fjordline.com



AN **EXTRAORDINARY** YEAR

ANNUAL REPORT **2022**

WE MOVE **PEOPLE**



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Fjord Line's mission is to move people, not just physically, but also emotionally and sustainably



CONTENT

01
CEO LETTER

02
THIS IS FJORD LINE
Fjord Line in brief
Our vision and mission & values
Routes & vessels

03
THE CUSTOMER EXPERIENCE
Customer experiences
Connecting Norway
and Continental Europe

04
RESPONSIBLE MARITIME TRAVEL
Approach to sustainability
Material aspects
Environmental
Social
Governance
Metrics
Sustainability risks
and opportunities

05
REPORT FROM THE BOARD OF DIRECTORS

06
CONSOLIDATED FINANCIAL STATEMENTS

07
FJORD LINE AS FINANCIAL STATEMENTS

08
AUDITORS REPORT





An extraordinary year caused by both a global pandemic and an energy crisis

The aftermath of the global pandemic as well as the energy crisis - with the extraordinary volatile and increased LNG (Liquified Natural Gas) fuel price development - significantly impacted Fjord Line's operations and performance in 2022. Despite the challenges, Fjord Line's delivered the best-ever high season turnover in 2022 and concluded the year with an announcement to rebuild our two LNG-ships to dual-fuel LNG/MGO-engines.

Fjord Line's mission is to move people. Moving people continued to be difficult during 2022 due to the consequences of the global pandemic and the energy crisis on our business and operations. Our ambitions remain and we are proud of the role Fjord Line plays in society by providing services between coastal communities and in connection Norway and Continental Europe.

PROVIDING CRITICAL INFRASTRUCTURE AND STRONG HIGH SEASON

The global pandemic continued to significantly impact Fjord Line's operations and financial performance during first quarter of 2022 as all Fjord Line's routes and sailings were discontinued due to new government-imposed travel restrictions by the end of 2021. During first quarter 2022, Fjord Line returned to only operating the essential and critical emergency freight-only operation between Norway and Denmark, securing critical infrastructure also during the pandemic.

After two years of a global pandemic and government-imposed travel restrictions, Fjord Line finally resumed ordinaire operation when the government-imposed travel restrictions were lifted in Scandinavia in March 2022. We happily welcomed our guests back to our ships and services and Fjord Line had the best-ever high season turnover in 2022.

> I want to extend my gratitude to our stakeholders for your crucial commitment and confidence in Fjord Line

EXTRAORDINARY LNG-PRICE INCREASES AND REDUCED OPERATIONS

As Europe gradually emerged from the global pandemic, the terrible and devasting war in Ukraine caused new significant challenges to Fjord Line's business in 2022 due to the extraordinary volatile and increased fuel price development, especially in LNG (Liquified Natural Gas) since the invasion started. The price increases in LNG have been far higher than for traditional and less sustainable energy sources at sea and in addition Fjord Line has received no governmental financial energy-aid. This has led to a dramatic increase in the energy costs for Fjord Line's two LNG-operated ships, and significantly above a financially sustainable level.

Consequently, and since early Fall 2022, the LNG-ships operation between Vestlandet in Norway, Hirtshals in Denmark and Langesund in Norway was reduced as well as the crossing time was increased to reduce the negative impact of the energy crisis and secure a sustainable financial operation. As this of course is not the way Fjord Line intend to operate our routes or the desired customer offering to serve our customers, Fjord Line worked immensely hard during 2022 to develop and evaluate long-term sustainable alternatives to continue our ordinary customer offerings with our two LNG-ships. Fjord Line's other routes between Sandefjord in Norway and Strömstad in Sweden, and Kristiansand in Norway and Hirtshals in Denmark have been in full operation post-COVID-19.

REBUILDING LNG-SHIPS FROM SINGLE TO DUAL-FUEL ENGINES

In December 2022, Fjord Line announced the decision to rebuild the two LNG-ships MS Stavangerfjord and MS Bergensfjord from single-fuel LNG-engines to dual-fuel LNG/MGO-engines during first half year 2023. The engine conversion enables the two LNG-ships to switch between LNG and MGO (Marine Gas Oil), which will ensure a financially sustainable operation until the LNG-price level is normalized and in addition securing a strong future operational flexibility.

The rebuilding of MS Stavangerfjord started in January 2023 and will be finalized by the end of May 2023. MS Bergensfjord is being rebuild from February 2023 to medio June 2023 and all services of both LNG-ships are discontinued during this period.

Fjord Line has concluded a refinancing as part of the LNG-ships rebuilding process and to resolve the impact of the current energy crisis. A refinancing where our owners and lenders through their strong commitment jointly have secured the continued development of Fjord Line's strong position.

The consequences of our two LNG-ships being out of operation for several months are significant for both our customers and all of Fjord Line. We are determined and strongly committed to continuously take necessary actions to address challenges that affect Fjord Line's business and to secure a sustainable strong development of Fjord Line. We are spending the time purposefully and ready to deliver even stronger customer experiences when welcoming our passengers and freight customers back to MS Stavangerfjord and MS Bergensfjord again in June 2023.

TRULY REMARKABLE EFFORTS FROM OUR EMPLOYEES

I want to thank all our employees for strong loyalty, commitment, and "going the extra mile" as we jointly navigate through new and very challenging times. We are very fortunate to have such dedicated people and leadership in Fjord Line demonstrating strong courage, remarkable efforts, and always with an eye for developing and delivering the best customer experiences.

FURTHER DIGITALIZATION AND IMPROVED CUSTOMER OFFERINGS

Fjord Line is strongly committed to continuing our investments in innovative and sustainable ferry operations to the benefit of our customers, stakeholders, and our society. During 2022, Fjord Line has further improved the customer offerings using new technologies and further digitalization. In the beginning of 2023, a permanent route change was announced for MS Stavangerfjord and MS Bergensfjord. When both ships resume operation

during May and June 2023, they will service Kristiansand instead of Langesund. The change will provide a stronger customer offering for both travelers and freight customers on the shortest sailing distance between Norway and Continental Europe. This includes higher frequencies, all-year services, and choice of services between MS Stavanger Fjord/MS Bergensfjord and Fjord Line's high speed catamaran Fjord FSTR. In addition, we are spending all lay-up time/rebuilding time purposefully to secure further competences development of our employees.

THANK YOU TO ALL OUR STAKEHOLDERS

On behalf of Fjord Line, I want to extend my sincere gratitude to all our stakeholders for crucial support, commitment, and confidence in Fjord Line as we continue to navigate through challenging times. A special thank you to all customers for trusting us also during difficult times with rapid changes and with unfortunate implications for some of our customers. Fjord Line are committed to continue to deliver strong, high quality, and unique customer experiences throughout the customer journey – every time - as we aspire to become Scandinavia's best, most loved, and profitable ferry company.

Looking back at 2022, it was in many ways another year with macroeconomic challenges we would never have foreseen materializing, especially so rapidly and simultaneously, and with a significant impact on our business and for our customers. During both the global pandemic and the energy crisis Fjord Line has proven its resilience, strong market position and we are well positioned to deliver future growth based on strong customer offerings and sustainable value creating to all our stakeholders.

Welcome onboard!



Brian Thorsted Hansen, CEO



THIS IS FJORD LINE

FJORD LINE IN BRIEF

Fjord Line is Norway's second largest shipping company for international passenger traffic and freight transportation between Norway, Sweden, and Denmark. The company was founded in 1993 and is a relatively young ferry company on a significant growth path with a 22% market share in 2022.

Being a link between Norway and Europe has always been important throughout Fjord Line´s history. We are proud of the role Fjord Line plays in society by providing services between coastal communities and in connecting Norway and Continental Europe.

Fjord Line operates the ferries MV Bergensfjord and MV Stavangerfjord, sailing between Bergen, Stavanger, Hirtshals and Langesund (in Summer 2023 the port of Langesund will be replaced by the port of Kristiansand to secure a stronger customer offering), MV Oslofjord sailing between Sandefjord and Strömstad, and the newly built HSC Fjord FSTR (introduced in 2021) between Kristiansand and Hirtshals. MV Oslofjord fly the Norwegian flag, whilst all other vessels fly the Danish flag.

Fjord Line has led the way in the green transition at sea, being pioneers within green shipping and sustainable fuels. This includes being an early adopter of Liquified Natural Gas (LNG) technology, which enables up to 25% CO2-svaings and greatly reduced emissions of sulphur- and nitrogen oxides. Our fleet has a class-leading sustainability profile, and we are strongly committed to use and currently take advantage of new technologies to meet requirements for lowering our CO2-emssions.

In a normal year (2019) our 650 employees transport over 1.4 million passengers and 65.500 freights units annually. Fjord Line is headquartered in Egersund with offices in Hirtshals, Bergen, Stavanger, Kristiansand, Langesund, Sandefjord and Strömstad.

OUR VISION, MISSION & VALUES

Fjord Line's vision is to become Scandinavia's best, most loved and profitable ferry company.

The key to be preferred – and loved – is the experience our customers gain through the entire customer journey, and it must be great and unique – and create value for our customers. We develop our business to remain a viable and resilient company and the key to be preferred – and loved – is also anchored around our strong commitment towards innovative, efficient responsible maritime travel and sustainable business operations.

During both the global pandemic and the energy crisis Fjord Line has proven its resilience and continues to be a leading contributor towards sustainable and innovative ferry operations to the benefits of our customers, stakeholders, and our society.

Fjord Line is based on sound business values. Everything we do is anchored around vigour, responsibility, respect, and commitment towards customers, colleagues, and all other stakeholders.

Fjord Line's mission is to move people; not just physically, but also emotionally and sustainably. With strong passion, commitment, and engagement Fjord Line strive to give our customers a real sense of joy, and outstanding service - every time.

We move people and goods always with an uncompromising focus on safety and sustainability to the benefit of all our stakeholders and society. Our enablers to secure value creation are our People, Technology, and ESG.

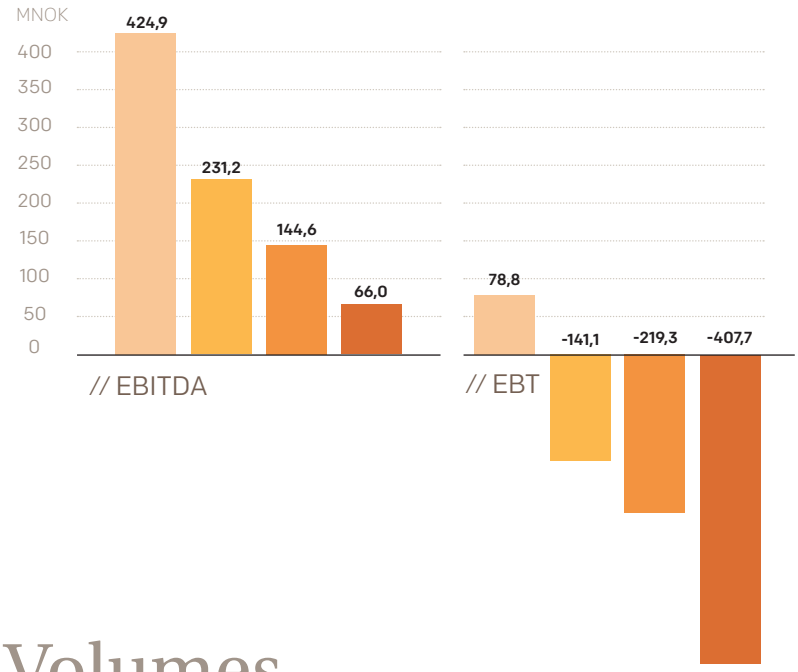


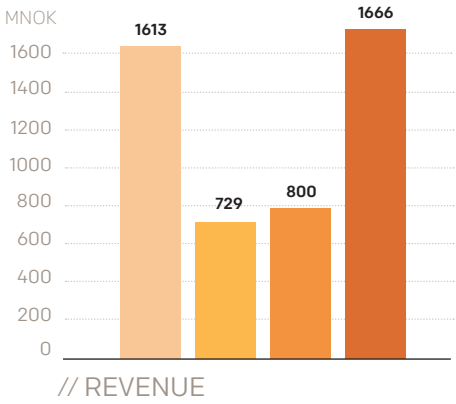
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We aim to become Scandinavia's best, most loved and profitable ferry company

Financials

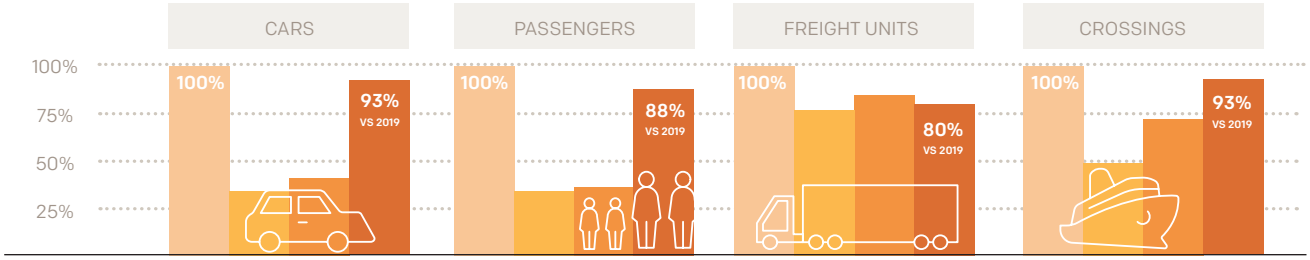
2019 2020 2021 2022





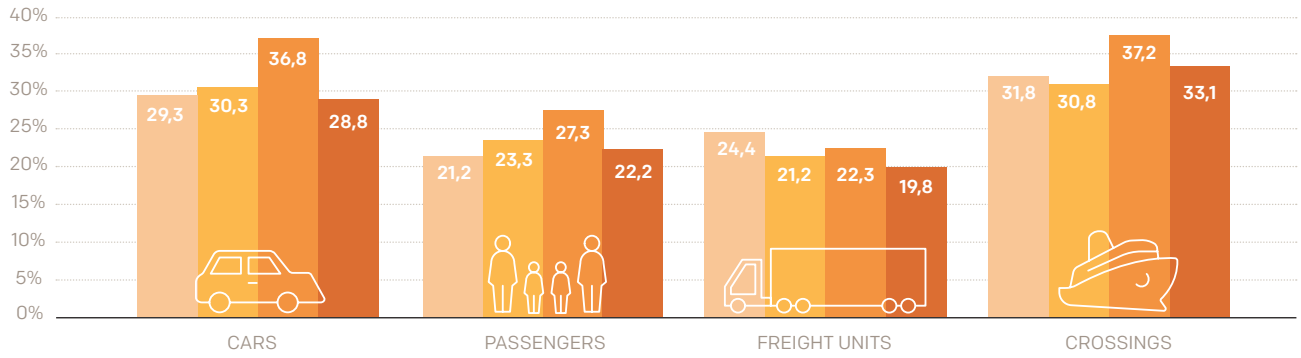
Volumes

Compared to the pre-covid year of 2019



Total	2019	2020	2021	2022
Cars	436 800	149 400	179 400	404 200
Passengers	1 429 900	484 500	510 500	1 253 000
Freight units	65 500	50 200	55 800	52 400
Crossings	3 441	1 676	2 461	3 207

Market shares



The market is defined as all volumes on routes between Norway-Denmark and Norway-Sweden. Source: Shippax

ROUTES AND VESSELS

MV Bergensfjord



MV Stavangerfjord



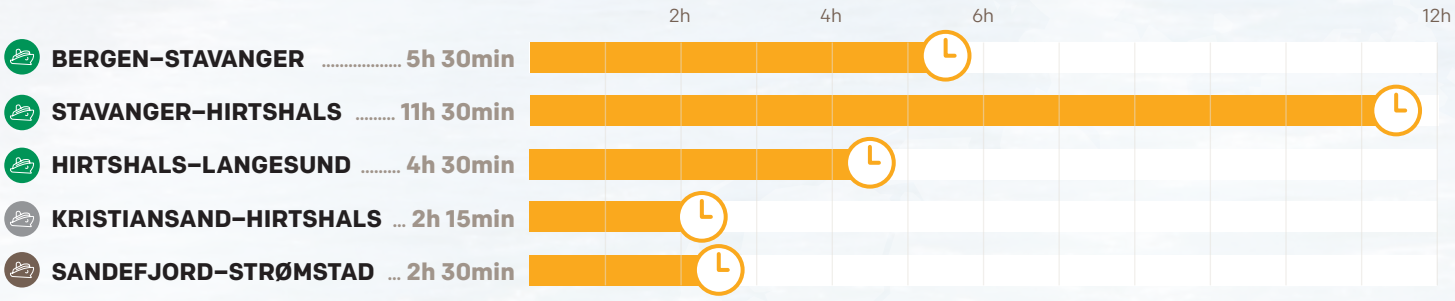
HSC Fjord FSTR



MV Oslofjord



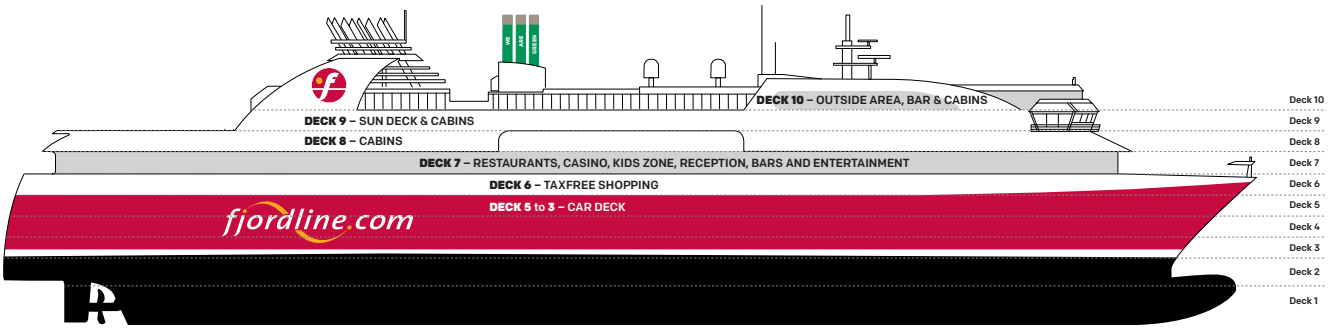




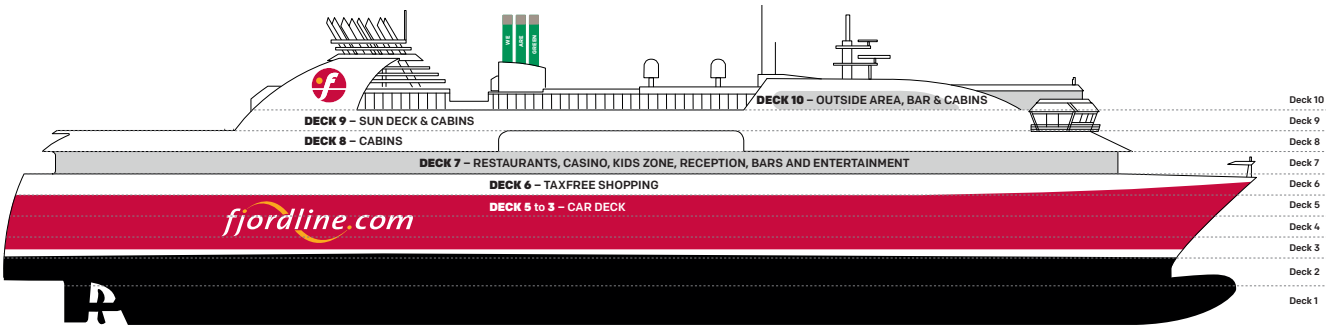
OUR VESSELS

	INFORMATION	*MV Stavangerfjord/ MV Bergensfjord*	*MV Oslofjord*	*HSC Fjord FSTR*
GENERAL	Built	SF 2013/ BF2014	1993/2015	2021
	Guests	1500	1350	1200
	Seats	214	1350	1200
	Cabins	370	–	–
	Handicap cabins	4	–	–
	Beds	1370	–	–
	Cars	600	370	410
	Loading meters car deck	1400	1740	1818
	Crew	70–100	70	22
	Range – fully bunkered	2500 NM	2350 NM	780 NM
	Length	170 m	134 m	109 m
	Width	28 m	24 m	30,5 m
	Height	42 m	41,2 m	29 m
	Draught	6,5 m	5,7 m	3,75m
	Horse power	30.000 PS	15.700 PS	51.495 PS
	Maximum speed	25 knots	18 knots	40,5 knots
	Standard speed	21,5 knots	16 knots	37 knots
	Travel time	from 4,5–18 hrs	2 hrs 30 min	2 hrs 15 min
	Gross tonnage	25.000	17.851	11.888
	Currency	DKK	NOK	DKK
	MMSI number	219347000/219348000	219002929	220574000
RESTAURANTS	Commander Buffet	362 seats / 620m^2	232 seats / 385m^2	–
	Oasis Garden Café	139 seats / 178m^2	314 seats / 590m^2	–
	Grieg Brasserie	62 seats / 100m^2	–	–
	Fjord Lounge	189 seats / 390m^2	–	–
	Pier 42 Sportsbar	104 seats / 105m^2	–	–
	Fjord of Coffee	–	286 seats / 430m^2	–
	Fjord of Beach Bar	–	42 seats / 100m^2	–
	Sun Bar	–	286 seats / 465m^2	–
	Sky Bar	–	120 seats / 400m^2	–
	Bungalow snacks and drinks	–	202 seats / 360m^2	–
	Lounge	–	–	184 seats / 420 m^2
	Bistro	–	–	186 seats / 345 m^2
	Café/Starbucks	–	62 seats / 360m^2	404 seats / 575 m^2
FACILITIES	Taxfree	500m^2	1800m^2	280 m^2
	Casino	Yes	Yes	–
	Terrace on deck 3	–	58 seats / 170m^2	–
	Conference Area	5 rooms / 56–154m^2	–	–
	Dog Hotel – cages	4 medium / 70x100x75 4 large / 100x100x75 4 extra large / 120x100x160	4 cages / 1m^3	–
	Kids Area	Yes	Yes	Yes

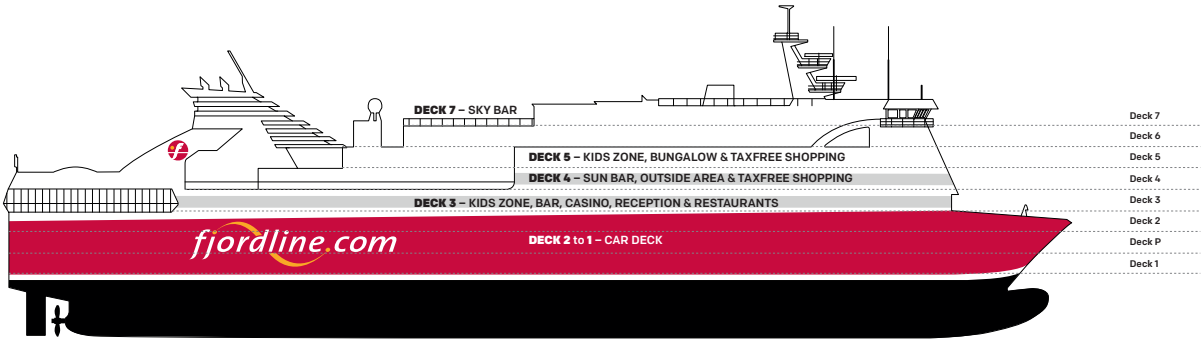
OVERNIGHT CRUISE **MV STAVANGERFJORD**



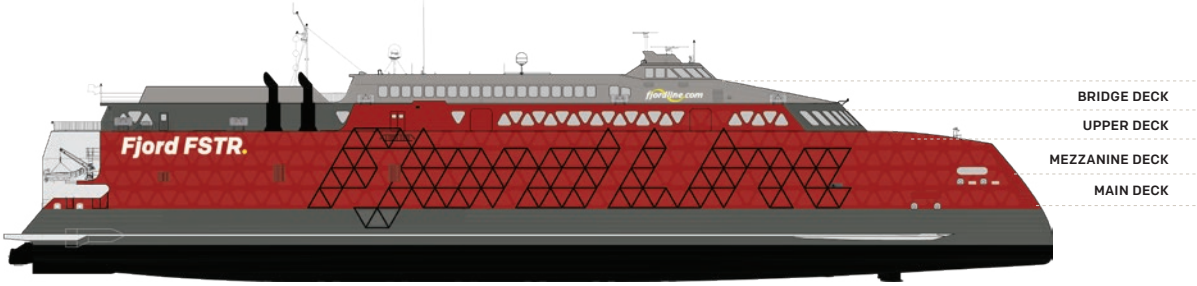
OVERNIGHT CRUISE **MV BERGENSFJORD**



DAY CRUISE **MV OSLOFJORD**



DAY CRUISE **HSC FJORD FSTR**







THE **CUSTOMER EXPERIENCE**

CUSTOMER EXPERIENCES

During the beginning of 2022, Fjord Line continued to be affected by the government-imposed travel restrictions caused by the global pandemic and the second half of the year was characterized by route changes due to the consequences of the energy crisis. This is of course not the way Fjord Line intend to operate our routes or the desired customer offering. However, adjustments to our route operations were required as a consequence of the extraordinarily high fuel costs, especially for LNG. The route changes unfortunately affected both new bookings and guests already booked whose travel schedules needed changing, and we sincerely regret the consequences for our customers.

Summer 2022 ended on a very positive note, as the travel desire and number of guests were very positive after the government-imposed travel restrictions were lifted. Fjord Line delivered the best-ever high season turnover in 2022.

By the end of 2022, Fjord Line decided to rebuild the two LNG-ships MS Stavangerfjord and MS Bergensfjord from single-fuel LNG-engines to dual-fuel LNG/MGO-engines during Spring 2023. The conversion is critical to maintain our customer offering going forward as the engine conversion enables the two LNG-ships to switch between LNG (Liquified Natural Gas) and MGO (Marine Gas Oil) to mitigate the financial implications of the extraordinary high LNG-prices.

CUSTOMER DRIVEN APPROACH TO ENHANCED CUSTOMER EXPERIENCES

During 2022, we have changed our business focus to an even more customer driven approach in developing customer products and services as we have built a deeper insight and understanding of our guest's needs, motives and experiences when travelling with us. This insight is very important in our continuous





We aim to give our customers a real sense of joy, passion, and outstanding service – every time







development and improvement of the guest experience in all phases of the customer journey; before, during and after travelling with Fjord Line. Our guests care a lot about traditions, convenience, and safety. Our customer offering, product development, communication, and brand building are founded on these customer preferences.

We strive for a guest experience that is great and unique and always value for money for our guests. We work hard to continuously improve our guest's journey at all stages. We aim to give our guests a real sense of joy, passion, and outstanding service – all the time.

IMPROVED CUSTOMER JOURNEY – NEW TECHNOLOGIES AND FURTHER DIGITALIZATION

Commercial areas onboard M/S Stavangerfjord and M/S Bergensfjord will be upgraded during the planned docking period with a brand-new Fjord Lounge and a new Kids Play area on deck 7, and an upgraded outdoor service and entertainment area on deck 10. In the Fjord Lounge on deck 7 our passengers can book a calm and guaranteed seat with access to a light snack and warm and cold drinks. Deck 10 will have an upgraded outdoor lounge in connection with our popular Sky Bar. The dogs' area onboard will be upgraded and enlarged to improve the experience for our passengers travelling with their pets.

Onboard HSC Fjord FSTR, further development has been made to the self-ordering service concept to include all food and beverage outlets for a better guest experience and more efficient service. On M/S Oslofjord we have introduced a car deck pick up service to improve the convenience and shopping experience for our customers.

Technology and digitalization are important enablers for better customer experiences and improving and simplifying our business operations.

Fjord Line has embarked on a comprehensive digitalization journey to harness the power of technology and drive growth, efficiency, and customer satisfaction. This transformation not only enhances our existing processes and operations but also opens up new opportunities and pathways for success.

Our digitalization initiatives encompass a wide range of projects, each designed to address specific challenges and opportunities in our industry. These projects are built upon a foundation of robust digital infrastructure, which includes cloud-based solutions, data analytics, and cybersecurity measures to ensure seamless and secure integration of our systems.

As we continue to make strides in our digitalization journey, we remain focused on enhancing the value we deliver to our customers and partners. By leveraging the potential of digital technologies, we aim to create more engaging experiences, improve our products and services, and streamline our internal processes for greater efficiency.

In the following section, we will explore the various projects we have developed as part of our digitalization efforts. These projects showcase our commitment to leveraging technology for the betterment of our company, employees, customers, and partners.



> Fjord Line has decided to rebuild the two LNG-ships from single-fuel LNG-engines to dual-fuel LNG/MGO-engines.

ENHANCING THE PHYSICAL CUSTOMER JOURNEY

One of the key aspects of our digitalization journey has been the integration of technological aid into the physical customer experience. By installing state-of-the-art boarding gates and check-in kiosks, we have been able to streamline and enhance the customer journey at our facilities.

The implementation of automated boarding gates has improved the boarding process, providing a seamless and efficient experience for our customers. These gates verify passengers' identities and boarding passes in real-time. This not only accelerates the boarding process but also reduces the risk of human error and enhances security measures. Additionally, the automated boarding gates offer contactless experience, which is particularly important in today's health-conscious environment.

Our self-service check-in kiosks have significantly improved the check-in experience for our customers. By allowing passengers to check-in, print their boarding passes and verify their ID papers without the need for assistance from our staff, these kiosks have reduced wait times and increased efficiency at our facilities.

The intuitive and user-friendly interface of our check-in kiosks enables customers to navigate the process with ease, while the integration of multiple language options ensures accessibility for our diverse clientele. Moreover, the availability of these kiosks helps redistribute our staff to focus on providing personalized assistance to those who require special attention or support.

Through the installation of automated boarding gates and self-service check-in kiosks, we have successfully digitalized the physical customer journey, creating a more efficient, secure, and enjoyable experience for all.

STREAMLINING THE BOOKING PROCESS WITH A NEW DIGITAL SOLUTION

A crucial part of our digitalization efforts has been the development and implementation of a new booking solution designed to create a more efficient and user-friendly experience for our customers. Our endeavor has successfully decreased the time it takes to book, while also providing a highly optimized and intuitive flow that caters to the unique needs of each customer. Our new booking solution features a clean, responsive, and easy-to-navigate interface, allowing customers to quickly find and book their desired services.

Recognizing the importance of providing a seamless booking experience across multiple devices, our new solution is fully compatible with desktop, tablet, and mobile platforms. This ensures that customers can easily book their desired services, regardless of the device they are using. Moreover, the system caters for the customer to start their booking on one device and finish at a later stage on a second device. The updated booking solution also simplifies the payment process, offering customers a wide range of secure and convenient payment options.

The implementation of our new booking solution has significantly enhanced the overall customer experience, making it faster and more efficient than ever before.

PIONEERING SELF-SERVICE SOLUTIONS FOR TRAVEL AGENTS

In line with our commitment towards continuous innovation and improving the travel booking experience, we are introducing a new self-service platform specifically designed for travel agents. This groundbreaking solution empowers agents to effortlessly book trips for their customers, streamlining the process and enabling them to deliver an unparalleled level of service.

Our self-service platform features a dedicated agent portal, which offers travel agents easy access to a comprehensive range of booking tools and resources. The portal's user-friendly interface and intuitive navigation make it simple for agents to search for and book all our products. One of the key advantages of our self-service platform is the real-time access it provides to our inventory and pricing. This ensures that travel agents have the most up-to-date information at their fingertips, allowing them to make informed decisions and secure the best deals for their customers.

API – FERRYGATEWAY

Fjord Line have successfully connected the booking system to the new worldwide standard API protocol – FerryGateway. Through the API connections, we expect to reach a significantly higher number of potential guests, enabling our online travel agent partners to sell our products directly to their customers.

EXPANDING SELF-SERVICE SOLUTIONS

We are excited to announce the expansion of our self-service solutions by introducing a «My Page»-feature for all our customers. The «My Page» feature provides customers with a centralized platform to manage all aspects of their trips, from booking and itinerary adjustments to accessing boarding passes and travel documents. In addition, customers can easily manage their loyalty club membership.

This seamless integration of trip management and loyalty club functionality creates a more cohesive and personalized experience for customers, ensuring they have all the information and resources they need at their fingertips.

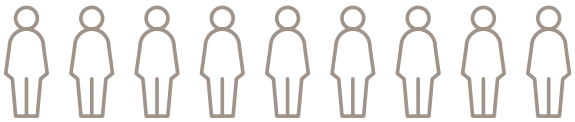
LEVERAGING MARKETING AUTOMATION FOR ENHANCED CUSTOMER ENGAGEMENT

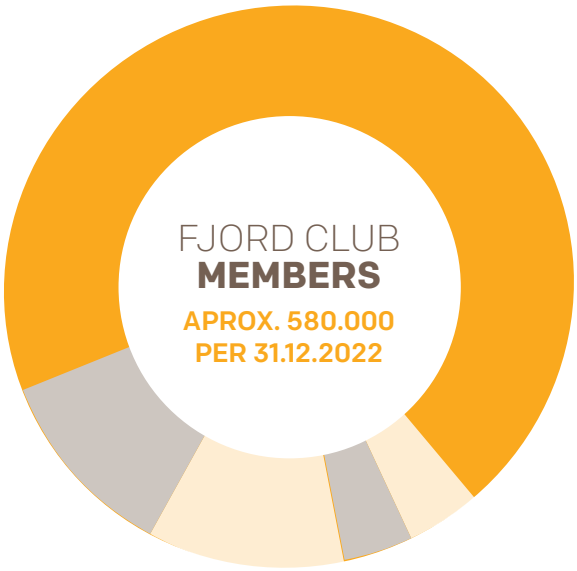
In line with our commitment to delivering exceptional customer experiences and driving growth, our company has embraced marketing automation as a key strategic initiative. By automating repetitive marketing tasks and harnessing the power of data-driven insights, we can better engage with our customers and create more targeted, personalized marketing campaigns.

Through this data-driven approach, we can ensure that our marketing efforts are relevant and timely, resulting in improved customer engagement and higher conversion rates. By delivering personalized and relevant marketing content to our customers, we can foster stronger relationships and improve customer satisfaction.

CUSTOMER LOYALTY - FJORD CLUB

Fjord Club is our way of appreciating regular guests travelling with Fjord Line. Membership numbers have increased to about 580.000 members in 2022. Our Fjord Club members are our most loyal guests, and we constantly develop our offers and communication with them. We favor the Fjord Club members when it comes to personalized communications with customized offers and will continue to develop and enhance our Fjord Club program going forward.

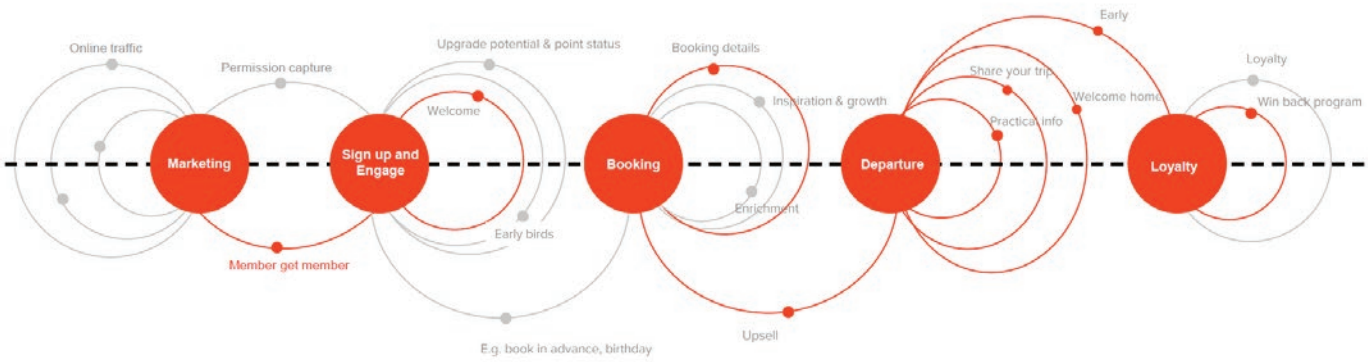






68%	11%	13%	4%	4%
NORWAY	DENMARK	GERMANY	NETHERLANDS	OTHERS

THE MARKETING AUTOMATION PROCESS





By delivering personalized and relevant marketing content to our customers, we can foster stronger relationships and improve customer satisfaction.

CONNECTING NORWAY AND CONTINENTAL EUROPE

Connecting Norway and Continental Europe for both passengers and freight has been important throughout Fjord Line's history.

Offering efficient, flexible, and high-quality tailored sea transport services - to support our customers in growing their businesses – is an important part of Fjord Line's business. We transport all types of freight daily - from lorries, semi-trailers, special loads as long/wide/heavy, and trailers to imported cars etc. Fjord Line offers several convenient sailing schedules to meet our customers' needs. Our freight service is also fully customizable to meet our customers' specific requirements.

Fjord Line is committed to sustainability and reducing our impact on the environment, and our focus is to contribute to a more sustainable future for global sea logistics. Our vessels are designed to be environmentally friendly and are equipped with the latest technology to minimize our carbon footprint.

The importance of maintaining critical freight transportations to secure vital goods are flowing, when borders have been closed during the global pandemic, has been reinforced also in the first part of 2022 during the continued government-imposed travel restrictions. During this period, Fjord Line continued to contribute to society by maintaining and crucial emergency ferry operation between Hirtshals in Denmark and Stavanger in Norway - securing goods flowing despite very challenging conditions. Through this operation, we have been able to offer a reliable freight operation for our customers to keep an essential supply line between Norway and Continental Europe open even when the pandemic placed restrictions on passenger traffic.

2022 has in many ways been another extraordinary year for Fjord Line's freight business. This caused by on one hand an exceptional market situation due to extraordinary high customer demand including high global freight rates after the global pandemic, and on the other hand our required schedule changes since early Fall 2022 to reduce the negative impact of the energy crisis.

Our customers have, after our schedule changes, shown us incredible and continued strong support and we have been seeing a continuous high demand for freight transportation from our customers also in 2022. With our regular departures from key ports and flexible routing options we offer the best ferry operation solutions between coastal communities in Norway and Continental Europe.

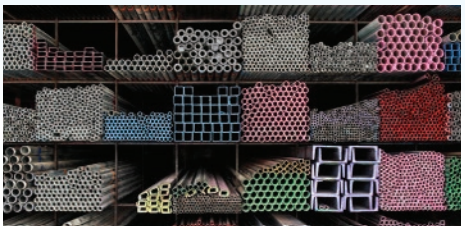
2022 emphasized Fjord Line's key role in society by providing services between coastal communities and we are proud of our continued role in connecting Norway and Continental Europe.





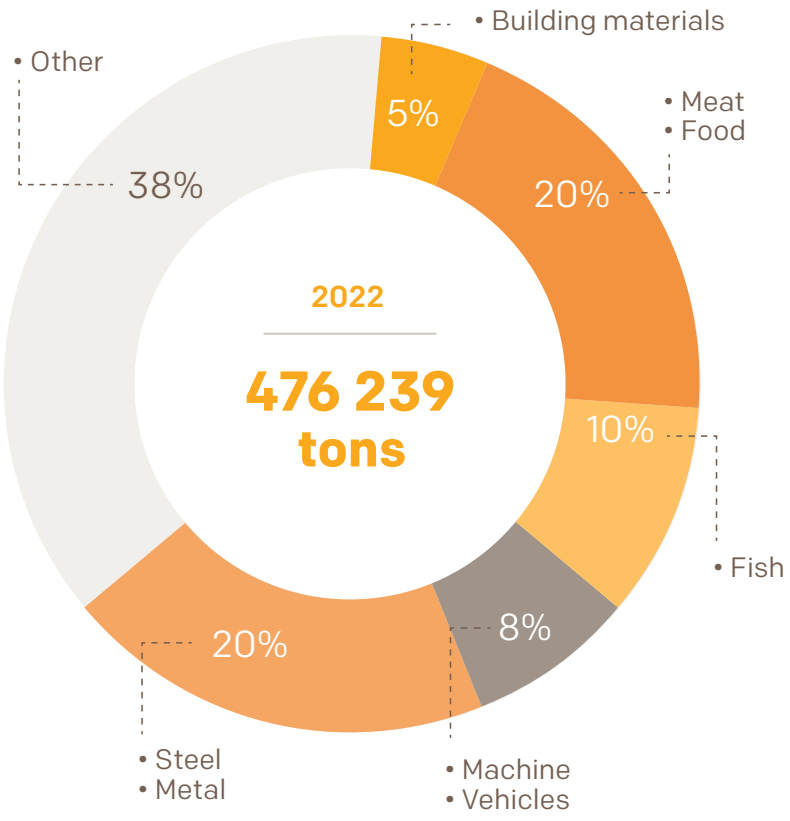






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Our focus is to provide high-quality customer tailored services to support our customers and their business.







We are committed to do our part in curbing global temperature increase to 1.5 degrees and to be a partner to society.



RESPONSIBLE MARITIME TRAVEL



ENVIRONMENTAL BENEFITS
by choosing to travel with
Fjord Line instead of by road

91% less NO_2	**23%** less CO_2
100% less SO_2	**98%** less PM

APPROACH TO SUSTAINABILITY

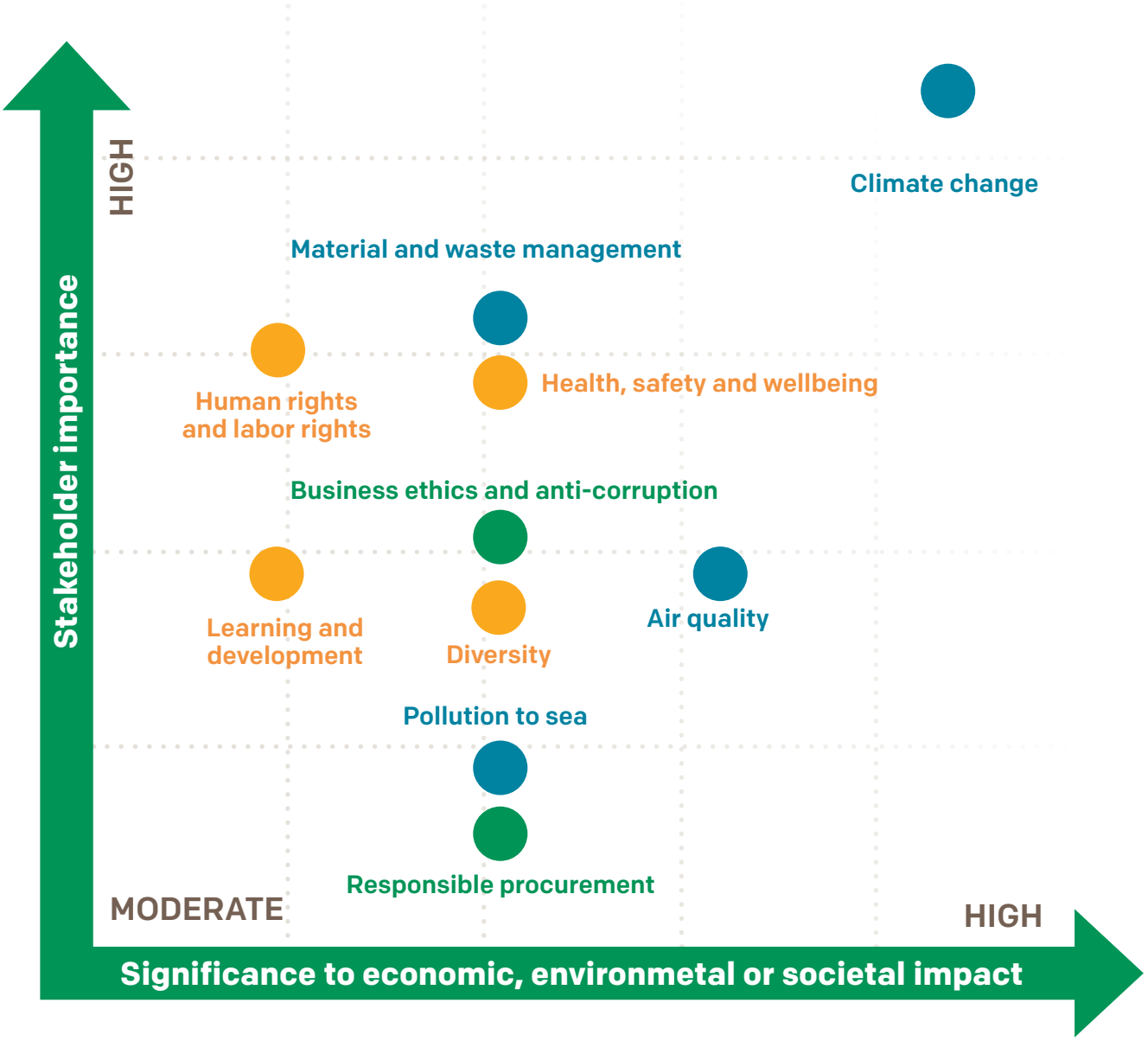
Fjord Line's vision to become Scandinavia's best, most loved and profitable ferry company includes a strong commitment towards sustainability leadership including sustainable and responsible business operations. This includes strategic focus and strong commitment towards:

- **Environmental leadership** - we are committed to take leadership in decarbonization at sea/maritime travel, protecting the ocean, and reduce waste.
- **Social responsibility** and a safe, engaging, and inspiring working environment - we act as a responsible employer and ensure that our people thrive at work.
- **Responsible business** practices & good corporate citizenship - we operate based on responsible high business integrity & practices.

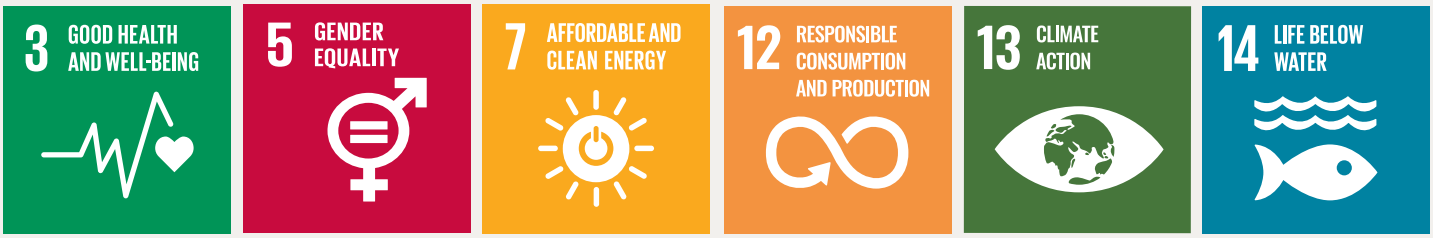
We are strongly committed to maintain stewardship across all ESG dimensions and aim to be a responsible contributor to society and recognize that our impact extends beyond our own operations. One of the most important sustainability challenges affecting maritime transport today is decarbonization. With the investment in our Liquified Natural Gas (LNG) ships, Stavangerfjord and Bergensfjord in 2013/14, Fjord Line were pioneers in carbon-efficient marine transport. Since 2008 we have improved our carbon efficiency by almost 50% and established a clear environmental leadership within our peer group. We do not rest on our laurels, however, and will continue to improve to further strengthen our sustainability leadership going forward. Our goal is to increase our energy efficiency by an additional 20% from 2019 to 2030.

MATERIAL ASPECTS

We focus on what matters the most. We engage in stakeholder dialogue to evaluate which topics are most important to our stakeholders. We also identify topics which can have a material economic, environmental, or societal impact. Fjord Line's primary stakeholders include customers, employees, owners and lenders.



Material aspect	Description	SDG
Climate change	Global warming remains one of humanity's biggest challenges to sustainable development. Shipping contributes to ca. 3% of global GHG emissions. The global shipping regulator IMO has defined a GHG strategy to cut GHG emissions by 50% from 2008 to 2050. EU is pursuing a similar path to cut CO2 emissions in EU by 55% by 2030.	**7, 13**
Air quality	In addition to greenhouse gases, combustion of fuel causes air emissions such as NOx, SOx and particulate matter (PM), which can cause negative environment and health impact.	**3**
Pollution to sea	Potential pollution to sea from shipping operations include ballast water, black and grey water, waste, plastics, toxins and risk for oil spills. While several of these pollution sources are strictly controlled in maritime regulation, Fjord Line is committed to preventing and reducing pollution as much as possible	**14**
Materials and waste management	Materials use in our operations include both goods for sale to our guests (e.g. food and tax free goods) and hardware for use in our operations (e.g. from ship investment and maintenance). Impact from materials use can be improved by reducing overall materials consumption, increasing share of recycling and adapting a circular perspective on material use.	**12**
Human rights and labor rights	Human rights and labor rights are gaining increasing stakeholder attention. Fjord Line exclusively employ people in the Nordics, subject to strong regulation and reporting obligations. Hence, our compliance with such regulation ensures a good baseline performance on human and labor rights. However, we indirectly employ people through our suppliers and we have the power to influence how rights are upheld among our suppliers in other parts of the world.	**3**
Diversity	Diversity includes ensuring equal opportunity for people with various background (gender, age, culture, etc.). Stakeholder engagement for diversity, as well as reporting requirements, are increasing.	**5**
Health, safety and wellbeing	A safe and healthy environment at sea and on shore for our employees and customers is a fundamental requirement for a sustainable business. We are committed to maintaining high health, safety and wellbeing and to prevent accidents and hazards.	**3**
Learning & development	Employee training and opportunities for personal and career development are important to maintain high employee motivation, to contribute to the development of maritime competence and to enable good customer experiences. Training is also an integral part in ensuring safe, efficient and sustainable operations.	
Business ethics and anti-corruption	Business ethics include management of risks related to anti-competitive practices, accounting, taxation, bribery, corruption, money laundering, IP rights and sanctions.	
Responsible procurement	We recognize that our responsibility extends to our suppliers and that we can influence sustainable operations through our procurement. This includes ensuring our suppliers are familiar with our standards and that adherence to those standards are made effective through our procurement operations.	

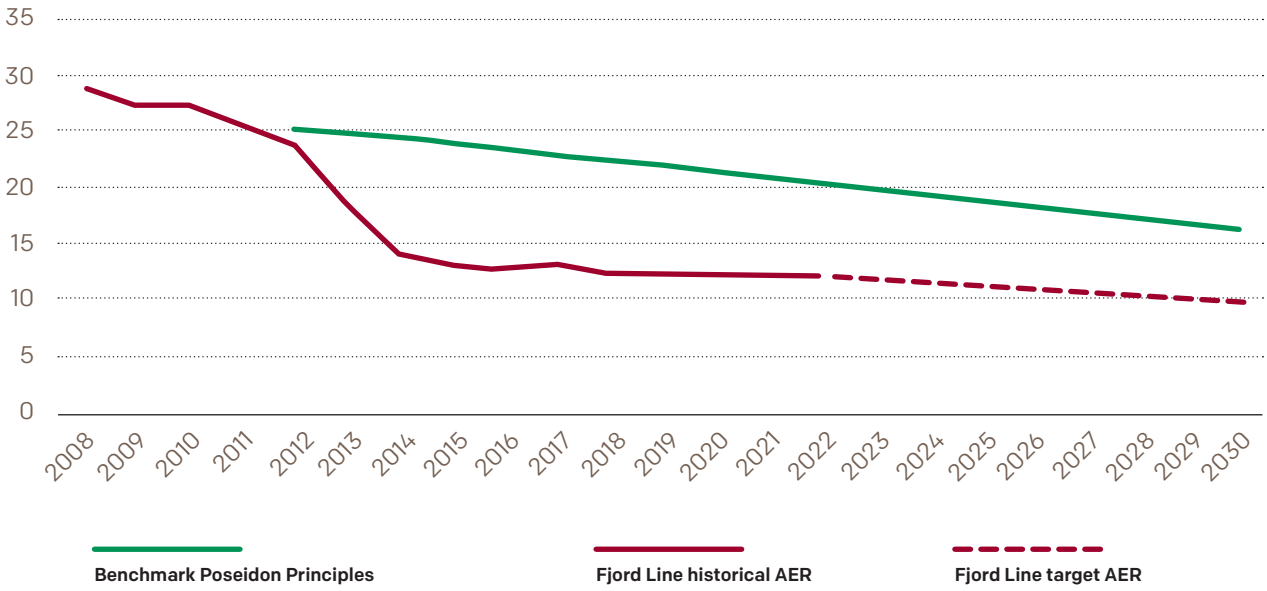


ENVIRONMENTAL

Shipping is the most environmentally friendly mode of transport over long distances. Nevertheless, shipping accounts for almost 3% of global greenhouse gas (GHG) emissions. Regulatory bodies, such as the International Maritime Organization (IMO) and the EU, recognize the need for decarbonization of shipping to support the Paris agreement. At Fjord Line we are committed to do our part in curbing global temperature increase to 1.5 degrees and to be a partner to society.

Our main goal is to improve our carbon efficiency, defined as average efficiency ratio (AER)*, by 56% in 2030 compared to 2008 levels. This is more ambitious than IMO's target of 40% in the same period. We have already made significant investments into technology and operations to improve our energy efficiency since 2019. Going forward, our goal is to improve AER with an additional 20% from 2019 to 2030.

Fjord Line fleet AER (gCO2/gt*nm)



The following formula is used to calculate AER:

$$AER = \frac{\Sigma_i C_i}{\Sigma_i gt\ D_i}$$

Where:

C_i is the carbon emissions for voyage i, using the fuel consumption and carbon factor of each type of fuel used.

gt is the gross tonne of the vessel.

D_i is the distance travelled on voyage i.

What Is the International Maritime Organization (IMO)?

The IMO is a specialized agency of the United Nations that is responsible for measures to improve the safety and security of international shipping and to prevent marine pollution from ships. The IMO sets standards for the safety and security of international shipping. It oversees every aspect of worldwide shipping regulations, including legal issues and shipping efficiency.

In their GHG strategy, the IMO has formulated a goal to cut annual absolute GHG emissions from international shipping by at least half from 2008 to 2050. The strategy requires a reduction in carbon intensity emissions (i.e. CO2 emissions per transport work) by an average of 40% by 2030 and 70% by 2050, both compared to the 2008 baseline.



> MV Oslofjord run on Marine Gas Oil (MGO) which emits considerably less Sulphur emissions than traditional marine fuels.

PIONEERS IN SUSTAINABLE SHIPPING

Our fleet has a class-leading sustainability profile. MV Bergensfjord and MV Stavangerfjord run on LNG which produces up to 23% lower carbon emissions compared to diesel engines. Nitrogen oxide emissions (NOx) from these vessels are as much as 91% lower and emissions from Sulphur (SOx) and soot (PM) are virtually eliminated. In 2015 this led to the sister ships receiving the highest Environmental Ship Index (ESI) score in 2015, in competition with approximately 3,200 other ships. Electricity for use onboard is produced by converting waste heat from the exhaust gas into steam-generated energy. Thus, MV Bergensfjord and MV Stavangerfjord cover their electricity needs for cabins and public spaces.

HSC Fjord FSTR and MV Oslofjord run on Marine Gas Oil (MGO) which emits considerably less Sulphur emissions than traditional marine fuels such as Heavy Fuel Oil (HFO). The catamaran HSC Fjord FSTR, is a new-build to replace HSC Fjord Cat and operates with an estimated 32% less GHG emissions per passenger compared to its predecessor. MV Oslofjord relies on land-based power when in harbor in Sandefjord. MV Bergensfjord and MV Stavangerfjord are not applicable for land-based power as they are in continuous operation. HSC Fjord FSTR connects to land-based power in Kristiansand.

In 2019, we started implementing AI-assisted tools onboard to provide the captains and officers with decision support regarding the most optimal energy efficiency voyage operation of the vessel, this system has shown a 5% fuel reduction and is now rolled out across all of Fjord Lines fleet.

The energy crisis, caused by the Russian invasion of Ukraine in 2022, led to extraordinary volatility and





Fjord Line contributes towards Sustainable Development Goal number 7, "Affordable and Clean Energy" and number 13" Climate action" by using cleaner fuels, investing in new types of fuel, and reducing energy consumption in our operations. Moving towards a world that relies mostly on renewable energy is essential to protect human wellbeing and ensure sustainable lives for all. At Fjord Line we are proud to say we are pioneers in this field.



Fjord Line contributes towards Sustainable Development Goal number 3, "Good Health and Well-Being", by reducing the amount of air pollutants from our ships. In 2020, an additional and immediate focus became to help stop the spread of the COVID-19 disease. Good health is fundamental to good lives: our employees, customers, and humans in general. It is in our best interest to do our part to contribute towards the well-being for all.

significant price increases in LNG well above financial sustainable levels – and far higher than for traditional and less sustainable energy sources at sea. We decided to convert our single LNG fueled vessels MV Stavangerfjord and MV Bergensfjord enabling the two LNG-ships to switch between LNG and MGO (Marine Gas Oil), which will ensure a financially sustainable operation until the LNG-price level is normalized. We are saddened by the need for the conversion towards use of MGO, despite Marine Gas Oil having significantly reduced emissions of sulphur than traditional fuel such as HFO (Heavy Fuel Oil). The conversion is however critical to maintain our customer offering, secure workplaces, and to secure the continued development of Fjord Line.

Fjord Line contributes towards Sustainable Development Goal number 14, "Life Below Water", by reducing emissions to the ocean, reducing the amount of solid waste we produce, recycle what we can and process what remains on land. Debris and pollutants at and under the ocean's surface are detrimental to life in the sea.



IMPROVE CO2 EFFICIENCY BY 20% FROM 2019 TO 2030

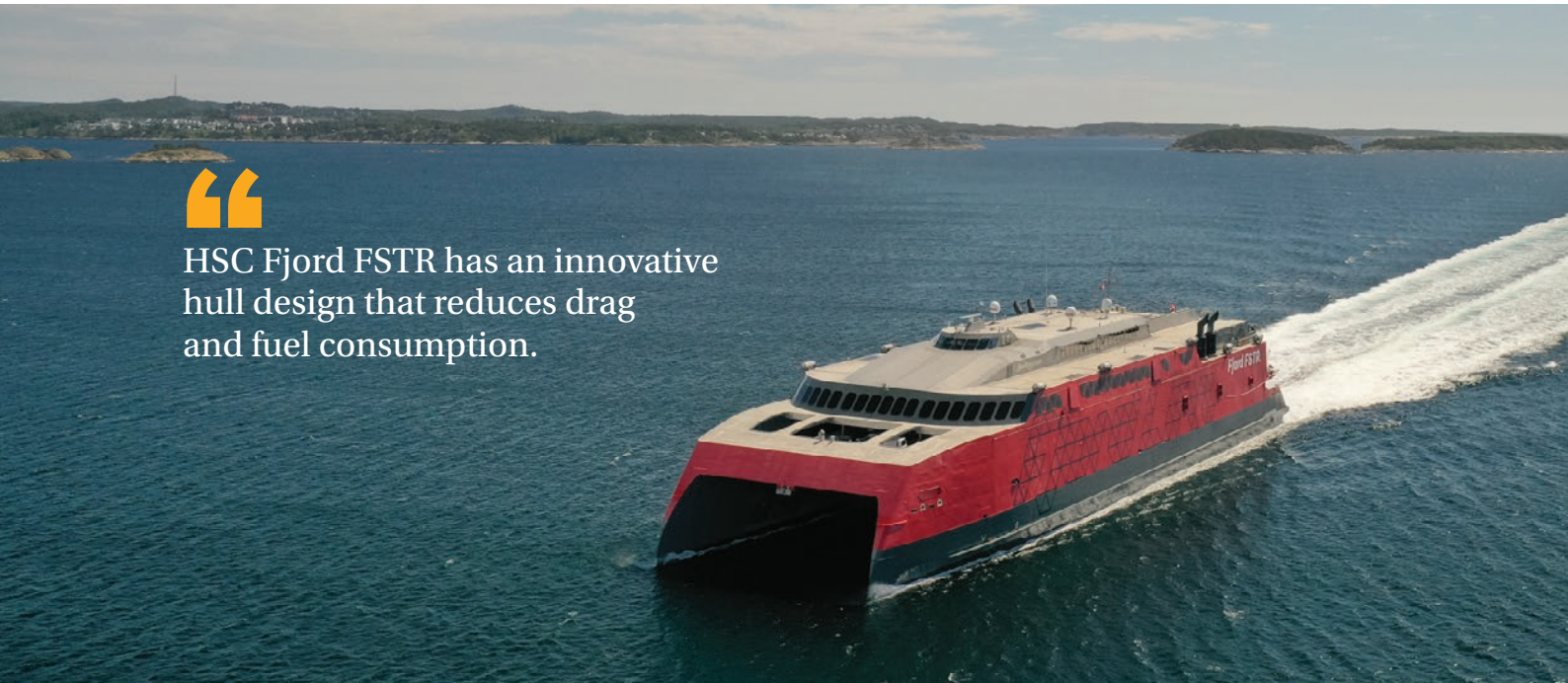
Going forward, we will continue to improve operating and technical aspects to our fleet and operations, to continue our positive momentum of increasing energy efficiency, and further decarbonization.

To meet our target of a 56% reduction in GHG emissions by 2030 compared to 2008 levels we will need even greener fuels than LNG. Fjord Line is now evaluating next generation fuels with zero or limited CO2 footprint. One of the alternatives we are looking into is biogas. In 2020 we entered a joint venture to produce liquid biogas (LBG) in Denmark, right next to our harbor in Hirtshals. The facility would be able to serve both trucks and ships with liquid biogas and be a critical enabler for the transition to renewable fuels for the transport sector. We have advanced the project which, if successful, enables significant reduction of net CO2 for our own operations as well as other transport operators.

Relying on the right type of fuel is of course the most important factor in drastically reducing emissions of both GHGs and air pollutants. However, we must also ensure energy efficient operations through good technical and operational solutions.

In 2020, we invested in a new antifouling system on MV Stavangerfjord which has produced an additional estimated 5% energy savings. We will continue to roll-out low-friction, environmentally friendly antifouling on our fleet, to reduce fuel consumption.

We are continuously trimming operational improvement for check-in, bunkering, loading and unloading of vessels, to reduce turnaround times. Time saved in port can be used to reduce sailing speed and save fuel. We are also evaluating technical improvement, such as new propeller and rudder designs, to reduce drag and improve efficiency.



"HSC Fjord FSTR has an innovative hull design that reduces drag and fuel consumption.









> We have a continuous focus on reducing the food waste in our onboard restaurants.

Our current fleet is modern with an average age of 13 years. Our oldest vessel MS Oslofjord was built in 1993 and has an estimated service life until 2035. For new builds, we will strive to design vessels based on renewable and carbon neutral fuels. Such fuels could include e.g. ammonia, e-methanol, hydrogen, or battery. We acknowledge that such technologies and infrastructure are not readily available today and there is considerable development of both technology and infrastructure remaining. However, we anticipate they will be available by 2030. We will partner with ship builders, engine manufacturers and classification societies to identify our preferred path to future fleet carbon neutrality.

PROTECTING THE OCEANS AND REDUCE WASTE

Protecting the oceans is a primary concern for Fjord Line. All wastewater and sewage are handled according to the most rigorous standards. Fjord Line is complying with the International Convention for the Prevention of Pollution from Ships (MARPOL). With MV Bergensfjord and MV Stavangerfjord we have gone beyond the MARPOL convention and make sure that all wastewater and sewage goes through an approved treatment system before being released. With MV Oslofjord all wastewater and sewage are collected and handled on shore.

We have a continuous focus on reducing the food waste in our onboard restaurants. For example, we have brought down the volume of uneaten food by encouraging our travelers to only help themselves with what they can eat in a nice and friendly manner. Food waste is being reduced in the galleys as well. Other waste, such as single use plastics and packaging is also being scrutinized.

We collect, sort, separate and take all solid waste to shore for adequate handling after arrival. In general, we are recycling approximately 25-30% of all our solid waste. Solid waste includes everything from steel to food to packaging and cardboard.

Fjord Line contributes towards Sustainable Development Goal number 12, «Responsible consumption and production».





SOCIAL

At Fjord Line, we take our social responsibility very seriously and strive to be a responsible contributor to society.

We are strongly committed to act as a responsible employer acknowledging the importance and value of our people. This includes ensuring a safe, purposeful, inclusive, and inspiring working environment and that our people thrive personally and professionally at work.

Our focus to act and be valued as a responsible and attractive employer is anchored around creating a strong company culture securing the wellbeing, motivation, and development of our people and where our people feel valued, engaged, and trusted. This also includes securing our people are treated with respect and provided with the resources and opportunities to thrive and consequently feel confident to contribute and act. We are confident that a strong corporate culture embracing diversity and inclusion fosters greater value for all stakeholders.

2022 has been another extraordinary year for the people in Fjord Line with unexpected, however required changes to the way we normally operate. Our people have shown strong loyalty, commitment, and "going the extra mile" as we jointly navigated through new and very challenging times. We are very fortunate to have such dedicated people and leadership in Fjord Line demonstrating strong courage, remarkable efforts, and always with an eye for developing and delivering the best customer experiences.

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

Fjord Line is continuously working to ensure an organization representing diversity and inclusion and we are strongly committed to provide equal rights and equal opportunities for all people at Fjord Line. We respect human rights, and all employees should feel valued, respected, and treated with dignity. We aim to avoid any form of discrimination based on gender, age, ethnicity etc., and has zero-tolerance for harassment of any kind.

Measured in average head counts in 2022, the Group had 777 employees, whereof 268 were shore-based and 509 were sea-going employees and covering 484 (62%) males and 293 (38%) females employees. This represents an increase of 1% in the number of female employees compared to 2021. Group Management includes a total of seven directors, whereof one (14%) is females and six (86%) are males.

Fjord Line operates within the maritime industry, which traditionally is a male dominated industry where female job candidates are generally low, especially for jobs at Sea, but we do our best to motivate female applicants for all jobs in our organization. In 2022 our people at Sea

EMPLOYEES	♂	♀
SEA head count	232	153
SHORE head count	115	105
TOTAL %	**57%**	**43%**
TARGET %	**55%**	**45%**

MANAGERS	♂	♀
SEA head count	112	12
SHORE head count	25	23
TOTAL %	**80%**	**20%**
TARGET %	**75%**	**25%**



were 68% males and 32% females. Our target for 2023 is 65% males and 35% females. For jobs at Shore, we have an almost equal balance with 52% males and 48% females. At Management level at Sea, we have a gender gap in 2022 reflecting the maritime industry in general with 91% males and 9 % females. The target for 2023 is 10 % females and 90% males in Management positions at Sea. On Shore the representation is 52% males and 48% females in leadership roles. Our target for 2023 is 50-50%.

Fjord Line is strongly committed to the principle of equal opportunities, development including promotion and equal compensation for equal work. At Sea, everyone is paid according to collective agreements and therefore we have no gender pay gap. At Shore 89% of all employees follow a collective agreement reflecting equal pay regardless of gender.

MALES

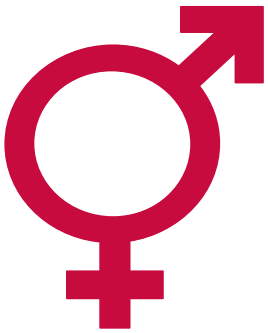
62%

Target 60%

FEMALES

38%

Target 40%



777 EMPLOYEES

484 MALES // 293 FEMALES

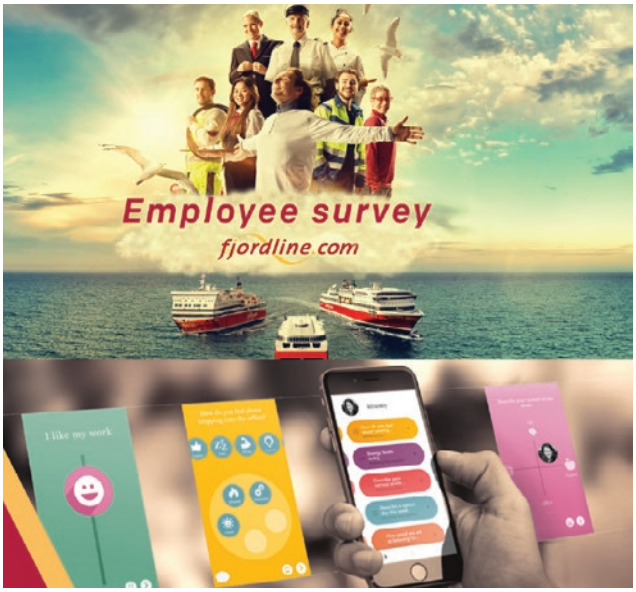


268 SHORE BASED • 509 SEA GOING STAFF



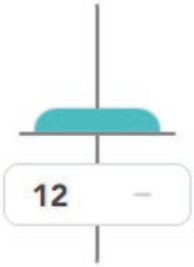
Fjord Line contributes towards Sustainable Development Goal number 5, "Gender Equality", by ensuring equal pay for equal work, work actively against any form of discrimination on the basis of gender, work to balance the workforce with regards to gender, encourage women to take leadership positions and include provisions against harassment in our code of conduct.







Fjord Line MTU
Uke 50



Fjord Line MTU
Uke 50

The remaining 11% of our staff on Shore are employed on individual contracts and in functions where we typically only employ one employee per function, which makes it difficult to identify any specific gender pay gap. However, to ensure that no discrimination occurs regarding compensations on individual contracts, we will continue to conduct internal analyzes and benchmarking against comparable data from the industry and external salary surveys to ensure fair and equal compensation terms for all our people.

We work hard to ensure that our people processes are highly professional. This also include ensuring that promotions are fairly performed based on e.g., skills, education, and experiences and supporting an organization representing diversity, inclusion, and equal opportunities. In 2022, we promoted 11 internal candidates, covering 2 female and 9 male candidates and we also nominated internal candidates for our own leadership training program - Leading Fjord Line - covering 4 female and 8 male candidates. Overall, 2022 was yet another year with strong focus on competences development of our people to support their further development, motivation, and engagement, and which we are convinced will translate to even better customer experiences going forward.

Equality work within recruitment is also ongoing. Among other things, when applying for a job with us, candidates

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We have implemented a new reporting tool making it possible for us to create ongoing pulse measurements and follow-ups several times a year.



no longer have to state gender or age, only education and experience are mandatory. In 2023, we will go one step further to ensure equality and create recruitment campaigns that show that everyone, regardless of gender and age, can qualify for a job in the maritime industry. Furthermore, all competence development, promotions and training will continue to support equal opportunities for all employees irrespective of gender.

SAFETY, HEALTH AND WELLBEING

The safety, health, and wellbeing of our people is our number one priority and throughout the year we have maintained high focus on creating a safe, health and engaging working environment where our people thrive also during very challenging times for our workplace and operations caused by both the global pandemic and the energy crisis. In the beginning of 2022, our focus continued to be on preventing and controlling the spreading of the global pandemic. Our sea- and land-based employees regularly conduct safety and emergency education & drills according to industry standards. Fjord Line also continue to run a "No blame open mind safety culture" program with very low thresholds for registration of accidents and we continuously work to reduce the level of work accidents through training and ongoing evaluation of our policies and performance.

Employee engagement, satisfaction, and retention is crucial as we strive to be an attractive responsible employer of choice with a strong company culture securing the wellbeing, motivation, and development of our people and also in securing Fjord Line's long-term, sustainable business development.

Our employee engagement and satisfaction survey (MTU) was conducted again in 2022. This year we have implemented a new reporting tool making it possible for us to create ongoing pulse measurements and follow-ups several times a year.

In 2022, the primary focus has been on first getting familiar with the new tool. The overall result, however, showed good scores on employee engagement and satisfaction despite very challenges times for all our people during the years of turbulent times. The eNPS score is 12 and Engagement Score is 72. Since the tool is new, we have no comparable and benchmarking data from previous years. However, we have set ambitious targets of 18 for eNPS and 74 for Engagement Score in 2023.

We monitor sick leave to prevent and reduce absence due to illness. In 2022, our overall sick leave was 3,3% with 2,5% at Sea and 3,8% at Shore. This equals a minor


FJORD
FSTR
CREW







increase of 0.4 %-points compared to 2021 (2,9%). Overall absence rates for seagoing employees are well within targets < 4%, but for shore employees, the number is slightly above target (<2%).

However, with the continuous focus for 2023, we expect to get back to at least 2021-levels. To support focus on health and wellbeing we have made an update on our absence guidelines to ensure that we have solid processes to maintain a low sickness absence going forward.

At Fjord Line, we respect human rights, and all employees should feel valued, respected, and treated with dignity. We aim to avoid any form of discrimination based on gender, age, ethnicity etc., and has zero-tolerance for harassment of any kind. Despite having a zero-tolerance for harassment of any kind, we did see a few cases in 2022. These were acted on promptly and followed-up by management, clearly emphasizing the zero-tolerance.

We have clearly articulated responsible employer standards & polices for working hours, overtime working, and vacations etc. In 2022, Fjord Line introduced a new policy regarding the possibility of remote work for our Administrative Shore Staff. The policy follows the Norwegian legislation as per 18. March 2022.

Our business is highly influenced by peak and off-peak seasons and consequently our staff are employed on different contracts covering full-time, part-time, or temporary employment. The level of temporary staff at Sea is 53% male and 47% female and at Shore the corresponding numbers are 65 % males and 35 % females. Part-time staff at Shore is 46% males and 54% females.

Maternity and paternity leave for staff at Sea shows in average 4 weeks for males and 18 weeks for females. At Shore the average totals 10 weeks for males and 46 weeks for females.

WHISTLE-BLOWER SYSTEM

At Fjord Line, we promote a safe speak-up culture with a zero-tolerance approach towards breach of our Code of Conduct to secure we operate based on responsible high business integrity standards & practices, ethics and moral. Our anonymously whistle-blower system is available to all our people and hosted through an external service provider. Reports concerning various types of unethical behaviour are reported, investigated, and handled and these counts only two cases in 2022.

GOVERNANCE

At Fjord Line, we are committed to operate on responsible business practices & good corporate citizenship governed by our Code of Conduct to ensure we conduct business in a responsible, sustainable, safe, ethical, and transparent way. The way we conduct business is based on high business integrity standards linked to Fjord Line's overall vision and embedded in our overall corporate governance, including our corporate values, policies, and procedures. The Board of Directors has the ultimate responsibility for sustainability and monitors our performance and development on key ESG-measures regularly. Group management is responsible for carrying our operations and development in line with the standards and goals set by the Board of Directors. A separate compliance function is responsible for follow up of compliance and ethics. To ensure independence, the Compliance function reports to the CFO with double line reporting directly to Board of Directors. Fjord Line has several mechanisms in place to manage and monitor compliance with external and internal policies and standards.

MANAGEMENT SYSTEMS

The company has a groupwide Safety Management System (SMS) in place. The system is developed in accordance with the international "ISM-code", to ensure safe management and operation of ships and for pollution prevention. In addition, Fjord Line complies with a number of international regulations aimed at ensuring safe and secure maritime passenger transport.

We have in 2022 decided to go forward in implementing a group wide management system including all our operation both onboard and onshore.

CODE OF CONDUCT

Our code of conduct is founded on human rights as well as the value of diversity and inclusion. It sets out the standards defining how we operate every day and everywhere. The code of conduct governs our relationships with clients, suppliers, stakeholders and each other. It requires all employees to adhere to the highest levels of professional conduct and underpins the reputation and trust Fjord Line commands. Routines for reporting any breach of our codes of conduct are in place and available for all employees. Whistleblowers are protected through these routines to ensure that there are no hindrances or risks to filing a report.



SUPPLIER CODE OF CONDUCT

Fjord Line utilizes a wide range of suppliers and business partners within our Supply Chain organization supporting all facets of our business both on-board and land-based operations. We recognize that our impact extends beyond our own company and that we can impact sustainability topics through our supplier selection and management. Therefore, in 2021 we launched our supplier code of conduct to govern our relationship with our suppliers to ensure our suppliers operate with high business operational standards & practices based on strong commitment towards sustainability, high business ethical standards, and human rights. We are currently working on rolling out the supplier code of conduct to all major suppliers.

RESPONSIBLE CONSTRUCTION AND SCRAPPING OF VESSELS

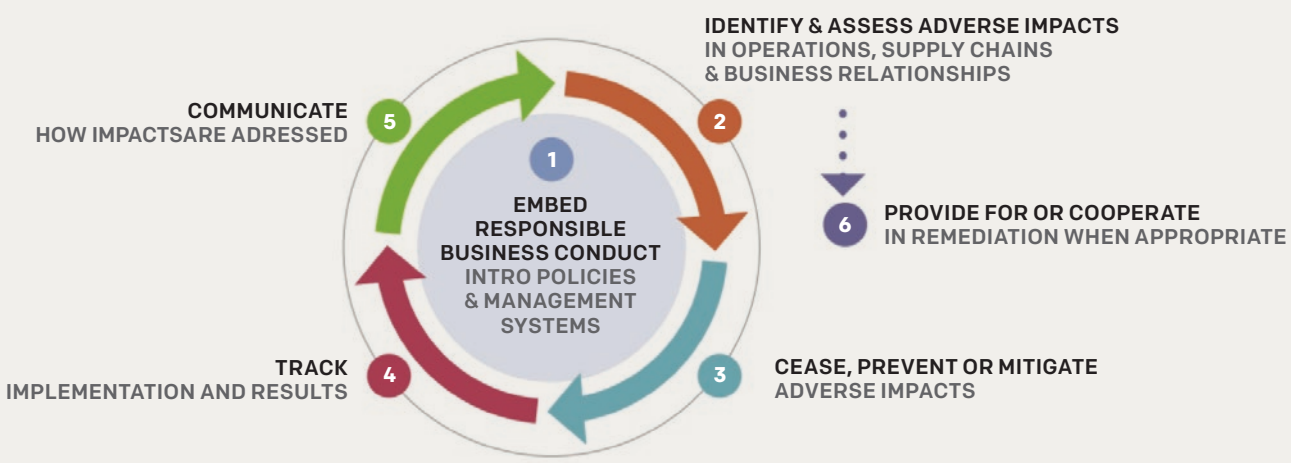
Ethical and sustainable reuse of our vessels is of importance to us. In 2020 HSC Fjord Cat was sold to German shipping company FRS for continued use on the route Sassnitz-Ystad.

When we ordered HSC Fjord FSTR we made sure that it was built according to the Hong Kong international convention for the safe and environmentally sound recycling of ships. This ensures that the ship will not pose any unnecessary risk to human health, safety and to the environment when it reaches end of life.

ANTI-CORRUPTION

Fjord Line has working procedures to reduce the risk of corruption. Corruption is a risk especially related to large procurements. We reduce this risk through our procurement policy that calls for tender processes for large purchases and an approval process that ensures that all such purchases are evaluated objectively and by several people. The whistleblower function is open for reports on suspected corruption related to procurement or otherwise.

Figure: OECD (2018) OECD Due Diligence Guidelines for Responsible Business Conduct



THE NORWEGIAN TRANSPARENCY ACT

The Norwegian transparency act went into effect in Norway on the 1st of July 2022. The act aims to promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions. The purpose of the act is well aligned with our long-term focus at Fjord Line and part of our how we conduct business.

We have during 2022 formalized a process for classification and risk assessment of our suppliers and business partners to address adverse impacts on fundamental human rights and decent working conditions. The due diligence process is carried out in accordance with the OECD guidelines for Multinational Enterprises in accordance with §4 in the Norwegian transparency act. The assessment evaluates both the direct relationships and the underlying supply chain. From the starting block our assessments are based on a desktop approach based on publicly available information as well as our direct knowledge based on our former relationships, and we are further developing the process to include questionnaires, interviews etc.

If the risk is assessed to be at an undesirable level, we assess how we can influence the risk level in a positive fashion, either through direct interaction, or by investigating other methods such as change of specifications or sourcing.
The due diligence process and working with supporting measures is a continuous process to ensure that we properly address potential adverse impacts on fundamental human rights and decent working conditions. Furthermore, we will communicate our approach in the annual reports.

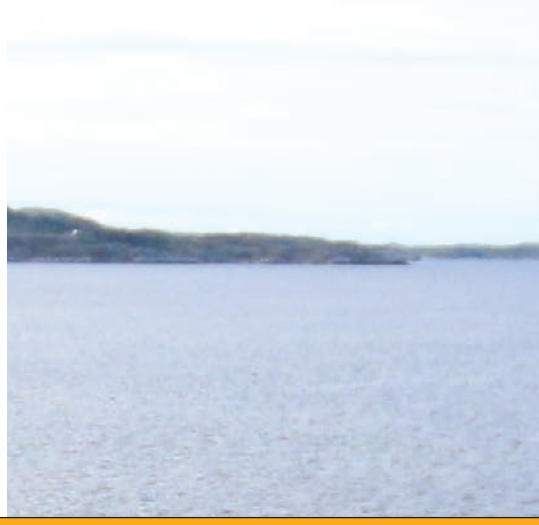
DATA ETHICS

In Fjord Line, we are committed to ensuring that all our stakeholders can entrust us with their data as we protect and treat data with respect based on the highest data ethics standards.

The global acceleration of technology development and usage including continuous digitalization - also overall within our industry – leads to an increased sharing of data between stakeholders which requires high awareness and strong commitment towards high data ethics standards, policies, and procedures which we strongly adhere to.

The use of technology and digitalization is a very important enabler for Fjord Line in delivering stronger customer experiences and improving, and simplifying our business operations. Digitalization of services and business operations are also important enablers to build even stronger, more efficient, and standardized business fundamental.

We continue to focus on innovation and is committed to ensure leadership within technology, digital innovation and development based on the highest data ethics standards including responsibility, sustainability, and transparency.



METRICS

Area	Topic	Metric / KPI
ACTIVITY	General	Number of passengers Number of freight units Total distance traveled by vessels
ENVIRONMENT	GHG emissions	Gross emissions GHG per Nm GHG per transport work
	Air quality	NOX emissions SOX emissions
	Ecological impacts	Number of spills Volume of spills
	Waste management	Solid waste % recycled
SOCIAL	Employee health, safety and wellbeing	Lost time accidents >24 h (LTA) Sick-leave Average number of full time employees Diversity (gender distribution)
GOVERNANCE	Oversight and compliance	Number of ordinary board meetings Number of port state control deficiencies

CO2 emissions include scope 1 emissions from ships according to MRV. This includes journeys between EU/EES ports but excludes trips outside EU, e.g. Fjord FSTR delivery voyage.





	Unit	2019	2020	2021	2022
	Number 12m equivalents Nm	1 430 133 65 523 358 534	484 914 50 176 214 626	510 500 55 800 268 435	**1 253 500** **52 400** **306 787**
	CO2-equivalents (metric tons) CO2-equivalents (Kg) AER	119 500 333 12,4	71 976 335 10,7	92 693 345 9,9	**107 177** **349** **12,8**
	Metric tons Metric tons	887 14	318 6	547 12	**809** **8**
	Number Cubic meters	0 0	0 0	0 0	**0** **0**
	Metric tons %	770 24%	356 28%	446 31%	**827** **35%**
	Number % Number % females / % males	14 3,3% 637 36% / 64%	10 3,6% 474 27% / 73%	11 2,9% 456 37% / 63%	**3** **3,3%** **619** **38% / 62%**
	Number Number	7 13	7 4	7 2	**7** **5**



“

We have a continuous focus on reducing the food waste in our onboard restaurants.

SUSTAINABILITY RISKS AND OPPORTUNITIES

Risk	Type	Term	Description and mitigation
Increased pricing of GHG emissions	Policy	Short	We have invested heavily in a young fleet with industry-leading sustainability profile. Regulation regarding direct pricing of GHG emissions can potentially change. Such regulation could be quota-based (e.g. EU ETS) or fee-based (e.g. CO2 fee). Fjord Line follows developments in national and international policy discussions closely.
High costs to comply with new environmental regulation	Policy	Medium	Including regulation supporting IMO's GHG strategy, such as EEDI, EEXI and CII, or with EUs climate strategy (e.g. EU taxonomy). Our fleet has passed the EEXI requirements with good margin. With regard to CII, we consider Fjord Line's current fleet well positioned to comply with such regulation in the medium term without need for costly modifications.
Reduced demand for tourism travel services due to shift in consumer mindset	Market	Medium	Increasing awareness of environmental footprint may impact tourism-related travel negatively. We believe transparency is critical to maintain credibility in the marketplace and aim to provide good transparency of our environmental footprint and ESG performance.

Opportunity	Type	Term	Mitigation / response
Modal shift from road/ air to sea transport	Product & service	Short	Sea transport often provides a relative advantage over road/air transportation in terms of environmental footprint. Increasing awareness of CO2 emissions and the energy efficiency of Fjord Line's fleet may positively impact Fjord Line freight volumes.
Renewable fuels and infrastructure	Operational	Long	Fjord Line has positive experience from LNG. We now invest in renewable fuels (LBG) and evaluate other alternative fuels from a holistic perspective, including safety, performance, and infrastructure.

*Term. Short = 1-4 years // Medium = 5-15 years // Long = 15 + years

REPORT FROM THE **BOARD** OF **DIRECTORS**





FJORD LINE AS GROUP

THE GROUP

Fjord Line AS is the parent company of the Fjord Line Group. The Group is Norway's second largest shipping company in international passenger traffic and freight transportation between Norway and EU.

The Group has one of the youngest and most modern and eco-friendly fleets in the cruise ferry segment in Europe. In 2022 the fleet consisted of four vessels whereof three are flying the Danish flag and one is flying the Norwegian. Two of the Group's cruise ferries are propelled by Liquified Natural Gas (LNG) which produces up to 23% lower carbon emissions compared to diesel engines. Nitrogen oxide emissions (NOx) from these vessels are as much as 91% lower and emissions from Sulphur (SOx) and soot (PM) are virtually eliminated. The other two vessels use MGO (Marine Gas Oil) which emits considerably less Sulphur emissions than traditional marine fuels such as Heavy Fuel Oil (HFO). The Group operates three routes between Norway and Denmark, one route between Norway and Sweden, and a domestic route between Bergen and Stavanger.

Fjord Line is headquartered in Egersund with operative offices in Hirtshals, Bergen, Stavanger, Kristiansand, Langesund, Sandefjord and Strömstad. Average number of employees (FTE) in the Group during 2022 has been 619 (456 in 2021).

With regular and daily departures between seven ports in Norway, Denmark and Sweden, the Group recognizes its important role in the transportation of passengers and goods within Scandinavia and between Norway and the European continent.

Fjord Line transported 1,253,500 passengers and 52,400 freight units in 2022.

The Groups vision is to be the best, most loved and profitable ferry company in Scandinavia. Fjord Line aim to achieve this by providing the best experience throughout the customer journey, further strengthening our positioning and brand awareness and, finally, be a leader within sustainable, cost and energy efficient operations. Everything we do is with vigor, responsibility, respect and commitment.

> HSC Fjord FSTR is equipped with 16 electric vehicle charging stations and is the first passenger ferry in Norway to offer this.

BUSINESS SEGMENTS

The Groups revenues arises from three main business areas. All ticket revenues within the Group are generated in business area Travel and consists of transport-, cruise-, group-, package-, and conference ticket revenue streams.

All onboard revenues are generated within the business area Onboard Services and includes revenue streams mainly from the retail and food & beverage operations.

Business area Freight generates its revenues from sales and transportation of trucks, trailers, articulated vehicles, specialized or out-sized cargo and on-deck shipments, and from forwarding services.

TONNAGE

The cruise ferries MV Stavangerfjord (launched in 2013) and MV Bergensfjord (launched in 2014) operate the routes between Bergen – Stavanger – Hirtshals and Hirtshals – Langesund. The cruise ferries are both equipped with fuel efficient LNG-engines, which reduce CO2 emissions and drastically reduce pollutant emissions compared to traditional marine fuels.

The high-speed catamaran HSC Fjord FSTR was delivered in February 2021 and replaced the HSC Fjord Cat (1998) on the route Kristiansand – Hirtshals. HSC Fjord FSTR serves to meet increased customer demand for higher capacity and comfort, enabling more departures and longer sailing season, while improving environmental efficiency. With HSC Fjord FSTR, Fjord Line doubled its capacity on the crossing between Kristiansand and Hirtshals, both in terms of passenger and car capacity as well as increased capability for freight and heavy transport.



Representing a new technological standard, HSC Fjord FSTR is equipped with 16 electric vehicle charging stations and is the first passenger ferry in Norway to offer this.

The day ferry MV Oslofjord (launched in 1993, rebuilt in 2014) is customized for the route Sandefjord – Strömstad and was put into operation as the company's first vessel on the route on 20 June 2014. The ship was reflagged to fly the Norwegian flag during the spring of 2021. In January 2018 the tax-free shopping area of the vessel was expanded and improved and today MS Oslofjord has one of the largest tax-free shops on a day route worldwide.



HIGHLIGHTS FROM 2022

After two years of a global pandemic and government-imposed travel restrictions, Fjord Line had the best-ever turnover in 2022. Unfortunately, exorbitant and highly volatile increases in the LNG (Liquified Natural Gas) fuel costs led to yet another crisis severely affecting our business.

Our operation going in to 2022 were still heavily affected by the government-imposed travel restrictions, and consisted of a one ship operation. The pandemic started losing its grip and the travel restrictions were lifted. Oslofjord returned to operation from the 11th of February, followed by MV Stavangerfjord and MV Bergensfjord returning to a normal route schedule from the 1st of March. The passenger market recovered rapidly, and the high season resulted in all-time high revenues.

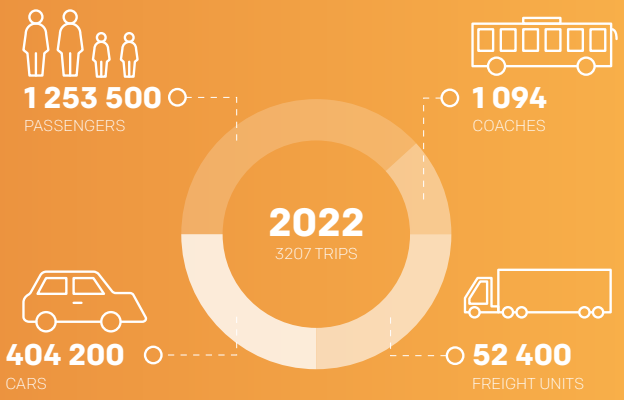
The energy crisis caused by the Russian invasion of Ukraine led to extraordinary volatility and exorbitant price increases in LNG – and the price increases have been far higher than for traditional and less sustainable energy sources at sea. This led to a dramatic increase in the energy costs for Fjord Line's two LNG-operated ships, and significantly above financially sustainable levels.

Since early fall, Fjord Line implemented a slow steam sailing schedule with MV Stavangerfjord and

777
EMPLOYEES

4 SHIPS

OUR TRAVELLERS
This year in numbers



19.8%
FREIGHT UNIT MARKET SHARE

22.2%
PASSENGER MARKET SHARE

28.8%
PASSENGERS VEHICLE MARKET SHARE

MV Bergensfjord halving the LNG consumption. This is of course not the way Fjord Line intend to operate our routes or the desired customer offering. However, adjustments to the route operations were necessary as a consequence of the exorbitant high fuel costs. In addition, Fjord Line worked immensely hard to develop and evaluate long-term alternatives. Fjord Line therefore decided to rebuild the two LNG-ships MS Stavangerfjord and MS Bergensfjord from single-fuel LNG-engines to dual-fuel LNG/MGO-engines during the first half of 2023.

The engine conversion enables the two LNG-ships to switch between LNG and MGO, which will ensure a financially sustainable operation until the LNG-price level is normalized. Fjord Line is a pioneer within LNG-ship operation and our award-winning LNG-ships had the most innovative and sustainable fuel solution when launched in operation during 2013 and 2014. We are saddened by the need for the conversion towards use of MGO, despite MGO having significantly reduced emissions of sulphur than traditional fuel such as HFO. The conversion is however critical to maintain our customer offering, secure workplaces, and to secure the continued development of Fjord Line.

All of Fjord Line's vessels besides MV Bergensfjord have had longer or shorter periods in hot-lay up during 2022. In 2022 the Group transported 1,253,500 passengers, compared to 510,500 passengers in 2021; an increase of 146 percent. The number of passenger vehicles increased in the same period to 404,200 from 179,400. The Group transported 52,400 freight units compared to 55,800 freight units in 2021; an decrease of 6 percent.

SIGNIFICANT INCREASE IN REVENUES AND ACTIVITY

Both 2020 and 2021 were heavily affected by the Global Covid-19 pandemic, and even though 2022 were affected by the pandemic's aftermath and the energy crisis the turnover surpassed the all-time high of 2019. Furthermore the financial effects of the pandemic and the energy crisis are clearly visible in the financial result of the year.

The Group over doubled its revenues to MNOK 1 666 compared to 2021, which were heavily affected by the pandemic and in certain periods with very limited travel activity the Group's revenues were in 2021 reduced by as much as 90 percent.

Despite extensive cost cut and operational measures the Group experienced a negative result before tax of MNOK 409 in 2022.





FINANCIAL PERFORMANCE IN 2022

The Group's operating income was MNOK 1 666 in 2022, compared to MNOK 800 in 2021. The Group's operating expenses ex. depreciation were MNOK 1 600 in 2022, compared to MNOK 655 in 2021.

The Group's operating result (EBIT) in 2022 shows a loss of MNOK 226, compared to a loss of MNOK 115 in 2021.

Further on, the Group's net financial expenses are MNOK 181 in 2022, compared to corresponding expenses of MNOK 105 in 2021.

Result before tax for the Group was a loss of MNOK 408 in 2022, compared to a loss of MNOK 219 in 2021. Result after tax was a loss of MNOK 411 in 2022, compared to a loss of MNOK 157 in 2021.

The parent company Fjord Line AS` result before tax was a loss of MNOK 339 in 2022, compared to a loss of MNOK 275 in 2021. Fjord Line's loss of MNOK 342 after tax is proposed transferred to uncovered loss. Subsequently the book equity of the parent company amounts to MNOK 350.

Fjord Line AS has accumulated basis for deferred tax asset of MNOK 1 927, which implies a deferred tax asset (22 per cent) of MNOK 424 at full capitalization. Based on the positive development of the company pre Covid-19 and the long-term future prospects, the Board of Directors found that it has convincing evidence that future earnings will justify capitalization of deferred tax asset. Furthermore, the Board of Directors has in accordance with a precautionary approach decided not to further increase capitaliza-



tion of deferred tax arising from the current year's increase in loss carried forward.

CASH FLOW AND FINANCIAL STRUCTURE

The Group's liquid funds have increased by MNOK 16 in 2022 compared to an increase of liquid funds of MNOK 50 in 2021. The increase consists of the following main elements:

- Cash flow from operational activities: MNOK 7 (MNOK 315 in 2021).
- Cash flow from investing activities: MNOK -208 (MNOK -663 in 2021).
- Cash flow from financing activities: MNOK 218 (MNOK 398 in 2021).

The Group's total balance sheet is MNOK 4,413 per 31 December 2022, compared to MNOK 4,303 per 31 December 2021. Fjord Line AS' total balance sheet is, however, MNOK 4,206 per 31 December 2022 compared to MNOK 4,061 per 31 December 2021.

Interest bearing debt made MNOK 3,288 per 31 December 2022 compared to MNOK 2,901 per 31 December 2021.

The group's equity is MNOK 891 per 31 December 2022, compared to an equity of MNOK 1,079 per 31 December 2021.

The Group's liquid funds made MNOK 258 per 31 December 2022, including unused credit facilities of MNOK 39.

FINANCIAL AND OPERATIONAL RISKS

Exchange rate and interest rates
Per December 31.12.2022 the Group has interest bearing debt of MNOK 3,288, including loan in EUR/DKK, constituting in total MNOK 2,704. The Group is exposed to interest risk and currency risk on these loans. The risks are, however, partly eliminated through the fact that parts of the liabilities are hedged through fixed interest rate agreement, and that parts of the revenues and expenses are denominated in both EUR/DKK, as well as in NOK.

The Group is also exposed to fluctuations in the exchange rate of USD through purchase of fuel

Price variations of bunker
The Group is exposed to fluctuations in bunkers prices, and the risk is not mitigated through hedging contracts for LNG and MGO at year end 2022.

Covenants
Per 31.12.22 the Group had financial debt covenant connected to liquidity. Several financial covenants are waived as a result of negotiations with senior lenders. The company's Board of Directors and management are continuously monitoring the financial debt covenants, and per 31 December 2022 the company is compliant with all active covenants

Market
The Covid-19 pandemic has had significant implications for the ferry business, and the market were heavily affected by government-imposed travel restrictions. Fjord Line's customer base comprises a diversified mix of customer segments, which reduces risk related to individual markets.



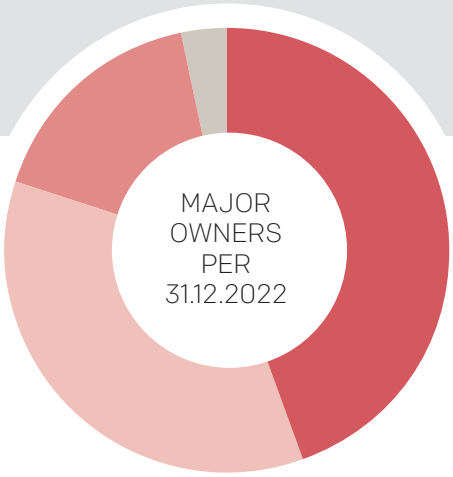
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Fjord Line’s fleet has a class-leading sustainability profile.

SHAREHOLDERS

The major shareholders per 31.12.2022 were as follows:

- Ferd AS 44,8%,
- Kontrari AS 38,3%
- Kontrazi AS 25,1%
- Others





SUSTAINABILITY AND CORPORATE RESPONSIBILITY

Fjord Line recognizes the need to conduct business in line with high standards for environmental, social and governance (ESG) concerns.

GOVERNANCE

Fjord Lines` code of conduct is founded on human rights as well as the value of diversity and inclusion. It sets out the standards defining how we operate every day and everywhere. The code of conduct governs our relationships with clients, suppliers, stakeholders and each other. It requires all employees to adhere to the highest levels of professional conduct and underpins the reputation and trust Fjord Line commands. Routines for reporting any breach of our codes of conduct are in place and available for all employees. Whistleblowers are protected through these routines to ensure that there are no hindrances or risks to filing a report.

Fjord Line has working procedures to reduce the risk of corruption. Corruption is a risk especially

related to large procurements. We reduce this risk through our procurement policy that calls for tender processes for large purchases and an approval process that ensures that all such purchases are evaluated objectively and by several people. The whistleblower function is open for reports on suspected corruption related to procurement or otherwise.

Fjord Line has formalized a due diligence process and supporting measures to address adverse impacts on fundamental human rights and decent working conditions. The due-diligence process is carried out in accordance with the OECD guidelines for Multinational Enterprises in accordance with §4 in the Norwegian transparency act. Written requests as stated in section 6 can be sent to transparency@fjordline.com.

The company has a groupwide Safety Management System (SMS) in place. The system is developed in accordance with the international "ISM-code", to ensure safe management and operation of ships and for pollution prevention. In addition, Fjord Line complies with a number of international regulations aimed at ensuring safe and secure maritime passenger transport. Fjord Line decided in 2022 to go forward in implementing a group wide management system including all our operation both onboard and onshore.

Fjord Line's single most important contribution to society during the Covid-19 pandemic, was to take part in stopping the pandemic while continuing the most essential of the Group's activities. Fjord Line has throughout the pandemic been working with the government and health authorities.

The pandemic resulted in travel restrictions and complications in bringing essential goods in and out of the country. With strict infection control measures Fjord Line were able to operate a transportation route to and from continental Europe through Denmark and Norway.

DIRECTOR AND OFFICERS' INSURANCE

The directors and officers of Fjord Line AS are covered by a D&O Liability Insurance. The insurance covers personal legal liabilities including defense and legal costs. The officers and directors of the parent company and all subsidiaries (owned more than 50 percent) are covered by the insurance. The cover also includes employees in managerial positions or employees who become named in a claim or investigation.



ENVIRONMENT

Fjord Line operates a business which causes pollution of the external environment. The Group complies with applicable laws and regulations in the area and wishes to minimalize its environmental footprint.

Fjord Line's fleet has a class-leading sustainability profile. MV Bergensfjord and MV Stavangerfjord run on LNG which produces up to 23% lower carbon emissions compared to diesel engines. Nitrogen oxide emissions (NOx) from these vessels are as much as 91% lower and emissions from Sulphur (SOx) and soot (PM) are virtually eliminated. Fjord Line has decided to convert from single-fuel LNG to dual-fuel LNG/MGO enabling the two LNG-ships to switch between LNG and MGO, to ensure a financially sustainable operation until the LNG-price level is normalized.

HSC Fjord FSTR and MV Oslofjord run on MGO. MGO emits considerably less Sulphur emissions than traditional marine fuels such as HFO. The catamaran HSC Fjord FSTR, is a new-build to replace HSC Fjord Cat and operates with an estimated 32% less GHG emissions per passenger compared to its predecessor.

Going forward, Fjord Line will continue to improve operating and technical aspects of the fleet and operations, to continue our positive momentum of increasing energy efficiency.

SOCIAL

The COVID-19 pandemic continued to have significant implications in 2022, also for the Fjord Line staff. The





pandemic and the government-imposed travel restrictions called for a need for extensive furloughs and permanent layoffs of the workforce. The Fjord Line crew and staff have continuously shown tremendous dedication.

Employee satisfaction in Fjord Line is measured on an annual basis and more frequent surveys are considered. The Group focus on effective, long term action plans to improve employee satisfaction. Initiatives to reduce the level of sick leave and increased engagement are among the continuous focus areas of our employee satisfaction strategy. Our employees' feedback from recent surveys show a continued strong employee satisfaction.

Fjord Line is running a "No Blame Open Minded Safety Culture Program" to make the organization resilient and sustainable. The company has therefore focused on vigilance and that every incident must be reported, regardless of severity. In 2022 26 work accidents were registered. The majority of accidents were in the kitchen. Of these accidents, 3 accidents were considered as serious. The number of work accidents is significantly reduced compared to a normal year (43 incidents in 2019). Fjord Line continuously work to reduce the level of work accidents through several initiatives. Sea- and land-based employees regularly conduct safety and emergency drills including lifeboat drills and evacuation exercises, and functional tests of rescue equipment are regularly carried out onboard the ships.

A guideline for systematic follow-up on sick leave was introduced in 2017. The absence due to illness in the Group was 3,3 percent in 2022 split on 3,8 percent for seagoing employees and 2,4 percent for shore employees. This equals an increase in total absence due to illness of 0,4 percent compared with 2021 (2,9). While there is continuous focus on reducing absence rates, overall absence rates are considered within targets.

As per 31.12.2022, the Group had 256 shore-based and 423 seagoing staff, representing a total of 425 males and 254 females. In Fjord Line AS the equivalent number of employees was 169, consisting of 89 women and 80 men.

The company is continuously working to avoid discrimination based on gender, age, ethnicity etc. both with respect to existing and new employments.

The Group's top management comprising at year end of 7 employees, 1 employee is female. The Board of Directors in Fjord Line are composed of 4 men and 1 woman. Based on an assessment of number of employees and job category the Board of Directors have not found it necessary to implement special measures with respect to gender equality. The Group will, however, continuously focus on this topic.

The requirements of the Norwegian Accounting Act § 3-3c and The Norwegian Transparency Act § 26 have been covered in a separate section of the annual report. The annual report will be available at Fjordline.com before the 30th of June 2023.

OUTLOOK

After two years of a global pandemic and government-imposed travel restrictions, Fjord Line had the best-ever high season revenue wise in 2022. Unfortunately, increases in the LNG fuel costs led to a non-sustainable financial situation for Fjord Line.

The energy crisis, caused by the Russian invasion of Ukraine, has led to extraordinary volatility and significant price increases in LNG – and the price increases have been far higher than for traditional and less sustainable energy sources at sea. In addition, Fjord Line receives no governmental financial energy-aid. This led to a dramatic increase in the energy costs for Fjord Line's two LNG-operated ships, and significantly above a financially sustainable level.

The engine conversion enables the two LNG-ships to switch between LNG and MGO, which will ensure a financially sustainable operation until the LNG-price level is normalized. Fjord Line is a pioneer within LNG-ship operation and our award-winning LNG-ships had the most innovative and sustainable fuel solution when launched in operation during 2013 and 2014. We are saddened by the need for the conversion towards use of MGO, despite Marine Gas Oil having a significantly reduced emissions of sulphur than traditional fuel such as HFO.

The Group has secured a sustainable financial restructuring through negotiations with senior lenders 22.12.2022 that will provide the Group with a reliable financial runway. The financial restructuring consists of owner contributions of MNOK 300 as well as 75% postponement of instalments until the end of 2024 and prolonged maturities. The Group also renegotiated loan maturities and its financial covenants. Fjord Line has during the pandemic slimmed its organization and has a very effective operation focused on the EBITDA driving routes. The Board of Directors are confident that measures taken by the management throughout these challenging years will contribute to the positive underlying development. The Board of Directors also concurs with the management team on the positive outlook hereunder expectations that the Group will further improve on the pre Covid-19 results in the years to come.

The Group is not involved in any litigations.

GOING CONCERN

Based on the information above and in accordance with the Accounting Act § 3-3a it is confirmed that the financial statements for 2022 have been prepared under the assumption of going concern.

Egersund 29.04.2023

Peter Frølich
Chairman of the Board

Kristian Eikre
Board Member

Heidi Nag Flikka
Board Member

Christian Fredrik Grønli
Board Member

Jan Erik Sivertsen
Board Member

Brian Thorsted Hansen
Managing Director



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Fjord Line is well positioned and has a positive outlook.

CONSOLIDATED **FINANCIAL** STATEMENTS

- **Income statement**
- **Statement of comprehensive incom**
- **Balance sheet**
- **Cash flow statement**
- **Accounting policies**
- **Notes**



Annual accounts

FJORD LINE AS – GROUP

CONSOLIDATED INCOME STATEMENT

(1,000 NOK)

	Note	Group 2022 Simplified IFRS	Group 2021 Simplified IFRS
Income/net gains			
Sales revenues	13, 16	1 644 809	772 230
Other operating income	13	21 157	21 025
Other gains/losses (net)	13	0	6 568
Total		**1 665 966**	**799 823**
Operating expenses:			
Cost of goods		318 183	143 496
Wage costs	14	410 068	300 520
Depreciation of property, plant and equipment and intangible assets	1, 2	292 212	259 254
Other operating expenses	5, 6, 14	871 766	211 208
Total operating expenses		**1 892 228**	**914 479**
Operating result		**-226 242**	**-114 656**
Financial items:			
Other financial income	3	0	21 487
Interest expenses	12	-141 099	-126 114
Other financial expenses	3	-40 359	0
Net financial items		**-181 458**	**-104 627**
Ordinary result before tax		**-407 700**	**-219 283**
Tax expense on ordinary result	**11**	**3 672**	**-61 805**
Ordinary result after tax		**-411 371**	**-157 477**
Result for the year		**-411 371**	**-157 477**
Distribution of result group:			
Majority's share of result		-411 371	-157 477
Non-controlling interests' share of result		0	0
Total		**-411 371**	**-157 477**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(1,000 NOK)

Result for the year, cf. above		**-411 371**	**-157 477**
Items that may be subsequently reclassified to profit or loss			
Change in value of financial instruments used as hedges	**17**	**56 603**	**37 730**
Currency translation differences		**66 295**	**-63 027**
Total		**122 898**	**-25 296**
Comprehensive income for the year, net of tax		**122 898**	**-25 296**
Total comprehensive income for the year		**-288 475**	**-182 774**



FJORD LINE AS – GROUP

CONSOLIDATED BALANCE SHEET

(1,000 NOK)

Assets

	Note	Group 31.12.2022 Simplified IFRS	Group 31.12.2021 Simplified IFRS
Fixed assets			
Intangible assets			
Deferred tax asset	11	365 510	380 391
Other intangible asset	1	99 484	103 610
Total intangible assets		**464 993**	**484 002**
Property, plant and equipment			
Ships	2, 18	3 447 494	3 334 963
Buildings, plants etc.	2	82 395	76 565
Right of use assets	2	92 354	86 872
Total property, plant and equipment	**2**	**3 622 243**	**3 498 400**
Financial fixed assets			
Investment in associated company	4	0	0
Other investments	4	95	80
Total financial fixed assets		**95**	**80**
Total fixed assets		**4 087 332**	**3 982 481**
Current assets			
Inventories	**5**	**32 323**	**28 785**
Receivables and derivatives			
Trade receivables	6	29 563	28 414
Other current receivables	7, 16	45 043	60 854
Total receivables and derivatives		**74 606**	**94 716**
Bank deposit, cash etc.	**8**	**218 544**	**202 301**
Total current assets		**325 472**	**320 062**
Total assets		**4 412 804**	**4 302 543**

Equity

	Note	Group 31.12.2022 Simplified IFRS	Group 31.12.2021 Simplified IFRS
Paid-in equity			
Share capital	9, 10	598 724	569 312
Own shares	9	-60	-66
Share premium account	9	299 020	228 432
Total paid-in equity	**9**	**897 683**	**797 678**
Other equity controlling interests			
Other equity	9	-7 053	281 422
Total		**-7 053**	**281 422**
Total equity controlling interests		**890 631**	**1 079 100**
Non-controlling interests	9	0	0
Total equity	**9**	**890 631**	**1 079 100**

Liabilities

Non-current liabilities/non-current provisions			
Non-current provisions	12	1 697	1 508
Leasing liability	2, 12	70 735	62 711
Non-current debt to credit institutions etc.	12	2 839 115	2 517 724
Pension liability (net)	12, 14	3 059	1 333
Derivatives	17	0	47 921
Other non-current debt	12	1 103	11 108
Total non-current liabilities/non-current provisions		**2 915 708**	**2 642 306**
Current liabilities			
Current portion of non-current liabilities to credit institutions	12	71 745	296 973
Current portion of leasing debt	2, 12	6 556	11 227
Derivatives	17	0	8 681
Trade payables		77 256	80 696
Tax payable	11	0	0
Public duties owing		12 713	11 174
Other current liabilities	15	438 196	172 386
Total current liabilities		**606 465**	**581 137**
Total liabilities		**3 522 173**	**3 223 443**
Total equity and liabilities		**4 412 804**	**4 302 543**

Egersund 29.04.2023

Peter Frølich
Chairman of the Board

Kristian Eikre
Board Member

Heidi Nag Flikka
Board Member

Christian Fredrik Grønli
Board Member

Jan Erik Sivertsen
Board Member

Brian Thorsted Hansen
Managing Director

FJORD LINE AS – GROUP

CASH FLOW STATEMENT

(1,000 NOK)

		2022	2021
Cash flows from operational activities			
Operating result		-226 242	-114 656
Taxes paid in the period		0	0
Depreciation		292 212	259 254
Write-down		0	0
Gain/loss from sale of property, plant and equipment/intangible assets		0	0
Change in inventories		-3 537	-7 376
Change in trade receivables		-1 150	-12 841
Change in trade payables		-3 441	48 437
Change in financial assets at fair value over profit or loss		0	0
Change in other accruals		-51 338	141 743
Net cash flows from operational activities		**6 504**	**314 561**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment and received grants		20	0
Purchase/manufacturing of property, plant and equipment/intangible assets		-208 182	-662 722
Interest received		0	0
Investment in subsidiary		-15	0
Net cash flows from investing activities		**-208 177**	**-662 722**
Cash flows from financing activities			
Raising of interest bearing debt		300 000	569 466
Repayment of non-current interest bearing debt		-49 038	-1 844
Payment of interest		-133 047	-219 167
Cash contribution share issue (net)		100 000	50 000
Net cash flows from financing activities		**217 915**	**398 455**
Net change in cash and cash equivalents		**16 242**	**50 294**
Cash and cash equivalents at the beginning of the period		202 301	152 008
Currency translation cash and cash equivalents		0	0
Cash and cash equivalents at the end of the period		**218 544**	**202 301**
Specification of cash reserves at the end of the period			
Bank deposit and cash	8	218 544	202 301



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Accounting policies

FJORD LINE AS – GROUP

Below are stated significant Accounting Policies used in the preparation of the consolidated financial statements. The consolidated financial statements have been prepared in accordance with simplified IFRS (International Financial Reporting Standards).



Consolidation and investment in associated companies

The consolidated financial statements comprise the parent company Fjord Line AS and the subsidiaries, Fjord Line Crewing AS (Norway), Next Green Energy AS, Hirtshals LNG AS, Fjord Line Danmark A/S, Fjord Skibsholding I A/S, Fjord Skibsholding II A/S, Fjord Skibsholding III A/S, Fjord Skibsholding IV A/S and Fjord Skibsholding V A/S. The seven last mentioned companies are domiciled in Denmark and are 100% owned subsidiaries.

Subsidiaries are entities where the group has the power to govern the entity's financial and operational policies (control). When the group disposes of a subsidiary/ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

Intercompany transactions, balances etc. have been eliminated in the consolidated financial statements.

For consolidation purposes the Danish companies are considered to have functional currency in DKK.

Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are deferred tax assets, residual value of ships, useful life of ships, capitalization and depreciation of periodic maintenance and provision for incurred costs.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The specific accounting policies for the group's main revenue generating activities are as follows:

Transportation/ticket:
Ticket revenue is recognized over time when the actual transport is executed. The route and crossing from start point to the end destination is fairly short and within 24 hours.

The portion of the sales income, which relates to future service is reflected in the balance sheet as unearned income from the sale and is then recognised in line with the service work performed. This prepayment is normally not discounted because of a short period from pre-payment to executing of the transport.

Tax-free sale:
Tax-free sale is recognized at point in time of sale.

Food and beverage sale:
Food and beverage sale are recognized at point in time of sale.

Government grants

Government grants related to Covid-19 is recorded as reduction of other operating expenses. All periods applied for government grant in 2022 is included in the financial statement.

Classification and valuation of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment has been classified as current liabilities.

Intangible assets

Expenses for intangible assets are reflected in the balance sheet when it is considered likely that the future financial benefits relating to the asset will be received by the company and the acquisition cost of the asset can be reliably measured.

Property, plant and equipment

Property, plant and equipment are reflected in the balance sheet and depreciated over the assets' expected useful life on a straight-line basis. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset.

The group's ships with associated additions etc. are owned by the Danish subsidiaries. The book value of ships is calculated based on acquisition cost, less depreciation and impairment, if any. Facilities under construction are capitalized in line with assumed progress.

Investments/expenses that are not included in the contract, as inspection costs, costs connected to project organisation, legal costs, financing costs and other related costs are considered as part of the acquisition cost and recorded in the balance sheet.

Grants from the NOx-fund related to investments are recorded/accrued in line with the depreciation profile of the assets that the grants relate to. The accrual is classified as reduction of depreciation cost in the income statement. NOx-grants not recognised over profit or loss are classified as reduction of ship values in the balance sheet.

The book values of the group's ships and other operating assets are individually tested for impairment when events or changes in circumstances indicate that the book value is no longer present. If such indications occur and book value exceeds recoverable amount, then the asset is impaired to recoverable amount.

Periodical maintenance of ships

The ships are decomposed into ship/ship furnishing and periodical maintenance for depreciation purposes They are depreciated straight-line over a defined useful life. An assumed residual value of the ships at the expiry of the useful life is taken into consideration. The ships must continuously be presented for control, which implies regular docking and classification. Periodical maintenance is recognised in the balance sheet in connection with docking and depreciated till next assumed docking.

Leases

Lease contracts where the group is a lessee are capitalized. Upon commencement of the lease the right-to-use asset is recognized at cost being the present value of the lease payments in the contract as defined by IFRS 16 in addition to initial direct costs. The corresponding lease liability is recognized in the balance sheet at present value using the interest rate implicit in the lease, if that rate can be readily determined, or else the lessee's incremental borrowing rate. The lease liability is subsequently increased by the effective interest in the lease and reduced by payments made. The lease liability is also reassessed subsequently if the payments or the interest rate changes. The change in liability is added to or deducted from the right-of-use asset.

The right-of-use asset acquired under leases is depreciated over the asset's

> Fjord Line decided in 2022 to go forward in implementing a group wide management system including all our operation both onboard and onshore.

useful life or the lease term, if shorter, if the lease does not transfer ownership at the end of the lease term, or there is no purchase option that is in the money. The right-of-use asset is tested for impairment for similar assets owned by the entity.

Inventories

Inventories of purchased goods are valued at the lower of acquisition cost according to the FIFO- principle and net realisable value. Net realisable value is the estimated selling price in ordinary activities deducted estimated sales expenses.

Receivables, financial assets and financial liabilities

Financial assets
At initial recognition, the group 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Dividends on financial assets at fair value through profit or loss and fair value through other comprehensive income are recognized in profit or loss as part of revenue when the group's right to receive payments is established.

Interest income from financial assets at fair value through profit or loss is included in the net gains/(losses). Interest on other financial assets are calculated using the effective interest method and recognized in profit or loss as revenue.

Impairment
For accounts receivables, the lifetime credit loss is recognized upon initial recognition of the asset. For other debt instruments, twelve months estimated credit loss is recognized upon initial recognition. When a significant increase in the expected credit loss is observed, lifetime credit losses is estimated and recognized.

Derivatives and hedging activities
Derivatives are initially recognized 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 documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

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.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other income or other expense. Amounts accumulated in equity are reclassified to profit or loss through other comprehensive income in the periods when the hedged item affects profit or loss (for instance when the hedged interest rate payment that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in profit or loss within 'finance costs'.
When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting
Certain derivative instruments may not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss and are included in net other financial income and expenses.

Borrowings
Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized 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 capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

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

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 capitalized 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. Other borrowing costs are expensed in the period in which they are incurred.

Foreign currency translation

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 NOK, which is the functional currency of the parent company and the group's presentation currency.

The results and financial position of all the group entities (none of which has the currency of a hyper- inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

(ii) The income statement shall be converted at the exchange rate at the time of the transaction. As an approach to this, average rates are used for the accounting period unless it is large single transactions or the exchange rate have varied so much that the approach does not give a true picture.

(iii) All resulting exchange differences are recognised in other comprehensive income and specified separately. Transactions in foreign currency are translated to the functional currency at the current exchange rate at the transaction date.

Taxes

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.

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 recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The Danish ship owning companies are subject to the Danish tonnage tax regime.

Pensions

A defined contribution plan is a pension plan under which the group pays fixed contributions to an insurance company. The group has no legal or constructive obligations once the contributions have been paid. The contributions are recognised as wage costs. 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 on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date.

Cash-flow statement

The cash-flow statement is prepared in accordance with the indirect method.



Notes

FJORD LINE AS – GROUP

Note 1 // Intangible assets – Group

(Figures in TNOK)

	Intangible assets in progress	WEB-project	Other intangible assets	TOTAL (exclusive of deferred tax asset)
Acquisition cost 31.12.2021	30 627	107 650	2 159	140 762
Completed projects 2022	-640	0	0	-640
Addition 2022	9 981	4 396	0	14 377
Disposal 2022	0	0	0	0
Acquisition cost 31.12.2022	**39 968**	**112 046**	**2 159**	**154 499**
Accumulated write-down 31.12.2021	4 824	0	0	4 824
Accumulated depreciation 31.12.2021	0	31 244	758	32 002
Book value 31.12.2021	25 803	76 405	1 401	103 610
Accumulated write-down 31.12.2022	4 824	0	0	4 824
Accumulated depreciation 31.12.2022	0	49 198	993	50 191
Book value 31.12.2022	**35 144**	**62 847**	**1 166**	**99 484**
Write-down in the year	0	0	0	0
Depreciation intangible assets in the year	0	17 954	235	18 189
Total depreciation and write-down 2022	**0**	**17 954**	**235**	**18 189**

Completed projects in 2022 are projects related to development of websites and moving WEB platform, with a depreciatcion period of 5 years.

The remaining projects relates to development of ERP system in general, group booking, development of Carres, on board portal and BI.
The depreciation period is 5 years.

Note 2 // Property, plant and equipment – group

(Figures in TNOK)

Figures for 2022 below

Property, plant and equipment (figures in TNOK)	Buildings, plant etc.	Spare parts, operating movables, reconstruction premises etc.	Right of use assets	Ships, incl. periodical maintenance, furnishing etc.	Total property, plant and equipment
Acquisition cost 31.12.2021	122 571	337	114 045	4 987 441	**5 224 394**
Addition 2022	8 132	245	16 013	186 941	**211 331**
Transfer	0	0	0	0	**0**
Disposal 2022	-105	-337	0	0	**-442**
Translation differences	3 279	0	1 418	150 172	**154 869**
Acquisition cost 31.12.2022	**133 878**	**245**	**131 476**	**5 324 554**	**5 590 153**
Accumulated write-down 31.12.2021	0	0	0	0	**0**
Accumulated depreciation 31.12.2021	46 052	291	27 174	1 652 478	**1 725 995**
Book value 31.12.2021	**76 520**	**46**	**86 872**	**3 334 963**	**3 498 400**
Accumulated write-down 31.12.2022	0	0	0	0	
Accumulated depreciation 31.12.2022	51 699	29	39 121	1 877 060	**1 967 909**
Book value 31.12.2022	**82 179**	**216**	**92 354**	**3 447 494**	**3 622 243**
Depreciation property, plant and equipment in the year	5 647	53	11 948	256 375	**274 023**
Write-down property, plant and equipent in the year	0	0	0	0	**0**
Depreciation period (completed operating assets)	5 - 20 years	3 - 5 years	5 - 25 years	See description below	
Depreciation plan	Linear	Linear	Linear	Linear	

Grant not recognised through profit or loss per 31.12.2022 is TNOK 119 740 (TNOK 124.530 per 31.12.2021).
Ships, incl peridical maintenance, furnishing etc. contains a total of TNOK 121.723 under contruction as of 31.12.2022.

Rigth of use assets have a total obligation of TNOK 77 291 (TNOK 73 938 31.12.2021).
New leasing additions in 2022 have a lease term of 4-9 years.

Grant not recognised through profit or loss is recognised as a reduction of the acquisition cost per 31.12.
The grant is accrued/recognised in line with the depreciation profiles of the related ships and classified as reduction of depreciations.

Stavangerfjord and Bergensfjord has in 2023 started a conversion process to replace the current single-fuel LNG main engines with dual-fuel LNG/MGO engines.
See note 18 for further information.

Depreciation and book value of the ships per 31.12.2022
The Fjord Line group has 4 ships in the business at the reporting date;
1) "MS Oslofjord" (formerly MS Bergensfjord). This ship was under reconstruction in 2014 and has sailed in the route Sandefjord-Strømstad since 20 June 2014 .
2) "MS Stavangerfjord". This ship was delivered in July 2013.
3) "MS Bergensfjord". This ship was delivered in February 2014.
4) "Fjord FSTR". This ship was delivered in February 2021.

MS Oslofjord:
In connection with Fjord Line starting up the sailing of a new route between Sandefjord and Strømstad in June 2014 MS Oslofjord was subject to a comprehensive reconstruction at the yard STX Raumo (Finland) in 2013/2014. Approx. 300 mill NOK was invested in the reconstruction of the ship.
Carrying value for the ship including periodical maintenance is TNOK 323.917 pr 31.12.2022.

Both the ship and ship furnishing are depreciated linearly over 15 years, with estimated salvage value 20 MNOK per June 2029.
Ship furnishing is depreciated over 1 - 5 years. Periodical maintenance /docking is depreciated over 1 - 10 years.

MS Stavangerfjord
MS Stavangerfjord is depreciated linearly over 35 years, with salvage value 50 MNOK. Remaining depreciation period per 31.12.2022 is 25,5 years.
Carrying value for the ship including periodical maintenance is TNOK 1.237.996 pr 31.12.2022.

Ship furnishing is depreciated over 5 - 20 years. Periodical maintenance/docking is depreciated linearly over 1 - 10 years.

MS Bergensfjord
The ship itself is depreciated linearly over 35 years, with salvage value 50 MNOK. Remaining depreciation period per 31.12.2022 is approx. 26 years.
Carrying value for the ship including periodical maintenance is TNOK 1.098.|18 pr 31.12.2022.

Periodical maintenance/docking and furnishing are depreciated linearly over 5 - 15 years.

Fjord FSTR
The ship itself is depreciated linearly over 25 years, with salvage value 50 MNOK. Remaining depreciation period per 31.12.2022 is 23,5 years.
Carrying value for the ship including periodical maintenance is TNOK 787.188 pr 31.12.2022.

Ship furnishing is depreciated over 1 - 5 years. Periodical maintenance/docking is depreciated linearly over 1 - 10 years.

Note 3 // Financial items – group

(Figures in TNOK)

Other financial income and other financial expenses comprise the following:

Other financial income	**2022**	**2021**
Foreign exchange gains, intergroup receivables	31 927	39 060
Other foreign exchange gains	0	20 538
Other financial income	29	2 554
Total	**31 956**	**62 153**

Other financial expenses	**2022**	**2021**
Foreign exchange loss, including loan in Euro/DKK	72 315	22 867
Foreign exchange loss, intergroup receivables	0	14 699
Other financial expenses	0	3 100
Total	**72 315**	**40 665**

Total other financial expenses:	**-40 359**	**21 487**

Foreign exchange gains/foreign exchange loss intergroup receivables
Fjord Line AS has non-current interest bearing receivables on the Danish subsidiaries amounting to a total of TNOK 2.537.904.237 per 31.12.2022 (TNOK 2.423.976 per 31.12.2021)
This has been eliminated in the consolidated financial statements.
A specific installment plan for the loans the subsidiaries have to their parent company has not been established, however, the subsidiaries will use free liquidity for repayment.

Note 4 // Investments in associated companies and other investments – group

Visit Sørlandet AS
In 2010 Fjord Line AS acquired shares amounting to TNOK 50 in Visit Sørlandet AS. After 2010 there has been neither additions nor disposals.
The investment is recognised in accordance with the cost method. There has not been any write-down of the holding of shares neither in 2021 nor in 2020.

Visit Telemark AS
Fjord Line AS invested TNOK 30 in Visit Telemark AS in 2016. The investment is recognised in accordance with the cost method. No write-down has been made.

Digital Platforms Eigersund SA
Fjord Line AS invested TNOK 15 in Digital Platforms Eigersnud SA in 2022. The investment is recognised in accordance with the cost method. No write down has been made.

Green LNG A/S
In 2020 Fjord Line group acquired additional shares in Next Green Energy A/S, total amount invested is TDKK 932.
Green LNG A/S is consolidated from the acquisition date in 2020. No write-down has been made.

Note 5 // Inventories and fuel expenses – group

(Figures in TNOK)

	2022	**2021**
Fuel	8 352	8 286
Goods for resale	24 314	20 566
Other items, including key-cards etc.	2 157	1 807
Total inventories at acquisition cost 31.12.	**34 823**	**30 659**
Write-down 31.12.	2 500	1 874
Total book value of inventories 31.12.	**32 323**	**28 785**

Write-down of TNOK 2,5 has been made of the inventory per year-end (1,9 TNOK in 2021).

Expenses related to fuel are classified as other operating expenses in the income statement.
For 2022 this amounts to TNOK 551 032 (TNOK 179.090 in 2021).

Note 6 // Trade receivables – group

(Figures in TNOK)

	2022	2021
Trade receivables at nominal value 31.12.	32 863	31 610
Provisions for bad debts 31.12.	-3 300	-3 197
Trade receivables 31.12.	**29 563**	**28 414**
Change provisions for bad debts in the year	-103	0
Actual bad debts in the year	756	274
Received on receivables previously written off	0	0
Loss on bad debts	**653**	**274**

Bad debts are included in the item "other operating expenses" in the income statement.

Note 7 // Other current receivables – group

(Figures in TNOK)

Other receivables	**2022**	**2021**
Refund from public authorities, including VAT receivable	4 212	3 725
Prepaid expenses, incl. insurance ships	31 188	26 727
Other receivables	9 643	30 401
Other current receivables 31.12.	**45 043**	**60 854**

Note 8 // Restricted funds – group

(Figures in TNOK)

	2022	2021
Restricted tax deduction funds per 31.12.:	7 574	3 494

The tax deduction funds are deposited on separate bank accounts.

	2022	2021
Cash equivalents per 31.12.:	6 418	5 741

Cash equivalents are payments in transit as of year end.

Note 9 // Changes in equity – group

(Figures in TNOK)

	Share capital	Own Shares	Share premium account	Other equity, not recognised in income statement*	Retained earnings*	Non-controlling interests	Total equity
Equity 01.01.2020	**544 312**	**-109**	**203 432**	**244 513**	**219 684**	**0**	**1 211 831**
Net income 2021					-157 477		-157 477
Purchase of own shares		44					44
Other comprehensive income 2021				-25 296			-25 296
Sale of own shares							0
Increase of capital	25 000		25 000				50 000
Equity 31.12.2021	**569 312**	**-66**	**228 432**	**219 216**	**62 206**	**0**	**1 079 100**
Net income 2022					-411 371		-411 371
Purchase of own shares		6					6
Other comprehensive income 2022				122 898			122 898
Sale of own shares							0
Increase of capital	29 413		70 588				100 000
Equity 31.12.2022	**598 724**	**-60**	**299 020**	**342 113**	**-349 166**	**0**	**890 631**

* Other equity, not recognised in income statement and retained earnings are combined as Other equity in the balance sheet.

Note 10 // Share capital and shareholders' information – group

The share capital is NOK 598.723.377,50 per 31.12.2022, and consists of 239.489.351 shares each NOK 2,50. All shares have equal rights.

The major shareholders per 31.12.2022

	Owner share
Ferd AS	44,8 %
Kontrari AS	38,3 %
Kontrazi AS	15,1 %
Others, including own shares *)	1,9 %
Total	**100,0 %**

*) Fjord Line AS has a total of 935 own shares per 31.12.2022.

The major shareholders per 31.12.2021

	Owner share
Ferd AS	44,7 %
Kontrari AS	36,7 %
Kontrazi AS	15,8 %
Others, including own shares *)	2,8 %
Total	**100,0 %**

*) Fjord Line AS has a total of 2.118 own shares per 31.12.2021.



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The engine conversion enables the two LNG-ships to switch between LNG and MGO

Note 11 // Taxes – group

(Figures in TNOK)

Calculation of deferred tax/deferred tax asset allocated to the Norwegian activity

Temporary differences	**31.12.2022**	**31.12.2021**	**Change**
Fixed assets	9 522	11 832	2 310
Receivables	-13 200	-13 097	103
OCI hedging account	0	-56 364	-56 364
Gain/loss account	4 416	5 520	1 104
Inventory	-2 500	-1 900	600
Other differences, including accounting accruals	-90 457	-152 080	-61 624
Applied loss carried-forward	0	22	22
Carry-forward interest deduction	-40 135	-40 135	0
Total	**-132 353**	**-246 202**	**-113 849**
Carry forward loss	-1 872 302	-1 482 850	389 452
Basis for deferred tax (-deferred tax asset)	**-2 004 655**	**-1 729 052**	**275 603**
22% of the basis	-441 024	-380 391	60 633
Deferred tax (-deferred tax asset) recognised in the balance sheet	**-365 510**	**-380 391**	**-14 881**
Deferred tax asset not recognised in the balance sheet	75 514	0	-75 514

Payable tax recognised in the balance sheet per 31.12.2022 connected to the Norwegian activity makes TNOK 0 (TNOK 0 per 31.12.2021).

Foreign subsidiaries

The Danish shipowning companies are under Danish law connected to a tonnage tax system and have calculated taxable income based on these conditions.
Further on, the Danish subsidiaries are jointly taxed. Tax 2022 for the Danish subsidiaries is TNOK 0 after utilization of tax losses carried forward (TNOK 0 in 2020).
The Danish subsidiaries received taxable grants in 2015. This was reflected in payable tax recognised in the balance sheet, TNOK 17.480 per 31.12.2015 which was allocated to the Danish subsidiaries.
As the grants are recognised as a reduction of the ships' acquisition cost, the grant is recognised through gains/losses in line with the depreciation of the ships.
The grant is considered not to be comprised by IAS 12. Therefore a deferred tax asset corresponding to payable tax connected to the grant was recognised in the balance sheet upon receipt of the grant in 2015. This deferred tax asset is being reversed over the depreciation period of the ships.
Net book value of deferred tax asset per 31.12.2022 and 31.12.2021 relating to foreign subsidiary is listed below.
The main element of this net amount (TNOK 22.434 per 31.12.2022) is thus connected to the mentioned grants.

Specification of tax expense	**2022**	**2021**
Change in deferred tax asset connected to the Norwegian activity	14 881	-53 155
Payable tax connected to the Norwegian activity (partially owned subsidiary)	0	0
Payable tax connected to foreign subsidiaries	0	0
Change in deferred tax asset connected to foreign subsidiaries , including foreign exchange translation differences	-1 014	-686
OCI hedging account	-12 453	-8 301
Other permanent differences (net) including different tax rate between the countries	0	0
Other adjustments, including foreign exchange translation differences	2 257	337
Tax expense	**3 672**	**-61 805**

Specification of payable tax	**2022**	**2021**
Payable tax connected to the parent company	0	0
Payable tax connected to partially owned Norwegian subsidiary	0	0
Payable tax connected to foreign subsidiaries	0	0
Payable tax recognised in the balance sheet 31.12.	**0**	**0**

Specification of deferred tax asset	**2022**	**2021**
Deferred tax asset connected to parent company*)	348 361	351 717
Deferred tax asset connected to partly owned Norwegian subsidiary	0	0
Deferred tax asset connected to OCI hedging account	0	12 400
Deferred tax asset connected to foreign subsidiaries (net)	17 149	16 275
Deferred tax asset recognised in the balance sheet 31.12.	**365 510**	**380 391**

Reconciliation of tax expense for the group	**2022**	**2021**
22% of result before tax	-89 694	-48 242
Change of deferred tax asset not recognised in the balance sheet connected to the Norwegian activity	75 514	0
Tax recognized through other comprehensive income	12 453	-8 301
25% (27%) of not taxable income foreign subsidiaries etc.	1 666	-7 809
Impact of changed tax rate in Norway	0	0
Other permanent differences (net) including foreign exchange translation differences	3 734	2 547
Tax expense	**3 672**	**-61 805**

*) Fjord Line AS has accumulated basis for deferred tax asset of TNOK 1.939.408 per 31.12.2022.
This implies a deferred tax asset (22 %) of TNOK 424.470 at full capitalisation.

The Board of Directors following a concrete assessment found that it has convincing evidence that future earnings will justify capitalization of deferred tax asset. The argument is sustained by the positive operating results prior to Covid-19/Energy crisis, combined with current long term business plans. Furthermore, the Board of Directors has in accordance with a precautionary approach decided in 2022 not to further increase capitalization of deferred tax arising from the current year's increase in loss carried forward.

Note 12 // Liabilities – group

(Figures in TNOK)

Non-current interest bearing debt per 31.12.	2022	2021
Debt to credit institutions etc.	2 839 115	2 517 724
Debt connected to leasing contracts recognised in the balance sheet	70 735	62 711
Other non-current interest bearing debt	5 859	13 950
Total non-current interest bearing debt 31.12. excl. of first year's installment	**2 915 708**	**2 594 385**

Current interest bearing debt per 31.12.	2022	2020
Debt to credit institutions (overdraft facilities)	0	0
Current portion of debt to credit institutions	71 745	296 973
Current portion of leasing debt	6 556	11 227
Other current interest bearing debt	0	1 487
Debt to owners*	300 000	0
Total current interest bearing debt 31.12.	378 301	309 686
Total book value of interest bearing debt 31.12.	**3 294 009**	**2 904 071**

*Debt to owners has been converted to equity in 2023.

Fjord Line AS had an unused overdraft facility of MNOK 35 per 31.12.2022 (unused overdraft facility of MNOK 35 MNOK per 31.12.2021).
Per 31.12.2022 the company has a positive balance on the overdraft facility account of 204 552 MNOK (235,8MNOK per 31.12.2021).
The subsidiary Fjord Line DK A/S has an unused overdraft facility of 3 MDKK per 31.12.2022 (3 MDKK per 31.12.2021).

Interest bearing debt to credit institutions (incl. leasing) - distributed on currency per 31.12.2022 (figures in 1,000)

Currency	Nominal currency	Exchange rate	Book value in NOK 31.12.2022	
NOK	583 923	1,000	583 923	
DKK	430 543	1,430	615 677	
Euro	197 950	10,551	2 088 551	
TOTAL			**3 288 151**	**

**Excluding other non-current interest bearing debt and incl. first year's installment.

Interest bearing debt to credit institutions (incl. leasing) - distributed on currency per 31.12.2021 (figures in 1,000)

Currency	Nominal currency	Exchange rate	Book value in NOK 31.12.2021	
NOK	300 218	1,000	300 218	
DKK	433 817	1,343	582 703	
Euro	202 057	9,989	2 018 308	
TOTAL			**2 901 229**	**

**Incl. first year's installment

Borrowing in Euro and DKK
Borrowing in Euro and DKK is recognised in the balance sheet at current exchange rate per 31.12.2022 and 31.12.2021, cf. the table above.
Foreign exchange loss/gain in 2022 related to non-current borrowing in Euro and DKK is 46,9 MNOK.
Foreign exchange loss/gain in 2021 related to non-current borrowing in Euro and DKK is -22,8 MNOK.

Book value per 31.12. for the Euro-borrowings and DKK is as follows in NOK (figures in TNOK):	2022	2021
Principal amount:	2 711 834	2 608 078
Amortization effect of the borrowings, incl. guarantee commission	-7 607	-7 067
Book value per 31.12.	**2 704 228**	**2 601 011**

Borrowing in DKK
Borrowing in DKK 31.12.2022 consists of a non-current loan to Danica Pension of TNOK 537.280. Total available loan facility is MDKK 400.
The loan facility is issued in its entirity in 2018 and the debt in DKK to Danica Pension amounts to MDKK 400.

Installment plan non-current interest-bearing debt to credit institutions/mortgage loan, leasing debt and bond loan

(Figures in TNOK)	2023	2024	2025	2026	2027
Annual installments*	78 301	95 978	307 445	970 869	265 556
Remaining loan per 31.12.	**2 831 549**	**2 735 571**	**2 428 126**	**1 457 258**	**1 191 702**

*Debt to owners has been converted to equity in 2023 and is excluded from payments.

Book value of mortgaged assets 31.12.2022:	
Ships	3 447 494
Prepaid ships	0
Receivables	74 606
Inventories	32 323
Total	**3 554 422**

Note 13 // Operating income and other gains/losses – group

(Figures in TNOK)

	2022	2021	
Sales revenues			
Ticket income	751 351	296 397	
Sales income etc. onboard	647 535	278 069	
Cargo income	220 662	194 522	
Other	25 261	3 243	
Total sales revenues	**1 644 809**	**772 230**	**A**
Other operating income	**21 157**	**21 025**	**B**
Other gains/losses (net)			
Gain on sale of fixed assets*	0	6 568	
Total other gains/losses (net)	**0**	**6 568**	**C**
Total operating income and other gains/losses (net)	**1 665 966**	**799 823**	**A+B+C**

Note 14 // Wage costs, number of employees, remunerations, loans to emloyees etc. – group

(Figures in TNOK)

Wage costs	**2022**	**2021**
Wages, incl. feeding crew, social costs etc.	345 674	239 795
Payroll tax and other public duties related to wages	23 585	22 891
Pension costs etc.	28 160	14 478
Other remunerations	12 649	23 357
Total	**410 068**	**300 520**

Average number of man-labour years in the group during the accounting year 2022 has been 619 (456 in 2021) .

Remunerations for CEO and the Board of Directors (figures in TNOK)	**2022**	**2021**
Wages CEO incl. Bonus	2 560	1 875
Other remuneration CEO	418	298
Board of Directors' fee	900	1 033

No loan or gurarantee has been provided for CEO or any of the members of the Board of Directors.
The CEO is included in the company's pension agreement, cf mentioned below.
According to the agreement, 20% of gross salary is allocated annually and the liability amounts to per 31.12.2022 TNOK 983 (TNOK 483 per 31.12.2021).

The chief executive officer is entitled to a severance payment equivalent to 12 months' salary without the right to holiday pay and pension rights, commencing at the time of expiry of notice period, when the resignation is at the request from the company.

Pensions
The company has taken on a pension savings agreement on behalf of the present CEO and another two individuals.
The market value of the contributions/assets was TNOK 7.235 per 31.12.2022 (TNOK 5.543 per 31.12.2021).
Gross liability per 31.12.2022 is calculated to TNOK 8.417 related to these persons (TNOK 6.876 per 31.12.2021).
Net liability is thus TNOK 3.059 per 31.12.2022 (TNOK 1.333 per 31.12.2021), and is classified as pension liability in the balance sheet.

In addition the company has established a defined contribution pension scheme for its employees.
The company pays fixed contributions to an insurance company. The company has no further obligations to pay once the contributions have been paid.
The contribution constitutes from 2% to 4% of the employees' salary.

Auditor
Auditor's fee relates to the following services (exclusive of vat):
(Figures in TNOK)

	2022	2021
Audit services - group auditor	821	690
Audit services other auditors	1 148	536
Accounting and tax related consultancy group auditors	104	118
Accounting and tax related consultancy other auditors	60	394
Certification services/agreed-upon control procedures group auditor	309	307
Certification services/agreed-upon control procedures other auditors	0	0
Other services	326	512
Total auditor's fee	**2 768**	**2 558**

Note 15 // Other current liabilities – group

(Figures in TNOK)

Other current liabilities per 31.12:	2022	2021
Incurred costs regarding wages/pay etc. (Denmark)	16 403	25 836
Prepayment from customers	48 205	91 437
Incurred interests and guarantee commission	21 983	19 754
Provision for other incurred costs	51 605	35 359
Other current liabilities 31.12.	**138 196**	**172 386**

Note 16 // NOx-grants – group

The ship "MS Stavangerfjord" was delivered in July 2013, and the ship "MS Bergensfjord" was delivered in January 2014.
Because the ships are gas powered (LNG), with related low emission, Fjord Line AS was granted a contribution from the NOx-fund.
Per 31.12.2014 contributions of MNOK 147,2 in total were paid to Fjord Line AS connected to these projects.
As a condition for the grant Fjord Line AS has been obliged to use "MS Stavangerfjord" and "MS Bergensfjord" in NOx-liable waters for at least 2 years from time of delivery.

Fjord Line AS received 0 MNOK in NOx-grants in 2022 (0 MNOK in 2021).

In the 2022-accounts MNOK 4,8 of the grants have been recorded (4,8 MNOK in 2021). The amount is classified as reduction of depreciation in the income statement.
The recording of the NOx-grants through profit or loss is accrued in line with the depreciation profile of the operating assets that the grants relate to.

Below is a list of accounting values (figures in TNOK):

Grants received 2021	0
Total received grant 31.12.2021	**166 809**
Grants recognised through profit and loss 2021	-4 790
Accumulated grants recognised through profit and loss 31.12.2021	-42 280
Grants received, not recognised through profit and loss 31.12.2021	**124 529**
Grants received 2022	**0**
Total received grant 31.12.2022	**166 809**
Grants recognised through profit and loss 2022	-4 790
Accumulated grants recognised through profit and loss 31.12.2022	-47 070
Grants received, not recognised through profit and loss 31.12.2022	**119 740**

Note 17 // Derivatives – group

The group has no financial contracts per 31.12.2022.

The group have previously entered into a interest rate hedge agreement related to its external financing. As described in the accounting principle note, the group follows hegde accounting linked to these contracts. At the balance sheet date, the future contract has expired (TNOK - 47,921 per 2021 classified as non-curent liabilities and TNOK 8,681 as current liabilities).

Note 18 // Subsequent Event

After two years of a global pandemic and government-imposed travel restrictions, Fjord Line had the best-ever high season revenue wise in 2022. Unfortunately, increases in the LNG (Liquified Natural Gas) fuel costs led to a non-sustainable financial situation for Fjord Line.

The energy crisis, caused by the Russian invasion of Ukraine, has led to extraordinary volatility and significant price increases in LNG – and the price increases have been far higher than for traditional and less sustainable energy sources at sea. In addition, Fjord Line receives no governmental financial energy-aid. This led to a dramatic increase in the energy costs for Fjord Line's two LNG-operated ships, and significantly above a financially sustainable level.

The engine conversion enables the two LNG-ships to switch between LNG and MGO (Marine Gas Oil), which will ensure a financially sustainable operation until the LNG-price level is normalized. Fjord Line is a pioneer within LNG-ship operation and our award-winning LNG-ships had the most innovative and sustainable fuel solution when launched in operation during 2013 and 2014. We are saddened by the need for the conversion towards use of MGO, despite Marine Gas Oil having a significantly reduced emissions of sulphur than traditional fuel such as HFO (Heavy Fuel Oil).

The Group has secured a sustainable financial restructuring through negotiations with senior lenders 22.12.2022 that will provide the Group with a reliable financial runway. The financial restructuring consists of owner contributions of MNOK 300 as well as 75% postponement of instalments until the end of 2024 and prolonged maturities. The Group also renegotiated loan maturities and its financial covenants. Fjord Line has during the pandemic slimmed its organization and has a very effective operation focused on the EBITDA driving routes. The Board of Directors are confident that measures taken by the management throughout these challenging years will contribute to the positive underlying development. The Board of Directors also concurs with the management team on the positive outlook hereunder expectations that the Group will further improve on the pre Covid-19 results in the years to come.

The Group is not involved in any litigations.


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PARENT COMPANY **FINANCIAL** STATEMENTS

- **Income statement**
- **Balance sheet**
- **Cash flow statement**
- **Accounting policies**
- **Notes**



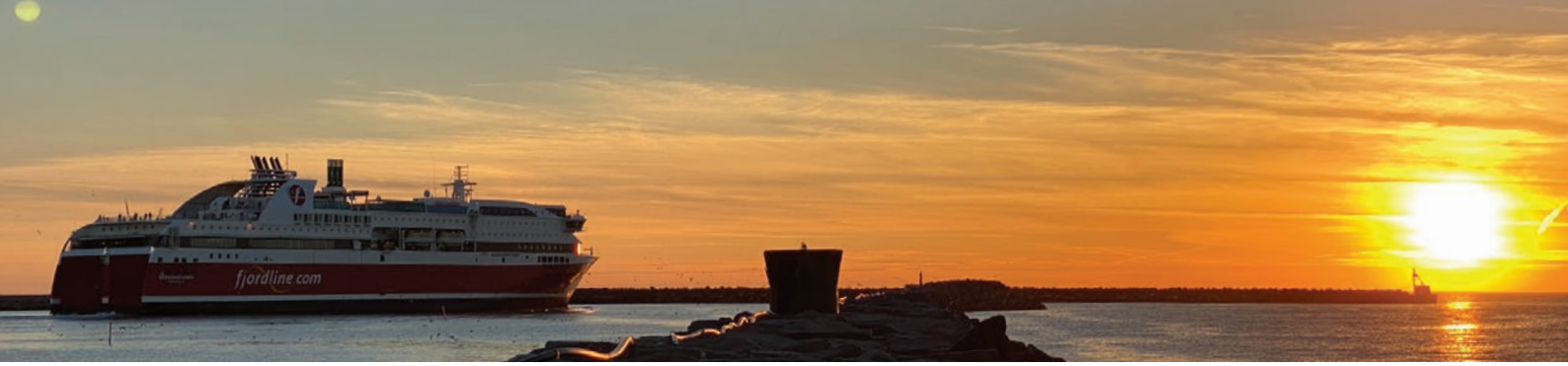
Annual accounts

FJORD LINE AS – PARENT COMPANY

Income statement

(1,000 NOK)

	Note	Parent company 2022 NGAAP	Parent company 2021 NGAAP
Operating income:			
Sales revenues	1	1 631 113	770 039
Other operating income	1, 2	37 029	25 711
Total operating income	**1**	**1 668 143**	**795 751**
Operating expenses:			
Cost of goods		318 183	143 496
Wage costs	3	91 469	75 785
Depreciation of property, plant and equipment and intangible assets	9, 10	24 094	18 310
Other operating expenses	3, 4, 5, 14	1 471 929	838 739
Total operating expenses		**1 905 674**	**1 076 330**
Operating result		**-237 532**	**-280 579**
Financial items:			
Income from subsidiaries	8	1 716	742
Interest income	6, 13	155 889	131 073
Other financial income	7	-87 623	44 746
Intergroup guarantee expense	6	-26 675	-26 108
Interest expenses	6, 19	-144 591	-145 100
Other financial expenses	7, 19	0	-18
Net financial items		**-101 284**	**5 335**
Ordinary result before tax		**-338 816**	**-275 245**
Tax expense on ordinary result	**8**	**3 356**	**-62 696**
Ordinary result after tax		**-342 172**	**-212 548**
Result for the year		**-342 172**	**-212 548**
Allocation of the result			
Transferred to other equity/uncovered loss	18	-342 172	-212 548
Total		**-342 172**	**-212 548**



Balance sheet

FJORD LINE AS – PARENT COMPANY

per 31 December 2022
(1,000 NOK)

Assets	Note	Parent company 2022 NGAAP	Parent company 2021 NGAAP
Fixed assets			
Intangible assets			
WEB-project, concept development etc.	9	100 017	103 302
Intangible Financial lease asset	9	8 594	7 928
Deferred tax asset	8	348 361	351 717
Total intangible assets		**456 972**	**462 946**
Property, plant and equipment			
Land plots	10	835	835
Buildings and plants	10	16 658	16 794
Buildings Financial lease asset	10	15 943	16 789
Movables, equipment, improvements ships etc.	10	216	45
Total property, plant and equipment	**10**	**33 653**	**34 464**
Financial fixed assets			
Investment in subsidiary	11	993 441	993 441
Financial receivables	6, 13	2 557 428	2 442 481
Other investments, incl. shares in associate	12	95	80
Total financial fixed assets		**3 550 964**	**3 436 001**
Total fixed assets		**4 041 588**	**3 933 411**
Current assests			
Inventory	5	31 698	27 386
Total Inventory		**31 698**	**27 386**
Receivables			
Trade receivables	14	29 118	30 011
Intergroup balances	13	46 889	12 525
Other current receivables	15	43 708	45 158
Total receivables		**119 715**	**87 694**
Bank deposit, cash etc.			
Bank deposit, cash equivalents etc.	16	13 355	12 171
Total Bank deposit, cash etc.		**13 355**	**12 171**
Total current assets		**164 767**	**127 252**
Total assets		**4 206 356**	**4 060 664**

Equity

	Note	Parent company 2022 NGAAP	Parent company 2021 NGAAP
Paid-in equity			
Share capital	17, 18	598 724	569 312
Own shares	18	-60	-66
Share premium account	18	299 020	228 432
Total paid-in equity	**18**	**897 683**	**797 678**
Retained earnings			
Other equity/Uncovered loss	18	-547 631	-205 459
Total retained earnings		**-547 631**	**-205 459**
Total equity	18	**350 053**	**592 219**

Liabilities

Non-current liabilities/non-current provisions			
Non-current debt to credit institutions etc.	19	2 813 523	2 799 800
Received, not recognised contribution	2	73 691	78 378
Financial leasing	19	15 073	13 400
Pension liability	3	1 877	1 333
Other non-current debt	19	10 868	11 108
Total non-current liabilities/non-current provisions		**2 915 032**	**2 904 018**
Current liabilities			
Current debt to credit institutions	19	416 254	333 072
Trade payables		67 936	66 283
Tax payable	8	-	-
Public duties owing		7 185	6 415
Intergroup balances	13, 19	29 637	19 754
Other current liabilities	19	420 258	138 903
Total current liabilities		**941 271**	**564 427**
Total liabilities		**3 856 303**	**3 468 446**
Total equity and liabilities		**4 206 356**	**4 060 664**

Egersund 29.04.2023

Peter Frølich
Chairman of the Board

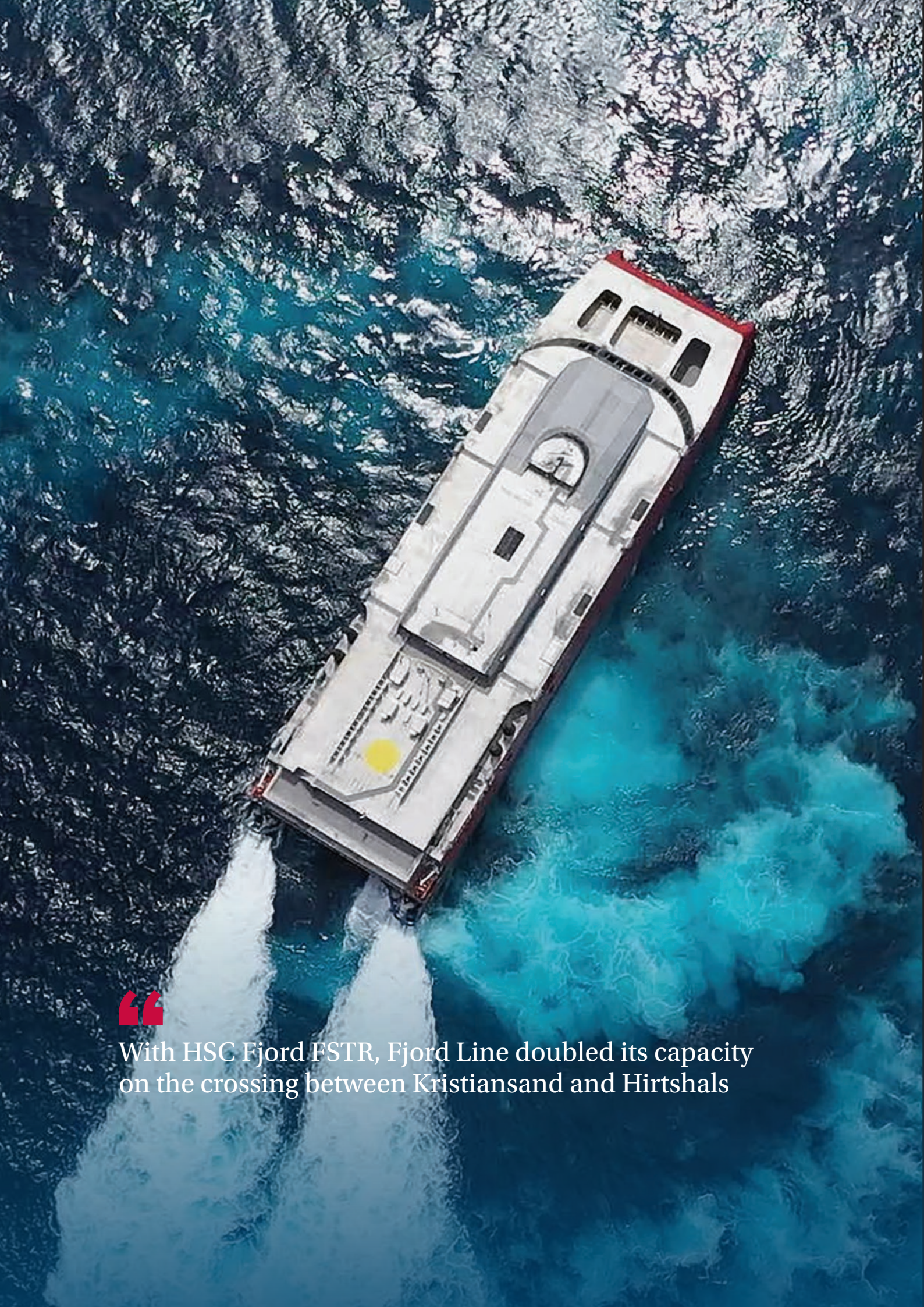
Kristian Eikre
Board Member

Heidi Nag Flikka
Board Member

Christian Fredrik Grønli
Board Member

Jan Erik Sivertsen
Board Member

Brian Thorsted Hansen
Managing Director



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With HSC Fjord FSTR, Fjord Line doubled its capacity on the crossing between Kristiansand and Hirtshals

Cash flow statement

FJORD LINE AS – PARENT COMPANY

per 31 December 2022
(1,000 NOK)

		2022	2021
Cash flows from operanal activities			
Result before tax expens		-338 816	-275 245
Taxes paid in the period		0	0
Depreciation		24 094	18 310
Write-downs		0	0
Gain/loss from sale of perty, plant and equipment/intangible assets		0	0
Change in inventories		-4 311	-6 689
Change in trade receivab		893	-13 973
Change in trade payable:		1 653	45 224
Gain/loss from sale of opting assets/intangible assets		0	0
Change in other accuralscl. net agio and non-current balances		-46 758	40 559
Net cash flows from optional activities		**-363 246**	**-191 814**
Cash flows from invest; activities			
Proceeds from sale of prrty, plant and equipment		20	0
Purchase/manufacturing property, plant and equipment/intangible assets		-17 154	-44 664
Interest received		155 890	0
Loan to subsidiary		0	-417 637
Investment in subsidiary		-15	-1 000
Net cash flows from inting activities		**138 741**	**-463 301**
Cash flows from finanç activities			
Raising of interest bearidebt (net)		300 000	569 466
Repayment of non-currenterest bearing debt		-48 038	0
Change in current debt tredit institutions		11 203	259 134
Group contribution receil		0	742
Payment of interest		-137 477	-214 167
Cash contribution share ıe (net)		100 000	50 000
Net cash flows from fincing activities		**225 688**	**665 175**
Net change in cash andsh equivalents		**1 183**	**10 060**
Cash and cash equivalent the beginning of the period		12 171	2 111
Cash and cash equivals at the end of the period		**13 355**	**12 171**
Specification of cash reves at the end of the period			
Bank deposit and cash	16	13 355	12 171

Accounting policies

FJORD LINE AS – PARENT COMPANY

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

Sales revenues

Sale of goods is recognised in the income statement at the time of delivery. Time of delivery means the time of transfer of risk and control connected to the delivered goods. Services, including sale of travels and freight, are recognised as executed. The portion of the sales income, which relates to future service work is reflected in the balance sheet as unearned income from the sale and is then recognised in line with the service work performed.

Classification and valuation of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. Current assets are valued at the lower of acquisition cost and net realizable value. Current liabilities are reflected in the balance sheet at nominal value on the establishment date.

Fixed assets are valued at acquisition cost. Property, plant and equipment whose value will deteriorate are depreciated on a straight line basis over the asset's estimated useful life. The fixed assets are subject to impairment to net realizable value if a value reduction occurs which is not believed to be temporary. The impairment is reversed to the extent that the reason for the impairment is no longer present. Non-current liabilities are reflected in the balance sheet at nominal value at the establishment date.

Intangible assets

Expenses for intangible assets are reflected in the balance sheet when it is considered likely that the future financial benefits relating to the asset will be received by the company and the acquisition cost of the asset can be reliably measured.

Property, plant and equipment

Property, plant and equipment are reflected in the balance sheet and depreci-



ated over the assets' expected useful life on a straight-line basis provided they have an expected useful life of more than 3 years and a cost price exceeding NOK 15,000. Direct maintenance of an asset is recognised under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements are determined based on the asset's condition at the acquisition date.

Leasing

A leasing agreement is classified as financial or operational lease in accordance with the contents of the individual agreement. The agreement is classified as financial lease if the major part of financial risk and control connected to the underlying lease object has been transferred to the lessee. Other leasing agreements are classified as operational.

Operational assets in leasing agreements assessed as financial lease are activated in the balance sheet at the value of the compensation in the leasing agreement and depreciated as property, plant and equipment. The principal portion of the leasing liability is recorded as non-current liabilities. The liability is reduced with lease paid less deduction for calculated interest expense. The lease payments are treated as an operating expense which is distributed over the total leasing period for agreements that are classified as operational.

Subsidiaries, associated companies and joint ventures

Subsidiaries, associated companies and joint ventures are assessed in accordance with the cost method in the company accounts. The investment is valued at acquisition cost for the shares, unless impairment has been necessary. Dividend from the subsidiaries is recognised as income to the extent accumulated dividend exceeds accumulated result in the owner period.

Inventories

Inventories of purchased goods are valued at the lower of acquisition cost according to the FIFO- principle and fair value. A write-down is made for any foreseeable obsoleteness.

Trade receivables

Trade receivables and other receivables are reflected in the balance sheet at nominal value after deduction of provision for bad debts. Provision for bad debts is made based on individual assessment of each receivable.

Current investments

Current investments (including shares and derivatives valued as current assets) are considered to be trading portfolio and are valued at fair value at the balance sheet date. Unrealized gain/loss is recognised in the income statement under financial items. Dividend and other contributions are recognised as other financial income

Hedging

Derivatives valued as hedging are recognised in the balance sheet at acquisition cost. This corresponds to fair value at the time of entering into the derivative contracts. The derivatives are recognised through profit or loss when delivered and classified in the income statement on the same line as the underling hedging object.

Monetary items in foreign currency

Monetary items in foreign exchange are valued at the exchange rate at the end of the accounting year. Hedge accounting is not used. Transactions in foreign currency are converted into the functional currency (NOK) at the current exchange rate at the transaction date.

Further information is disclosed in notes to the financial statement.

Tax

The tax expense in the income statement comprises both payable taxes for the period and changes in deferred tax/deferred tax asset. Maximum deferred tax asset is calculated based on 23% of total basis for the temporary differences existing between accounting and tax values at the end of the accounting year and carry forward loss for tax purposes. Deferred tax asset is recognised in the balance sheet to the extent that carry forward loss for tax purposes and other positions are expected to be used against future earnings. Further information is disclosed in notes.

NOx-fund grants

Grants from the NOx-fund related to investments are recognised in the income statement/accrued in line with the depreciation profile of the operating assets that the grants relate to. Grants not recognised in the income statement have been recognised as non-current liabilities/allocation. Further information about accounting treatment and numerical effects is disclosed in notes to the financial statements.

Government grants

Government grants related to Covid-19 is recorded as reduction of other operating expenses. All periods applied for government grant in 2022 is included in the financial statement.

Pensions

A defined contribution plan is a pension plan under which the group pays fixed contributions to an insurance company. The group has no legal or constructive obligations once the contributions have been paid. The contributions are recognised as wage costs. 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 on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date.

Cash flow statement

The cash flow statements are reported gross from investing and financing activities, whereas the accounting result is reconciled against net cash flow from operational activities. Cash and cash equivalents include cash and bank deposits.

Notes

FJORD LINE AS – PARENT COMPANY

Note 1 // Operating income – parent company

(Figures in TNOK)

Operating income distributed on income area	2022	2021
Ticket income	751 351	296 397
Sales income etc. onboard	647 535	277 510
Cargo income	220 662	194 522
Recognised/accrued grant from the NOx-fund - see also note 2	4 766	4 687
Other	43 829	22 635
Total	**1 668 143**	**795 751**

Note 2 // NOx-grant – parent company

(Figures in TNOK)

The ship "MS Stavangerfjord" was delivered in July 2013, and the ship "MS Bergensfjord" was delivered in January 2014.
Because the ships are gas powered (LNG), with related low emission, Fjord Line AS was granted a contribution from the NOx-fund.
Per 31.12.2014 contributions of MNOK 147.2 in total had been paid to Fjord Line AS connected to these projects.
As a condition for the grant Fjord Line AS was obliged to use "MS Stavangerfjord" and "MS Bergensfjord" in NOx-liable waters for at least 2 years from time of delivery.

In 2021 Fjord Line AS received 0 MNOK in NOx-grants (0 MNOK in 2020).
In the 2022 accounts MNOK 4,7 of the grants was recognised as income (4,7 MNOK in 2021). The amount was classified as other operating income in the income statement. The grants are subject to accrual in line with the depreciation profile of the operating assets to which the grants relate.

Below is a summary of accounting values (figures in TNOK)

Grants received 2021	0
Total received grants 31.12.2021	**166 809**
Grants recognised as income 2021	-4 687
Accumulated grants recognised as income 31.12.2021	-88 352
Grants received, not recognised in the income statement 31.12.2021	**78 457**

Grants received 2022	0
Total received grants 31.12.2022	**166 809**
Grants recognised as income 2022	-4 766
Accumulated grants recognised as income 31.12.2022	-93 118
Grants received, not recognised in the income statement 31.12.2022	**73 691**

Note 3 // Wage costs, number of employees, remunerations, pension etc. – parent company

(Figures in TNOK)

Wage costs	**2022**	**2021**
Wages, incl. feeding crew etc.	73 477	64 093
Payroll tax	12 307	10 342
Pension costs	1 652	1 203
Other remunerations	4 033	147
Total	**91 469**	**75 785**

Average number of man-labour years during the accounting year has been 115 in 2022 (84 in 2021).

Remunerations for CEO and the Board of Directors (figures in TNOK)	**2022**	**2021**
Wages CEO incl bonus	2 560	1 875
Other remuneration CEO	418	298
Board of Directors' fee	900	1 033

No loan or guarantee have been provided for CEO or any of the members of the Board of Directors.
The CEO is included in the company's pension agreement, cf mentioned below. According to the agreement, 20 % of gross salary is allocated annually and the liability amounts to per 31.12.2022 TNOK 983 (TNOK 483 as at 31.12.21).

The chief executive officer is entitled to a severance payment equivalent to 12 months' salary without the right to holiday pay and pension rights, commencing at the time of expiry of notice period, when the resignation is at the request from the company.

Pensions
The company has taken on a pension savings agreement on behalf of the present CEO and another two individuals.
The market value of the contributions/assets was TNOK 5.358 per 31.12.2022 (TNOK 5.543 per 31.12.2021).
Gross liability per 31.12.2022 is calculated to TNOK 7,235 related to these persons (TNOK 6.876 per 31.12.2021).
Net liability is thus TNOK 1.877 per 31.12.2022 (TNOK 1.333 per 31.12.2021), and is classified as pension liability in the balance sheet.

In addition the company has established a defined contribution pension scheme for its employees.
The company pays fixed contributions to an insurance company. The company has no further obligations to pay once the contributions have been paid.
The contribution constitutes from 2% to 4% of the employees' salary.

Auditor
Expensed fee to auditor relates to the following services (exclusive of vat), figures in TNOK:

	2022	**2021**
Audit services	821	690
Certification services/Agreed-upon control procedures	309	307
Accounting and tax related/duty related technical assistance	104	88
Other services	326	482
Total auditor's fee	**1 560**	**1 567**

Note 4 // Leasing expenses and transactions with related parties – parent company

Expensed lease of operating assets not recognised in the balance sheet for 2022 and 2021 (operational lease)
(Figures in TNOK)

Operating assets	**Expensed lease 2022**	**Expensed lease 2021**
Lease of premises and similar *)	19 019	18 603
Lease of ships, including crew	606 848	580 618
Other leasing cost	39 998	29 766

*) Leasing expenses and similar: For 2022 leasing expenses of TNOK 1.736 to company controlled by owners.
(TNOK 1.676 in 2021). The leasing conditions are market conditions.

Note 5 // Inventories and fuel expenses – parent company

(Figures in TNOK)

Inventories	2022	2021
Fuel	8 352	8 286
Goods for resale	19 531	20 566
Other items, including key-cards etc.	6 315	408
Total inventories at acquisition cost 31.12.	**34 198**	**29 260**
Write-down 31.12.	2 500	1 874
Total book value of inventories 31.12.	**31 698**	**27 386**

Write-down of TNOK 2,5 has been made of the inventory by year end (1,9 TNOK in 2021).

Expenses related to fuel are classified as other operating expenses in the income statement.
For 2022 this amounts to TNOK 368.924 (TNOK 179.090 in 2021).

Note 6 // Interest income/interest expenses and intergroup guarantee commission – parent company

(Figures in TNOK)

Interest income comprises:

	2022	2021
Interest income on loan to subsidiary (intergroup interests)	140 441	120 490
External interest income	15 449	10 583
Total	**155 889**	**131 073**

Interest expenses comprises:

	2022	2021
Interest expenses on loan to subsidiary (intergroup interests)	1 063	935
External interest expenses	142 807	143 261
Other Interest expense	720	904
Total	**144 591**	**145 100**

Non-current intergroup loans are subject to interest calculation in accordance with market conditions. Further information about intergroup loans/balances is disclosed in note 13.

In 2022 Fjord Line AS has expensed an intergroup guarantee cost of TNOK 26.675 (TNOK 26.108 in 2021).
Fjord Line AS has entered into several contracts on loan financing of the group's ships. The shipowning subsidiaries Fjord Skibsholding I, Fjord Skibsholding II, Fjord Skibsholding III, Fjord Skibsholding IV and Fjord Skibsholding V have on their part provided security for Fjord Line AS' liabilities related to the loan contracts.
As a compensation the shipowning subsidiaries have received guarantee commission based on market conditions.

Note 7 // Other financial income and other financial expenses – parent company

(Figures in TNOK)

Other financial income and other financial expenses comprise the following:

Other financial income	2022	2021
Group contribution received	0	742
Foreign exchange gain related to non-current foreign exchange loan	0	37 795
Other foreign exchange gain	28 539	20 538
Other financial income	29	129
Total	**28 568**	**59 205**

Other financial expenses	2022	2021
Foreign exchange loss, intergroup receivables, cf. note 13	28 024	12 806
Foreign exchange loss, including non-current loan in Euro and DKK	88 167	0
Other financial expenses	0	18
Total	**116 191**	**12 824**

Note 8 // Taxes – parent company

(Figures in TNOK)

Specification of deferred tax asset

Temporary differences	**31.12.2021**	**31.12.2022**	**Change**
Fixed assets	11 753	9 522	2 231
Receivables	-13 097	-13 200	103
Gain/loss account	5 520	4 416	1 104
Inventory	-1 900	-2 500	600
Pension liabilities	-1 333	-1 877	544
Other differences including accounting accruals	-76 671	-66 144	-10 526
Carry-forward interest deduction	-40 135	-40 135	0
Total	**-115 862**	**-109 918**	**-5 944**
Carry-forward loss	-1 482 850	-1 816 786	333 936
Basis for deferred tax (-deferred tax asset)	**-1 598 712**	**-1 926 704**	**327 992**
22% of basis	-351 717	-423 884	72 167
Deferred tax (deferred tax asset) recognised in the balance sheet	**-351 717**	**-348 361**	**-3 356**
Deferred tax asset not recognised in the balance sheet	0	-75 523	75 523

Per 31.12.2022 Fjord Line AS has accumulated basis for deferred tax asset of TNOK 1,930,923
This implies deferred tax asset (22%) of TNOK 424,803, recognised in balance sheet is TNOK 348 361.

The Board of Directors following a concrete assessment found that it has convincing evidence that future earnings will justify capitalization of deferred tax asset. The argument is sustained by the positive operating results prior to Covid-19/Energy crisis, combined with current long term business plans. Furthermore, the Board of Directors has in accordance with a precautionary approach decided in 2022 not to further increase capitalization of deferred tax arising from the current year's increase in loss carried forward.

Specification of taxable result and tax expense:

Taxable result	**2022**	**2021**
Result before tax	-338 816	-275 245
Dividends from subsidiaries, not taxable	0	0
Group contribution received	1 717	742
Write-down of shares	0	0
Other permanent differences	-793	-582
Employee options recognised as expense	0	0
Change in temporary differences	-15 314	-3 753
Issue expenses, offset against eqiuity	0	0
Application of carry forward loss	0	0
Carry-forward interest deduction	0	40 135
Taxable result	**-353 206**	**-238 702**

Reconciliation of tax expense	**2022**	**2021**
22% of financial result	-74 540	-60 554
22% of permanent differences	203	35
Impact of change tax rate	0	0
Change of deferred tax asset not recognised in the balance sheet	75 523	0
Other changes	2 178	-2 178
Tax expense	**3 365**	**-62 696**

Specification of tax expense	**2022**	**2021**
Change in deferred tax asset	-72 167	0
Payable tax	0	0
Tax expense	**-72 167**	**0**

Note 9 // Intangible assets – parent company

(Figures in TNOK)

	Intangible assets in development	WEB-projects etc.	Intangible Financial lease assets	Other intangible assets	Total intangible assets
Acquisition cost 31.12.2021	30 627	107 650	12 164	2 159	152 600
Additions 2022	9 981	4 396	3 531	0	17 908
Completed projects 2022	-640	0	0	0	-640
Disposal 2022	0	0	0	0	0
Acquisition cost 31.12.2022	**39 968**	**112 046**	**15 695**	**2 159**	**169 868**
Accumulated write-down 31.12.2021	4 824	0	0	0	4 824
Accumulated depreciation 31.12.2021	0	31 401	4 237	908	36 546
Book value 31.12.2021	25 803	76 249	7 927	1 251	111 231
Accumulated write-down 31.12.2022	4 824	0	0	0	4 824
Accumulated depreciation 31.12.2022	0	48 340	7 101	993	56 434
Book value 31.12.2022	**35 144**	**63 707**	**8 594**	**1 166**	**108 611**
Write-down in the year	0	0	0	0	0
Depreciation in the year	0	16 939	2 864	85	19 888
Total depreciation and write-down 2022	**0**	**16 939**	**2 864**	**85**	**19 888**

All assets are depreciated linear over the estimated useful life.

Completed projects in 2022 are projects relates to development of websites and moving WEB platform, with a depreciatcion period of 5 years.
The remaining projects relates to development of ERP system in general, group booking, development of Carres, on board portal and BI. The depreciation period is 5 years.

Note 10 // Property, plant and equipment – parent company

(Figures in TNOK)

Property, plant and equipment (figures in TNOK)	Land plots	Terminal, buildings	Terminal, buildings Financial lease	Equipment, machinery onshore etc.	Means of transport	Total property, plant and equipment
Acquisition cost 31.12.2021	835	18 189	16 930	15 740	337	**52 032**
Addition 2022	0	241	0	2 929	245	**3 415**
Disposal 2022	0	0	0	0	-337	**-337**
Acquisition cost 31.12.2022	**835**	**18 430**	**16 930**	**18 669**	**245**	**55 110**
Accumulated write-down 31.12.2021	0	0	0	0	0	**0**
Accumulated depreciation 31.12.2021	0	10 217	141	6 918	291	**13 064**
Book value 31.12.2021	**835**	**7 972**	**16 789**	**8 822**	**45**	**34 464**
Accumulated write-down 31.12.2022	0	0	0			**0**
Accumulated depreciation 31.12.2022	0	11 572	987	8 870	29	**21 458**
Book value 31.12.2022	**835**	**6 858**	**15 943**	**9 800**	**216**	**33 653**
Depreciation in the year	0	1 355	846	1 952	53	**4 206**
Write-down in the year	0	0	0	0	0	**0**
Depreciation period (completed operating assets)	N/A	5 - 10 years	20 years	3 - 5 years	5 years	
Depreciation plan	Does not depreciate	Linear	Linear	Linear	Linear	

Note 11 // Investments in subsidiaries – parent company

(Figures in TNOK)

The investments in subsidiaries are accounted for in accordance with the cost method.
Accounting values are presented below (figures in TNOK).

Subsidiary	Time of acquisition	Business address	Owner share/voting share	Cost price 31.12.2022	Book value 31.12.2021	Book value 31.12.2022
Fjord Line Danmark A/S	2006	Danmark	100 %	13 753	13 753	13 753
Fjord Skibsholding I A/S	2007	Danmark	100 %	264 232	224 987	224 987
Fjord Skibsholding II A/S	2008	Danmark	100 %	138 140	109 849	109 849
Fjord Skibsholding III A/S	2010	Danmark	100 %	310 368	310 368	310 368
Fjord Skibsholding IV A/S	2010	Danmark	100 %	332 842	332 842	332 842
Fjord Skibsholding V A/S	2017	Danmark	100 %	642	642	642
Fjord Line Crewing AS	2021	Norge	100 %	1 000	1 000	1 000
TOTAL				**1 061 178**	**993 441**	**993 441**

Income from investment in subsidiaries and write-down 2022
No dividend has been approved from Fjord Line AS' subsidiaries in 2022.

Income from investment in subsidiaries and write-down 2021
No dividend has been approved from Fjord Line AS' subsidiaries in 2021.

Background for difference between cost price and carrying value of the shares in FSH I and FSH II:
In 2008 the shares in FSH II were written down by TNOK 20 291.
In 2009 the shares in FSH I were written down by TNOK 39 246 and the shares in FSH II were written down by TNOK 8 000
In 2009 also TNOK 4.754 in dividend from FSH I and TNOK 12 222 in dividend from fra FSH II were recognised as reduction of carrying value of shares.

Note 12 // Investments in other shares/parts – parent company

(Figures in TNOK)

In 2010 Fjord Line AS acquired shares amounting to TNOK 50 in Visit Sørlandet AS. After 2010 there has been neither additions nor disposals. The investment is recognised in accordance with the cost method. There has been no write-down in 2022 or 2021.

In 2016 Fjord Line AS invested TNOK 30 in Visit Telemark AS in 2016. The investment is recognised in accordance with the cost method. Nor has write-down been made on this investment.

In addition Fjord Line AS invested TNOK 15 in Digital Plattform Eigersund SA in 2022. The investment is recognised in accordance with the cost method. Nor has write-down been made on this investment.

Note 13 // Intercompany balance – parent company

(Figures in TNOK)

Assets - current items:	**2022**	**2021**
Receivables on subsidiary related to operation etc.*)	32 162	11 783
Other receivables from subsidiaries	14 727	742
Total	**46 889**	**12 525**
Liabilities - current items:		
Net debt to subsidiary related to operation	10 113	1 249
Incurred interests and guarantee commission	19 524	18 505
Total	**29 637**	**19 754**
Net current intercompany balance per 31.12 for Fjord Line AS	**17 251**	**11 276**

Assets - non-current items
Fjord Line AS has non-current receivables on the Danish subsidiaries of in total TNOK 2.557.428 per 31.12.2022 (TNOK 2.423.976 per 31.12.2021).
The amount is classified as financial fixed assets. The loans are in DKK and are subject to interest calculation (cf. note 6).
Foreign exchange gain on these loans was TNOK 113 928 in 2022 (foreign exchange loss of TNOK 122.398 in 2021), cf. note 7.
No specific installment plan has been determined for the loans, but the subsidiaries will use free liquidity for repayment.

***) Allocation for dividends in the subsidiaries**
The subsidiaries FSH I, FSH III and FSH IV had per 31.12.2022 allocated in total TNOK 0 in dividend for Fjord Line AS, cf note 11.

Note 14 // Trade receivables and bad debts – parent company

(Figures in TNOK)

	2022	**2021**
Trade receivables at nominal value 31.12.	32 418	30 583
Provisions for bad debts 31.12.	-3 300	-3 197
Book value trade receivables 31.12.	**29 118**	**27 386**
Change in provisions for bad debts in the year	103	0
Actual bad debts in the year	757	274
Received on receivables previously written off	0	0
Expensed loss on bad debts	**860**	**274**

Bad debts are included in the item "other operating expenses" in the income statement.



Note 15 // Other receivables – parent company

(Figures in TNOK)

Other receivables	2022	2021
Refund from public authorities, including vat owing.*	3 558	2 728
Prepaid expenses etc.	40 151	42 430
Other receivables 31.12.	**43 708**	**45 158**

*) Per 31.12.2022 the company has recognised TNOK 2,919 in the balance sheet relating to VAT due to the company in Norway (TNOK 1.976 per 31.12.2021).

Note 16 // Restricted funds – parent company

(Figures in TNOK)

		2022	2021
Restricted tax deduction funds per 31.12.:	3	3 876	3 494

The tax deduction funds are deposited on separate bank accounts.

		2022	2021
Cash equivalents per 31.12.:	6	6 418	5 741

Cash equivalents are payments in transit as of year end.

Note 17 // Share capital and shareholders' information – parent company

The share capital is NOK 598 723 727,5 per 31.12.2022, and consists of 239 489 491 shares each NOK 2,50. All shares have equal rights.

The major shareholders per 31.12.2022

	Owner share
Ferd AS	44,8 %
Kontrari AS	38,3 %
Kontrazi AS	15,1 %
Others, including own shares*)	1,9 %
Total	**100,0 %**

*) Fjord Line AS has a total of 935 own shares per 31.12.2022.

The major shareholders per 31.12.2021

	Owner share
Ferd AS	44,7 %
Kontrari AS	36,7 %
Kontrazi AS	15,8 %
Others, including own shares*)	2,8 %
Total	**100,0 %**

*) Fjord Line AS has a total of 2.118 own shares per 31.12.2021.

Note 18 // Equity – parent company

(Figures in TNOK)

Changes in equity for 2022	Share capital	Own shares	Share premium account	Other equity/uncovered loss	Total
Equity 31.12.2021	**569 312**	**-66**	**228 432**	**-205 459**	**592 219**
Sale of own shares	0	5	0	0	**5**
Increase of capital	29 412	0	70 588	0	**100 000**
Net income 2022	0	0	0	-342 172	**-342 172**
Equity 31.12.2022	**598 724**	**-60**	**299 020**	**-547 631**	**350 053**

Changes in equity for 2021	Share capital	Own shares	Share premium account	Other equity/uncovered loss	Total
Equity 31.12.2020	544 312	-109	203 432	7 089	**754 722**
Purchase of own shares	0	44	0	0	**44**
Increase of capital	25 000	0	25 000	0	**50 000**
Net income 2021*	0	0	0	-212 548	**-212 548**
Equity 31.12.2021	**569 312**	**-66**	**228 432**	**-205 459**	**592 219**

*) Net income 2021 contains a negative tax expense of TNOK 62.860 as a result of the changes in deferred tax asset.

Note 19 // Liabilities – parent company

(The figures in the table below is in TNOK)

Non-current interest bearing debt per 31.12.	2022	2021
Debt to credit institutions etc.*	2 828 595	2 813 200
Other non-current interest bearing debt	10 868	11 108
Total non-current interest bearing debt 31.12.	**2 839 463**	**2 824 308**

Current interest bearing debt per 31.12.	2022	2021
Current portion of debt to credit institutions	71 979	0
Debt to credit institutions (overdraft facilities)	344 275	333 072
Other current interest bearing debt, including debt to owners of the parent company**	301 487	1 487
Total current interest bearing debt 31.12.	**645 761**	**334 558**

Total book value of interest bearing debt 31.12.	**3 485 224**	**3 158 866**

*Includes financial leasing book value 15 073 TNOK (13 400 TNOK per 31.12.2021).

Fjord Line AS had an unused overdraft facility of MNOK 35 per 31.12.2022 (35 MNOK per 31.12.2021).
Per 31.12.2022 the company has a negative balance on the overdraft facility account of -340,4 MNOK (negative balance of -295,6 MNOK per 31.12.2021).

Non-current interest bearing debt (incl. leasing) - distributed on currency per 31.12.2022 (figures in 1.000)

Currency	Nominal currency	Exchange rate	Book value in NOK 31.12.2022	
NOK	507 214	1,000	507 214	
DKK	430 543	1,430	615 677	
Euro	197 950	10,551	2 088 551	
Total non-current interest bearing debt 31.12.			**3 211 441**	incl. first year's installment

Non-current interest bearing debt (incl. leasing) - distributed on currency per 31.12.2021 (figures in 1.000)

Currency	Nominal currency	Exchange rate	Book value in NOK 31.12.2021	
NOK	268 720	1,000	268 720	
Euro	202 057	9,989	2 018 308	
DKK	400 000	1,343	537 280	
Total non-current interest bearing debt 31.12.			**2 824 308**	incl. first year's installment

Borrowing in Euro and Danish kroner
Borrowing in Euro and DKK is recognised in the balance sheet at current exchange rate per 31.12.2022 and 31.12.2021, cf. the table above.
Foreign exchange loss/gain in 2022 related to non-current borrowing in Euro and DKK is 132,9 MNOK.
Foreign exchange loss/gain in 2021 related to non-current borrowing in Euro and DKK is 122,4 MNOK.

Book value per 31.12. for the Euro-borrowings and Danish kroner-borrowings as follows in NOK (figures in TNOK):

	2022	2021
Principal amount:	2 704 228	2 555 588
Amortization effect of the borrowings, incl. guarantee commission	-7 607	-10 703
Book value per 31.12.	**2 696 621**	**2 544 885**

Installment plan non-current interest-bearing debt to credit institutions (mortgage loan)

	2023	2024	2025	2026	2027
Annual installments**	71 979	89 656	310 123	964 556	259 288
Remaining loan per 31.12.	**2 539 463**	**2 449 807**	**2 139 684**	**1 175 128**	**915 840**

**Debt to owners has been converted to equity in 2023 and is excluded from payments.

Refer to Fjord Line Group accounts (cf. note 12) for specification of book value of mortgaged assets per 31.12.2022
on non-current interest-bearing debt to credit institutions/mortgage loan.

Other current liabilities per 31.12 (figures in TNOK):	2022	2021
Prepayment from customers	70 188	91 437
Provision for other incurred costs etc.	350 071	45 979
Other current liabilities 31.12.	**420 258**	**137 416**

Intergroup balances per 31.12 (figures in TNOK):		
Incurred interests and guarantee commission	19 524	18 505
Accounts payabale	10 113	1 249
Other current liabilities 31.12.	**29 637**	**19 754**

Note 20 // Subsequent events – parent company

After two years of a global pandemic and government-imposed travel restrictions, Fjord Line had the best-ever high season revenue wise in 2022. Unfortunately, increases in the LNG (Liquified Natural Gas) fuel costs led to a non-sustainable financial situation for Fjord Line.

The energy crisis, caused by the Russian invasion of Ukraine, has led to extraordinary volatility and significant price increases in LNG – and the price increases have been far higher than for traditional and less sustainable energy sources at sea. In addition, Fjord Line receives no governmental financial energy-aid. This led to a dramatic increase in the energy costs for Fjord Line's two LNG-operated ships, and significantly above a financially sustainable level.

The engine conversion enables the two LNG-ships to switch between LNG and MGO (Marine Gas Oil), which will ensure a financially sustainable operation until the LNG-price level is normalized. Fjord Line is a pioneer within LNG-ship operation and our award-winning LNG-ships had the most innovative and sustainable fuel solution when launched in operation during 2013 and 2014. We are saddened by the need for the conversion towards use of MGO, despite Marine Gas Oil having a significantly reduced emissions of sulphur than traditional fuel such as HFO (Heavy Fuel Oil).

The Group has secured a sustainable financial restructuring through negotiations with senior lenders 22.12.2022 that will provide the Group with a reliable financial runway. The financial restructuring consists of owner contributions of MNOK 300 as well as 75% postponement of instalments until the end of 2024 and prolonged maturities. The Group also renegotiated loan maturities and its financial covenants. Fjord Line has during the pandemic slimmed its organization and has a very effective operation focused on the EBITDA driving routes. The Board of Directors are confident that measures taken by the management throughout these challenging years will contribute to the positive underlying development. The Board of Directors also concurs with the management team on the positive outlook hereunder expectations that the Group will further improve on the pre Covid-19 results in the years to come.

The Group is not involved in any litigations.



AUDITORS **REPORT**



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To the General Meeting of Fjord Line AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Fjord Line AS, which comprise:

- the financial statements of the parent company Fjord Line AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow 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 Fjord Line AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income 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 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

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 relevant laws and regulations in Norway 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.

Other Information

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo, Alta, Arendal, Bergen, Bodø, Drammen, Elverum, Finnsnes, Hamar, Haugesund, Knarvik, Kristiansand, Mo i Rana, Molde, Sandefjord, Stavanger, Stord, Straume, Tromsø, Trondheim, Tynset, Ulsteinvik, Ålesund

The Board of Directors and the Managing Director (management) are 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 statutory 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 simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of

accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stavanger, 29 April 2023
KPMG AS

Mads Hermansen
State Authorised Public Accountant
(This document is signed electronically)




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