



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	926 970 542
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	FJORD1 TOPCO AS
Forretningsadresse:	Mjølstadnesvegen 24 6092 FOSNAVÅG

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Vegard Sævik
Dato for fastsettelse av årsregnskapet:	30.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 26.09.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	2	2 953	
Sum kostnader		2 953	
Driftsresultat		-2 953	
Netto finans			
Ordinært resultat før skattekostnad		-2 953	0
Skattekostnad på ordinært resultat	5	-650	
Ordinært resultat etter skattekostnad		-2 303	0
Årsresultat		-2 303	0



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	650	
Sum immaterielle eiendeler		650	
Finansielle anleggsmidler			
Investering i datterselskap	1	3 055 930 954	
Sum finansielle anleggsmidler		3 055 930 954	
Sum anleggsmidler		3 055 931 604	0
Omløpsmidler			
Varer			
Sum omløpsmidler		0	0
SUM EIENDELER		3 055 931 604	0
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	3	3 055 960 954	
Annen innskutt egenkapital		-30 000	
Sum innskutt egenkapital		3 055 930 954	
Opptjent egenkapital			
Udekket tap		2 303	
Sum opptjent egenkapital		-2 303	
Sum egenkapital		3 055 928 651	0
Sum langsiktig gjeld		0	0



Balanse

Beløp i: NOK	Note	2021	2020
Kortsiktig gjeld			
Leverandørgjeld		1 513	
Kortsiktig konserngjeld		1 440	
Sum kortsiktig gjeld		2 953	
Sum gjeld		2 953	0
SUM EGENKAPITAL OG GJELD		3 055 931 604	0



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	701 470 000	
Annen driftsinntekt	3,5	1 475 000	
Sum inntekter		702 945 000	
Kostnader			
Varekostnad		87 191 000	
Lønnskostnad	7,14,1 9	251 767 000	
Avskrivning på varige driftsmidler og immaterielle eiendeler	11,16	154 959 000	
Nedskrivning av varige driftsmidler og immaterielle eiendeler	11	7 414 000	
Annen driftskostnad	8	173 875 000	
Share of profit / loss from associates	4	9 807 000	
Sum kostnader		685 013 000	
Driftsresultat		17 932 000	
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	4	16 601 000	
Annen renteinntekt	12	28 236 000	
Sum finansinntekter		44 837 000	
Annen rentekostnad	12	109 935 000	
Annen finanskostnad	8	26 165 000	
Sum finanskostnader		136 100 000	
Netto finans		-91 263 000	
Ordinært resultat før skattekostnad		-73 331 000	0
Skattekostnad på ordinært resultat	3	-36 282 000	
Ordinært resultat etter skattekostnad		-37 049 000	0
Årsresultat		-37 049 000	0



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9	279 250 000	
Goodwill	20	2 472 219 000	
Sum immaterielle eiendeler		2 751 469 000	
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	11	8 840 452 000	
Right-of-use assets	16	69 109 000	
Sum varige driftsmidler		8 909 561 000	
Finansielle anleggsmidler			
Investering i datterselskap	4	855 709 000	
Andre fordringer	12	21 914 000	
Sum finansielle anleggsmidler		877 623 000	
Sum anleggsmidler		12 538 653 000	0
Omløpsmidler			
Varer			
Varer		27 573 000	
Sum varer		27 573 000	
Fordringer			
Kundefordringer	12	269 923 000	
Andre fordringer	12	240 670 000	
Sum fordringer		510 593 000	
Investeringer			
Derivater	12	57 000	
Sum investeringer		57 000	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	12	391 971 000	
Eiendeler holdt for salg	11	146 731 000	



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Sum bankinnskudd, kontanter og lignende		538 702 000	
Sum omløpsmidler		1 076 925 000	0
SUM EIENDELER		13 615 578 000	0

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Aksekapital	13	3 055 961 000	
Aksjepremie	13	-30 000	
Annen innskutt egenkapital		-68 160 000	
Sum innskutt egenkapital		2 987 771 000	

Minoritetsinteresser 5 485 000

Sum egenkapital 2 993 256 000 0

Gjeld

Langsiktig gjeld

Utsatt skatt	9	906 283 000	
Sum avsetninger for forpliktelser		906 283 000	

Annen langsiktig gjeld

Konvertible lån	12, 15	5 641 422 000	
Langsiktige leieforpliktelser	16	31 682 000	
Finansielle derivater	12	64 652 000	
Netto ytelsesbasert forpliktelse for ansatte	14	24 639 000	
Annen langsiktig gjeld	5	534 543 000	
Sum annen langsiktig gjeld		6 296 938 000	

Sum langsiktig gjeld 7 203 221 000 0

Kortsiktig gjeld

Gjeld til kredittinstitusjoner	12, 15	2 364 046 000	
Leverandørgjeld	12	116 290 000	
Skattetrekk	9	934 000	



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Arbeidsgiveravgift		107 250 000	
Kortsiktige leieforpliktelser	16	38 328 000	
Annen kortsiktig gjeld	12	792 253 000	
Sum kortsiktig gjeld		3 419 101 000	
Sum gjeld		10 622 322 000	0
SUM EGENKAPITAL OG GJELD		13 615 578 000	0



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 901922

Enheten

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Organisasjonsform: Aksjeselskap
Foretaksnavn: FJORD1 TOPCO AS
Forretningsadresse: Mjølstadnesvegen 24
6092 FOSNAVÅG

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Konsernregnskap lagt ved: Ja

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årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av
årsregnskapet til konsernet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Vegard Sævik
Dato for fastsettelse av årsregnskapet: 30.06.2022

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Brønnøysundregistrene, 30.08.2022



Organisasjonsnr: 926 970 542
FJORD1 TOPCO AS

RESULTATREGNSKAP

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2021</u>	<u>2020</u>
RESULTATREGNSKAP			
Kostnader			
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FJORD1 TOPCO AS

BALANSE

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Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	650	
Sum immaterielle eiendeler		650	
Finansielle anleggsmidler			
Investering i datterselskap 1		3 055 930 954	
Sum finansielle anleggsmidler		3 055 930 954	
Sum anleggsmidler		3 055 931 604	0
Omløpsmidler			
Varer			
Sum omløpsmidler		0	0
SUM EIENDELER		3 055 931 604	0
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Udekket tap		2 303	
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Sum egenkapital		3 055 928 651	0
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
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KONSERNRESULTATREGNSKAP

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BALANSE - EGENKAPITAL OG GJELD			



Egenkapital			
Innskutt egenkapital			
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Sum egenkapital		2 993 256 000	0
Gjeld			
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Kortsiktig gjeld			
Gjeld til			
kredittinstitusjoner	12, 15	2 364 046 000	
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Organisasjonsnr: 926 970 542
FJORD1 TOPCO AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
0

Regnskapsprinsipper

Note
7

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



Organisasjonsnr: 926 970 542
FJORD1 TOPCO AS

NOTEOPPLYSNINGER - KONSERN

- alle poster oppgitt i hele tall



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ANNUAL REPORT 2021 – FJORD1 TOPCO AS

The nature of the business

The company's goal is to own shares in Fjord 1 AS, and everything that comes as a result of this. 100% of the investment is in the stock of Fjord 1 ASA. The head office is located in Herøy kommune, Mjølstadneset, 6090 Fosnavåg.

Information about accounts

The financial statements for the Company are prepared in accordance with Norwegian accounting standards (NGAAP). For the Group the financial statements are prepared in accordance with IFRS.

About Fjord1 AS

«Fjord1 aims to be the most reliable and attractive supplier of environmentally friendly ferry and passenger boat services for Fjord1's customers and partners».

Fjord1 values is supposed to show who they are, and how they are running the company. Their values are an important aspect of their identity, and their values is used as a management tool for every employee in their daily work - internally and externally. Their values are chosen by their employees and is embedded in every level of the company. Fjord1 values is cheerful, open and honest, reliable and keeping all promises, profitable, working together and team spirit, and proud.

Fjord1 has an important role in the transport infrastructure in Norway. Local societies are connected by safe, reliable and environmentally friendly transport. In the end of 2021 Fjord1 will run 39 ferry connections through 16 contracts. The connections run with a fleet of 80 ferries, with a high- and increasing number of electric vessels. Fjord 1 is offering passenger boat services as well and have an increased engagement within environmental tourism in Norway. In 2021 Fjord 1 transported a total of 16 million passengers and 9 million vehicles.

Fjord 1 head office is in Florø and branch offices in Molde and Bergen.

The most important priorities for Fjord1 under Covid-19 have been the safety of their employees, customers and suppliers. The company have been acting responsibly and has complied with the prevailing government recommendations and directives. Fjord1 has been in full operation to be able to deliver as expected by a supplier of a socially critical transport service.

Restrictions associated with the Covid-19 pandemic have resulted in lower volume of traffic in 2020 and 2021, compared to recent years. The contracts are mostly gross contracts and have limited the economic consequences within the ferry- and passenger boat segment. The loss of income in catering have been followed up with cost reducing measures. The Covid-19 pandemic has been challenging for the tourism segment. This segment has been characterized by low-capacity utilization as a result of a failure in demand from foreign tourists and national restriction.

Fjord1 continues with the completion of the fleet renewal program and further electrification of the fleet. In the end of 2021 Fjord1 had 34 hybrid electric ferries, which makes up 45% of the fleet, which makes the company the most environmental ferry company in the world. Fjord1 group's revenues for 2021 were MNOK 2 860. This is 8% lower than 2020. EBITDA ended up being MNOK 1 063, which equals an EBITDA margin of 31%. Group profit after tax is MNOK 137,5.



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Business overview

Fjord1 have four business areas: ferries, passenger boats, catering and tourism. A short presentation of these areas follows.

Ferry

Fjord1 is the leading provider of ferry services in Norway, with a market share of 42,5%, measured by the number of private car units (PCUs) transported. In the end of 2021, the company operates 39 ferry routes under 16 ferry contracts.

The decrease in operating revenues in 2021 relates to the phasing out of Molde-Vestnes in the start of 2021. The decline is partially offset by the new route Festvåg-Misten in Nordland, which the company acquired January 1, 2021. During 2021 the company was assigned a 10-year contract in Nordland, route Drag-Kjøpsvik and Bognes-Skarberget, starting late 2022.

Traffic volume was affected by Covid-19 in both 2020 and 2021. The total of passengers was increased by two percent, which amounts to 16 million in 2021, meanwhile the number of transported vehicles increased with five percent, which amounts to 9 million. The level of production has been agreed with the county councils and the Norwegian Public Roads Administration. When the clients have asked for lower production due to Covid-19, Fjord1 have retained the contractual income, which in the end have benefited the clients. The economic consequences have thus been limited to the ferry segment. At the close of 2021, Fjord1 had 76 vessels, and the fleet is gradually transitioning to low-emission or zero-emission technology. In the end of 2021, 45 percent of Fjord1 capacity is zero low-emission or zero-emission vessels. In 2017-2020 Fjord1 completed the newbuild programme of 25 new vessels. The renewing of the fleet commenced in 2021, with delivery of three rebuilt vessels, from LNG to hybrid-electrical vessels. At the end of the year the company had 34 hybrid-electrical vessels. The company have signed a contract for three conversions, and two new ferries to be delivered in 2023. The ongoing work with electrification of the fleet will contribute to the reduction of CO2 and NOx emissions in 2022 and 2023.

Passenger boats

Fjord1 operates local passenger boat services on the west coast of Norway. The company owns three passenger boats and leases a further seven from an external subcontractor. In May 2021 Fjord1 and Vestland fylkeskommune prolonged two out of three contracts to November 1, 2023. Fjord1 expects to prolong the leasing contracts until the end of the route contract. Fjord1 owns 49% of Partsrederiet Kystekspresen ANS, which operates the high-speed boat route from Kristiansund to Trondheim.

Catering

Catering offers catering services to passengers travelling with ferries and passenger boats. The income stabilized in 2021 after the massive decrease in 2020. Fjord1 initiated a cost reduction in 2020 and 2021 to lower the effect of the decrease in demand, and the self-service concept have been expanding through the pandemic. This have made the company able to generate a positive and increasing operating profit.

Tourism

Fjord1 has interests in several tourist companies, whose services, marketing and operation complement each other. Reported revenues are mainly rental income from vessels. Fjord1 main interests is in Fjord Tours Group and The Fjords. Fjord1 owns 50% of the shares in Fjord Tours Group, the rest of the 50% is owned by the major Norwegian transportcompany Vy. The Fjords, which is another sightseeing attraction is 50% owned by Fjord1, and 50% owned by Aurland Ressursutvikling.



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The tourism segment was negatively affected by the severe restrictions on both international and domestic travel that were imposed in response to the Covid-19 pandemic in 2020 and 2021. There has been significantly lower capacity since March 2020, with the exception of the Norwegian summer holiday period. The loss of profit has only been partly compensated by the public sector. To strengthen the activities position in the market Fjord1, Vy and Aurland Ressursutvikling has signed an agreement of principle to establish a new company, which will include Fjord Tours, The Fjords, Aurland Ressursutvikling og Flåm Utvikling. This process will proceed and conclude during the first half of 2022.

Social responsibility

Fjord1 Topco AS only activity is to own shares in Fjord1 AS. Fjord1 Topco AS has therefore not elaborated own guidelines for social responsibility but is through the ownership of Fjord1 concerned with social responsibility and complies with this through values and ethical guidelines. Fjord1 social responsibility report is included in Fjord1 AS annual report 2021.

Corporate governance

Fjord1 Topco AS board consists of representatives from Havila Holding AS and Runde Holdco AS, which together owns 100% of the shares in Fjord1 Topco AS. The board has the overall responsibility to manage the company. Fjord 1 Topco AS is represented in Fjord1 AS with four boardmembers, Vegard Sævik (Chairman of the board) and Reuben Aguilar Samuels Munger(Board member), Per Rolf Sævik(Board member) and Emma Maude Russel(Board member).

The board receives periodically reports with comments about the company's and the group's economic- and financial status.

The board's goal of the risk management and internal control is to contribute to more holistic thinking related to the company's operational activities, financial reporting and applicable laws and regulations. The board is set to complete an annual assessment of the company's risk management and internal control.

Health, safety and environment

Fjord1 Topco AS only activity is to own shares in Fjord1 AS. Fjord1 Topco AS has therefore not elaborated own guidelines for health, safety and environment.

Fjord1 focuses on well-being and working environment through working systematically on health, safety and environment. This work contributes to a injury-free workplace for humans, environment and society, to ensure that overall internal and external demand is fulfilled.

Work environment and equality

The company had as of 31.12.21 no employees.

The company has an incorporated policy that aims to prevent equality treatment based on gender.

In Fjord1 concern the employees are the most important resource. The ambition for Fjord1 is to have the most satisfied employees in the industry. The culture of Fjord1 builds on these core values: cheerful, open and honest, reliable and keeping all promises, profitable, working together and team spirit, and proud.

Fjord1 focuses on employee well-being. The Group has continuous and systematic follow-up of employee health and working environment. In 2021, the sickness absence rate was 6,5% compared to 7,6% in 2020. The share of female employees was 38% at the end of 2021. The relatively low share of



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female employees must be seen in the context of the share of females choosing a maritime career. The Group is aware of the importance of treating men and women equally in terms of salary and salary adjustment. The Groups' goal is to be a workplace where there is no discrimination.

Risk and uncertainty factors

The company is exposed to various types of operational, financial and market risk through its investment in Fjord1 AS, which are monitored and assessed on a continuous basis. The public measures to handle the Covid-19 pandemic, and the economic consequences of these measures, has highlighted the risks of the company through 2021.

Fjord1 has embraced its responsibility for the safety and security of employees and customers during the pandemic, and its responsibilities as a provider of critical transport infrastructure services in Norway. Fjord1 has remained fully operational throughout the pandemic. The company's longterm contracts with Norwegian county authorities (Fylkeskommuner) and the Norwegian Public Roads Administration (Statens Vegvesen) are primarily based on capacity and sailing frequencies rather than traffic volume, which to a large degree has shielded the revenue streams from changes in traffic volumes.

Travel restrictions to contain Covid-19 have affected the progress of onshore infrastructure in both 2020 and 2021. Delayed completion of the electrification infrastructure has postponed the release of government NOx compensation for the vessels, public infrastructure payments, and the forecasted fuel cost savings after transitioning to full-electric routes.

The vessel renewal programme and electrification infrastructure projects have entailed significant investments over the past few years. The sale of infrastructure projects and the release of public funds related to the electrification process were projected to lower interest-bearing debt through 2021. Delays in this process put pressure on the minimum equity ratio in the company's bank and bond financing arrangements, although both the banks and bondholders have agreed to amendments to loan agreements that reduce the risk of covenant breaches. Net interest-bearing debt (NIBD) has decreased through the full year 2021, however not as much as projected due to the mentioned delays. As a result, the company obtained a waiver for the leverage covenant (NIBD/EBITDA) related to the bank loan for the fourth quarter 2021. As the electrification process progresses and public funds are released, NIBD is expected to continue to decrease due to higher operating cash flow, lower investments, and sale of infrastructure projects. Fjord1 expects to be within all covenants from first quarter 2022.

Losses in the Tourism segments have partly been offset by government Covid-19 support, and future developments will depend on domestic and international travel patterns. Fjord1, Vy and Aurland Ressursutvikling has signed an agreement in principle to establish a new entity to strengthen the market positioning of their tourist activities. This includes Fjord1's 50 per cent interests in the Fjord Tours Group and The Fjords, as well as Aurland Ressursutvikling and Flåm Utvikling (Flåmsbana). This process is expected to be concluded during the first half of 2022.

We refer to the group's annual accounts for more information.



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Events after the balance sheet date

No significant events after the balance sheet date.

Continued operation

The presented income statement and balance sheet per desember 31, 2021 is a good and true picture of what assets, debt, financial position and result for Fjord1 Topco AS. The basis of further operation is present, and the accounts have been prepared under this assumption. The reason for these assessments is the prognosis of results for 2021 in the underlying company Fjord1 AS.

The annual accounts and continued operation (Group)

The Group's result for 2021 is MNOK -37,05. The Group was founded in 2021, and comparative figures is therefore not available.

The group's equity is positive, MNOK 2 993,3 per 31.12.21.

In accordance with regnskapsl. §3-3 the board assume that continued operation is present, and the annual accounts for 2021 is prepared under this assumption.

The annual accounts and continued operation (Company)

The company's result for 2021 is NOK -2 303. The company was founded in 2021, and comparative figures is therefore not available.

The company's equity is positive, MNOK 3 055,9 per 31.12.21.

In accordance with regnskapsl. §3-3 the board assume that continued operation is present, and the annual accounts for 2021 is prepared under this assumption.

Cashflow (Group)

In 2021 the Group's cashflow from operating activities was MNOK 343. Due to new contracts and an increase in working capital.

In 2021 the Group's cashflow from investment activities was MNOK 5 536. This in connection with the purchase of Fjord1 AS.

In 2021 the Group's cashflow from financing activities was MNOK 5 5584. Of this MNOK 3 022 in capital increase and MNOK 2 800 from borrowings. By the end of the year the cash in the Group was MNOK 392.

The Group was founded in in 2021, and comparative figures is therefore not available.

Cashflow (Company)

In 2021 the company's cashflow from operating activities was zero. This due to the company being an investmentcompany.

By the end of the year the cash in the company was NOK 0.

The company was founded in 2021, and comparative figures is therefore not available.



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Insurance for board members and CEO

Havila holding AS has taken out board liability insurance which also covers Fjord1 Topco AS. The coverage applies to members of the board, CEO and other employees with an independent management responsibility. The insurance covers the insured's liability for property damage due to claims made against the insured during the insurance period as a result of an alleged liability-related act or omission.

Financial risk

The company has bond loans that have covenants related to cash flow, finance, debt and profit. The bond loan is set to due in July 2026.

Research and development

The company does not have any ongoing research and development activities.

Accurate overview of development and results

The board believes that the information given in this annual report and annual accounts gives an accurate overview of the company's assets, debt, financial position and result.

External environment

The company does not operate in business that affect the external environment, beyond what must be assumed to be natural for this type of business.



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Disposition of result (Group)

The result, MNOK -37,05 is disposed as follows:

To parent company owners	MNOK 37,021
To non-controlling interest	MNOK 0,027

Disposition of result (Company)

The result, NOK -2 303 is disposed as follows:

Transferred to uncovered loss	NOK 2 303
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Fosnavåg, 31.12.2021 / 30.06.2022

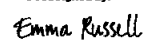
The board of Fjord1 Topco AS

DocuSigned by:

ACBBA40812AF400
Vegard Sævik
Chairman


Reuben Aguilar Samuels Munge
Vice Chairman


Per Rolf Sævik
Boardmember

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Emma Maude Russel
Boardmember



Consolidated statement of profit or loss

<i>Amounts in NOK thousands</i>	Note	2021
Revenue	3	701 470
Other income	3, 5	1 475
Total income		702 946
Purchased goods and fuel		(87 191)
Personnel expenses	7, 14, 19	(251 767)
Other operating expenses	8	(173 875)
Total operating expenses		(512 833)
Share of profit/(loss) from associates	4	(9 807)
Operating profit before depreciation and impairment (EBITDA)		180 306
Depreciation	11, 16	(154 959)
Impairment	11	(7 414)
Reversal of impairment	11	-
Total depreciation and impairment		(162 373)
Operating profit (EBIT)		17 933
Share of profit/(loss) from other associates	4	16 601
Interest income	12	28 236
Interest expense	12	(109 935)
Other financial items, net	8	(26 165)
Net financial income/(expenses)		(91 263)
Profit/(loss) before tax		(73 330)
Income tax (expense) / income	9	(36 282)
Profit/(loss) for the year		(37 048)
<i>Attributable to:</i>		
Parent company owners		-37 021
Non-controlling interest		-27



Consolidated Statement of Comprehensive Income

<i>Amounts in NOK thousands</i>	Note	2021
Profit/(loss) for the year		-37 048
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Share of other comprehensive income of associates accounted for using the equity method - net of tax	4	341
Items that will not be reclassified to profit or loss:		
Actuarial gain/(loss) on pension obligations - net of tax	14	2 059
Total		2 400
Total other comprehensive income for the year, net of tax		2 400
Total comprehensive income for the year		(34 649)
<i>Attributable to:</i>		
Parent company owners		-34 622
Non-controlling interest		-27



Consolidated Statement of Financial Position

<i>Amounts in NOK thousands</i>	Note	31.12.2021
Assets		
Non current assets		
Deferred tax assets	9	279 250
Goodwill	20	2 472 219
Property, plant and equipment	11	8 840 452
Right-of-use assets	16	69 109
Investments in associates	4	855 709
Other non-current financial assets	12	21 914
Total non-current assets		12 538 652
Current assets		
Inventories		27 573
Derivative financial instruments	12	57
Trade receivables	12	269 923
Other current receivables	12	240 670
Cash and cash equivalents	12	391 971
		930 193
Assets classified as held for sale	11	146 732
Total current assets		1 076 926
Total assets		13 615 578
Equity and liabilities		
Equity attributable to owners of the parent		
Share capital	13	3 055 961
Share premium	13	(30)
Treasury shares		-
Retained earnings		(68 160)
Total equity attributable to owners of the parent		2 987 771
Non-controlling interests		5 485
Total equity		2 993 256
Non-current liabilities		
Borrowings	12, 15	5 641 422
Derivative financial instruments	12	64 652
Non-current lease obligations	16	31 682
Net employee defined benefit liabilities	14	24 639
Other non-current liabilities	5	534 543
Deferred tax liabilities	9	906 283
Total non-current liabilities		7 203 221
Current liabilities		
Borrowings	12, 15	2 364 046
Derivative financial instruments	12	-
Current lease obligations	16	38 328
Trade and other payables	12	116 290
Current income tax liabilities	9	934
Social security and other taxes		107 250
Other current liabilities	12	792 253
Total current liabilities		3 419 100
Total liabilities		10 622 321
Total equity and liabilities		13 615 578

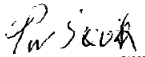


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The Board of Directors of Fjord1 Holdco AS
Fosnavåg, 30 June 2022

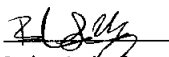
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AC6B470312AF488...
Vegard Sævik
Chairman


Per Rolf Sævik
Board member

DocuSigned by:

0400FF3837DC425...
Emma Maude Russell
Board member


Reuben Aguiar Samuels Mungler
Board member



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Consolidated Statement of Changes in equity

<i>Amounts in NOK thousands</i>	Attributable to owners of the parent			Non- controlling		Total equity
	Share capital	Share premium	Retained earnings	Total	Interest	
Balance at 27.09.2021	30			30		30
Capital increase	3 055 931	(30)		3 055 901		3 055 901
Transaction costs related to equity placement			(33 537)	(33 537)		(33 537)
Recognition of non-controlling interest					5 512	5 512
Profit/(loss) for the period	-	-	(37 021)	(37 021)	(27)	(37 048)
Other comprehensive income for the year	-	-	2 400	2 400	-	2 400
Total comprehensive income for the year	3 055 931	(30)	(68 160)	2 987 740	5 485	2 993 226
Acquisition of treasury shares	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Other contributions to owners	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-
Balance at 31.12.2021	3 055 961	(30)	(68 160)	2 987 771	5 485	2 993 256



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Consolidated Statement of Cash Flows

<i>Amounts in NOK thousands</i>	<i>Note</i>	<i>2021</i>
Operating activities		
Profit before tax		(73 330)
<i>Adjustments for:</i>		
Depreciation and impairment	11, 16	162 373
Interest expense - net		45 006
Change in fair value of financial instruments	12	(2 062)
Non-cash post-employment benefit expense		(4 494)
Gain on disposal of property, plant and equipment		3 674
Share of profit from associates and joint ventures		(6 794)
<i>Change in working capital:</i>		
Trade receivables		30 074
Inventories		(2 538)
Trade payables		(21 283)
Other accruals		247 481
Cash generated from operations		378 107
Interest paid		(34 691)
Interest received		-
Income tax paid		-
Net cash from operating activities		343 416
Investing activities		
Purchases of property, plant and equipment	11	(177 745)
Purchase of shares incl. joint ventures	10	(5 019 002)
Purchase of other investments		(341 344)
Proceeds from sale of property, plant and equipment	11	1 369
Net proceeds/(investments) from other non-current financial assets		(264)
Proceeds from lease receivable		711
Net cash used in investing activities		(5 536 275)
Financing activities		
Proceeds from borrowings	12	2 800 097
Repayment of borrowings	12	(220 953)
Payment of lease obligation	16	(16 708)
Capital increase		3 022 394
Net cash used in financing activities		5 584 830
Net change in cash and cash equivalents		391 972
Cash and cash equivalents at 31.12.		391 971



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Note 1 Accounting Principles

General information

Fjord1 Topco AS and its subsidiaries (together 'the Group') operates passenger ferries and other passenger boats in Norway. The Group's core business is concentrated at sea transportation through its operation of ferries and express passenger boats, in addition to on-board catering operation. Fjord1 Topco AS is incorporated and domiciled in Norway. The address of its registered office is Mjølstadnesvegen 24, 6092 Fosnavåg, Norway

Fjord1 Topco AS was established in March 2021 and is a joint venture owned 50/50 by Havilåfjord AS and Runde Holdco AS. In September 2021, Fjord1 Topco's subsidiary Fjord1 Holdco AS acquired 99,9% of the shares in Fjord1 AS. There has been no activity in the company before the acquisition of Fjord1 AS 27 September 2021 and Fjord1 is consolidated from this date.

These consolidated financial statements were approved by the Board of Directors on 30. June 2022. These consolidated financial statements have been audited

Basis for preparation

These consolidated financial statements of Fjord1 Topco AS for the year ended December 31, 2021, have been prepared in accordance with International Financial Reporting Standards (IFRS).

Going concern

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

Basis of measurement

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

Changes in accounting policies and disclosures

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021

- Covid-19-related Rent Concessions – Amendments to IFRS 16
- Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

Principles of consolidation and equity accounting

Subsidiaries

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

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

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

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

(ii) Associates

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

(iii) Equity method

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

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

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

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

(iv) Changes in ownership interests

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

Principles of consolidation and equity accounting

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

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

Segment reporting

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

Foreign currency translation

Functional and presentation currency

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



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Transactions and balances

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

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

Revenue recognition

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

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

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

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

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

- Gross contracts, where the Group receives a fixed annual index adjusted fee. The amount received each year depends on the planned number of voyages. Number of voyages is used as a measure of progress. The index used to adjust the transaction price compensates for price changes on input factors required to operate the vessels. The variability in transaction price caused by the index is allocated to the year to which the adjustment relates. If the index increases throughout the contract period, revenue will therefore increase year by year. The Group receives monthly/quarterly payments from the public authority while ticket fees collected from passengers are transferred to the public authority each month.
- Net contracts, where the Group assumes the risk related to passenger volume and receives a fixed fee from the contractor in addition to revenues from sale of tickets to passengers. The fixed fee from the public authority is recognised over the contract period using number of passengers as a measure of progress. The contracts will usually have the same index adjustments as for the contracts above. The ticket revenues are a variable component of the transaction price, which is recognised as revenue on a voyage-by-voyage basis.

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

Income tax

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

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

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

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

Leases

The Group's leasing policy is described in note 16

Impairment of assets

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

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

Cash and cash equivalents

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

Trade receivables

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

Inventories

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

Financial Instruments

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



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ii) Financial assets

Initial recognition and measurement

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

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

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

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

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

Financial assets at fair value through profit or loss

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

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

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

Derecognition

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

When changing the basis for determining contractual cash flows that are necessary as a direct consequence of the IBOR reform and which are considered economically equivalent, the Group applies the Interest Rate Benchmark Reform Phase 2. This means that such changes will not result in an immediate gain or loss in the income statement.

Impairment of financial assets

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

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

iii) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

- Financial liabilities at fair value through profit or loss:

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

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

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

- Loans and borrowings

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



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Derecognition

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

When changing the basis for determining contractual cash flows that are necessary as a direct consequence of the IBOR reform and which are considered economically equivalent, the Group applies the Interest Rate Benchmark Reform Phase 2. This means that such changes will not result in an immediate gain or loss in the income statement.

iii) Offsetting of financial instruments

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

Derivatives and hedging activities

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

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

When changing the basis for determining contractual cash flows that are necessary as a direct consequence of the IBOR reform and which are considered economically equivalent, the Group applies the Interest Rate Benchmark Reform Phase 2. This means that such changes will not result in an immediate gain or loss in the income statement.

Property, plant and equipment

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

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

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

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

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

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

Assets held for sale

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured

and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

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

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

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

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

Borrowing costs

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

Provisions

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

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

Employee benefits

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

Pension obligations

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

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



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

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

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

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

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

Dividends

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

Intangible assets

The group's intangible assets consists of identified excess value related to acquired vessels and Goodwill. Intangible assets acquired in business combination are measured at fair value at the acquisition date.

Goodwill

The group measures Goodwill as the fair value of the consideration transferred, less the net amount (normally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

Goodwill is distributed to cash-generating units and is not subject to an amortisation schedule but is tested for impairment annually and when there is an indication that a write-down is necessary. Goodwill write-downs are not reversed. For the purpose of testing Goodwill for impairment, Goodwill is allocated to the cash-generating units that are expected to benefit from the acquisition.



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Note 2 Significant accounting judgements, estimates and assumptions

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

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

1) Recognition of variable consideration

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

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

Per 31.12.2021 the Group has a receivable relating to the variable consideration of NOK 78.22 million. The final settlement of the compensation for the periode 2014-2019 is yet to be concluded. The contract counterparty has issued a summons and brought a case before the courts. The variable consideration recognised has been determined based on what the Group considers to be the most likely amount of revenue, and thus the final outcome of the negotiations with the client may result in a compensation that differ from what the Group has recognised as variable consideration.

2) Fair value of vessels

The group has made an assessment related to the fair value of vessels related to the acquisition of Fjord1 AS. The excess value identified in the PPA is based on updated valuations performed by third party appraisal companies. See note 10 for more information.



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Note 3 Segment Information

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

The group has four reportable segments:

- Ferry
- Passengerboat
- Catering
- Tourism

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

All Group activities are carried out in Norway. The Group has the following customers representing more than 10% of revenue:

Amounts in NOK thousands	Segment	2021	
		Income	%
Vestland fylkeskommune	Ferry, Passengerboat	222 318	32%
Møre og Romsdal fylkeskommune	Ferry	226 122	32%
Statens Vegvesen	Ferry	185 657	26%
Total		634 097	90%

Year ended 31 December 2021

Amounts in NOK thousands	Ferry	Passenger-boats	Catering	Tourism	Fjord1 Holdco & Fjord1 Topco	Total segments	Corporate and eliminations	Consolidated
Income								
External customers	656 309	27 670	19 747	4 053	-	707 779	(6 310)	701 470
Total income	656 309	27 670	19 747	4 053	-	707 779	(6 310)	701 470
Operating expenses excluding depreciation and impairment	(439 433)	(15 065)	(14 771)	(2 746)	(31 042)	(503 057)	(9 777)	(512 833)
Share of profit/(loss) from associates	-	825	-	(10 631)	-	(9 806)	-	(9 807)
EBITDA	216 876	13 430	4 976	(9 324)	(31 042)	194 916	(16 087)	178 831
Depreciation (impairment)/Reversal of impairment	(135 395)	(12 131)	(559)	(556)	(6 011)	(154 652)	(307)	(154 958)
Segment profit	74 067	1 299	4 417	(9 880)	(37 053)	32 850	(16 394)	16 458

Reconciliation to Consolidated profit/(loss) for the year	2021
Segment profit	16 458
Share of profit from other associates	16 601
Interest income	28 236
Interest expense	(109 935)
Other financial items, net	(26 165)
Income tax (expense)	36 282
Group profit	(38 523)

See note 5 for a further breakdown of segment revenue.



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Note 4 Interests in other entities

4.1 Material subsidiaries

The Group's principal subsidiaries at 31 December 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Name of entity	Place of business	Ownership interest held by the		Principal activities
		Group	by non-controlling interests	
Fjord1 Holdco AS	Fosnavåg	100 %	0 %	Holding company
Fjord1 AS	Florø	100 %	0 %	Operating company
F1 Administrasjon AS	Florø	100 %	0 %	Group administration
Fanafjord AS	Florø	100 %	0 %	Holding company
Nye Fanafjord AS	Florø	100 %	0 %	10% is held by Fanafjord AS, an entity 100% controlled by the Group.
Boisønes Verft AS	Molde	100 %	0 %	Shipyard
Måløy Reisebyrå AS	Måløy	100 %	0 %	Travel agency
ÅB Eigedom AS	Årdal	66 %	34 %	Owner of property
Hareid Trafikkterminal AS	Hareid	63 %	37 %	Owner of property

4.2 Interests in associates

Set out below are the associates of the Group as at 31 December 2021 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	% of ownership interest	Nature of relationship	Measurement method	31.12.2021
The Fjords DA	50,0 %	Associate	Equity method	(781)
The Fjords Fartøy I DA	50,0 %	Associate	Equity method	17 625
The Fjords Fartøy II DA	50,0 %	Associate	Equity method	21 308
The Fjords Fartøy III DA	50,0 %	Associate	Equity method	18 215
Partsraderiet Kystekspressen ANS	49,0 %	Associate	Equity method	26 748
Sognefjorden Farty I AS	50,0 %	Associate	Equity method	579
WF Holding AS*	34,0 %	Associate	Equity method	350 763
Fjord Tours Group AS	50,0 %	Associate	Equity method	79 911
Investments in joint ventures and associates				514 368

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

Commitments and contingent liabilities in respect of associates and joint ventures

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

Summarised financial information for associates and joint ventures

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



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Note 4.2 Interests in associates (continued)

Summarised balance sheet	The Fjords DA	The Fjords Fartøy I DA
<i>Amounts in NOK thousands</i>	31.12.2021	31.12.2021
Cash and cash equivalents	3 775	3 696
Other current assets	7 840	1 610
Total current assets	11 614	5 305
Non-current assets	851	77 386
Trade payables	6 556	1 320
Other current liabilities	7 416	3 073
Total current liabilities	13 972	4 394
Borrowings	-	43 050
Other non-current liabilities	-	-
Total non-current liabilities	-	43 050
Net assets	(1 507)	35 248
Reconciliation to carrying amounts:		
Opening net assets 1 January	12 798	33 308
Profit/(loss) for the period	(54 359)	1 939
Other comprehensive income	-	-
(Dividends paid)/Capital contribution	40 000	-
Closing net assets 31 December	(1 561)	35 248
Group's share in %	50,0 %	50 %
Group's share in NOK thousands	(781)	17 625
Carrying amount	(781)	17 625
Summarised statement of comprehensive income		
<i>Amounts in NOK thousands</i>		
Revenue	69 209	9 439
Operating expenses	(122 590)	(441)
Depreciation and amortisation	(829)	(5 961)
Net financial items	(149)	(1 098)
Income tax expense	-	-
Profit/(loss for the period)	(54 359)	1 939
Other comprehensive income	-	-
Total comprehensive income	(54 359)	1 939



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Note 4.2 Interests in associates (continued)

Summarised balance sheet	The Fjords Fartøy II DA	The Fjords Fartøy III DA
<i>Amounts in NOK thousands</i>	31.12.2021	31.12.2021
Cash and cash equivalents	8 115	4 086
Other current assets	1 539	1 058
Total current assets	9 654	5 144
Non-current assets	106 707	107 363
Trade payables	143	1
Other current liabilities	154	416
Total current liabilities	297	417
Borrowings	73 448	75 662
Other non-current liabilities	-	-
Total non-current liabilities	73 448	75 662
Net assets	42 616	36 428
Reconciliation to carrying amounts:		
Opening net assets 1 January	40 292	34 270
Profit/(loss) for the period	2 324	2 158
Other comprehensive income	-	-
(Dividends paid)/Capital contribution	-	-
Closing net assets 31 December	42 616	36 428
Group's share in %	50,0 %	50 %
Group's share in NOK thousands	21 308	18 214
Carrying amount	21 308	18 214
Summarised statement of comprehensive income		
<i>Amounts in NOK thousands</i>		
Revenue	12 521	10 201
Operating expenses	(822)	(499)
Depreciation and amortisation	(7 657)	(5 804)
Net financial items	(1 719)	(1 739)
Income tax expense	-	-
Profit/(loss for the period)	2 324	2 158
Other comprehensive income	-	-
Total comprehensive income	2 324	2 158



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Note 4.2 Interests in associates (continued)

Summarised balance sheet <i>Amounts in NOK thousands</i>	Partnersrediet	
	Kystekspresen ANS 31.12.2021	WF Holding Group 31.12.2021
Cash and cash equivalents	30 876	487 093
Other current assets	12 983	439 737
Total current assets	43 859	926 830
Non-current assets	104 797	2 400 965
Trade payables	13 076	182 958
Other current liabilities	22 354	760 498
Total current liabilities	35 429	943 456
Borrowings	66 859	1 025 250
Other non-current liabilities	-	327 431
Total non-current liabilities	66 859	1 352 681
Net assets	46 368	1 031 656
Reconciliation to carrying amounts:		
Opening net assets 1 January	59 647	828 814
Profit/(loss) for the period	7 822	192 027
Other comprehensive income	-	10 815
(Dividends paid)/Capital contribution	(12 886)	-
Closing net assets 31 December	54 583	1 031 656
Group's share in %	49,0 %	34,0 %
Group's share in NOK thousands	26 747	350 763
Carrying amount	26 747	350 763
Summarised statement of comprehensive income		
<i>Amounts in NOK thousands</i>		
Revenue	148 353	4 624 271
Operating expenses	(127 348)	(4 087 030)
Depreciation and amortisation	(11 790)	(343 240)
Net financial items	(1 392)	53 322
Income tax expense	-	(55 295)
Profit/(loss) for the period	7 822	192 028
Other comprehensive income	-	10 815
Total comprehensive income	7 822	202 843



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Note 4.2 Interests in associates and joint ventures (continued)

Summarised balance sheet	Fjord Tours Group AS
<i>Amounts in NOK thousands</i>	31.12.2021
Cash and cash equivalents	30 239
Other current assets	1 857
Total current assets	32 096
Non-current assets	268 534
Trade payables	3 695
Other current liabilities	11 661
Total current liabilities	15 356
Borrowings	-
Other non-current liabilities	15 676
Total non-current liabilities	15 676
Net assets	269 597
Reconciliation to carrying amounts:	
Opening net assets 1 January	129 135
Profit/(loss) for the period	(21 934)
Minority's share of profit/(loss) for the period	(5 544)
Other comprehensive income	-
Minority's share of equity	5 544
Contribution in kind	-
(Dividends paid)/Capital contribution	52 619
Excess value	-
Closing net assets 31 December	159 821
Group's share in %	50,0 %
Group's share in NOK thousands	79 911
Carrying amount	79 911
Summarised statement of comprehensive income	
<i>Amounts in NOK thousands</i>	
Revenue	31 006
Operating expenses	(55 870)
Depreciation and amortisation	(9 447)
Share of profit/(loss) from associates	(831)
Net financial items	(705)
Income tax expense	8 371
Profit/(loss) for the period	(27 478)
Other comprehensive income	-
Total comprehensive income	(27 478)

Individually immaterial associates

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

	2021
Carrying amount of Immaterial associates	579
Profit/(loss) for the period	(3)



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4.3 Share of profit/(loss) from associates

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

	2021
The Fjords DA	(27 180)
The Fjords Fartøy I DA	970
The Fjords Fartøy II DA	1 162
The Fjords Fartøy III DA	1 080
Fjord Tours Group AS	(10 967)
Partсреderiet Kystekspresen ANS	3 833
Share of profit/(loss) from associates classified as operating activities	(31 103)
WF Holding AS	65 289
Share of profit/(loss) from associates classified as financial items	65 289
WF Holding AS	3 677
Share of profit/(loss) from associates classified as OCI	3 677



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Note 5 Revenue from contracts with customers

Revenue from contracts with customers

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

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

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

Disaggregation of revenue from contracts with customers

Year ended 31 December 2021	Ferry	Passenger-	Catering	Tourism	Corporate	Total
<i>Amounts in NOK thousands</i>	<i>Norway</i>	<i>boats</i>	<i>Norway</i>	<i>Norway</i>	<i>and</i>	
		<i>Norway</i>	<i>Norway</i>	<i>Norway</i>	<i>eliminations</i>	
Revenue from external customers	656 310	27 670	19 747	4 053	(6 310)	701 471
Timing of revenue recognition						
Over time	656 310	27 670	-	4 053	1 512	689 546
At a point in time	-	-	19 747	-	(6 347)	13 400
<i>Breakdown of revenue:</i>						
Contract revenue ferry and passenger boats, revenue from gross contracts	627 004	27 136	-	-	-	654 140
Contract revenue ferry and passenger boats, revenue from net contracts	32 485	-	-	-	-	32 485
Freight of passengers under net contracts	7 647	-	-	-	-	7 647
Sale of food and beverages	-	-	19 747	-	-	19 747
Other revenue	3 217	347	-	21	(16 135)	(12 550)
Total revenue	670 353	27 483	19 747	21	(16 135)	701 471
Rental income	-	-	-	2 171	234	2 405
Gain/(loss) on disposal of property, plant and equipment	(11 237)	-	-	-	190	(11 047)
Other income	(2 806)	188	-	1 862	10 875	10 118
Total other income	(14 043)	188	-	4 032	11 299	1 475



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Assets and liabilities related to contract with customers

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

<i>Amounts in NOK thousands</i>	31.12.2021
Non-current contract liabilities relating to Ferry services	534 543
Total non-current contract liabilities	534 543
Current contract liabilities relating to Ferry and passenger-boat services	452 734
Total current contract liabilities	452 734
Total contract liabilities	987 277

All trade receivables are related to IFRS 15 transactions.

Unsatisfied performance obligations long-term ferry contracts

The following table shows unsatisfied performance obligations resulting from long-term ferry contracts.

The amount disclosed do not include variable consideration which is constrained.

<i>Amounts in NOK thousands</i>	2022	2023	2024	2025-2026	2027-2034	Total
Amount of the transaction price allocated to long-term ferry contracts	2 830 945	2 760 131	2 627 557	3 884 515	7 030 629	19 133 777

The amounts above does not include options.



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Note 6 Contingencies

Rebate compensation

The Group company Fjord1 AS 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 contract counterparty has issued a summons and brought a case before the courts.

See note 2.1.



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Note 7 Personnel expenses

<i>Amounts in NOK thousands</i>	Note	2021
Salaries		201 578
Social security		28 792
Pension expenses	14	10 182
Other benefits		11 215
Total personnel expenses		251 767

Number of employees 1 201

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



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Note 8 Other income and expense items

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

Other operating expenses

<i>Amounts in NOK thousands</i>	Note	2021
Port fees, sanitation and other route related costs		19 200
Repair and maintenance		65 751
Vessel operating expenses	16	50 255
Other operating expenses		38 669
Total other operating expenses		173 875

Other financial items

<i>Amounts in NOK thousands</i>		2021
Change in fair value derivatives	12	(61 111)
Foreign exchange gains		36 323
Foreign exchange losses		(74)
Commitment fees		1 007
Amendment and coordination fees		(4 653)
Other financial income		4 587
Other financial expenses		(2 244)
Total other financial items		(26 165)



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Note 9 Income tax

Specification of tax expense recognised in statement of profit or loss

<i>Amounts in NOK thousands</i>	2021
Tax payable on profit for the year	801
Adjustments prior years tax payable	131
Change in deferred tax/(tax asset)	(37 215)
Tax expense recognised in statement of profit or loss	(36 282)

Reconciliation of statutory tax rate to effective tax rate:

<i>Amounts in NOK thousands</i>	2021
Profit before tax	(73 330)
Income tax at statutory tax rate	(16 133)
Tax expenses recognised in statement of profit or loss	(36 283)
Difference	20 150
Permanent differences	20 150
Difference	(0)

Specification of basis for deferred tax

	2021
Property, plant and equipment	4 015 533
Receivables	(48)
Deferred capital gain	48 597
Shares in partnerships	29 828
Pension liabilities	(24 639)
Derivatives	(64 941)
Arrangement fee	25 513
Deferred revenue	(899 987)
Temporary differences	3 129 856
Loss carried forward	(279 702)
Basis for calculation of deferred tax/(tax assets)	2 850 154
Deferred tax/(tax asset)	627 034
Deferred tax asset recognised in statement of financial position	279 250
Deferred tax recognised in statement of financial position	906 283
<i>Net position</i>	<i>627 033</i>

Reconciliation of change in net deferred tax

	2021
Opening balance	664 248
Changes recognised in profit or loss	(37 215)
Closing balance	627 033

Temporary differences related to deferred revenue consists of payment for infrastructure which is recognised over the contract period.



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Note 10 Business combinations

On 27. September 2021 Fjord1 Topco AS' subsidiary Fjord1 Holdco AS acquired 99,9% of the Issued capital of Fjord1 AS. The shares were acquired from Havilafjord AS, Havilafjord Holding AS and Havilafjord Holding 2 AS, which are all controlled by Havila Holding AS. The remaining 0,1% is owned by Fjord1 AS.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration

Amounts in NOK thousands

Cash paid	5 195 299
Total purchase consideration	5 195 299

Purchase price allocation

The assets and liabilities recognised as a result of the acquisition are as follows:

Amounts in NOK thousands	Book value	Excess value	Fair value
Deferred tax assets	166 593		166 593
Vessels and other property, plant and equipment	8 573 945	240 441	8 814 386
Right-of-use assets	45 223		45 223
Investments in associates	507 230		507 230
Other non-current assets	21 650		21 650
Inventories	25 035		25 035
Trade receivables	299 996		299 996
Other current receivables	202 470		202 470
Lease receivable	145 093		145 093
Cash and cash equivalents	176 297		176 297
Total assets	10 163 531	240 441	10 403 972
Borrowings	3 977 112		3 977 112
Derivative financial instruments	3 277		3 277
Non-current lease obligations	10 671		10 671
Net employee defined benefit liabilities	29 133		29 133
Other non-current liabilities	478 696		478 696
Deferred tax liabilities	777 945	52 897	830 842
Borrowings	1 473 806		1 473 806
Derivative financial instruments	207		207
Current lease obligations	35 855		35 855
Trade payables	137 571		137 571
Taxes and duties payable	61 197		61 197
Other current liabilities	637 017		637 017
Total liabilities	7 622 486	52 897	7 675 383
Net identifiable assets acquired	2 541 045	187 544	2 728 589
Non-controlling interests			-5 508
Goodwill			2 472 219
Net assets acquired			5 195 299

Intangible assets that do not meet the conditions for separate recognition are subsumed into goodwill.

This includes the value of assembled workforce and the expected future growth in Fjord1 AS and its subsidiaries.



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Pro forma results

The pro forma results for the period 01.01-31.12.21 is the consolidated result as if the acquisition had taken place with effect from 01. January.

<i>Amounts in NOK thousands</i>	2021
Revenue	2 834 854
Other income	25 042
Total revenue	2 859 896
Purchased goods and fuel	-367 830
Personnel expenses	-1 021 732
Other operating expenses	-596 024
Total operating expenses	(1 985 586)
Share of profit/(loss) from associates	-31 103
	0
Operating profit before depreciation and impairment (EBITDA)	843 207
Depreciation	-586 773
Impairment	-7 414
Total depreciation and impairment	(594 187)
Operating profit (EBIT)	249 021
Share of profit/(loss) from other associates	65 289
Interest income	36 779
Interest expense	-242 265
Other financial items, net	-33 841
Net financial income / (expenses)	(174 038)
Profit/(loss) before tax	74 983
Income tax (expense) / income	3 653
	0
Profit/(loss) for the period	71 331
Minority share	441



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Note 11 Property, plant and equipment

2021	Vessels	Periodic maintenance	Vessels under construction	Property	Infrastructure	Infrastructure under construction	Machinery and equipment	Total
Assets acquired through business combination*	7 294 159	242 301	327 305	96 529	590 910	249 925	21 853	8 822 987
Additions	-	22 032	108 349	4 501	-	42 249	614	177 745
Transferred from vessels/infrastructure under construction	186 896	-	-186 896	-	71 377	-71 377	-	-
Disposals	-73 909	-7 928	-	-	-	-	-3 025	-84 862
Cost price 31.12.	7 407 145	256 406	248 759	101 029	662 288	220 798	19 446	8 915 869
Depreciation for the year	105 650	20 539	-	2 170	18 612	-	1 977	148 948
Depreciation of excess value	6 011	-	-	-	-	-	-	6 011
Disposals	-70 793	-6 608	-	-	-	-	-2 142	-79 542
Accumulated depreciation 31.12.	40 868	13 931	-	2 170	18 612	-	-184	75 417
Carrying amount 31.12.	7 366 277	242 474	248 759	98 858	643 676	220 798	19 631	8 840 452

* See note 10.

<i>Useful life</i>	10-40 years	5 years	5-33 years	10-15 years	3-10 years
<i>Depreciation method</i>	Straight line	Straight line	Straight line	Straight line	Straight line

Additions

Additions for the period are net of government-funded Nq compensation for the new vessels.

In addition, the Group has two additional vessels under construction as of 31 December 2021.

Disposals

Five vessels were disposed of in 2021: MF Losna, MF Eira, MF Rauma, MF Stryn and MF Nordmøre

Held for sale

The vessel MF Fanaflord ("Greenferry I") is held for sale as at 31 December 2021. The financial lease of the vessel commenced on 01.02.2021, thus the vessel was derecognised from assets held for sale and recognised as a lease receivable. The financial lease ended medio December and the vessel is therefore recognised as an asset held for sale as at 31.12.2021.



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Note 11 Property, plant and equipment (continued)

Infrastructure

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

Impairment

There are no impairment indicators identified per 31.12.2021.



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Note 12 Financial risk management, financial assets and financial liabilities

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

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

The Group holds the following financial instruments:

Financial assets	31.12.2021
<i>Amounts in NOK thousands</i>	
Financial assets at amortised cost	
Loan to associates	47 276
Trade receivables and other receivables	510 593
Employee loans	-
Other non-current receivables	305
Cash and cash equivalents	391 971
Financial assets at fair value through other comprehensive income (FVOCI)	-
Financial assets at fair value through profit or loss (FVPL)	4 608
Derivative financial instruments	
Held for trading at FVPL	57
Total	954 810

Financial liabilities	31.12.2021
<i>Amounts in NOK thousands</i>	
Liabilities at amortised cost	
Trade and other payables *	887 647
Borrowings **	8 005 468
Lease liabilities **	70 010
Derivative financial instruments	
Held for trading at FVPL	64 652
Total	9 027 777

* Excluding non-financial liabilities

** See note 16 for details about the impact from changes in accounting policies.

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

Trade receivables	31.12.2021
<i>Amounts in NOK thousands</i>	
Current assets	
Trade receivables from contract with customers	272 871
Loss allowance	(2 948)
Total	269 923

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 1.

(ii) Fair value of trade receivables

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

(iii) Impairment and risk exposure

The groups exposure to credit risk and foreign currency risk is limited as the majority of the trade receivables are related to contractual income from public authorities.



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Other current receivables	
<i>Amounts in NOK thousands</i>	31.12.2021
Prepayments	17 752
Insurance claims	-
VAT receivable	-
Accrued revenue	182 128
Other receivables (ii)	40 790
Total	240 670

Other financial assets at amortised cost

(i) Classification of financial assets at amortised cost

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

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

Financial assets at amortised cost include the following debt investments:

<i>Amounts in NOK thousands</i>	31.12.2021		
	Current	Non-current	Total
Employee loans	-	3 617	3 617
Total	-	3 617	3 617

(ii) Other receivables

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

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

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

(iii) Impairment and risk exposure

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

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

Financial assets at fair value through profit or loss

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

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

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

Financial assets mandatorily measured at FVPL include the following:

<i>Amounts in NOK thousands</i>	31.12.2021
Non-current assets	
Unlisted equity securities	855
Equity contribution for pension plan membership	3 753
Total non-current assets	4 608
Total	4 608

(ii) Amounts recognised in profit or loss

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

<i>Amounts in NOK thousands</i>	2021
Fair value gains (losses) on equity investments at FVPL, recognised in other gains/(losses)	-
Total	-

(iii) Risk exposure and fair value measurements

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



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Cash and cash equivalents

<i>Amounts in NOK thousands</i>	31.12.2021
Current assets	
Cash at bank and in hand*	391 971
Deposits at call	-
Total available funds	391 971

*Restricted cash as at 31.12.2021 was NOK 187 thousand. Nordea Bank and DNB have issued guarantees of MNOK 60 related to payroll tax deductions.

(i) Reconciliation to cash flow statement

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

<i>Amounts in NOK thousands</i>	31.12.2021
Balances as above	391 971
Bank overdrafts	-
Balances per statement of cash flows	391 971

(ii) Classification as cash equivalents

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

Trade and other payables

<i>Amounts in NOK thousands</i>	31.12.2021
Current liabilities	
Trade payables	116 290
Prepayments from customers, travelcards	21 338
Prepayments from customers, ferry contracts	431 371
Accrued salary and holiday pay	157 184
Other current payables	182 360
Total	908 543

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

Borrowings

(i) Overview of borrowings

See note 15 for details.

(ii) Compliance with loan covenants

Fjord1 AS has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period, see note 15 for details.

(iii) Fair value

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

(iv) Risk exposures

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



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Net debt reconciliation

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

<i>Amounts in NOK thousands</i>	Liabilities from financing activities		
	Borrowings	Leases	Total
Net debt as at 27 September 2021	8 221 211	46 526	8 267 737
<i>Cash flow changes</i>			
Proceeds from borrowings	(7 209)	-	(7 209)
Repayment of borrowings	(220 953)	-	(220 953)
Payment of lease obligation	-	(16 708)	(16 708)
<i>Non cash changes</i>			
Acquisition - leases	-	39 947	39 947
Other changes*	12 420	246	12 666
Net debt as at 31 December 2021	8 005 469	70 010	8 075 480

* Other changes include non-cash movements, including accrued interest expense which will be presented as operating cash flows in the statement of cash flows when paid.

Fixed-price contracts for purchase of electricity

The Group has entered into fixed-price contracts for purchase of electricity for its own production (ferry operations). The contracts have a duration of 10 years and covers approximately 70% of the Groups yearly estimated consumption. In accordance with IFRS 9 the contracts are considered an exception from the scope of the standard ("own use"), cf. IFRS 9.2.4. Accordingly, the contracts have therefore not been recognised as assets/liabilities in the financial statements.

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



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Recognised fair value measurements

(i) Fair value hierarchy

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

Recurring fair value measurements At 31. December 2021	Level 1 NOK'000	Level 2 NOK'000	Level 3 NOK'000	Total NOK'000
Financial assets				
Financial assets at fair value through profit or loss (FVPL)				
Unlisted equity securities	-	-	855	855
Equity contribution for pension plan membership	-	-	3 753	3 753
Derivative financial instruments				
Held for trading	-	57	-	57
Total financial assets	-	57	4 608	4 665
Financial liabilities				
Derivative financial instruments				
Held for trading	-	64 652	-	64 652
Total financial liabilities	-	64 652	-	64 652

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end for the reporting period.

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

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

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

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

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

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



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Financial risk management

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

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

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



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Derivates

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

<i>Amounts in NOK thousands</i>	31.12.2021
Foreign exchange rate contracts	(1 422)
Cross Currency Swap	(63 173)
Total	(64 595)

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

Credit risk

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

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

Liquidity risk

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

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



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Maturities of financial liabilities

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

(a) all non-derivative financial liabilities

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

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

At 31. December 2021	< 6 months	6-12 months	1-2 years	2-5 years	More than 5 years	Total
Trade payables	116 288	-	-	-	-	116 288
Borrowings	1 057 357	1 010 499	398 636	4 996 061	542 918	8 005 470
Derivatives	(28)	(29)	294	64 415	-	64 652
Leasing	23 394	16 528	29 544	7 728	4 419	81 614
Total	1 197 010	1 026 998	428 474	5 068 204	547 337	8 268 024

Interest Rate Benchmark Reform

The Group has assessed the consequences of the Interest Rate Benchmark Reform, replacing the IBOR-rate with a new reference rate. It has not yet been decided if and when NIBOR is to be discontinued and be replaced with NOWA.

The direct effects of the reform are therefore uncertain, and at this point the Group has not identified consequences of material impact on the financial statement.

The Group has the following financial instruments sorted by reference rates:

Amounts in NOK thousands	Reference rate	Amount
Financial assets		
Loan to associates	NIBOR	47 276
Financial liabilities		
Borrowings	NIBOR	8 005 468
Lease liabilities	NIBOR	70 010



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Note 13 Share capital

Share capital in Fjord1 Topco AS was 3 055 960 954 as of 31 December 2021 divided into 3 055 960 954 shares of nominal value of NOK 1 per share.

The largest shareholders in % at year end:

	Number of shares 31.12.2021	Nominal value per share 31.12.2021	Total nominal value 31.12.2021	Voting rights 31.12.2021
HavilaFjord AS	1 527 980 477	1,00	1 527 980 477	50 %
Runde Holdco AS	1 527 980 477	1,00	1 527 980 477	50 %
Total	3 055 960 954	1,00	3 055 960 954	100 %

HavilaFjord AS is in turn is owned by Havila Holding AS and Runde Holdco AS is owned by US-based Vision Ridge Partners.

HavilaFjord AS, a company wholly owned by Havila Holding AS, on 7 July 2021 announced that it had entered into a purchase agreement to acquire 4,736,246 shares in Fjord1 from independent third-party sellers and 3,850,000 shares from Runde Holdco AS at NOK 52 per share. Following completion of the purchases, Havila Holding AS controlled 93,546,095 shares in Fjord1, equal to 93.55% of the shares in Fjord1.

On 26 July, it was announced that Havila Holding through subsidiaries owned 98,792,149 shares, representing approximately 98.8% of the shares capital and voting rights in Fjord1, and a compulsory acquisition of the remaining outstanding shares at NOK 52 per share was announced on 28 July. The right of ownership of the minority shares was transferred and Havila Holding AS was as of 28 July the beneficial owner of 100% of the shares other than treasury shares held by Fjord1 itself. The shares of Fjord1 were delisted from the Oslo Stock Exchange on 23 August 2021.

Following the delisting, Fjord1 has deregistered as a public limited company (ASA) and registered as a limited company (AS). The company is now owned 99.9% by Fjord1 HoldCo AS, which in turn is owned 100% by Fjord1 TopCo AS, which in turn is owned 50/50 by Havila and US-based Vision Ridge Partners



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Note 14 Pension liabilities

Defined contribution pension plans

The Group has defined various contribution plans covering a total of 1,448 persons. The plans entails saving of 3-5% of salary up to 7G, and 8-15% for salary between 7 and 12 G.

In addition, the Group has a pension scheme for seamen covering 1,054 persons.

Defined benefit pension plans

The Group pension schemes covering a total of 183 persons, of which 163 pensioners. The scheme entitles staff to defined future benefits. These are mainly dependent on the number of years of service, the salary level at pensionable age and the size of benefits paid by the national insurance. The liabilities are covered through an insurance company (kundef).

Among these, the Group has a defined benefit plan through KLP which covers 118 persons, of which 115 pensioners. The agreement entitles staff to Contractual pension agreement (CPA) benefits from the age of 62 until they are eligible for a national insurance pension when reaching the age of 67. Around 50% of this arrangement is secured through KLP. KLP is not able to separate the secured part of the liability from the unsecured part. Therefore, all liabilities related to CPA are presented as funded obligations.

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

Risk exposure

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

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

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

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

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

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



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Amounts recognised in statement of financial position:	
<i>Amounts in NOK thousands</i>	31.12.2021
Present value of funded obligations	187 507
Fair value of plan assets	183 811
Deficit of funded plans	3 695
Present value of unfunded obligations	17 607
Total deficit of defined benefit pension plans	21 302
Amounts recognised in profit or loss	
Defined benefit arrangements	835
Defined contribution arrangements	9 347
Total pension expenses	10 182

2021

<i>Amounts in NOK thousands</i>	Funded	Non-funded	Total
	obligations	obligations	
Current service cost	180	387	566
Recognised past service cost	-	-	-
Service cost	180	387	566
Net interest expense / (income)	71	68	139
Administrative expenses related to management of plan assets	40	-	40
Payroll tax (PT)	26	64	90
Total amount recognised in profit or loss	316	519	835

Change in defined benefit obligation

<i>Amounts in NOK thousands</i>	Present	Fair value of	Total
	value of obligation	plan assets	
At 27 September 2021	207 749	(181 362)	28 300
Service cost	566	-	566
Interest expense (income)	841	(734)	106
Past service cost	-	-	-
Remeasurements	1 746	(2 295)	(548)
Benefits paid	(2 453)	2 197	(257)
Contribution	-	(1 774)	(1 774)
Administrative expenses	-	157	157
At 31 December 2021	208 449	(183 812)	24 638

Significant actuarial assumptions	2021
Discount rate	1,90%
Salary growth rate	2,75%
Expected growth in base social security amount (G)	2,50%
Estimated return on plan assets	1,90%
Pension growth rate	0,00%



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Note 15 Borrowings

Amounts in NOK thousands	31.12.2021		Total
	Current	Non-current	
<i>Secured</i>			
Bank loans	1 409 179	5 641 422	7 050 602
<i>Unsecured</i>			
Bonds	954 867		954 867
Total borrowings	2 364 046	5 641 422	8 005 468

Bank loans in Fjord1 AS are secured by first mortgages over the Group's vessels in 2021
Bank loans in Fjord1 Holdco AS is secured by shares in Fjord1 AS.
Book value of assets pledged as security:

Fjord1 AS	
Amounts in NOK thousands	31.12.2021
Vessels	7 366 277
Assets held for sale	146 732
Total	7 513 009

Fjord1 Holdco AS	
Amounts in NOK thousands	31.12.2021
Cash in bank accounts	247 411
Bond in Fjord1 AS	341 344
Shares in Fjord1 AS	5 195 299
Total	5 784 054

The Group has complied with its financial covenants during 2021.

Fjord1 AS issued a bond loan with a nominal amount of NOK 1 billion at 22 November 2017. The bond was listed at Oslo Stock Exchange in Q2 2018.

The bond loan pays a floating interest coupon consisting of NIBOR 3 months plus 3.5 percent and maturing in November 2022. In June 2020, the equity ratio requirement of 22.5% was extended for a period to and including 30 June 2021 through an amendment to the Bond terms. Additionally, under the amended Bond terms, the bond loan will mature at a price equal to 101 per cent of the nominal amount.

Fjord1 Holdco AS has been granted bank loans of EUR 85 000 000 (PEPP Note Facility A) at a fixed rate of 3,5%, NOK 1 500 000 000 (PEPP Note Facility B) in July 2021 and 'NOK 500 000 000 (PEPP Note Facility B) at a fixed rate of 5,561% in December 2021. The loans matures at July 2026.

Fjord1 AS has in February 2018 and in 2019 secured a NOK 6,395 million loan facility with DNB and Nordea, of which a total amount of NOK 5,802 million has been utilised as at 31.12.2021, including guarantees. Part of the facility was utilised for repayment of all existing bank loan facilities at the time. The loan facility was amended in May 2020 where the covenant of an equity ratio above 22.5% was prolonged for the period to and including 30. June 2021. In addition, the NIBD/EBITDA-covenant has been amended, increasing from 5 to 6 for the period 31.12.21 - 31.03.22.

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

Financial covenants Fjord1 AS

- NIBD/EBITDA at maximum 5 (6 in the period 31.12.21 - 31.03.22)
- Equity ratio above 25.00%

The bond loan agreement include the following financial covenants

- Minimum equity ratio of 25.00%
- Minimum liquidity of NOK 75 million

Financial covenants Fjord1 Holdco AS

- Consolidated Leverage ratio at maximum 8,5:1,00
- Consolidated interest Cover ratio at minimum 2,25:1,00



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Note 16 Right-of-use assets and lease liabilities

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

<i>Amounts in NOK thousands</i>	
Right of use assets	31.12.2021
Buildings	2 347
Machinery and equipment	2 567
Vessels	64 194
Total	69 109

<i>Amounts in NOK thousands</i>	
Lease liabilities	31.12.2021
Current	38 328
Non-Current	31 682
Total	70 010

<i>Amounts in NOK thousands</i>	
Additions to the right-of-use assets	2021
	46 250

Amounts recognised in the statement of profit or loss

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

<i>Amounts in NOK thousands</i>	
Depreciation charge of right-of-use assets	2021
Buildings	2 721
Machinery and equipment	1 438
Vessels	60 049
Total	64 208

Interest expense	1 463
Expenses relating to short-term leases	1 295
Expenses relating to leases of low-value	3 318
Expenses relating to variable lease payments not included in lease liabilities	-

<i>Amounts in NOK thousands</i>	
Total cash outflow for leases	2021
	16 708



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The group's leasing activities and how these are accounted for

The Group agreements consist of buildings, cars, vessels used in the operating activities and office machines. Cars usually have a lease period of 5 years, while several of the buildings have a longer time frame. The office machines are leased in a 3-5 year period. Some of the building leases have extension options and this has been taken into account.

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

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

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

To determine the incremental borrowing rate, the Group:

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

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

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

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

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

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

Variable lease payments

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

Extension and termination options

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

Residual value guarantees

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



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Note 17 Commitments

17.1 Capital commitments

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

<i>Amounts in NOK thousands</i>	2022	After 2022	Total
Newbuildings and conversions	197 789	280 000	477 789
Quay structures/land investments	148 987	91 614	240 601
Total	346 776	371 614	718 390

17.2 Repairs and maintenance

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



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Note 18 Related party transactions

The following transactions were carried out with related parties:

Amounts in NOK thousands

Revenue from related parties

Related party	Relation	2021
The Fjords DA	Associate	27 067
The Fjords Fartøy III DA	Associate	-
WF Holding AS	Associate	273
Havyard Ship Technology AS	Controlled by the same ultimate owner	-

Expenses to related parties

Related party	Relation	2021
The Fjords DA	Associate	(6 144)
Havyard Ship Technology AS	Controlled by the same ultimate owner	-
New Havyard Ship Technology AS	Controlled by the same ultimate owner	(50 916)
Havyard Design & Solutions AS	Controlled by the same ultimate owner	-
Norwegian Electric Systems AS	Controlled by the same ultimate owner	(33 627)
Havila AS	Controlled by the same ultimate owner	-
Havila Holding AS	Owner	26 006

Receivables/(Liabilities) to related parties

Related party	Relation	31.12.2021
The Fjords DA	Associate	2 234
WF Holding AS	Associate	17 138
New Havyard Ship Technology AS	Controlled by the same ultimate owner	(13 835)
Norwegian Electric Systems AS	Controlled by the same ultimate owner	(1 006)
Havyard Production & Service sp.z.o	Controlled by the same ultimate owner	-
Havila Holding AS	Owner	-14 057

Havila Holding AS owns 50% of Fjord1 Topco AS, which owns 100% of Fjord1 Holdco AS. Fjord1 Holdco AS owns 99.9% of Fjord1 AS. Havila Holding AS owns 40.4% of Havyard Group ASA which owns 100% of Havyard Ship Technology AS and New Havyard Ship Technology AS. New Havyard Ship Technology AS has carried out repair and remodeling of ferries for Fjord1 AS for NOK 50.9 million in 2021.

Norwegian Electric Systems AS is owned 100% by Havyard Group ASA, and supplied NOK 31.9 million related to quay structures/land investments to Fjord1 AS in 2021.

See note 10 for more information about the acquisition of the shares in Fjord1 AS.



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Note 19 Remuneration

Executive management 2021:

<i>Amounts in NOK thousands</i>	Salary	Bonus	Payment in kind	Other benefits	Pension costs	Total remuneration	Number of shares
Dagfinn Neteland (CEO)	791	-	-	51	476	1 318	-
Anne-Wen Sundal Bøe (CFO)	547	-	-	4	20	570	-
André Høyset (COO)	547	-	-	7	20	573	-
Nils Kristian Berge (Technology & Project Director)	530	-	-	23	19	562	-
Total remuneration executive management 2021	2 404	-	-	85	534	3 023	-
Pension obligation CEO as at 31.12.2021						9 316	

The Fjord1 CEO, Dagfinn Neteland, is entitled to a severance pay equal to twelve months' ordinary salary on the Company's termination of his employment, and upon Mr. Neteland's termination of the employment upon certain material changes in control or changes to the business strategy and operations of the Company. No other member of the executive management team or of the Board has any service contract with the Company providing for material benefits upon termination of employment. The CEO has a supplemental defined benefit pension agreement. The annual pension expense linked to this includes the actuarial cost related to this agreement.

Board of directors 2021:

<i>Amounts in NOK thousands</i>	Total remuneration	Number of shares
Vegard Sævik (Chairman)	114	*
Per Rolf Sævik (Board member)	56	*
Reuben Aguilar Samuels Mungler (Board member)	56	-
George Polk (Board member from 22.10.2021)	-	-
Pål Harr Wefring (Board member from 30.08.2021)	-	-
Emma Maude Russell (Board member from 05.05.22)	-	-
Reldar Tangen (Board member from 30.08.21, Deputy member/Employee representative until 30.08.21)	-	-
Siri Hatland (Board member until 22.10.2021)	64	-
Birthe Cecilie Lepse (Board member until 22.10.2021)	71	-
Hege Sævik Rabben (Deputy member)	-	*
Bjørn Sørli (Deputy member/Employee representative from 30.08.2021)	-	-
Per Inge Rundhovde (Deputy member/Employee representative from 30.08.2021)	-	-
Helge Bøe (Observer/Employee representative from 30.08.2021)	-	-
Thomas Raksiang (Observer/Employee representative from 30.08.2021)	20	-
Lars Johan Storaekre (Vara observer/Employee representative from 30.08.2021)	-	-
Anne-Mone Strandmann (2. Vara observer from 30.08.2021, Deputy member/Employee representative until 30.08.2021)	-	-
Atle Olav Trollebø (Employee representative until 30.08.2021)	56	-
Terje Hals (Board member/Employee representative until 30.08.2021)	56	-
Anders Gjestad (Vara observer/Employee representative until 30.08.2021)	-	-
Ole Kjell Eidem (Deputy member/Employee representative until 30.08.2021)	-	-
Karl-Andreas Grinde Pedersen (Deputy member/Employee representative until 30.08.2021)	-	-
Daniel Nedrelied (Observer/Employee representative until 30.08.2021)	20	-
Egil Kirkebø (Vara observer/Employee representative until 30.08.2021)	2	-
Total remuneration Board of directors 2021 **	515	-

* Owners of shares through other companies: Vegard, Hege and Per Sævik through Fjord1 Topco AS. See note 13.

** In addition, NOK 80 thousand has been paid to the Board's Election Committee and 6 thousand meeting allowance to the Board's members.

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



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Note 19 Remuneration (continued)

<i>Audit fee</i>	
<i>Amounts in NOK thousands</i>	2021
Statutory audit	915
Tax advisory services	-
Other services	318
Total	1 233



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Note 20 Intangible assets

2021	Goodwill	Total
Acquisition cost as of 27.09	-	-
Additions	2 472 219	2 472 219
Disposals	-	-
Cost price 31.12.	2 472 219	2 472 219
Impairment loss	-	-
Accumulated impairment losses 31.12.	-	-
Carrying amount 31.12.	2 472 219	2 472 219

Depreciation rate/plan

Impairment testing

Additions

Additions relates to the acquisition of Fjord1 AS. See Note 10.

Allocation of goodwill

2021

Vessels Fjord1 AS

2 472 219

Impairment test of goodwill

According to IAS 36, goodwill is required to be tested for impairment annually.

As there have been no material changes to the underlying assumptions in the short period between the acquisition and period end (3 months), no updated impairment test has been conducted.



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Note 20 Events after the reporting period

On 16.03.2022 the contract counterparty of Fjord1 AS declared one option year on the contract Fylkesveg Sogn & Fjordane, extending the contract from 2025 to 2026.

On 22.04.22 the Group company Fjord1 AS announced that it has completed a debt refinancing of its existing loan facilities. The debt refinancing from private investors amounts to approximately NOK 6,5 billion. Proceeds will inter alia be used to repay the Company's existing loan facilities, including the outstanding bond loan (ticker FJORD01 and ISIN NO0010810302).

In connection with the completion of the refinancing, Fjord1 expects to launch a buyback offer to its existing bondholders.



To the General Meeting of Fjord1 Topco AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Fjord1 Topco AS, which comprise:

- The financial statements of the parent company Fjord1 Topco AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Fjord1 Topco AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Fjord1 Topco AS



Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

(2)



Independent Auditor's Report - Fjord1 Topco AS



Bergen, 30 June 2022
PricewaterhouseCoopers AS

Fredrik Gabrielsen
State Authorised Public Accountant

(This document is signed electronically)

(3)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Gabrielsen, Fredrik	BANKID_MOBILE	2022-06-30 14:05

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Skatteetaten

Vår dato
21.06.2022

Din/Deres dato
07.06.2022

Saksbehandler
Thor-Petter Sørli

800 80 000
Skatteetaten.no

Din/Deres referanse
AR492881373

Telefon

Org.nr
974761076

Vår referanse
2022/5540097

Postadresse
Postboks 9200 Grønland
0134 OSLO

FJORD1 TOPCO AS
Mjølstadnesvegen 24
6092 FOSNAVÅG

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til Fjord1 Topco AS' (org.nr. 926 970 542) søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Selskapet begrunner søknaden med at det delvis er indirekte eid av selskap som hører hjemme i utlandet.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i



samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at en betydelig andel av selskapets eiere er engelskspråklige og vil ikke ha mulighet for å forstå årsregnskap og årsberetning på norsk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lene Bjørkevoll
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Skatteetaten

Thor-Petter Sørli

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.