Bonheur ASA

Annual Report 2020

Index

Key Figures

(Amounts in NOK million)		2020	2019	2018
Income statement				
Operating income		6 174,8	7 836,5	6 787,5
Operating profit before depreciation and impairment losses (EBITDA)		544,2	1 475,0	1 480,8
EBITDA-margin		9%	19%	22%
Operating profit/loss (-) (EBIT)		-881,9	270,2	434,5
Share of result in associates		-2,0	-15,8	-8,7
Net finance income / expense (-)		-239,0	-542,8	-362,1
Profit / loss (-) before tax		-1 122,9	-288,4	63,7
Tax income / expense (-)		-78,9	-54,8	-93,0
Net result from continuing operations		-1 201,7	-343,1	-29,2
Net result from discontinued operations		0,0	0,0	-2 675,4
Profit for the year		-1 201,7	-343,1	-2 704,6
Non-controlling interests		-3,1	45,7	-1 317,7
Profit / loss (-) for the year (shareholders of the parent)		-1 198,6	-388,8	-1 386,9
Statement of financial position				
Non-current assets		12 807,3	11 858,8	11 619,2
Current assets		6 351,6	8 035,2	7 867,6
Equity ex non-controlling interests		4 459,6	5 658,2	6 333,0
Non-controlling interests		165,1	234,3	1 020,3
Non-current interest-bearing liabilities		9 179,0	7 935,1	6 638,8
Other non-current liabilities		1 626,0	1 479,4	1 282,7
Current interest-bearing liabilities		1 610,6	1 966,3	1 938,9
Other current liabilities		2 118,6	2 620,7	2 273,0
Total assets / total equity and liabilities		19 158,9	19 894,0	19 486,8
Liquidity				
Cash and cash equivalents as at 31 December	1)	4 350,5	6 187,6	5 913,1
Net change in cash and cash equivalents	1)	-1 909,1	214,4	-2 698,2
Net cash from operating activities	1)	-732,9	1 114,7	212,6
Capital				
Share capital		53,2	53,2	53,2
Total number of shares outstanding as at 31 December		42 531 893	42 531 893	42 531 893
Parent Company - Bonheur ASA:				
Equity-to-assets ratio	2)	68%	71%	70%
Booked equity		7 007	7 506	7 017
Total assets / total equity and liabilities		10 268	10 538	10 066
Key figures per share (Amounts in NOK):				
Market price 31 December		242,00	199,00	93,60
Dividend per share		4,00	4,30	4,00

1) In accordance with cash flow statement. 2) Equity as per cent of total assets.

The non-controlling interests in the Bonheur Group of companies are presented in the income statement and statement of financial position. The non-controlling interests consist of 43.28% of NHST Media Group AS (adjusted for own shares), 49% of Fred. Olsen Wind Limited (UK), 49% of Fred. Olsen CBH Limited (UK), 49% of Blue Tern Limited, 50% of United Wind Logistics GmbH and 7.84% of Global Wind Services A/S.

Bonheur ASA - Overview

Bonheur ASA (the "Company") is domiciled in Norway with its head office in Oslo and is listed on the Oslo Stock Exchange. The Company was established in 1848 and its stock has been listed since 1920. Today, the Company has investments in several business areas. Initially the Company's activities were in the shipping industry. This included both cargo and passenger services before contributing to the development the offshore energy sector in Norway, e.g. through its activities in the fabrication industry and offshore drilling. The company is no longer involved in these industries and has focused its energy sector investments on renewable energy. Bonheur's first renewable energy investment was made in 1996 and currently the Company owns a portfolio of wind farm projects in Scandinavia and the United Kingdom. Building on its experience from shipping and renewable energy, Bonheur's activities have expanded into the offshore wind industry where it provides transportation, installation and maintenance services for offshore wind turbines.

Bonheur reports its results under four segments: Renewable Energy, Wind Service, Cruise and Other Investments.

Private Fred. Olsen related interests hold a total of 51.8% of the Company's shares. The day to day management of the Company is performed by Fred. Olsen & Co., a management company, which sole proprietor is Anette Sofie Olsen.

At year-end 2020 the main investments are within the following business segments:

Renewable Energy

The Renewable Energy segment consists of Fred. Olsen Renewables AS with subsidiaries ("FOR").

FOR is primarily engaged in development, construction and operation of wind farms. By the end of the year the installed capacity in operation was 680 MW.

The wind farm portfolio also includes 107,5 MW under construction in Sweden, consents for additional 313 MW onshore in Sweden and Norway and 500 MW offshore wind (50 % of the consented offshore wind project Codling Bank, of approximately 1 000 MW). The lease granted for Codling Bank identified a total energy output of up to 2.1 GW.

In addition, FOR has an onshore and offshore development portfolio of 3 170 – 3 270 MW in the UK, Norway, Sweden, Ireland and USA.

Wind Service

The Wind Service segment consist of Fred. Olsen Ocean Ltd. (FOO) with the main operating entities:

- Fred. Olsen Windcarrier AS ("FOW")
- Global Wind Service A/S ("GWS")
- United Wind Logistic GmbH ("UWL")

Subsidiaries of FOW own and operate three modern self-propelled jack-up vessels specially designed for transportation, installation and service of offshore wind turbines.

GWS (owned 92.2% by FOO) is an international supplier of installation services, blade repair services and expertise to the global onshore and offshore wind turbine industry with a global footprint with operations in Europe, US and Australia.

UWL (owned 50% by FOO) is providing marine transportation of offshore wind turbine components from manufacturing sites to pre-assembly ports with three owned vessels.

Bonheur ASA - Overview

Cruise

The Cruise segment's principal trading entity is Fred. Olsen Cruise Lines Ltd ("FOCL"), operating from the UK. FOCL and its fellow subsidiaries own 4 ocean cruise ships with an overall berth capacity of approximately 4 900 passengers.

Typical ocean cruise holidays available range from two-night mini cruises in Europe, to more than 100 nights on a world cruise.

FOCL's strategy is to develop unique itineraries which allow passengers to get closer to the destinations, offering authentic and interesting experiences.

Other Investments

Other investments include the ownership of 55.0 % in NHST Media Group AS, which comprises both publications and PR software services. The main publications are Dagens Næringsliv, Tradewinds, Recharge Intrafish and Upstream. The main PR software services are MyNewsDesk and Mention Solutions.

Other investments include 100% ownership of the Fred. Olsen Head office in Oslo and the service companies Fred. Olsen Insurance Services AS and Fred. Olsen Travel AS. In addition, the segment has investments as real estate, bonds and shares within various segments.

Director's Report 2020

The consolidated financial statements for the year ended 31 December 2020 are for the Company, its subsidiaries and associates (for accounting purposes only in the following referred to as the "Group of companies"). The Company's head office is in Oslo, Norway.

The Covid-19 pandemic had a considerable impact on the Group of companies in 2020. The world economy is estimated to have contracted by 4% in 2020, with a severe impact on the demand for products and services in general. During 2020, the pandemic also resulted in significant shifts in demand, with accelerated global investments in technology and renewable energy, while international tourism and cruise have both been almost at a complete stand still.

Governments in the Europe, the US and China have responded forcefully to the crisis with massive fiscal and monetary stimulus. In addition, and particular the EU implemented in 2020 long term policies under the "EU Green Deal" umbrella, which is likely to drive further growth in the demand for renewable energy and related services. Of particular importance for the Group of companies are: i) the EU taxonomy for sustainable finance which is likely to significantly impact all debt and equity markets, ii) the further strengthening of the EU Emission Trading System for CO_2 quotas which is vital to support further shifts in electricity generation away from coal and gas, towards wind, solar and storage and iii) the EU ambition to increase the offshore wind capacity from its current level of 12 GW to at least 60 GW by 2030 and to 300 GW by 2050. Following this, the increased focus on sustainability and disclosure of environmental, social and governance (ESG) has become a global trend. The Group of companies have had ESG on the agenda for a long time, but this year this have been explicitly expressed with a separate ESG report included as part of the annual report.

The Renewable Energy segment experienced relatively weak electricity prices during 2020, due to very low natural gas prices and large water and snow inventories in the Nordic countries. Despite this development, the EBITDA in 2020 of NOK 857 million was almost in line with 2019 (NOK 895) million. The Wind Service segment showed strong operational execution in a market with general lower offshore activity than in 2019, however the EBITDA of NOK 273 million was markedly down from 2019 (NOK 419 million). Cruise operations have been paused from March 13, 2020, resulting in a negative EBITDA of NOK 530 million comparing to a positive EBITDA in 2019 (NOK 273 million). Overall, the Group of companies achieved an EBITDA of NOK 544 million (NOK 1 475) million.

The employees in the Group of companies have shown strong resilience, loyalty and agility during 2020, both by implementing safe and sound procedures for continued activity during the pandemic within the Renewable Energy and Wind Service, or by preserving the cruise operations in a safe and professional way. The Group of companies continued to advance on several frontiers during 2020, despite the strong headwinds from the outbreak:

- **Development of the Högaliden windfarm project**. When completed (expected in summer 2021), Högaliden will add 107.5 MW or 15% to the onshore wind production capacity, and close to 20% increased generation of FORAS. An investment of approximately SEK 1200 million.
- **Continued growth of the onshore wind development portfolio**. Adding approximately net 500 MW to the pipeline projects in UK, Sweden, and Norway.
- **Advanced the Codling wind park project** together with our new partner EDF. Codling Wind Park represents one of the largest energy infrastructure investments in Ireland this decade and would become Ireland's largest offshore wind farm, being developed in the Irish Sea.
- **Entered a Joint Venture for the development of Offshore wind in Norway** with Hafslund ECO to develop offshore wind farms in combination with offshore transmission concepts.
- **Commenced the fleet conversion and expansion strategy for FOW** by ordering the conversion of Bold Tern. The project will enable her not only to install the next generation turbines of 13-15 MW, but also larger turbines if they come to market. FOW aims to convert all three of its current vessels to this standard and construct a 4th vessel to supplement the existing fleet.
- **Continued strong top line growth in GWS** with 18% revenue growth on top of a 47% growth rate in 2019, partly from significant new activity in the US.
- **UWL took delivery of two newbuilds**, BraveWind and BoldWind and further acquired VestVind, creating a leading fleet for logistical solutions for wind turbine components.

Director's Report 2020

- **Renewal of the FOCL fleet** by the acquisition of two ships from Holland America Line, named Borealis and Bolette and the disposal of Black Watch and Boudicca. The renewal improves both the quality and the capacity of the fleet, and positions FOCL for the expected recovery in the cruise activity.
- **Established a group-wide Environmental / Social and Corporate Governance (ESG) framework** into the reporting, processes of its subsidiaries and enlarged the coverage of this subject in this Annual Report.
- **Implemented a green finance framework** which aligns the Group of companies with the EU taxonomy. During 2020, alignment with this framework enabled FOW to access new green financing by way of a long-term bank loan and the Company to issue a five-year green bond.

Despite the challenges within the cruise segment resulting from the pandemic and the significant capital expenditures related to the Högaliden wind farm, the Company has a solid financial position. At year end, the Company had book equity of NOK 7.0 billion (NOK 7.5 billion) and a cash position of NOK 2.9 billion (NOK 4.1 billion).

The Group of companies' results *(2019 in brackets)*

Operating revenues for the year amounted to NOK 6 175 million (NOK 7 836 million). Operating expenses amounted to NOK 5 631 million (NOK 6 362) million.

Operating result before depreciation, amortization and impairment charges (EBITDA) was NOK 544 million (NOK 1 475 million). Depreciation amounted to NOK 1 050 million (NOK 962 million). Impairment related to property, plant and equipment and intangible assets were NOK 376 million (NOK 243 million). Operating result (EBIT) was NOK -882 million (NOK 270 million).

Net financial items were NOK -239 million (NOK -543 million). Loss for the year was NOK -1 202 million (NOK -343 million), After non-controlling interests of NOK -3 million (NOK 46 million), controlling interests' share of result after estimated tax amounted to NOK -1 199 million (NOK -389 million). At year-end, the non-controlling interests of the Group of companies mainly consisted of 43.28% of NHST Media Group AS, 49% of Fred. Olsen Wind Limited (UK), 49% of Fred. Olsen CBH Limited (UK), 49% of Blue Tern Limited, 50% of United Wind Logistics GmbH and 7.84% of Global Wind Service A/S.

Net cash from operating activities was NOK -733 million, a decrease of NOK 1 848 million compared to 2019, mainly due to lower net result and negative change in working capital. Net cash from investing activities was NOK -1 375 million, an increase of NOK 685 million compared to 2019, due to higher investment activity. Net cash from financing activities was NOK 199 million (NOK -211 million). Cash and cash equivalents at 31 December 2020 were NOK 4 351 million, a decrease of NOK 1 837 million since year-end 2019.

Results from the main business segments within which the Company is invested

The financial results below are presented on 100% basis and net of intra-group eliminations.

Renewable Energy

The Renewable Energy segment consists of FORAS with subsidiaries ("FOR"). In total FOR owns and operates wind farms with a total capacity of 680 MW.

Fred. Olsen Wind Ltd (FOWL) is a subsidiary of FOR, of which FOR holds 51%. FOWL owns 432.8 MW. The UK listed infra-structure fund The Renewable Infrastructure Group Limited (TRIG) owns the remaining 49% of FOWL.

Fred. Olsen CBH Ltd (FOCBH) is a subsidiary of FOR, of which FOR holds 51%. FOCBH owns 75.3 MW. Aviva Investors Global Services Ltd. (Aviva) owns the remaining 49% of FOCBH.

The remaining 171.9 MW installed capacity is held by wholly owned subsidiaries of FORAS.

The construction of Högaliden Windfarm (107,5 MW) in Sweden has been ongoing through 2020, scheduled for completion in 2Q21.

Director's Report 2020

In addition, FOR has a portfolio of development projects onshore in the UK, Norway and Sweden as well as offshore Ireland and the United States (Lake Erie).

The electricity prices in UK fell by almost 20% for the yearly average of 2020 (35 GBP/MWh) compared to 2019 (43 GBP/MWh). Mild and windy winter at the start of 2020 and then the unusual effect of reduced demand due to covid-lockdowns from March and outwards were both negative for UK power prices. The same drivers had also a negative effect on gas prices which also continued the downward trend from the year before. Carbon emission prices (EU ETS) had also a steep initial fall due to the fundamental covid effects on CO_2 emissions in 2020, however strong political backing and tighter long term CO_2 reduction targets, backed the strong recovery and carbon prices doubled from mid-March (16 EUR/ton) to year end around 32 EUR/ton. During the last part of summer and into the fourth quarter, the gas market in Europe was better balanced and started a steady recovery which together with the strong EU ETS market also pulled UK power prices upwards in the same period.

Nordic power producers had a difficult year and 2020 saw the lowest prices so far this century. Nordic system price had a yearly average of 10.9 EUR/MWh, while southern Norway were even lower at EUR 9.3 and Northern Sweden slightly higher at EUR 14.4. These extraordinary low levels were driven by oversupply off hydro power from record high precipitation over the entire year. Large volumes of spillage in the reservoirs and the prices came down to EUR 1-2 during the summer months in Norway. Even in November the prices went down to EUR 1-2 for some periods when the reservoirs were full and there was no option, but to produce at any price. The weather pattern changed dramatically around new year, so the hydro situation was almost normalized by end of February 2021.

Floating solar photovoltaics (FPV) in seawater is new to the industry and FOR is engaged to gain experience and to accelerate technology development. In Q4 2020 FOR started two projects for near- and offshore FPV; i) A bilateral collaboration agreement was entered into with the Solar Energy Research Institute of Singapore (SERIS) for testing and comparing FPV technologies in seawater, and ii) FOR established a consortium with four other partners to test offshore floating solar in the "BOOST project" in the Canary Island, partly funded by EU (Horizon 2020).

Operating revenues were NOK 1 451 million (NOK 1 444 million) and the annual production was 1 873 GWh (1 728 GWh). EBITDA was NOK 857 million (NOK 894 million). Operating result (EBIT) amounted to NOK 515 million (NOK 486 million), while net result was NOK 462 million (NOK 86 million).

Wind Service

Wind service comprises the holding company FOO with subsidiaries including FOW, GWS and UWL.

Subsidiaries of FOW provide services for transportation, installation and service of offshore wind turbines utilizing the purpose-built jack-up vessels Brave Tern, Bold Tern and Blue Tern as well as a vessel, Jill, chartered in for the service and maintenance segment

GWS, owned 92.2%, is an international supplier of skilled technicians and expertise to the global wind turbine industry. GWS provides a range of installation and maintenance services, both onshore and offshore. During the year the ownership has increased from 75.5% to 92.2%.

UWL, owned 50%, is a company offering services within marine transportation of offshore wind turbine components. UWL took delivery of two newbuilds in 2020 and further acquired VestVind, creating a leading fleet for logistical solutions for wind turbine components.

Universal Foundation, a wholly owned subsidiary, is a company involved in design and installation support for two Mono Bucket foundations at the Deutsche Bucht project. In 2019 Universal Foundation received a notification of liability from the client, Van Oord. This was followed up by a letter in Q4 2020 setting out that Van Oord considered Universal Foundation to be liable for a design error on the Mono Bucket foundations. Universal Foundation has not accepted liability. The parties await discussion on liability following a response from the underwriters.
The offshore wind market continues to expand from Europe into Asia and US. There were approximately 5 400 offshore wind turbines in operation worldwide by the end of 2020. With large projects in the pipeline for the next years a future growth is expected

Director's Report 2020

worldwide. Wind power auctions in Northern Europe see a fast-paced capacity growth, and there are also increased requirements for cost effective installations, as well as for operation and maintenance of the offshore wind parks. FOO is well positioned to continue to play an important role in providing these services.

A crane upgrade program has been initiated for the three wind turbine installation vessels, with installation of the first crane early 2022. The new cranes bring the three vessels on par with announced newbuilds and will be able to install the 13-15 MW turbines, but also bigger turbines if they come to market. FOW has also announced its plans to construct a fourth vessel to supplement existing fleet.

The wind turbine installation vessels within the Wind Service segment experienced have had a good utilization in the beginning of 2020. The utilisation for 2020 overall was 74%, up from 66% 2019. GWS increased its revenues with 18% compared to 2019.

Operating revenues in 2020 were NOK 3 133 million (NOK 2 757 million). Operating result before depreciation (EBITDA) was NOK 273 million (NOK 419 million). Operating result (EBIT) amounted to NOK -158 million (NOK -35 million) and net result was NOK -246 million (NOK -173 million).

Cruise

The Cruise segment consists of 100% ownership of First Olsen Holding AS with subsidiaries (FOHAS), i.a. First Olsen (Holdings) Ltd. (FOHL) and FOCL, which own and operate the cruise vessels MS Braemar, MS Balmoral, MS Bolette and MS Borealis. As a result of the covid-19 pandemic, FOCL has paused all cruise operations since March 2020. MS Bolette and MS Borealis have been in lay up since they were acquired in September 2020, and the previously owned vessels MS Black Watch and MS Boudicca were disposed of as a result of the strategic decision to renew the fleet.

The two newly acquired vessels have a high yielding cabin mix and large public spaces. With the fleet renewal FOCL is positioned to emerge from the cruise pause in a stronger and more resilient position.

FOCL anticipates a return to service once it is considered safe to do so. Initial itineraries will be closer to home, with a gradual adoption of further afield and more exotic itineraries. An exciting unveiling of the rebranded and refurbished new vessels is stimulating demand on the maiden voyages onboard these ships. Overall, FOCL continues to focus on providing authentic experiences driven by unique destinations, along with excellent personal service.

Operating revenues in 2020 were NOK 515 million (NOK 2 419 million). Operating result before depreciation (EBITDA) was NOK -530 million (NOK 273 million). Operating result (EBIT) amounted to NOK -1 000 million (NOK 21 million) and net result was NOK -1 048 million (NOK 38 million).

Other Investments

Other investments include the activities of Bonheur ASA and other holding and service companies within the Group of companies in addition to the Company's ownership of 55.0% in NHST Media Group AS. Other investments also include 100% ownership of the Fred. Olsen quarter in Oslo and the service companies Fred. Olsen Insurance Services AS and Fred. Olsen Travel AS. In addition, the segment has investments as real estate, bonds and shares within various segments.

NHST Media Group AS

NHST Media Group AS has three main business segments, Norwegian publications (Dagens Næringsliv and Morgenbladet until 30 June 2020), Global Publications (Tradewinds, Upstream, Intrafish Media, Recharge, Firskeribladet and Europower), Software-as-a-Service (SaaS) including MyNewsdesk (Stockholm) and Mention Solutions (Paris).

NHST has continued its focus on investment in human competence and technology in order to cope with the transition from paper-based subscriptions to digital subscription-based business models. The strong focus on cost optimisation in all parts of the group continued during 2020. Revenue from digital subscriptions continued to increase while income from advertising for the full year was down from 22% of revenues in 2019 to about 17% in 2020. After the sale of Morgenbladet in June 2020 and other redundancy measures, the number of employees was reduced by 55 to 564 employees at year end 2020.

Director's Report 2020

Operating revenues in 2020 were NOK 1 082 million (NOK 1 199 million) and EBITDA was positive with NOK 95 million (NOK 52 million). Operating result (EBIT) amounted to NOK -84 million (NOK -34 million).

Investment activities

FOR had capital expenditure of NOK 666 million in the year mainly related to the construction of the wind farms Högaliden in Sweden.

FOO had capital expenditure of NOK 534 million mainly related to newbuilds and purchase of vessel for UWL and ordering of crane upgrade for Brave Tern.

FOCL had capital expenditure of NOK 417 million mainly related to purchase of two cruise vessels.

In total, investments (capex) in property, plant and equipment during the year amounted to NOK 1 622 million. In addition, NOK 289 million was capitalized, relating to IFRS 16, leasing – right-to-use assets. The Group of companies' net investments paid, amounted to NOK 1 375 million, mainly financed with cash and financing activities. Dividend payments to external shareholders of the Group of companies in total amounted to NOK 248 million (NOK 1 068 million), of which NOK 183 million was to the shareholders of the Company. See cash flow statement page 32.

Research and development activities

Research and development activities are continuously ongoing within all main business segments. Within the renewable energy segment relevant companies are working closely with leading suppliers of digital platforms to increase efficiency and regularity. There is generally a close relationship with suppliers to optimize operations and minimize environmental consequences. In 2020 NOK 35 million (NOK 25 million) was booked as cost and NOK 41 million (NOK 33 million) booked on the balance sheet for research and development activities.

Financing

The Group of companies' overriding financial objectives target to secure long term visibility and flexibility through business cycles and are structured around two key principles; i) the financial position of the Company shall be strong and built on conservative leverage and solid liquidity position and ii) each company within the Group of companies must optimize its own non-recourse debt financing taking into account underlying market fundamentals and outlook for the respective business and relative cost of capital.

Further, to position the Group of companies for the upcoming implementation of the EU taxonomy directive and to formalize the Company's commitment to sustainable financing, green financing frameworks related to the Group of companies were established during 2020 under which the group's first green bond and green bank financing was raised (for further information see the ESG Report on page 13.

At year-end 2020, the Company's interest-bearing debt relates to NOK 2 588 million in unsecured bonds maturing between 2021 and 2025. With a cash position of NOK 2 908 million, NIBD on parent level was negative NOK 320 million. Similarly, debt in Group of companies excluding the Company amounted to NOK 8 201 million divided on 6 different facilities spread on a diversified group of more than 10 banks and selected sellers' credits. Alle these financings on group level are on non-recourse basis to the Company. The split of such group company debt on the respective business segments are NOK 5 862 million related to Renewable Energy, NOK 1 762 million related to Wind Service, NOK 260 million related to Cruise and NOK 317 million related to Other Investments.

During 2020 a total of 6 financings related transactions across the Group were completed:

- A NOK 700 million green bond was raised to inter alia refinance a NOK 500 million bond which matured during the year
- A ~2,5 years extension of the facility related to the 51% owned Blue Tern NIBC and Clifford Capital
- A new EUR 75 million, 6-year, green facility related to Brave Tern and Bold Tern with DNB Bank ASA and SpareBank 1 SR -Bank ASA to refinance existing debt and partly finance upgrade of a crane.
- GWS prolonged and increased its credit facility with Danske Bank A/S until mid-2021
- A sellers' credit related to acquisition of two cruise vessels

Director's Report 2020

- UWL has fully draw upon its EUR 28 million debt facilities with EUR 14 million at delivery of each of the two newbuilds

For further details see Note 18 – Interest bearing loans and borrowings.

In the opinion of the Board of Directors, both the financial situation and the cash position of the Company are satisfactory and sufficient to meet the Company's current commitments.

Financial market risk

The international profile of the Company and its operating subsidiaries results in exposure to such several risks.

The financial market risks to which the Group of companies is exposed, are predominantly currency risks, interest rate risks, risks related to oil/fuel price and electricity prices. These financial risks are continuously monitored, and financial instruments are from time to time used to hedge economic effects of such and related exposures. There is also a credit risk related to customers within the individual companies, and risks associated with the general development of international financial markets.

Currency risk

The Group of companies' financial statements are presented in NOK. Revenues consist primarily of GBP, EUR, and NOK, with GBP EUR as the dominant currency. The expenses are primarily in GBP, EUR, USD and NOK. As such, earnings are exposed to fluctuations in the currency market. Parts of the currency exposure are neutralized due to the majority of the debt and a large part of expenses being denominated in the same currencies as the main revenues. Forward exchange contracts are from time to time entered into in order to reduce future currency exposures.

Interest rate risk

The Group of companies is exposed to interest rate fluctuations, as loans are frequently based on floating interest rates. By the turn of the year, parts of the outstanding loans in Renewable energy had been hedged against interest fluctuations through interest rate swap agreements and parts of the outstanding loans in Cruise had a fixed interest rate. See note 3.

Oil / Fuel price

The Group of companies is exposed to fluctuations in bunker prices, which are fluctuating relative to the oil price. During times of normal operating conditions. This exposure is primarily within the Cruise segment, which also is exposed to new and stricter IMO regulations from 2020. There were no financial contracts outstanding at the end of the year, relating to securing part of the bunker costs, for the year 2020.

Electricity price

Until 2010 FOR was not exposed to short-term fluctuations of spot electricity prices. This was due to the contract structures related to some of FOR's wind farms in operation, whereby the contract prices were based on fixed electricity prices. The contract structures related to the FOR wind farms which commenced operation after 2010, are based on fluctuating electricity prices and 79% of the generation in 2019 was sold in the spot market. As per the end of 2020, only one wind farm had a fixed price contract in place, and after its expiry in January 2021 this wind farm's revenue will follow higher spot prices. Consequently, the FOR results are increasingly impacted by fluctuations in spot electricity prices.

Credit risk

There is a governing principle within the Group of companies to continuously evaluate credit risks associated with customers and, when considered necessary, to require appropriate guarantees.

Environmental, Social and Governance Reporting (ESG)

Due to the importance of ESG and sustainability reporting the main operating subsidiaries of the Company have strengthened and enhanced their respective ESG reports. The Board of Directors have decided to include the ESG report for 2020 in a separate

Director's Report 2020

chapter in the annual report. The ESG report includes the Governance section which in previous years was a separate chapter in the annual report. The Board of Directors report must be read in conjunction with the ESG report and vice versa.

Subsequent events

There are no material subsequent events relative to the results per 31 December 2020.

Outlook 2021

Absent any significant setbacks in the roll-out and effectiveness of the COVID-19 vaccines, the World Economy is expected to show a strong recovery in the second half of 2021. The IMF forecasts a global growth of more than 6% for the full year.

The main growth catalysts are the strong Chinese growth ambitions in the newly implemented 5-year plan, and the new and enormous US stimulus package of USD 1,9 trillion. For the EU, the outlook is somewhat weaker as the third wave of COVID-19 pandemic and the relatively slow vaccine roll-out make the recovery slower than expected only a few months ago. On the other hand, Brussels has now secured the ability to issue EU debt, should the economy need more stimulus. Such debt financed government led growth programs, needs to be carefully managed in order to not create inflation and rising interest rates. Higher interest rates represent a key risk to capital intensive businesses like energy production, offshore wind farm installation activities and cruise operations.

The Board expect that the New Green Deal launched by the new US administration and the EU Green Deal combined with fiscal and monetary measures will result in significant capital being allocated towards the renewable energy sector both in 2021 and the following years, creating opportunities in particular for the Renewable Energy and Wind Service segments but also for Bonheur at large. The large expected build out of renewables will require both central and local community support and build out of key supporting infrastructure such as interconnect and grid capacity.

The UK's exit from the EU (Brexit), at the end of 2020, has created uncertainty with respect to the UK's future relationship with the EU. In particular, this uncertainty could affect the Group of companies as it relates to future energy and trade policies and the movement of employees.

It is yet too early to predict when FOCL may resume operations, as it largely depends on the progress of the vaccine roll-out in the various destinations of FOCL around the world.

The Board emphasizes that there will always, and especially in times like these, be significant uncertainties in predicting future developments, including forming a view on macroeconomic developments. The full impact from the Covid-19 virus pandemic is too early to predict, both regarding our companies and the world economy. From an accounting perspective, a prolonged period of lockdowns, new mutations, and slow vaccine roll-out in the EU, increase the risk of impairments and may also affect accounting estimates going forward. Nevertheless, the Company is well capitalized and has options to manage its business through the current uncertainty.

Parent company information

The Company's annual result was NOK -291 million, compared to NOK 703 million in 2019. No dividend was received in 2020. In 2019 the Company received dividends of in total NOK 956 million from subsidiaries. In 2020 the Company had unrealized losses of a total of NOK 102 million on various shareholdings. The Net result of NOK -291 million is proposed to be allocated as follows:

For dividends	NOK 170 million
From other equity	NOK -461 million
Total allocated	NOK -291 million

In accordance with §3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the financial statements have been prepared, is considered to be appropriate. The accounts are defined by International Financial Reporting Standards (IFRS) for the Group of companies and NGAAP for the parent company. The Company's total

Director’s Report 2020

capital as per 31 December 2020 was NOK 10 268 million. The Company’s cash, cash equivalents, short-term securities and current receivables amounted to NOK 2 956 million.

Dividend/Annual General Meeting

With regard to the Annual General Meeting in 2021, the Board of Directors is proposing a dividend payment of NOK 4.00 per share subject no deviating views expressed by the Shareholders’ Committee. The Annual General Meeting is scheduled for Thursday 27 May 2021.

Oslo, 9 April 2021
Bonheur ASA – The Board of Directors

Fred. Olsen *Chairman* Sign.	Carol Bell *Director* Sign.	Bente Hagem *Director* Sign.	Jannicke Hilland *Director* Sign.	Andreas Mellbye *Director* Sign.	Nick Emery *Director* Sign.
					Anette Sofie Olsen *Managing Director* Sign.

ESG Report 2020

Environmental / Social responsibility and Corporate Governance (ESG)

Introduction

Bonheur has a strong commitment towards integrating sustainability and social responsibility into its businesses, as this forms the base of a sound long-term business model and supports the decarbonisation of society and minimising the environmental footprint in all our activities.

The Company was a pioneer in recognising the need to develop renewable energy sources and has over the last 25 years established various renewables-oriented companies, covering the entire value chain from developing to constructing and operating onshore windfarms as well as installation and service of both onshore and offshore windfarms. This progress continues through further improvement of the existing operations, development of new technologies and new investments with strong focus on long-term sustainability with examples like moving into construction and operation of offshore wind and development of floating solar projects, as well as other new technologies.

Bonheur also aspires to high integrity and ethical standards and is committed to comply with all applicable laws, rules, and regulations. This is reflected into the respective companies' Codes of Conduct, and all employees and suppliers are obliged, at all times, to behave and conduct their business strictly in accordance with the principles of such codes. It is equally rooted within the Group of companies that an active and sound corporate governance environment is essential to delivering a sustainable investment strategy that aligns with the best interests of the shareholders, employees and society. Social awareness and active engagement with local stakeholders and communities are essential prerequisites for successful investments. Across the business segments of the Company there is a strong commitment towards engaging with local businesses, suppliers, and service providers to ascertain that the activities performed also extend to their benefit. It is part of the inherent operating philosophy to focus on training and employing people from the local communities where practically possible and to ensure good working conditions, honouring labour rights and promoting diversity.

Given the importance of ESG, during 2020 the main operating subsidiaries of the Company have further strengthened and enhanced their ESG reports. Consequently, the Board of Directors decided to produce a separate report ESG for 2020. This report should be read in conjunction with the Board of Directors report and vice versa.

The structure of the ESG report, is firstly to describe how the Company is governed with the importance of transparency in the corporate governance, with the composition and independence of both the Shareholders Committee and the Board of Directors and with internal Control in general. Secondly, the ESG report describes the environmental aspects showing that the Group of Companies consolidated have a large positive CO_2 footprint with the direct contribution from the wind farms and the indirect contribution from the Wind Service segment who are actively involved in transport, installation and service of wind turbines. Furthermore, the report elaborates on the Green Finance Framework which was established by the Company in 2020. Thirdly, the ESG report describes the human resources aspects of the Group of companies, which strives to provide a good and safe working environment, equal opportunities without any discrimination and compliance to the code of conduct and anti-corruption policies. And, fourthly, the ESG report describes the positive local contributions in the countries of operations through employment of local people, taxes paid and the Fred. Olsen Social Engagement Group (FOSEG). Looking forward beyond 2021 the ESG report also describes positive initiatives like offshore wind and floating solar, in addition to the continuous work of reducing CO_2 emission in our operations.

Further information may also be found on the respective operating subsidiaries webpages:

- www.fredolsenrenewables.com
- www.windcarrier.com
- www.globalwindservice.com
- www.fredolsencruises.com

These subsidiary companies have identified and prioritised those ESG topics that are considered the most significant to their operations through a materiality analysis involving a processes with internal interviews and market analyses, in addition to considering relevant ESG standards and the business context of the individual industry in question.

ESG Report 2020

The Group of companies' sustainability reporting takes into account the World Economic Forum's (WEF) Stakeholder Capitalism metrics which were published in September 2020. The metrics are drawn from existing voluntary standards such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD) and aim to provide a core set of common sustainability metrics, covering the topics of Governance, Planet, People, and Prosperity. In addition, the Group of companies has a focus on the upcoming implementation of the EU taxonomy.

Governance

The Company remains focused on continuously developing its established principles on good corporate governance.

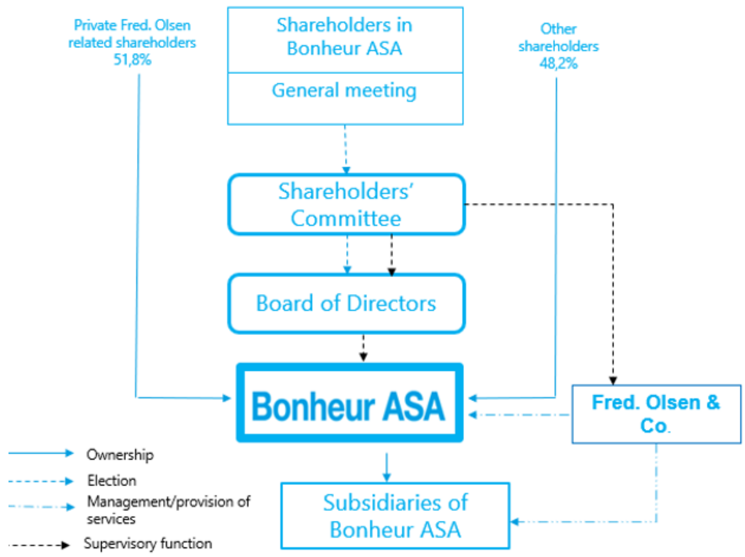
Private Fred. Olsen related interests hold a total of 51.8% of the Company's shares. The day-to-day management of the Company is performed by FOCO, a management company of which Anette Sofie Olsen is the sole proprietor.

The governance structure surrounding the Company has through decades proved to be both successful and resilient. In order to ensure there can be no doubt that within this governance structure decisions are taken in the interest of all shareholders of Bonheur ASA, the Company has over time implemented various measures and systems to further safeguard equal treatment of all shareholders and equally correct handling of potential conflicts of interest, i.e.

- Four directors out of six, i.e. the majority of the Board of Directors of Bonheur ASA, are independent of both the Company's main shareholders and of FOCO.
- The guidelines to the Board of Directors addresses i.a. questions on potential conflict of interest, and policies for reporting on and handling of potential conflict of interests are in place.
- The Shareholders' Committee has a supervisory function relative to both conduct of the Board and that of FOCO and elects the Board Members to the Company. All members of the Shareholders' Committee are both independent of the Company's main shareholders and of FOCO.
- The Shareholders' Committee has a special emphasis and guidelines regarding questions related to potential conflicts of interest.
- The Board of Directors continuously monitors and evaluates the performance of the management services provided by FOCO. In addition, the Audit Committee on a quarterly basis reviews all related party business.
- The Shareholders' Committee provide recommendations to the Board of Directors on compensation to FOCO for its managerial services, and these recommendations are subject to regular benchmarking and review.
- The Auditor of the Company, KPMG, performs audit and reporting procedures on related party transactions which are reported both to the Board of Directors and the Shareholders` Committee.
- The Company's corporate governance practice is adapted to the recommendations set out in the Norwegian Code of Practice for Corporate Governance ("NUES"), as published in the latest revised version of 17 October 2018:

ESG Report 2020

Governance Model – overview



The Shareholder's Committee supervises the administration of the Company by the Board of Directors and FOCO. All members of the Shareholder's Committee are independent. Both the Shareholder's Committee and the Board of Directors have a special emphasis on questions related to potential conflict of interests. The Shareholder's Committee further elects the Directors to the Board of the Company.

More explicitly on Corporate Governance

The principles for good corporate governance set out in The Norwegian Code of Practice for Corporate Governance (NUES) are applied to the organisational structure of which the Company is part. The Company is focusing on a continuing development of these principles as contributors towards creating long term added value as well as delivering the responsibilities owed to society.

Significant parameters in this process are transparency, integrity and responsibility. These basic parameters also reflect the Company's value base, while they also identify the ethical guidelines governing the Company's responsibility towards society as well as the Company's conduct in general.

Transparency points to confidence in procedures and decision making and the way in which the various activities of the Company are executed. In this connection, the Company's policy on information is essential. Integrity is the resulting effect of the norms that characterize the Company, and which assist in securing a proper conduct of the Company's affairs. Responsibility relates to clarity on consequences of acts or omissions.

The Shareholders' Committee

The supervisory function of the Shareholders' Committee constitutes an integral element of the Company's Corporate Governance. It follows from the Company's Articles of Association that the Shareholders' Committee is responsible for exercising a supervisory function relative to the administration of the Company by the Board and by FOCO. The way in which the Shareholders' Committee execute these duties is adapted to NUES and equally follows established guidelines as calibrated against the corporate structure that the Company is part of. These guidelines i.a. address questions on potential conflicts of interest. The Shareholders' Committee is attending to the Company's annual accounts and expresses its view thereon to the Annual General Meeting, hereunder on the Board's proposals on dividends. The Shareholders' Committee elect members to the Board following nomination procedures, propose appointment of the Auditor and provide recommendation to the Board on compensation and possible bonus to FOCO for its day-to-day management of the Company.

ESG Report 2020

The Shareholders' Committee consists of the following persons: Christian Fredrik Michelet (Chairman), Einar Harboe (Deputy Chairman), Ole Kristian Aabø-Evensen, Bård Mikkelsen and Jørgen Heje. At the Annual General Meeting in May 2020, Christian Fredrik Michelet (Chairman) and Ole Kristian Aabø-Evensen were re-elected as member of the Shareholders' Committee.

Equity and dividends

Equity
The equity of the Company is addressed in parent company note 8. The Board consider that the current equity level is satisfactory considering the Company's financial position relative to strategy and risk profile.

The Company has no current authority to increase its share capital. To the extent proposals will be made to a General Meeting on authority to increase the share capital, caution will be exercised relative to the principle of preference for existing Shareholders on subscription for new shares. In the event the Board of the Company should request a General Meeting for authority to increase the share capital or acquire treasury shares, such authority will in any event only be requested for a period of time limited to the next ordinary Annual General Meeting.

Dividend
When considering dividend payments, the Company takes into account the development of the Company' results together with the prevailing investment plans and the Company's financial position in general. Specific situations may arise where it would be in the interest of the Shareholders that dividend payments are not recommended or - otherwise, that extraordinary dividend payments are recommended. Dividend payments are considered by the Board, which then resolves on proposals to the General Meeting subsequent to the Shareholders' Committee having addressed this issue and expressed its view.

Equal treatment of Shareholders and transactions with related parties
The Company only has one class of shares and each share equals one vote. The Company emphasizes the principle of equal treatment of all Shareholders. The Company has not been engaged in transactions with its Shareholders, Board members, FOCO in its managerial capacity, or anyone related to these, except from what follows from the Group of companies' note 26 to the respective Annual Accounts or as may otherwise have been reported in separate announcements to the Oslo Stock Exchange.

Freely negotiable shares
The Company's shares are traded freely negotiable.

Annual General Meetings
The Company's Annual General Meeting is normally held in May each year under the conduct of the Chairman of the Shareholders' Committee paying due attention to NUES.

The summons, together with the appurtenant papers, is distributed in ample time in advance of the General Meeting. Shareholders who are prevented from participating may vote by way of proxy. The Shareholders' Committee, the Board and the Company's auditor are all represented at the Annual General Meetings. The Annual General Meeting i.a. elect members to the Shareholders' Committee.

Nomination committee
The Company has no separate nomination committee. However, it follows from the Articles of Association that the Shareholders' Committee elects' members to the Board and, as also set out above, does so in accordance with its own nomination procedure.

Corporate Assembly and Board of Directors – composition and independence
The Company does not have a Corporate Assembly. A supervisory function similar to that of a Corporate Assembly, is exercised by the Shareholders' Committee.

The conduct of the Board of Directors
The ultimate administration of the Company's business, which implies securing that the Company's business conduct is in line with the basic values of the Company, rests with the Board. The Board at present consists of six Directors, who are each elected for a two-year period. In addition to exercising the authorities on decision-making and control functions, the Board focuses on development of the Company's strategy. Emphasis is placed on providing the Board with good information as a basis for the

Directors to adequately discharge their duties. All matters considered of material importance to the Company are placed before the Board. This i.a. comprises considering and approving quarterly and annual accounts, significant investment issues (hereunder acquisitions and divestments) and overall strategies. The composition of the Board reflects a broad level of competence.

The Company has the following Board Members:
Thomas Fredrik Olsen, Chairman, Carol Bell, Bente Hagem (from 17. July 2020), Jannicke Hilland (from 17. July 2020), Nicholas (Nick) A. Emery and Andreas Mellbye.

All Board members participate regularly in the Company's board meetings. Absence is exceptional and always distinctly justified.

The Board members Carol Bell, Bente Hagem, Jannicke Hilland and Andreas Mellbye are independent FOCO and of the Company's main shareholders.

In Note 7 to the group of companies' accounts information on compensation to the Board is provided. The compensation to the Board is not depending on results and neither have the Directors been granted any options.

Audit Committee
In its capacity as a preparatory and advisory working committee for the Company's Board, the Audit Committee - consisting of the Board Members Carol Bell and Nick Emery - review the financial reporting process, the system of internal control and management of financial risks, the auditing process and the Company's process for monitoring compliance with laws and regulations. In performing these duties, the Audit Committee maintains effective working relationships with the Company's Board, FOCO and the Company's Auditor.

Risk management and internal control
The Group of companies' risk management, as developed within each of the business segments, are designed to ensure that risk evaluation is a fundamental aspect of all business activities. Continuous evaluation of exposure to risk is essential to identifying and assessing risks at all levels.

The Group of companies' risk management policies work to identify, evaluate and manage risk factors that affect the performance of the various business activities in which the Company is invested. As such, continuous and systematic processes are employed to mitigate potential damages and losses and to capitalize on business opportunities. These policies contribute to the success of both long and short-term strategies.

Risk management is based on the principle that risk evaluation extends to all business activities. The individual business segments within the Group of companies have procedures for identifying, assessing, managing and monitoring primary risk exposures. As part of cash management policy, the Group of companies may individually deploy derivative instruments, such as interest rate swaps and currency contracts in order to reduce exposures.

The Group of companies' risk management and internal control procedures are reviewed by the Audit Committee in accordance with its charter. The operational risk management and internal control are carried out within each business segment in accordance with the nature of the operations and the governing legislation in the relevant jurisdictions. Financial risk management related to foreign exchange, interest rate management and short-term investments is handled in accordance with established policies and procedures.

The Company does not operate a distinct formal internal audit function as part of its internal control system, but the Company interacts closely with KPMG to ensure that risks and controls are monitored. As a result of representation at board level in subsidiaries by managerial personnel of FOCO, the Company is able to follow developments appropriately within operational subsidiaries, focus on business performance, market conditions, the competitive environment and identify strategic issues. The information flow from these board meetings in subsidiaries provide a solid foundation for the Company's assessment of its overall financial and operational risks.

Board remuneration
Board remuneration reflects the Board's responsibility, expertise, time spent, and the complexity of the business. The remuneration does not depend on the Company's financial performance. There are no option programs for any Board Member.

ESG Report 2020

The Annual General Meeting determines the remuneration to the Board Members. Additional information on remuneration paid to Board members for 2020 is presented in note 7 to the consolidated accounts.

Remuneration of executive management

As an integral part of FOCO's day-to-day management of the Company, Anette S. Olsen holds the position as Managing Director of the Company. Anette S. Olsen is the sole proprietor of FOCO, which provides services within the areas of IT, finance, legal, accounting and general administration to the Company. The compensation to FOCO for these services follows under Group of companies' note 7. The Company has no employees. There are no stock option programs in the Company or in FOCO.

Information and communications

Emphasis is placed on conducting a policy on information which aims at providing the market with relevant and timely information in a way that supports the principle of equal treatment of all of the Company's shareholders. The Company provides presentations to shareholders and analysts in connection with announcement of the quarterly results. Annual and quarterly reports, together with the aforementioned presentations, are made available on the Company's web site, www.bonheur.no. The Company has a preparedness on information for situations of an extraordinary character.

Takeovers

Privately owned Fred. Olsen-related companies hold a total of 51.4 percent of the Company's shares. Considering the corporate structure of which the Company forms parts, the Company considers that the Code's takeover guidelines recommendation is currently not relevant.

Auditor

The Company's Auditor is annually providing an activity plan for the audit of the Company. As part of the established routines within the Company on Corporate Governance the Auditor is conducting presentations to the Audit Committee and the Shareholders' Committee on the auditing carried out and the Auditor is hereunder addressing the Company's risks, internal control and quality on reporting. The Auditor is conducting a similar presentation to the Board in connection with the Board considering the Annual Accounts.

In connection with the Auditor's report, the Auditor also provides an affirmation on independency and objectivity. The Auditor participates at the Annual General Meeting. The Board is satisfied that FOCO on behalf of the Company and at its sound discretion, when considered both generally and specifically serviceable by FOCO, may deploy the Auditor for services beyond statutory auditing. In connection with the issue on compensation to the Auditor, it must and will however always be identified how such compensation is split between statutory auditing on the one side and other services on the other.

CV for the Board members, Shareholders' Committee and the Managing Director

Board of Directors:

Thomas Fredrik Olsen (Fred. Olsen) (b. 1929), Chairman. Mr. Olsen has been chairman of the Board since 1955. He is a Doctor of the University of Heriot Watt, a Fellow of the Royal Institution of Naval Architects and further holds the titles of Industry Pioneer from the Offshore Energy Center Hall of Fame in Galveston, Texas and the Institutium Canarium's Dominik Wölfel Medal, Vienna. He was chairman of the Aker Group from 1957 to 1975 and from 1977 to 1981, chairman of Timex Corporation from 1980 to 2002 and of Harland & Wolff, Belfast from 1989 to 2001. He co- founded and was later chairman of the Norwegian Oil Consortium AS (NOCO), 1965-1983, and was a board member of SAGA Petroleum AS from 1972 to 1983. He was further chairman of Widerøe's Flyveselskap AS, 1970-1983. Mr. Olsen has pioneered within tanker developments, rig developments (Aker H3 drilling design), watch developments and he headed the transition of the Aker yards from shipbuilding into offshore. Mr. Olsen is a Norwegian citizen and resides in Oslo, Norway.

Carol Bell (1958) joined the board in 2014. She holds an MA in Natural Sciences from the University of Cambridge and a PhD in Archaeology from University College London. Since 2000, after having worked within the oil and gas industry and investment banking (with JP Morgan and Chase Manhattan), she has divided her time between a range of activities, notably being non-executive director in the energy sector, conducting academic research and as a charity trustee. She currently sits on the boards of TransGlobe Energy Corporation, Tharisa plc and BlackRock Energy and Resources Income Trust plc. She has also served on the boards of Ophir Energy plc, PGS ASA, Salamander Energy plc., Hardy Oil & Gas plc., Revus Energy ASA, Det norske oljeselskap ASA and Caracal Energy Inc. She is also a Director of the Development Bank of Wales and the Football Association of Wales and a founder Director of Chapter Zero, which engages with Non-executive Directors on climate risk. She is a Trustee of the National Museum of Wales, The British School at Athens, and the Institute for Archaeometallurgical studies. Dr. Bell is a British citizen and resides in London and Cardiff.

Bente Hagem (1953) joined the board in 2020. She holds a master's degree in Economics and Agriculture from the University of Life Sciences in Norway. In the nineties she held different positions as a vice president in Equinor. In 2001 she started working as an executive vice president in Statnett, the Norwegian system operator (TSO). She was responsible for European/Nordic market design, trading agreements for cables, customers, tariffication, and settlement of the wholesale market. She was also a CFO of Statnett for a period. From 2013-2019 she was a chair and vice chair of the board of ENTSO-E (an association for 43 TSOs in Brussels) and chair and member of the Board of Nord Pool Spot from 2008-2014. She was also a co-chair of the European Market Coupling project delivering market coupling for electricity in North West and South West Europe. She has also served on several boards mainly in the oil and gas industry and in the power industry. Bente Hagem is a Norwegian citizen and resides in Oslo.

Jannicke Hilland (1967) joined the board in 2020. She holds a PhD in Physics from the University of Bergen, a BSc Honours in Electrical and Electronic Engineering from the University of Manchester Institute of Science and Technology and a study in Strategic Leadership from the Norwegian Business School. Today she is the CEO of BKK, one of the larger renewable energy companies in Norway. In the period 2008 - 2015 she held different positions in Statoil, among other Head of Gullfaks operations, Vice President of Joint Operations on the Norwegian Continental Shelf and Senior Vice President for Safety, Security and Emergency Preparedness in the Corporate Executive Committee. In the last position accountable for the Statoil BoD Safety, Security, Sustainability and Ethics Committee. In the period 1998 - 2008 she held different positions in Hydro, amongst others as plattform manager on the Troll Field. She is also Member of Board in Nysnø Klimainvesteringer, Hexagon Purus and Energi Norge.

Nicholas (Nick) A. Emery (b. 1961) was appointed to the board in 2014. He is a qualified Management Accountant. He has worked in various Fred. Olsen- related companies for over 30 years and until April 2013 was the CEO of Fred. Olsen Renewables AS. As from April 2013 he holds the position of CEO of the privately owned Fred. Olsen Ltd. (UK). He is Chairman of the following Fred. Olsen Limited subsidiaries: The Natural Power Consultants Limited and Zephir Limited. In addition, he is a director of a number of other companies including Fred. Olsen Travel Limited. Mr Emery is a British Citizen and resides in London and Cornwall, England.

Andreas Mellbye (1955) has been a member of the Board since 2001 and before that served as alternate. Mr. Mellbye was trained as an officer in the Norwegian Navy (1975-1977) and became later a candidate in jurisprudence from the University of Oslo in 1983. He became partner of Wiersholm 1989. Before joining Wiersholm he worked for legal department in Norsk Hydro, including one year on secondment to Legal & Acquisition dep. in Conoco, London. Mr. Mellbye was admitted to the Norwegian Supreme Court in 1995. Besides litigation within company law, Mr. Mellbye specializes in corporate transactions, mergers & acquisitions, securities/stock exchange law. He holds various board and committee positions, including chairman of Martina Hansens Hospital and Lorentzens Skibs AS. Previously Mr. Mellbye was chairman of Pareto Wealth Management and was also member of the previous Securities Law Forum of the Oslo Stock Exchange. Mr. Mellbye is a Norwegian citizen and resides in Bærum, Norway.

Shareholders' Committee:

Christian Fredrik Michelet (1953) has been the chairman of the Shareholders' Committee since 2007. He became a candidate in jurisprudence at the University of Oslo in 1980, and holds an MBA from INSEAD, France in 1981. He has served as lieutenant in the Norwegian Army. He was partner in the law firm Arntzen de Besche from 1985-2015. In the period 1989 – 1992 Mr. Michelet was Vice President in Total Norge AS. He was partner in the law firm Michelet & Co 2015-2018, and is now partner in the law firm Schjødt law from 2019. He is specialized in the petroleum and energy sectors. Mr. Michelet is an advisor on legal and strategic matters to various corporate actors in these sectors, to Norwegian petroleum and energy authorities and to petroleum authorities in countries in several parts of the world on policies, legislation and state contracts. In addition to working with transactions and acting as a litigator, he regularly serves as arbitrator. He is admitted to the Norwegian Supreme Court. Mr. Michelet is a Norwegian citizen and resides in Oslo, Norway.

Jørgen G. Heje (1953) has been a member of the Shareholder's Committee since 1988. He has a Lic. Oec. HSG degree from Hochschule St. Gallen Switzerland. Mr. Heje spent several years with Chase Manhattan Bank N. A. in London and Oslo before he held different executive and non-executive positions within the shipping and finance industry. Mr. Heje served as CEO in Eidsiva Rederi ASA and Chairman of Norwegian Car Carriers ASA up until 2010. He has been Chairman, and member of boards and nomination committees in a range of companies and organizations among others: Chase Manhattan Bank (Norge AS), Orkla Finans AS, Nordisk Skibsrederforening, J. B. Ugland Shipping AS, Norwegian Ship-owners Association and a number of ship-owning partnerships. Mr. Heje is Vice-Chairman and co-owner of the Agra Group, a market leading, family owned industrial company within fast moving consumer goods in the Scandinavian markets. Mr. Heje is a Norwegian citizen and resides in Oslo, Norway.

Bård Mikkelsen (1948) joined the Shareholders' Committee in 1997.
He is a graduate from the Norwegian Army Military Academy, Norwegian School of Management and INSEAD Executive Programme. He has served as the CEO of Statkraft, the largest utility in Norway and the largest European renewable energy company. Mr. Mikkelsen has also served as the CEO of Oslo Energy Group, Ulstein Group and Wideroe Group. He has previously a.o. also served as a member of the Supervisory Board of E.ON as Chairman of Cermaq, Store Norske Spitsbergen Kulkompani and Vice Chairman of Saferoad. Currently he is a.o. the Chairman of Clean Energy Group, Clean Energy Invest, Multiconsult, Nettpartner and Helitrans. Mr. Mikkelsen is a Norwegian citizen and resides in Baerum, Norway.

Ole Kristian Aabø-Evensen (1964) has been a member of the Shareholders Committee since 2017. Mr. Aabø-Evensen was originally trained as a police officer and became later a candidate in jurisprudence from the University of Oslo in 1988. He also received a scholarship from the British Council (1992) and has studied English and International Law at King's College University of London (1992). Mr. Aabø-Evensen is founding partner of the M&A and Capital Markets boutique law firm Aabø-Evensen & Co (2002-). Before establishing Aabø-Evensen, he was partner and head of M&A and corporate legal services at KPMG in Norway (1995-2002), an associated partner with the de Besche & Co (now Arntzen de Besche), and has also worked as a trainee in Sinclair Roche Temperley, London (now part of Stephenson Harwood) and Essex Court Chambers, London. He's ranked as one of Norway's leading transaction lawyers, specializing in corporate transactions, public and private mergers & acquisitions, securities/stock exchange law. He holds various board and committee positions. Mr. Aabø-Evensen is also the author of the leading textbook on M&A in Norway in addition to numerous international publications on mergers and acquisitions. He's a member of the Norwegian Bar Association, the American Bar Association, the International Bar Association and the International Fiscal Association. Mr. Aabø-Evensen is a Norwegian citizen and resides in Oslo, Norway.

Einar Harboe (1950) has served on the Shareholder's Committee since 1988. He passed his final law exams in 1974 at the university of Oslo. He then held positions in the Ministry of finance and also worked as assistant judge, university teacher and division head in the Tax directorate until 1983. In 1983 Mr Harboe went to the law firm of Bugge, Arentz-Hansen & Rasmussen (BAHR) where he remained for some 14 years, the last 12 years as partner. In 1997 Mr Harboe left BAHR to establish a boutique law firm (now Advokatfirmaet Harboe & Co AS) specializing in tax. Harboe & Co is among the leading firms in this field. Mr Harboe is among the most experienced tax lawyers in Norway, having handled a number of major cases in court, including. The supreme court. He is also an established author, having published a number of books about Norwegian tax. Mr. Harboe is a Norwegian citizen and resides in Bærum, Norway

Managing Director:

Anette S. Olsen (1956) is the proprietor of Fred. Olsen & Co. which is responsible for the day-to-day operation of Bonheur ASA. As part of these services she holds the position as managing director of Bonheur ASA. Ms. Olsen is the Chairman of the boards of Fred. Olsen Renewables AS, Fred. Olsen Ocean Ltd., Fred. Olsen Ltd. and NHST Media Group AS. She is also a board member of Fred. Olsen Cruise Lines Ltd., Global Wind Service A/S and Timex Group. Anette S. Olsen holds a bachelor's degree in business organization and a master's degree in business administration (MBA).

Planet

Embedded in Bonheur's culture is the need to maintain a sustainable business model and to minimise the environmental footprint of our activities. This section will give an insight into both the positive and negative CO_2 contribution from our operations within our business segments, in addition to information regarding the Company's Green Finance Framework.

The Group of companies is engaged in activities which, to a varying degree, involve a potential risk to the environment. To minimize the risk, safety and environmental protections are given high priority by the operations, and efforts are made on a continuous basis to prevent situations which might involve damage to health and environment. Important elements of this work are safe operations an active maintenance program and adequate handling of waste. Efforts are expected to continuously be made, in order to improve, and further develop the safety and environment culture at all levels.

Some of the Group of companies' operations, in particular those related to the use of fossil fuel, effluents and emissions during operations and the risk of oil spills, may influence the external environment negatively. Safe operations and active maintenance programs will contribute to avoid accidents which may lead to damage to the external environment. Currently not all of the companies have robust data for waste management, ecological impact measurements and assets recycling, and we are therefore not able to report on consolidated figures for 2020. Going forward we will continue the work of strengthen the reporting.

No incidents have occurred during the year within the aforementioned business segments causing serious damage to the external environment.

Renewable Energy

During 2020 the Renewable Energy segment produced 1.82 TWh of electricity. If assumed that wind power replaces electricity produced by i.a. coal, and a conversion rate based on the International Energy Agency's (IEA) average global emission factor for electricity production, approximately 800 000 tonnes of CO_2 emissions were displaced by FORAS' wind generation.

The table below shows the number households that were covered and the comparative reduction in CO_2 emissions:

Country:	Energy production: *	Covered electricity needs for number of households: **	GHG reductions (estimated): ***
United Kingdom	1 365 000 MWh	370 000 households	585 000 t CO2 eq.
Norway	235 000 MWh	15 000 households	100 000 t CO2 eq.
Sweden	262 000 MWh	50 000 households	115 000 t CO2 eq.
Total for 2020	**1 862 000 MWh**	**ca. 435 000 households**	**ca. 800 000 t CO2 eq.**

* For comparison, the total production in 2019 was 1.73 TWh.

** The figures are broad estimates and based on the average household consumption of electrical power per year (UK: 3.7 MWh; Norway 17 MWh; Sweden 5 MWh).

*** Wind power replaces non-renewables power (gas, coal, and other fossil sources), leading to a direct reduction in GHG emissions. In our calculation, a factor of 0.429 for our energy production has been used. The gain is expressed in 'tonnes CO_2 equivalents' (t CO_2 eq.). It should be noted that the figures are broad estimates.

The objective when designing wind parks is to harmonise the layout and infrastructure with the terrain and topography. When constructing and operating the wind farms we have a risk-based approach to eliminate hazards and risks to protect the environment and personnel. Pride is taken in making effective use of the wind resources and thereby reducing the CO_2 emissions and thus contributing to battling the climate change.

Wind Service

The Wind Service segment was engaged in installation and maintenance of offshore and onshore wind turbines. During 2020 FOW installed 11 offshore wind turbines with an installed capacity of approximately 68 MW. In addition, repair and exchange work of 495 wind turbine blades and the exchange of two gearboxes and one transformer, with a total capacity of 532 MW contributing indirectly to a positive contribution to reduce CO_2 emission by displacing coal and gas energy production.

The marine transportation of the offshore wind units from assembly port to the offshore field requires use of fossil fuels. In 2020 the fleet of transport and installation vessels consumed 11 541 tonnes of marine gas oil which resulted in 36 467 tonnes of CO_2 emissions. To mitigate the CO_2 emissions the vessel specific Ship Energy Efficient Management Plans (SEEMP) were established for the FOWIC vessels. In 2020 the initiative to install variable frequency drives (VFD) on pumps to reduce the fuel consumption and hence reduced CO_2 emissions was continued for all vessels.

Other companies within the Wind Service segment also contribute positively to the transition towards more renewable energy sources. In 2020 GWS contributed directly or indirect by installing approximately 1 300 MW onshore and 2 000 MW offshore including preassembly activities. In addition, GWS also contributed directly or indirectly on repowering, service and maintenance and blade repair on more than 5 000 MW onshore and offshore globally.

UWL provides services within marine transportation of offshore turbine components and thereby indirectly contribute to reduce the global CO_2 emission. During 2020 the company transported nacelles with an installed capacity of approximately 888 MW and consumed 1890 tonnes of marine gas oil.

Cruise

The Cruise segment was severely impacted by Covid-19 during 2020, with all four ships in the fleet in lay-up from mid-March 2020. As a result, the consumption of marine gas oil and very low sulphur fuel oil in 2020 was reduced considerably. During the lay-up in 2020 the fleet remained predominately in one location relying on power supplied from the engines to ensure key onboard functions remained in place (lighting / heating etc.). As a result, the distances travelled were greatly reduced resulting in decreased CO_2 emissions.

In 2020 the total registered consumption of 16 895 tonnes of marine gas oil and 7 773 tonnes of heavy fuel oil resulted in approximately 50 800 tonnes of CO_2 emissions.

CO_2

Overall, with the positive contribution of ca. 800 000 tonnes CO_2 equivalent from the electricity production at the wind farms compared to the total emissions of ca. 115 000 tonnes CO_2 equivalent from the various operational activities, the Bonheur group of companies contributes with a significant net displacement of ca. 685 000 CO_2 equivalent emissions in 2020.

Green Finance Framework

Increasing the share of renewable energy in the global energy mix is crucial to deliver the targets of the 2015 Paris Agreement, and our investments throughout the renewable energy value chain will promote the transition towards a low-carbon and climate resilient future. To support this, in 2020, the Company established a Green Finance Framework (GFF) with an eligibility assessment from DNV and issued a NOK 700 million green bond loan to be used for eligible green investments as defined in the GFF. The GFF enables the Company, to issue green bonds or loans to finance what has been defined to be green projects. The framework is aligned with the ICMA Green Bond Principles and the LMA Green Loan Principles issued in 2018.

Implementing a green finance framework positions the Group of companies for the EU taxonomy, and the framework resulted in new green financing by way of a long-term bank loan for FOW, and a five-year green bond for the Company.

The GFF covers activities within our Renewable Energy and parts of our Wind Service segments as described below and will mainly apply to investments made via the holding companies for the respective abovementioned business areas, FOR and FOO. Investments made by other subsidiaries may however also be funded under the GFF when they are in line with the relevant defined criteria.

Renewable Energy

- Investments and related expenditures directed towards the development, construction, installation, improvement, operation, repair and maintenance of renewable energy projects. Currently, this includes onshore and offshore wind power and can also include related research and business development as well as dedicated infrastructure

ESG Report 2020

Wind Service

- Investments and related expenditures directed towards upgrading existing turbine transport and installations vessels, such as crane and equipment upgrades and/or replacements, and potentially building new vessels, to meet estimated future market requirements of increased installation capacity

The framework also outlines the process to evaluate, select, track and report on such investments. Each Green Finance Instrument issued under this framework should in their relevant transaction documentation refer to the GFF.

As part of establishing the GFF, the Company established an internal Green Finance Committee (GFC) with participants from finance, operations/technical and HSEQ departments in the Company and relevant business units. The business units will nominate projects to the GFC, who will approve eligible green investments in the green investment portfolio.

In 2020 the GFC assessed and approved two specific projects as eligible green investments. EUR 10 million has been allocated to the upgrade of the crane on Brave Tern, one of the self-propelled jack-up vessels specially designed for transportation, installation and service of offshore wind turbines. In addition, EUR 30 million has been used to part finance the construction of Högaliden windfarm. The total green finance facility in the Company is NOK 700 million. As of 31 December 2020, a total of EUR 40 million (NOK 424 million) is allocated as eligible for green financing.

People

Subsidiaries of the Company employed on average 3 180 people during 2020 and had 2 401 employees at the end of the year, of which 500 where female. These figures were affected by the Company’s ability to operate during the COVID 19 pandemic and our workforce was reduced as a result of this. The below table show number of employees by country of employment and gender:

Country of employment	Female	Male	Total
Norway	287	487	774
UK	132	460	592
Denmark	16	314	330
Poland	37	290	327
USA	4	114	118
Turkey	2	88	90
Romania	9	63	72
The Netherlands	7	32	39
Germany	3	35	38
Sweden	2	8	10
Australia	0	10	10
Serbia	1	0	1
Total	**500**	**1901**	**2401**

The Group of companies are committed to offering good working conditions. Health, Safety and Environmental (HSE) - activities are organized so as to be managed within the individual business segments and in accordance with relevant industry norms and regulations. All business segments have health and safety management system and work systematically and preventively with HSE measures. This work takes place on a continuous basis and has functioned satisfactorily throughout the year.

The various entities are recording the Loss Time Incidents (LTI) and are applying appropriate corrective actions to prevent reoccurrence. This is outlined in the respective companies’ ESG reports available on the respective companies’ web pages. No major incidents have been recorded in 2020 with either personal or material damages (ref regnskapsloven §3.3).

ESG Report 2020

Absence due to sickness was 1.5% for the Group of companies in 2020. Further information regarding sickness and working environment in the Group of companies in 2020 is outlined in the respective companies' ESG reports and their Corporate Social Responsibility reports available on the respective companies' web pages.

Equal opportunities
At the end of 2020, 21% of the employees throughout the Group of companies were female. Three out of six (50%) Board Directors of The Company are female.

A governing principle throughout the Group of companies is for each business segment to promote equal opportunities, offering challenging and motivating jobs to all personnel regardless of nationality, culture, religion and gender. This includes the principle of equal pay for equal work, considering qualifications relating to knowledge, experience and performance with emphasis on the importance of a balanced work environment with a reasonable gender composition for the various position levels.

Diversity gives us access to a greater range of talent. Business innovation benefits from having employees from a wide variety of demographics and backgrounds.

The Group of companies' endeavours to meet the requirements of the Equality and Anti-Discriminations Act by ensuring that our processes for recruitment, promotion and competence development are in accordance to our policies and free of prejudice and exclusion.

GDPR
EU's General Data Protection Regulation (GDPR) came into force from 25 May 2018 (in Norway by 1 July 2018). The Group of companies has established various projects which aim to incorporate the regulations into the corresponding compliance processes.

Compliance
It is the policy of the Group of companies to conduct business in accordance with the letter and spirit of the law and within the overriding ethical standards of good business conduct, including non-discriminatory behaviour, respect for human rights, workers' rights, social aspects, environmental issues and anti-corruption. This is reflected in the respective companies' Code of Conduct, which as aforesaid is available on the relevant company's web site and to all its employees.

The Group of companies has not had any major incidents related to human rights, working rights, environmental issues or corruption during 2020 and will continue to work towards minimizing the likelihood of incidents which could be in breach of the Group of companies' Corporate Social Responsibility policies.

To ensure integrity, the Group of companies have implemented whistle-blower processes where suspected behaviour in breach with the ethical policies such as HSE rules, harassment, insider trading, fraud, bribes or other violations of ethical guidelines can be reported. There have not been reported any breach of the ethical policies or any other unwanted behaviour during 2020. As a result of this, and to avoid that the positive result is due to lack of control, the Group of companies will continue to focus on training and further implementation of these policies.

As part of the onboarding program for new employees within the Group of companies, all new employees are required to participate in the established e-learning modules (which currently consist of Code of Conduct, Corporate Social Responsibility, Anti-Corruption/Anti-Bribery and GDPR). The content of these courses is regularly reviewed, and relevant updates are implemented accordingly. In 2020 85% of all employees have completed the e-learning modules by 2020, and all employees will conduct an annual refresher in the aforementioned modules. FOCO has subjected its employees to the same e-learning modules.

See the also following web-sites
https://bonheur.no/CSR
https://fredolsen-ocean.com/about-us#CSR
https://fredolsenrenewables.com/corporate-social-responsibility
https://fredolsencruises.com/legal/corporate-social-responsibility

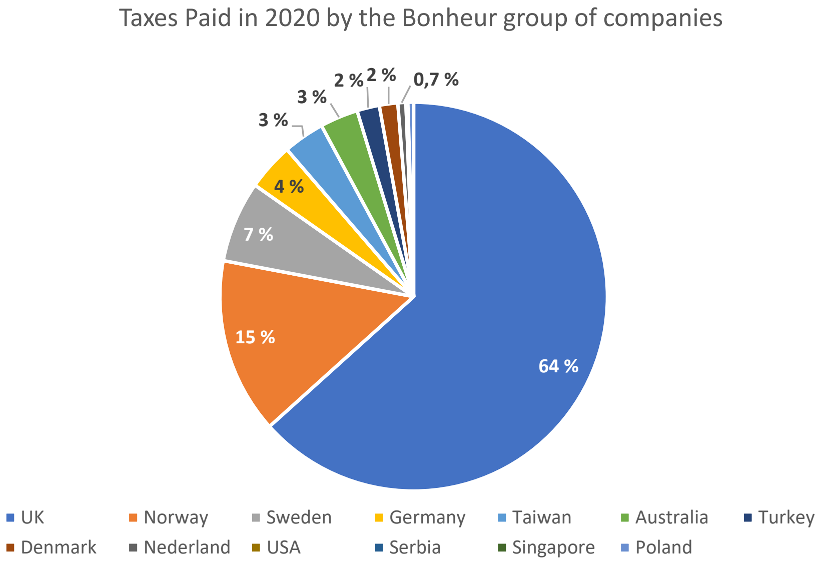
ESG Report 2020

Prosperity

Prosperity relates to our role in contributing to a prosperous society. We contribute to economic growth by providing decent employment, creating societal value. Prosperity is divided into wealth creation, continuous improvement, new technologies, tax payments, and community contributions.

Profitability is a prerequisite for the wealth creation and for long term commitment to create sustainable business opportunities. To be able to maintain our strong market position and enable future growth, we are focusing strongly on continuous improvement of existing operations, development of new technologies and new investments. Contributions to the local societies are an essential component in our sustainability efforts.

Society contributions were made through tax payments to the governments, divided in social security tax, property tax and corporate tax. Note that the indirect society contribution through the employee's income tax and other taxes is not included in the calculation:



Total taxes paid in 2020 of social security tax, property tax and corporate tax by the Bonheur group of companies were NOK 327.3 million.

As an integral part of the Company's Corporate Social Responsibility, the Company annually considers financial contributions towards social and charitable purposes, in addition to projects and purposes that are considered to be close to the Company's sphere of interest. On a recurring basis, the Annual General Meeting based on corresponding recommendations from the Shareholders' Committee resolves the amount to be earmarked for such purposes.

In 2016, the FOSEG was established with a view to further strengthen the Company's effort within these areas with more direct engagement from the employees of Bonheur-related entities. The group has continued its work during 2019 and focuses on supporting qualifying sustainable projects, both globally and locally.

Globally, FOSEG have followed up on previous years' support towards the non-profit organization "Health and Human Rights Info (HHRI)". HHRI's object is to strengthen and develop health and psycho-social work towards people that have been exposed to organized (sexual) violence, war and serious violation of human rights by establishing and operating a resource database to assist health workers working amongst such people. Support has also been provided towards specific water irrigation projects in Ethiopia with a view to improve self-sustainability as well as support to increase entrepreneurship amongst women in Tanzania with focus on renewable energy solutions. Locally, FOSEG support various charities with emphasis on stimulating self-sustainability among youth and people in general that have fallen outside the society and/or the labour market. Kirkens Bymisjon (Oslo City Mission)

ESG Report 2020

and Stella Kvinnesenter (Stella Red Cross Centre for women by Oslo Red Cross) represent projects that have received support in this respect. In addition, Tøyen Sportsklubb has also received support for their important activities for youth.

The way forward

With more than 170 years' experience, the Company has strong focus on the balance of profitability and sustainable business and investment activities. As part of this focus, the Group of companies strengthened its capabilities in ESG reporting during 2020, concentrating on the issues that are material to each segment. We expect this work to be strengthened further during 2021 and the years to come.

For Bonheur, focus on ESG goes beyond disclosure and the Group of companies will have these principles in mind as it invests to improve its existing operations and to develop new technologies. We will continue to have a strong focus on investing in long-term sustainability and the decarbonization of energy, for example developing our business into the construction and operation of offshore wind farms and development of floating solar and other technologies.

Oslo, 9 April 2021
Bonheur ASA – The Board of Directors

Fred. Olsen *Chairman* Sign.	Carol Bell *Director* Sign.	Bente Hagem *Director* Sign.	Jannicke Hilland *Director* Sign.	Andreas Mellbye *Director* Sign.	Nick Emery *Director* Sign.
					Anette Sofie Olsen Managing Director Sign.

Bonheur ASA – Group of companies

Consolidated Income Statement

For the period 1 January - 31 December

(Amounts in NOK 1 000)	Note	2020	2019
Revenues	5	6 174 269	7 834 768
Gain on sale of property, plant and equipment		523	1 730
Total operating income		6 174 792	7 836 498
Cost of sales		-711 613	-815 777
Salaries and other personnel expenses	7,19	-1 004 198	-1 032 287
Other operating expenses	6,19	-3 914 362	-4 512 551
Loss on sale of property, plant and equipment		-403	-922
Total operating expenses		-5 630 575	-6 361 537
Operating profit / loss (-) before depreciation and impairment losses		544 217	1 474 961
Depreciation and amortisation	10,11	-1 049 788	-961 637
Impairment of property, plant and equipment and intangible assets	10,11	-376 298	-243 125
Total depreciation and impairment losses		-1 426 086	-1 204 762
Operating profit / loss (-)		-881 869	270 199
Share of profit / (loss-) in associates	12	-2 001	-15 802
Interest income		26 370	63 562
Other finance income		732 354	186 720
Finance income	8	758 724	250 282
Interest expenses		-431 338	-422 002
Other finance expenses		-566 395	-371 060
Finance expenses	8	-997 733	-793 062
Net finance income / expense (-)		-239 009	-542 780
Profit / (-loss) before tax		-1 122 879	-288 383
Tax income / expense (-)	9	-78 855	-54 756
Profit / (loss-) for the year		-1 201 734	-343 139
Allocated to:			
Shareholders of the parent		-1 198 602	-388 828
Non-controlling interests		-3 132	45 689
Profit / (loss-) for the year		-1 201 734	-343 139
Basic and diluted earnings per share (NOK)	17	-28,2	-9,1

The non-controlling interests in the Bonheur Group of companies are included in the Consolidated Income Statement. The non-controlling interests consist of 43.28% of NHST Media Group AS (adjusted for own shares), 49% of Fred. Olsen Wind Limited (UK), 49% of Fred. Olsen CBH Limited (UK), 49% of Blue Tern Limited, 50% of United Wind Logistics GmbH and 7.84% of Global Wind Service A/S.

Bonheur ASA – Group of companies

Consolidated Statement of Comprehensive Income

For the period 1 January - 31 December

(Amounts in NOK 1 000)	Note	2020	2019
Loss for the period		-1 201 734	-343 139
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/(losses) on pension plans	19	-61 561	-26 708
Other comprehensive income for the period		-11 421	-2 962
Income tax on other comprehensive income		4 600	-1 463
Total items that will not be reclassified to profit or loss		-68 382	-31 133
Items that are or may be reclassified subsequently to profit or loss			
Foreign exchange translation effects:			
- Foreign currency translation differences from foreign operations		342 157	-75 484
- Foreign currency translation differences from foreign operations transferred to profit or loss		0	0
Fair value effects related to financial instruments:			
- Financial assets at fair value over OCI		-1 290	2 802
Income tax on other comprehensive income	9	264	-552
Total items that are or may be reclassified subsequently to profit or loss		341 131	-73 234
Other comprehensive income for the period, net of income tax		272 749	-104 367
Total comprehensive income for the period		-928 985	-447 506
Allocated to:			
Shareholders of the parent		-947 046	-504 690
Non-controlling interests 1)		18 061	57 184
Total comprehensive loss for the period		-928 985	-447 506

1) As at 31 December 2020 non-controlling interests consist of 43.28% of NHST Media Group AS (adjusted for own shares), 49% of Fred. Olsen Wind Limited (UK), 49% of Fred. Olsen CBH Limited (FOCBH) (UK), 49% of Blue Tern Limited, 50% of United Wind Logistics GmbH and 7.84% of Global Wind Service A/S.

Bonheur ASA – Group of companies

Consolidated Statement of Financial Position

(Amounts in NOK 1 000)	Note	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Development costs		344 472	310 506
Publishing rights		162 000	162 000
Customer relationship, technology, patents, other		121 492	216 766
Goodwill		428 070	517 701
Intangible assets	11	1 056 034	1 206 973
Deferred tax asset	9	167 853	86 204
Windfarms		5 403 933	4 675 964
Ships		5 169 154	4 779 371
Other fixed assets		442 636	493 948
Property, plant and equipment	10	11 015 723	9 949 283
Investments in associates	12	102 706	44 999
Investments in other shares	13	85 987	75 783
Bonds and other receivables	13	315 837	396 431
Pension funds	19	63 153	99 131
Financial fixed assets		567 683	616 344
Total non-current assets		12 807 293	11 858 804
Current assets			
Inventories	14	168 534	194 827
Trade receivables and contract assets	15	1 062 501	795 817
Other receivables and shares	15	770 032	856 891
Restricted cash	16	625 571	654 226
Other cash and bank deposits	16	3 724 964	5 533 423
Total current assets		6 351 602	8 035 184
Total assets		19 158 895	19 893 988

The non-controlling interests in the Bonheur Group of companies are included in the Consolidated Statement of Financial Position. The non-controlling interests consist of 43.28% of NHST Media Group AS (adjusted for own shares), 49.00% of Fred. Olsen Wind Limited (UK), 49% of Fred. Olsen CBH Limited (UK), 49% of Blue Tern Limited, 50% of United Wind Logistics GmbH and 7.84% of Global Wind Service A/S.

Bonheur ASA – Group of companies

Consolidated Statement of Financial Position

(Amounts in NOK 1 000)	Note	31.12.2020	31.12.2019
EQUITY AND LIABILITIES			
Equity			
Share capital		53 165	53 165
Additional paid in capital		143 270	143 270
Total paid in capital		196 435	196 435
Retained earnings		4 263 194	5 461 786
Share of equity attributable to shareholders of the parent		4 459 629	5 658 221
Non-controlling interests		165 134	234 309
Total equity		4 624 763	5 892 530
Liabilities			
Employee benefits	19	591 004	539 633
Deferred tax liabilities	9	212 061	195 212
Interest bearing loans and borrowings	18	9 178 958	7 935 137
Other non-current liabilities	20	822 932	744 472
Total non-current liabilities		10 804 955	9 414 454
Current tax	9	33 579	79 929
Interest bearing loans and borrowings	18	1 610 609	1 966 332
Other accruals and deferred income	20	1 252 751	1 630 975
Trade and other payables	21	832 237	909 768
Total current liabilities		3 729 177	4 587 004
Total liabilities		14 534 132	14 001 458
Total equity and liabilities		19 158 895	19 893 988

The non-controlling interests in the Bonheur Group of companies are included in the Consolidated Statement of Financial Position. The non-controlling interests consist of 43.28% of NHST Media Group AS (adjusted for own shares), 49% of Fred. Olsen Wind Limited (UK), 49% of Fred. Olsen CBH Limited (UK), 49% of Blue Tern Limited, 50% of United Wind Logistics GmbH and 7.84% of Global Wind Service A/S.

Oslo, 9 April 2021
Bonheur ASA – The Board of Directors

Fred. Olsen *Chairman* Sign.	Carol Bell *Director* Sign.	Bente Hagem *Director* Sign.	Jannicke Hilland *Director* Sign.	Andreas Mellbye *Director* Sign.	Nick Emery *Director* Sign.
					Anette Sofie Olsen Managing Director Sign.

Bonheur ASA – Group of companies

Statement of Changes in Equity

(Amounts in NOK 1 000)	Share Capital	Share premium	Transl. reserve	Fair value reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2019	53 165	143 270	-92 433	-799	6 229 835	6 333 038	1 020 302	7 353 340
Total comprehensive income for the period	0	0	-85 649	2 250	-421 290	-504 690	57 184	-447 506
Effect from transactions with non-controlling interests 1)	0	0	0	0	0	0	54 913	54 913
Dividends to shareholders in parent company	0	0	0	0	-170 128	-170 128	0	-170 128
Dividends to non-controlling interests in subsid.	0	0	0	0	0	0	-898 090	-898 090
Balance at 31 December 2019	53 165	143 270	-178 082	1 451	5 638 416	5 658 221	234 309	5 892 530
Balance at 1 January 2020	53 165	143 270	-178 082	1 451	5 638 416	5 658 221	234 309	5 892 530
Total comprehensive loss for the period	0	0	344 726	-1 026	-1 290 746	-947 046	18 061	-928 985
Effect from transactions with non-controlling interests 1)	0	0	0	0	-51 177	-51 177	-21 747	-72 924
Other	0	0	0	0	-17 482	-17 482	0	-17 482
Dividends to shareholders in parent company	0	0	0	0	-182 887	-182 887	0	-182 887
Dividends to non-controlling interests in subsid.	0	0	0	0	0	0	-65 489	-65 489
Balance at 31 December 2020	53 165	143 270	166 644	425	4 096 124	4 459 629	165 134	4 624 763

Share capital	
Par value per share	NOK 1.25
Number of shares issued	42 531 893

Shares outstanding and dividends	2020	2019
Number of shares outstanding at 1 January	42 531 893	42 531 893
New shares issued	0	0
Number of shares outstanding at 31 December 2)	42 531 893	42 531 893
Total dividends per share	4,00	4,30

The board will propose to the Annual General Meeting on 27 May 2021 to approve a dividend of NOK 4.0 per share.

Translation reserve

The reserve represents exchange differences resulting from the consolidation of associates and subsidiaries having functional currencies other than NOK.

Fair value reserve

The reserve includes the cumulative net change from investments at fair value through other comprehensive income until the investment is de-recognised.

Non-controlling interests

1) As at 31 December 2020 the non-controlling interests consist of 43.28% of NHST Media Group AS (adjusted for own shares), 49% of Fred. Olsen Wind Limited (UK), 49% of Fred. Olsen CBH Limited (UK), 49% of Blue Tern Limited, 50% of United Wind Logistics GmbH and 7.84% of Global Wind Service A/S.

2) See note 17.

Bonheur ASA – Group of companies

Consolidated Cash Flow Statement

(Amounts in NOK 1 000)	Note	2020	2019
Cash flow from operating activities			
Net result after tax		-1 201 734	-343 139
Adjustments for:			
Depreciation / amortisation / impairment	10,11	1 426 086	1 204 762
Impairment of investments / net change in fair value of financial assets	8	189 959	109 583
Pension costs	7	79 541	71 514
Net unrealized foreign exchange gain (-) / loss	8	-12 153	15 041
Interest income and dividends	8	-26 370	-63 868
Interest expenses	8	431 338	501 676
Share of result in associates	12	2 001	15 802
Net gain (-) / loss on sale of property, plant and equipment	10	-120	-808
Net gain (-) / loss on sale of investments	8,13	-361 898	-4 274
Tax income (-) / expense	9	78 855	54 755
Cash generated before changes in working capital and provisions		605 505	1 561 044
Increase (-) / decrease in trade and other receivables		-292 425	-111 309
Increase / decrease (-) in current liabilities		-511 271	141 432
Cash generated from operations		-198 191	1 591 167
Interest paid		-361 170	-417 714
Tax paid	9	-173 556	-58 780
Net cash from operating activities		-732 917	1 114 673
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment	10	17 555	54 042
Proceeds from sale of investments	12	547 772	109 144
Interest received		25 167	53 358
Dividends received		0	305
Acquisitions of property, plant and equipment	10,11	-1 735 312	-761 267
Acquisition of subsidiaries		-86 405	-6 530
Acquisitions of other investments	13	-143 983	-138 660
Net cash from investing activities		-1 375 206	-689 608
Cash flow from financing activities			
Net proceed from issue of shares in subsidiary		18 828	0
Increase in borrowings	18	2 239 327	5 428 171
Repayment of borrowings	18	-1 810 721	-4 570 574
Dividends paid		-248 376	-1 068 218
Net cash from financing activities		199 058	-210 621
Net increase in cash and cash equivalents		-1 909 065	214 444
Cash and cash equivalents at 1 January		6 187 649	5 913 074
Effect of exchange rate fluctuations on cash held		71 951	60 131
Cash and cash equivalents at 31 December	16	4 350 535	6 187 649

Note 1 - Principal accounting policies and key accounting estimates

The Company is domiciled in Norway. The address of the Company's registered office is Fred Olsens gate 2, Oslo.

The consolidated financial statements of the Company as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group of companies" and individually as "Group entities") and the Group of companies' interest in associates.

The Group of companies is primarily involved in Renewable Energy, Wind Service and Cruise.

The annual accounts together with the appurtenant financial statements were addressed by the Board of Directors on 9 April 2021. The Shareholders' Committee will in turn in a meeting scheduled for 14 April 2021 consider recommending to the Annual General Meeting that the proposal to the annual accounts for 2020 together with the appurtenant financial statements as addressed and resolved upon by the Board in the said meeting on 9 April 2021, is approved. Eventual approval of the annual accounts together with the appurtenant financial statements lies with the Annual General Meeting scheduled for 27 May 2021.

Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations, as adopted by the European Union and the disclosure requirements following from the Norwegian Accounting Act, that are mandatory to apply at 31.12.2020.

Basis of preparation

These consolidated financial statements are presented in Norwegian Kroner (NOK), the functional currency of Bonheur ASA. All financial information presented in NOK has been rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Reassessment of accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements and estimates made by management in the application of IFRSs that have significant effect on the financial statements and estimates that have a significant risk of material adjustment in the next year are discussed in the specific notes.

The accounting policies have been applied consistently to all periods presented in these consolidated financial statements by all Group entities. The Group of companies' accounting policies are described in the individual notes to the Consolidated Financial Statements.

Basis of consolidation

Subsidiaries

The consolidated financial statements include the Company and its subsidiaries (the Group of companies). See note 27 for details of the subsidiaries.

Associates (investments accounted for using the equity method)

Associates are those entities in which the Group of companies has significant influence, but not control, over the financial and operating policies. See note 12 for details of the associates.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any realised and unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Realised foreign currency differences from intra-group transactions which are recognised in profit or loss are not eliminated, because the Group of companies has a real exposure to a foreign currency. Unrealised foreign currency differences from intra-group transactions which are recognised in profit or loss are eliminated, but only to the extent that the currency difference is due to permanent financing.

Non-controlling interests

Non-controlling interests within the consolidated subsidiaries are identified as a separate item within the Group of companies' equities. Non-controlling interests consist of interests at the date of the original transaction and the non-controlling interests' share of changes in equity since that date. Losses applicable to the non-controlling interests in excess of the non-controlling interests' in the subsidiary's equity are allocated to the majority interests of the Group of companies as there is no obligation for the non-controlling interests to make an additional investment to cover the losses. Acquisitions and sales of non-controlling interests are accounted for entirely as an equity transaction as long as the subsidiary is still under the control of the Bonheur Group of companies.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group of companies' entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign operations

The assets and liabilities of subsidiaries with other functional currency than NOK, are translated into NOK at the exchange rate at the statement of financial position date. Revenues and expenses are translated using average monthly foreign exchange rates, which approximates exchange rates on the dates of the transactions. Foreign exchange differences arising on translation are recognised directly as a separate component of equity. When a foreign operation is disposed of, in part or in full, the relevant amount of the component in equity is transferred to profit or loss.

Provisions

A provision is recognised if, as a result of a past event, the Group of companies has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Principal accounting policies

The Group of companies' accounting policies are described in the individual notes to the Consolidated Financial Statements. Considering all the accounting policies applied, Management regards the notes listed below as the most significant notes for the recognition and measurement of reported amounts.

Accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that Management considers reasonable and appropriate under the circumstances. The resulting accounting estimates may differ from the eventual outcome, but the Group of companies' regards this as the best estimate at the balance sheet date. Please refer to the specific notes for further information on the key accounting estimates and judgments, see the notes listed below.

Notes

- Note 3 Financial Risk Management
- Note 5 Revenue
- Note 9 Income tax expenses and deferred tax
- Note 10 Property, plant and equipment
- Note 11 Intangible assets
- Note 13 Other investments
- Note 19 Employee benefits
- Note 23 Rental and leases
- Note 25 Contingencies and provisions

Effects from new accounting standards

The amended standards and interpretations had no significant impact on the Group of companies consolidated financial statements in 2020.

Forthcoming requirements

The amended standards and interpretations are not expected to have a significant impact on the Group of companies consolidated financial statements.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value
- financial assets measured at fair value through profit or loss or through other comprehensive income
- non-derivative bond loan (amortised cost)
- employee benefits are measured at fair value

The methods used to measure fair values are discussed further in note 2.

Note 2 – Determination of fair values

A number of the Group of companies' accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment (PPE)

The market value of PPE is the estimated amount for which a property could be exchanged on the date of valuation. The market value of items of vessels is based on broker valuations, for other items it is based on quoted market prices for similar items. Fair value may also be based on value in use for the purpose of impairment testing. Value in use is the present value of the future net cash flows from continuing use and ultimate disposal of the asset.

(ii) Intangible assets

The fair value of other intangible assets, including goodwill, is based on the discounted net cash flows expected to be derived from the use and potential sale of the assets. However, the value of Mention Solutions SAS (inclusive intangible assets), a subsidiary of NHST, is based on fair value less cost of disposal where estimated sales values for similar business are obtained from an independent party.

(iii) Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss and through other comprehensive income is determined by reference to their quoted bid price at the reporting date.

If such a quoted bid price does not exist at the statement of financial position date, the following items are considered when estimating the fair value:

- the latest known trading price
- average price from transactions
- transactions with high volume

(iv) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of expected future cash flows.

(v) Derivatives

The fair value of forward exchange contracts is based on available market information. The fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is the estimated amount that the Group of companies would receive or pay to terminate the swap at the statement of financial position date, taking into account current interest rates and the counterparty's credit rating.

(vi) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Note 3 – Financial risk management

The Group of companies is exposed to certain financial risks related to its activities. The financial risks are continuously monitored and from time to time financial derivatives are used to economically hedge such exposures. The monitoring within the various business segments is carried out by the respective companies, in accordance with their policies and procedures, through internal reporting and online based information of movements and market values of relevant financial instruments. Reports on the companies' financial risk exposure are regularly submitted to the respective entities' Board of directors.

For more information – see notes 18 and 22.

Financial market risk

Currency risk

The Group of companies' financial statements are presented in NOK. The Group of companies' revenues consist primarily of GBP, EUR and NOK with GBP as the most dominant currency. The GBP revenues in 2020 are within the Renewable Energy and cruise segments. The revenues within the Wind Service segment in 2020 were in EUR. Consequently, out of the group's gross revenues of NOK 6 175 million in 2020, approximately 32% were in GBP and approximately 52% were in EUR. The remaining 16% were mainly in NOK. The Group of companies' expenses are primarily in USD, GBP, EUR and NOK. As such, the Group of companies' earnings are exposed to fluctuations in the currency market. However, in the longer-term parts of the currency exposure are neutralized due to the majority of the Group of companies' debts being denominated in the same currencies as the main revenues. Forward exchange contracts are from time to time entered into to further reduce currency exposure, and per 31.12.20 the Group of companies were exposed to NOK 7 million in forward exchange contracts.

Interest rate risk

The Group of companies is exposed to interest rate fluctuations, as loans are frequently based on floating interest rates. By the turn of the year, most of the loans within the group of companies were based on floating interest rates. Parts of the outstanding loans are hedged against interest fluctuations through interest rate swap agreements. At year-end 37% (2019: 39%) of total loans were swapped into fixed rate obligations by use of interest rate swap agreements.

Fuel / bunker price

The Group of companies is exposed to fluctuations in bunker prices, which are fluctuating with the oil price. This exposure is primarily within the Cruise segment. In 2020 approximately 3% (2019: 5%) of total operating expenses within the Group of companies were bunker expenses within the Cruise segment, while approximately 1% (2019: 1%) were bunkers expenses within Wind Service. By the end of the year, there were no short-term derivative contracts outstanding relating to securing part of the bunker costs for the year 2021.

Electricity price

Within the Renewable Energy segment, generation at the wind farms Crystal Rig II, Mid Hill, Rothes II, Crystal Rig III, Brockloch Rig Windfarm, Brockloch Rig I, Lista and Fäbodliden is in the spot market and thus exposed to fluctuations in the electricity prices. Fäbodliden is also exposed to fluctuations in the price for electricity certificates. The contract structures for the three wind farms Rothes, Paul's Hill and Crystal Rig I were primarily based on fixed electricity prices. In 2020 14% (2019: 21%) of the generation was based on fixed prices.

Credit risk

The Group of companies continuously evaluates the credit risk associated with customers and, when considered necessary, seeks to obtain certain guarantees. The credit risk within the Group of companies is in general considered to be moderate without significant changes from the previous year. Customers within Renewable Energy, which in 2020 provided 24% (2019: 18%) of total revenues, are large electricity distributors. Customers within Wind Service are large and well reputed entities from the Wind Service industry. Customers within the Wind Service segment provided in 2020 50% (2019: 35%) of total revenues. Credit risk within cruise (8% of total revenues in 2020 (2019: 31%)) is also regarded to be moderate, due to cruise tickets being paid in advance. Within the segment Other (18% (2019: 16%) of total revenues), credit risk is regarded moderate due to prepayment of subscriptions being the major part of the revenues.

Liquidity risk

Gross interest-bearing debt of the Group of companies at year end was NOK 10 790 million (2019: NOK 9 901 million). Cash and cash equivalents amounted to NOK 4 351 million (2019: NOK 6 188 million). Net interest-bearing debt of the Group of companies was NOK 6 439 million (2019: 3 713 million). Equity to assets ratio for the parent company was 68% (2019: 71%).

The Group of companies' interest-bearing debt consists of several loans. Some of the main business segments have arranged separate loans to cover their investments. In 2020 investments were financed by cash from operations, bank credit facilities and bond loans. Dividend payments from Bonheur ASA in 2020 amounted to NOK 183 million (2019: 170 million).

The Group of companies’ short-term cash investments are mainly limited to cash deposits in the Group of companies’ relationship banks. Derivative financial instruments are normally entered into with the Group of companies’ main relationship banks.

A Minimum of NOK 500 million of other restricted cash reflects deposits required according to covenants in Bonheur ASAs bond loans.

Taking into account estimated revenues, proposed dividend payments and planned capital investments, the Group of companies views the liquidity risk to be moderate.

Capital Management

The Group of companies’ overriding financial objectives target to secure long-term visibility and flexibility through business cycles in order to sustain future development of the separate business and the group as a whole and maintain market and stakeholder confidence.

The FOCO on behalf of the Company performs capital management for the Company’s operations and oversees activity on an overall level for the Group of companies. Capital management is carried out within the various business segments, based on their respective policies and procedures.

The majority of the Group of companies’ free available cash and cash equivalents have traditionally been held as bank deposits, however, investments in short- and long-term securities are also made. As a governing principle the wholly owned subsidiaries distribute free available excess cash to the Company.

To position the Group of companies for the upcoming implementation of the EU taxonomy directive and to formalize Bonheur’s commitment to sustainable financing, Bonheur during 2020 established a green finance framework with an eligibility assessment from DNV and issued its first NOK 700 million green bond loan to be used for eligible green investments as defined in the framework.

The Group of companies is in compliance with all external loan covenants as per 31 December 2020 and 9 April 2021.

Note 4 – Operating segments

Accounting policies

A segment is a distinguishable component of the Group of companies that is engaged in providing related products or services (business segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group of companies' business segments. The business segments are determined based on the Group of companies' management and internal reporting structure. Inter-segment pricing is determined on an arm’s length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

The Group of companies has four reportable segments, as described below, which are the Group of companies' strategic business areas. The strategic business areas offer different products and services and are managed separately because they require different technology and marketing strategies. For each of the strategic business areas, the Group of companies' chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. Information regarding the results of each reportable segments is included below. Performance is measured based on segment operating profit and profit after tax, as included in the internal management reports that are reviewed by the Group of companies' CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The Group of companies comprise the following business segments:

1) Renewable Energy
   The companies within the segment are engaged in development, construction and operation of wind farms in Scotland, Norway, Sweden, Ireland, France and USA.

2) Wind Service
   The companies within the segment are engaged in logistics and services within the offshore wind industry.

3) Cruise
Cruise owns and operates four cruise ships and provides a diverse range of cruises to attract its passenger.

4) Other Investments
The segment has investments within media, properties, various service companies and financial investments.

Fully consolidated companies	Renewable Energy 1)		Wind Service 2)		Cruise 3)	
(Amounts in NOK 1000)	2020	2019	2020	2019	2020	2019
Operating income - external	1 450 791	1 443 819	3 112 779	2 736 129	515 124	2 418 941
Operating income - internal	134	0	20 616	20 660	0	0
Operating costs	-594 005	-550 238	-2 860 664	-2 337 341	-1 045 181	-2 145 895
Depreciation	-340 044	-295 052	-346 091	-323 119	-272 146	-252 357
Impairment	-1 638	-112 063	-84 269	-131 062	-197 414	0
Operating profit/loss	515 240	486 465	-157 630	-34 732	-999 617	20 688
Interest income	3 179	11 672	1 183	2 811	1 074	4 233
Interest expenses	-244 979	-239 433	-71 044	-111 473	-5 148	-463
Tax income / expense (-)	-44 528	-62 663	-25 892	-662	-464	-379
Net result from continuing operations	461 889	86 148	-245 898	-173 284	-1 047 875	38 482
Net result from discontinued operations	0	0	0	0	0	0
Profit for the year	461 889	86 148	-245 898	-173 284	-1 047 875	38 482
Total assets	6 979 064	6 487 273	6 088 531	5 237 457	1 467 401	2 160 099
Total liabilities	7 270 082	7 260 743	2 904 583	1 904 290	1 167 778	1 026 815
Total equity	-291 017	-773 470	3 183 948	3 333 167	299 622	1 133 284
Capital expenditures	709 181	312 859	533 452	408 752	419 603	192 415

Fully consolidated companies	Other Investments 4)		Eliminations		Group of companies total	
(Amounts in NOK 1000)	2020	2019	2020	2019	2020	2019
Operating income - external	1 096 098	1 237 609	0	0	6 174 792	7 836 498
Operating income - internal	18 366	14 258	-39 116	-34 918	0	0
Operating costs	-1 169 841	-1 362 980	39 116	34 918	-5 630 575	-6 361 537
Depreciation	-91 507	-91 110	0	0	-1 049 788	-961 637
Impairment	-92 977	0	0	0	-376 298	-243 125
Operating profit/loss	-239 861	-202 223	0	0	-881 869	270 199
Interest income	22 322	89 719	-1 388	-44 873	26 370	63 562
Interest expenses	-117 068	-119 189	6 902	48 555	-431 338	-422 002
Tax income / expense (-)	-8 544	8 948	574	0	-78 855	-54 756
Net result from continuing operations	-395 444	628 778	25 593	-923 263	-1 201 734	-343 139
Net result from discontinued operations	0	0	0	0	0	0
Profit for the year	-395 444	628 778	25 593	-923 263	-1 201 734	-343 139
Total assets	11 165 285	11 887 793	-6 541 386	-5 878 634	19 158 895	19 893 988
Total liabilities	3 845 250	4 014 834	-653 562	-205 224	14 534 132	14 001 458
Total equity	7 320 035	7 872 959	-5 887 825	-5 673 410	4 624 763	5 892 530
Capital expenditures	46 576	48 969	0	0	1 708 812	962 996

Notes

Associates *)	Renewable Energy 1)		Other Investments 4)		Group of companies total	
(Amounts in NOK 1000)	2020	2019	2020	2019	2020	2019
Operating income	0	10 349	2 445	1 951	2 445	12 301
Operating costs	-647	-22 529	-2 845	-1 735	-3 492	-24 264
Depreciation / Impairment	0	-252	318	-1	318	-253
Operating result	-647	-12 432	-82	215	-729	-12 217
Share of profit in associates	-2 001	-15 609	0	-194	-2 001	-15 802
Share of equity	101 771	44 999	935	0	102 706	44 999

*) Share of profit from associates in 2020 arise from Codling Holding Ltd in the Renewable Energy segment. For further information, please refer to note 12.

Fully consolidated companies	Europe		Asia		Americas	
(Amounts in NOK 1000)	2020	2019	2020	2019	2020	2019
Operating income	5 130 871	7 173 127	208 447	73 733	796 758	242 216
Capital expenditure	1 701 282	948 360	18	4 848	7 452	9 787

	Africa		Other regions		Group of companies total	
	2020	2019	2020	2019	2020	2019
Operating income	606	1 271	38 110	346 151	6 174 792	7 836 498
Capital expenditure	0	0	60	0	1 708 812	962 996

The distribution of the operating revenue reported above is based on the geographical location of the customers. The Group of companies' operating income is primarily originating in the Europe from ownership and operation of windfarms, Wind Service activities, cruise activities and NHST Media Group. The capital expenditures are based on the location of the company that is actually doing the investment.

Major customer

Of the total revenue in 2020 within the Group of companies, Germany, UK, Norway and USA contributed 24%, 17%, 14% and 13% respectively (2019: 23%, 38%, 12% and 1% respectively). Revenues from three major customers within the Renewable Energy segment, constituted 22% (2019: 16%) of the total revenue in the Group of companies. In the Wind Service segment one major customer constituted 18% (2019: 12%) of the total revenue in the Group of companies.

Note 5 – Revenue

Accounting policies

Revenue from the Renewable Energy segment

Each unit of electricity produced meets the criteria to be a performance obligation and the performance obligation is met upon delivery. Revenue from sale of electric power is recognized in the period the power is generated and supplied to the customers, at rates in the relevant contracts, as there is a right to bill the customer for each MWh produced. Payment is due the month after.

The Group of companies has income from Green Certificates. The grants are issued when the electricity is generated and are therefore considered as a subsidy linked to production. The Green Certificates are recognized under the income approach and accrued in the Profit or Loss on a monthly basis based on the monthly generation of the windfarms.

Revenue from the Wind Service segment

Revenue from Transport & Installation

Operating revenue from charter rate contracts is split into two elements, income from rentals, which is accounted for in accordance with IFRS 16, and services, which is accounted for under IFRS 15.

Revenue on long term contracts is recognized during the operational phase of the contract (from the delivery of the vessel at the designated port and to the end of demobilization). During the mobilization phase no goods or services are transferred to the customer. Costs incurred to fulfil the contract during the mobilization phase is capitalized and amortized over the contract term if they meet the criteria in the standard. Mobilization fees paid up front by the customers are recognized as a contract liability until services are delivered.

Variable consideration that specifically relates to a distinct good or service in the series is allocated specifically to this good or service. Variable consideration that does not relate specifically to a distinct good or service within the series is included within the transaction price and recognized in line with progress. Time elapsed, i.e. voyage days, is used to measure progress.

Revenue from Wind services

Revenue derived from hourly service contracts is recognized in the period that the services are rendered at rates established in the relevant contracts. Global Wind Services has installation and services to wind farm projects around the world. The payment terms is usually 60 days. Revenue derived from fixed price contracts is normally recognized over time. A cost-based measure is used for measuring progress during the operational phase of the contract.

Revenue from Crew Transfer Vessels

In the period from 1 January to 30 June 2019 the contract was assessed to contain a lease, and the revenue was accounted for as an operating lease according to IFRS 16. The fleet of crew vessels were sold with effect from July 2019.

Revenue from the Cruise segment

Revenue can be split into the following categories:

Cruise (including accommodation, certain meals, using premises etc)

Cruise fare is recognized evenly over number of nights of the cruise. Prepayments from sale of cruises are classified as contract liabilities until the cruise commences.

Drink packages

Drink packages are recognized as revenue on a straight-line basis over the duration of the cruise.

Flights

Flight revenue is recognized evenly over the duration of the cruise contract (from the flight occurs to the end of the cruise) as the fly/cruise holiday is sold as one item and is considered as one performance obligation.

Shore Excursions

Prebooked shore excursions are recognized as revenue when the tour is completed.

Revenue from the Other investments segment

Subscriptions

Revenue from subscriptions is recognised over the subscription period, normally on a straight-line basis. Prepayments from sale of subscriptions are classified as contract liabilities.

Advertising

The revenue is recognised when the advertising is published. Revenue represents gross income after commissions, discounts and claims.

Acting as agent

When the Group of companies acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commission earned by the Group of companies.

(Amounts in NOK 1000)	2020	2019
Sales of electricity	497 857	606 519
Sales of other goods	14 802	72 070
Service revenue	4 321 176	5 751 408
Other operating revenue	67 709	97 521
Total revenue from goods and services	**4 901 544**	**6 527 518**
Lease revenue	295 497	450 978
Green Certificate revenue	867 800	754 465
Other operating revenue	109 427	101 806
Other operating revenue	**1 272 725**	**1 307 250**
Other operating income	523	1 730
Total operating income	**6 174 792**	**7 836 498**

Service revenue arises mainly from the business segments Wind Service, Cruise and the subsidiary NHST Media Group AS:

Wind Service

Service revenues arise from Operation & Maintenance services for the offshore wind industry, from offshore wind turbine foundations, Transport & Installation marine operation (T&I). Further revenues arise from supply of personnel to the global wind turbine industry.

Cruise

Service revenues consist of ticket revenue from four cruise ships and a river cruise vessel, offering a diverse range of cruises. In addition, service revenues also include diverse purchases made by customer on-board the ships.

NHST Media Group AS

Service revenues consist of revenues from Norwegian and Global publications, subscription revenues from media service, and revenues from advertising.

Lease revenue arises mainly from the business segment Wind Service and consists of Bare Boat Charter hire to the vessel owners Brave Tern AS, Bold Tern As, Blue Tern Ltd., the O&M vessel Jill and to the wind logistics transportation company, United Wind Logistics GmbH.

Green Certificate revenue arises from the business segment Renewable Energy and is grants from the authorities based on requirements that certain percentage of the electricity sold must come from renewable energy. The Green Certificate revenue is issued when the electricity is generated.

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

(Amounts in NOK 1000)	Note	31 December 2020	31 December 2019
Receivables, which are included in "trade and other receivables"	15	743 196	606 636
Contract assets	15	319 725	189 181
Contract liabilities	20	786 635	1 048 654

Contract assets are mainly related to work in progress in the Wind Service segment.

Contract liabilities are mainly related to subscriptions in NHST and to prepayment of tickets and tours in the Cruise segment.

No impairment losses on contract assets have been recognized during 2020.

At 31.12.19 the value of contract liabilities amounted to NOK 1.049 million of which NOK 933 million has been recognized as income in 2020. The change in contract assets and liabilities relates to natural progression of the project portfolio, as well as the current project mix.

Order backlog

	2021	2022	2023
Order backlog per year (NOK million)	1555,7	558,0	629,2

Only contracts with a duration of more than one year are included in order backlog.

Capitalized project costs

The following table shows costs directly attributable to the projects:

(Amounts in NOK 1000)	31 December 2020	31 December 2019
Cost to fulfil contracts	43 774	58 436

Cost to fulfil contracts is related to capitalized project costs in note 14 and are mainly related to projects from Transport & Installation and wind services in the Wind Service segment.

Note 6 - Operating expenses

(Amounts in NOK 1000)	2020	2019
Administrative expenses 1)	406 837	475 324
Other operating expenses 2)	3 507 525	4 037 227
Total	3 914 362	4 512 551

1) Inclusive administration costs and fee to Fred. Olsen & Co of NOK 112.2 million (2019: NOK 118.9 million) See note 26.
2) Other operating expenses are mainly related to operation of the cruise vessels (Fred. Olsen Cruise Lines Ltd.), Wind Service (Fred. Olsen Windcarrier AS and Universal Foundation Norway AS). In 2020 cruise vessels operation amounts to NOK 856.9 million (2019: NOK 1 830.7 million) which are mainly onboard expenses, vessel operations expenses and Selling & Marketing expenses. Operation of Wind Service amounts to NOK 2506.5 million (2019: NOK 1 997.5 million). Research and development expenditures of NOK 34.7 million are recognised in profit or loss in 2020 (2019: NOK 26 million).

Professional fees to the auditors

A breakdown of professional fees to the auditors, which is included in "Administrative expenses", is given below.

The fees encompass group auditor, KPMG, including affiliates of KPMG, and non-KPMG auditors of the Group.

Professional fees to the auditors	2020	2019
Statutory audit	18 991	14 966
Other audit related services	2 307	3 825
Tax services	2 066	2 236
Other non-audit services	4 301	1 976
Total (VAT exclusive)	27 666	23 002

Note 7 – Personnel expenses

The Company has no employees. The position as managing director is held by Anette S. Olsen as part of the day-to-day operation of the Company provided by FOCO. See note 26

At year end 2020 subsidiaries of Bonheur had 2 401 employees down from 3 935 employees by the end of the year 2019.

Personnel expenses for the Group of companies were:

(Amounts in NOK 1000)	Note	2020	2019
Salaries etc.			
Salaries		758 957	775 982
Social security costs		122 895	121 788
Pension costs	19	79 541	71 514
Other		42 805	63 003
Total		1 004 198	1 032 287
Loan to employees		2 205	2 924

Subsidiaries within the Group of companies have established bonus systems. In 2020, the total bonuses paid within the Group of companies amounted to NOK 11.3 million (2019: NOK 9.7 million).

Remuneration to the Board of Directors and the Shareholders Committee

In 2020, the members of the Board received the following directors' fees:

(Amounts in NOK 1000)	2020	2019
Fred. Olsen, Chairman of the Board	1 420	1 495
Andreas Mellbye	358	408
Helen Mahy (to 17 July 2020)	49	456
Carol Bell *)	400	388
Nick Emery *)	406	456
Bente Hagem (from 17 July 2020)	306	0
Jannicke Hilland (from 17 July 2020)	306	0
Total compensations	3 245	3 201

*) Includes compensation for overnight stops in connection with Board Meetings.

Anette S. Olsen received in 2020 a remuneration of NOK 0.23 million as chairman of the Board in NHST Media Group AS (2019: 0.23 million).

Remuneration to the Shareholders' Committee:

(Amounts in NOK 1000)	2020	2019
Christian Fr. Michelet	190	190
Einar Harboe	160	160
Jørgen G. Heje	160	160
Bård Mikkelsen	160	160
Ole Kristian Aabø-Evensen	160	160
Total compensations	830	830

Note 8 – Finance income and expenses

Accounting policies

Finance income comprises interest income on funds invested in financial assets, dividend income, gains on the disposal of financial assets, positive changes in the fair value of financial assets at fair value through profit or loss, currency gains and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group of companies' right to receive payment is established, which in the case of quoted securities is the ex-dividend date. Dividends from non-listed securities are recognised in profit or loss at the date the Group of companies receives the dividends.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, losses on the disposal of financial assets, negative changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, currency losses and losses on hedging instruments that are recognised in profit or loss.

(Amounts in NOK 1000)	2020	2019
Interest income on bonds	6 111	6 957
Interest income on receivables	4 145	11 624
Interest income on bank deposits	16 114	44 981
Interest income	26 370	63 562
Dividend income on financial assets	0	306
Net gain on disposal of financial assets recognised directly in profit or loss (see note 12)	369 063	4 484
Foreign exchange gain	360 425	159 303
Net change in fair value of financial assets at fair value through profit or loss	820	22 154
Other finance income	2 046	473
Other finance income	732 354	186 720
Interest expense on financial liabilities measured at amortised cost	-431 338	-422 002
Interest expense	-431 338	-422 002
Foreign exchange loss	-291 018	-107 073
Net loss on disposal of financial assets recognised directly in profit or loss	-7 165	-210
Net change in fair value of financial assets at fair value through profit or loss	-129 782	-46 220
Impairment of financial assets	-60 997	-85 517
Various finance expenses	-77 433	-132 040
Other finance expenses	-566 395	-371 060
Net finance expense recognised in profit or loss	-239 009	-542 780

Note 9 – Income taxes

Accounting principles

Income tax

Income tax expense comprises current and deferred tax. The Group of companies is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provisions for income tax.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using enacted tax rates or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured using the tax rates that are based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are recognized with the net amount if:

i. there is a legally enforceable right to offset current tax liabilities and assets,
ii. they relate to income taxes levied by the same tax authority on the same taxable entity,
iii. on different tax entities if the intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Income taxes

(Amounts in NOK 1000)	2020	2019
Profit/loss (-) before tax		
Norway	-179 718	-228 455
Other countries	-943 161	-59 928
Total	-1 122 880	-288 384
Taxes paid (-) / received		
Norway	0	-1 503
Other countries	-173 555	-57 277
Total paid taxes	-173 555	-58 780
1) Current tax expense (-) / income		
Norway	-18 146	-8 779
Other countries	-115 952	-77 180
Total current tax expense	-134 098	-85 959
2) Deferred taxes expense (-) / income		
Norway	34 051	24 922
Other countries	21 191	6 281
Total deferred tax expense	55 243	31 203
Total income tax expenses 1) + 2)	-78 855	-54 756

The income tax expense differs from the amounts computed when applying the Norwegian statutory tax rate to income before income taxes as a result of the following:

(Amounts in NOK 1000)		2020		2019
Income / (-) loss before tax		-1 122 879		-288 383
Norwegian statutory rate		22%		22%
Provision for income taxes at statutory rate		247 033		63 444
Increase (-reduction) in income taxes from:				
Effect of tax rates other than statutory tax rate in Norway		-32 835		-55 202
Tax exempt income within tonnage tax regimes net of vessel impairment		-238 078		21 699
Impairment on tangible and intangible assets		0		0
Prior period adjustments		-49 091		15 175
Changes in unrecognized deferred tax assets		-26 701		-47 449
Non deductible and non taxable expenses/income		10 945		-67 539
Currency effects (a)		1 714		6 694
Income/expense recognized directly in equity		8 157		8 422
Tax expense on continuing operations	-7%	-78 855	-19%	-54 756

(a) Currency effects primarily relate to translating tax positions in functional currency to NOK.

Payable tax as presented in the Statement of Financial Position		
Current tax payable Norway	8 648	0
Current tax payable other countries	24 931	79 929
Current tax payable	33 579	79 929

Deferred tax:

The tax effects of temporary differences and tax loss carryforwards giving rise to deferred tax assets and liabilities were as follows as of December 31, 2020, and December 31, 2019:

(Amounts in NOK 1000)	Assets 2020	Liabilities 2020	Assets 2019	Liabilities 2019
Property, plant and equipment	4 465	-280 848	6 281	-252 210
Gain and loss accounts	-15	-7 247	956	-8 941
Loans and borrowings	4 294	-19 348	4 278	-18 178
Shares and bonds	0	0	811	-4 661
Other	102 119	-32 430	50 565	-32 108
Tax loss carryforwards	184 801	0	144 472	-272
Subtotal	295 665	-339 873	207 363	-316 371
Set off of tax	-127 812	127 812	-121 159	121 159
Net tax assets / (-) liabilities	167 853	-212 061	86 204	-195 212

Deferred tax assets have not been recognized in respect of the following items:

(Amounts in NOK 1000)	2020	2019
Deductible temporary differences	146 514	162 269
Tax losses	352 375	312 474
Total	498 889	474 743

As at 31 December 2020, approximately NOK 53 million of the tax losses carried forward are available to offset the taxable income for subsidiaries in UK. NOK 456 million in other countries and NOK 2 billion in Norway, in total 2,5 billion in tax losses carried forward. These losses are not recorded as a deferred tax asset due to uncertainty of the level of the future suitable taxable profits in taxable jurisdictions. The tax losses carried forward have no expiry date.

Tax disputes:

In 4 November 2013 a subsidiary, FOO, was notified by the tax authorities of a possible change in the taxable income for 2005-2009. The company received a final decision in June 2016 leading to payable tax of NOK 67 million, including penalty tax and interests. The amount was accounted for in the 2nd quarter 2016 and paid. The company originally challenged the decision, but finally ended up only challenging the decision regarding the penalty tax.

Note 10 – Property, plant and equipment

Accounting policies

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, other costs directly attributable to bringing the asset to a working condition for its intended use and costs related to decommissioning of windfarms, including restoration of the site on which they are located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Costs for special periodic surveys/renewal surveys (SPS/RS) on ships and offshore units required by classification societies, are capitalised and depreciated over the anticipated period between surveys, generally five years. Extensive upgrading and repairs after termination of contracts, are depreciated either over the assumed period to next survey or over the same profile as the unit if the unit's remaining useful life is shorter. Other maintenance and repair costs are expensed as incurred.

Borrowing costs are capitalised as part of cost of certain qualifying assets in accordance with IAS 23, “Borrowing cost”. A qualifying asset is one which necessarily takes a substantial period of time to be made ready for its intended use, generally items that are subject to major development or construction projects.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss.

(ii) Residual values

Residual values are assessed at the beginning of each accounting year and constitute the basis of the depreciation for the year. Residual values for ships and drilling vessels are estimated based on recoverable material reduced by other demobilisation costs related to the unit. Recoverable material for ships and drilling vessels is calculated as market steel price multiplied by the recoverable lightweight of the unit. Any changes in residual values are accounted for prospectively as a change in accounting estimate.

(iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group of companies and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iv) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Financially leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group of companies will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Windfarms	20 years
Vessels	10 to 20 years
Wind installation vessels	20 years
Service vessels	15 years
Plant and Buildings	5 to 50 years
Machinery and Equipment	3 to 10 years
Assets under construction	Nil
Cars	7 years
IT Equipment	5 years
Furniture and fixtures	5 to10 years

The estimated useful lives, residual values and decommissioning costs are reviewed on a yearly basis. Any changes are accounted for prospectively as a change in accounting estimate.

(v) Impairment

The carrying amounts of the Group of companies' property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

When considering impairment indicators, the Group of companies considers both internal (e.g. adverse changes in performance) and external sources (e.g. adverse changes in the business environment). For vessels these are analysed by reviewing day rates and broker valuations. If an indicator of impairment is identified, management estimates the amount, if any, of impairment. In order to measure potential impairment, the carrying amount is compared to the recoverable amount, which is the higher of its fair value less costs to sell and value in use. The value in use is calculated as the present value of the expected future cash flows for the individual units, requiring significant management estimates of assumptions including discount rates as well as the timing and amounts of cash flows.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a positive change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes

(Amounts in NOK 1000)	Windfarms	Vessels	Other fixed assets	Total
Costs				
Balance at 1 January 2019	8 028 061	10 220 309	643 494	18 891 864
Acquisitions 1)	287 105	333 146	86 469	706 720
Right to use asset (leasing IFRS 16)	29 962	108 356	228 614	366 932
Disposals	0	-233 787	-36 094	-269 881
Effect of exchange rate fluctuations	243 581	223 104	13 057	479 742
Balance at 31 December 2019	8 588 709	10 651 128	935 540	20 175 377
Balance at 1 January 2020	8 588 709	10 651 128	935 540	20 175 377
Acquisitions 1)	663 022	916 814	41 922	1 621 758
Right to use assets (leasing IFRS 16)	278 924	0	9 627	288 551
Disposals	0	-2 174 508	-46 018	-2 220 526
Effect of exchange rate fluctuations	175 768	349 445	15 465	540 678
Balance at 31 December 2020	9 706 423	9 742 879	956 536	20 405 838
Depreciation and impairment losses				
Balance at 1 January 2019	3 493 952	5 229 343	350 203	9 073 498
Depreciation charge for the year	294 580	501 891	92 845	889 316
Impairment losses	0	51 926	0	51 926
Disposals	0	-193 803	-12 520	-206 323
Effect of exchange rate fluctuations	124 213	282 400	11 064	417 677
Balance at 31 December 2019	3 912 745	5 871 757	441 592	10 226 094
Balance at 1 January 2020	3 912 745	5 871 757	441 592	10 226 094
Depreciation charge for the year	357 968	521 118	96 670	975 756
Impairment losses	0	203 055	102	203 157
Disposals	0	-2 165 704	-23 088	-2 188 792
Effect of exchange rate fluctuations	31 777	143 499	-1 376	173 900
Balance at 31 December 2020	4 302 490	4 573 725	513 900	9 390 115
Carrying amounts				
At 1 January 2019	4 534 109	4 990 966	293 291	9 818 366
At 31 December 2019 2)	4 675 964	4 779 371	493 948	9 949 283
At 1 January 2020	4 675 964	4 779 371	493 948	9 949 283
At 31 December 2020 2)	5 403 933	5 169 154	442 636	11 015 723

Depreciation schedule is linear for all categories

1) Acquisitions in 2020 include no capitalized borrowing costs (2019: NOK 0). No prepayments are included in capital expenditures in 2020 (2019: 139 million).
2) Two of the windfarms in Fred. Olsen Renewables are financed through financial leases, and the total carrying amount per year end 2020 for these two windfarms is NOK 119 million (2019: NOK 133 million).

Impairment

The Group of companies continuously evaluates its assets on an individual basis at each reporting date to determine whether there is an objective evidence of impairment within the various business segments. During 2020 there were indications on need for impairment within Cruise, and an impairment was carried out for the two cruise vessels which were sold in 2020.

Based on the challenging situation the cruise business has experienced during 2020 and based on broker valuations there are indications of impairment. An impairment assessment has been made regarding the cruise fleet per year end 2020. A cash flow model has been applied and is based on strategic plans for the cruise fleet and budget and forecast figures for the period 2021-2042. The calculation is based on different economic lifetime for the individual vessels. The weighted average cost of capital (WACC) used in the calculation of discounted cash flows is 10,5%.

Two different scenarios for valuation have been developed, which both defend the book value of the cruise fleet:

- Scenario 1 is based on a gradual restart of the operations from April 2021 for three of the vessels, while the fourth vessel has an estimated restart from the second quarter 2022. The calculated value in use for the cruise fleet was GBP 251 million. The Company performed an analysis to assess the sensitivity to the value in use for changes in certain assumptions.
- Scenario 2 is a scenario where all vessels remain in lay up for the entirety of 2021 with a resumption of trading in 2022 for all vessels with the exception of 1 vessel resuming operations in the second quarter of 2022. In this scenario the calculated value in use is GBP 196 million.

Within the Group of companies, impairment of NOK 203 million (2019: NOK 52 million) was recognized on property, plant and equipment:

(Amounts in MNOK)	2020	2019
Wind Service	6	52
Cruise (vessels sold)	197	0
Total impairment	203	52

Note 11 – Intangible assets

Accounting policies

(i) Goodwill
Goodwill arises on the acquisition of subsidiaries, associates and joint ventures.
In respect of acquisitions goodwill is recognised initially at cost. Goodwill represents the excess of the cost of the acquisition over the Group of companies' interest in the net fair value of the net identifiable assets. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Subsequent measurement
Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. The carrying amount of goodwill for associates is included in the carrying amount of the investment in the associates.

(ii) Research and development
Expenses for research activities with the prospect of gaining new technical knowledge, are recognised in profit and loss when incurred.

Development expenditure are capitalised only if the development costs can be measured reliably and the product or process is both technically and commercially feasible with probable future economic benefits. The capitalised expenditures include the cost of materials, direct labour, overhead costs that are directly attributable and borrowing costs related to the development. When a project is ready for intended use, it is reclassified from intangible assets to the respective groups of property, plant and equipment.

Capitalised development expenditures are measured at cost less accumulated impairment losses.

(iii) Technology, customer relationships and publishing rights
Technology and customer relationships are measured at cost less accumulated depreciation and impairment losses.

Technology relates to computer software, patented or unpatented technology or databases.

Customer relationships represent the value of the existing customers and are recognised as a separate component.

The estimated useful lives for the current and comparative periods are as follows:

Technology	5 years
Customer relationships	9 years

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item. The estimated useful lives are reviewed on a yearly basis. Any changes are accounted for prospectively as a change in accounting estimate.

Publishing rights/brand names comprise trade name, mastheads, domain name and content rights which contribute significantly to future expected economic benefit. Publishing rights and brand names are assumed to have indefinite remaining lives and are impairment tested on a regular basis.

(iv) Impairment
The carrying amounts of the Group of companies' intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

When considering impairment indicators, the Group of companies considers both internal (e.g. adverse changes in performance) and external sources (e.g. adverse changes in the business environment). If an indicator of impairment is noted, further management estimate is required to determine the amount, if any, of impairment. In order to measure for potential impairment, the carrying amount is compared to the recoverable amount, which is the higher of its fair value less costs to sell and value in use. The value in use is calculated as the present value of the expected future cash flows for the individual units, requiring significant management estimates of among others the proper discount rates as well as the length and amounts of cash flows.

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(Amounts in NOK 1000)	Development costs	Publishing rights 1)	Goodwill	Customer relationship, technology, patents, other	Total
Cost					
Balance at 1 January 2019	415 558	162 000	452 941	341 166	1 371 665
Acquisitions	42 927	0	86 401	35 758	165 086
Right to use asset (leasing IFRS 16)	0	0	0	193 304	193 304
Disposals	0	0	0	0	0
Effect of exchange rate fluctuations	16 694	0	-1 415	-1 870	13 409
Balance at 31 December 2019	475 179	162 000	537 927	568 358	1 743 464
Balance at 1 January 2020	475 179	162 000	537 927	568 358	1 743 464
Acquisitions 2)	45 747	0	0	41 307	87 054
Right to use asset (leasing IFRS 16)	0	0	0	0	0
Disposals	0	0	-11 822	-9 959	-21 781
Effect of exchange rate fluctuations	1 252	0	18 506	37 153	56 911
Balance at 31 December 2020	522 178	162 000	544 611	636 859	1 865 648
Depreciation and impairment losses					
Balance at 1 January 2019	38 183	0	16 191	218 141	272 515
Depreciation charge for the year	12 892	0	0	59 424	72 316
Impairment losses	112 063	0	4 029	75 107	191 199
Disposals	0	0	0	0	0
Effect of exchange rate fluctuations	1 535	0	6	-1 080	461
Balance at 31 December 2019	164 673	0	20 226	351 592	536 491
Balance at 1 January 2020	164 673	0	20 226	351 592	536 491
Depreciation charge for the year	13 269	0	0	60 763	74 032
Impairment losses	1 638	0	92 977	78 527	173 142
Disposals	0	0	0	0	0
Effect of exchange rate fluctuations	-1 874	0	3 338	24 485	25 949
Balance at 31 December 2020	177 706	0	116 541	515 367	809 614
Carrying amounts					
At 1 January 2019	377 375	162 000	436 750	123 025	1 099 150
At 31 December 2019	310 506	162 000	517 701	216 766	1 206 973
At 1 January 2020	310 506	162 000	517 701	216 766	1 206 973
At 31 December 2020	344 472	162 000	428 070	121 492	1 056 034
Expected economic life	3 years			5-10 years	
Depreciation is linear					

1) Publishing rights are mainly connected to the newspaper Dagens Næringsliv within NHST Media Group AS.

Notes

2) Acquisition of development costs, NOK 46 million (2019: NOK 43 million), are expenditures arising from own development of potential windfarms projects. NOK 41 million (2019: 36 million) relates to various IT development project within NHST Media Group.

Impairment

Within the group of companies all intangible assets have been impairment tested as per 31 December 2020, and impairment of NOK 173 million (2019: NOK 191 million) was recognized, split between the segments as follows:

(Amounts in MNOK)	2020	2019
Renewable Energy	2	112
Wind Service	78	79
Other Investments	93	0
Total Impairment	173	191

Renewable Energy:
Development costs:
FOR has intangible assets with a book value of NOK 341 million, which are development costs related to wind farms. The projects are evaluated regularly. Some development projects may not come through to fruition, in which case, previously capitalized costs will be impaired. In 2020 NOK 2 million was impaired.

Wind Service:
Impairment of NOK 78 million has been recorded, and the impairment relates to the exclusive rights of use of the assets, Jill, in offshore wind projects in the US. These projects have continuously been postponed and is not likely to commence within the lease period which expires in October 2021 (IFRS 16).

Other Investments:

NHST Media Group AS
Due to increased uncertainty resulting from the Covid-19 outbreak, NHST recorded in 1st quarter 2020 an impairment of NOK 93 million as a write down of it's goodwill in Mention Solutions SAS (Mention). An impairment assessment has also been made by NHST at year end 2020 for the valuation of the subsidiary Mention. Mention is considered as one cash generating unit. Estimated sales prices (less costs to sell) for similar business as Mention was obtained from an independent party, which was significantly higher than estimated value in use. The fair value, which represents the recoverable amount, exceeded the book value and no further impairment was required.

The carrying amount of goodwill and intangible assets with indefinite useful lives allocated to NHST is NOK 314 million and NOK 162 million, respectively. The value in use in the cash flow model is based on NHST's strategic plans for the different segments and budget and forecast figures for the period 2021-2025. The weighted average cost of capital (WACC) used in the calculation of discounted cash flows for each cash generating unit (CGU) is in the range of 10,7% - 11,5%. The terminal value in the cash flow model is based on 1% growth, except for a CGU in the Software as a Service business area with a growth rate of 0%. The cash flow model has been tested for changes in forecasted revenues, EBITDA, risk free rate and terminal growth rate. The sensitivity analysis provides sufficient headroom and comfort for the value in use compared to book values in the Bonheur Group of companies.

Note 12 – Investments in associates

Accounting policies

Associates are those entities in which the Group of companies has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method and are initially recognized at cost. The Group of companies' investments includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group of companies' shares of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group of companies, from the date that significant influence commences until the date that significant influence ceases. When the Group of companies' shares of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group of companies has an obligation or has made payments on behalf of the associate.

Consolidated

(Amounts in NOK 1000)	Global Wind Power France Aps 1)	Codling Holding Ltd	Other associates 2)	Total
Date of acquisition	19.04.2016			
Business office	Thisted, Denmark	Ireland		
Bonheur Group's ownership per 31 December 2019	51,00%	50,00%		
Bonheur Group's percentage of votes per 31 December 2019	50,00%	50,00%		
Bonheur Group's ownership per 31 December 2020	0,00%	50,00%		
Bonheur Group's percentage of votes per 31 December 2020	0,00%	50,00%		
Share of equity per 31.12.2019	44 999	0	0	44 999
Profit from the company accounts	0	-2 001	0	-2 001
Eliminations/adjustments	0	0	0	0
Net profit included in Bonheur Group of companies	0	-2 001	0	-2 001
Share issue / Capital increase	0	92 476	777	93 253
Acquisition / disposal	-44 999	0	158	-44 841
Reversal of impairment	0	10 591	0	10 591
Currency translation differences	0	704	0	704
Share of equity per 31.12.2020	0	101 771	935	102 706

The presentation shows the accounts for the most significant associates as at 31 December 2020.

1) On 12 March 2020, the owner company FOR, entered into an agreement for sale of its 51% ownership in Global Wind Power France. Gain on sale of the investment was NOK 366 million.

2) Norkon Computing systems AS and Task Technologies AS.

The Group of companies continuously evaluates its assets in associates on an individual basis at each reporting date to determine whether there is an objective evidence of impairment. In 2020 FOR's investment in Codling Holding Ltd was increased with NOK 10,1 million due to a reversal of prior impairment. As per 31 December 2020 no indications on need for impairment were found.

Summary of financial information for significant equity accounted investees, not adjusted for the percentage ownership held by the Group of companies.

	Global Wind Power France Aps	
(Amounts in EUR 1 000)	2020	2019
Operating income	0	2 020
Operating profit / loss	0	-2 447
Profit for the year	0	-3 070
Total assets	0	10 683
Total liabilities	0	13 131
Total equity	0	-2 449

Note 13 – Other investments

Accounting policies

Financial assets

The Group of companies' short-term investments in equity securities and certain debt securities are measured at fair value through profit or loss (FVTPL). Long-term investments are measured at fair value through other comprehensive income (FVTOCI).

Other

Other non-derivative financial instruments, including financial liabilities, are recognized initially at fair value and any directly attributable transaction costs. Subsequent to initial recognition, assets and liabilities are measured at amortised cost when the objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment

IFRS 9 applies an expected credit loss model. This model applies to contract assets, financial assets at amortised costs and bonds measured at FVTOCI, but not to investments in shares. Shares are measured at fair value, see note 2.

Shares classified as financial investments

(Amounts in NOK 1000)	Fair value as per 31.12.20	Fair value as per 31.12.19
Total short-term liquid share portfolio	64 425	143 187
Total long-term liquid share portfolio	85 987	75 783
Total liquid share portfolio	150 411	218 969

The fair value of stock listed shares is determined by using the listed prices of the companies at year end. Fair value of non-listed companies is based on cost, if no reliable measure of fair value exists. Investments are written down based on the Group of companies' policies for impairment. See note 8 for impairment of financial assets.

Bonds and other receivables (non-current assets)

(Amounts in NOK 1 000)	2020	2019
Bonds and securities (specification below)	293 932	227 870
Loans granted to associates	2 492	150 229
Other interest-bearing loans	4 518	6 683
Other non interest-bearing receivables	14 895	11 650
Total Bonds and other receivables (long-term assets)	315 837	396 431

Bonds classified as long-term investments 1)

(Amounts in NOK 1000)	Cost price	Average interest rate 2020	Fair value as per 31.12.20	Fair value as per 31.12.19
Long-term assets:				
Utility companies	48 249	1,6 %	48 299	47 281
Real Estate companies	50 115	1,6 %	50 166	48 201
Industrial companies	107 492	2,7 %	106 879	60 879
Financial and investment companies	38 100	3,2 %	38 495	36 505
Municipalities and public administration	50 131	1,2 %	50 093	35 004
Total	294 087	2,1 %	293 932	227 870

1) Fair value is based on quoted market prices.

Note 14 – Inventory

Accounting policies

Inventories and bunkers are recorded at the lower of cost and net realisable value. The Group of companies categorizes spare parts into two groups, spare parts and spare assets. Spare parts are consumables that are not depreciated but expensed when used against repair and maintenance cost. Consumables are measured at cost less a reserve for overstocked items. Spare assets are larger spare items that is recorded as a component and depreciated.

(Amounts in NOK 1 000)	Note	2020	2019
Inventories and consumable spare parts		81 779	70 196
Bunkers		22 381	33 843
Articles of consumption onboard		20 600	32 352
Work in progress	5	43 774	58 436
Total		168 534	194 827

Per year end the Group of companies had inventories and consumable spare parts related to windfarms, installation vessels for offshore wind turbines and cruise vessels. In addition, there were bunkers and articles of consumption onboard. The book value of inventories is cost price. In 2020 inventories and consumable spare parts recognised as cost of sales amounted to NOK 712 million (2019: NOK 816 million). In 2020 there have been no write downs of inventories or reversals of write downs. There was a loss of GBP 119 thousand on bunkers in connection with the sale of the cruise vessels Black Watch and Boudicca. Work in progress is mainly related to capitalized project costs in the Wind Service segment.

Note 15 – Trade and other receivables and contract assets

Accounting policies

Trade receivables that do not have a significant financing component are measured on initial recognition at their transaction price, which is the amount of consideration to which the entity expects to be entitled for transferring the promised goods or services to the customer.

Trade receivables with a significant financing component are measured on initial recognition at their transaction price if the entity has chosen not to adjust the promised amount of consideration for the effects of a significant financing component. In other cases, the receivables are measured at fair value on initial recognition.

The impairment model applicable to financial assets, measured at amortized cost, is based on an “expected credit loss” (ECL) model, which require forward looking judgements of two classifications:

- 12-month ECLs resulting from possible default events within the 12 months after the reporting date.
- Lifetime ECLs resulting from possible default events over the expected life of a financial instrument.

Trade and other receivables (current assets)

(Amounts in NOK 1 000)	Note	2020	2019
Other trade receivables		743 196	606 636
Contract assets	5, 22	319 725	189 181
Total trade receivables and contract assets		1 062 921	795 817
Other receivables and prepayments		705 188	713 705
Short-term liquid share portfolio	13	64 425	143 187
Total other receivables		769 612	856 891
Total trade and other receivables		1 832 533	1 652 708

Contract assets relate to consideration for work completed, but not yet invoiced at the reporting date. The contract assets are transferred to customer receivables when the right to payment become unconditional, which usually occurs when invoices are issued to the customers.

Note 16 – Cash and cash equivalents

Accounting policies

Cash and cash equivalents include cash, bank deposits and other short-term highly liquid assets that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

(Amounts in NOK 1 000)	2020	2019
Cash related to payroll tax withholdings	29 630	29 327
Other restricted cash *)	595 941	624 899
Total restricted cash	625 571	654 226
Unrestricted cash **)	3 724 964	5 533 423
Total cash & cash equivalents	4 350 535	6 187 649
Unused credit facilities	0	0

*) NOK 500 million of other restricted cash reflects deposits required according to covenants in the Company's bond loans. NOK 47 million of the restricted cash relates to the financial leases of the windfarms Paul's Hill and Rothes in FORAS, and NOK 46 million relates to guarantees required by customers in FOO during operations.

**) In 2020 the Company established a green finance framework with an eligibility assessment from DNV and issued a NOK 700 million green bond loan to be used for eligible green investments as defined in the framework. A separate green bank deposit was established for the NOK 700 million and is included in unrestricted cash.

Note 17 – Earnings per share

Accounting policies

The Group of companies presents basic earnings per share (EPS) data for its shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Average number of outstanding shares during the period are based on number of outstanding shares per year end. Shares outstanding is total shares issued net of treasury shares.

Profit attributable to ordinary shareholders

(Amounts in NOK 1 000)	2020	2019
Loss for the year (Majority share)	-1 198 602	-388 828
Average number of outstanding shares during the year 1)	42 531 893	42 531 893
Basic and diluted earnings per share	-28,2	-9,1

Within the Group of companies there are no financial instruments with possible dilutive effects.

Weighted average number of ordinary shares

(Amounts in NOK 1 000)	2020	2019
Issued ordinary shares at 1 January	42 531 893	42 531 893
Weighted average number of ordinary shares at 31 December	42 531 893	42 531 893

Note 18 – Interest bearing loans and borrowings

(Amounts in NOK 1 000)	2020	2019
Non-current interest-bearing liabilities		
Secured bank loans	5 930 114	5 048 406
Unsecured loans	2 150 688	1 893 587
Finance lease liabilities	0	23 274
Lease liability, IFRS 16	369 323	185 754
Other loans	728 833	784 116
Total	9 178 958	7 935 137
Current interest-bearing liabilities		
Current portion of secured bank loans	580 247	1 194 820
Current portion of unsecured loans	618 849	500 599
Current portion of finance lease liabilities	23 383	67 255
Current portion of lease liability, IFRS 16	55 198	35 991
Other loans	332 932	167 667
Total	1 610 609	1 966 332

Fred. Olsen Renewables Ltd. had as at 31 December 2020, through its 51% owned subsidiary Fred. Olsen Wind Ltd., drawn a total of GBP 400 million under a bank loan facility and finance leases, current loan balance at year end 2020 was GBP 352 million. The interest rates of the bank loan facility are fixed 3,17% for 75% and GBP Libor plus a margin of 1.40% for 25%. The bank loan facility matures in 2032. At the end of 2020, GBP 7 million remains on a shareholder loan drawn by Fred. Olsen Wind Ltd. from The Renewables Infrastructure Group (UK) Investments Ltd (TRIG). who holds 49% of the shares in Fred. Olsen Wind Ltd. The interest rate on this loan is 7% as part of the agreement with TRIG. The GBP 7 million loan matures in 2021.

Fred. Olsen Renewables Ltd. had through its 100% owned subsidiary Fred. Olsen CB Ltd. per year end 2020 drawn GBP 57 million from a secured credit facility agreement. The interest rates of the loan are fixed 3.55% for 75% of the loan and GBP Libor plus a margin of 1.80 % for the rest of the loan. The bank loan facility matures in 2036. In addition, Fred. Olsen CB Ltd. had through its 51% owned subsidiary Fred. Olsen CBH Ltd, per year end 2020 drawn GBP 58,5 million from an unsecured shareholder loan from Aviva Investors Global Services Limited, which holds 49% of the shares in the company. The interest rate of this loan is GBP LIBOR plus a margin of 6%, and the loan matures in 2036. Fred. Olsen CBH Ltd. has also drawn a shareholder loan of GBP 61 million from Fred. Olsen CB Ltd., which is eliminated in the consolidated accounts.

Fred. Olsen Ocean group, through its subsidiary Fred. Olsen Windcarrier has entered into two new long-term non-recourse debt financing arrangements related to the three offshore wind turbine transportation and installation jack-up vessels under its indirect ownership (Brave Tern, Bold Tern and Blue Tern). In conjunction with the financing it is established a green loan framework with an eligibility assessment from DNV GL, which enables new investments to be financed with green loans. For Brave Tern and Bold Tern, the arrangement is a new EUR 75 million 6 years facility with DNB Bank ASA and SpareBank 1 SR-Bank ASA. The amount refinanced the existing debt facility and will further contribute to the financing of the crane upgrade on Brave Tern. A tranche of approximately EUR 29 mill. of this facility will be covered by the green loan framework. For Blue Tern, (51% owned), the current financing with NIBC and Clifford, of which EUR 29 million is outstanding as at 31st December 2020, was extended by approximately 2.5 years and matures end 2022. Blue Tern AS had per year end drawn a shareholder loan of USD 24.9 million. A wholly owned subsidiary of Keppel Offshore and Marine Ltd holds 49% of the loan, USD 12.2 million. Fred. Olsen Windcarrier AS, through its 51% indirectly owned subsidiary Blue Tern AS, holds 51% of the latter loan, USD 12.7 million. The interest rate of this loan is fixed 7.5 %.

Fred. Olsen Ocean group, through its subsidiary United Wind Logistics (UWL), has two new long-term loan arrangements of total EUR 28 million with Sparkasse related to two newbuilds delivered in 2020 of which EUR 27.2 million is outstanding as per 31st December 2020. UWL had per year end drawn a shareholder loan of EUR 9 million where Fred. Olsen Ocean holds 50% of the loan. The interest rate is fixed 3%.

(Amounts in NOK 1 000)			2020	2019
Bonheur ASA, bond-loans				
Bond issue ticker, terms	Issued	Maturity		
BON06 3 month NIBOR + 3.50%	9 Jul 14	9 Jul 21	599 700	599 100
BON07 3 month NIBOR + 4.00%	24 May 17	24 May 22	499 375	498 875
BON08 3 month NIBOR + 3.15%	9 nov 17	9 nov 20	0	498 688
BON09 3 month NIBOR + 2.50%	4 Sep 19	4 Sep 24	794 960	793 520
BON10 ESG 3 month NIBOR + 2.75%	22 Sep 20	22 Sep 25	694 325	0
Total			2 588 360	2 390 183

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

				31.12.2020	31.12.2019
(Amounts in NOK 1000)	Currency	Nominal interest rate	Year of maturity	Carrying amount	Carrying amount
Renewable Energy:					
Secured bank loan 1)	GBP	75% fixed 3.17%, 25% LIBOR + 1,40%	2032	4 093 825	4 342 002
Secured bank loan 2)	GBP	75% fixed 3,55%, 25% LIBOR + 1.80%	2036	661 022	682 797
Financial lease	GBP	3)	2020	0	15 199
Financial lease 3)	GBP	3)	2021	23 383	75 330
Shareholder loans 4)	GBP	7%	2021	76 865	274 768
Shareholder loan 5)	GBP	LIBOR + 6.0%	2036	682 060	628 259
Lease liability, IFRS 16	GBP			277 307	28 425
Other	GBP			47 373	48 755
				5 861 835	6 095 535
Wind Service:					
Secured bank loan	EUR	6 month EURIBOR + 2.85%	2020	0	572 100
Secured bank loan 6)	EUR	3 month EURIBOR + 3.20%	2026	539 796	0
Secured green bank loan 6)	EUR	3 month EURIBOR + 3.15%	2026	177 849	0
Secured bank loan 7)	EUR	3 month EURIBOR + 3.25%	2022	151 819	148 423
Secured bank loan 8)	USD	3 month LIBOR + 3.25%	2022	147 631	164 342
Secured bank loan	EUR	3 month EURIBOR + 2.65%	2022	0	30 134
Secured bank loan	EUR	3 month EURIBOR + 2.65%	2023	0	9 864
Shareholder loan 9)	USD	Fixed 7,50%		104 148	101 656
Secured bank loan 10)	EUR	Fixed 3,33%	2027	100 965	0
Secured bank loan 10)	EUR	3 month EURIBOR + 2.65%	2023	37 693	0
Secured bank loan 10)	EUR	Fixed 3,33%	2028	104 703	0
Secured bank loan 10)	EUR	3 month EURIBOR + 2.65%	2024	41 881	0
Shareholder loan 11)	EUR	Fixed 3,00%	2028	47 116	0
Other 12)	DKK/EUR/USD			308 519	25 912
				1 762 121	1 052 431
Cruise:					
Sellers credit 13)	GBP	Fixed 2,50%	2025	260 036	0
				260 036	0

Other:					
Unsecured Bonheur ASA bond loans 14)	NOK	NIBOR/3.5%/4.0%/ 2.50%/2.75%	2021/-22/ -24/-25	2 588 360	2 390 183
Lease liability, IFRS 16	NOK			147 215	193 320
Other	NOK			170 000	170 000
				2 905 575	2 753 503
Total interest-bearing debt				10 789 567	9 901 469

1) Financing facility for Fred. Olsen Wind 2 Ltd.
2) Financing facility for Fred. Olsen CB Ltd.
3) Financial lease for subsidiaries of Fred. Olsen Wind Ltd.
4) Remaining balance of GBP 6,6 million regarding a shareholder loan drawn by Fred. Olsen Wind Ltd. from The Renewables Infrastructure Group (UK) Investments Ltd.
5) A total of GBP 54.2 million has been drawn by Fred. Olsen CBH Ltd. on a shareholder loan from Aviva Investors Global Services Limited. Remaining balance includes accrued interest.
6) Financing facility for Fred. Olsen Windcarrier of the jack-up vessels Brave Tern, Bold Tern and Blue Tern.
7) Financing facility for Blue Tern Ltd. for the jack-up vessel Blue Tern.
8) Financing facility for Blue Tern Ltd. for the jack-up vessel Blue Tern.
9) A shareholder loan from a wholly owned subsidiary of Keppel Offshore and Marine Ltd. to Blue Tern Ltd. of USD 12.2 million.
10) Financing facilities for UWL regarding 2 newbuilds.
11) A shareholder loan from Lars Rolner, who is a 50% owner of the shares in UWL, EUR 4.5 million.
12) As per 31 December 2020 a bank overdraft of EUR 24.4 regarding GWS, is included.
13) Sellers credit from HAL Nederland NV in connection with the acquisition of two cruise vessels, GBP 22.3 million.
14) The market value of the four outstanding Bonheur bond loans maturing in 2021, 2022, 2024 and 2025 were per year end 101.25, 101.75, 99.50 and 100.00, respectively.

Finance lease liabilities

Finance lease liabilities are payable as follows:

(Amounts in NOK 1000)	Future minimum lease payment 2020	Interest 2020	Present value of minimum lease payments 2020	Future minimum lease payment 2019	Interest 2019	Present value of minimum lease payments 2019
Less than one year	119 081	3 623	115 458	71 224	1 859	69 366
Between one and five years	18 721	0	18 721	23 612	293	23 319
More than five years	0	0	0	0	0	0
Total	137 802	3 623	134 179	94 836	2 152	92 685

Booked value of collateral

	Book value	
(Amounts in NOK 1 000)	31.12.2020	31.12.2019
Windfarms	3 248 550	3 281 566
Vessels	3 543 893	2 044 438
Other fixed assets	0	31 888
Total book value of collateral	6 792 443	5 357 892

Guarantees

Guarantees granted to associates		
Guarantees granted to Group companies' entities (reflected in the group accounts by recorded debt)	282 195	832 911
Total	282 195	832 911

Guarantees are granted in connection with the following investments		
Cruise ships	241 467	193 314
Windfarms	34 428	54 897
Wind vessels	0	572 100
Other*)	6 300	12 600
Total	282 195	832 911

*) Related to Koksa Eiendom AS.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities		Equity		
	Lease liabilities	Other interest bearing loans	Equity holders of the parent	Non-controlling interest	Total
Balance as per 1 January 2019	167 549	8 410 187	6 333 038	1 020 302	15 931 076
Changes from financing cash flows					
Proceeds from long-term loans and borrowings	0	5 428 171	0	0	5 428 171
Repayment of long-term loans and borrowings	0	-4 488 936	0	0	-4 488 936
Repayment of finance lease liabilities	-81 638	0	0	0	-81 638
Dividend paid	0	0	-170 128	-898 090	-1 068 218
Total changes from financing cash flows	-81 638	939 235	-170 128	-898 090	-210 621
Increase lease liabilities (IFRS 16)	221 745	0	0	0	221 745
Effect on liabilities of changes in foreign exchange rates	4 618	239 773	0	0	244 391
Comprehensive loss for the period *)	0	0	-504 689	112 097	-392 592
Balance as per 31 December 2019	312 274	9 589 195	5 658 221	234 309	15 793 999
Balance as per 1 January 2020	312 274	9 589 195	5 658 221	234 309	15 793 999
Changes from financing cash flows					
Proceeds from long-term loans and borrowings	0	2 239 327	0	0	2 239 327
Repayment of long-term loans and borrowings	0	-1 743 575	0	0	-1 743 575
Repayment of finance lease liabilities	-67 146	0	0	0	-67 146
Share issue in subsidiary	0	0	0	18 828	18 828
Dividend paid	0	0	-182 887	-65 489	-248 376
Total changes from financing cash flows	-67 146	495 752	-182 887	-46 661	199 058
Increase lease liabilities (IFRS 16)	202 777	0	0	0	202 777
Effect on liabilities of changes in foreign exchange rates	0	256 715	0	0	256 715
Effects from transactions with non-controlling interests	0	0	-51 177	-40 575	-91 752
Other	0	0	-17 482	0	-17 482
Comprehensive loss for the period *)	0	0	-947 046	18 061	-928 985
Balance as per 31 December 2020	447 905	10 341 662	4 459 629	165 134	15 414 330

*) According to statement of changes in equity, page 31.

Note 19 – Pension obligations

Accounting policies

Defined benefit plans

The Company and certain of its subsidiaries have pension plans for employees which provide for a defined pension benefit upon retirement (Defined benefit plans). These pension schemes are accounted for in accordance with IAS19

The calculation of the liability is made on a linear basis, taking into account assumptions regarding the number of years of employment, discount rate, future return on plan assets, future changes in salaries and pensions, the size of defined national contributions and actuarial assumptions regarding mortality, voluntary retirement etc. Plan assets are stated at fair values. Net pension liability comprises the gross pension liability less the fair value of plan assets. Net pension liabilities from under-funded pension schemes are included in the balance sheet as long-term interest free debt, while over-funded schemes are included as long-term interest free receivables, if it is likely that the over-funding can be utilized. The effect of retroactive plan amendments without future benefits, are recognized in the income statement with immediate effect. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) are recognized immediately in other comprehensive income.

Net pension cost, which consists of gross pension cost, less estimated return on plan assets adjusted for the impact of changes in estimates and pension plans, are classified as an operating cost, and is included in the line item “operating expenses”.

Pension schemes base the discount rate on the yield of long term covered bonds (OMF) at the statement of financial position date, adjusted to reflect the terms of the obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the calculation results in a benefit to the Group of companies, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

When benefits of a plan are improved, the portion of the increased benefit relating to past service is recognised as an expense in the income statement on a straight-line basis until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised in the income statement.

Employees of certain subsidiaries are covered by multi-employer pension plans administered by trade unions and by plans administered by related companies. Costs related to these plans are expensed as incurred.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group of companies has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Accounting estimate – pension obligation

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the calculated pension obligations. The Group of companies determines the appropriate discount rate at the end of each year. This rate is used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. The rate used for Norwegian subsidiaries is based on 10-year government bonds or OMF rate. Beyond 10 years the rate has been based on an extrapolation of the government bond rate and long-term swap rates for the relevant period. Other key assumptions for pension obligation are based on current market conditions.

Pension plans

Employees within of the Group of companies have the right to future pension benefits (defined benefit plans) based upon the number of contribution years and the salary level at retirement. The scheme of each entity is administered by individual pension funds or by separate insurance companies. Some subsidiaries have defined contribution schemes for all or some of their employees. In 2020, total costs incurred for defined contribution schemes were NOK 47 million (2019: NOK 39 million). The pension plans in the Norwegian companies meet the Norwegian requirements for a Mandatory Company Pension (OTP).

In total, the number of members in the funded defined benefit plans by the end of 2020 were 393, of which 214 were pensioners (2019: 425 of which 213 pensioners). FOCO related individuals are members of Fred. Olsen & Co.’s Pension Fund. Individuals employed in FOCO after 1 June 2012 are covered by contribution plans. Other FOCO related individuals have rights to future pension benefits (defined benefit plan) based on the number of contribution years and compensation level at retirement age. The Group of companies has unfunded (unsecured) pension arrangements for some executives with salaries in excess of 12 G. Those executives are also entitled to early retirement upon reaching 65 years of age. The early pension arrangement will represent 66% of the salary at the time of retirement until ordinary retirement. Executives of FOCO have similar arrangements.

The status of the defined benefit obligations is as follows:

(Amounts in NOK 1 000)	2020	2019
Present value of unfunded obligations	-584 348	-536 725
Present value of funded obligations	-822 987	-790 154
Total present value of obligations	-1 407 335	-1 326 879
Fair value of plan assets	879 484	886 377
Net liability for defined benefit obligations	-527 851	-440 502
Financial fixed assets / pension funds	63 153	99 131
Liabilities / Employee benefits	-591 004	-539 633
Net liability as at 31. December	-527 851	-440 502

Plan assets:
At the balance sheet date, plan assets are valued using market prices. This value is updated yearly in accordance with statements from the Pension Fund. There are no investments in the Company or in property occupied by the Group of companies.

Major categories of plan assets:

	2020	2019
Equity instruments	38%	41%
Corporate bonds	42%	40%
Government bonds	12%	11%
Other assets	8%	8%
Total Plan Assets	100%	100%

Movement in defined benefit obligations:

Movement in defined benefit obligations:	Funded obligation		Unfunded obligation		Net obligation	
(Amounts in NOK 1000)	2020	2019	2020	2019	2020	2019
Balance at 1. January	96 223	94 993	-536 725	-490 880	-440 502	-395 887
Correction previous year	0	0	235	0	235	0
	96 223	94 993	-536 490	-490 880	-440 267	-395 887
Pension contribution	28 491	34 256	0	0	28 491	34 256
Benefits paid by the plan *)	0	0	10 165	10 005	10 165	10 005
	28 491	34 256	10 165	10 005	38 656	44 261
Included in profit and loss:						
Interest on obligation / Interest on plan assets	-327	307	-13 282	-13 360	-13 609	-13 053
Current service cost	-31 038	-28 943	-20 173	-20 172	-51 211	-49 115
Past service cost	0	0	0	0	0	0
Currency effects / Corrections	0	0	140	0	140	0
Net pension cost	-31 365	-28 636	-33 315	-33 532	-64 680	-62 168

Included in other comprehensive income:						
Actuarial gain/(loss) arising from:						
Financial assumptions	-37 340	-1 561	-33 502	-14 271	-70 842	-15 832
Experience adjustments	27 966	-24 581	8 794	-8 047	36 760	-32 628
Return on plan assets	-27 478	21 751	0	0	-27 478	21 751
	-36 852	-4 391	-24 708	-22 318	-61 560	-26 709
Foreign currency translation	0	0	0	0	0	0
Balance as at 31. December	56 497	96 223	-584 348	-536 725	-527 851	-440 502

*) Payment of benefits from the funded defined benefit plans were in 2020 NOK 27,0 million (2019: NOK 28.2 million). Figure netted out in the table above

Principal actuarial assumptions at the balance sheet expressed as weighted averages:

	2020	2019
Discount rate / Expected return on plan assets at 31. December	1,75%	2,50%
Future salary increase	1,75%	2,25%
Yearly regulation in official pension index (G)	1,75%	2,25%
Future pension increases	1,20%	1,50%
Social security costs	14,10%	14,10%
Mortality table	K2013	K2013
Disability table	KU	KU

Discount rate in Defined Benefit Plans

The discount rate was determined by reference to high quality corporate bonds, where a deep enough market for such bonds exists. Covered bonds are in this context considered to be corporate bonds. In Norway the discount rate is determined with reference to covered bonds.

Sensitivity:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts below:

	Increase in PBO *)
(Amounts in NOK 1 000)	2020
Future salary increase with 0.25%	18 729
Future pension increase with 0.25%	39 297
Discount rate decreases with 0.25%	58 357
Future mortality assumption, increased lifetime by 1 year	58 703

*) Projected Benefit Obligation (PBO)

Expected contributions to funded defined benefit plans in 2021 are NOK 27 million.
Expected payment of benefits in connection with unfunded plans are in 2021 estimated to be NOK 12 million.

Risks:

The major risks for the defined benefit plans are interest rate risk, investment risks, inflation risk and longevity risk.

Note 20 – Deferred income and other accruals

Current items

(Amounts in NOK 1000)	2020	2019
Accrued interest other	50 463	68 147
Other accruals	415 653	514 174
Contract liabilities	786 635	1 048 654
Other accruals and deferred income	1 252 751	1 630 975

The Group of companies has short-term contract liabilities of NOK 787 million per 31 December 2020 (2019: 1 049 million). NOK 340 million is due to prepayments from sale of cruises (2019: 689 million), NOK 298 million is prepayment received from subscribers within NHST (2019: 321 million) and NOK 149 million is prepayment from customers within Wind Service (2019: NOK 39).

Non-current items

Decommissioning costs related to windfarms of NOK 456 million (2019: 417 million) is included under “Other non-current liabilities”.

Note 21 - Trade and other payables

(Amounts in NOK 1000)	2020	2019
Other trade payables	825 479	905 689
Total trade payables	825 479	905 689
Fair value of derivatives 1)	6 758	4 079
Total other payables	6 758	4 079
Total trade and other payables	832 237	909 768

1) For further information about derivatives see note 22.

Note 22 – Financial Instruments

Accounting policies

Classification of financial assets and liabilities

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. The Group of companies holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Since the profiles, maturities and other terms of the swaps do not match the underlying liabilities perfectly, the swaps are not accounted for using hedge accounting.

All equity instruments are measured at fair value with gains and losses either through profit or loss (FVTPL) or in other comprehensive income (FVOCI). All financial debt instruments are classified based on the entity's business model for managing the asset and the asset's contractual cash flow characteristics, as follows:

- Amortised cost - a financial asset is measured at amortised cost if both of the following conditions are met:
  - the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Fair value through other comprehensive income (FVOCI) - financial assets are classified and measured at FVTOCI if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Fair value through profit or loss (FVTPL) - any financial assets that are not held in one of the two business models mentioned are measured at FVTPL.

All financial liabilities are measured at amortized cost, except for financial liabilities at FVTPL. Such liabilities include derivatives, other liabilities held for trading, and liabilities that an entity designates to be measured at fair value through profit or loss.

Impairment

The impairment model applicable to financial assets, measured at amortized cost or FVOCI, is a forward-looking "expected credit loss" (ECL) model. This require forward looking judgements of two classifications:

- 12-month ECLs resulting from possible default events within the 12 months after the reporting date.
- Lifetime ECLs resulting from possible default events over the expected life of a financial instrument.

For impairment losses on financial assets measured at FVOCI, impairment losses shall be recognized in other comprehensive income, for other assets in profit or loss.

Accounting classifications and fair values

Financial assets and liabilities in the Group of companies consist of investments in other companies, trade and other receivables, cash and cash equivalents, interest rate instruments, forward foreign exchange contracts, trade and other payables, right-of-use liabilities, and borrowings.

The following table below shows the carrying amounts and fair values of the financial assets and financial liabilities, including their levels in the fair value hierarchy. Fair value disclosure of lease liabilities is not included.

For financial instruments measured at fair value, the levels in the fair value hierarchy are:

- Level 1: Fair values are based on prices quoted in an active market for identical assets and liabilities.
- Level 2: Fair values are based on price input other than quoted prices. Such prices are derived from observable market transactions in an active market for identical assets or liabilities. Level 2 includes currency or interest derivatives, typically when the Group of companies uses forward prices on foreign exchange rates or interest rates as inputs to valuation models.
- Level 3: Fair values are based on unobservable input, mainly based on internal assumptions used in absence of quoted prices from an active market or other observable price inputs.

Financial Instruments as of 31 December 2020

(Amounts in NOK 1 000)	Carrying value: Hedging instruments	Equity investments 1) at FVTPL	Equity investments 1) at FVOCI	Amortized cost	Total	Fair value: Level 1	Level 2	Level 3	Total
Other Shares 2)	0	64 425	85 987	0	**150 411**	65 095	0	85 317	**150 411**
Bonds 2)	0	293 932	0	0	**293 932**	293 932	0	0	**293 932**
Non-current receivables	0	0	0	7 010	**7 010**	0	0	0	**0**
Trade and other receivables	0	0	0	1 768 109	**1 768 109**	0	0	0	**0**
Cash and cash equivalents	0	0	0	4 350 535	**4 350 535**	0	0	0	**0**
Financial assets	**0**	**358 356**	**85 987**	**6 125 654**	**6 569 997**	**359 026**	**0**	**85 317**	**444 343**
Interest rate swaps	310 748	0	0	0	**310 748**	0	310 748	0	**310 748**
Forward exchange contracts	6 758	0	0	0	**6 758**	0	6 758	0	**6 758**
Bank overdrafts	0	0	0	255 461	**255 461**	0	0	0	**0**
Interest bearing bond loans	0	0	0	2 588 360	**2 588 360**	0	0	0	**0**
Secured bank loans	0	0	0	6 510 370	**6 510 370**	0	0	0	**0**
Unsecured loans	0	0	0	987 470	**987 470**	0	0	0	**0**
Finance lease liabilities	0	0	0	23 383	**23 383**	0	0	0	**0**
Right-of-use liabilities 3)	0	0	0	538 274	**538 274**	0	0	0	**0**
Trade and other payables	0	0	0	825 479	**825 479**	0	0	0	**0**
Financial liabilities	**317 506**	**0**	**0**	**11 728 798**	**12 046 303**	**0**	**317 506**	**0**	**317 506**

1) FVTPL is short for value through Profit and loss. FVOCI is short for value through other comprehensive income.

2) Investments in level 1 consist of listed shares and bonds with quoted market market prices, and investments in level 3 are shares where fair value cannot be measured reliably as the financial instrument is not traded in an active market. The best estimate of fair value is initial purchase price.

3) Right-of-use liabilities, according to IFRS 16 - Leases, amounts to NOK 538 million per 31 December 2020, of which NOK 425 million is interest bearing liabilities.

Financial Instruments as of 31 December 2019

(Amounts in NOK 1 000)	Carrying value: Hedging instruments	Equity investments 1) at FVTPL	Equity investments 1) at FVOCI	Amortized cost	Total	Fair value: Level 1	Level 2	Level 3	Total
Other Shares 2)	0	143 186	75 783	0	**218 969**	143 945	0	75 024	**218 969**
Bonds 2)	0	227 870	0	0	**227 870**	227 870	0	0	**227 870**
Non-current receivables	0	0	0	156 912	**156 912**	0	0	0	**0**
Trade and other receivables	0	0	0	1 509 522	**1 509 522**	0	0	0	**0**
Cash and cash equivalents	0	0	0	6 187 649	**6 187 649**	0	0	0	**0**
Financial assets	**0**	**371 056**	**75 783**	**7 854 083**	**8 300 922**	**371 815**	**0**	**75 024**	**446 839**
Interest rate swaps	193 834	0	0	0	**193 834**	0	193 834	0	**193 834**
Forward exchange contracts	938	0	0	0	**938**	0	938	0	**938**

Bunker swaps	1 481	0	0	0	**1 481**	0	1 481	0	**1 481**
Bank overdrafts	0	0	0	110 864	**110 864**	0	0	0	**0**
Interest bearing bond loans	0	0	0	2 390 183	**2 390 183**	0	0	0	**0**
Secured bank loans	0	0	0	6 143 483	**6 143 483**	0	0	0	**0**
Unsecured loans	0	0	0	1 055 528	**1 055 528**	0	0	0	**0**
Finance lease liabilities	0	0	0	90 530	**90 530**	0	0	0	**0**
Right-of-use liabilities 3)	0	0	0	425 382	**425 382**	0	0	0	**0**
Trade and other payables	0	0	0	909 768	**909 768**	0	0	0	**0**
Financial liabilities	**196 254**	**0**	**0**	**11 125 737**	**11 321 991**	**0**	**196 254**	**0**	**196 254**

1) FVTPL is short for value through Profit and loss. FVOCI is short for value through other comprehensive income.

2) Investments in level 1 consist of listed shares and bonds with quoted market prices, and investments in level 3 are shares where fair value cannot be measured reliably as the financial instrument is not traded in an active market. The best estimate of fair value is initial purchase price.

3) Right-of-use liabilities, according to IFRS 16 - Leases, amounts to NOK 538 million per 31 December 2020, of which NOK 425 million is interest bearing liabilities.

General

The Group of companies is exposed to various financial risk factors through its operating activities. The factors include market risks (currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The management seeks to minimise the risks and monitors the financial markets closely.

Fair values versus carrying amounts

Unless otherwise stated, the net book values are presumed to reflect the fair value of financial assets and liabilities.

Credit risk

The Group of companies continually evaluates the credit risks associated with customers and counterparties and, when necessary, requires guarantees or collaterals. The Group of companies' short-term investments are mainly limited to cash deposits with its relationship banks. The credit risk related to trade receivables is mainly within the business segments Renewable Energy and Wind Service from customers located in the EURO zone and United Kingdom. For further information, see note 3 - Financial Risk Management.

The Group of companies' financial assets were considered to have low credit risk per 1 January 2020. Historically, losses on receivables have been insignificant in the Group of companies. A large proportion of the Group of companies’ receivables are advance payments from customers in the business segment Cruise and in NHST Media Group AS in the Other investments segment. The Group of companies has considered that the credit risk has not increased significantly during 2020. Based on the group’s assessment, no significant changes in loss allowance are deemed necessary per 31 December 2020.

The carrying amounts of financial assets represent the maximum credit exposures. The maximum exposure to credit risk at the reporting date was:

(Amounts in NOK 1000)	Carrying amount	
	2020	2019
Financial assets, bonds	293 932	227 870
Trade receivables *)	1 448 384	1 320 341
Contract assets *)	319 725	189 181
Cash and cash equivalents	4 350 535	6 187 649
Total	6 412 576	7 925 041

*) Trade receivables (which also includes i.a. prepayments) and contract assets are to be collected from the following business segments:

(Amounts in NOK 1 000)	Carrying amount	
	2020	2019
Renewable Energy	566 641	614 122
Wind Service	974 278	603 971
Cruise	102 044	142 161
Other Investments	125 147	149 268
Total	1 768 109	1 509 522

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Carrying amount	
(Amounts in NOK 1 000)	2020	2019
UK	657 749	767 460
EURO-zone incl. Norway	874 241	557 906
America	227 296	89 261
Africa	0	31
Asia	6 576	27 015
Other	2 667	67 850
Total	1 768 529	1 509 522

Impairment losses

Loss allowances have been measured on the following bases:

- 12-month ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs that result from all possible default events over the expected life of a financial instrument.

The aging of trade and other receivables at the reporting date was:

(Amounts in NOK 1 000)	Gross 2020	Provisions 2020	Balance 2020	Gross 2019	Impairment 2019	Balance 2019
Not past due	1 612 293	0	1 612 293	1 350 869	0	1 350 869
Past due 0-30 days	78 769	0	78 769	104 983	0	104 983
Past due 31-180 days	37 298	-1 823	35 476	45 473	-1 445	44 028
Past due 181-360 days	34 144	-1 885	32 260	4 992	0	4 992
More than one year	16 421	-6 691	9 731	4 649	0	4 649
Total	1 778 926	-10 398	1 768 529	1 510 967	-1 445	1 509 522

Based on historic default rates, the Group of companies believes that limited impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days. Due to conditions related to specific customers in NHST Media Group AS and Transport & Installation in the Wind Service segment, a provision for losses has been made to certain receivables past due 31-180 days and 181-360 days respectively. Lifetime expected credit losses has been assessed and a provision for losses has been made to certain receivables related to specific customers in Global Wind Service in the Wind Service Segment.

Liquidity risk

The Group of companies is exposed to liquidity risk when payments of financial liabilities do not correspond to the cash flow from operations and/or financing. In order to effectively mitigate liquidity risk, the Group of companies' risk management strategy focuses on maintaining sufficient cash, marketable securities and/or committed credit facilities and targets a long -term funding profile. Moreover, the liquidity risk management strategy focuses on maximising the return on surplus cash as well as minimising the cost of short term borrowing and other transaction costs. In order to uncover future liquidity risk, the Group of companies forecasts both short-term and long-term cash flows. Cash flow forecasts include cash flows stemming from operations, investments and financing activities.
The liquidity risk is considered as moderate.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

(Amounts in NOK 1 000)			Due in				
31 December 2020	Carrying amount	Contractual cash flows	2021	2022	2023	2024	2025 and thereafter
Non-derivative financial liabilities	10 789 567	10 855 822	1 369 500	1 612 061	685 770	1 481 296	5 707 195
Derivative financial liabilities	317 506	395 107	69 745	57 819	52 084	45 937	169 522

(Amounts in NOK 1 000)			Due in				
31 December 2019	Carrying amount	Contractual cash flows	2020	2021	2022	2023	2024 and thereafter
Non-derivative financial liabilities	9 901 470	10 002 107	2 053 084	1 192 257	954 762	508 032	5 293 972
Derivative financial liabilities	194 595	456 537	69 490	62 750	57 603	51 893	214 801

Currency Risk

The Group of companies' financial statements are presented in Norwegian kroner (NOK). Most of the subsidiaries use Euro (EUR) or British Pound (GBP) as their functional currencies. The revenues mainly consist of GBP, EUR and NOK. The operating expenses mainly consist of USD, GBP, EUR and NOK.

The Group of companies is exposed to foreign currency risks related to its operations and debt instruments. As such, the earnings are exposed to fluctuations in the currency markets. The future foreign currency exposure depends on the currency denomination of future operating revenues and expenses. In the longer term, parts of the currency exposures are neutralised due to the majority of the Group of companies' debt is denominated in the same currencies as the revenues.

The management monitors the currency markets closely. In order to reduce the impact of currency rate fluctuations on the net income and the statement of financial position, currency contracts are entered into when considered appropriate.

The Group of companies' exposure to foreign currency risk was as follows based on notional amounts:

The figures are not directly comparable to the figures in the statement of financial position, as the statement of financial position shows the figures in actual currencies, net of intra group eliminations.

	31 December 2020			31 December 2019		
(Amounts in 1 000)	USD	GBP	EUR	USD	GBP	EUR
Gross statement of financial position exposure	-6 096	-359 029	-16 644	-16 729	-256 431	10 673
Forward exchange contract	0	0	-581	0	-128	0
Net exposure	-6 096	-359 029	-17 225	-16 729	-256 559	10 673

Currency sensitivity analysis

A 10 percent strengthening of the NOK against the following currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2019.

Effect in NOK 1 000	Equity	Profit or loss
31 December 2020		
USD	5 202	0
GBP	418 132	0
EUR	17 426	609
31 December 2019		
USD	14 689	0
GBP	297 296	148
EUR	-10 528	0

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2020	2019	2020	2019
1 USD	9,4146	8,8003	8,5326	8,7803
1 GBP	12,0635	11,2362	11,6462	11,5936
1 EUR	10,7258	9,8502	10,4703	9,8638

Interest rate risk

When the Group of companies borrows funds externally, the interest rate payable is in most cases based on a floating interest rate. In order to reduce the fluctuations of interests payable, interest rate swap agreements are entered into. The Group of companies is exposed to fluctuations in interest rates for GBP, EUR, USD and NOK.

All the interest rate swaps that are entered into are used for economical hedging. Therefore, the changes in the valuation of the interest rate swaps are taken over the profit or loss statement. The quarterly update of the valuations of the interest rate swaps may result in substantial financial gains and losses, depending on the changes in the interest rate levels.

The management monitors the interest rate markets closely and enters into interest rate swap agreements when this is considered appropriate. At the reporting date approximately 34% of the financial liabilities were interest hedged.

At the reporting date the interest rate profile of the Group of companies' interest-bearing financial instruments was:

(Amounts in NOK 1 000)	2020	2019
Fixed rate instruments		
Financial assets	12 000	0
Financial liabilities (interest-hedged portion of interest-bearing debt)	-3 651 140	-3 848 639
Total	-3 639 140	-3 848 639
Variable rate instruments		
Financial assets (cash and cash equivalents)	4 350 535	6 187 649
Financial liabilities (non-interest-hedged portion of interest-bearing debt)	-7 138 427	-6 052 830
Total	-2 787 892	134 819

Interest rate sensitivity

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts indicated below. This analysis is on a pre-tax basis and assumes that all other variables, in particular foreign currency rates, remain constant. Changes in the market value of interest rate swap agreements are not included. The analysis is performed on the same basis as for 2019.

	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2020				
Net interest costs	-27 879	27 879	-27 879	27 879
31 December 2019				
Net interest costs	1 348	-1 348	1 348	-1 348

Note 23 – Rental and leases

Leases as lessee

Accounting principles

At inception of a contract, the Group of companies assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group of companies uses the definition of a lease in IFRS 16.

IFRS 16 introduces a balance sheet lease accounting where a lessee will recognize a right of use asset and a corresponding lease liability.
At commencement or on modification of a contract that contains a lease component, the Group of companies allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 10). See also note 18 for information on the lease liabilities.

(Amounts in NOK 1000)	Vessels	Land and buildings	Other fixed assets	Total 2020
2020				
Balance at 1 January	47 407	221 034	20 482	288 923
Depreciation charge for the year	-28 123	-50 273	-6 208	-84 604
Impairment	-5 642	-2 242	0	-7 883
Additions to right-of-use assets	0	302 662	8 458	311 119
Derecognition of right-of-use assets	0	-25 144	-8 794	-33 938
Currency differences	3 719	8 209	1 169	13 097
Balance at 31 December	**17 362**	**454 246**	**15 106**	**486 714**

(Amounts in NOK 1000)	Vessels	Land and buildings	Other fixed assets	Total 2019
2019				
Balance at 1 January	0	241 665	2 323	243 987
Depreciation charge for the year	-28 851	-31 531	-7 519	-67 901
Impairment	-32 057	0	0	-32 057
Additions to right-of-use assets	108 356	10 606	29 352	148 314
Derecognition of right-of-use assets	0	0	-3 867	-3 867
Currency differences	-40	294	192	446
Balance at 31 December	**47 407**	**221 034**	**20 482**	**288 923**

Amounts recognized in profit or loss

(Amounts in NOK 1000)		
2020 - Leases under IFRS 16	**2020**	**2019**
Depreciation charge for the year	84 604	67 901
Interest on lease liabilities	22 669	10 882
Expenses related to short-term leases	430 850	22 516

Amounts recognized in statement of cash flows

(Amounts in NOK 1000)	2020	2019
Total cash outflow for leases	**166 465**	**111 245**

Most of the lease rentals in the Group of companies are related to office rental contacts in several countries, land leases regarding wind farms and lease of a jack-up vessel on time charter within Wind Service. The additions to right-of-use assets in 2020 are mainly related to contracts with minimum rent payments in the Renewable Energy segment and car leasing contracts in the Global Wind Service Group, a segment in the Wind Service. Expenses included in profit or loss from short-term leases are mainly related to lease of cranes and various equipment in the Global Wind Service Group.

The office rental contracts are mainly within the subsidiary NHST Media Group AS. The most significant leases are related to the main offices in the Europe and has a duration of 5-10 years, some which contain renewal options. The renewal period is a significant proportion of the leasing liability. It is assessed that it is most likely to exercise the options to extend the lease period and the calculation of the liability and right-of-use asset is based on this assumption.

The lease contract for the jack-up vessel has a non-cancellable period of 30 months, commencing 10 May 2019, and with renewal options which are not included in the lease calculation.

Also included are land leases, with fixed payments, regarding wind farms within Renewable Energy. These contracts are mainly compensation for road access, use of a compound or a minimum rent to the landowners. The land rent contracts normally have variable lease terms based on turnover or usage. These lease payments depending on turnover or usage will continue to be recognized in profit or loss when the use occurs. These payments are not included in the lease liability that is recognized under IFRS 16, due to their variable nature. The total expense relating to variable lease payments which is not included in the measurement of lease liabilities is NOK 36 million in 2020 (NOK 48 million in 2019). The cash outflow from variable leases is estimated to NOK 41 million in 2021.

The Group of companies has some short-term office rental contracts and leases of low-value items which the Group of companies has elected not to recognize as right-of-use assets and lease liabilities.

Leases as lessor

Accounting principles

At inception or on modification of a contract that contains a lease component, the Group of companies allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

When the Group of companies act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group of companies makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, The Group of companies consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group of companies applies IFRS 15, Revenue from contracts with customers, to allocate the consideration in the contract. The Group of companies applies the derecognition and impairment requirements in IFRS 9, Financial instruments, to the net investment in the lease.

For further details, see note 5.

Note 24 – Capital commitments

(Amounts in NOK 1000)	Per year end 2020			Per year end 2019		
Project	Committed	Capitalised	Remaining	Committed	Capitalised	Remaining
Renewable Energy						
Högaliden	811 448	686 328	125 120	1 029 293	370 270	659 023
Brockloch Rig Windfarm (formerly Windy Standard II)	0	0	0	10 679	6 167	4 512
Misc.	9 317	0	9 317	9 275	0	9 275
Total			134 437			672 810
Wind Service						
Fred Olsen Windcarrier, new crane	326 883	147 556	179 327	0	0	0
United Wind Logistics GmbH (2 newbuildings)	0	0	0	379 134	138 893	240 241
Misc.	0	0	0	868	0	868
Total			179 327			241 109
Cruise						
Bolette and Borealis - new vessels	2 337	0	2 337	0	0	0
Other vessels	0	0	0	333	0	333
Misc.	30 796	0	30 796	62 210	21 740	40 470
Total			33 133			40 804
Remaining capital commitments			346 898			954 722

Note 25 – Contingencies

The Group of companies is subject to various legal and tax claims arising in the normal course of business which the Group of companies assesses on a regular basis.

Outstanding receivables from customers

Universal Foundation, a wholly owned subsidiary, is a company involved in design and installation support for two Mono Bucket foundations at the Deutsche Bucht project. In 2019 Universal Foundation received a notification of liability from the client, Van Oord. This was followed up by a letter in Q4 2020 setting out that Van Oord considered Universal Foundation to be liable for a design error on the Mono Bucket foundations. Universal Foundation has not accepted liability. The parties await discussion on liability following a response from the underwriters.

Outstanding issues from suppliers

No significant outstanding issues recognized as per year end 2020.

Tax disputes

There is one ongoing tax dispute in a subsidiary within the Group of companies and the Norwegian tax authorities. The company received a final decision in June 2016 leading to payable tax of NOK 67 million, including penalty tax and interests. The amount was accounted for in the 2nd quarter 2016 and paid. The company originally challenged the decision, but finally ended up only challenging the decision regarding the penalty tax. See note 9.

Note 26 – Related party information

In the ordinary course of business, the Group of companies recognizes certain business transactions with accounting wise related parties. This note addresses the background, the services included, the compensation principles as well as the governance principles applied to such main arrangements.

Fred. Olsen & Co.

The origin of the firm FOCO dates back to 1848. The current proprietor of FOCO, Anette Sofie Olsen, identifies the fifth generation Olsen and can draw an uninterrupted line of business conduct back to 1848. Whilst some Fred. Olsen-related activities are investments by the Company, others remain private - but they all stem from the private entrepreneurship back in 1848.

A good example is the Renewable energy business segment, which in the early nineties of the last century evolved out of private Fred. Olsen-related green energy activities in the moorlands of Scotland. At the time this was far from what the maritime oriented the Company were focusing on. However, on the back of these activities an opportunity was made available for The Company to expand its business interests into investing in constructing, owning and operating windfarms, initially primarily in the UK.

FOCO has for generations managed, the day-to-day operation of the Company. The public sphere of the Fred. Olsen-related activities was in earlier years centred around five shipping companies, all listed on the Oslo Stock Exchange and each engaged in distinct business activities and operated by FOCO Following various mergers, the latest in May 2016, The Company became the sole surviving entity out of these five companies, but now with investments in a variety of diversified business segments, each subject to autonomous corporate structures and accordingly with distinct managements.

Over the years FOCO has in addition also been engaged in day-to-day operation or provision of professional services to other companies and investment funds.

In addition to being in charge of the day-to-day operation of The Company, FOCO today also provides a variety of professional services market terms to predominantly subsidiaries of the Company engaged in the various business segments within which the Company is invested. FOCO only to a very limited degree provides services to private Fred. Olsen-related companies, and then at rates equal to those applied to subsidiaries of the Company.

The Board of Bonheur is satisfied that the arrangement with FOCO in charge of the day-to-day operation of the Company, which for decades has proved successful, also today is very suitable.

The Board is of the view that the business segments within which the Company at any one point in time is invested through subsidiaries, must be operated on an autonomous basis. At the same time, and partly for the same reason, it is of significant value to the Company that FOCO with its experience and knowledge on a professional basis assists each of these business segments in achieving their respective goals. That in turn provides a unique platform for FOCO to be able to efficiently provide such day-to-day operation of the Company that is needed. By FOCO being in charge of both the day-to-day operation of the Company and the provision of a variety of services to subsidiaries of Bonheur, the Company and FOCO achieve cost and competence synergies. Such benefits are realized without any interests being compromised.

For its services to the Company, FOCO is compensated through a cost-plus model. A mark-up commensurable with margins used in comparable uncontrolled transactions is applied on top of a cost base consisting of documented expenses mainly related to personnel, external consultancy services, rent and IT expenses (see below table). Pension costs relative to FOCO, hereunder pension to Mr. Fred. Olsen, do not form part of this cost base but are charged directly to the Company. The profit margin on ordinary services payable to FOCO has in recent years equalled 12 %.

The compensation model also allows for a potential limited annual bonus to FOCO on top of the ordinary compensation, conditional on to what extent different criteria have been met. Such bonus has since 2014 varied between 0, and NOK 3.3 million out of NOK 5.6 million, which currently identifies the maximum obtainable bonus.

The compensation model is monitored by the Shareholders' Committee who applies it in connection with its annual recommendation to the Board on compensation and possible bonus to FOCO. The five members of the Shareholders' Committee are all independent of the majority shareholders of the Company. When dealing with these recommendations, the Board will be constituted by its, in this regard non-conflicted Directors. The Board of the Company consists of six Directors out of which four Directors are independent of the majority shareholders of the Company and of FOCO.

The aforementioned compensation - together with a possible bonus - is the only compensation FOCO receives. The profit margin and the maximum obtainable bonus is subject to regular third-party benchmarking and review, performed every 3 years, last time in 2019, also monitored by the Shareholders' Committee.

(Amounts in NOK 1000)	2020	2019
Costs together with profit margin and bonus to Fred. Olsen & Co., charged to the Company	112 175	118 908
Costs and fees charged to subsidiaries	51 066	42 757
Amount outstanding between Fred. Olsen & Co. and the Company *)	-6 203	-3 461
Amount outstanding between Fred. Olsen & Co. and subsidiaries of the Company *)	-2 982	-7 513

*) Short term outstanding in connection with current operations.

Renewable Energy

NPC, which was incorporated in 1995, provides business development and wind farm site investigations in the UK. Certain assets and activities have previously been spun off to FOR. Since then and today, NPC is a provider of services to FOR as well as other, unrelated companies as a third-party renewable energy consultancy and service provider.

Zephir Ltd. provide wind measurement tools (Wind Lidars) for wind farm Development, Site Construction through to Site and Project Operations as well as in other Weather Monitoring activities.

ZX Measurement Services provide wind measurement services such as lidar rental, campaign design and optimization, analysis etc.

NPC, Zephir Ltd. and ZX Measurement Ltd. are owned by FOL which is owned by the private Fred. Olsen-related companies AS Quatro and Invento AS; both major shareholders in the Company.

Scope of services:

NPC provides both consultancy services and operations-related services for FOR's wind farms in the UK. FOR has contracted NPC to provide site and asset management services for its wind farms in the UK and also to provide specific consultancy services mainly related to planning, environmental, technical, construction, and geotechnical services within renewable energy.

Invoiced from related parties (NOK 1 000)	2020	2019
Natural Power Consultants Ltd. (NPC with subsidiaries - asset management services)	110 857	102 291
Natural Power Consultants Ltd. (NPC with subsidiaries - other consultancy services)	26 436	28 966
Fred. Olsen Ltd.	4 502	5 210
Fred. Olsen & Co.	18 707	11 976
Zephir Ltd.	14 247	11 109
ZX Measurement Services Ltd.	3 628	2 566
Total paid to related parties	178 378	162 117

FOR hires and shares office locations and other administrative services such as HR and IT support from FOL in London.

Governance

All contracts between respectively FOR and NPC, and FOR and FOL are based on the arm's length principle. The asset management services are, in accordance with shareholder and loan agreements within FOR, at regular intervals and with advice from independent expert benchmarked and tested against comparable contracts tendered in the market to ensure they are at terms comparable to those available in the market.

Cruise

FOCL has its commercial operation located in Ipswich (UK) while its technical operation is located in Oslo**.** The segment is subject to the following related party interests:

Shared Services with Fred. Olsen Ltd.

FOCL has for many years been part of and has benefited from a wide range of shared services, such as HR, IT and administration, under an office community with FOL in an office building at White House Road, Ipswich. The rents are at market terms and subject to annual review. The other services from FOL are paid for at cost.

For further enhancement of the office situation in Ipswich, it has been decided to extend and improve the office building at White House Road, Ipswich. Together with FOL, FOCL have established a joint venture company (Fred. Olsen House (JV) Ltd. (FOHJV)) for the purpose of having the building transferred and for funding of the necessary extension and improvement works. During 2019 the office building was transferred from FOL to FOHJV. FOCL has made a cash investment of GBP 2.6 million as its 50% share in FOHJV. The extension was completed in 2020. The investment is included under Financial fixed assets.

Travel agency services from Fred. Olsen Travel Ltd.

FOTL is a subsidiary of FOL.

FOTL (UK) facilitates relevant flight bookings for the crew employed by FOCL and some passengers and also acts as an ordinary sales agent for cruise holidays operated by FOCL. These services, however, only amount to a minor share of FOTL's total revenues. The crew flights services are based on cost plus a service fee per booking. The sales agency is paid a commission on similar terms to other commercial agreements in place between FOCL and independent agents.

Crewing services from Bahia Shipping Services Inc.

FOCL deploy crew partly from the Philippines with Bahia Shipping Services Inc. based in Manila (Bahia). Bahia came about in 1987 out of a need for a professional crewing company to provide qualified personnel and secure fair treatment of the crew. The majority of the crewing companies in the Philippines at that time did not meet FOCL's HSEQ requirements in this respect, which was the key reason for Bahia coming into existence. Fred. Olsen jnr. owns 25% of Bahia Shipping Services, while the remaining 75% is owned by non-related Philippine third parties.

In 2020 Fred. Olsen Jnr. received NOK 1.7 million (2019: NOK 1.6 million) as an aggregate compensation as chairman of the board of FOCL and for other work carried out to FOCL and subsidiaries. Fred. Olsen Jnr.is one of the indirect ultimate owners of AS Quatro and Invento AS.

Bahia is delivering a complete set of crewing services for crew out of the Philippines, including recruitment, interviewing, testing, training, legal matters, travel arrangements etc. Bahia also facilitates flight bookings for crew travelling from the Philippines to the cruise vessels. The major part of what is paid to Bahia is a pass-through service of wages to crew members (allotment) being funds transferred via Bahia for payment to the crew in the Philippines. Bahia provides crewing services also to other, non-Fred. Olsen-related shipping companies. Cost of crew flights are based on actual cost. Recruitment fees are based on market rates and subject to market testing. Bahia's agency fee is a flat fee negotiated between FOCL and Bahia and based both on market rate and assessment of hours effort required. The numbers in the first table below reflect net amounts, pass-through expenses are excluded.

Invoiced from related parties (NOK 1 000)	2020	2019
Fred. Olsen Travel Ltd (commissions paid on crew flights etc)	1 260	2 344
Fred. Olsen Travel Ltd (commissions earned on sale of cruise tickets)	1 737	7 697
Bahia Shipping Services Inc. (Agency fee for crewing services)	4 507	6 428
Fred. Olsen & Co. (Invoiced for admin fee for Group services)	688	302
Commissions and fees paid to related parties	8 192	16 771

The table below reflects gross numbers and thus also pass-through expenses.

Invoiced from related parties (NOK 1 000)	2020	2019
Fred. Olsen Ltd. (Office premises - lease)	1 701	1 650
Fred. Olsen Ltd. (Infrastructure and establishment services)	8 837	13 258
Fred. Olsen Ltd. (Office management and personnel services)	15 685	11 545
Cost for office premises, Infrastructure and office management paid to Fred. Olsen Ltd.	26 223	26 453

Other transactions with related parties

The Wind Service segment of the Company was invoiced NOK 25.0 million (2019: NOK 19.7 million) for services from FOCO.

Bahia has provided certain crewing services to the Wind Service segment of which a commission of NOK 0.6 million (2019: NOK 0.6 million) was paid.

FOCO in 2020 paid NOK 5.6 million (2019: 5.0 million) to the Group of companies for rent of office space. The rent is market based and on similar terms as for other tenants in the quarter in Fred. Olsens gate 2 in Oslo.

The Company rents an office building in Hvitsten from a private Fred. Olsen-related company. Rent paid in 2020 as well as in 2019 was NOK 0.4 million.

Fred. Olsen is party to a consultancy agreement with FOCO. In 2020, NOK 5.2 million was paid under this consultancy agreement (2019: NOK 5.1 million). Such payment is part of the costs charged to Bonheur.

Members of the Board of Directors, the managing director and other related parties hold per year end 2020 in total NOK 63 million of BON06, BON07, BON08 and BON09 bond loans (2019: NOK 75 million).

As per 31 December 2020 the members of the Board, members of the Shareholders' Committee and the Managing Director owned and/or controlled directly and/or indirectly, the following number of shares in the Company:

Board of directors:	
Fred. Olsen	40 586
Carol Bell	1 200
Bente Hagem	765
Andreas Mellbye	0
Nick Emery	0
Jannicke Hilland	0

Shareholders' committee:	
Einar Harboe	109
Jørgen G. Heje	2 180
Bård Mikkelsen	0
Ole Kristian Aabø-Evensen	0
Christian F. Michelet	0

Managing Director:	
Anette S. Olsen	2 942

Private Fred. Olsen related interests directly and/or indirectly owned or controlled 22 035 780 shares in the Company.

Note 27 – Group of companies

Accounting policies

The consolidated financial statements include the Company and its subsidiaries. A company within the Group of companies controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Bonheur ASA is the parent in the Group of companies with the following subsidiaries:

	Country of incorporation	Ownership interest	
		2020	2019
Fred. Olsen Renewables AS	Oslo, Norway	100,00%	100,00%
Fred. Olsen Ocean Ltd.	Hamilton, Bermuda	100,00%	100,00%
First Olsen Holding AS 1)	Oslo, Norway	100,00%	100,00%
NHST Media Group AS 2)	Oslo, Norway	56,72%	55,94%
Bonheur og Ganger Rolf ANS 3)	Oslo, Norway	0,00%	100,00%
BGANS AS 3)	Oslo, Norway	0,00%	100,00%
Fred. Olsen Travel AS	Oslo, Norway	100,00%	100,00%
Fred. Olsen Insurance Services AS	Oslo, Norway	100,00%	100,00%
AS Stavnes Byggeselskap	Oslo, Norway	100,00%	100,00%
Fred. Olsen Spedisjon AS	Oslo, Norway	100,00%	100,00%
Fred. Olsen Cruise Lines Pte Ltd	Singapore	100,00%	100,00%
Ganger Rolf AS 4)	Oslo, Norway	100,00%	100,00%
FOO AS 4)	Oslo, Norway	100,00%	100,00%
Fred. Olsen Canary Lines S.L. 4)	Spain	100,00%	100,00%
Felixstowe Ship Management Ltd. 4)	UK	99,85%	99,85%

1) During 2020 there were share issues of total NOK 178 844 000 in First Olsen Holding AS and GBP 22 million (NOK 256 216 400) in the Cruise Holding Company in UK, First Olsen Holding Ltd.

2) During 2020, the Company increased its ownership in NHST Media Group AS to 56.72% (inclusive own shares) in connection with a rights issue in the company.

3) Bonheur og Ganger Rolf ANS was 99 % owned by the Company and 1% by AS Stavnes Byggeselskap. During 2020, assets and liabilities in Bonheur og Ganger Rolf ANS were transferred to BGANS AS, 100% owned by Bonheur ASA. Subsequently, BGANS AS was liquidated.

4) Based on the Company’s ownership interest the companies are classified as subsidiaries, but due to no or insignificant activity the companies are not consolidated in the Group of companies.

Note 28 – Acquisition of 50% shareholding in United Wind Logistics GmbH

On 27 March 2019 FOO, a company wholly owned by the Company, entered into an agreement to acquire a 50% ownership in UWL through the contribution of new equity in the amount of EUR 12 million. The ownership split in UWL is FOO 50.0 %, United Shipping Group GmbH 37.5 % and CPLP Holding GmbH 12.5 %.

UWL is a Hamburg (Germany) based company offering services within marine transportation of various offshore wind turbine components, such as blades, nacelles and towers from nearby manufacturing sites to pre-assembly ports closer to offshore wind farm sites.

Based on the purchase price and fair value of identified assets and liabilities, there was estimated a total goodwill, including assembled workforce and deferred tax of EUR 9.6 million and customer relationship of EUR 2.8 million.

Note 29 – Subsequent events

There are no material subsequent events relative to the results per 31 December 2020.

Bonheur ASA

Income Statement (NGAAP)

(Amounts in NOK 1000)	Note	2020	2019
Other income	12	12 675	276
Total income		12 675	276
Operating expenses	1	-141 836	-140 529
Depreciation	3	-4 431	-2 903
Total operating expenses		-146 267	-143 432
OPERATING RESULT		-133 592	-143 156
Interest income	7	26 283	88 567
Dividends	15	0	956 465
Foreign exchange gains		208 331	93 154
Gain on sale of bonds and securities	5	125	3 884
Other financial income		7 739	12 729
Total financial income		242 478	1 154 799
Other interest expenses	9	-104 195	-107 952
Foreign exchange losses		-167 382	-39 429
Loss on sale of bonds and securities	5, 6	-7 165	-210
Other financial expenses	16	-121 369	-160 623
Total financial expenses		-400 111	-308 214
Net financial items		-157 633	846 585
RESULT BEFORE TAX		-291 225	703 429
Current tax	11	0	0
Deferred taxes	11	0	0
RESULT FOR THE YEAR		-291 225	703 429
Proposed allocations:			
Dividends	8	170 128	182 887
Other equity	8	-461 353	520 542
Total allocations		-291 225	703 429

Bonheur ASA

Balance Sheet (NGAAP)

(Amounts in NOK 1000)	Note	2020	2019
Assets			
Non-current assets			
Real estate	3	40 593	24 974
Other property, plant and equipment	3	28 730	22 972
Total property, plant and equipment		69 323	47 946
Investments in subsidiaries	4	6 116 703	5 915 103
Investments in other shares	5	54 820	44 810
Bonds	6	292 607	226 632
Other receivables	7	769 193	27 024
Pension funds	2	9 935	23 960
Financial fixed assets		7 243 258	6 237 529
Total non-current assets		7 312 581	6 285 475
Current assets			
Short-term securities	5	36 528	128 342
Current receivables	7	11 260	7 359
Restricted cash	14	501 904	501 519
Cash and cash equivalents	14	2 405 933	3 615 016
Total current assets		2 955 625	4 252 236
TOTAL ASSETS		10 268 206	10 537 711
Equity and liabilities			
Equity			
Share capital	8	53 165	53 165
Additional paid in capital		143 270	143 270
Total paid in capital		196 435	196 435
Other equity		6 810 326	7 309 503
Total equity	8	7 006 761	7 505 938
Liabilities			
Pension liabilities	2	477 041	435 222
Total provisions		477 041	435 222
Bond loans non-current		1 988 660	1 891 495
Total non-current liabilities	9	1 988 660	1 891 495
Bond loans current		599 700	498 688
Other current liabilities		196 044	206 368
Total current liabilities	9	795 744	705 056
Total liabilities		3 261 445	3 031 773
TOTAL EQUITY AND LIABILITIES		10 268 206	10 537 711
Guarantees	10	282 195	832 911

Oslo, 9 April 2021
Bonheur ASA – The Board of Directors

Fred. Olsen Chairman Sign.	Carol Bell Director Sign.	Bente Hagem Director Sign.	Jannicke Hilland Director Sign.	Andreas Mellbye Director Sign.	Nick Emery Director Sign.
					Anette Sofie Olsen Managing Director Sign.

Bonheur ASA

Cash Flow Statement (NGAAP)

(Amounts in NOK 1000)	Note	2020	2019
Cash flow from operating activities:			
Net result after tax	8	-291 225	703 429
Adjustments for:			
Depreciation	3	4 431	2 903
Impairment of investments	16	115 975	148 682
Pension costs		32 041	29 489
Amortisation of borrowing costs		4 151	3 990
Unrealized currency gains (-) / losses		21 221	0
Interest income		-26 283	-88 567
Dividends		0	-956 465
Interest expenses		104 195	107 952
Gains (-) / losses on sale property, plant and equipment	3	0	-201
Gains (-) / losses on sale of shares and bonds		7 040	-3 674
Taxes	11	0	0
Cash generated before changes in working capital and provisions		-28 454	-52 462
Increase (-) / decrease in trade and other receivables		-752	15 607
Increase / decrease (-) in current liabilities		-9 960	-28 912
Net cash generated from operations		-39 166	-65 767
Interest paid		-110 777	-111 364
Tax paid	11	0	0
Net cash from operating activities		-149 943	-177 131
Cash flow from investing activities:			
Proceeds from sale of property, plant and equipment	3	0	470
Proceeds from sale of shares and bonds		72 962	109 144
Interest received		20 098	92 884
Dividends received		0	956 465
Acquisitions of property, plant and equipment		-1 581	-468
Acquisitions of shares in subsidiaries, other shares and bonds	4	-358 260	-162 061
Net change in long term receivables		-803 113	-162 079
Net cash flow from investing activities		-1 069 894	834 355
Cash flow from financing activities:			
Increase in borrowings	9	694 026	792 800
Repayment of borrowings	9	-500 000	-844 000
Dividends paid	8	-182 887	-170 128
Net cash flow from financing activities		11 139	-221 328
Net change in cash and cash equivalents		-1 208 698	435 896
Cash and cash equivalents at 1 January	14	4 116 535	3 680 639
Cash and cash equivalents at 31 December	14	2 907 837	4 116 535

Bonheur ASA

General Information and summary of significant Accounting Principles

Bonheur ASA is an investment company performing Group Management, Corporate Functions, and the Group's internal bank (Group Treasury).

The accounts have been prepared in accordance with the Norwegian accounting act and generally accepted accounting principles in Norway. The annual accounts give a true and fair view of assets and liabilities, financial status and result.

All figures presented are in NOK unless otherwise stated.

The annual accounts are based on basic policies related to historical cost, comparability, going concern, congruence and prudence. Specific transactions are recognized at fair value of the date of the transactions. Revenues from house rental, which is invoiced monthly, is recognized in the income statement once invoiced.

Assets related to receivables payable within one year are classified as current assets. Other assets are classified as non-current assets. An equivalent principle is applied to liabilities. Instalments related to long term debt payable within one year are classified as short-term liabilities.

Bonheur ASA's significant accounting principles are consistent with the accounting principles for the Group, as described in note 1 and in the separate notes of the consolidated financial statements. Where the notes for the parent company are substantially different from the notes for the Group, these are explained below. Otherwise, refer to the notes to the consolidated financial statements.

Foreign currency items and derivatives

Short and long-term assets and liabilities are valued at currency rates prevailing at year end. Unrealized losses are expensed, and unrealized gains are accounted for as financial income.

Currency- and interest rate swaps are valued according to the lower of cost and market value principle, i.e. unrealized losses are accounted for in the income statement and balance sheet.

Shares and other securities

Long term investments in subsidiaries and associated companies are classified as financial fixed assets in the balance sheet and measured at the lower of cost and fair value. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or have rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Long term and short-term investments in other shares and bonds held to maturity date, are classified as financial fixed assets or current assets in the balance sheet and measured at the lower of cost and fair value. Average cost is used when gains/losses on sale of shares and bonds are calculated. Gains/losses on sale of securities are recognized in the income statement as financial income/losses.

Management expenses

The Company's relative share of Fred. Olsen & Co.'s management expenses are charged to «operating expenses» in the income statement.

Pension cost/-commitments

The Company has chosen to follow IAS 19 also for the parent company's presentation of the pension costs, as optionally granted in NRS 6A.

Net pension cost, which consists of gross pension cost, less estimated return on plan assets adjusted for the impact of changes in estimates and pension plans, are classified as an operating cost, and is presented in the line item "operating expenses" whereas the changes in estimates are recognized in equity.

Dividends received

Dividend income is recognised in profit or loss on the date that the company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date. Dividends from non-listed securities are recognised in profit or loss at the date the company receives the dividends.

Transactions with related parties

Purchase and sale transactions with related parties in Norway, in line with the Norwegian Companies Act § 3-9, are carried out to the general business terms and principles. The same applies to the purchase from and sale to foreign related parties. Recognition, classification etc follow the Act's general principles. There are written agreements for significant transactions. Transactions with related parties are specified in note 12.

Bonheur ASA's share of revenues, expenses, gains and losses not attributable to a particular company in the same group is based on allocation keys in accordance with good business practice.

Note 1 – Personnel expenses, professional fees to the auditors and other operating expenses

The Company has no employees. The position as managing director is held by Anette S. Olsen as part of the day-to-day operation of the Company provided by FOCO. See note 12.

FOCO has for the same period charged subsidiaries and other company related parties for comparable services under separate agreements

(Amounts in NOK 1 000)	Note	2020	2019
Remuneration etc			
Admin. costs together with profit margin and bonus to FOCO, charged the Company	12	80 134	89 419
Employee benefits/pension costs related to FOCO, charged the Company	2,12	32 041	29 489
Fees to the Board of Directors and Shareholders' Committee		4 075	4 031
Other operating expenses **)		25 586	17 590
Total Operating expenses		141 836	140 529

(Amounts in NOK 1 000)	2020	2019
****) Hereof professional fees to the auditors**		
Statutory audit	3 332	2 485
Other audit related services	1 511	2 807
Tax advice	101	500
Other services outside the audit scope	45	114
Total (VAT included)	4 988	5 906

Remuneration to the Board of Directors and the Shareholders Committee

In 2020, the members of the Board received the following directors’ fees:

(Amounts in NOK 1000)	2020	2019
Fred. Olsen, Chairman of the Board	1 420	1 495
Andreas Mellbye	358	408
Helen Mahy (to 17 July 2020)	49	456
Carol Bell *)	400	388
Nick Emery *)	406	456
Bente Hagem (from 17 July 2020)	306	0
Jannicke Hilland (from 17 July 2020)	306	0
Total compensations	3 245	3 201

*) Includes compensation for overnight stops in connection with Board Meetings.

Remuneration to the Shareholders' Committee:

(Amounts in NOK 1000)	2020	2019
Christian Fr. Michelet	190	190
Einar Harboe	160	160
Jørgen G. Heje	160	160
Bård Mikkelsen	160	160
Ole Kristian Aabø-Evensen	160	160
Total compensations	830	830

Note 2 – Pensions / Employee benefits

The Company has no employees, although the position of managing director is held by Anette S. Olsen as part of the overall managerial services under an agreement with FOCO, comprising also financial, accounting and legal services. The Company is charged for the execution of these services and for pension costs related to the employees of FOCO. See note 12.

Employees of FOCO, who were employed before 1 June 2012, are members of FOCO's Pension Fund. Members of the pension fund have the right to future pension benefits (defined benefit plan) based upon the number of contribution years and salary level at retirement. The pension scheme is administered by FOCO's Pension Fund, which is a separate legal entity, mainly investing its funds in interest bearing securities and shares in Norwegian listed companies. As per 31 December 2020, 104 employees in FOCO were members of the defined benefit scheme in the pension fund (2019: 107), whereof 81 pensioners (2019: 84).

All persons employed after 1 June 2012 are offered a Defined Contribution Scheme. All employees as at June 2012 decided to keep their defined benefit plans. The pension schemes are accounted for in accordance with IAS19. The pension plans are in compliance with the Norwegian requirements for Mandatory Service Pension (OTP)

FOCO has unfunded (unsecured) pension obligations towards 23 of its directors and senior managers with a salary exceeding 12 G (of whom 12 pensioners). The directors have the right to an early pension upon reaching 65 years of age, while other managers have a retirement age of 70 years. The pension obligations represent 66% of the relevant salary at the time of retirement.

(Amounts in NOK 1 000)	2020	2019
Present value of unfunded obligations	-477 042	-435 222
Present value of funded obligations	-250 420	-242 596
Total present value of obligations	-727 462	-677 818
Fair value of plan assets	260 355	266 555
Net liability for defined benefit obligations	-467 107	-411 263
Hereof unfunded pension plans (net liability)	-477 042	-435 222
Hereof funded pension plans	9 935	23 959
Recognized net defined benefit obligations	-467 107	-411 263

Expected payment of benefits from the funded plans are in 2021 estimated to be 12.2 million.
Expected contributions to funded defined benefit plans in 2021 are NOK 5.7 million.
Expected payment of benefits from the unfunded plans are in 2021 estimated to be 9.7 million.

Movement in defined benefit obligations:	Funded obligations		Unfunded obligations		Total obligation	
(Amounts in NOK 1000)	2020	2019	2020	2019	2020	2019
Balance at 1. January	23 959	35 420	-435 222	-394 108	-411 263	-358 688
Pension contribution	5 565	0	0	0	5 565	0
Benefits paid by the plan *)	0	0	8 477	8 090	8 477	8 090
	5 565	0	8 477	8 090	14 042	8 090
Included in profit and loss:						
Interest	599	1 119	-10 775	-10 713	-10 176	-9 594
Current Service cost	-6 047	-5 290	-15 818	-14 605	-21 865	-19 895
Net pension cost	-5 448	-4 171	-26 593	-25 318	-32 041	-29 489
Included in equity						
Actuarial gain/(loss) arising from:						
Financial assumptions	-8 434	-14 525	-23 704	-23 886	-32 138	-38 411
Return on plan assets	-5 707	7 235	0	0	-5 707	7 235
	-14 141	-7 290	-23 704	-23 886	-37 845	-31 176
Balance as at 31. December	9 935	23 959	-477 041	-435 222	-467 107	-411 263

*) Payment of benefits from the funded defined benefit plans were in 2020 NOK 12,6 million (2019: NOK 13.1 million). Payments are covered by funds from the pension trust and are netted out in the table above.

The principal actuarial assumptions at the balance sheet date are the same as used for the Group of companies, please see note 19 in the consolidated accounts. Assumptions are based on the guidance from The Norwegian Accounting Standards Board (NASB), and other relevant sources.

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts below:

	Increase in PBO: 1)
(Amounts in NOK 1 000)	2020
Future salary increase with 0.25%-points	-6 712
Future pension increase with 0.25%-points	-21 646
Discount rate decreases with 0.25%-points	-30 091
Future mortality, increased by 1 year longevity	-35 481

1) Projected Benefit Obligation

Note 3 - Property, plant and equipment

(Amounts in NOK 1000)	Real estate	Other assets	Total
Cost price as per 01.01.19	92 296	33 734	126 030
Purchases	0	648	648
Disposals	0	-970	-970
Cost price as per 31.12.19	92 296	33 412	125 708
Cost price as per 01.01.20	92 296	33 412	125 708
Purchases	148	1 851	1 999
PPE acquired from subsidiary	21 517	27 492	49 009
Cost price as per 31.12.20	113 961	62 755	176 716
Accumulated depreciation as per 01.01.19	-64 528	-10 852	-75 380
Depreciation current year	-2 794	-109	-2 903
Accumulated depreciation assets sold	0	521	521
Accumulated depreciation as per 31.12.19	-67 322	-10 440	-77 762
Accumulated depreciation as per 31.12.20	-67 322	-10 440	-77 762
Depreciation current year	-3 363	-1 068	-4 431
PPE acquired from subsidiary	-2 683	-22 517	-25 200
Accumulated depreciation as per 31.12.20	-73 368	-34 025	-107 393
Carrying amount as per 01.01.20	24 974	22 972	47 946
Carrying amount as per 31.12.20	40 593	28 730	69 323
Expected economic life	25 years	Cars: 7 years	
Depreciation schedule is linear for all categories			

Note 4 - Subsidiaries

(Amounts in NOK 1000)	Business Office	Owner-ship	Votes, percentage	Number of shares	Book value shares	Result for the year	Equity	
Fred. Olsen Renewables AS	Oslo	100%	100%	10 000 000	1 779 412	461 889	-291 017	1)
Fred. Olsen Ocean Ltd.	Oslo	100%	100%	39 993 796	2 749 285	-245 898	3 183 948	1)
First Olsen Holding AS	Oslo	100%	100%	1 000 100	1 274 091	-1 053 232	313 875	1) 2)
NHST Media Group AS	Oslo	55%	55%	882 371	271 622	-94 908	-75 000	1) 3)
Fred. Olsen Insurance Services AS	Oslo	100%	100%	1 500	0	-1 449	3 067	
Fred. Olsen Travel AS	Oslo	100%	100%	4 482	4 260	-7 118	4 260	4)
Stavnes Byggeselskap AS	Oslo	100%	100%	11 000	26 508	-2 092	26 508	5)
Fred. Olsen Spedisjon AS	Oslo	100%	100%	700	5 138	-1 477	5 138	6)
FOO AS	Oslo	100%	100%	30	30	0	30	7)
Ganger Rolf AS	Oslo	100%	100%	30 000	31	0	15	7)
Fred. Olsen Canary Lines S.L.	Spain	100%	100%	100	96	-	0	7)
Fred. Olsen Cruise Lines PTE Ltd.	Singapore	100%	100%	1 000 000	6 230	333	18 169	
					6 116 703			

1) Group Company Equity based on IFRS.

2) During 2020 there were share issues of total NOK 178.8 million in First Olsen Holding AS and GBP 22 million (NOK 256.2 million) in the Cruise Holding Company in UK, First Olsen Holding Ltd. Based on the challenging situation the cruise business has experienced during 2020 and based on broker valuations there are indications of impairment of the investment in the subsidiary. An impairment assessment has been performed in this investment. The assessment is based on Bonheur's continuous involvement in the Cruise business, and the underlying values of the assets. The impairment assessment is based on the principles and assumptions made when the impairment testing was performed for the CGU Cruise Lines. See further information in note 10 for the Group Financial statement. Based on the impairment testing performed no impairment was required.

3) During 2020, the Company increased its ownership in NHST Media Group AS (NHST) to 55.13% (56.72% inclusive own shares) in connection with a rights issue in the company. The Company's share of the capital increase amounted to NOK 29.3 million. An impairment assessment was made by year end with the conclusion that no impairment is required for the Company's investment in NHST. The assessment is based on Bonheur's continuous ownership in NHST, and the underlying values of the assets in NHST Media Group. The impairment assessment is based on the principles and assumptions made when the impairment testing was performed for the underlying CGUs. See further information in note 11 for the Group Financial statement.

4) In 2020 there was an increase of the paid in capital of NOK 5 million, with a write down of NOK 7.8 million by year end 2020 (2019: NOK 1.6 million).

5) In 2020 there was an increase of the paid in capital of NOK 8 million, with a write down of NOK 2.1 million by year end 2020 (2019: NOK 1.9 million).

6) In 2020 the investment was written down with NOK 2.2 million (2019: NOK 1.9 million).

7) Based on the Company's ownership interest the companies are classified as subsidiaries, but due to no or insignificant activity the companies are not consolidated in the Group of companies.

Note 5 - Shares in associated companies and other investments

(Amounts in NOK 1 000)	Cost price	Book value as per 31.12.20	Market value as per 31.12.20	Book value as per 31.12.19	Market value as per 31.12.19
Total short-term liquid share portfolio	233 965	36 528	64 425	128 342	142 733
Total long-term liquid share portfolio	121 646	54 820	55 367	44 810	45 446
Total liquid share portfolio	355 611	91 348	119 791	173 152	188 179

The market value of listed shares is determined by using the listed prices of the companies at year end. Market value of non-listed companies is based on cost (book value) if no reliable measure of fair value exists. See note 16 for impairment of financial assets.

Note 6 - Bonds

(Amounts in NOK 1 000)	Cost price	Currency	Book value as per 31.12.20	Market value as per 31.12.20	Average interest rate 2020	Book value as per 31.12.19	Market value as per 31.12.19
Fixed assets							
Energy Services companies	48 249	NOK	48 121	48 299	1,6 %	47 060	47 281
Real Estate companies	50 115	NOK	50 017	50 166	1,6 %	47 981	48 201
Industry companies	107 492	NOK	106 360	106 879	2,7 %	60 525	60 879
Finance companies	35 100	NOK	35 029	35 420	2,8 %	33 065	33 390
Investment companies	3 000	NOK	3 000	3 075	8,0 %	3 000	3 114
Public administration	50 131	NOK	50 079	50 093	1,2 %	35 001	35 004
Total	294 087	NOK	292 607	293 932	2,1 %	226 632	227 870

Note 7 - Receivables

(Amounts in NOK 1 000)	2020	2019
Current assets - non-interest bearing		
Subsidiaries	1 727	2 485
Others	9 533	4 873
Total short-term receivables	11 260	7 359
Financial fixed assets - interest bearing		
Subsidiaries 1)	765 693	21 678
Other	3 500	5 346
Total long-term receivables	769 193	27 024
Interest income group companies	7 531	49 030

1) For further information see note 13 - Financial instruments.

Note 8 – Share capital and shareholders

	Number	%
Major shareholders as of 31.12.2020:		
Invento A/S (private Fred. Olsen related company)	12 328 547	28,99%
A/S Quatro (private Fred. Olsen related company)	8 736 550	20,54%
Folketrygdfondet	3 829 727	9,00%
Skagen Vekst verdipapirfond	1 300 000	3,06%
Intertrade Shipping AS	1 100 000	2,59%
MP Pensjon PK	947 266	2,23%
Trassey Shipping Limited (private Fred. Olsen related company)	793 740	1,87%
Pareto Askje Norge verdipapirfond	786 078	1,85%
The Bank of New York Mellon SA/NV	599 414	1,41%
State Street Bank and Trust Company	568 139	1,34%
Verdipapirfondet Alfred Berg Gambak	554 516	1,30%
Verdipapirfondet KLP AksjeNorge	530 016	1,25%
Verdipapirfondet DNB Norden	464 461	1,09%
Citibank, N.A.	425 638	1,00%
Salt Value AS	256 438	0,60%
DNB Markets	241 532	0,57%
Verdipapirfondet KLP AksjeNorge Indeks	220 490	0,52%
Holmen Spesialfond	220 000	0,52%
Pareto Invest AS	208 870	0,49%
JPMorgan Chase Bank, N.A., London	200 375	0,47%
Other	8 220 096	19,33%
Total	42 531 893	100,00%

As of 31 December 2020 the share capital of Bonheur ASA amounted to NOK 53 164 866.25 divided into 42 531 893 shares at nominal value of NOK 1.25 each. As of 31 December 2020 total number of shareholders were 4 522. The Company has only one class of shares and each share equals one vote.

AS per 31 December 2020 the members of the board, members of the shareholders' committee and the managing director owned and/or controlled directly and indirectly, the following number of shares in the Company:

Board of directors:	
Fred. Olsen	40 586
Carol Bell	1 200
Bente Hagem	765
Jannicke Hilland	0
Andreas Mellbye	0
Nick Emery	0

Shareholders' committee:	
Einar Harboe	109
Jørgen G. Heje	2 180
Bård Mikkelsen	0
Ole Kristian Aabø-Evensen	0
Christian F. Michelet	0

Managing Director:	
Anette S. Olsen	2 942

Private Fred. Olsen related interests directly and/or indirectly owned or controlled 22 035 780 shares in the Company.

Equity

(Amounts in NOK 1 000)	Note	Paid in share capital	Additional paid in capital	Other equity	Total
Equity 01.01.2019		53 165	143 270	6 820 137	7 016 572
Actuarial gain / loss (-)	2	0	0	-31 176	-31 176
Result for the year		0	0	703 429	703 429
Proposed dividends		0	0	-182 887	-182 887
Equity 31.12.2019		53 165	143 270	7 309 503	7 505 938
Equity 01.01.2020		53 165	143 270	7 309 503	7 505 938
Actuarial gain / loss (-)	2	0	0	-37 825	-37 825
Result for the year		0	0	-291 225	-291 225
Proposed dividends		0	0	-170 127	-170 127
Equity 31.12.2020		53 165	143 270	6 810 326	7 006 761

Note 9 - Liabilities

(Amounts in NOK 1 000)				2020	2019
Current liabilities:					
Dividends				170 127	182 887
Accounts payable 1)				7 703	4 585
Bond-loans 3)				599 700	498 688
Other short term liabilities 2)				18 214	18 896
Total current liabilities				795 744	705 056
Non-current interest bearing liabilities:					
Bond-loans 3)				1 988 660	1 891 495
Total non-current interest bearing liabilities				1 988 660	1 891 495
Interest paid to subsidiaries				0	0
1) Hereof subsidiaries and other related companies				6 285	3 463
2) Hereof subsidiaries, associates and other related companies				1 071	4
3) Bond-loans					
Bond issue ticker, terms		Issued	Maturity		
BON06	3 month NIBOR + 3.50%	9 Jul 14	9 Jul 21	599 700	599 100
BON07	3 month NIBOR + 4.00%	24 May 17	24 May 22	499 375	498 875
BON08	3 month NIBOR + 3.15%	9 nov 17	9 nov 20	0	498 688
BON09	3 month NIBOR + 2.50%	4 sep 19	4 sep 24	794 960	793 520
BON10 ESG	3 month NIBOR + 2.75%	22 sep 20	22 sep 25	694 325	0
Total				2 588 360	2 390 183

According to the covenants in the bond agreements the Company, including companies owned 100%, has to maintain cash and cash equivalents of minimum NOK 500 million. In addition, the Company must maintain a book equity of minimum NOK 2 280 million and a book equity ratio of minimum 35%. As per 31 December 2020 the Company is not in break with the covenants.

Note 10 - Guarantees

	Bonheur ASA	
(Amounts in NOK 1 000)	2020	2019
Guarantee in favour of subsidiaries:		
ABTA bonds, Fred. Olsen Cruise Lines	241 467	193 314
Offshore wind turbine installation vessels	0	572 100
Windfarms	34 428	54 897
Total guarantee commitments subsidiaries	275 895	820 311
Other *)	6 300	12 600
Total guarantee commitments 31.12	282 195	832 911

*) Related to Koksa Eiendom AS

Bonheur ASA is severally liable for all the guarantees as per 31 December 2020.

Note 11 – Tax

(Amounts in NOK 1 000)	2020	2019
Result before tax	-271 341	703 429
+/- permanent differences, tax exempt dividends	103 022	-827 004
+ Adjustment of taxable income due to limitation of interest deductibility	0	0
+/- Changes in temporary differences	53 587	50 310
+/- Income / expenses recognised directly in equity	-37 825	-31 176
+/- Adjustment from previous year	0	67
Basis for tax payable	-152 557	-104 375
Tax payable, 22%	0	0
Total payable tax - Balance sheet	0	0
Tax cost estimated as follows		
Tax payable, 22%	0	0
Tax income / (-) cost	0	0
Reconciliation of tax income / (-) cost		
Result before tax	-271 341	703 429
Income tax using the domestic corporation tax rate	59 695	-154 754
Permanent differences	-36 741	186 451
Income / expenses recognised directly in equity	8 321	6 859
Tax positions transferred from subsidiary	0	-1 021
Change in limitation of deferred tax assets related to tax loss carryforward	-31 275	-37 534
Tax income / (-) cost	0	0

Deferred tax in the balance sheet

(Amounts in NOK 1 000)	2020	2019	Change
Fixed assets	17 499	-24 165	41 664
Deferred taxable gain/loss account	-3 647	-4 559	912
Receivables / financial instruments	-4 182	-4 182	0
Pension premium funds	-467 106	-411 262	-55 843
Miscellaneous differences	11 640	9 818	1 823
Tax positions transferred from subsidiary	0	4 643	-4 643
Adjustment from previous year	0	37 499	-37 499
Net temporary differences	-445 795	-392 208	-53 587
Shares, bonds and partnerships	-7 158	-70 767	63 609
Loss carried forward / deferred allowance	-1 352 657	-1 200 206	-152 451
Interest deductible carried forward	-213 022	-213 022	0
Tax positions transferred from subsidiary	0	-4 643	4 643
Adjustment from previous year	0	-37 499	37 499
Allowances for deferred tax assets	2 018 631	1 918 345	100 286
Deferred tax basis	0	0	0
Deferred tax benefit (-) / deferred tax liabilities	0	0	0

The Company evaluates the criteria for recognizing deferred tax assets at the end of each reporting period. The Company recognizes deferred tax assets when they are "more likely than not" of being realized based on available evidence at the end of the reporting period, hereunder forecasted taxable profit and consolidated budgets. As of 31.12.20 there is no other evidence that future taxable profit may be available against which the unused tax losses or unused tax credits can be utilized by the Company.

Note 12 – Related party information

In the ordinary course of business, the Group of companies recognizes certain business transactions with accounting wise related parties. This note describes the background, the services included, the compensation principles as well as the governance principles applied to such main arrangements.

Transactions within the Group of companies and with related parties

Internal short and long-term Group loans and commitments carry market interest rates according to agreement as at the date of issue. Depending on the terms of the loan agreement, the interest rates set are based on an arm's length principle and follow the market interest rates taking into account the relevant risks involved. The risk involved includes type of business, geographical affiliation, security, duration etc.

(Amounts in NOK 1 000)	2020	2019
Revenues		
Subsidiaries	6 119	75
Other related parties	418	0
Fred. Olsen & Co.	4 806	0
Total	11 343	75
Operating expenses		
Subsidiaries	3	35
Other related parties	1 122	0
Fred. Olsen & Co.	112 175	118 908
Total	113 301	118 943
Financial income		
Interest income from subsidiaries	7 531	49 029
Group contribution	2 607	0
Guarantee income from subsidiaries:	7 539	12 729
Total	17 677	61 758
Accounts receivable		
Subsidiaries:	1 727	2 485
Total	1 727	2 485
Accounts payable		
Other related parties	82	0
Fred. Olsen & Co	6 203	3 463
Total	6 286	3 463
Interest-bearing long term receivables		
Subsidiaries:	765 692	21 678
Total	765 692	21 678

Fred. Olsen & Co.

The origin of the firm FOCO dates back to 1848. The current proprietor of FOCO, Anette Sofie Olsen, identifies the fifth generation Olsen and can draw an uninterrupted line of business conduct back to 1848. Whilst some Fred. Olsen-related activities are investments by the Company, others remain private - but they all stem from the private entrepreneurship back in 1848.

A good example is the Renewable Energy business segment, which in the early nineties of the last century evolved out of private Fred. Olsen-related green energy activities in the moorlands of Scotland. At the time this was not a business segment in which the maritime focused the Company was invested and which in turn brought a new line of focus to the Company. However, on the back of these activities an opportunity was made available for the Company to expand its business interests into investing in constructing, owning and operating windfarms, initially primarily in the UK.

FOCO has for generations managed, the day-to-day operation of the Company. The public side of the Fred. Olsen-related activities was in earlier years centered around five shipping companies, all listed on the Oslo Stock Exchange and each engaged in distinct business activities and operated by FOCO Following various mergers, the latest in May 2016, the Company became the sole surviving entity out of these five companies, but now with investments in a variety of diversified business segments, each subject to autonomous corporate structures and accordingly with distinct managements.

Over the years FOCO have in addition also been engaged in day-to-day operation or provision of professional services to other companies and investment funds.

In addition to overseeing the day-to-day operation of the Company, FOCO today also provides a variety of professional services at market rates to predominantly subsidiaries of the Company engaged in the various business segments within which the Company is invested. FOCO only to a very limited degree provides services to private Fred. Olsen-related companies, and then at rates equal to those applied to subsidiaries of the Company.

The Board of Bonheur is satisfied that the arrangement with FOCO in charge of the day-to-day operation of the Company, which has proved successful for decades, also today is very suitable.

The Board is of the view that the business segments within which Bonheur at any one point in time is invested through subsidiaries, must be operated on an autonomous basis. At the same time, and partly for the same reason, it is of significant value to Bonheur that FOCO with its experience and knowledge on a professional basis assists each of these business segments in achieving their respective goals. That in turn provides a unique platform for FOCO to be able to efficiently provide such day-to-day operation of the Company that it needs. By FOCO both being in charge of the day-to-day operation of the Company and also providing a variety of services to subsidiaries of Bonheur, the Company and FOCO achieve cost and competence synergies. Such benefits to both parties are then realized without any interests being compromised.

For its services to the Company, FOCO is compensated through a cost-plus model. A markup commensurable with margins used in comparable uncontrolled transactions is applied on top of a cost base consisting of documented expenses mainly related to personnel, external consultancy services, rent and IT expenses (see below table). Pension costs relative to FOCO, hereunder pension to Mr. Fred. Olsen, do not form part of this cost base but are charged directly to the Company. The profit margin on ordinary services payable to FOCO has in recent years equaled 12%.

The compensation model also allows for a potential limited annual bonus to FOCO on top of the ordinary compensation, conditional on to what extent different criteria have been met. Such bonus has since 2014 varied between 0, and NOK 3,33 million out of NOK 5.6 million, which currently identifies the maximum obtainable bonus.

The compensation model is monitored by the Shareholders' Committee who applies it in connection with its annual recommendation to the Board on compensation and possible bonus to FOCO. The five members of the Shareholders' Committee are all independent of the majority shareholders of Bonheur. When dealing with these recommendations, the Board will be constituted by its, in this regard non-conflicted Directors. The Board of Bonheur consists of six Directors out of which the majority, i.e. four Directors, are independent of the majority shareholders of Bonheur.

The aforementioned compensation, together with a possible bonus, is the only compensation FOCO receives. The profit margin and the maximum obtainable bonus is subject to regular third-party benchmarking and review, performed every 3 years, last time in 2019, also monitored by the Shareholders' Committee.

(Amounts in NOK 1 000)	2020	2019
Costs together with profit margin and bonus to Fred. Olsen & Co., charged to the Company	112 175	118 908
Amount outstanding between Fred. Olsen & Co. and the Company *)	-7 275	-3 457

*) Short term outstanding in connection with current operations.

Fred. Olsen is party to a consultancy agreement with FOCO. In 2020, NOK 5.2 million was paid under this consultancy agreement (2019: NOK 5.1 million). Such payment is part of the costs charged to Bonheur.

Members of the Board of Directors, the managing director and other related parties holds in total NOK 63 million of BON06, BON07, BON08 and BON09 bond loans (2019: NOK 75 million).

Note 13 – Financial instruments

The Company's ordinary operations involve exposure to credit-, interest-, currency- and liquidity risks.

Credit risk

Transactions with financial derivatives are carried out with counterparties with good credit ratings. The counterparty risk is therefore considered to be low. The maximum exposure of the credit risk is reflected in the balance sheet value of each financial asset, including financial derivatives. No financial derivatives were entered into during 2020.

Interest rate risk

The Company is exposed to fluctuations in interest rates, as the debt is partly based on floating interest rates, primarily in NOK. From time to time, the Company enters into interest rate swap agreements in order to reduce the interest rate risk. Per 31 December 2020 there are no interest rate swap agreements. Please refer to note 9 for an overview of Company loan commitments.

Currency risk

The Company is exposed to currency risk by purchases, sales, assets and liabilities in other currencies than NOK, primarily the currencies GBP, EUR and USD.

The Company accounts are presented in NOK. The Company is closely monitoring the currency markets and may enter into forward exchange contracts if this seems appropriate. No currency contracts were entered into during 2020.

From the beginning to the end of 2020 the GBP strengthened against NOK by 0.5% from 11.5936 to 11.6462, the EUR strengthened against NOK by 6.1% from 9.8638 to 10.4703 and the USD weakened against NOK by 2.8% from 8.7803 to 8.5326.

Total cash and cash equivalents as per 31 December 2020 were NOK 2 908 million, of which GBP represents 16.3%, EUR 4.5% and USD 0,2%.

As per 31 December 2020 the company had granted loans to subsidiaries of NOK 766 million. The distribution of the loans was as follows: Renewable Energy NOK 199 million (EUR 19.0 million), Wind Service NOK 265 million (EUR 25.3 million, Cruise NOK 299 million (GBP 25.7 million) and other minor loans of NOK 3 million.

Liquidity risk

A conservative handling of liquidity risk involves having sufficient cash, securities and available financing, as well as the possibility of closing market positions. Bonheur ASA is exposed to the risk of not being able to sell unlisted shares at prices close to fair value. The management is of the opinion that this risk is low, as the investments in unlisted shares are long term investments.

Solidity

The Company had an equity ratio of 68% per 31 December 2020.

Assessment of fair value

The most important methods and assumptions applied when evaluating the fair value of financial instruments are summarized below.

Shares and bonds

Fair value is based on listed market prices on the balance sheet date without deduction for transaction costs. Where no listed market price is available, the fair value is estimated based on information received from the Group of companies.

Accounts receivable and accounts payable

The carrying amount is considered to reflect the fair value of accounts receivable/payable with duration of less than one year. Other accounts receivable/payable are discounted in order to assess the fair value.

Fair value of financial instruments

Fair values and carrying amounts are as follows:

(Amounts in NOK 1 000)	Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
Cash and cash equivalents	2 907 837	2 907 837	4 116 535	4 116 535
Trade debtors and other short term receivables	47 788	75 685	135 701	150 092
Shares and bonds	6 464 130	6 466 002	6 186 545	6 188 418
Unsecured bond-loans	-1 988 660	-2 000 000	-1 891 495	-1 900 000
Trade creditors and other short term liabilities *)	-795 744	-796 044	-705 056	-706 368
	6 635 351	6 653 480	7 842 230	7 848 677
Unrealized gains / (losses)	0	18 129	0	6 447

*) Inclusive short-term portion of unsecured bond-loans.

Note 14 - Cash and cash equivalents

(Amounts in NOK 1 000)	2020	2019
Cash related to payroll tax withholdings	1 904	1 519
Other restricted cash *)	500 000	500 000
Total restricted cash	501 904	501 519
Unrestricted cash **)	2 405 933	3 615 016
Total cash & cash equivalents	2 907 837	4 116 535
Unused credit facilities	0	0

*) According to covenants in bond agreements the Company, including subsidiaries owned 100%, has to maintain cash and cash equivalents of minimum NOK 500 mill.

**) In 2020 the Company established a green finance framework with an eligibility assessment from DNV and issued a NOK 700 million green bond loan to be used for eligible green investments as defined in the framework. A separate green bank deposit was established for the NOK 700 million and is included in unrestricted cash.

As part of establishing the Green Finance Framework, the Company established an internal Green Finance Committee who approves eligible green investments in the green investment portfolio.

Note 15 - Dividends

(Amounts in NOK 1 000)	2020	2019
Subsidiaries:		
Fred. Olsen Renewables AS	0	900 000
First Olsen Holding AS	0	56 160
Other:		
From other investments	0	305
Total	0	956 465

Note 16 - Other financial expenses

(Amounts in NOK 1 000)	Note	2020	2019
Impairment of shares in subsidiaries 1)		17 592	32 605
Impairment of other shares 2)		84 674	117 086
Various financial expenses		19 103	10 932
Total		121 369	160 623
1) Subsidiaries:			
Various subsidiaries		17 592	32 605
Sum		17 592	32 605
2) Other shares:			
Short-term liquid shares		84 674	110 710
Long-term liquid shares		0	6 376
Sum		84 674	117 086

Statements

Directors' responsibility statement

The Board of Directors of Bonheur ASA (the Company) and Fred. Olsen & Co. together with the Managing Director of the Company have in a board meeting 9 April 2021 reviewed and approved the Board of Directors' Report and the consolidated and separate annual financial statements for the Company, for the year ending 31 December 2020 (Annual Report 2019) subject to corresponding recommendation from the Shareholders' Committee.

To the best of our knowledge:

- The consolidated and separate annual financial statements for 2020 have been prepared in accordance with applicable accounting standards.
- The consolidated and separate annual financial statements give a true and fair view of the assets, liabilities and financial position and profit as a whole as of 31 December 2020 for the Group of companies (i.e. the Company including subsidiaries and associated companies) and the Company.
- The Board of Directors' report for the Group of companies and the Company includes a true and fair review of
  - the development and performance of the business and the position of the Group of companies and the Company, and
  - the principal risks and uncertainties which the Group of companies and the Company face.

Oslo, 9 April 2021
Bonheur ASA – The Board of Directors

Fred. Olsen *Chairman* Sign.	Carol Bell *Director* Sign.	Bente Hagem *Director* Sign.	Jannicke Hilland *Director* Sign.	Andreas Mellbye *Director* Sign.	Nick Emery *Director* Sign.
					Anette Sofie Olsen *Managing Director* Sign.

Statement by the Shareholders' Committee

The annual report and accounts for 2020 were addressed by the Shareholders' Committee on 14 April 2021. The Shareholders' Committee resolved to recommend to the Annual General Meeting that the Board's proposal to the annual accounts for 2020 is approved. The Shareholders' Committee hereunder resolved to recommend to the Annual General Meeting that the Board's proposal on an ordinary dividend equal to NOK 4.00 per share, in total for the company NOK 170.1 million, is approved.

Oslo, 14 April 2021
Christian Fredrik Michelet,
Chairman of the Shareholders' Committee
Sign.

Auditor’s Report

KPMG AS
Sørkedalsveien 6
Postboks 7000 Majorstuen
0306 Oslo

Telephone +47 45 40 40 63
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Bonheur ASA

Independent auditor’s report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bonheur ASA, which comprise:

- The financial statements of the parent company Bonheur ASA (the Company), which comprise the balance sheet as at 31 December 2020, 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 Bonheur ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Assets

Reference is made to Note 10 Property, plant and equipment and Note11 Intangible assets for the Group, and note 4 for the parent company.

The Key Audit Matter	*How the matter was addressed in our audit*
The impairment assessment of property, plant and equipment and intangible assets is considered to be a risk area in the Bonheur Group of Companies. Specifically, the risk relates to • cruise vessels, • the right of use asset related to an offshore wind vessel and exclusive rights of use in the "Shipping/Offshore wind" segment • intangible assets in the "Other" segment related to NHST Media Group. The Cruise-activities in the cruise-segment were paused in March 2020 as a consequence of the Covid-19 travel restrictions. As the activities are still paused, there is an impairment risk related to the cruise vessels. Management has performed an impairment test on the vessels as per year end, which resulted in no impairment in the cruise vessels as per year end. Increased regulatory uncertainty, political and commercial risks led to an increased risk of impairment of the exclusive rights of use of the asset Jill and the related right of use vessel. The impairment test performed by management led to an impairment of 78 million. The changing market conditions, amongst other due to the transformation from paper to digital and the effects of social media for the media industry, together with the acquisitions made recent years, has led to an increased risk of impairment of intangible assets related to the NHST Media Group. The impairment tests performed led to an impairment on goodwill of 93 million. Assessing and measuring the fair value of the underlying cash generating units containing goodwill and other assets requires estimates of future cash flows. Most of the inputs used to estimate the future cash flows are unobservable inputs with high estimation uncertainty. For Bonheur ASA these risks have led to a risk of impairment of shares in certain subsidiaries. Management has performed impairment tests of the investments in subsidiaries where impairment indicators listed above have been identified. Due to the significant judgment required to determine these values, we have considered impairment a key audit matter.	Audit procedures performed in this area included: • evaluating management's assessment of impairment indicators based on the current market situation in the industries; • where impairment testing was performed, assessing the mathematical and methodological integrity of management's impairment models and the reasonableness of discount rates applied with reference to market data. • for certain complex impairment models the mathematical and methodological integrity was assessed by KPMG valuation specialists; • evaluating the historical accuracy of management's budgets and forecasts in order to challenge management on cash flow forecasts used in the estimates this year; • evaluating and challenging management on the appropriateness of the key assumptions, such as revenue growth, cost developments and timing of revenue when relevant; • evaluating the adequacy and appropriateness of the disclosures in the financial statements. • comparing the carrying value of the investment in subsidiaries with the value in use calculation considering the net interest bearing debt, when impairment indicators were identified. • assessing management's calculation of net interest-bearing debt. From the audit evidence obtained, we consider management's assessment of the carrying value of property, plant and equipment and intangible assets including goodwill, and investments in subsidiaries, to be in accordance with the requirements under the relevant accounting standards.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 or 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 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statement on Environmental/Social Responsibility and Corporate Governance concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 13 April 2021
KPMG AS

Øyvind Skorgevik

Øyvind Skorgevik
State Authorised Public Accountant

Major Asset List as per 31 December 2020

BONHEUR GROUP OF COMPANIES

Segment / Asset	Built year	Type	Capacity/ length/ water depth/ tonnage	Ownership
Renewable Energy:			**Capacity**	
Crystal Rig	2004/-07	25 Nordex 2,5 MW	62,5 MW	51,0 %
Rothes	2005	22 Siemens 2,3 MW	50,6 MW	51,0 %
Paul's Hill	2006	28 Siemens 2,3 MW	64,4 MW	51,0 %
Crystal Rig II	2010	60 Siemens 2,3 MW	138,0 MW	51,0 %
Rothes II	2013	18 Siemens 2,3 MW	41,4 MW	51,0 %
Mid Hill	2014	33 Siemens 2,3 MW	75,9 MW	51,0 %
Brockloch Rig Windfarm	2017	30 Senvion 2,05 MW	61,5 MW	51,0 %
Brockloch Rig 1	1996	36 Nordtank 0,6 MW	21,6 MW	100,0 %
Crystal Rig III	2016	6 Siemens 2,3 MW	13,8 MW	51,0 %
Lista	2012	31 Siemens 2,3 MW	71,3 MW	100,0 %
Fäbodliden	2015	24 Vestas 3,3 MW	79,2 MW	100,0 %
Wind Service:			**Length**	
Brave Tern	2012	Offshore wind turbine installation vessel	132 metres	100,0 %
Bold Tern	2013	Offshore wind turbine installation vessel	132 metres	100,0 %
Blue Tern	2012	Offshore wind turbine installation vessel	151 metres	51,0 %
VestVind	2016	Module Deck Carrier	130 metres	50,0 %
BoldWind	2020	Module Deck Carrier	148.5 metres	50,0 %
BraveWind	2020	Module Deck Carrier	148.5 metres	50,0 %
Cruise:			**Tonnage**	
Braemar	1993/-01/-08	Cruise	24 344 grt	100,0 %
Balmoral	1998/-08	Cruise	43 537 grt	100,0 %
Borealis	1996	Cruise	61,849 grt	100,0 %
Bolette	2000	Cruise	62,735 grt	100,0 %

Definitions

List of Alternative Performance Measures (APM):
Bonheur ASA discloses alternative performance measures as a supplement to the financial statements prepared in accordance with IFRS.

In the quarterly report the following alternative performance measures are most frequently used. Below is a list followed by a definition of each APM.

General financial Alternative Performance Measures:

EBITDA:	Earnings before Depreciation, Impairment, Result from associates, Net financial expense and Tax
EBIT:	Operating result after depreciation (EBITDA less depreciation and impairments)
EBT:	Earnings before tax
EBITDA margin:	The ratio of EBITDA divided by operating revenues
NIBD:	Net Interest-Bearing Debt is the sum of non-current interest-bearing debt and current interest-bearing debt, less the sum of cash and cash equivalents. Financial leasing contracts are included.
Capital employed:	NIBD + Total equity
Equity ratio:	The ratio of total equity divided by total capital

Abbreviations – Company Names per segment

Renewable Energy:

FORAS:	Fred. Olsen Renewables AS
FOR:	Fred. Olsen Renewables group
FOWL:	Fred. Olsen Wind Limited
FOCB:	Fred. Olsen CB Limited
FOCBH:	Fred. Olsen CBH Limited
AVIVA investors:	Aviva Investors Global Services Ltd
TRIG:	The Renewables Infrastructure Group Limited
FOGP:	Fred. Olsen Green Power AS

Wind Service:

FOO:	Fred. Olsen Ocean Ltd
GWS:	Global Wind Service A/S
FOW:	Fred.Olsen WindCarrier AS
UWL:	United Wind Logistics GmbH

Cruise:

FOCL:	Fred. Olsen Cruise Lines Ltd

Other Investments:

NHST:	NHST Media Group AS

Abbreviations – Related party names

FOCO	Fred. Olsen & Co.
FOL	Fred. Olsen Ltd
FOTL	Fred. Olsen Travel Ltd
NPC	Natural Power Consultants Ltd

Addresses

Bonheur ASA
Enterprise no: 830 357 432
Fred. Olsens gate 2
P.O. Box 1159 Sentrum
0107 Oslo, Norway
Telephone: +47 22 34 10 00
www.bonheur.no

Fred. Olsen & Co.
Enterprise no: 970 942 319
Fred. Olsens gate 2
P.O. Box 1159 Sentrum
0107 Oslo, Norway
Telephone: +47 22 34 10 00
www.fredolsen.com

Renewable Energy

Fred. Olsen Renewables AS
Enterprise no: 983 462 014
Fred. Olsens gate 2
0152 Oslo, Norway
Telephone: +47 22 34 10 00
www.fredolsenrenewables.com

Fred. Olsen Renewables Ltd.
Enterprise no: 2672436
36 Broadway
London, SW1H 0BH, England
Telephone: +44 207 963 8904
www.fredolsenrenewables.com

Wind Service

Fred. Olsen Ocean Ltd.
c/o Fred. Olsen Ocean AS
Enterprise no: 970 897 356
Fred. Olsens gate 2
P.O.Box 581 Sentrum
0106 Oslo, Norway
Telephone: +47 22 34 10 00
www.fredolsen-ocean.com

Fred. Olsen Windcarrier AS
Enterprise no: 988 598 976
Fred. Olsens gate 2
P.O.Box 581 Sentrum
0106 Oslo, Norway
Telephone: +47 22 34 10 00
www.windcarrier.com

Global Wind Service A/S
Enterprise no: 31166047
Strevelinsvej 28
7000 Fredericia
Denmark
Telephone: +45 76 203 660
www.globalwindservice.com

United Wind Logistics GmbH
Enterprise no: HRB 139861
Am Kaiserkai 69
20457 Hamburg
Germany
Telephone: +49 40 308 54 2470
wind@unitedwindlogistics.de

Cruise

First Olsen (Holdings) Ltd.
Enterprise no: 6443267
2nd Floor, 36 Broadway
London, SW1H 0BH
England
www.fredolsencruises.com

Other Investments

NHST Media Group AS
Enterprise no: 914 744 121
Christian Kroghs gate 16
PO Box 1182 Sentrum
0107 Oslo, Norway
Telephone: +47 22 00 10 00
www.nhst.no

Fred. Olsen Travel AS
Enterprise no: 925 619 655
Prinsensgate 2B
0152 Oslo, Norway
Telephone: +47 22 34 11 11
www.fredolsentravel.no

Annual General Meeting

The annual general meeting will be held at the company's office,
Fred. Olsens gt. 2, Oslo, Norway (entrance Tollbugt. 1b)
Thursday 27 May 2021, at 2pm.

Bonheur ASA

Fred. Olsens gate 2, P.O. Box 1159 Sentrum, N-0107 Oslo
Telephone: +47 22 34 10 00, Homepage: www.bonheur.no