PARENT COMPANY FINANCIAL STATEMENTS 2019

INCOME STATEMENT 01.01.–31.12.

Amounts in NOK thousands	NOTE	2019	2018
Sales	23	716 228	818 040
Contract income, route operations	23	1 941 659	2 241 372
Other operating income	1, 23	79 433	34 427
Total operating income		**2 737 320**	**3 093 840**
Cost of sales		51 080	68 821
Personnel expenses	13, 17	849 272	847 304
Depreciation and amortisation	1	340 153	261 261
Write-downs	1	-14 731	-68 895
Other operating expenses	8, 18, 20	1 142 459	1 204 254
Total operating expenses		**2 368 232**	**2 312 745**
Operating profit		**369 087**	**781 094**
Share of profit in subsidiaries	2	36 248	317
Share of profit in associates	3	11 742	38 183
Interest income, group companies		607	6 880
Other interest income		993	3 408
Other financial income	3, 19	43 619	795
Write-down of financial fixed assets		0	-400
Other interest expenses		-155 558	-93 129
Other financial expenses	21	-17 135	-22 368
Income from ordinary activities before tax		**289 603**	**714 780**
Tax	12	49 396	134 083
Profit for the year		**240 207**	**580 697**
Allocation (settlement) of profit (loss) for the year			
Proposed dividend		0	270 000
Transferred to other equity		240 207	310 697
Total allocations (settlement)		**240 207**	**580 697**

BALANCE SHEET AS AT 31.12.

Amounts in NOK thousands	NOTE	2019	2018
ASSETS			
FIXED ASSETS			
Property, plant and equipment			
Land, buildings and other real estate	1	587 363	278 932
Machinery and equipment	1	1 542	962
Ships etc.	1, 15	6 826 600	5 128 937
Movables, fixtures and fittings, tools, office equipment etc.	1	37 954	32 630
Total property, plant and equipment		**7 453 459**	**5 441 461**
Financial fixed assets			
Investments in subsidiaries	2	124 207	124 207
Loans to group companies	5, 6	94 800	136 132
Investments in associates	3	327 562	248 571
Investments in shares and units	4	840	840
Bonds and other receivables	5	370	2 591
Pension funds	13	14 733	8 728
Total financial fixed assets		**562 512**	**521 069**
Total fixed assets		**8 015 972**	**5 962 531**
CURRENT ASSETS			
Inventories	7	22 408	24 049
Receivables			
Trade receivables	8	137 225	93 088
Other receivables	8	291 015	134 596
Receivables, group companies	6	34 754	11 193
Total receivables		**462 995**	**238 877**
Cash and bank balances, etc.	15	465 277	199 710
Total current assets		**950 680**	**462 636**
TOTAL ASSETS		**8 966 652**	**6 425 167**

EQUITY AND LIABILITIES

Amounts in NOK thousands	NOTE	2019	2018
EQUITY			
Contributed capital			
Share capital (100,000,000 shares of NOK 2.5)	10, 11	250 000	250 000
Treasury shares		-3 617	-2 079
Share premium fund		360 924	360 924
Total contributed capital		**607 307**	**608 845**
Retained earnings			
Other equity	11	1 451 251	1 211 043
Total retained earnings		1 451 251	1 211 043
Total equity		**2 058 558**	**1 819 888**
LIABILITIES			
Provisions			
Deferred tax	12	494 182	431 333
Other provisions	14	135 597	11 417
Total provisions		**629 778**	**442 751**
Other long-term liabilities			
Bond loan	15	991 250	988 250
Debt to credit institutions	15	4 384 937	1 802 742
Total other long-term liabilities		**5 376 187**	**2 790 992**
Short-term liabilities			
Trade payables		201 136	283 943
Tax payable	12	0	87 128
Taxes and duties payable		96 216	91 945
Dividend	11	126	270 000
Other short-term liabilities	16	505 196	578 619
Liabilities to Group companies	6	99 455	59 900
Total short-term liabilities		**902 129**	**1 371 536**
Total liabilities		**6 908 094**	**4 605 278**
TOTAL EQUITY AND LIABILITIES		**8 966 652**	**6 425 167**

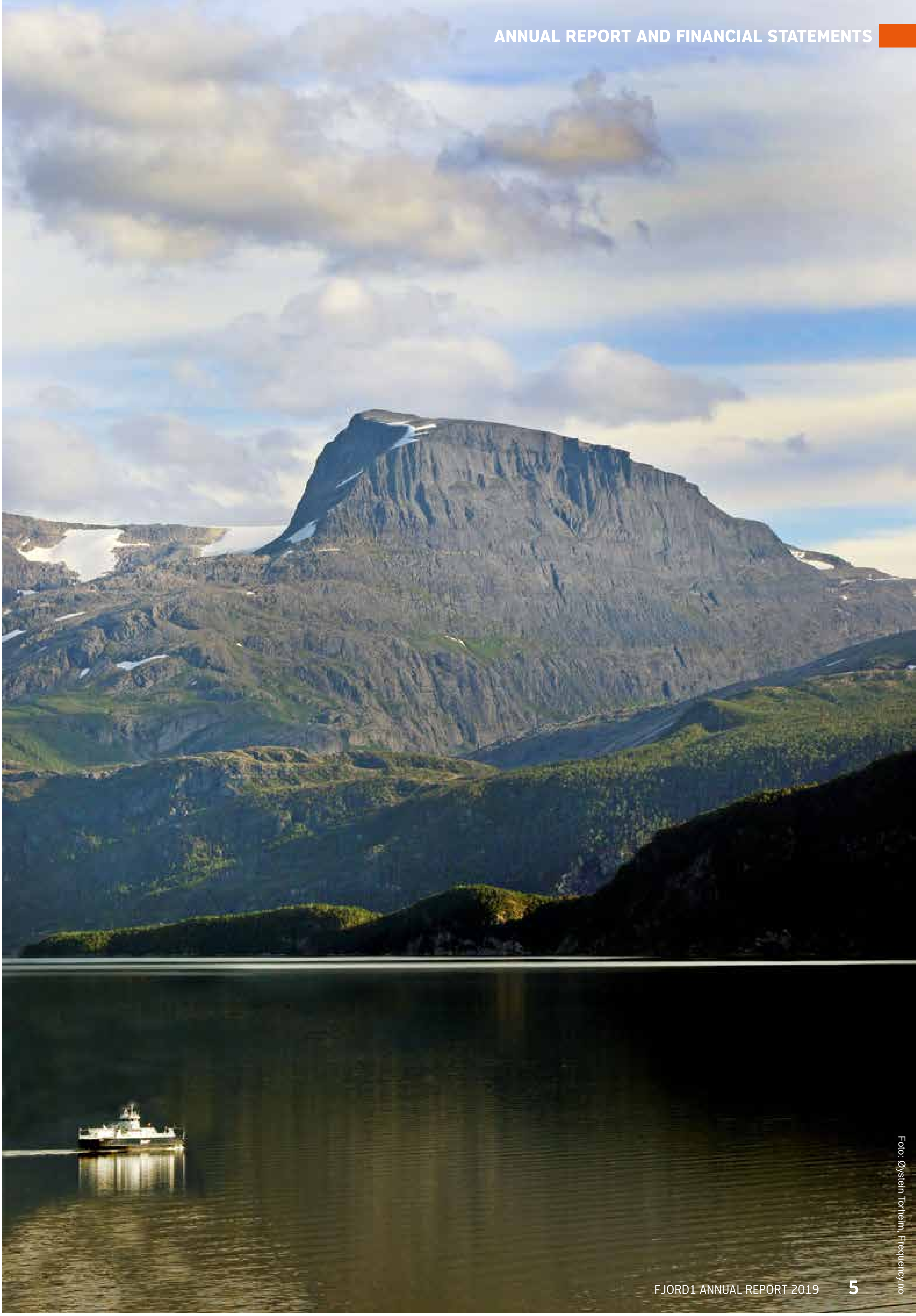


Foto: Øystein Torheim, Frequency.no

CASH FLOW STATEMENT 2019

IN NOK THOUSANDS	Note	2019	2018
Cash flow from operating activities:			
Profit before tax		289 603	714 780
Tax paid	13	-73 676	-28 496
Gain/loss on sale of assets	1	-4 350	-1 183
Gain/loss on realisation of investments in shares	3	-40 296	-
Share of profit from associates and joint ventures	3	-11 742	-38 500
Revenue from investment in subsidiaries	2	-36 248	-
Ordinary depreciation and amortisation	1	340 153	261 261
Impairment	1	-14 731	-68 895
Change in trade payables		-82 808	122 346
Change in inventories and trade receivables		-42 496	-17 978
Change in other accruals		-134 494	-48 043
Net cash flow from operating activities		**188 916**	**895 293**
Investing activities:			
Purchases of property, plant and equipment	1	-2 328 311	-1 901 661
Purchase of shares incl. joint ventures	3	-38 696	-10 511
Proceeds from sale of property, plant and equipment	1	63 149	1 385
Proceeds, loan receivables (short-/long-term)		2 221	25 900
Payments, loan receivables, group (short-/long-term)		-	-139 886
Proceeds, loan receivables, group (short-/long-term)		41 332	-
Dividends received from associates	3	11 742	38 500
Dividends received from subsidiaries		2 460	-
Net cash flow from investing activities		**-2 246 103**	**-1 986 273**
Financing activities:			
Proceeds from borrowings		3 369 739	2 120 571
Repayment of borrowings		-777 112	-963 299
Dividend (paid)		-269 874	-270 000
Net cash flow from financing activities		**2 322 753**	**887 272**
Net cash flow for the year		**265 566**	**-203 708**
Cash and cash equivalents at 01.01.		199 711	403 418
Cash and cash equivalents at 31.12.		**465 277**	**199 711**

ACCOUNTING POLICIES

The parent company financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

USE OF ESTIMATES

Preparation of financial statements in accordance with the Norwegian Accounting Act requires the use of estimates. Application of the company's accounting policies further requires the management to exercise judgement. Areas involving significant estimates or a high degree of complexity, and areas where assumptions and estimates are material to the financial statements, are shown in grey in the notes.

ACCOUNTING POLICIES FOR SHARES IN SUBSIDIARIES AND ASSOCIATES

Subsidiaries are companies where the parent company has control and thereby decisive influence on the company's financial and operational strategy, normally by owning more than half of the voting capital. Companies where Fjord1 ASA owns 20-50% of the voting capital and has a significant influence are defined as associates. For an overview of subsidiaries and associates as at 31 December 2019, see notes 2 and 3.

We value investments in companies at the purchase price of the shares (cost method), unless write-down has been necessary. We recognise group contributions to subsidiaries, after tax, as an increase to the cost of the shares. Dividends/group contributions are recognised as income in the same year as provision is made for this in the financial statements of the subsidiary/associate. If dividends/group contributions significantly exceed the part of the profits that is retained in the company after the purchase, we consider the excess as repayment of invested capital and deduct it from the value of the investment in the balance sheet.

OPERATING INCOME

Income from the sale of goods is recognised at the time of delivery. Income from services is recognised in line with provision of said services.
Operating income, income from car, passenger and freight services, other operating income and contract payments from public-sector clients are recognised as income in the year in which they are earned.
Contract payments are recognised in the balance sheet as receivables if they are not paid in full by yearend.

Sales of discount cards for passengers and vehicles on ferry routes are recognised at the time of use, with the company being liable for unused value. Unused value is classified as other short-term liabilities in the balance sheet.

CLASSIFICATION AND VALUATION OF BALANCE SHEET ITEMS

We classify assets intended for permanent ownership or use as fixed assets. We classify assets associated with the operating cycle as current assets Receivables are classified as current assets if they are to be paid back within one year after they were paid out. We apply analogous criteria to liabilities.
Current assets are assessed at the lower of purchase price and fair value. Short-term liabilities in Norwegian kroner are recognised in the balance sheet at their nominal amounts when established.
Fixed assets are valued at purchase price. The purchase price for operating assets with long production times also includes loan costs associated with manufacture of the operating asset. Fixed assets that fall in value are depreciated using the straight-line method over the anticipated useful life.
Assets are written down to fair value in case of impairment, where this is required by the accounting rules. Long-term liabilities in Norwegian kroner are recognised in the balance sheet at their nominal amounts when established. Provisions are discounted if the interest component is material.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recognised in the balance sheet and depreciated using the straight-line method over the expected lifetime of the asset if it has an expected lifetime of more than 3 years and a cost price in excess of NOK 15,000. The depreciation term for investments/expenditures/major replacements will follow the operating asset's assumed lifetime. Important operating assets made up of larger components with different lifetimes are broken down into different depreciation periods for the different components.

Maintenance of operating assets is recognised as a cost under operating expenses on an ongoing basis. Capital additions or improvements are added to the operating asset's cost price and depreciated in line with the operating asset. We calculate the difference between maintenance and capital improvements based on the operating asset's technical condition at the time of purchase.

All ships are covered by an annual maintenance programme. Classification costs and maintenance costs are recognised as expenses in connection with the annual maintenance programme, with the exception of main engines, thrusters and associated equipment, and 5-year surveys. Costs for these are capitalised and depreciated over the period up until the next periodic maintenance. The costs are capitalised under Ships and specified in note 1. On delivery of newbuilds, part of the cost price is recognised in the balance sheet as regular maintenance and depreciated at the first regular maintenance.

LEASING

A lease agreement is classified as a financial or operating lease according to the actual content of the individual agreement. If a substantial part of the economic risk and control associated with the leased object has been transferred to the lessee, the agreement is classified as a financial lease. Other lease agreements are classified as operating leases. Operating assets held under lease agreements regarded as financial leases are capitalised in the balance sheet at the value of the consideration in the lease agreement and depreciated as property, plant and equipment. The instalment component of the consideration is shown as a long-term liability. The total charge is reduced by the lease payments made less calculated interest expenses.

For agreements that are classified as operating leases, the lease payments are treated as an operating expense that is systematically allocated over the entire term of the lease.

OTHER LONG-TERM EQUITY INVESTMENTS

The cost method is applied to investments in other shares etc. We value the investments at the cost price of the shares, unless write-down has been necessary. Investments are written down to fair value if a decrease in value is attributed to reasons not thought to be transitory. Write-downs are reversed if the basis for the write-down no longer exists.
Dividends are initially recognised as financial income once the dividend has been adopted. If the dividends significantly exceed the part of retained earnings after the purchase, the surplus is used to reduce the cost price.

INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

Investments in associates and subsidiaries are assessed using the cost method.

WRITE-DOWN OF FIXED ASSETS

If there is an indication that the carrying amount of a fixed asset is greater than the fair value, we perform a test for impairment. We assess whether the recoverable amount for the fixed asset related to the associated valuation object is greater than the carrying amount. The test is performed for the lowest level of fixed assets with independent cash flows. Recoverable amount is calculated as the higher of the valuation object's value in use and net sales value. Value in use is understood to mean the present value of future cash flows that are expected to arise from the valuation object, while net sales value is defined as the difference between market value on the balance sheet date and estimated selling costs. Where the fixed assets in the valuation object are tied up in contracts and cannot be realised without the opposite party claiming breach of contract, we simply use a value in use as an alternative to recoverable amount. Future cash flows cover the valuation object's cash flows from operating activities plus the terminal value of the associated fixed asset on expiry of any contracts that may have formed the basis for the valuation object. If the carrying amount is higher than both the sales value and recoverable amount, it is written down to the higher of the two.

Previous write-downs are reversed if the conditions for the write-down are no longer present (except for writedowns for goodwill).

HEDGING

The company has not used fair value hedging.

Cash flow hedging

Forward contracts that hedge future incoming and outgoing payments are recognised on realisation of the forward contracts. Any change in value of the hedging instrument is not recognised. The hedging instrument is recognised at the time of the transaction. The company uses various hedging instruments and fixed-price contracts to secure its cash flows, especially for various kinds of fuel and interest rates. The company assesses the use of hedging instruments relative to the adjustment clauses in the relevant contracts. If the relevant adjustment clauses for a contract are not thought to provide satisfactory cover for price development for the input factor in question, the company can use available hedging instruments to reduce or eliminate the price development risk.

Fuel

The company uses forward contracts in order to reduce the price risk in the fuel market for those contracts that do not have adjustment mechanisms for price changes. In months in which the relevant market price is higher than the hedging price, the opposite party will pay the company the difference. In months in which the relevant market price is lower than the hedging price, the company will pay the opposite party the difference. The company will have a fixed price for the agreed volume during an agreed period.

Interest rates

The company uses interest rate swaps, where we agree interest rates and repayment periods with an opposite party. In months in which the relevant market interest rate is above the level for which we have a hedging agreement in place, the opposite party will pay the company the difference calculated on the remainder of the principal sum. In months in which the relevant market interest rate is below the level for which we have a hedging agreement in place, the company will pay the opposite party the difference calculated on the remainder of the principal sum. The company will use such agreements to obtain fixed interest rates for agreed amounts and periods.
The company has made limited use of agreements whereby we are ensured a price or interest rate corridor. The purpose of such agreements is to hedge against consequences of extreme fluctuations in underlying price developments.

INVENTORIES

Inventories of purchased goods are valued at the lower of purchase price based on the FIFO principle and fair value. A write-down is made for anticipated obsolescence.

RECEIVABLES

Accounts receivable and other receivables are recognised in the balance sheet at nominal value less provision for anticipated losses. Provision for losses is made on the basis of individual valuations of the specific receivables. We also make a nonspecific provision to cover anticipated losses on other receivables.

Other receivables, both short-term receivables and long-term receivables, are recognised at the lower of nominal and fair value. Fair value is the present value of anticipated future inward payments. However, there is no discounting where the effect of such discounting is not material for the financial statements. Provision for losses is valued in the same way as for accounts receivable.

SHORT-TERM INVESTMENTS

Short-term investments (shares and holdings that are current assets) are valued at the lower of average cost price and fair value on the balance sheet date. Dividends and other distributions received are recognised as other financial income.
Onerous contracts/write-down of fixed assets
The company's activities entail, among other things, entering into contracts with the public sector for the provision of public transport services. For several of these contracts, the company bears a large part of the risk for developments in a number of cost types (e.g. pay, interest and fuel), without any corresponding change in income. This can result in these contracts becoming unprofitable if costs increase more than revenues. The company therefore measures the present values of expected future cash flows from operating activities in each contract, with estimated outgoing payments covering all unavoidable future operating expenses payable. Depreciation, amortisation and write-downs and financial expenses are not included.

If the individual contract is regarded as a cashgenerating unit, the cash flow is defined in the same way as the cash flow used in the impairment tests for the fixed assets, except that the fixed assets' terminal value on expiry of the contracts is not included. If the calculations show a negative present value, we recognise this amount in the balance sheet as a provision. Before any provision is made for onerous contracts, the need to write down the fixed assets is assessed. This means that the fixed assets are written down before any provision is made for onerous contracts.

Any provision for onerous contracts is recognised in the balance sheet under Other provisions (long-term liabilities). Provision for onerous contracts linked to the operating cycle or with expected settlement times within one year of the balance sheet date is classified as Other short-term liabilities.
The depreciation/write-down is reversed in line with any reduction in negative present value in subsequent periods.

If a new contract for a single route is announced as part of an existing tender package, concrete consideration is given to whether this/these routes can be assessed as part of the original cashgenerating unit.

With several of the tender contracts, the client has an option to continue the contracts. Consideration is given to whether this option will be exercised and should therefore be included in the cash flows linked to the cash-generating unit.

CURRENCY
Transactions in foreign currencies are translated at the rate on the transaction date. Monetary items in foreign currencies are valued according to the exchange rate at the end of the financial year. Exchange rate changes are recognised under financial items in the income statement in the accounting period to which they relate.

PENSIONS
The company has various pension plans. These plans are financed by payments into publicly or privately administered insurance policies/companies, with the exception of the AFP plans and some that are covered via operations. The company has both defined contribution and defined benefit plans.

DEFINED CONTRIBUTION PLANS
With defined contribution plans, the company pays contributions into publicly or privately administered insurance plans/companies. The company has no further payment obligations after payment of the contribution. The contribution is recognised as staff costs. Any pre-paid contribution is capitalised as an asset (plan assets) if the contribution can be refunded or used to reduce future payments.

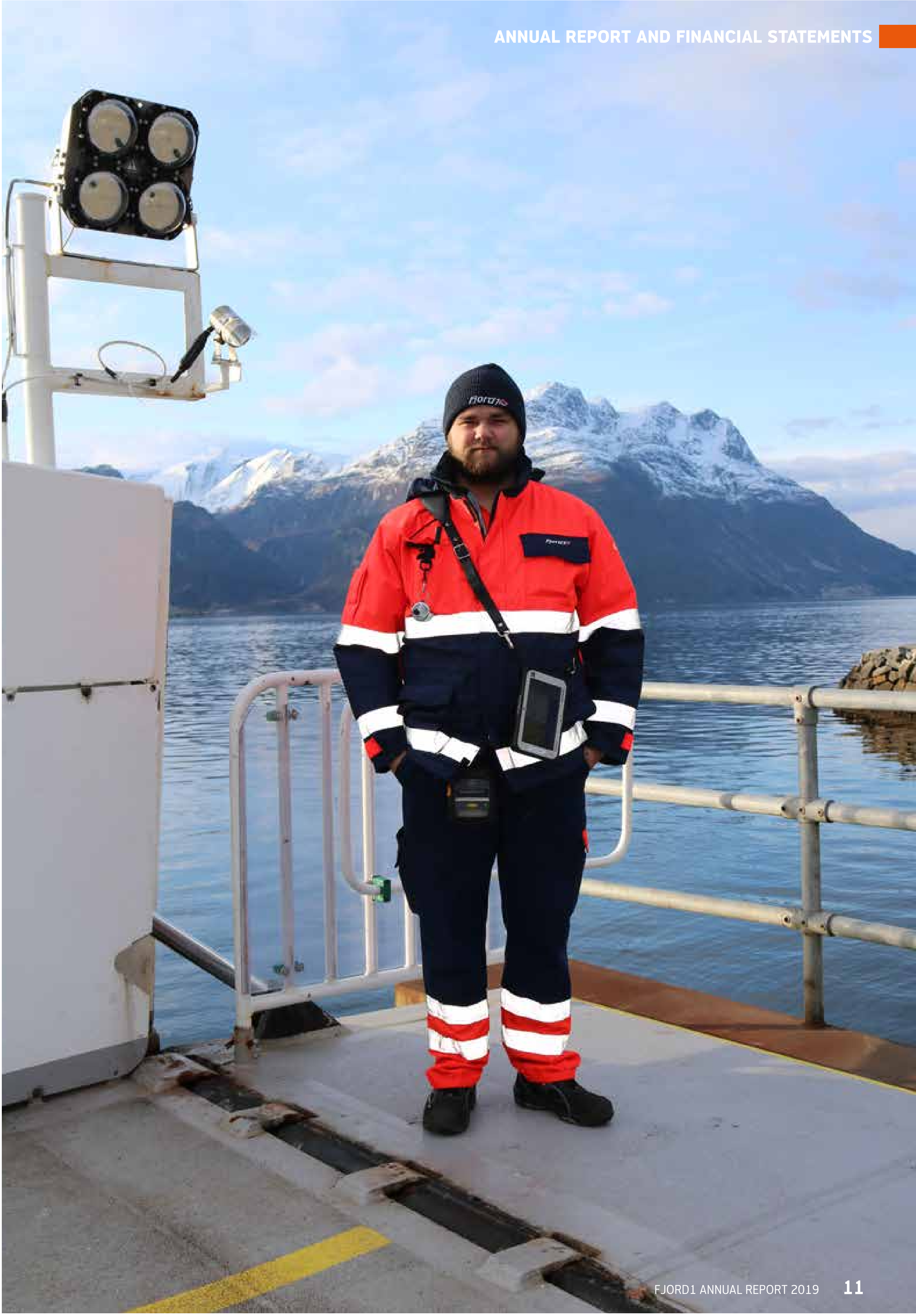
DEFINED BENEFIT PLANS
A defined benefit plan is a pension scheme that is not a defined contribution plan. A defined benefit plan is typically a pension scheme that defines the pension that an employee will receive on retirement. The pension paid out is usually dependent on a number of factors, such as age, years of service and salary. The capitalised liability for defined benefit plans is the present value of the defined benefits on the balance sheet date, less fair value of the plan assets (amounts paid to the insurance company), adjusted for estimate differences not recognised in the financial statements and costs not recognised in the financial statements relating to pension accruals in previous periods.
The pension liability is calculated annually by an independent actuary using a linear accrual method.

Plan changes are amortised over the anticipated remaining contribution time. The same applies to estimate differences resulting from new information or changes in the actuarial assumptions if these exceed 10% of the greater of the pension liabilities and the plan assets (corridor).

TAX
The tax cost in the income statement covers both the tax payable for the period and change in deferred tax. Deferred tax is calculated using the current tax rate (22 %) based on the temporary differences existing between book and tax values, and any taxloss carryforward at the end of the financial year.
Temporary differences that increase or reduce tax and that are or can be reversed in the same period are offset. The deferred tax asset relating to net taxreducing differences that cannot be offset and that are tax-loss carryforwards is worked out from expected future earnings. Deferred tax and tax assets that may be recognised in the balance sheet are shown net in the balance sheet.

When acquiring a company, it is considered whether the present value of the deferred tax on the temporary differences should be used.
Tax on group contributions paid that are recognised as an increase in cost of shares in other companies, and tax on group contributions received that are entered directly against equity, are entered directly against tax in the balance sheet (the entry is made against tax payable if the group contribution impacts tax payable and against deferred tax if the group contribution impacts deferred tax).

CASH FLOW STATEMENT
The cash flow statement is prepared using the indirect method. Cash and cash equivalents cover cash, bank deposits and other short-term, liquid investments that can be converted into known cash amounts with immediate effect and negligible currency risk, and which have a due date within three months of the date of issue.



NOTE 1 PROPERTY, PLANT AND EQUIPMENT

AMOUNTS IN NOK THOUSANDS

PROPERTY, PLANT AND EQUIPMENT, PARENT COMPANY	Buildings, property and land	Infrastructure under construction	Infrastructure	Ships	Ships under construction	Means of transport	Movables, tools, fixtures and fittings etc.	Total property, plant and equipment
Cost and ordinary depreciation								
Cost at 01.01.	113 658	203 890		7 336 754	679 638	1 831	197 352	**8 533 123**
+ additions during the year	496	315 819			1 994 919	1 140	15 955	**2 328 329**
+ additions transferred from completed property, plant and equipment	0	-35 339	35 339	2 145 422	-2 145 422	0	0	**0**
– disposals in the year	0	0		-216 791	0	-306	-641	**-217 738**
Cost at 31.12.	**114 154**	**484 370**	**35 339**	**9 265 385**	**529 135**	**2 665**	**212 666**	**10 643 714**
Accumulated ordinary depreciation at 31.12.	45 323	0	1 178	2 878 645	0	1 122	174 712	**3 100 980**
Accumulated writedowns at 31.12.	0	0		89 275	0	0	0	**89 275**
Carrying amount at 31.12.	**68 831**	**484 370**	**34 161**	**6 297 465**	**529 135**	**1 543**	**37 954**	**7 453 459**
Depreciation for the year	6 707	0	1 178	320 933	0	489	10 846	**340 153**
Reversal of write-downs for the year	0	0	0	65 171	0	0	0	**65 171**
Write-downs for the year	0	0	0	50 440	0	0	0	**50 440**
Economic lifetime	0-30 years		10-15 years	5-30 years		5-10 years	3-5 years	
Depreciation schedule	Straight-line		Straight-line	Straight-line		Straight-line	Straight-line	

ADDITIONS
The company took delivery of nine vessels in 2019: MF «Suløy», MF «Giskøy», MF «Rovdehorn», MF «Samlafjord», MF «Skopphorn», MF «Hillefjord», MF «Eresfjord», MF «Tustna» and MF «Fedjebjørn». The company has seven vessels under contruction as of 31.12.19.

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.

WRITE-DOWN OF SHIPS
During 2019, the company identified indications of impairment for the company's ships in the ferry segment, such as expiry of several contracts, as well as the ever evolving technological and environmental requirements in public procurements.

Moreover, the company has identified indications of impairment where write-downs have been made in previous periods that have now been reduced or that no longer exist on the balance sheet date, as a result of expiry of contracts.

Based on these indications, the company has carried out impairment tests on ships to estimate the recoverable amounts. Each ferry contract, and all ships assignet for use on the various ferry contracts, has been identified as a separate cash-generating unit (CGU).

In assessing potential write-down of the various ferry contracts, the company has assessed recoverable amounts for each contract based on fair value minus costs of disposal. Fair value is based on a calculated net present value of future cash flows for each ferry contract, with a residual value equal to an estimated value of the ship after expiry of the various ferry contracts based on two independent broker valuations. The broker values are reduced by an estimated sales commission, which is the estimated cost of dosposal. Reversal of ship write-downs made in previous periods is carried out where there is evidence that indications of impairment identified in previous periods no longer exist or have been reduced.

Based on impairment tests carried out at 31 December 2019, the company has identified a write-down of four ships and reversal of writedowns on one contract:

WRITE-DOWN OF FOUR SHIPS

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 Company'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%.

Gains on disposals of operating assets are classified as other operating income.

NOTE 2 INFORMATION ABOUT SUBSIDIARIES

AMOUNTS IN NOK THOUSANDS

Subsidiary	Domicile	Equity interest	Voting right	Share capital	Total number of shares	Number of shares	Equity in subsidiary	Profit (loss) in subsidiary	Book value	Dividend paid (Fjord1's share)	Group contribution
Hareid Trafikkterminal AS	Hareid	63 %	63 %	1 200	1 200	760	5 890	1 299	768		
F1 Administrasjon AS	Florø	100 %	100 %	1 500	15 000	15 000	8 768	4 958	4 082		
Bolsønes Verft AS	Molde	100 %	100 %	100	100	100	5 575	1 311	23 000		1 681
ÅB Eigedom AS	Årdal	66 %	66 %	2 750	2 750	1 814	7 822	67	6 038	2 640	
Måløy Reisebyrå AS	Måløy	100 %	100 %	300	50	50	3 945	839	1 777		1 081
Fanafjord AS	Florø	100 %	100 %	400	1 000	1 000	10 256	-240	4 407		
Nye Fanafjord AS	Florø	90 %	90 %	30	30 000	27 000	104 263	25 760	84 135		30 846
Total							**146 519**	**33 995**	**124 207**	**2 640**	**33 608**

NOTE 3 SHARES IN ASSOCIATES

AMOUNTS IN NOK THOUSANDS

Associates	Registered office	Equity interest / voting share	Cost	Profit (loss) in 2019	Book equity, 31.12.2019	Dividend paid
The Fjords DA	Flåm	50,0 %	10 000	16 192	33 720	
The Fjords Fartøy I DA	Flåm	50,0 %	15 400	284	32 373	
Sognefjorden Farty I AS	Flåm	50,0 %	630	(93)	899	
The Fjords Fartøy II DA	Flåm	50,0 %	19 625	607	41 250	
The Fjords Fartøy III DA	Flåm	50,0 %	15 910	(177)	31 626	
Partsrederiet Kystekspressen ANS	Trondheim	49,0 %	13 382	4 390	51 153	3 450
WF Holding AS*	Bodø	34,0 %	178 600	93 220	974 288	
Fjord Tours Group AS	Oslo	50,0 %	74 015	(8 058)	292 641	8 292
Total			**327 562**	**106 364**	**1 457 950**	**11 742**

* WF Holding AS is a subsidiary of Torghatten ASA and is included in that company's consolidated financial statements. The parent company has its head office at Havnegata 40, 8900 Brønnøysund, Norway.

THE FJORDS FARTY III DA

It has been a capital increase The Fjords Farty III DA. In connection with the capital increase has Fjord1 ASA paid NOK 7.16 million corresponding to the Group's share of the investment in the company of 50%.

FJORD TOURS GROUP AS

In April 2019, Fjord1 ASA together with Vygruppen AS, founded the jointly controlled Fjord Tours Group AS.

A capital increase was completed in June 2019 where both companies transferred existing shares in connection with operations to Fjord Tours Group AS. In connection with the capital increase, Fjord1 also made a payment of NOK 26.4 million.

Fjord1 ASA has recognized NOK 40.3 million as financial income in connection with this transaction.

NOTE 4 INVESTMENTS IN SHARES AND UNITS

AMOUNTS IN NOK THOUSANDS

Company	Book value
Fjord Invest AS	100
Other shares and units	741
Total shares and units	**840**

NOTE 5 BONDS AND OTHER RECEIVABLES

AMOUNTS IN NOK THOUSANDS	2019	2018
Employee loans	201	2 347
Other long-term receivables	169	244
Total other receivables	**370**	**2 591**

NOTE 6 MELLOMVÆRANDE MED SELSKAP I SAME KONSERN OG TILKNYTTE SELSKAP

AMOUNTS IN NOK THOUSANDS	Sales		Purchases	
Group companies	**2019**	**2018**	**2019**	**2018**
F1 Administrasjon AS	619	929	152 537	161 995
Bolsønes Verft AS	440	1	8 072	8 676
Måløy Reisebyrå AS	-	-	2 888	2 241
Hareid Trafikkterminal AS	606	514	89	65
Nye Fanafjord AS	44	42	45 634	45 625
Fanafjord AS	27	26	-	-
Total, group companies	**1 737**	**1 513**	**209 221**	**218 602**
Associates				
The Fjords DA	27 614	34 988	-	348
The Fjords Fartøy I DA	280		-	
The Fjords Fartøy II DA		460	-	-
Geiranger Fjordservice AS	4	3	-	-
Total, associates	**27 898**	**35 451**	**-**	**348**

AMOUNTS IN NOK THOUSANDS	Short-term receivables		Long-term receivables	
Group companies	**2019**	**2018**	**2019**	**2018**
F1 Administrasjon AS	-	2 963	-	-
Bolsønes Verft AS	2 027	325	14 400	15 300
Måløy Reisebyrå AS	1 081	-	-	-
Hareid Trafikkterminal AS	-	315	400	600
Nye Fanafjord AS	31 647	7 564	80 000	115 000
Fanafjord AS	-	26	-	5 232
Total, group companies	**34 754**	**11 193**	**94 800**	**136 132**

AMOUNTS IN NOK THOUSANDS	Short-term receivables		Long-term receivables	
Associates	**2019**	**2018**	**2019**	**2018**
The Fjords DA	4 831	2 304	-	-
The Fjords Fartøy II DA	-	-	-	-
Total, associates	**4 831**	**2 304**	**-**	**-**

AMOUNTS IN NOK THOUSANDS	Short-term liabilities				Long-term liabilities	
	2019		2018		2019	2018
Group companies	Other	Group Acc.	Other	Group Acc.	Other	Group Acc.
F1 Administrasjon AS	13 814	12 456	19 623	22 390	-	-
Bolsønes Verft AS	2 182		558		-	-
Måløy Reisebyrå AS	440	5 481	82	4 835	-	-
ÅB Eigedom AS	-	5 297	9 425		-	-
Hareid Trafikkterminal AS	9	3 807	-	2 986	-	-
Nye Fanafjord AS	6 307	49 661	-		-	-
Total, group companies	**22 753**	**76 702**	**29 689**	**30 211**	**-**	**-**

NOTE 7 INVENTORIES

Inventories comprise goods bought in for resale, as well as stocks of MGO, biodiesel and LNG. No write-downs have been made for obsolescence. The carrying amount is the lower of purchase price and fair value.The carrying amount is the lower of purchase price and fair value.

AMOUNTS IN NOK THOUSANDS	2019	2018
Gas stock, ships	2 856	3 776
Oil stock, ships	16 848	17 571
Goods bought for resale	2 704	2 702
Inventories 31.12.	**22 408**	**24 049**

NOTE 8 TRADE RECEIVABLES

AMOUNTS IN NOK THOUSANDS	2019	2018
Trade receivables at nominal value 31.12	138 161	94 024
Provision for bad debts 31.12.	-936	-936
Trade receivables 31.12	**137 225**	**93 088**
Actual loss for the year on receivables	181	407
Loss on receivables	**181**	**407**

Loss on receivables is recognised in Other operating expenses

NOTE 9 OTHER SHORT-TERM RECEIVABLES

AMOUNTS IN NOK THOUSANDS	2019	2018
Prepayments	15 041	15 972
Other receivables	10 116	23 582
Other accruals – income	229 300	64 947
Sea damage claims	23 085	14 345
VAT receivables	13 474	15 749
Other short-term receivables 31.12.	**291 015**	**134 596**

NOTE 10 SHARE CAPITAL AND SHAREHOLDERS

At 31.12.2019, Fjord1 ASA had share capital of NOK 250,000,000 divided into 100,000,000 shares with a nominal value of NOK 2.50. The company has only one share class.

	Number of shares	Ownership
HAVILAFJORD AS	51 500 000	51,5 %
HAVILA HYLLE AS	15 000 000	15,0 %
PERESTROIKA AS	7 758 620	7,8 %
Citibank, N.A.	3 873 545	3,9 %
DZ PRIVATBANK S.A.	2 962 000	3,0 %
Brown Brothers Harriman (Lux.) SCA	2 211 315	2,2 %
VERDIPAPIRFONDET DNB NORGE	1 923 257	1,9 %
State Street Bank and Trust Comp	1 137 627	1,1 %
ARCTIC FUNDS PLC	695 882	0,7 %
CLEARSTREAM BANKING S.A.	653 138	0,7 %
Pictet & Cie (Europe) S.A.	650 000	0,7 %
RBC INVESTOR SERVICES TRUST	510 212	0,5 %
VERDIPAPIRFONDET SR-BANK UTBYTTE	454 719	0,5 %
Citibank, N.A.	428 595	0,4 %
GH HOLDING AS	357 143	0,4 %
Landkreditt Utbytte	328 859	0,3 %
VERDIPAPIRFONDET NORGE SELEKTIV	263 311	0,3 %
BNP Paribas Securities Services	250 584	0,3 %
Commerzbank Aktiengesellschaft	232 050	0,2 %
EQUINOR PENSJON	207 513	0,2 %
Number of shares held by the 20 largest shareholders (listed above)	**91 398 370**	**91,4 %**
Total number of shares	**100 000 000**	**100 %**

SHARES OWNED BY THE EXECUTIVE MANAGEMENT

	Number of shares, 31.12.2019
Dagfinn Neteland (CEO)	59 988
Anne-Mari Sundal Bøe (CFO)	17 939
André Høyset (COO)	18 005
Deon Mortensen (Director Technical and HSE)	15 710
Nils Kristian Berge (Project Director)	10 720
Total number of shares owned by the Executive Management	**122 362**

SHARES OWNED BY THE BOARD OF DIRECTORS

	Number of shares, 31.12.2019
Vegard Sævik (Chairman)	*
Per Rolf Sævik (Board member)	*
Siri Hatland (Board member)	0
Birthe Cecilie Lepsøe (Board member from 24.02.2020)	*
Reuben Aguilar Samuels Munger (Board member from 24.02.2020)	0
Siri Beate Hatlen (Board member until 07.06.2019)	0
Hege Sævik Rabben (Deputy member from 07.06.2019)	*
Atle Olav Trollebø (Employee representative)	1400
Terje Hals (Employee representative from 25.06.2019)	0
Geir Offerdal (Employee representative until 25.06.2019)	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
Thomas Rakstang (Observer/Employee representative)	290
Egil Kirkebø (Observer/Employee representative from 19.01.2018 until 25.06.2019)	0
Daniel Nedrelid (Observer/Employee representative from 25.06.2019)	457
Total number of shares owned by the Board of Directors	**4 293**

* Owners of shares via other companies: Vegard, Hege and Per Sævik via Havilafjord AS and Frederik W. Mohn via Perestroika AS.

NOTE 11 EQUITY

Changes in equity in the year:

	Share capital	Treasury shares	Share premium fund	Other equity	Total equity
Equity at 01.01.2019	250 000	(2 079)	360 924	1 211 043	1 819 888
Profit for the year	-	-	-	240 207	240 207
Provision for dividends	-	-	-	-	-
Purchase of treasury shares in 2019	-	(1 538)	-	-	(1 538)
Equity at 31.12.2019	**250 000**	**(3 617)**	**360 924**	**1 451 250**	**2 058 557**

Treasury shares

Summary of purchase and disposal of treasury shares

	2019		
	Number	Consideration	Share of share capital
Holding at 1 January	46 768	2 079	0,8 %
Sold, 20. May 2019	-39 928	-1 577	-0,6 %
Purchased, 25. June 2019	100 000	3 715	1,5 %
Sold, 30. September 2019	-16 438	-600	-0,2 %
Holding of treasury shares at 31 December	**90 402**	**3 617**	**1,4 %**

On 22. May 2019, the annual general meeting of Fjord1 ASA authorised the Board of Directors to acquire treasury shares. In accordance with this mandate, Fjord1 can purchase treasury shares with a total nominal value of up to NOK 10 000 000. The highest and lowest amounts that may be paid per share are NOK 100 and NOK 2.50 respectively. This mandate is valid up to the date of the annual general meeting in 2020, at the latest 30. June 2020.

The Board of Directors of Fjord1 has decided to initiate a share buyback based on the mandate. Shares acquired under the share buyback will be distributed under the bonus programme for key management personnel, whereby 50% of the bonus is settled in the form of shares in Fjord1, as reported in the statement on executive pay discussed at the annual general meeting on 22 May 2018. The maximum number of shares that may be acquired in the market for distribution to employees is 110,000.

Fjord1 has engaged Nordea Markets to conduct the share buyback on its behalf.

NOTE 12 ACCOUNTING TREATMENT OF TAX

	2019	2018
Tax payable is made up as follows:		
Profit on ordinary activities before tax	289 603	714 780
Permanent differences	-47 555	-32 676
Tax base	242 048	682 104
Change in temporary differences	-234 373	-303 285
Loss carryforward	-89 825	0
Taxable income (tax base)	-82 150	378 819
Tax cost for the year is made up as follows		
Tax payable on profit for the year	0	87 128
Change in tax payable on profit for prior year	-13 452	-5 593
Change in deferred tax/tax asset in the balance sheet	62 849	52 547
Total tax cost for the year	**49 396**	**134 084**
Tax payable in the balance sheet is made up as follows:		
Tax payable on profit for the year	0	87 128
Total tax payable	**0**	**87 128**
Specification of deferred tax base:		
Differences offset:		
Operating assets	2 326 488	1 887 879
Receivables	-936	-936
Profit and loss account	0	0
Accrued contract payment	85 090	82 198
Pensions	-135 597	-11 417
Interest rate swap	14 733	8 728
Units in general partnerships	0	0
Other differences	-12 114	-5 846
Deficit and allowance for performance	58 442	
Tax base for deferred tax/tax asset in the balance sheet	0	0
Underskot og godtgjersle til framføring	-89 825	0
Grunnlag for utsett skatt/skattefordel i balansen	**2 246 281**	**1 960 605**
Deferred tax asset/deferred tax	494 182	431 333
Deferred tax asset in the financial statements		
Deferred tax	**494 182**	**431 333**
Reconciliation of tax cost		
Accounting result before tax	289 603	714 780
Expected tax cost (23%/24%)	63 713	164 399
Tax cost in the income statement	49 396	134 084
Deviation	-14 316	-30 315
Explanation of deviation:		
23/24% of permanent differences	-10 462	-7 516
Change in tax rate (1%)	0	-19 606
Change in tax payable on profit for prior year	-13 452	-5 593
Other differences	9 599	2 399
Total explained deviation	**-14 316**	**-30 316**

NOTE 13 PENSION LIABILITIES

PARENT COMPANY/GROUP

OCCUPATIONAL PENSION SCHEMES
Fjord1 ASA has group occupational pension schemes for all employees. The schemes meet the requirements of the Norwegian Mandatory Occupational Pensions Act.

DEFINED BENEFIT PENSION SCHEMES GROUP OCCUPATIONAL PENSION SCHEMES
For accounting purposes, group defined benefit pension schemes are handled in accordance with the Norwegian pensions standard. The schemes provide a right to defined future benefits. These mainly depend on the number of qualifying years, salary, salary at pension age and the level of any payments from the national insurance scheme. The obligation is covered by a scheme with KLP and schemes with other insurance companies. Pension cost and liability/plan assets are shown in the note under Secured pension schemes.

DEFINED CONTRIBUTION PENSIONS
Defined contribution pensions are schemes where the company commits to pay an annual premium. The pension is dependent on the funds paid in and the return on these. For the company, the cost for the year is equal to the year's premiums.

PENSION SCHEMES FOR MARITIME EMPLOYEES IN FJORD1 ASA
Maritime employees have their own contractual defined benefit occupational pension scheme. The scheme is secured and covers 1,051 active employees and 133 pensioners.

In addition to the contractual occupational pension, a defined contribution scheme has been established for maritime employees in accordance with the Mandatory Occupational Pensions Act. The scheme pays out a pension from the age of 67, based on a 2% annual contribution for each member. The company's maritime employees can retire at the age of 60. They are then entitled to a seaman's pension. This is financed by deductions from pay and by contributions from the company. The company's component is classified as a defined contribution pension.

PENSION COSTS, DEFINED BENEFIT SCHEMES

Pension costs:	2019	2018
Present value of pension accruals for the year	4 709	4 531
Interest expenses on the pension liabilities	1 524	1 321
Expected return on plan assets	-2 381	-1 939
Recognised estimate differences	-167	-210
Net pension costs	**3 686**	**3 703**
Change in accrued liability		
Accrued liability at the start of the year	59 578	58 249
Present value of pension accruals for the year	4 709	4 531
Interest expenses on the pension liabilities	1 524	1 321
Estimate changes	-6 711	-4 250
Liability assumed from subsidiary after organisational change	0	824
Benefits paid from the schemes	-1 934	-1 097
Accrued liability at the end of the year	**57 167**	**59 578**
Change in plan assets		
Fair value of plan assets at the start of the year	80 978	77 516
Estimate changes	-14 333	-5 813
Return on plan assets	2 381	1 939
Paid in	9 690	8 433
Pensions paid out from schemes	-1 934	-1 097
Fair value of plan assets at the end of the year	**76 782**	**80 978**

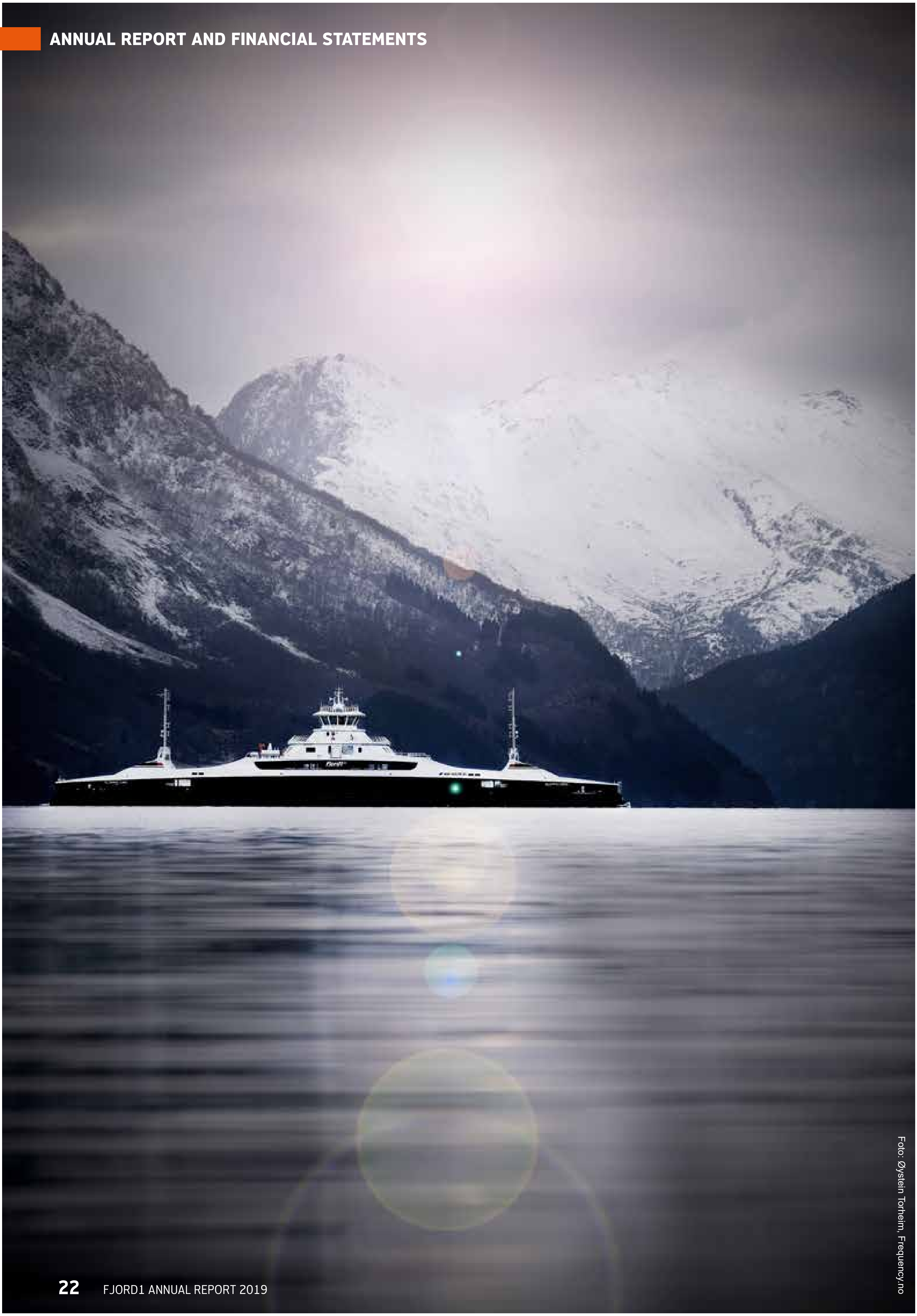


Foto: Øystein Torheim, Frequency.no

NOTE 14 PENSJONSPLIKTAR FORTS.

AMOUNTS IN NOK THOUSANDS

Reconciliation of the pension schemes' funded status with amounts in the balance sheet:		
Net plan assets	19 616	21 400
Unrecognised estimate differences	-4 883	-12 672
Total net plan assets (+) / pension liability (–)	**14 733**	**8 728**

'Total net plan assets (+) / pension liability (–) are 'recognised in the balance sheet as		
Overfunded schemes	14 733	8 728
Total net plan assets (+) / pension liability (–)	**14 733**	**8 728**

Number of active employees in the schemes included in the pension calculations	1 051	1 084
Number of pensioners in the schemes included in the pension calculations:	133	147

The company's total pension costs (defined benefit and defined contribution)

	2019	**2018**
Cost of defined benefit schemes according to note	3 686	3 703
Cost of defined contribution schemes	35 398	33 301
Total pension costs	39 083	37 004

Reconciliation of the company's plan assets/pension liability with the balance sheet:

Assets	**2019**	**2018**
Overfunded defined benefit schemes	14 733	8 728
Total plan assets recognised as an asset in the balance sheet	**14 733**	**8 728**
Liability		
Underfunded schemes	0	0
Total pension liability recognised as a liability in the balance sheet	**0**	**0**

Economic assumptions for calculating defined benefit pension

	2019	**2018**
	i %	i %
Discount rate	2,30 %	2,60 %
Expected pay adjustment	2,20 %	2,75 %
Expected increase in pensions currently paid	0,50 %	0,80 %
Expected base amount adjustment	2,00 %	2,50 %
Expected return on plan assets	3,80 %	4,30 %

NOTE 14 OTHER PROVISIONS

	2019	2018
Provision for contract payment	8 120	11 417
Prepayment infrastructure	127 476	-
Total other provisions	**135 597**	**11 417**

The provision for contract payment is accrued based on the difference between the repayment period for property, plant and equipment used in contracts with the public sector, and the book depreciation.

Prepayment of infrastructure relates to amounts paid by the customer for purchase of the infrastructure which Fjord1 ASA has built as a part of the contractual terms.

Fjord1 ASA uses the infrastructure in it's operation and recognises the revenue in line with the use of the asset over the contract period.

NOTE 15 PLEDGES, GUARANTEES, ETC

AMOUNTS IN NOK THOUSANDS	2019	2018
Interest-bearing debt:		
Unsecured		
Bond loan *	1 000 000	1 000 000
Amortised cost	8 750	11 750
Total bond loan	**991 250**	**988 250**
Secured		
Debt to credit institutions	4 434 628	1 842 000
Amortised cost	49 692	39 258
Total debt to credit institutions	**4 384 936**	**1 802 742**
Total long-term liabilities	**5 376 186**	**2 790 992**

* Fair value of bond loan at 31.12.19 is based on the last trading price on Oslo Stock Exchange at 101, which corresponds to a total of NOK 1.010.000,-

	"Balance at 31.12.2019"	Repayments 2020	Repayments 2021	Repayments 2022	Repayments 2023	Repayments 2024	Repayments 2025
Bond loan							
Debt to credit institutions	4 434 628	1 196 796	435 242	435 242	435 242	731 112	1 200 994
Total	**5 434 628**	**1 196 796**	**435 242**	**1 435 242**	**435 242**	**731 112**	**1 200 994**

	2019	2018
Total debt with terms longer than 5 years	1 200 994	392 479

The interest on the bond loan is regulated each quarter in accordance with 3M NIBOR, which averaged 1,55 % in 2019 with a margin of 3,50 %. The interest rate on other debt to credit institutions at 31.12.19 is 6M NIBOR, which averaged 1,69 % in 2019, with the margin varying from 1,60 % to 2,80 %. Parts of new loans are guaranteed via GIEK and the margin varies between 1,54 - 1,99 %.

Financial covenants

The terms of the major loan agreements require the group to comply with the following financial covenants:

- NIBD/EBITDA must not exceed 5
- Equity ratio above 22,5 %

The bond loan includes the following financial covenants:

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

Since the loan is at floating interest and has a stable credit margin over time, the fair value of long-term debt to credit institutions is not considered to deviate significantly from the carrying amount.

Interest accrued at 31.12.19 is NOK 37,280 million, but this is classified as short term, as it falls due for payment within six months of the reporting date.

	2019	2018
Total guarantee liabilities, surety, guarantee for transport licences etc.	1 082 262	1 308 830

Det foreligger ikkje andre garantiforpliktingar enn dei som er oppgitt ovanfor.
Alle garantiforpliktingane går via Nordea og DnB.

Carrying amount of assets pledged as security

	2019	2018
Ship	6 826 600	5 128 937
Total	**6 826 600**	**5 128 937**

The Fjord1 group's liquidity is organised in a group account scheme with Nordea. The group account system has been set up to contribute to optimal liquidity management in the Fjord 1 group. Fjord1 ASA is the group account owner and thus the owner of the bank deposits. The group account incorporates the companies' operating accounts, and all the companies are jointly and severally liable for deposits in the group account scheme.

The subsidiaries' detail accounts are formally treated as receivables from and debt to the parent company, Fjord1 ASA. The total credit balance in the group's group account scheme at 31.12.19 was NOK 389,8 million. This is classified as bank deposit in Fjord1 ASA . Fjord1 ASAs' share of group account scheme was NOK 313,5 million. Subsidiaries share of the group account was NOK 76,3 million. This is classified as bank deposits and debt to subsidiaries in the financial statement of Fjord1 ASA.

With regard to tax-withholding accounts, Nordea has issued a guarantee to the respective tax offices for the tax liability of NOK 60 million. Other than this arrangement, there were no locked-in amounts for withholding tax at 31.12.2019

In February 2018, bank loans in Fjord1 ASA were refinanced by means of a syndicated loan via Nordea and DnB. From this date forward, there is no long-term debt linked to the former group agreement.

NOTE 16 OTHER SHORT-TERM LIABILITIES

AMOUNTS IN NOK THOUSANDS	2019	2018
Card database, maritime companies	71 972	385 772
Pay and holiday pay due/accrued	133 489	132 091
Prepayment of contract revenue	221 622	0
Accrued interest/hedging transactions	37 280	21 531
Other short-term liabilities	40 832	39 226
Total other short-term liabilities	**505 196**	**578 619**

NOTE 17 SALARIES AND SOCIAL SECURITY COSTS

AMOUNTS IN NOK THOUSANDS	2019	2018
Wages	667 149	666 467
Employer's contribution	97 360	93 918
Pension costs	39 083	41 245
Other benefits	45 679	45 673
Total wages	**849 272**	**847 304**
Number of employed FTEs	972	1 105

The pension schemes are funded via insurance companies and KLP. The total pension costs for Fjord1 ASA recognised in the income statement are NOK 39 million.

The company's pension plans are in compliance with the provisions of the Mandatory Occupational Pensions Act.

No loans have been provided/security put up for the CEO, chairman of the board or other related parties. No loans have been provided/security put up representing more than 5% of the company's equity

AMOUNTS IN NOK THOUSANDS

Payments to senior management	CEO	Board of Directors/ corporate assembly
Wages	3 350	2 284
Bonus	297	
Pension costs	1 732	
Other remuneration	578	
Total	**5 957**	**2 284**
Pension liability	6 634	

The CEO is appointed and receives a salary from F1 Administrasjon AS, and is entitled to severance pay equal to 12 months' ordinary salary if his contract is terminated by the company, or if he gives notice in connection with significant changes in control or changes in business strategy and running of the company.

No other members of corporate management or the Board of Directors have contracts that provide significant benefits in connection with termination of contract.

The company has no liabilities linked to share-based remuneration for employees or employee representatives.

As of today's date, the company has formal agreements in place on bonuses or share-based remuneration or other benefits for the Senior Management.

Auditor (NOK 1000 excl. VAT)

	2019	2018
Statutory audit (including technical assistance with financial statements)	2 640	1 982
Tax advice (including technical assistance with tax declaration)	88	46
Attestation services		59
Other services	1 874	863
Services purchased from auditor *	**4 602**	**2 950**

* In 2018, NOK 1.2 million of this related to the new auditor PricewaterhouseCoopers AS and NOK 1.7 million to the previous auditor Ernst & Young AS.

NOTE 18 ITEMS THAT HAVE BEEN COMBINED IN THE FINANCIAL STATEMENTS

Other operating expenses	2019	2018
Repairs and maintenance	236 113	203 792
Fuel	395 953	513 507
Ship costs	224 283	218 898
Service costs	46 551	38 130
Other operating expenses	239 560	229 927
Total other operating expenses	**1 142 459**	**1 204 254**

NOTE 19 OTHER FINANCIAL INCOME

Foreign exchange gains	2019	2018
Share/customer dividends	2 913	605
Gain on realisation of shares	410	83
Other financial income	40 296	75
Total other financial income	0	33
Sum anna finansinntekt	**43 619**	**795**

NOTE 20 LEASES

	Duration	Expensed lease payments
At the end of 2019, the group had various leases for ships/ passenger boats and other operating equipment:		
Leases for ships and passenger boats, external	2021	69 559
Other leases		8 922
Internal lease of ferry MS «Fanafjord»	2020	45 625
Vehicle leases	2020	501

NOTE 21 HEDGING CONTRACTS AND OTHER FINANCIAL EXPENSES

Interest rate:	2019	2018
Fixed-rate interest-bearing debt (cash-flow hedging)	80 000	139 500
The fixed rate on the Group’s agreements varies, and the agreements have varying terms up to and including 2019.		
Unrealised, unrecognised loss on interest rate swaps is as follows	-1 084	-5 335

Currency hedging:	2019	2018
Unrealised, unrecognised gain/loss on currency hedging is as follows:	0	30 085

Oil and LNG:	2019	2018
Average hedged volumes of oil and LNG in the period 2013- 2019	0 %	10 %
Unrealised, unrecognised gain/loss on hedging agreements is as follows:	0	-504

Fixed-price contracts for purchase of electricity

The company has entered into fixed-price contracts for purchase of electricity for its own production (ferry operations). The contracts have duration of 10 years and covers approximately 70% of the companys yearly estimated consumption. The company has not recognised any assets or liability relating to the fixed-price contracts.

Specification of other financial expenses:	2019	2018
Decrease in value of interest rate hedging	7 577	12 591
Currency expenses (exchange loss)	520	501
Other financial expenses	9 039	9 276
Total other financial expenses	**17 135**	**22 368**

NOTE 22 OTHER INFORMATION

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 company is in dialogue with the client in regards to determining and settling the final compensation.

The companys' best estimate have been used for recognising revenue related to the rebate compensation.

NOTE 23 SPECIFICATION OF REVENUE FROM SALES AND CONTRACTS

Fjord1 ASA's revenue derives mainly from ferry operations, passenger boats, leasing vessels for tourism purposes and sale of kiosk goods on board ferries.

The ferry segment covers operations in Norway where the routes are subject to contracts. Kiosks are operated on board the ferries in these geographical areas. As well as ferry operations, the company operates local passenger boat routes in Sogn og Fjordane.

Vessels that are leased to tourism businesses operate on the UNESCO World Heritage fjords: the Nærøyfjord and the Geirangerfjord

Sales	2019	2018
Ferry operations	580 981	623 933
Passenger boats	1 667	1 661
Sale of kiosk goods (catering)	133 440	192 008
Tourism	77	368
Other areas	**62**	**71**
Total sales income	**716 228**	**818 040**

Contract income	2019	2018
Ferry operations	1 828 772	2 138 554
Passenger boats	112 887	102 818
Total contract income	**1 941 659**	**2 241 372**

Other operating income	2019	2018
Rental income	64 146	23 773
Gains on disposals of operating assets	7 099	1 183
NOx refund	932	2 281
Other income	7 257	7 190
Total other operating income	**79 433**	**34 427**

NOTE 24 KEY FIGURES

		2019	2018
Return on total assets (1)	%	5,4 %	11,8 %
Operating margin (2)	%	13,5 %	25,2 %
Equity ratio (3)	%	23,0 %	28,1 %
Return on equity (4)	%	12,4 %	32,3 %
Liquidity ratio (5)	%	105,4 %	33,7 %
Debt-servicing capacity (6)	this year	7,0	2,7
Market funding (7)	%	29,1 %	27,6 %

1) Return on total assets:	Profit for the year + financial expenses / average total assets
2) Operating margin:	Profit after depreciation and amortisation / total operating income
3) Equity ratio:	Equity / total assets
4) Return on equity:	Profit for the year / average equity
5) Liquidity ratio:	Current assets / short-term liabilities
6) Debt-servicing capacity:	Average net interest-bearing liabilities / profit of the year + ordinary depreciation
7) Market funding:	Total operating income – contract income on route operations / total operating income

RESPONSIBILITY STATEMENT FROM THE BOD AND CEO

We hereby confirm that, in our opinion, the financial statements for Fjord1 ASA for the period 1 January to 31 December 2019 have been prepared in accordance with current applicable accounting standards and that the disclosures in the financial statements provide a good and fair view of the parent company's and the Group's assets, liabilities, financial position and result as a whole.

Further, we also declare that the Board of Directors' report provides a fair view of the development, result and financial position of the parent company and the Group, together with an outline of the key risks and uncertainties facing the business and information on any material transactions with related parties

Florø, 31. mars 2020

Vegard Sævik
Chairman of the Board

Birthe Lepsøe
Styremedlem

Reuben Munger
Boardmember

Terje Hals
Boardmember

Per Sævik
Boardmember

Siri Hatland
Boardmember

Atle Trollebø
Boardmember

Dagfinn Neteland
Adm. Dir/CEO