



Registration Document

Fjord1 ASA



DNB Markets, a part of DNB Bank ASA
Global Coordinator Joint Lead Manager



Nordea Bank AB (publ), filial i Norge
Global Coordinator Joint Lead



Fearnley Securities
Joint Lead Manager



SpareBank 1 Markets
Joint Lead Manager

Florø/Oslo, 8 May 2018

Important information

The Registration Document is based on sources such as annual reports and publicly available information and forward looking information based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for the Company's (including subsidiaries and affiliates) lines of business.

A prospective investor should consider carefully the factors set forth in chapter 1 Risk factors, and elsewhere in the Prospectus, and should consult his or her own expert advisers as to the suitability of an investment in the bonds.

This Registration Document is subject to the general business terms of the Joint Lead Managers, available at their respective websites (www.dnb.no, www.nordea.no, www.fearnleysecurities.no and www.sb1markets.no).

The Joint Lead Managers and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Lead Managers' corporate finance department may act as manager or co-manager for this Company in private and/or public placement and/or resale not publicly available or commonly known.

Copies of this Registration Document are not being mailed or otherwise distributed or sent in or into or made available in the United States. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States.

Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The distribution of the Registration Document may be limited by law also in other jurisdictions, for example in Canada, Japan and in the United Kingdom. Verification and approval of the Registration Document by the Norwegian FSA ("Finanstilsynet") implies that the Registration Document may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Registration Document in any jurisdiction where such action is required.

The Norwegian FSA has controlled and approved the Registration Document pursuant to the Norwegian Securities Trading Act, § 7-7. The Norwegian FSA has not controlled and approved the accuracy or completeness of the information given in the Registration Document. The control and approval performed by the Norwegian FSA relates solely to descriptions included by the Company according to a pre-defined list of content requirements. The Norwegian FSA has not undertaken any form of control or approval of corporate matters described in or otherwise covered by the Registration Document. The Registration Document was approved on 8 May 2018. The Registration Document is valid for 12 months from the approval date.

The Registration Document together with a Securities Note and a Summary and any supplements to these documents constitutes the Prospectus.

The content of the Prospectus does not constitute legal, financial or tax advice and potential investors should seek legal, financial and/or tax advice.

Unless otherwise stated, the Prospectus is subject to Norwegian law. In the event of any dispute regarding the Prospectus, Norwegian law will apply.

TABLE OF CONTENTS:

1 Risk factors	4
2 Definitions	8
3 Persons responsible	9
4 Statutory Auditors	10
5 Information about the issuer	11
6 Business overview	14
7 Market Overview	21
8 Trend information	26
9 Administrative, management and supervisory bodies	27
10 Major shareholders	31
11 Financial information concerning the issuer's assets and liabilities, financial position and profits and losses ..	32
12 Material contracts	34
13 Third party information and statement by experts and declarations of any interest	35
14 Documents on display	36
15 Cross reference list	37
16 Disclaimers	38
Appendix 1 Articles of Association	39

1 Risk factors

Investing in bonds issued by Fjord1 ASA involves inherent risks.

Prospective investors should consider, among other things, the risk factors set out in the Prospectus, including those set out in both the Registration Document and the Securities Note(s), before making an investment decision. The risks and uncertainties described in the Prospectus are risks of which Fjord1 ASA is aware and that Fjord1 ASA considers to be material to its business. If any of these risks were to occur, the Issuer's business, financial position, operating results or cash flows could be materially adversely affected, and the Issuer could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should also read the detailed information set out in the Registration Document dated 8 May 2018 and any accompanying Securities Note(s) and reach their own views prior to making any investment decision.

An investment in the bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

1.1 Market related risks

1.1.1 Macroeconomic conditions

Changes in national and international economic conditions, including, for example interest rate levels, inflation, employment levels, may influence the valuation of real and financial assets. In turn, this may impact the demand for goods, services and assets globally and thereby the macro economy. The current macroeconomic situation is uncertain and there is a risk of negative developments. Such changes and developments – none of which will be within the control of the Company – may negatively impact the Company's investment activities, realization opportunities and overall investor returns.

1.1.2 The ferry and passenger boat services markets

The demand for, and the pricing of the underlying assets are outside of the Company's control and depend, among other things, on the global economy, global trade growth. On the supply side there are uncertainties tied to ordering of new vessels and scope of future scrapping. The actual residual value of the vessels in the underlying investments, and/or their earnings after expiration of the fixed contract terms, may be lower than the Company estimates.

1.1.3 Changes in legal framework

Changes in legal, tax and regulatory regimes within the relevant jurisdictions may occur during the life of the Company which may have an adverse effect on the Company.

1.2 Commercial and Operational risks

1.2.1 Changes in fuel, or bunkers, prices may adversely affect profits

The price and supply of bunker fuel are unpredictable and fluctuate based on events outside the Company's control, including geopolitical developments, supply and demand for oil, actions by members of the Organization of the Petroleum Exporting Countries and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns and regulations. Depending on the employment of the Company's vessels, the Company may be exposed to the fluctuating bunker prices.

1.2.1.1 Changes in electricity may adversely affect profits

The price and supply of electricity are unpredictable and fluctuate based on events outside the Company's control, including climatic conditions such as precipitation, cold and wind, seasonal surges over the year and day, development of hydropower / wind and nuclear power in the Nordic countries, climate policy decisions both national and international, social and industrial policy decision, general activity level in business, changes in leased lines to other countries in Europe, and supply and demand for electricity. However, there is a well-functioning market in the Nordic countries for buying and selling electricity (spot vs fixed price).

1.2.2 Operational Risks

All contracts are associated with considerable risks and responsibilities. These include technical, operational, commercial and political risks. The Company will obtain insurance deemed adequate for its business, but it is impossible to insure against all applicable risks and liabilities. Consequently, the Company may assume substantial liabilities as part of its operations.

1.2.3 Construction Risk

There are numerous risks associated with construction of the Company's new builds, including risks of delay, risks of termination of the shipbuilding contracts by yard, the risk of need for variation orders and amendments resulting in additional need for capital, the ability of the yard to perform its duties under the shipbuilding contracts, and the risk of failure by key suppliers to deliver necessary equipment. Delays in delivery of the new builds may affect the Company's potential revenue, or potentially lose contracts from clients.

1.2.4 Risks due to the implementation of new technology

The Company's focus on the further development and implementation of new zero or low emission power technology implies a higher degree of risk that the relevant ferries do not function as intended, compared to older and tested technology. There is further a risk that sub suppliers are not able to provide adequate and relevant deliveries, e.g. sufficient charging facilities. This may lead to failure to comply with the terms of the relevant contracts, e.g. in respect of breach of the environmental requirements under the contracts or traffic delays. The reconstruction of docks to facilitate the construction of charging arrangements and other infrastructure may be affected in a manner that may lead to non-compliance with the environmental requirements in the new contracts.

1.2.5 Maintenance costs for the Company's vessels may be substantial

Repairs and maintenance costs for vessels are inherently difficult to predict and may be substantially higher than expected.

1.2.6 Dependence on key executives and personnel

The Company's development and prospects are dependent upon the continued services and performance of its senior management and other key personnel. The loss of the services of any of the senior management or key personnel may have an adverse impact on the Company. In addition to the senior management the Company depends on professional and operational personnel that are not currently employed by the Company. An inability to attract and retain such professional and operational personnel, or the unavailability of such skilled crews, could have an adverse impact on the Company.

1.2.7 Business concentration in one industry

As the Company's majority of assets are concentrated in a single industry, the Company may be more vulnerable to particular economic, political, regulatory, environmental or other developments than would a company holding a more diversified portfolio of assets and the aggregate return of the Company will be substantially adversely affected by the unfavourable performance of a single asset.

1.2.8 Energy requirements

For certain new contracts there is a risk related to vessels with new technology performing in accordance with specific energy requirements in the contracts, where non-compliance could affect contract profitability.

1.2.9 Tender risk

Contracts are normally awarded for a period of 5-10 years, certain with additional option periods. There is a risk that option periods for current tenders will not be exercised and/or that new tenders are not awarded the Company. The long term of contracts imply a risk for committing to potentially unprofitable projects for a long period of time, should the Company be erroneous in its calculations and/or assumptions forming the basis for the offers made in the respective tender process.

1.2.10 Availability of investments / competition

Suitable investments may not always be available at a particular time. The Company's investment rate may be delayed or progress at a slower than anticipated rate for a variety of reasons and as a result, there is also no guarantee that the Company will be able to fully invest the required amount in respect of a particular investment opportunity.

The Company may be competing for appropriate investment opportunities with other participants in the markets. It is possible that the level of such competition may increase, which may reduce the number of opportunities available to the Company and/or adversely affect the terms upon which such investments can be made by the Company. In addition, such competition may have an adverse effect on the length of time required to fully invest the Company.

1.2.11 Reliance on technical management of assets

Although the Company's management will monitor the performance of each investment, the Company will rely upon the technical and day-to-day management of the assets. There can be no assurance that such management will operate successfully.

1.2.12 Illiquidity of assets – realization risk

The Company will make investments in assets that are illiquid and not traded on any regulated market. The realization of such investments may consequently take time and will be exposed to a variety of general and specific market conditions. There can be no assurance that the Company will manage to achieve a successful realization of its investments.

1.2.13 Diversification

The Company may only participate in a limited number of investments so that returns might be adversely affected by the poor performance of even a single investment.

1.2.14 Technical risks

The technical operation of a ferry or a passenger boat will have significant impact on the ferry's or the passenger boat's economic life. Thus, technical risks will always be present. There can be no guarantee that the parties tasked with operating a ferry or a passenger boat or overseeing such operation perform their duties according to agreement or satisfaction. Failure to adequately maintain the technical operation of a ferry or a passenger boat may adversely impact the operating expenses of the portfolio investment and accordingly the potential realization values that can be obtained.

1.2.15 Counterparty risks

The Company provides ferry and passenger boat services to many individuals or companies with limited counterparty risk. However, the performance of an underlying portfolio investment depends heavily on its counterparties' ability to perform their obligations, including the suppliers. Default by a supplier of its obligations under its agreements may have material adverse consequences on the portfolio investment. Thus, the counterparty's financial strength will thus be very important.

1.2.16 Pollution

All ferries and passenger boats may carry pollutants. Accordingly, there will always be certain environmental risks and potential liabilities involved in the ownership of commercial ferries and passenger boats.

1.2.17 Risk relating to operations in foreign countries

It is not expected that the Company will operate in a variety of geographic regions. However, the Company may, indirectly through its underlying investments, be exposed to political risk, risk of piracy, corruption, terrorism, outbreak of war, amongst others. The business, financial condition and results of operations of the Company, indirectly, and its underlying investments directly, may accordingly be negatively affected if such events do occur.

1.3 Financial Risk

1.3.1 Restrictive covenants in the Company's secured term loan facilities, and any future debt facilities will impose, financial and other restrictions

The Company's committed and any future loan facilities will impose, operating and financial restrictions on the Company. The restrictions may limit the Company's ability to pay dividends, incur additional indebtedness, create liens on its assets, sell its vessels, and additional actions which may otherwise be beneficial for the Company.

1.3.2 Borrowing and Leverage

The Company will finance its assets in part by borrowed funds. There is a risk that income from the assets obtained with borrowed funds is not sufficient to cover the cost of borrowings and that the net income of the Company will be negatively affected by such borrowing arrangements.

1.3.3 Currency risk

NOK is the functional currency of the Company and its subsidiaries. The Company is mainly exposed to foreign currency risk related to purchase of ferries and passenger boats. Major fluctuations in the foreign currency market for NOK in relation to USD and/or EUR could have a negative impact on the Company.

1.3.4 Hedging transactions

The Company may engage in certain hedging transactions which are intended to reduce the currency or interest rate exposure; however, there would normally be no obligation to enter into any such transactions. Any such hedging transaction may be imperfect, leaving the Company indirectly exposed to some risk from the position that was intended to be protected. The successful use of hedging strategies depends upon the availability of a liquid market and appropriate hedging instruments and there can be no assurance that the underlying subsidiaries will be able to close out a position when deemed advisable.

1.3.5 Interest rate risk and covenant risks

Any changes in the underlying interest rate would directly affect the returns on the underlying investments. Interest rate levels can also indirectly affect the value of the assets at the point of sale. This will impact the value of the Company's portfolio.

2 Definitions

Annual Report 2017	Fjord 1 ASA's Annual Report of 2017
Annual Report 2016	Fjord 1 ASA's Annual Report of 2016
Board of directors	The Board of directors of the Company
C	Chairman
Companies Registry	The Norwegian Registry of Business Enterprises (Foretaksregisteret)
Company / Issuer / Fjord1/ Fjord1 ASA	Fjord1 ASA, a Norwegian company organized under the laws of Norway
Consolidated financial statements 2016	Fjord1 ASA Consolidated financial statements including auditor's opinion 2016
D	Director
DD	Deputy Director
EBIT	Earnings Before Interest & Tax
Group	Issuer and its (directly or indirectly owned) subsidiaries from time to time, (each a Group Company)
IFRS	International Financial Reporting Standards
Global Coordinators	DNB Bank ASA, DNB Markets, Nordea Bank AB (publ), Branch in Norway
Joint Lead Managers	DNB Bank ASA, DNB Markets, Nordea Bank AB (publ), Branch in Norway, Fearnely Securities AS and SpareBank 1 Markets
LNG	Liquefied natural gas
MD	Manager Director
PCE	Passenger car equivalents
Registration Document	This document dated 8 May 2018
SVV	Norwegian Public Roads Administration (Statens Vegvesen)

3 Persons responsible

3.1 Persons responsible for the information

Persons responsible for the information given in the Registration Document are as follows:
Fjord1 ASA, Strandavegen 15, 6905 Florø, Norway

3.2 Declaration by persons responsible

Responsibility statement:

Fjord1 ASA confirms that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Florø, 8 May 2018

CEO, Dagfinn Neteland
Fjord1 ASA

4 Statutory Auditors

4.1 Names and addresses

The Company auditor for the period covered by the historical financial information in this Registration Document has been Ernst & Young AS.

Ernst & Young AS contact information: Ernst & Young AS

Ernst & Young AS is member of The Norwegian Institute of Public Accountants.

Ernst & Young AS' registration number in the Norwegian Register of Business Enterprises is 976 389 387. The auditor's registered address is Thormøhlens gate 53 D, NO-5006 Bergen.

5 Information about the issuer

5.1 History and development of the issuer

5.1.1 Legal and commercial name

The legal name of the issuer is Fjord1 ASA and its commercial abbreviation is Fjord1.

5.1.2 Place of registration and registration number

The Company is registered in the Norwegian Companies Registry with registration number 983 472 583.

5.1.3 Date of incorporation

Fjord1 ASA was incorporated on 9 May 2001.

5.1.4 Domicile and legal form

Fjord1 ASA is a public limited liability company registered under the laws of Norway and governed by the Norwegian Public Limited Liability Companies Act of 13 June 1997, No 45 (The "Public Limited Liability Companies Act") and the Norwegian Stock Exchange Regulations will apply. Fjord1 ASA was listed on Oslo Stock Exchange 15 August 2017.

See also section 6.2 Legal and Group structure.

The Company's registered address is Strandavegen 15, 6905 Florø. Postal address is PO Box 354, 6902 Florø. The Company's telephone number is +47 57 75 70 00.

5.1.5 The object of the Company stipulated in the articles of association

The objectives of the Company are specified in § 2 of the Articles of Association:

«The Company's purpose is to engage, either on its own or through full or partial ownership in other enterprises, in activities related to transport, communication and tourism. The company may also engage in other areas whenever such engagement is relevant and serves to strengthen the company's primary purpose, or whenever such engagement allows the company to utilize its resources more effectively. »

5.1.6 Recent events relevant to evaluation of solvency

There are no recent events related to the Issuer, which to a material extent, are relevant to the evaluation of the Issuer's solvency.

5.1.7 Principal investments

There are no principal investments made since the date of the last published financial statements.

5.1.8 Principal future investments

As a result of winning tenders, and the requirements under such awarded contracts in respect of capacity and environmental matters, the Company will invest in new vessels and equipment as well as carry out substantial reconstruction of existing vessels. Fjord1 currently has contracts with five different shipyards; the Norwegian shipyards Havyard Ship Technology AS and Fjellstrand AS and the Turkish shipyard – Tersan, Sefine and Cemre. Section 6.5.1.3 shows an overview of ordered vessels. In addition, Fjord1 will enter into contracts regarding the reconstructions of five existing vessels. It is currently not decided where these ships will be reconstructed.

In addition to investments in vessels, Fjord1 will do significant investments in infrastructure adapted to the electric or hybrid based propulsion technologies. Fjord1 is responsible for the relevant infrastructural constructions, including charging arrangements, mooring machines and battery banks, as well as the work necessary to install the equipment. The estimated infrastructure investments in connection with the five new contracts are NOK 556

million. The respective local road authority has an option to purchase the infrastructure in relation to the contracts Hordaland 1, Sulapakken, Hordaland 2 and Nordmøre. Should the option not be exercised, Fjord1 will be fully compensated over the term of the contract.

5.1.9 Anticipated sources of funds

The estimated cost in respect of new builds and reconstruction related to the new ferry contracts is NOK 3,613 million, over the period 2018 to final delivery in 2019. Fjord1 has historically financed newbuilds with 70% bank loans and 30% equity, and expects to apply 70-80 % debt financing in respect of these contracts.

Reconstruction of vessels may consist of adjusting capacity, replacing the engine, installation of battery and electric propulsion system, or other adjustments to satisfy contractual requirements.

The construction period for the vessels is generally 18-24 months. The Company has varying payment structures in its construction contracts, with customary 10-30 % advance payments and 70-90 % payable on delivery. The advance payments are covered through the Company's running operations, and the advance payments are secured by guarantees in favour of the Company. Drawdown under the relevant loan facility is made in connection with the delivery of the vessels. The Company has an available loan facility and has available liquid funds to meet its other payment requirements in respect of newbuilds and reconstructions in the 12 months after the date of this Prospectus.

5.1.10 Selected financial information

Fjord1 ASA (consolidated IFRS) – annual accounts (audited)

Balance Sheet (NOK thousands)	31.12.2017	31.12.2016
Total non current assets	4,614,499	4,186,188
Total current assets	639,913	683,231
Total assets	5,254,412	4,869,419
Total equity attributable to owners of the parent	2,063,568	1,719,223
Total liabilities	3,186,678	3,146,315
Total equity and liabilities	5,254,412	4,869,419

Statement of profit or loss / Comprehensive Income (NOK thousands)	31.12.2017	31.12.2016
Total operating expenses	-1,829,523	-1,665,825
Operating profit (EBIT)	732,602	568,139
Net financial income/ (expenses)	-17,075	30,485
Profit (loss) before tax	602,633	450,122
Total comprehensive income for the year	594,829	464,117

Cash flow statement (NOK thousands)	31.12.2017	31.12.2016
Net Cash flow from operating activities	926,679	642,554
Net Cash flow used in investing activities	-618,845	-274,147
Net Cash flow used in financing activities	-387,533	-172,930
Cash and cash equivalents at end of period	474,294	553,993

6 Business overview

6.1 Group and industry overview

Fjord1 is a Norwegian group of companies whose main business is to provide high quality ferry services as supplier to public authorities and the community.

While ferry services in Norway were in the past mainly provided by public authorities, these services have generally been privatised and commercialised. Fjord1 has emerged as the largest of the Norwegian companies providing ferry services, with an estimated market share of approximately 50 % based on PCE (passenger car equivalents)¹. Fjord1 has its geographical background in the two counties Sogn og Fjordane and Møre og Romsdal, but has expanded over the years to provide ferry services along larger parts of the Norwegian coast.

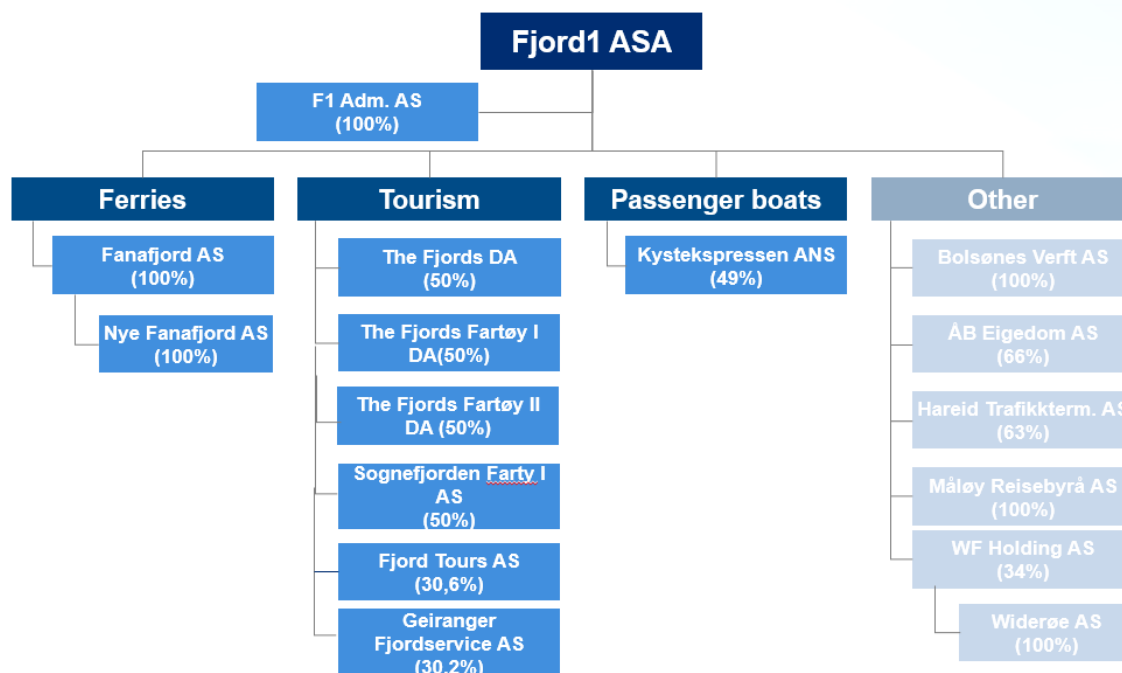
Norway's coast has a geography which remains highly dependent on ferries to cross fjords and to reach islands. There are more than 100 active ferry services in Norway. Despite investment in bridges and tunnels, Fjord1 believes that ferries will continue to be a vital part of the Norwegian road infrastructure for the foreseeable future, not least because ferries provide cost efficient and flexible transportation systems compared to the alternatives.

In addition to Fjord1's involvement in ferries, Fjord1 also has engagements in passenger boats, catering, tourism and holdings in a domestic airline.

6.2 Legal and Group structure

Fjord1's group operations are centered around four segments; ferry, passenger boats, catering (sea) and tourism; in addition to certain minor support activities. Further, the Company has a financial investment in Widerøe AS (Air).

The chart below illustrates the Group organization structure:



¹ Source: Ferjedatabanken – see 13 Third Party Information

The table below sets forth an overview of the legal entities being parts of the Group.

Subsidiaries/affiliated company	Registered office	Function	Interest held
Fjord1 ASA	Norway	Main operational company, parent company of the group	
F1 Administrasjon AS	Norway	Administrative company, supplies services to the Company and other group companies.	100 %
Partrederiet Kystekspresen ANS	Norway	The company operates fast ferries Trondheim - Kristiansund and in the Trondheim region	49 %
Fana fjord AS	Norway	Holding company, the owner of nye Fana fjord AS	100 %
Nye Fana fjord AS	Norway	Ship owning company, the owner of the gas ferry MF Fana fjord, which is chartered to the Company	100 %
The Fjords DA	Norway	Tourism business. Guided fjord tours by boat	50 %
The Fjords Fartøy I DA	Norway	Ship owning company, the owner of the vessel Vision of the Fjords, which is chartered to the Fjords DA	50 %
The Fjords Fartøy II DA	Norway	Ship owning company, to be the owner of the vessel Future of the Fjords, which is to be chartered to the Fjords DA	50 %
Sognefjorden Fartøy I AS	Norway	Tourism business	50 %
Fjord Tours AS	Norway	Distribution of tourism products	30.6%
Geiranger Fjordservice AS	Norway	Distribution of tourism products	30.2%
WF Holding AS	Norway	Holding company for airline (Widerøe)	34 %
Bolsønes Verft AS	Norway	Industrial property company, and provider of maintenance services mainly to the Company	100 %
ÅB Eigedom AS	Norway	Real estate company	66 %
Hareid Trafikkterminal AS	Norway	Bus and ferry terminal company	63 %
Måløy Reisebyrå AS	Norway	Travel agency	100 %

6.3 Issuer dependent upon other entities

Fjord1 is not economical dependent of any of the other companies in the Group. However, the personnel in the administration is employed through F1 administration, and the Company is dependent of the key personnel in the administration. However, the administration may be transferred to Fjord1 if found necessary.

6.4 Vision, goals and strategy

The vision of Fjord1 is to be best on reliable and environmentally friendly transport. Fjord1 aims to be the safest and most attractive supplier of transport services by ferries and fast passenger boats to all stakeholders, being passengers, public road authorities, and cooperating parties. By providing helpful and professional service, Fjord1 aims to make the transport on the fjord a safe, comfortable and seamless experience. Fjord1 has defined the following goals and targets:

- To be best on environmentally friendly transport;
- To give its owners a stable and competitive yield on invested capital;
- To keep its promises to its passengers and other clients;
- To treat its employees in a way that attracts clever personnel; and
- To be a preferred partner for its cooperating parties.

6.5 Business segments

- **Ferries**
 - Fjord1 operates 64 ferries in island and fjord crossing
 - Focus in security delivery and environmentally friendly solutions
 - The Norwegian Public Roads Administration and county municipalities as counterparty
- **Passenger boats**
 - 4 owned and 9 leased boats in operation
 - Local routes in Sogn og Fjordane county
 - Ownership in Kystekspresen ANS (49%)
- **Catering**
 - Ferdamat is based on good ingredients and a range of fruit and nutritionally rich foods
 - Fjord1 served 800 000 griddle cakes (NW: “sveler”) in 2017
- **Tourism**
 - Joint Venture 50/50 with Flåm AS established in 2015
 - Routes in Nærøyfjorden, Lysefjorden and Geirangerfjorden
 - One electric vessel was delivered April 2018.

6.5.1 The ferry business

6.5.1.1 Overview of business

The ferry business in Norway is a service provided by private companies (such as Fjord1) to public road authorities, being a mix of state agencies and county municipalities. Contracts are entered into on a competitive basis, based on public tender procedures. The Company estimates that, measured in capacity (PCE), contracts in respect of approximately 27 % of the Norwegian ferry market will be subject to such public tenders in the next two to three years.

The normal contract duration is between 6 and 10 years, where a number of the agreements include unilateral options for the counterpart to extend the term. There is significant variation between the different contracts for ferry connections, in respect of the capacity (PCE) required, number of connections included, the frequency to be applied, environmental requirements etc. Consequently, the value of a contract will vary.

During the term of the contract, the ferry provider receives contribution to provide a service matching the requirements set forth in the respective invitation to tender in respect of timetable, vessel and operational profile as well as personnel. Under the respective contract, the Company is granted a license to operate the connection in the contract period, resulting in an effective monopoly for the service during such period. Pursuant to the contracts, the ferry provider must provide equipment (ferries), personnel (crew) and operations, and has full cost responsibility (including investments and maintenance), subject to normal rate or cost escalation clauses. The ferry provider will also be responsible for maintaining certain operational criteria, such as capacity, reliability, and other factors such as environmental factors (emissions).

Contracts can be entered into on a gross or net basis. In the context of the ferry business, a “gross contract” is a contract where the ferry provider receives contribution by the public road authorities to provide a specified service, and has no risk on transport volume or ticket revenues; i.e. is paid to provide a certain infrastructure, with the ticket revenues being collected on behalf of the road authorities. In contrast, a “net contract” makes the ferry provider dependent on the transportation volume since the ferry provider must derive part of its revenue from such ticket revenues. Ticket revenues are often not sufficient to cover the costs of providing ferry services in the extent society desires. To enable the ferry service providers to provide the desired level of service, the contracts often contain a level of contribution to the operations.

Pursuant to the newer contracts, prices are adjusted according to the Ferry Index while in the earlier contracts, the prices are regulated by the CPI-index. CPI is an adjustment for general inflation, while the Ferry index is a cost index for domestic sea transport, which takes into consideration development in costs specific for sea travel such as fuel, wages, interest cost and maintenance. Nordmørspakken will be adjusted to the Ferry index excluding fuel.

A number of the contracts contain requirements for one or more back-up ferries in the event of engine failures and other operational disruptions. The contracts have differing requirements as to response time, capacity etc. In order to satisfy the requirement, not all of the Company's ferries are in day-to-day operations.

6.5.1.2 Contract overview

The table below sets forth an overview of the contracts served by Fjord1, including contracts recently awarded. Several of the contracts have additional option periods.

When competing for contracts, ferry providers need to take into account both operating, investing, and financing parameters of a contract to determine how to bid to achieve a satisfactory profitability. Technological shifts in the ferry business, with increased requirements for battery and/or hybrid powered ferries, add to the complexity of the tender process. Fjord1 believes that its broad portfolio of contracts serves to mitigate specific risks related to individual contracts. Further, Fjord1 believes that it has gained significant advantages by being at a technological forefront, having commenced operation of its first LNG ferry (Glutra) in 2000 and its first fully electric connection in 2018.

Tender	Start-up	End	Option	Type contract	Regulation
Nordmørspakken (new)	01.01.2020	31.12.2030		Gross	Ferry index excl. fuel
Sulapakken	01.01.2019/ 2020	31.12.2030		Gross	Ferry index
Hordaland Rutepakke 1	01.01.2018/ 2020	31.12.2029		Gross	Ferry index
Hordaland Rutepakke 2	01.01.2020	31.12.2028	2029	Gross	Ferry index
Brekstad – Valset	01.01.2019	31.12.2028	2029	Gross	Ferry index
Boknafjorden	01.01.2019	31.12.2024	2025-2029	Gross	Ferry index
Anda – Lote	01.01.2018	31.12.2027	2028	Gross	Ferry index
Fylkesvegsamband Sogn & Fjordane	01.01.2016	31.12.2025	2026-2027	Net	Ferry index
Svelvik – Verket	01.01.2013	31.12.2020	2021	Sub-supplier net	Ferry index
Romsdalspakken	01.01.2010	31.12.2019	2020	Net	CPI
Nordøyane	01.01.2014	31.12.2018	2019-2021 - firm	Gross	Ferry index
Sølsnes – Åfarnes	01.01.2014	31.12.2018	2019-2021 firm	Gross	Ferry index
Indre Sunnmøre	01.01.2012	31.12.2019	2020	Net	Ferry index
Nordmørspakken (old)	01.01.2012	31.12.2019	2020	Net	Ferry index
Midtre Sunnmøre	01.01.2011	31.12.2018	2019 firm	Net	CPI
Indre Sogn	01.01.2006	31.12.2018	2019 firm	Gross	Ferry index
Bjørnefjorden/Boknafjorden	01.01.2017	31.12.2018		Gross	Ferry index
Flakk – Rørvik	01.01.2011	31.12.2018		Net	CPI
Refsnes – Flesnes	01.01.2010	31.12.2018		Sub supplier net	CPI
Fylkesveg M&R	01.01.2011	31.12.2019		Net	CPI
Local passenger boats in Flora, Vågsøy og Bremanger S&F	01.05.2012	30.04.2020	2021-2022	Gross	Salary/fuel and CPI
Local passenger boats in Lærdal, Vik og Høyanger S&F	01.05.2012	30.04.2020	2021-2022	Gross	Salary/fuel and CPI
Local passenger boats in Gulen, Solund og Askvoll S&F	01.05.2012	30.04.2020	2021-2022	Gross	Salary/fuel and CPI

6.5.1.3 The ferry fleet

In order to serve its contract portfolio, Fjord1 has a large fleet of ferries built and maintained to the standards required, as illustrated in the table below. Capacities are measured in passenger car equivalents (PCEs). Ferries are built to carry cars, trucks and passengers in a safe and efficient manner, and are adapted to the types of service that they are to provide. On large and densely trafficked crossings, several ferries with large capacity are employed, while on smaller and less densely trafficked crossings, it will be more efficient to employ smaller ferries, however, always taking into account the requirements of the road authorities in respect of time table and size of vessels. The average size of Fjord1's sailing fleet is 86 PCEs, but this ranges from the largest 242 PCE ferry in the fleet serving Boknafjord near Stavanger, to the smallest 11 PCE ferry serving a scarcely populated Western Norwegian island. Generally, a ferry is deemed to have an operational life time of 30 years, but older vessels may be modernized to satisfy the modern requirements, inter alia by reconstruction to hybrid technology.

Being passenger vessels, ferries are subject to rigorous certification procedures, which also relate to the officers and crew on board, as well as the systems of the owner in respect of regulatory adherence, safety, technical standard, maintenance, and other factors. The operation is under the supervision of the Norwegian Maritime Authority (Sjøfartsdirektoratet).

Overview of the ferry fleet

Ferry	Build year	Capacity *
Mokstrafjord	2018	130
Gloppefjord	2017	120
Eidsfjord	2017	120
Hornelen	2016	60
Losna	2016	60
Edeyfjord	2012	50
Boknafjord	2011	242
Hjørundfjord	2011	122
Storfjord	2011	122
Fannefjord	2010	128
Korsfjord	2010	128
Lifjord	2010	110
Norangsfjord	2010	120
Romsdalsfjord	2010	128
Davik	2009	45
Moldefjord	2009	128
Årdal	2008	108
Vågøy	2008	42
Fanafjord	2007	212
Mastrafjord	2007	212
Raunefjord	2007	212
Lote	2006	120
Bergensfjord	2006	212
Stavangerfjord	2006	212
Dryna	2005	35
Harey	2005	35
Julsund	2004	99
Eira	2002	100
Volda	2002	100
Nordfjord	2001	54
Glutra	2000	120
Ivar Aasen	1997	76

Ferry	Build year	Capacity *
Lærdal	1997	77
Svanøy	1992	89
Tresfjord	1991	124
Gulen	1989	83
Rauma	1988	73
Romsdal	1988	87
Dalsfjord	1986	28
Sulafjord	1986	106
Selje	1986	58
Sognefjord	1984	64
Sogn	1982	110
Solskjel	1981	35
Bjørnsund	1979	61
Geiranger	1979	36
Stordal	1979	51
Stryn	1979	81
Aukra	1978	36
Eid	1978	35
Nordmøre	1978	52
Sunnfjord	1978	46
Aurland	1977	35
Solnør	1977	36
Kvernes	1976	35
Sykkylvsfjord	1975	36
Veøy	1974	50
Fanaraaken	1973	29
Tingvoll	1972	35
Bolsøy	1971	38
Goma	1968	29
Nårasund	1968	11
Ørsta	1964	25
Driva	1963	29

* Capacity measured in PCE

The Group has an existing fleet of 64 ferries with a total capacity of 5,453 PCE, in addition to four passenger

Registration Document

boats (all vessels owned by Fjord1, except for Fanafjord, which is owned by Fanafjord AS). Three of the ferries, as well as the passenger boat Skagastøl, are chartered to The Fjords DA. At times with free capacity, the Company may charter vessels to third parties.

The existing fleet includes 12 ferries operating on LNG, two on biodiesel, one hybrid operating on LNG and marine gas oil and three hybrid electric ferries.

In addition to the existing fleet, the Company has 22 hybrid electric ferries to be delivered over the next two years.

The ferries are manned by trained officers and crew, all of which are employed by Fjord1. 944 of the 1,204 employees (at the end of 2017) were employed on the ferries. The employees play a large role in providing a safe, efficient and pleasant service to the passengers and in the overall quality in Fjord1's service offering.

Fjord1 ASA's fleet is registered in Norway.

Vessels under construction:

Under construction	Delivery	PCE	Shipyard
TBN 1	2Q 2018	45	Havyard
TBN 2	4Q 2018	50	Havyard
TBN 3	4Q 2018	50	Havyard
TBN 4	2Q 2018	120	Tersan
TBN 5	4Q 2018	120	Fjellstrand
TBN 6	4Q 2018	120	Havyard
TBN 7	4Q 2018	120	Havyard
TBN 8	1Q 2019	120	Havyard
TBN 9	3Q 2019	120	Havyard
TBN 10	3Q 2019	120	Havyard
TBN 11	3Q 2019	130	Tersan
TBN 12	3Q 2019	83	Sefine
TBN 13	3Q 2019	83	Sefine
TBN 14	4Q 2019	83	Sefine
TBN 15	4Q 2019	80	Cemre
TBN 16	4Q 2019	80	Cemre
TBN 17	3Q 2019	50	Havyard
TBN 18	4Q 2019	50	Havyard
TBN 19	4Q 2019	50	Havyard
TBN 20	4Q 2019	50	Havyard
TBN 21	4Q 2019	50	Havyard
TBN 22	4Q 2019	120	Tersan

Please see note 15 in Annual report 2017 for information about Capital commitments newbuildings for 2018 and 2019.

6.5.1.4 Trends and developments

The market for ferries has undergone significant changes over the last decades, primarily related to the change from a public service offering (being owned by county municipalities) to becoming a competitive business provided by private companies to public road authorities. One of the effects of this change is a concentration of business, which now is dominated by four commercial market participants. Fjord1 is the largest of these based on PCE (passenger car equivalents).

One of the significant trends in the ferry business is an increasing focus on emissions and alternative energy sources. Specifically, several recent tenders have requirements in respect of environmental matters, such as

Registration Document

use of energy, CO2 emissions and sometimes NOx emissions. A ferry company will need to adapt to the requirements, and currently ferries powered by batteries, or a hybrid combination with batteries, help meet the requirements. The hybrid powering technology provides the ferries with an alternative source of energy in the event charging difficulties occur, or for some reason the ferry uses an unusual amount of energy on a journey.

The trend is likely to lead to a gradual renewal of the ferry fleet, in particular on the shorter crossings that are best suited for such energy packages. In addition to the renewal of the fleet, a requirement for larger vessels and higher frequency in departures on connections, will lead to an overall growth in the ferry market. Fjord1 has from 2018 commenced its first fully electric ferry connection, which is the first one of this kind in Norway, and believes that it is well positioned to benefit from this trend.

6.6.1 Passenger boats

Passenger boats and combi boats

Fjord1 has three contracts with the Sogn og Fjordane County Municipality regarding the operating of routes for passenger and combi boats in Sogn og Fjordane. The contracts started with effect on 1 May 2012, and the duration of the contract is 8 years with an option to be extended for 2 additional years. The contracts consist of 15 local routes which are operated with three combi catamaran boats (Tansøy, Fjordglytt and Sylvarnes) owned by Fjord1, and 9 passenger and combi boats chartered from six different subcontractors as set forth below. Some of the boats only carry passengers, while others also carry cars.

Overview of owned passenger boats

Passengerboat	Build year	Passengers
Tansøy	2007	96
Fjordglytt	2000	81
Sylvarnes	2000	70
Skagastøl*	1970	384
*chartered to the Fjords DA		

Overview of leased passenger boats

Passengerboat	Build year	Passengers	Cars	Owner
Øyservice	2007	70	4	Florø Skyssbåt AS
Sea Service	1989	52		Florø Skyssbåt AS
Øyglimt	1980	38		Øyglimt AS
Solundir	2013	48		Vidar Hop Skyssbåter AS
Fjordcruise	1979	19		Vidar Hop Skyssbåter AS
Solundøy	1983	48		Vidar Hop Skyssbåter AS
Stjernesund	1979	28		Partrederiet Sulejet ANS
Setara	2009	11		Wilhelm Norheim
Skånevik	1967	21	147	Fjord2-Fjordcruises AS

Partrederiet Kystekspresen ANS

Fjord1 owns 49 % of the company Partrederiet Kystekspresen ANS ("Kystekspresen"), with Fosen Namsos Sjø AS owning the remaining 51 %. Kystekspresen has a contract with AtB, which is acting on behalf of Sør-Trøndelag and Møre og Romsdal County Municipality, regarding the operating of the route Trondheim – Kristiansund. The contract started in 2014, and the duration of the contract is seven years with an option to be extended for two years. Kystekspresen owns three express boats, two of which are express boats built of carbon fibre and were delivered in 2014.

6.7.1 Catering

Fjord1 carried 21.1 million passengers in 2017 and has catering in different sizes on several of its connections. Fjord1 offers Ferdamat, a concept based on raw materials, fruits and nutritional food, but also Norwegian homely food such as griddle cake (Nw: svele) and hot dogs. Griddle cake is Fjord1 Catering's brand product, and is served at all of Fjord1's ferries which have catering. Fjord1 sold 800,000 griddle cakes in 2017.

Ferdamat is a concept of quality which applies to and shall be recognizable on all of Fjord1's ferries with catering, regardless of the size of the ferry. All food that is sold on Fjord1's ferries shall be fresh and of good quality, and give the customers the greatest experience. The Company is working on developing the concept further and have opened self-served catering on smaller connections without catering staff. It is in addition planned to offer e.g. organic products in the future due to market trends and demands.

Fjord1 searches for improvements in regard to environment and the use of energy, and will always strive to use installations in kiosks which achieve, and can help Fjord1 achieve, the at all times existing environmental requirements.

6.8.1 Tourism

The Company is engaged in the Norwegian tourism business, through a joint partnership in The Fjords DA ("The Fjords"). The Fjords was established in 2015 as a joint partnership between Fjord1 and Flåm AS.

The vessel Vision of the Fjords, a hybrid-electric carbon fibre catamaran designed to carry 400 passengers, was delivered in July 2016. A second vessel, fully electric, was delivered in April 2018,, to be ready for the 2018 summer season.

The Fjords is dedicated to moving its passengers, and operates a fleet of seven tourism and transport vessels on the Western Norwegian fjords. The Fjords is a new concept of modern tourism in some of the most iconic Norwegian fjords; Nærøyfjorden, Lysefjorden and Geirangerfjorden. The company aims to connect customers not just to their destination but providing an attractive experience that easily can be combined with other premium travel adventures. The Fjords served approx. 518,000 passengers in 2017.

The Fjords has a long-term strategy to become a leading player within fjord-based tourism and Fjord1 participates with its experience within technology and logistics.

The vessel Vision of the Fjords on Nærøyfjorden



In addition to its participation in The Fjords, Fjord1 holds a 30.6 % stake in the tourism company Fjord Tours AS, 50 % stake in both The Fjords Fartøy I DA, The Fjords Fartøy II DA and Sognefjorden Farty I AS and a 30,2 % stake in Geiranger Fjordservice AS.

6.9.1 The investment in Widerøe

The Company has an ownership position of 34% in Widerøe through its ownership position in WF Holding AS. Widerøe is the largest regional airline in the Nordic, serving commercial and tender routes in Norway. Widerøe owns and operates a fleet of 41 aircrafts with around 450 departures daily.

7 Market Overview

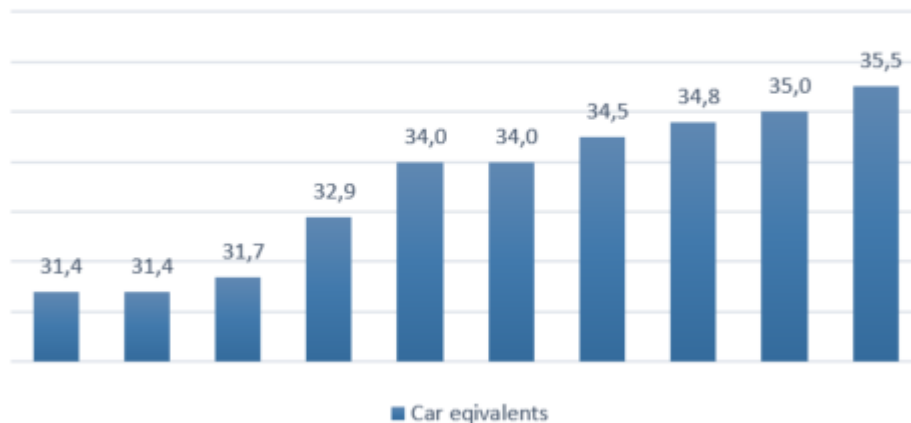
The core business of the Company is to provide high quality and low emission ferry services in the Norwegian market. The section below is intended to give an overview of the key features of this market and of the Company's key assumptions underlying its exposure to this market. Market data in this section has been extracted from reports and data prepared by Oslo Economics and Norwegian Public Roads Administration (Statens vegvesen), unless otherwise stated.

7.1 Overview of the Norwegian domestic ferry market

Ferries services are a critical part of Norwegian public transportation, crossing the fjords and connecting islands to the mainland.

In total, ferries in Norway transported 35.5 million passenger car equivalents ("PCE") and 43.4 million passengers in 2017 (including drivers). The open market consists of approximately 120 connections served by approximately 200 ferries. Most ferry connections are operated by the four largest ferry companies in Norway; Fjord1 ASA, Torghatten ASA, Norled AS and Boreal Transport Norge AS.

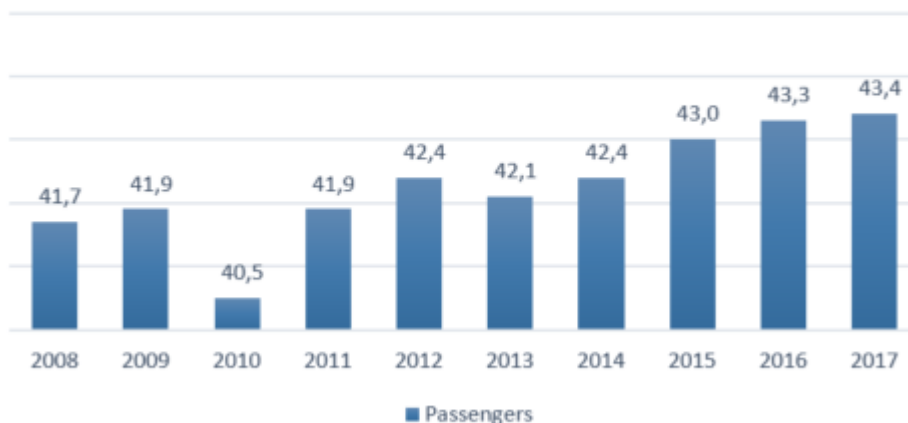
Historical development in PCE per year (millions, 2008-2017)



Source: Norwegian Public Roads Administration (Statens vegvesen, Ferjedatabanken, April 2018)

Demand for transportation by ferries has exhibited a fairly steady growth rate over time, growing from 31.4 million PCE transported in 2008 to 35.5 million PCE transported in 2017. The compound annual growth rate over the period was 1.2%.

Historical development in passengers incl. drivers per year (millions, 2008-2017)







Source: Norwegian Public Roads Administration (Statens vegvesen, Ferjedatabanken, April 2018).

In terms of passengers transported, the number has grown from 41.7 million in 2008 to 43.4 million in 2017. The compound annual growth rate over the period was 0.4%. Over the same period, the number of passenger per vehicle using ferry services has declined.

7.2 Competitive position

The Norwegian domestic ferry market has gone through comprehensive consolidation over the past 10 years. There are four major players remaining; Fjord1 AS, Torgshatten ASA, Norled AS and Boreal Transport Norge AS.

Overview of connections and PCE transported in 2017 by the four major players

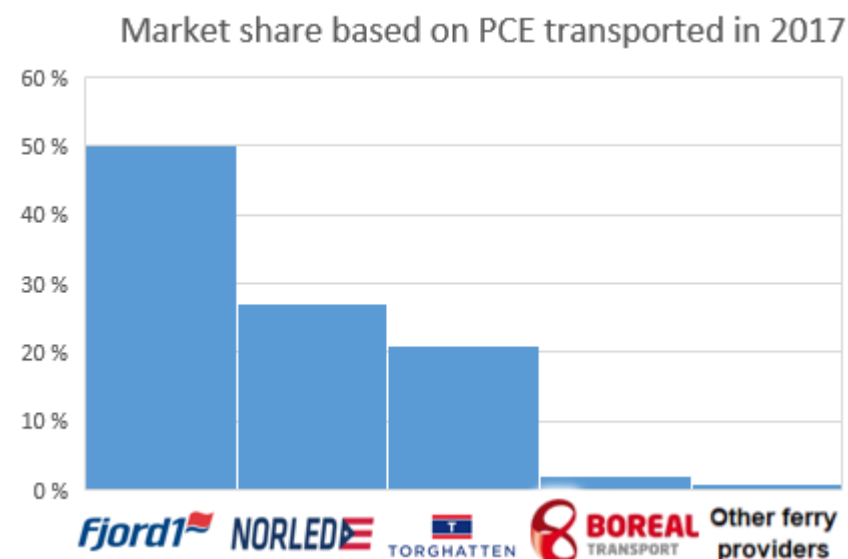
Company	Connections	PCE in 2017
 Fjord1	29	17.4 mill
 NORLED	31	9.4 mill
 TORGHATTEN	41	7.9 mill
 BOREAL TRANSPORT	13	0.6 mill

Source: Norwegian Public Roads Administration (Statens vegvesen, Ferjedatabanken, April 2018).

In terms of PCE transported, Fjord1 is the largest ferry company with 17.4 million PCE transported in 2017. Norled AS is the second largest with 9.4 million PCE transported, Torgshatten ASA is the third largest with 7.9 million PCE transported, while Boreal Transport Norge AS is the fourth largest with 0.6 million PCE transported. In addition, other ferry service providers transported 0.3 million PBE.

In terms of connections, Torgshatten ASA had the largest number with 41 connections in 2017. Norled AS had 31 connections, Fjord1 had 29 connections while Boreal Transport AS had 13 connections, while other ferry service providers had the remaining connections.

In general, Fjord1 and Norled AS together have more connections in the Western and Middle part of Norway while Torgshatten ASA and Boreal Transport AS combined have more connections in the Northern part of Norway.



Source: Norwegian Public Roads Administration (Statens Vegvesen, Ferjedatabanken March 2018)

In terms of market shares based on PCE transported in 2017, Fjord1 is the largest player with a market share of around 50 %. Equally, Norled AS with a market share of 27 %, Torgshatten ASA with a market share of around 22 %, Boreal Transport AS with a market share of around 2 %, while other ferry service providers have a combined market share of around 1%.

Overview of the 10 largest connections and PCE transported in 2017 per Company

#	Connection	Company	PCE in 2017*	Average per day
1	Moss - Horten	Torghatten	3 701 212	10 140
2	Mortavika - Arsvågen	Fjord1	2 848 849	7 805
3	Sandvikvåg - Halhjem	Fjord1	1 865 751	5 112
4	Molde - Vestnes	Fjord1	1 573 941	4 312
5	Fodnes - Mannheller	Fjord1	1 245 118	3 411
6	Hareid - Sulesund	Norled	1 224 907	3 356
7	Solevåg - Festøya	Fjord1	1 183 634	3 243
8	Sykkylven - Magerholm	Fjord1	1 176 219	3 223
9	Oppedal - Lavik	Norled	1 113 349	3 050
10	Flakk - Rørvik	Fjord1	1 033 106	2 830
Total top 10			16 966 086	46 482

* Passenger car equivalents.

Source: Norwegian Public Roads Administration (Statens Vegvesen, Ferjedatabanken April 2018)

There are approximately 120 ferry connections in Norway served by approximately 200 ferries on the open market. The variation in size (in terms of PCE) for the various connections in Norway is fairly large. The ten largest connections amounted to 16.97 million PCE in 2017, representing 48 % of the total number of PCE transported.

Fjord1 has a strong presence on the largest connections, operating seven of the top ten in 2017. Torghatten ASA operated one of the 10 largest connections in 2017. Norled AS operated two of the top 10 connections.

The Norwegian domestic ferry market has been independent of the international ferry market. None of the four major ferry providers in the Norwegian domestic market are offering services on international connections, and none of the international providers are present in the domestic ferry market.

7.3 Barriers to entry

The Norwegian ferry service market is characterized by considerable barriers to entry:

- The existing players have the flexibility of using their existing fleet when tendering for new contracts
- The existing players have the required financial strength to order new builds and to maintain a fleet of vessels
- The existing players have industry specific knowledge and necessary certifications necessary to operate in the Norwegian market
- The existing players have the organizations to handle chartering, operations and technical matters
- The existing players have proven track records, which is important when tendering for new contracts

7.4 The tourism market²

The Norwegian tourism industry experiences a steady growth. In 2014, the annual volume change in total tourist consumption was 2,1 %, in 2015 yet another 2,1 % and in 2016 preliminary figures show an increase of 3,3 %. In 2017, 33.3 million overnight stays were registered at commercial accommodation providers in Norway. In addition, travellers arrange accommodation privately, or through services such as Airbnb and Couchsurfing. Norway also receives visits from cruise passengers.

Preliminary figures from Statistics Norway show that the tourism industry employed approximately 6,8 % of the aggregate employment in Norway in 2016, and the industry's share of Mainland Norway's GDP was of 4,2 %. Total tourism consumption was 170 NOK billion, where foreign tourist spent 50 NOK billion while domestic travellers spent the 120 NOK billion.

² The general description of the Norwegian tourism market is sourced from the Norwegian Ministry of Trade, Industry and Fisheries - Meld. St. 19 (2016-2017). Number for overnight stays in 2017 is sourced from <https://www.ssb.no/statbank/table/08401/?rxid=bfdb8aa2-99ad-418a-b8a1-410bcb8d8684>. Number for other key figures is from the last updated Tourism satellite accounts 16th of March 2018 from Statistics Norway: <https://www.ssb.no/en/nasjonalregnskap-og-konjunkturer/statistikker/turismesat>

Consequently, The Fjords DA operates in a growing market, and has experienced substantial growth in its short history. The number of passengers and turnover in The Fjords DA in 2015 – 2017 are as follows:

	2015	2016	2017
Passengers	397,963	464,255	517,886
Revenues (tNOK)	106,856	125,820	150,223

8 Trend information

8.1 Outlook

Outlook as per Annual Report 2017

The ferry industry is experiencing major change because of changed requirements in tenders related to energy, the environment and capacity. Demand for ferry services is increasing, with more ferries in operation and increased frequency on several routes. There is a high level of tender-related activity again in 2018. Fjord1 has been awarded important environmental contracts over the past two years, with the start-up of electric crossings from 2018 to 2020.

A substantial share of the market will be put out to tender in the coming years, and the Board of Directors believes that the group is well positioned to take part in future tender competitions. The company will continue to strive for cost-efficient and profitable operations. Refinancing has been carried out to support the company's newbuilding programme further to the new contracts awarded.

Fjord1 shall continue to develop its position as the leading company in the industry, increase the efficiency of its current contract portfolio, win new and profitable contracts, develop its tourismrelated operations and take part in technological developments in the market.

The Board of Directors would like to thank the management and employees for their significant contributions to the results achieved in 2017. The Board of Directors is confident of achieving a high level of activity and a good result again in 2018.

8.2 Statement of no material adverse change

There has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements. For further information, see clause 11.6 ("Significant change in the Group's financial or trading position").

9 Administrative, management and supervisory bodies

9.1 Information about persons

Board of directors

The table below set out the names of the board of directors of the Company:

Name	Position	Business address
Vegard Sævik	Chairman	Fjord1 ASA, Strandavegen 15, 6905 Florø
Frederik Wilhelm Mohn	Director	Fjord1 ASA, Strandavegen 15, 6905 Florø
Siri Beate Hatlen	Director	Fjord1 ASA, Strandavegen 15, 6905 Florø
Jannicke Driveklepp	Director	Fjord1 ASA, Strandavegen 15, 6905 Florø
Per Sævik	Director	Fjord1 ASA, Strandavegen 15, 6905 Florø
Atle Olav Trollebø	Director, Employee representative	Fjord1 ASA, Strandavegen 15, 6905 Florø
Geir Offerdal	Director, Employee representative	Fjord1 ASA, Strandavegen 15, 6905 Florø
Egil Kirkebø	Observer, Employee representative	Fjord1 ASA, Strandavegen 15, 6905 Florø
Thomas Rakstang	Observer, Employee representative	Fjord1 ASA, Strandavegen 15, 6905 Florø

Vegard Sævik - Chairman

Vegard Sævik has been a board member since 2011, Vice Chairman of the Board until 2016, and was elected Chairman of the Board in July 2017. Mr. Sævik is employed with Havila AS as Deputy Managing Director and holds board positions in various external and internal companies. He is currently chairman of the board of Havyard Group ASA, and holds a Bachelor of commerce from Handelshøyskolen BI.

Current directorships and senior management positions:

Fjord1 ASA (C), Havyard Group ASA (C), Never no AS (C), Havila Invest AS (MD/D), Havilafjord AS (D), Siva Sunnmøre AS (D), Kystruten KS (MD), Havila Ariel AS (MD), OHI Eiendom AS (MD), Havblikk Eiendom AS (MD/D), Tangen 7 Invest AS (MD), Sævik AS (D), Havila AS (D), Hardhaus AS (D), Brattholm Invest AS (D), Innidimman AS (C), Hotell Ivar Aasen AS (C)

Frederik W. Mohn - Director

Frederik W. Mohn has been a board member since July 2017. Mohn is the sole owner of Perestroika AS, an investment company with long-term investments within offshore/rig, shipping, property-development and financial services. He holds an extensive industrial experience from the world-wide family business, Frank Mohn AS, where he also held the position of Managing Director, as well as through positions with Schlumberger in the USA.

Current directorships and senior management positions:

Fjord 1 ASA (D), Perestroika AS (C), Transocen (D), DOF ASA (D), Viken Crude (D), Møgster Mohn Offshore AS (D), Fornebu Sentrum AS (D), Fornebu Sentrum Utvikling AS (D), Høvik Stasjonsby AS og KS (D), Gjettumgrenda AS og KS (D)

Siri Beate Hatlen – Director

Siri Beate Hatlen has been a member of the Board since July 2017. Ms Hatlen has a Master of Science from the Norwegian University of Science and Technology (NTNU) and a Master of Business Administration from INSEAD. In her early career she worked for Statoil on larger offshore projects, later as management for hire and as board member/chair of the board of directors for numerous companies in Norway. She has served as Executive Vice President of Statkraft, and as CEO of Oslo University Hospital.

Current directorships and senior management positions:

Fjord 1 ASA (D), Bane Nor SF (C), Entra ASA (C), Teknologirådet (C), Norwegian University of Life Sciences (C), DNT Oslo og Omegn (C), Eksportkreditt Norge AS (D), Lovisenberg Diakonale Sykehus (C), Medi3 (D).

Janicke Westlie Driveklepp – Director

Janicke Westlie Driveklepp has been a board member since December 2016. Mrs. Driveklepp currently works as Chief Financial Officer in Vartdal Plastindustri AS. She has previously held positions as Finance

Registration Document

Director/executive vice president of Scana Volda AS and before that as Financial Manager of Frøystad Fiskevegn AS, in addition to being a senior associate of Ernst & Young AS. She has also held a position as Vice President Organisation in SafeRoad AS. Mrs. Driveklepp holds a Master in Business and Science.

Current directorships and senior management positions:

Fjord 1 ASA (D), Vartdal Plastindustri AS (CFO), Mesta AS (D), Fjord1 ASA (D), VD Transport (C), Bakkane Invest AS (D).

Per Rolf Sævik – Director

Per Sævik has been a board member since 2014. Mr. Sævik was Observer of the Board and Deputy Director since 2011. He has over 35 years' experience in operation and management of fishing and supply vessels and is currently Managing Director of Havila AS and Havilafjord AS. Mr Sævik was member of the Norwegian Parliament for a period of 4 years. He is currently Chairman and Director in several external companies, and has various board positions in Havila-group companies.

Current directorships and senior management positions:

Fjord 1 ASA (D), Havila AS (MD), Pison AS (MD/C), Bratholm AS (C), Sæviking AS (C), Fosnavåg Parkering AS (C), Brattholm Invest AS (C), Sævard DA (C), Hardhaus AS (DD), Havgapet AS (DD), Fosnavåg Vekst AS (C), Kysttruten AS (D), Norsesea PSV AS (D), Pison AS (C), Norminor AS (DD), P/F 6. September 2006 (D), P/F Skansi Offshore (D), P/F Eldborg (D), P/F Friborg (DD), P/F Hotel Hafnia (D), Havyard Ship Invest AS (C), HH Offshore AS (D), VestNord Group AS (D), Hotell Ivar Aasen AS (D), Havilafjord AS (C), Havila Ariel AS (C).

Atle Olav Trollebø – Director, Employee Representative

Atle Trollebø has been a board member since 2008, representing the employees. Mr Trollebø is currently working as a Captain with 20 years of.

Current directorships and senior management positions:

Fjord 1 ASA (D), Norsk Sjøoffisers Forbund Fjord1 ASA(D).

Geir Offerdal – Director, Employee Representative

Geir Offerdal has been a board member since July 2017, representing the employees. Mr. Offerdal is currently working as a sailor in Fjord1.

Current directorships and senior management positions:

Fjord1 ASA (D), Norsk Sjøoffiserers forbund Fjord1 ASA (D)

Egil Kirkebø – Observer, Employee Representative

Egil Kirkebø was Observer in the Board from September 2012 to November 2015 and now currently as Observer since January 2018 representing the employees. Mr Kirkebø is currently working as an IT Systemscoordinator with 9 years' experience at IT Department.

Mr. Kirkebø holds an degree in Bachelor IT and Informationsystems from University of Agder, Apprenticeship certificate from Oyrane Vidaregaande School.

Current directorships and senior management positions:

Fjord1 ASA (D), Negotia Fjord1 ASA D).

Thomas Rakstang – Observer, Employee Representative

Thomas Rakstang has been an observer in the Board since July 2016. Mr. Rakstang is currently working as Chief engineer, with 20 years of experience.

Current directorships and senior management positions: Fjord1 ASA (D), Det Norske Maskinistforbund – Fjord1 ASA (C), Erak AS (MD).

Management

The table below set out the names of the members of the Executive Team of the Company:

Name	Position	Business address
Dagfinn Neteland	CEO	Fjord1 ASA, Strandavegen 15, 6905 Florø
Anne Marie Sundal Bøe	CFO	Fjord1 ASA, Strandavegen 15, 6905 Florø
André Høyset	COO	Fjord1 ASA, Strandavegen 15, 6905 Florø
Deon Mortensen	Director Technical and HSE	Fjord1 ASA, Strandavegen 15, 6905 Florø
Nils Kristian Berge	Project Director	Fjord1 ASA, Strandavegen 15, 6905 Florø

Dagfinn Neteland – Chief Executive Officer (CEO)

Dagfinn Neteland is the Chief Executive Officer in Fjord1 since January 2017. He also held this position in 2014-2015. Mr. Neteland has previous positions in the Transporting and Banking industry including CEO of Tide ASA, CEO of HAD ASA, CEO of Gjensidige Vest and Regional Manager of Nordea.

Current directorships and senior management positions:

Fjord1 ASA (CEO), Norheimsund Skiheis AS (C), , Presis Vegdrift AS (C), Janus AS (D), The Fjords DA (D), Fjord Tours (D), Geiranger Fjordservice AS (D).

Anne-Mari Sundal Bøe – Chief Financial Officer (CFO)

Anne-Mari Sundal Bøe has been the Chief Financial Officer in Fjord1 ASA since December 2013. Mrs Bøe has previous experience as Group Chief Accountant of INC Invest AS and Senior Manager in PwC. She holds a Master of Business and Economics from Norwegian School of Economics (NHH).

Current directorships and senior management positions:

Fjord1 ASA (CFO), Widerøe AS (D), Widerøes Flyveselskap AS (D), F1 Administrasjon (C), Fanafjord AS (D)

André Høyset – Chief Operational Officer (COO)

André Høyset is Chief Operational Officer starting in March 2017. Mr. Høyset had the position as const. Chief Executive Officer in 2016 and previous 20 years of experience from various positions at Fjord1 including Head of IT and Director of Human Resource. He holds a Master of Science in Information Technology.

Current directorships and senior management positions:

Fjord1 ASA (COO), Widerøe AS (D), Widerøes Flyveselskap AS (D), The Fjords DA (D), The Fjords Fartøy I DA (D), Maritime Training office southwest – Maritimt treningskontor sørvest (D), NH Sea - NHO Sjøfart (D), Fjord-2 - Fjord Cruises AS (D), F1 Administrasjon AS (D)

Deon Mortensen – Director Technical and HSE

Deon Mortensen is Director Technical and HSE in Fjord1. Mr. Mortensen has experience from Fjord1 since 2010 in positions including Senior Vice President of Fjord1 Fylkesbaatane AS. He has also experience as Technical Director of STX Norway Florø and Project Manager of Odfjell SE.

Current directorships and senior management positions:

Fjord1 ASA (Director Technical and HSE), Maritime Montering AS (D), Martime Møbler AS (D), Gunhildvågen Industri AS (D), Gunhildvågen Utvikling AS (D), Fanafjord AS (C).

Nils Kristian Berge – Project Director

Nils Kristian Berge is Project Director since January 2018. Mr. Berge has over 30 years of experience in the Shipping Industry and holds an BSc Degree in Naval Architecture. Previous positions include CEO of Arab Shipbuilding and Repair Yard, Director of Shipmanagement in Utkilen AS, Technical Director in Laurin Maritime Inc., and other senior manager positions in shipping companies and shipyards.

Current directorships and senior management positions:

Fjord1 ASA (Project Director), Berge Consult (Owner)

9.2 Audit committee

In accordance with the rules set out in the Norwegian Public Limited Liabilities Companies Act Section 6-41, the audit committee for the Company consist of the following three Board members; Jannicke Driveklepp (chairperson), Siri Beate Hatlen and Vegard Sævik.

The audit committee prepares the follow-up of the financial reporting process, monitors the systems for internal control and risk management, maintains on going contact with the Company's elected auditor concerning the audit of the annual accounts, and assesses and monitors the auditor's independence, in accordance with the Norwegian Public Limited Liabilities Companies Act Section 6-43.

9.3 Corporate governance

The Company maintains high standards of corporate governance and is committed to ensure that all shareholders of the Company are treated equally.

The Company's principles for corporate governance comply with the Corporate Governance Code, except that the Company has not established a remuneration committee.

9.4 Administrative, management and supervisory bodies conflicts of interest

There are no potential conflicts of interest between any duties to the Company of the board of directors or the Company's management, and their private interests or other duties.

10 Major shareholders

10.1 Ownership

As of 9 April 2018 the share capital of Fjord1 ASA is amounted to NOK 250,000,000 divided into 100,000,000 shares at nominal value of NOK 2.50 each.

Below is the list of the 20 largest shareholders of Fjord1 ASA as of 9 April 2018.

Investor	Number of shares	% of top 20	% of total	Type	Country
HAVILAFJORD AS	51,500,000	59.87%	51.50%	Comp.	NOR
PERESTROIKA AS	7,758,620	9.02%	7.76%	Comp.	NOR
VERDIPAPIRFONDET DNB NORGE (IV)	4,876,233	5.67%	4.88%	Comp.	NOR
BROWN BROTHERS HARRIMAN (LUX.) SCA	3,571,214	4.15%	3.57%	Nom.	LUX
STATE STREET BANK AND TRUST COMP	2,609,219	3.03%	2.61%	Nom.	USA
VERDIPAPIRFONDET DNB NORGE SELEKTI	2,487,603	2.89%	2.49%	Comp.	NOR
RBC INVESTOR SERVICES BANK S.A.	1,715,125	1.99%	1.72%	Nom.	LUX
DZ PRIVATBANK S.A.	1,600,564	1.86%	1.60%	Nom.	LUX
LANDKREDITT UTBYTTE	1,200,000	1.40%	1.20%	Comp.	NOR
GH HOLDING AS	1,106,000	1.29%	1.11%	Comp.	NOR
ARCTIC FUNDS PLC	1,073,811	1.25%	1.07%	Comp.	IRL
SEB NORDENFOND	1,020,500	1.19%	1.02%	Comp.	SWE
DZ PRIVATBANK S.A.	1,000,000	1.16%	1.00%	Nom.	LUX
VERDIPAPIRFONDET PARETO NORDIC	879,128	1.02%	0.88%	Comp.	NOR
TR EUROPEAN GROWTH TRUST PLC	841,892	0.98%	0.84%	Comp.	GBR
VERDIPAPIRFONDET SR-UTBYTTE	672,661	0.78%	0.67%	Comp.	NOR
VPF NORDEA NORGE VERDI	593,000	0.69%	0.59%	Comp.	NOR
SKANDINAVISKA ENSKILDA BANKEN S.A.	511,638	0.59%	0.51%	Nom.	LUX
FLU AS	500,000	0.58%	0.50%	Comp.	NOR
FONDSFINANS NORGE	500,000	0.58%	0.50%	Comp.	NOR
Total number owned by top 20	86,017,208	100%	86.02%		
Total number of shares	100,000,000		100%		

Havilafjord AS is the owner of a majority of the shares in the Company, and as such a controlling shareholder with a majority of the votes at general meetings. No particular steps have been taken to prevent abuse of the control the largest shareholder has in its capacity as owner of a majority of the shares and votes in the Company.

All shares carry equal and full shareholder rights in all respects (including, but not limited to voting rights and dividend rights) and no shares have different rights. Each share gives one vote at the Company's general meeting.

The Shares are freely transferable subject to local regulatory transfer restrictions.

10.2 Change in control of the Company

There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

11 Financial information concerning the issuer's assets and liabilities, financial position and profits and losses

11.1 Historical financial information

The consolidated financial statements of Fjord1 ASA for the year ended December 31, 2016 is the first annual financial statement which is prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (the EU). In these financial statements, the term "Norwegian GAAP" or "NGAAP" refer to Norwegian GAAP in use before the adoption of IFRS. Subject to certain transition elections and exceptions disclosed in note 2, the Group has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at January 1, 2015 throughout all periods presented, as if these policies had always been in effect. Note 2 discloses the impact of the transition to IFRS on the Group's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Group's consolidated financial statements for the year ended December 31, 2015 prepared under Norwegian GAAP.

The accounting principles of Fjord1 ASA are described in the Consolidated financial statements 2016 note 1-3, pages 14-28, in the Annual Report 2017 note 1, pages 69-76 and in the Annual Report 2016, pages 25-29

The separate financial statements for the Company have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

According to the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, information in a prospectus may be incorporated by reference. Because of the complexity of the historical financial information and the financial statements, the information in this Registration Document is incorporated by reference.

Reference is made to [Consolidated financial Statements 2016 - IFRS](#), [Annual Report 2017](#) and [Annual Report 2016](#)

Please see the cross reference list in section 37 for complete internet addresses.

	Consolidated financial statements 2016 IFRS	Annual Report 2017	2016
Consolidated			
Statement of profit or loss	Page 8	Page 63	
Income Statement	Page 9	Page 64	Page 21
Balance Sheet at 31 December	Page 10	Page 65	Pages 22-23
Cash flow statement	Page 12	Page 68	Page 24
Notes	Pages 14-55	Pages 69-105	Pages 30-43
Parent			
Income Statement		Page 107	Pages 21
Balance Sheet at 31 December		Pages 108-109	Pages 22-23
Cash flow statement		Page 111	Page 24
Notes		Pages 112-129	Pages 30-43

11.2 Financial statements

See section 11.1 Historical Financial Information.

11.3 Auditing of historical annual financial information

11.3.1 Statement of audited historical financial information

The financial information for 2016 and 2017 has been audited.

A statement of audited historical financial information for the Company is given in [Consolidated financial Statements 2016 - IFRS](#) page 56-57, the [Annual Report 2017](#) pages 131-134 and the [Annual Report 2016](#) page 44-46.

11.4 Age of latest financial information

11.4.1 Last year of audited financial information

The last year of audited financial information is 2017.

11.5 Legal and arbitration proceedings

Fjord1 ASA is not aware of any ongoing, pending or threatened governmental, legal or arbitration proceedings during the previous 12 months that may have or have had in the recent past a significant effect on the Company and/or the Group's financial position or profitability.

11.6 Significant change in the Group's financial or trading position

There has been no significant change in the financial or trading position of the Group since the end of the last financial period for which annual and interim financial information has been published.

12 Material contracts

Neither the Group nor any member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, the Group has not entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement.

13 Third party information and statement by experts and declarations of any interest

Part of the information given in this Registration document has been sourced from third parties as stated below. The Issuer hereby confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by the companies below, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Kind of information	Publicly available	Name of third party	Source	Qualifications	Material interest in the Partnership
6.1 Group and industry overview – market share	Yes	Ferjedatabanken	http://fdb.triona.no		No

14 Documents on display

The following documents (or copies thereof) may be inspected for the life of the Registration document at the Company's registered office at Strandavegen 15, 6905 Florø, Norway

- a) the Memorandum and Articles of Association of the Company;
- b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Registration Document;
- c) the historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of the Registration Document.

15 Cross reference list

Reference in Registration Document	Refers to	Details
12.1 Historical Financial Information	Consolidated financial statements 2016 IFRS, available at: https://www.fjord1.no/eng/content/download/5002/95088 Annual Report 2017, available at: https://www.fjord1.no/eng/content/download/4942/94462	Consolidated statement of profit or loss page 8 Consolidated statement of Comprehensive income, page 9 Consolidated Statement of Financial Position per 31 December, page 10 Consolidated statements of cash flow, page 12 Notes to the consolidated financial statements, pages 14-55 Consolidated statement of profit or loss page 63 Consolidated income statements page 64 Consolidated Balance Sheet per 31 December, page 65 Consolidated statements of cash flow, page 68 Notes to the consolidated financial statements, pages 69-105 Statements of income, page 107 Balance Sheet per 31 December, pages 108-109 Statements of cash flow, page 111 Notes to the financial statements, pages 112-129
	Annual Report 2016, available at: file:///C:/Users/ab89913/Downloads/Fjord1_Annual%20report%202016.pdf	Consolidated income statements page 21 Consolidated Balance Sheet per 31 December, page 22-23 Consolidated statements of cash flow, page 24 Notes to the consolidated financial statements, pages 30 - 43 Statements of income, page 21 Balance Sheet per 31 December, pages 22-23 Statements of cash flow, page 24 Notes to the financial statements, pages 30-43 Auditors report, pages 56-57
12.3.1 Statement of audited historical financial information	Consolidated financial statements 2016, available at: https://www.fjord1.no/eng/content/download/5002/95088 Annual Report 2017, available at: https://www.fjord1.no/eng/content/download/4942/94462	Auditors report, pages 131-134
	Annual Report 2016, available at: file:///C:/Users/ab89913/Downloads/Fjord1_Annual%20report%202016.pdf	Auditors report, pages 44-46

16 Disclaimers

16.1 Joint Lead managers' disclaimer

DNB Bank ASA, DNB Markets, Nordea Bank AB (publ), filial i Norge, Fearnley Securities AS and SpareBank 1 Markets (together the "Joint Lead Managers") have assisted the Company in preparing this Registration Document. The Joint Lead Managers have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this Registration Document or any other information supplied in connection with bonds issued by Fjord1 ASA or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Company. Each person receiving this Registration Document acknowledges that such person has not relied on the Joint Lead Managers or on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

Confidentiality rules and internal rules restricting the exchange of information between different parts of the Joint Lead Managers may prevent employees of the Joint Lead Managers who are preparing this Registration Document from utilizing or being aware of information available to the Joint Lead Managers and/or affiliated companies and which may be relevant to the recipient's decisions.

Oslo (Norway), 8 May 2018

DNB BANK ASA, DNB MARKETS

NORDEA BANK NORGE AB, FILIAL I NORGE

FEARNLEY SECURITIES AS

SPAREBANK 1 MARKETS

Appendix 1 Articles of Association

ARTICLES OF ASSOCIATION

FOR

FJORD1 ASA

Latest amendments approved by Extraordinary General Meeting on 7 July 2017

§1 Selskapet sitt namn

Selskapet sitt namn er Fjord1 ASA. Selskapet er eit allmennaksjeselskap.

§2 Selskapet si verksemd

Selskapet sitt føremål er sjølv, eller gjennom heilt eller delvis eigarskap i andre verksemdar, å drive transport-, kommunikasjon- og reiselivsverksemd. Selskapet kan også engasjere seg i andre forretningsområde når dette er interessant med tanke på fortjeneste og er eigna til å styrke hovudføremålet, eller det leier til ei meir rasjonell utnytting av selskapet sine ressursar.

§3 Forretningskontor

Selskapet sitt forretningskontor skal være i Flora kommune.

§4 Selskapet sin aksjekapital

Selskapet sin aksjekapital er kr. 250 000 000 fordelt på 100 000 000 aksjar, kvar pålydande kr. 2,50. Selskapet sine aksjar skal være registrert i Verdipapirsentralen (VPS).

§5 Selskapet si leiding

Styret i selskapet skal bestå av fem til ni medlemmer, inkludert eventuelle representantar for dei tilsette.

Selskapet sitt firma skal teiknast av styret sin leiar eller dagleg leiar kvar for seg eller to styremedlemmer i fellesskap.

Selskapet skal ikkje ha meir enn ein dagleg leiar.

§6 Valkomiteé

Selskapet skal ha ein valkomité som skal vere samansett av to medlemmer, som skal være aksjeeigarar eller representantar for aksjeeigarar.

Valkomiteen skal gje innstilling til generalforsamlinga om val av og godtgjersle til styremedlemmer. Valkomiteen si innstilling skal grunngjevast.

Generalforsamlinga vel medlemmer til valkomiteen, med dette er meint valkomiteen sin leiar.

Valkomiteen skal gje innstilling til generalforsamlinga om val av medlemmer til valkomiteen. Funksjonstida for valkomiteen sine medlemmer er to år, dersom ikkje generalforsamlinga fastset noko anna. Generalforsamlinga fastset godtgjersle til valkomiteen sine medlemmer.

Article 1: Company Name

The company's name is Fjord1 ASA. The company is a Norwegian public limited liability company.

Article 2: The company's business

The company's purpose is to engage, either on its own or through full or partial ownership in other businesses, in activities related to transport, communication and tourism. The company may also engage in other fields of business whenever such engagement is commercially interesting and is suitable for strengthening the company's primary purpose, or when such engagement leads to a more rational utilization of the company's resources.

Article 3: Business Office

The company's business office is in the Municipality of Flora.

Article 4: Share Capital

The company's share capital is NOK 250,000,000, divided into 100,000,000 shares, each with a nominal value of NOK 2,50. The Company's shares shall be registered in the Norwegian Central Securities Depository.

Article 5: Board of Directors

The company's Board of Directors shall comprise five to nine members, including prospective employee representatives.

Signing on behalf of the company may be done by the Chairman of the Board and the company's General Manager separately, or by two board members jointly.

The company shall have no more than one General Manager.

Article 6: Election Committee

The company shall have an Election Committee which shall comprise of two members, who shall be shareholders or representatives of shareholders.

The Election Committee shall submit a recommendation to the General Meeting regarding the election of and remuneration to the Board members. The reasons for the recommendation shall be included.

The General Meeting elects members of the Election Committee, this meaning the Chairman of the Election Committee. The Election Committee shall submit a recommendation to the General Meeting regarding the election of members of the Election Committee. The term of office for the Election Committee's members is two years, unless the General Meeting resolves otherwise.

Generalforsamlinga kan fastsetje nærare retningslinjer for valkomiteen sitt arbeid.

§7 Generalforsamling

Selskapet si generalforsamling skal kallast inn ved skriftleg melding til alle aksjonærar med kjend adresse.

Generalforsamlinga kan gjennomførast i Flora, Oslo, Bergen eller Ullensaker kommune.

Når dokument som gjeld saker som skal handsamast i generalforsamlinga er gjort tilgjengelege for aksjonæranne på selskapet sine internettsider, gjeld ikkje lova sitt krav om at dokumenta skal sendast til aksjonæranne. Dette gjeld også dokument som etter lova skal innlemmast i, eller leggst ved innkalling til generalforsamling. Ein aksjonær kan likevel krevje å få tilsendt dokument som gjeld saker som skal handsamast i generalforsamlinga.

Selskapet kan i innkallinga gje frist for påmelding som ikkje må forfalle tidlegare enn fem (5) dagar før generalforsamlinga.

Styret kan bestemme at aksjonæranne skal kunne gje stemma si skriftleg, med dette er meint bruk av elektronisk kommunikasjon, i ein periode før generalforsamlinga. For slik stemmegjeving skal det nyttast ein sikker metode for å identifiser avsender.

Generalforsamlinga vert leia av styret sin leiar eller den han peikar ut. På den ordinære generalforsamling skal følgjande spørsmål handsamast og avgjerast:

1. Godkjenning av årsrekneskapen og årsrapporten, med dette er meint utdeling av utbytte.
2. Handsaming av styret si erklæring om fastsetjing av lønn og anna godtgjersle til leiande tilsette.
3. Andre saker som etter lova eller vedtektene høyrer under generalforsamlinga.

The General Meeting determines the remuneration to the members of the Election Committee.

The General Meeting may determine detailed guidelines for the Election Committee's work.

Article 7: General Meeting

The Notice of the General Meeting shall be by written message to all shareholders with known address.

The General Meeting may be held in the municipalities of Flora, Oslo, Bergen or Ullensaker.

When documents regarding matters to be assessed and resolved by the General Meeting is made available for the shareholders on the company's webpages, the Norwegian Public Limited Liability Companies Act's requirement of the documents being sent to the shareholders does not apply. This also includes documents which by the Norwegian Public Limited Liability Companies Act shall be embodied in, or attached as appendices to, the Notice of the General Meeting.

In the Notice, the company may determine a deadline for the registration to the General Meeting which cannot be earlier than five (5) days before the General Meeting.

The Board of Directors may decide that the shareholders can give their vote in writing, meaning by use of electronic communication, for a period prior to the General Meeting. A secure method which identifies the sender shall be used when voting is done in such matter.

The General Meeting is chaired by the Chairman of the Board of Directors or the person which he appoints. The annual General Meeting shall assess and resolve the following:

1. Approval of the annual accounts and report, this meaning the distribution of dividend.
2. Assessing the statement of the board regarding determination of salary and other remuneration to senior executives.
3. Other matters which by the Norwegian Public Limited Liability Companies Act or Articles of Association shall be resolved by the General Meeting.

The English version is an unofficial translation from Norwegian - in case of discrepancy between the Norwegian and the English version of this document, the Norwegian version shall prevail.