Information about the Group's exposure to risk is provided below. For information about the methods and assumptions used in determining fair value, refer to table below.

Cash and cash equivalents

Amounts in NOK thousands	2019	2018
Current assets		
Cash at bank and in hand*	484 081	272 492
Deposits at call	-	-
Total available funds	**484 081**	**272 492**

*Restricted cash as at 31.12.19 was KNOK 319 and KNOK 336 as at 31.12.18. Nordea Bank and DNB have issued guarantees of MNOK 60 related to payroll tax deductions.

(i) Reconciliation to cash flow statement
The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

Amounts in NOK thousands	2019	2018
Balances as above	484 081	272 492
Bank overdrafts	-	-
Balances per statement of cash flows	**484 081**	**272 492**

(ii) Classification as cash equivalents
Term deposits are presented as cash equivalents if they have a manturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest. See note 1 for the Group's other accounting policies on cash and cash equivalents.

Trade and other payables

Amounts in NOK thousands	2019	2018
Current liabilities		
Trade payables	202 521	285 749
Prepayments from customers, travelcards	59 853	385 772
Prepayments from customers, ferry contracts	221 622	-
Accrued salary and holiday pay	149 190	135 173
Other current payables	88 307	76 043
Total	**721 494**	**882 737**

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Borrowings

(i) Overwiev of borrowings S
ee note 15 for details.

(ii) Compliance with loan covenants
Fjord1 ASA has complied with the financial covenants of its borrowing facilities during the 2019 and 2018 reporting period, see note 15 for details.

(iii) Fair value
For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short- term nature.

(iv) Risk exposures
Details of the Group's exposure to risks arising from current and non-current borrowings are detailed below.

Net debt reconciliation
This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Liabilities from financing activities			Other assets		
Amounts in NOK thousands	Borrowings	Leases	Subtotal	Cash/bank overdraft	Liquid investments*	Total
Net debt as at 1 January 2018	1 817 977	-	1 817 977	474 294	(26 607)	**1 370 290**
Cash flows	951 811	-	951 811	(201 802)	-	**1 153 613**
Acquisitions - finance leases	-	-	-	-	-	**-**
and operating lease incentives	-	-	-	-	-	**-**
Foreign exchange adjustments	-	-	-	-	-	**-**
Other changes**	21 203	-	21 203	-	62 429	**(41 226)**
Net debt as at 31 December 2018	**2 790 991**	**-**	**2 790 991**	**272 492**	**35 822**	**2 482 677**
Recognised on adoption of IFRS 16	-	105 832	105 832	-	-	**105 832**
	2 790 991	**105 832**	**2 896 823**	**272 492**	**35 822**	**2 588 509**
Cash flows	2 585 195	(65 410)	2 519 785	211 589	-	**2 308 196**
Acquistion - leases	-	4 574	4 574	-	-	**4 574**
Foreign exchange adjustments	-	-	-	-	-	**-**
Other changes**	-	1 648	1 648	-	(31 991)	**33 639**
Net debt as at 31 December 2019	**5 376 186**	**46 644**	**5 422 830**	**484 081**	**3 831**	**4 934 918**

*Liquid investments comprise current investments that are traded in an active market, being the Group's financial assets held at fair value through profit or loss.
** Other changes include non-cash movements, including accrued interest expense which will be presented as operating cash flows in the statement of cash flows when paid.

FIXED-PRICE CONTRACTS FOR PURCHASE OF ELECTRICITY

The Group has entered into fixed-price contracts for purchase of electricity for its own production (ferry operations). The contracts have a duration of 10 years and covers approximately 70% of the Groups yearly estimated consumption.

In accordance with IFRS 9 the contracts are considered an exception from the scope of the standard ("own use"), cf. IFRS 9.2.4. Accordingly, the contracts have therefore not been recognised as assets/liabilities in the financial statements.

For fixed-price contracts with a settlement in foreign currency, the embedded derivates has been recognised in accordance with IFRS 9 and is measured at fair value in the financial statements.

RECOGNISED FAIR VALUE MEASUREMENTS

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31. December 2019	*NOK1000*	*NOK1000*	*NOK1000*	*NOK1000*
Financial assets				
Financial assets at fair value trough profit or loss (FVPL)				
Unlisted equity securities	-	-	840	840
Equity contribution for pension plan membership	-	-	3 432	3 432
Total financial assets	**-**	**-**	**4 272**	**4 272**
Financial liabilities				
Derivative financial instruments				
Held for trading	-	8 103	-	8 103
Total financial liabilities	**-**	**8 103**	**-**	**8 103**

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31. December 2018	*NOK1000*	*NOK1000*	*NOK1000*	*NOK1000*
Financial assets				
Financial assets at fair value trough profit or loss (FVPL)				
Unlisted equity securities	-	-	855	855
Equity contribution for pension plan membership	-	-	4 881	4 881
Derivative financial instruments				-
Held for trading	-	30 085	-	30 085
Total financial assets	**-**	**30 085**	**5 736**	**35 821**
Financial liabilities				
Derivative financial instruments				
Held for trading	-	9 486	-	9 486
Total financial liabilities	**-**	**9 486**	**-**	**9 486**

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end for the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values
Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similiar instruments
- the fair value of interest rate swaps, forward foreign exchange contracts and bunker derivatives is recognised based on "market-to-market" estimates provided by external brokers
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, where the fair values have been determined based on present values.

FINANCIAL RISK MANAGEMENT

The Group's exposed to a range of financial risks, including:

RISK	EXPOSURE ARISING FROM	MEASUREMENT	MANAGEMENT
Market risk - foreign exchange	New building contracts nominated in foreign currencies	Sensitivity analysis	Forward foreign exchange contracts
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - commodity prices	Fuel consumption	Sensitivity analysis	Use of fuel derivatives
Market risk - security prices	Investments in equity securities	Not applicable	Holding of equity securities are limited and related to non-listed equity securities. The Group is indirectly exposed to security price risk through its defined employee benefit agreement where part of the plan assets are invested in securities. This risk is managed through investment in diversified portfolios and managed by external insurance companies.
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments	Aging analysis	Diversification of bank relationships and credit limits
Liquidity risk		Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Group's risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risk in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, commodity price risk, use of derivate financial instruments and non-derivate financial instruments, and investment of excess liquidity.

DERIVATES

Derivates are only used for economic hedging purposes and not as speculative investments. However, where derivates do not meet the hedge accounting criteria, changes in the fair value of the derivate instruments are recognised immediately in profit or loss and are included in other income or other expenses. The Group has the following derivate financial instruments:

	31.12.2019	31.12.2018
Interest rate swaps	(1 084)	(8 982)
Foreign exchange rate contracts	(7 020)	30 085
Fuel derivatives	-	(504)
Total	**(8 104)**	**20 599**

Derivatives are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

CREDIT RISK

The Group's maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Individual receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The credit risk is considered limited as the major customers are the public sector.

Liquidity risk Prudent liquidity risk management implies mantaining sufficient cash and marketable securities and the availability of funding through adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

The Group manage liquidity risk based on 12-months rolling liquidity forecasts.

MATURITIES OF FINANCIAL LIABILITIES

The table below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

(a) all non-derivative financial liabilities
(b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2019	< 6 months	6-12 months	1-2 years	2-5 years	More than 5 years	Total
Trade payables	202 521	-	-	-	-	202 521
Borrowings	200 075	996 721	435 242	2 601 596	1 200 994	5 434 629
Derivatives	81	1 193	872	1 435	4 523	8 103
Leasing*	16 200	16 200	15 391	3 180	3 513	54 483
Total	**418 877**	**1 014 115**	**451 505**	**2 606 210**	**1 209 029**	**5 699 736**

At 31 December 2018	< 6 months	6-12 months	1-2 years	2-5 years	More than 5 years	Total
Trade payables	285 749	-	-	-	-	285 749
Borrowings	155 342	155 342	649 345	1 902 986	406 216	3 269 231
Derivatives	5 000	5 000	10 599	-	-	20 599
Leasing*	32 276	32 276	41 280	-	-	105 832
Total	**478 367**	**192 618**	**701 224**	**1 902 986**	**406 216**	**3 681 411**

*Undiscounted

NOTE 13 SHARE CAPITAL

Share capital in Fjord1 ASA was 250 000 000 as of 31 December 2019 divided into 100 000 000 shares of nominal value of NOK 2.50 per share.

See list below for information on share capital and the shareholders as of 31 December 2019 and 31 December 2018.

	Number of shares 31.12.19	Nominal value per share 31.12.19	Total nominal value 31.12.19	Voting rights 31.12.19
HAVILAFJORD AS	51 500 000	2,50	128 750 000	51,5%
HAVILA HYLLE AS	15 000 000	2,50	37 500 000	15,0%
PERESTROIKA AS	7 758 620	2,50	19 396 550	7,8%
Citibank, N.A.	3 873 545	2,50	9 683 863	3,9%
DZ PRIVATBANK S.A.	2 962 000	2,50	7 405 000	3,0%
Brown Brothers Harriman (Lux.) SCA	2 211 315	2,50	5 528 288	2,2%
VERDIPAPIRFONDET DNB NORGE	1 923 257	2,50	4 808 143	1,9%
State Street Bank and Trust Comp	1 137 627	2,50	2 844 068	1,1%
ARCTIC FUNDS PLC	695 882	2,50	1 739 705	0,7%
CLEARSTREAM BANKING S.A.	653 138	2,50	1 632 845	0,7%
Pictet & Cie (Europe) S.A.	650 000	2,50	1 625 000	0,7%
RBC INVESTOR SERVICES TRUST	510 212	2,50	1 275 530	0,5%
VERDIPAPIRFONDET SR-BANK UTBYTTE	454 719	2,50	1 136 798	0,5%
Citibank, N.A.	428 595	2,50	1 071 488	0,4%
GH HOLDING AS	357 143	2,50	892 858	0,4%
Landkreditt Utbytte	328 859	2,50	822 148	0,3%
VERDIPAPIRFONDET NORGE SELEKTIV	263 311	2,50	658 278	0,3%
BNP Paribas Securities Services	250 584	2,50	626 460	0,3%
Commerzbank Aktiengesellschaft	232 050	2,50	580 125	0,2%
EQUINOR PENSJON	207 513	2,50	518 783	0,2%
Number of shares in the 20 largest shareholders	91 398 370	2,50	228 495 925	91,4%
Total	**100 000 000**	**2,50**	**250 000 000**	**100%**

	Number of shares 31.12.18	Nominal value per share 31.12.18	Total nominal value 31.12.18	Voting rights 31.12.18
HAVILAFJORD AS	51 500 000	2,50	128 750 000	51,5%
PERESTROIKA AS	7 758 620	2,50	19 396 550	7,8%
VERDIPAPIRFONDET DNB NORGE (IV)	4 770 855	2,50	11 927 138	4,8%
BROWN BROTHERS HARRIMAN (LUX.) SCA	3 576 315	2,50	8 940 788	3,6%
STATE STREET BANK AND TRUST COMP	2 784 219	2,50	6 960 548	2,8%
VERDIPAPIRFONDET DNB NORGE SELEKTI	2 468 227	2,50	6 170 568	2,5%
DZ PRIVATBANK S.A.	2 014 488	2,50	5 036 220	2,0%
ARCTIC FUNDS PLC	1 311 051	2,50	3 277 628	1,3%
JPMORGAN CHASE BANK, N.A., LONDON	1 282 000	2,50	3 205 000	1,3%
LANDKREDITT UTBYTTE	1 264 000	2,50	3 160 000	1,3%
GH HOLDING AS	954 127	2,50	2 385 318	1,0%
SEB NORDENFOND	940 500	2,50	2 351 250	0,9%
TR EUROPEAN GROWTH TRUST PLC	801 892	2,50	2 004 730	0,8%
SKANDINAVISKA ENSKILDA BANKEN S.A.	739 884	2,50	1 849 710	0,7%
FONDSFINANS NORGE	700 000	2,50	1 750 000	0,7%
VERDIPAPIRFONDET SR BANK UTBYTTE	672 661	2,50	1 681 653	0,7%
RBC INVESTOR SERVICES BANK S.A.	622 325	2,50	1 555 813	0,6%
VERDIPAPIRFONDET PARETO NORDIC	606 689	2,50	1 516 723	0,6%
VPF NORDEA NORGE VERDI	593 000	2,50	1 482 500	0,6%
RBC INVESTOR SERVICES TRUST	551 019	2,50	1 377 548	0,6%
Number of shares in the 20 largest shareholders	85 911 872	2,50	214 779 680	85,9%
Total	**100 000 000**	**2,50**	**250 000 000**	**100%**

TREASURY SHARES

Overview of purchase and sale of treasury shares

	2019		
Amounts in NOK thousands	**Number of shares**	**Compensation**	**Percent of the share capital**
Number of treasury shares as of 01.01	46 768	2 079	0,8 %
Sold 20.05.2019	(39 928)	(1 577)	-0,6 %
Acquired june 2019	100 000	3 715	1,5 %
Sold 30.09.19	(16 438)	(600)	-0,2 %
Number of treasury shares as of 31.12	**90 402**	**3 617**	**1,4 %**

		2018	
Amounts in NOK thousands	**Number of shares**	**Compensation**	**Percent of the share capital**
Number of treasury shares as of 01.01	-	-	0,0 %
Acquired September 2018	23 746	1 112	0,4 %
Acquired October 2018	52 450	2 420	1,0 %
Acquired November 2018	2 795	129	0,1 %
Sold 07.11.2018	(78 991)	(3 543)	-1,4 %
Discount shares on sold shares 07.11.2018	-	(118)	0,0 %
Acquired December 2018	110 000	4 798	1,9 %
Sold 31.12.2018	(63 232)	(2 719)	-1,1 %
Number of treasury shares as of 31.12	**46 768**	**2 079**	**0,8 %**

On 14 May 2019, the annual general meeting of Fjord1 ASA resolved to authorise the Board of Directors to acquire own shares in the company. Pursuant to the resolution, Fjord1 may acquire own shares, with a maximum aggregate nominal value of NOK 10,000,000. The maximum and the minimum amount which may be paid per share are NOK 100 and NOK 2.50, respectively. The authorisation is valid until the annual general meeting in 2020, however, no longer than to 30 June 2020.

The Board of Directors of Fjord1 has resolved to initiate a share purchase programme on the basis of this authority. Shares acquired under the programme will be delivered to leading employees of the company pursuant to the established bonus scheme for leading employees, under which 50% of the bonus shall be settled in the form of shares in Fjord1, as detailed in the guidelines for the remuneration of senior executives presented to and resolved by the annual general meeting on 22 May 2018.

The maximum number of shares which may be acquired in the market for distribution to the employees will be 110,000 shares. Fjord1 has engaged Nordea Markets to carry out the share repurchase programme on its behalf.

See note 19 for an overview of the aquired shares by the Management and the Board of Directors at 31 December 2019 and 31 December 2018.

NOTE 14 PENSION LIABILITIES

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans. All pension schemes are in accordance with the requiremens in the Norwegian Act relating to mandatory occupational pensions.

PENSION OBLIGATIONS
A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

DEFINED CONTRIBUTION PENSION PLANS
The Group has a defined contribution plan covering a total of 144 persons. The plan entails a saving of 5% of salary up to 7G (Basic amount), and 8% of salary up to 12G. In addition, the Group has a mandatory occupational pension scheme (OTP) covering 1,397 persons with a saving of up to 2% of salary and a pension scheme for sailors covering 1,187 persons.

DEFINED BENEFIT PENSION PLANS
The Group has a pension scheme covering a total of 1,081 persons, of which 289 pensioners. The scheme entitles staff to defined future benefits. These are mainly dependent on the number of years of service, the salary level at pensionable age and the size of benefits paid by the national insurance. The liabilities are covered through an insurance company (funded).

The Group also has a defined benefit plan trough KLP which covers 112 persons, of which 108 pensioners. The agreement entitles staff to Contractual pension agreement (CPA) benefits from the age of 62 until they are eligible for a national insurance pension when reaching the age of 67. Around 50% of this arrangement is secured through KLP. KLP is not able to separate the secured part of the liability from the unsecured part. Therefore, all liablilities related to CPA are presented as funded obligations.

The defined benefit plan's pension expenses and liabilities are presented according to IAS 19 (revised).

RISK EXPOSURE
Through its defined benefit pension plans, the Group is exposed to a number of risks, the most significant of which are detailed below.

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to OMF bonds; if plan assets underperform this yield, this will create a deficit. All plans holds a significant portion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

Changes in bond yields: A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

Inflation risk: Some of the Group's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities (although in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by or loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy: The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Amounts recognised in statement of financial position:

Amounts in NOK thousands	31.12.2019	31.12.2018
Present value of funded obligations	234 812	245 978
Fair value of plan assets	242 814	242 537
Deficit of funded plans	(8 002)	3 441
Present value of unfunded obligations	17 018	19 821
Total deficit of defined benefit pension plans	**9 016**	**23 262**

Amounts recognised in profit or loss

	2019	2018
Defined benefit arrangements	8 757	7 699
Defined contribution arrangements	36 506	51 824
Total pension expenses	**45 263**	**59 523**

2019

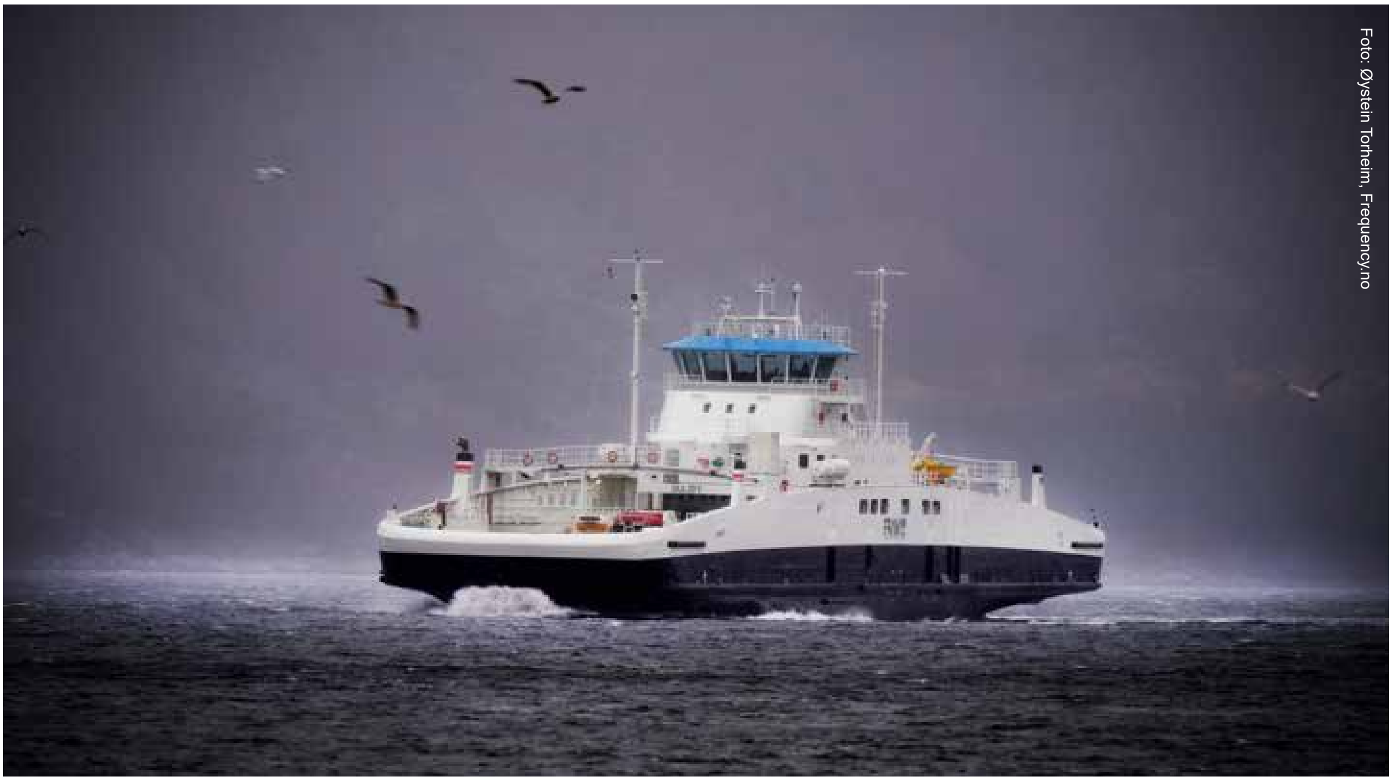
Amounts in NOK thousands	Funded obligations	Non-funded obligations	Total
Current service cost	5 797	1 635	7 432
Recognised past service cost	-	-	-
Service cost	5 797	1 635	7 432
Net interest expense / (income)	242	427	669
Administrative expenses related to management of plan assets	177	-	177
Payroll tax (PT)	188	291	479
Total amount recognised in profit or loss	**6 404**	**2 353**	**8 757**

2018

Amounts in NOK thousands	Funded obligations	Non-funded obligations	Total
Current service cost	5 814	2 182	7 996
Recognised past service cost	(1 849)	-	(1 849)
Service cost	3 965	2 182	6 147
Net interest expense / (income)	287	440	727
Administrative expenses related to management of plan assets	190	-	190
Payroll tax (PT)	303	332	635
Total amount recognised in profit or loss	**4 745**	**2 954**	**7 699**

Change in defined benefit obligation

Amounts in NOK thousands	Present value of obligation	Fair value of plan assets	Total
At 1 January 2019	**265 799**	**(242 537)**	**23 262**
Service cost	7 443	-	7 443
Interest expense (income)	6 641	(7 156)	(515)
Past service cost	(5 015)	-	(5 015)
Remeasurements	(11 405)	12 149	744
Benefits paid	(11 633)	9 768	(1 865)
Contribution	-	(16 874)	(16 874)
Administrative expenses	-	1 836	1 836
Payroll tax	-	-	-
At 31 December 2019	**251 830**	**(242 814)**	**9 017**



Amounts in NOK thousands	Present value of obligation	Fair value of plan assets	Total
At 1 January 2018	**262 719**	**(239 048)**	**23 671**
Service cost	7 948	-	7 948
Interest expense (income)	10 964	(5 626)	5 338
Past service cost	-	-	-
Remeasurements	(4 382)	5 381	1 000
Benefits paid	(11 451)	9 565	(1 886)
Contribution	-	(14 615)	(14 615)
Administrative expenses	-	1 806	1 806
Payroll tax	-	-	-
At 31 December 2018	**265 799**	**(242 537)**	**23 263**

Significant actuarial assumptions	2019	2018
Discount rate	2,30 %	2,60 %
Salary growth rate	2,25 %	2,75 %
Expected growth in base social security amount (G)	2,00 %	2,50 %
Estimated return on plan assets	2,30 %	2,60 %
Pension growth rate	0,50 %	0,80 %

NOTE 15 BORROWINGS

	2019			2018		
NOK in thousands	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Secured						
Bank loans	1 196 796	3 188 141	4 384 937	213 212	1 589 530	1 802 742
Unsecured						
Bonds	-	991 250	991 250	-	988 250	988 250
Total borrowings	**1 196 796**	**4 179 391**	**5 376 187**	**213 212**	**2 577 780**	**2 790 992**

Bank loans are secured by first mortgages over the Group's vessels in 2018 and 2019. Book value of assets pledged as security:

NOK in thousands	2019	2018
Ships	6 119 507	4 452 549
Assets held for sale	177 372	173 510
Total	**6 296 879**	**4 626 059**

The Group has complied with its financial covenants during 2019.

The Group issued a bond loan with a nominal amount of NOK 1 billion at 22 November 2017. The bond was listed at Oslo Stock Exchange in Q2 2018.

The bond loan pays a floating interest coupon consisting of NIBOR 3 months plus 3.5 percent and maturing in November 2022. There has been no change in the bond loan during 2019.

The Group has in February 2018 and in 2019 secured a NOK 6,395 million loan facility with DNB and Nordea, of which a total amount of NOK 5,700 million has been utilised as at 31.12.2019, including guarantees. Part of the facility was utilised for repayment of all existing bank loan facilities at the time.

Financial covenants Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- NIBD/EBITDA at maximum 5
- Equity ratio above 22.5%

The bond loan agreement include the following financial covenants:

- Minimum equity ratio of 22.5% for the six quarter period starting 1 January 2019 or 25% at any other point in time
- Minimum liquidity of NOK 75 million

NOTE 16 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

In transition to IFRS 16, the Group recognised NOK 99.706 million in right-of-use assets and NOK 99.729 million as lease liabilities. Further, the Group recognised NOK 0 million to the opening balance of retained earnings.

The impact on the date of initial application is further presented below:

Amounts in NOK thousands	
Operating lease commitments as at 31 December 2018	**105 832**
Short term leases recognised on a straight-line basis as expense	(480)
Low-value leases recognised in a straight-line basis as expense	(1 252)
Contracts reassessed as service agreements	(1 234)
Effect of discounting using the Group's weighted average incremental borrowing rate	(3 137)
Lease liability recognised upon implementation of IFRS 16	**99 729**
Additions:	
IAS 17 financial lease liabilities recognised as at 31 December 2018	-
Total lease liability as at 1. January 2019	**99 729**
Of which are:	
Current lease liabilities	64 045
Non-current lease liabilities	35 684
Total lease liability as at 1 January 2019	**99 729**

The Group implemented IFRS 16 1 January 2019.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Amounts in NOK thousands

Right of use assets	31.12.19	01.01.19
Buildings	5 695	3 802
Machinery and equipment	422	753
Vessels	34 237	95 151
Other	-	-
Total	**40 354**	**99 706**

Amounts in NOK thousands

Lease liabilities	31.12.19	01.01.19
Current	31 490	64 045
Non-Current	9 050	35 684
Total	**40 540**	**99 729**

Additions to the right-of-use assets in 2019 were NOK 4.818 million.

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Amounts in NOK thousands

Depreciation charge of right-of-use assets	2019	2018
Buildings	2 810	-
Machinery and equipment	507	-
Vessels	60 853	-
Other	-	-
Total	**64 170**	**-**
	-	-
Interest expense	1 648	-
Expenses relating to short-term leases	480	-
Expenses relating to leases of low-value	1 252	-
Expenses relating to variable lease payments not included in lease liabilities	1 234	-
Income from subleasing right of use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-

The total cash outflow for leases in 2019 was NOK 65.41 million.

THE GROUP'S LEASING ACTIVITIES AND HOW THESE ARE ACCOUNTED FOR
Fjord1 ASA agreements consist of buildings, cars, vessels used in the operating activities and office machines. Cars usually have a lease period of 5 years, while several of the buildings have a longer time frame. The office machines are leased in a 3-5 year period. Some of the building leases have extension options and this has been taken into account.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Fjord1 ASA, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

VARIABLE LEASE PAYMENTS
The group's leasing portfolio mainly consists of lease of vessels, property and vehicles, and these contracts does not include variable lease payments.

EXTENTION AND TERMINATION OPTIONS
Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group’s operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

RESIDUAL VALUE GUARANTEES
To optimise lease costs during the contract period, the group sometimes provides residual value guarantees in relation to equipment leases.

IFRS 16 IMPACT ON CONSOLIDATED INCOME STATEMENT

Amounts in NOK thousands	2019 IFRS16	Impact IFRS16	2019 IAS17
Revenue	2 662 750	-	2 662 750
Other income	61 066	-	61 066
Total income	**2 723 816**	**-**	**2 723 816**
Purchased goods and fuel	(448 891)	-	(448 891)
Personnel expenses	(994 061)	-	(994 061)
Other operating expenses	(465 568)	(65 410)	(530 978)
Total operating expenses	**(1 908 519)**	**(65 410)**	**(1 973 929)**
Share of profit/(loss) from associates	2 550	-	2 550
Operating profit before depreciation and impairment (EBITDA)	**817 846**	**(65 410)**	**752 436**
Depreciation	(419 344)	64 169	(355 175)
Impairment	(2 557)	-	(2 557)
Total depreciation and impairment	**(421 901)**	**64 169**	**(357 732)**
Operating profit (EBIT)	**395 945**	**(1 241)**	**394 704**
Share of profit/(loss) from other associates	26 629	-	26 629
Interest income	2 616	-	2 616
Interest expense	(168 002)	1 648	(166 354)
Other financial items, net	(4 223)	-	(4 223)
Net financial income / (expenses)	**(142 980)**	**1 648**	**(141 332)**
Profit and loss	**252 965**	**407**	**253 372**
Income tax (expense) / income	(43 861)	-	(43 861)
Profit/(loss) for the year	**209 104**	**407**	**209 511**

NOTE 17 COMMITMENTS

CAPITAL COMMITMENTS

Significant capital expenditure contracted but not recognised as liabilities has the following agreed payment structure:

Amounts in NOK thousands	2020	After 2020	Total
Newbuildings	1 054 816	126 187	1 181 003
Quay structures/land investments	363 311	176 733	540 044
Total	**1 418 127**	**302 920**	**1 721 047**

REPAIRS AND MAINTENANCE

Periodic maintenance is related to major inspections and overhaul costs which occur at regular intervals over the life of a vessel, normally every 5 years. Thus there are commitments for the Group to mantain the vessels' operational ability and compliance with laws and regulations.

NOTE 18 RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

REVENUE FROM RELATED PARTIES

Amounts in NOK thousands

Related party	Relation	2019	2018
The Fjords DA	Associate	27 614	28 938
The Fjords Fartøy I DA	Associate	280	-
The Fjords Fartøy II DA	Associate	-	345
Fjord Tours Group AS	Joint venture	4	-
Havyard Production & Sercie sp.z.o	Owner	2	42
Havyard MMC AS	Owner	2	-
Havyard Ship Technology AS	Owner	408	-

EXPENSES TO RELATED PARTIES

Amounts in NOK thousands

Related party	Relation	2019	2018
The Fjords DA	Associate	-	(348)
Havyard Ship Technology AS	Owner	(887 100)	(778 840)
Havyard Group ASA	Owner	(3)	-
Norwegian Electric Systems AS	Owner	(85 013)	(43 541)
Havila AS	Owner	(45)	(70)
Havila Holding AS	Owner	(57)	-

RECEIVABLES/(LIABILITIES) TO RELATED PARTIES

Amounts in NOK thousands

Related party	Relation	31.12.2019	31.12.2018
The Fjords DA	Associate	4 831	2 305
Havyard Ship Technology AS	Owner	(2 744)	(40 224)
Norwegian Electric Systems AS	Owner	(505)	-

Five ferries have been delivered to Fjord1 ASA from Havyard Ship Technology AS in 2019. Fjord1 ASA has four ferries under construction at the end of 2019 at Havyard Ship Technology AS. Havila Holding AS owns via Havilafjord AS 51.5% of Fjord1 ASA. Havila Holding AS owns 40.4% of Havyard Group ASA which owns 100% of Havyard Ship Technology AS. Under contract, Fjord1 ASA is obliged to pay advances, and at the end of 2019, the advance on the four ferries under construction amounts to NOK 128 million. In addition, Havyard Ship Technology AS has carried out repair and remodeling of ferries for Fjord1 ASA for NOK 0.9 million in 2019.

Norwegian Electric Systems AS is owned 100% by Havyard Group ASA, and was a new supplier in 2018. NOK 84 million has been invested in quay structures/land investments supplied to Fjord1 ASA in 2019.

NOTE 19 REMUNERATION

Executive management 2019:

Amounts in NOK thousands	Salary	Bonus	Payments in kind	Other benefits	Pension costs	Total remuneration	Number of shares
Dagfinn Neteland (CEO)	3 350	297	417	161	1 732	5 957	59 988
Anne-Mari Sundal Bøe (CFO)	1 673	198	198	4	74	2 148	17 939
André Høyset (COO)	1 676	198	198	4	74	2 151	18 005
Deon Mortensen (CTO)	1 570	186	194	4	74	2 028	15 710
Nils Kristian Berge (Project Director)	1 562	173	197	4	73	2 009	10 720
Total remuneration executive management 2019	**9 831**	**1 052**	**1 203**	**178**	**2 028**	**14 292**	**122 362**

Pension obligation CEO as at 31.12.19	**6 634**

The Company's CEO, Dagfinn Neteland, is entitled to a severance pay equal to twelve months' ordinary salary on the Company's termination of his employment, and upon Mr. Neteland's termination of the employment upon certain material changes in control or changes to the business strategy and operations of the Company. No other member of the executive management team or of the Board has any service contract with the Company providing for material benefits upon termination of employment. The CEO has a supplemental defined benefit pension agreement. The annual pension expense linked to this includes the actuarial cost related to this agreement.

The Group Executive Management received a bonus according to the established bonus program.

Board of directors 2019:

Amounts in NOK thousands	Total remuneration	Number of shares
Vegard Sævik (Chairman)	513	*
Per Rolf Sævik (Board member)	238	*
Siri Hatland (Board member)	283	-
Fredrik W. Mohn (Board member until 11.12.2019)	238	*
Brita Eilertsen (Board member from 07.06.2019 until 11.12.2019)	143	-
Siri Beate Hatlen (Board member until 07.06.2019)	155	-
Hege Sævik Rabben (Deputy member from 07.06.2019)	12	*
Atle Olav Trollebø (Employee representative)	238	1 400
Terje Hals (Employee representative from 25.06.2019)	113	-
Geir Offerdal (Employee representative until 25.06.2019)	125	290
Reidar Tangen (Deputy member/Employee representative)	-	624
Ole Kjell Eidem (Deputy member/Employee representative)	-	624
Karl-Andreas Grinde Pedersen (Deputy member/Employee representative from 25.06.2019)	-	318
Bjørn Sørlie (Deputy member/Employee representative from 25.06.2019)	-	290
Anne-Mone Strandmann (Deputy member/Employee representative until 25.06.2019)	12	-
Thomas Rakstang (Observer/Employee representative)	83	290
Egil Kirkebø (Observer/Employee representative from 19.01.2018 until 25.06.2019)	43	-
Daniel Nedrelid (Observer/Employee representative from 25.07.2017 until 19.01.2018 and anew from 25.06.2019)	40	457
**Total remuneration Board of directors 2019 ** **	**2 232**	**4 293**

* Owners of shares through other companies: Vegard, Hege and Per Sævik through Havilafjord AS and Fredrik W. Mohn through Perestroika AS. See note 13.

** In addition, 40 KNOK has been paid to the Board's Election Committee and 12 KNOK meeting allowance to the Board's members.

The Company has not granted any loans, guarantees or other commitments to any of its board members or to any member of the executive Management team.

Executive management 2018:

Amounts in NOK thousands	Salary	Bonus	Payments in kind	Other benefits	Pension costs	Total remuneration	Number of shares
Dagfinn Neteland (CEO)	2 433	600	723	113	2 024	5 894	36 031
Anne-Mari Sundal Bøe (CFO)	1 562	400	429	4	71	2 467	12 926
André Høyset (COO)	1 668	400	409	4	72	2 552	12 992
Deon Mortensen (CTO)	1 486	375	384	4	72	2 320	10 011
Nils Kristian Berge (Project Director)	1 267	-	29	4	70	1 371	3 334
Total remuneration executive management 2018	**8 417**	**1 775**	**1 973**	**130**	**2 309**	**14 603**	**75 294**

Pension obligation CEO as at 31.12.18	**4 875**

The Company's CEO, Dagfinn Neteland, is entitled to a severance pay equal to twelve months' ordinary salary on the Company's termination of his employment, and upon Mr. Neteland's termination of the employment upon certain material changes in control or changes to the business strategy and operations of the Company. No other member of the executive management team or of the Board has any service contract with the Company providing for material benefits upon termination of employment. The CEO has a supplemental defined benefit pension agreement. The annual pension expense linked to this includes the actuarial cost related to this agreement.

The Group Executive Management received a bonus according to the established bonus program.

Board of directors 2018:

Amounts in NOK thousands	Total remuneration	Number of shares
Vegard Sævik (Chairman)	525	*
Per Rolf Sævik (Board member)	274	*
Siri Beate Hatlen (Board member)	290	-
Fredrik W. Mohn (Board member)	274	*
Siri Hatland (Board member from 29.05.2018)	100	-
Janicke Westlie Driveklepp (Board member until 29.05.2018)	215	-
Atle Olav Trollebø (Employee representative)	259	290
Geir Offerdal (Employee representative)	262	290
Reidar Tangen (Deputy member/Employee representative)	-	624
Ole Kjell Eidem (Deputy member/Employee representative)	5	624
Thomas Rakstang (Observer/Employee representative)	85	290
Egil Kirkebø (Observer/Employee representative from 19.01.2018)	75	624
Daniel Nedrelid (Observer/Employee representative from 25.07.2017 until 19.01.2018)	16	-
**Total remuneration Board of directors 2018 ** **	**2 380**	**2 742**

* Owners of shares through other companies: Vegard and Per Sævik through Havilafjord AS and Fredrik W. Mohn through Perestroika AS. See note 13.

** In addition, 40 KNOK has been paid to the Board's Election Committee and 68 KNOK meeting allowance to the Board's members.

The Company has not granted any loans, guarantees or other commitments to any of its board members or to any member of the executive Management team.

Audit fee

Amounts in NOK thousands	2019	2018
Statutory audit	2 745	2 058
Tax advisory services	88	46
Other services	1 974	940
Total	**4 807**	**3 044**

NOTE 20 EVENTS AFTER THE REPORTING PERIOD

STARTUP OF NEW CONTRACTS

The Group had start up of several routes on 01.01.2020:

Hordaland Rutepakke 1
Leirvåg - Sløvåg, Fedje - Sævrøy, Hatvik - Venjaneset, Halhjem - Våge, Langevåg - Buavåg.

Hordaland Rutepakke 2
Jektavik - Nordhuglo - Hodnanes, Skjersholmane - Ranavik, Gjermundshamn - Varaldsøy - Årsnes, Jondal - Tørvikbygd.

In addition the Group started on the extension of the following routes:

Sulapakken
Sykkylven - Magerholm

Indre Sunnmøre
Stranda - Liabygda, Eidsdal - Linge, Hundeidvik - Festøya, Sæbø - Leknes, Standal - Trandal.

Romsdalspakken
Aukra - Hollingsholm, Molde - Sekken, Solholmen - Mordalsvåg

Nordmørspakken
Arasvika-Hennset, Edøya-Sandvika, Kvanne-Rykkjem, Seivika -Tømmervåg.

DELIVERY OF NEW VESSELS

In January 2020 MF «Florøy» was delivered from Sefine and MF «Grip» from Cemre. In addition MF «Bømlafjord» was delivered from Havyard Ship Technology AS in February 2020, and MF «Smøla» in March 2020. MF «Sildafjord» was delivered from Sefine in March 2020.

In regards to the vessels being built by Havyard Ship Technology AS (Havyard Group ASA), a reference is made to the stock exchange announcement of 11 February 2020. The progress of the vessels under construction at Havyard Ship Technology AS will continue as planned and is not expected to be affected by the planned restructuring of the shipyard operations in Havyard Group ASA.

RISKS AND UNCERTAINTY RELATED TO THE CORONAVIRUS (COVID-19)

Recently, the coronavirus has been declared a national emergency by the Norwegian government and a global emergency by the Word Health Organisation (WHO). The coronavirus continues to progress, and the effects of the measures imposed by the Government and local authorities are still uncertain. The impact of the coronavirus on Fjord1's operations and financials over the coming months will depend on the magnitude and length of the extraordinary measures.

Fjord1 has taken necessary measures to protect the safety of passengers and employees and to limit the ongoing spread of the coronavirus. Fjord1's primary concern is the safety and well-being of the company's employees and customers, and their families and local communities. The Group complies fully with the requirements and recommendations by the Norwegian government and the Norwegian Institute of Public Health.

Fjord1 remains vigilant about the ongoing pandemic and see the following risks potentially impacting operations or financials, or both:

- Connection schedules may be distorted if crew members get infected by the coronavirus. Mitigating actions have been taken to protect the health of ferry and passenger boat crews, which are vital for our transport service offering and contract fulfilment.
- Delivery of 2 remaining vessels in the vessel renewal program, and ongoing work to complete onshore infrastructure projects related to the electrification of ferry connections, will be delayed due to restrictions, people becoming sick or put into quarantine.
- Financial implications are expected to be linked to the duration of travel restrictions. If national and international travel restrictions are upheld, significant revenue loss within Tourism and Catering. Employees within these segments are already on temporary leave to reduce operational cost are expected. Fjord1's associated companies, where the most significant position is, WF Holding AS which holds 100% of the shares in Widerøe's Flyveselskap AS, will be materially impacted as result of the restrictions in the aviation traffic.
- The Ferry and Passenger segments have long-term contracts mainly linked to traffic schedules rather than the number of vehicles or passengers, or ticket prices. Fjord1's ferry service is viewed as a vital part of the infrastructure along the Norwegian west coast and a certain level of ferry service are expected to be upheld regardless of the coronavirus development.
- The default risk related to the contract counterparties, the Norwegian county authorities (Fylkeskommuner) and the Directorate of Public Roads (Statens Vegvesen), continues to be low. However, the contract counterparties have requested a reduction in the number of departures due to the currently significant drop in demand for ferry and passenger boat services as a result of travel restrictions and social distancing recommendations. Fjord1 is in dialogue with the contract counterparties to find reasonable financial compensation schemes in these cases.
- Fjord1 has various agreements for different types of fuel. These may be negatively impacted by the recent changes in foreign exchange rates and the oil price drop.