Information Document

HAVILA

Havila Kystruten AS

(*a private limited liability company incorporated under the laws of Norway*)

Admission to trading of ordinary shares on Euronext Growth Oslo

This information document (the "**Information Document**") has been prepared by Havila Kystruten AS, org. no. 927 216 841 ("**Havila Kystruten**" or the "**Company**", and together with its subsidiaries, the "**Group**"), solely for use in connection with the admission to trading of the Company's 49,650,000 ordinary shares, each with a par value of NOK 1 (the "**Shares**"), on Euronext Growth Oslo (the "**Admission**" or "**Admission to Trading**").

The Shares have been admitted to trading on Euronext Growth Oslo, and it is expected that the Shares will start trading on or around 3 August 2021 under the ticker code "HKY". Except where the context requires otherwise, references in this Information Document to "Shares" will be deemed to include the Company's existing Shares. The Shares are registered in the VPS in book-entry form with ISIN NO 001 1045429. All of the Shares rank pari passu with one another and each Share carries one vote.

Euronext Growth Oslo is a multilateral trading facility operated by Oslo Børs ASA as one of several Euronext growth markets under Euronext. Companies on Euronext Growth Oslo are not subject to the same rules as companies on a market for financial instruments within the scope of Article 4(1)(21) of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (a "**Regulated Market**"). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Growth Oslo may therefore be higher than investing in a company on a Regulated Market. Investors should take this into account when making investment decisions.

This Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71 (the "**EU Prospectus Regulation**"). This Information Document has been drawn up under the responsibility of the Company. It has been reviewed by the Euronext Growth Advisors and has been subject to an appropriate review of its completeness, consistency and comprehensibility by Euronext.

THIS INFORMATION DOCUMENT DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.

Investing in shares involves a high degree of risk. See Section 2 "*Risk factors*" of this Information Document.

Euronext Growth Advisors

Fearnley Securities | SpareBank 1 Markets

Fearnley Securities AS | **SpareBank 1 Markets AS**

3 August 2021

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IMPORTANT NOTICE

This Information Document has been prepared solely by the Company only to comply with the Euronext Rule Book I and the Euronext Rule Book II for Euronext Growth Oslo (the "**Euronext Growth Rule Book**"), to provide information about the Group and its business and in relation to the Admission to Trading. This Information Document has been prepared solely in the English language.

For definitions of terms used throughout this Information Document, see Section 10 "*Definitions and Glossary of Terms*".

The Company has engaged Fearnley Securities AS and Sparebank 1 Markets AS to act as joint global coordinators and joint book runners in the Private Placement (as defined below) and as the Company's advisors in connection with the Admission (the "**Managers**" or the "**Euronext Growth Advisors**").

All inquiries relating to this Information Document should be directed to the Company or the Euronext Growth Advisors. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Euronext Growth Advisors in connection with the Admission to Trading, if given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Euronext Growth Advisors.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company or its subsidiaries subsequent to the date of this Information Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Information Document and before the Admission to Trading will be published and announced promptly in accordance with the Euronext Growth Rule Book. Neither the delivery of this Information Document nor the completion of the Admission to Trading at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Group's affairs since the date hereof or that the information set forth in this Information Document is correct as of any time since its date.

The contents of this Information Document shall not be construed as legal, business or tax advice. Each reader of this Information Document should consult its own legal, business or tax advisors as to legal, business or tax advice. If you are in any doubt about the contents of this Information Document, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

The distribution of this Information Document may in certain jurisdictions be restricted by law. Persons in possession of this Information Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Information Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Information Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (Nw.: *Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Information Document.

Investing in the Company's Shares involves risks. See Section 2 "*Risk Factors*" of this Information Document.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a private limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

All of the members of the Company's board of directors (the "**Board of Directors**") and all of the members of the Group's executive management (the "**Management**") are not residents of the United States of America (the "**United States**"), and virtually all of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company, the members of the Board and the Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United Stated (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or the members of the Board or the Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or the members of the Board or the Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

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1 STATEMENT OF RESPONSIBILITY

This Information Document has been prepared by Havila Kystruten AS, a private limited liability company with business registration number 927 216 841 and registered address Mjølstadnesvegen 24, 6092 Fosnavåg, Norway, solely in connection with the admission to trading on Euronext Growth Oslo.

The Board of Directors accepts responsibility for the information contained in this Information Document. The members of the Board of Directors confirm that to the best of their knowledge, the information contained in the Information Document is in accordance with the facts and that the Information Document makes no omission likely to affect its import.

We declare that, to the best of our knowledge, the information provided in the Information Document is fair and accurate and that, to the best of our knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document.

3 August 2021

The Board of Directors of Havila Kystruten AS

Per Rolf Sævik
Chairman of the Board

Njål Sævik
Board Member

Hege Sævik Rabben
Board Member

Vegard Sævik
Board Member

2 RISK FACTORS

2.1 Introduction

Investing in the Company involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in this Section before making an investment decision in respect of the Shares.

The below risk factors are only a summary of all risks applicable to the Company. A prospective investor should carefully consider all the risks related to the Company and should consult his or her own expert advisors as to the suitability of an investment in securities of the Company. An investment in securities of the Company entails significant risks and is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. Against this background, an investor should thus make a careful assessment of the Company and its prospects before deciding to invest.

Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on its business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

The risk factors described in this Section 2 are sorted into a limited number of categories, where the Company has sought to place each individual risk factor in the most appropriate category based on the nature of the risk it represents. The risks that are assumed to be of the greatest significance are described first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility and the fact that a risk factor is not mentioned first in its category does not in any way suggest that the risk factor is less important when taking an informed investment decision. The risks mentioned herein could materialise individually or cumulatively.

The information in this Section 2 is as of the date of this Information Document.

2.2 Risks associated with the Company and its operations

2.2.1 Construction risk

The Group's four vessels are under construction with current estimated delivery during H2 2021 for the first two vessels and H1 2022 for the remaining two vessels, see Section 4.5.4 for further details. The main risk is the risk of further delays. Such delays have already been caused by and may continue to be caused by the global outbreak of the COVID-19 virus, which has implied restrictions on workers operating at the yard and imposed travel restrictions for domestic and foreign subcontractors and suppliers (see other COVID-19 related risks below). Delays affect the Company's ability to honour its obligations under the Service Contract (see Section 4.5.3), the Group's financing arrangements for the vessels (see Section 6.6) as well as other agreements, and may significantly affect the financial performance through, inter alia, requirements under the Service Contract of alternative performance by replacement vessels and payment of penalty; however, the Company deems such requirements highly unlikely in light of the ongoing positive dialogue with the relevant parties including GTLK and the Norwegian Ministry of Transport.

2.2.2 The ongoing outbreak of the COVID-19 pandemic could have a material adverse effect on the Company

In addition to causing possible further delays in the construction of the vessels (see Section 2.2.1 above), the global outbreak of the COVID-19 virus may have a negative effect on the Group's business to the extent the outbreak is not under control when the vessels start operating.

There is uncertainty relating to how long the current travelling restrictions and reduced demand of cruise services will last, at what pace and to what level the travelling restrictions will be lifted, and when the "restart" of the industry will take place. This may vary from country to country and with regional variations within each country, which in turn creates uncertainty about the Group's financial performance during the period of restrictions or uncertainty related to the pandemic. This could have an adverse effect on the Group's business, results of operation and financial performance.

The Group currently accepts bookings with departures starting 26 September 2021 and has introduced a flexible rebooking policy to give passengers comfort to sail with the Group later instead of cancelling or require refund. There is a risk that the portion of passengers with current bookings that elects to cancel or require refund of its booking rather than rebooking its travel increases. Further, passengers who have chosen to rebook their travels may change their minds and require to cancel or require refund instead. Should any of these risks materialize, it could have an adverse effect on the Group's business, results of operation and financial performance.

Further, there is a risk that the COVID-19 may even escalate from its current levels, which may lead to stricter restrictions on travelling and business operations and otherwise have a more significant impact on the Group's operations than as of today, which could have an adverse effect on the Group's business, results of operation and financial performance.

The COVID-19 pandemic outbreak could cause material disruption to the business operation of the Group's suppliers. If the Group fails to find alternative supply in case of shortage of supply and/or severe delay in delivery by its suppliers, the Group's business, results of operation and financial performance could be adversely affected. The Group's operations could also be disrupted if any of the Group's employees are suspected of contracting or contracted an epidemic disease, since this may require quarantine of some or all of these employees, and it could be difficult to replace any quarantined personnel due to their competence.

In addition, requirements related to current and future COVID-19 restrictions, such as requirements to disinfection of the Group's vessels, or adaption to such requirements, may lead to increased operational costs for the Group.

Generally, the COVID-19 virus may affect the overall performance of the Company, including the Company's ability to implement its business plan and sales, and may result in further delays, additional costs and liabilities due to e.g. severe delays on border areas because of passport and custom checks. Further, the COVID-19 virus outbreak may cause difficulties for the Company's suppliers (e.g. financial distress), which in turn could delay or impede the Company's development process and hence the Company's ability to implement its business plan.

2.2.3 Physical loss or damage

The Group's operations are subject to the risk of physical loss or damage to its vessels. Although the Group will have a number of safety measures and routines, unwanted events can still occur. Loss or damage to any of the Group's assets, whether caused by fire, explosion, collision with other vessels or infrastructure such as wharfs or other port facilities, or as a result of the perils of the sea, may adversely affect the Group's financial performance. Although the Group maintains insurance cover for its fleet, claims made pursuant to insurance policies may be disputed, or the cover may prove to be inadequate. In addition, there may be exposure to legal liability arising out of the Group's ownership or operation of that vessel, whether related to loss or damage to third party property or bodily injury.

2.2.4 Operational problems with the Group's vessels may reduce revenue and increase costs

The Group's vessels are complex, and their operations are technically challenging and require substantial capital expenditures. The Group depends on the availability of its vessels, and any breakdown, extended dry-docking or loss of a vessel could have a material adverse impact on the Group's business. Operational problems may lead to loss of revenues, and operating expenses may be higher than anticipated or require additional capital expenditures. Any of these results could harm the Group's business, financial condition and operating results.

2.2.5 LNG prices risk

The cost of LNG is expected to account for an important part of the Group's operating expenses once the vessels are put in operation, and this will represent an operational risk as a consequence of possible changes in the LNG price. The Group will consider any opportunity to limit such risk. Still, changes in the LNG price could have a material adverse effect on the Company.

2.2.6 *Change of control*

Under the Group's financing, the financiers' prior consent is required if Havila Holding AS' direct or indirect holding in the Group is reduced below 50.1%. Should such reduction occur, there is no guarantee that such consent will be granted on terms comparable to the current agreement or at all, in which case the Group may have to seek alternative financing. Such financing may not be available on comparable terms or at all, which may have a material adverse effect on the Group's financial condition.

2.2.7 *Tender risk*

The Service Contract will expire on 31 December 2030 with an option for the Ministry to extend the contract with one year. There is a risk that the option period will not be exercised and that new tenders will not be awarded the Company. The long term of contracts imply a risk for committing to potentially unprofitable projects for a long period of time, should the Company be erroneous in its calculations and/or assumptions forming the basis for the offers made in the respective tender process.

2.2.8 *Competition and market risks*

The Group faces competition from other operator, which, contrary to the Group, is an already established and experienced operator on the Bergen-Kirkenes route. To compete effectively the Group depends upon its ability to attract customers who may be used to the other operator and to whom Havila Kystruten is an unfamiliar brand. If the Group fails to meet this competition or fails to react to market changes or trends, including necessary changes and, there is a risk that this will have an adverse effect on the Group's business, earnings and financial position.

2.2.9 *Seasonality and weather related factors*

The Group is exposed to seasonal variations in the number of passengers and earnings. Also, adverse weather conditions, especially during the fall and winter, may cause delays or cancellations of the Group's services. Seasonality and service disruptions caused by weather conditions or otherwise may have a negative impact on the operations and earnings of the Group.

2.2.10 *Airline services*

The Group relies to some extent on scheduled commercial airline services for customer connections, and increases in the price of, or major changes or reductions in, commercial airline services could adversely affect demand for the Group's products and have an adverse effect on its profitability.

2.2.11 *Marketing risk*

The Group relies partly on external distribution channels for passenger bookings, and major changes in the availability of such channels could undermine its customer base. If the level of sales made through third-party travel intermediaries were to increase significantly, the Group may experience reduced traffic to its own distribution channels, which may have an adverse impact on its business and profitability.

2.2.12 *Risk related to achievement or documentation of NOx savings*

The Company expects to be able to recover a significant amount in funding for NOx reduction measures, approximately NOK 327 million, based on documentation of future reduction in NOx emissions. The process to become eligible for such grants has been completed and the application has been approved. However, the payment of future grants requires the ships to have been delivered and the emission reduction to have been satisfactorily documented over time. Should such emission reductions not be documented to be achieved, or not be properly documented, the amount of grants may be reduced in full or part. As of today, there are no indications that the vessels will not meet the requirements for grants.

2.2.13 *Third-party risk*

The Group relies on third-party providers to carry out various services, such as ship yards, food, beverage and excursion providers, IT system providers, including all hosting services and technical services, and any of these third parties may act in ways that could be adverse to the Group. Events, such as work stoppages and other labour actions, insolvencies, "force majeure" events or other financial difficulties experienced at the shipyards and among the subcontractors and suppliers that build, repair, maintain or refurbish the Group's vessels could prevent or delay the completion of the refurbishment, repair and maintenance of the Group's vessels. These events could adversely affect the Group's operations, including causing delays or cancellations of the Group's trips or unscheduled or prolonged dry-docks and repairs. The consolidation of ownership of certain cruise shipyards, capacity reductions at shipyards or insolvencies could reduce competition and result in increased prices for new builds and repairs.

2.2.14 The Group is dependent on its key personnel

The loss of key personnel or the Group's inability to recruit or retain qualified personnel could adversely affect its results of operations. The Group may be unable to recruit or retain key personnel who are critical to the Group's success, which could result in harm to its guest and employee relationships, loss of key information, expertise or know-how and unanticipated recruitment and training costs, which could adversely affect the Group's results of operations. For the Group's operations, key personnel are particularly the senior management, marine officers and crew.

2.3 Risks associated with the Company's financing

2.3.1 Covenants

The Group's financing from GTLK is subject to certain customary debt service covenants, applicable not only to the Group, but also to the Company's principal shareholder, Havila Holding AS. There is a 25% equity ratio covenant together with an obligation to maintain EUR 37 million in equity (or its equivalent in NOK) as a minimum applicable to Havila Holding AS under the GTLK financing, and Havila Holding AS is also subject to a cross default clause as specified in the GTLK financing, meaning that if Havila Holding AS should be in breach of any of its other financial debt (although unrelated to the GTLK financing) exceeding USD 10 million, such breach may constitute a default also under the GTLK financing to the Group. Failure by the Group or by Havila Holding AS, the latter being outside the Company's control, to comply with such covenants may constitute an event of default which, if the breach is declared and will be continuing, may give the Group's financiers the right to accelerate the loans and enforce security.

2.3.2 Interest rate risk

Most of the Group's interest-bearing debt has variable interest rate. As a consequence, the Group is exposed to interest rate risk, and shifts in such rates may adversely affect the Group's debt service obligations and adversely affect the Group's financial results. The Group has no plans to hedge the floating interest rate.

2.3.3 Currency exchange rate risk

The Group operates in multiple currencies with most of the expected income in NOK, EUR, USD, GPB and SEK while most of the costs are in EUR and NOK. The Group does currently not have in place any foreign exchange rate hedging arrangements. Any material changes in the exchange rates related to these currencies may negatively affect the Group's financial result.

2.4 Risks related to laws, regulations and litigation

2.4.1 Regulatory and political risks

The Group is subject to environmental, health and safety laws and regulations, currently in particular regulations implemented as a consequence of the COVID-19 pandemic, which could adversely affect its operations. Any changes in the current laws and regulations could lead to increased costs or decreased revenue. Further, the costs of compliance associated with environmental and safety regulations and changes thereto could require significant expenditures, and failure to comply with such regulations could result in the imposition of material fines and penalties or temporary or permanent suspension of operations. An incident involving environmental contamination could also harm the Group's reputation and business.

2.4.2 *Failure to comply with data protection and privacy regulations could materially and adversely affect the Group*

The Group receives, stores and processes personal data through its business and operations, which makes the Group subject to data protection and data privacy laws and regulations which impose stringent requirements and provides high possible penalties for non-compliance, including the General Data Protection Regulation (EU) 2016/679 ("**GDPR**"). Any failure to comply with applicable data protection and data privacy laws and regulations, including privacy-related obligations to customers, and any compromise of security that results in an unauthorized release, transfer or use of personal data in any of the countries in which the Group operates, may result in governmental enforcement, such as customer reactions, administrative fines, claims for compensation, actions, litigation or public statements against the Group and, in certain circumstances, breach of obligations towards customers, which could in turn have an adverse effect on the Group's current and future business and lead to reputational damage. Any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security or disclosure of users' personal data, could increase the Group's costs and require the Group to modify its services and features.

The Group will be processing personal data pertaining to passengers and also employees and contracting parties. This processing will be subject to the requirement under the GDPR. The Group has an extensive internal regulatory system, but GDPR requirements are currently not implemented as a part of this system. In order to ensure GDPR compliance, the Group must develop and implement the necessary mandatory documentation required under the GDPR and plans to do so within 2021.

2.5 Risks related to the Shares

2.5.1 *The Company is subject to the Euronext Growth Rule Book which may deviate from the regulations for securities trading on Oslo Børs and Euronext Expand, and which may imply a risk of a lower degree of transparency and minority protection*

The Company is subject to the rules of the Securities Trading Act applicable to securities admitted to trading on a multilateral trading facility and the Euronext Growth Rule Book. Such obligations may differ from the obligations imposed on companies whose securities are listed on Oslo Børs or Euronext Expand. The Company is not subject to any takeover regulations meaning that an acquirer may purchase a stake in the Shares exceeding the applicable thresholds for a mandatory offer for a company listed on Oslo Børs or Euronext Expand without triggering a mandatory offer for the remaining Shares. In accordance with Euronext Growth Rule Book Part I, section 4.3, and without prejudice to national regulations, the Company shall make public within five (5) trading days of becoming aware, any situation where a person, acting alone or in concert, reaches, exceeds or falls below a major holding threshold of fifty percent (50%) or ninety percent (90%) of the capital or voting rights. Furthermore, there is no other requirement to disclose large shareholdings in the Company (Nw.: *flaggeplikt*). These deviations from the regulations applicable to securities trading on Oslo Børs or Euronext Expand may, alone or together, impose a risk to transparency and the protection of minority shareholders. An investment in the Shares is suitable only for investors who understand the risk factors associated with an investment in a company admitted to trading on Euronext Growth Oslo.

2.5.2 *There may not be an active and liquid market for the Shares, and the Share price could fluctuate significantly*

An investment in the Shares is associated with a high degree of risk, and the price of the Shares may not develop favourably. Prior to the Admission to Trading, there has been no public market for the Shares, as the Shares have not been listed or admitted to trading on any, stock exchange, Regulated Market or multilateral trading facility. Following the Admission to Trading, an active or liquid trading market for the Shares may not develop or be sustained. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be in a position to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

The share prices of companies admitted to trading on Euronext Growth Oslo can be highly volatile, and the trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Company's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Company operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate due to factors that have little or nothing to do with the Company, and such fluctuations may materially affect the price of the Shares.

2.5.3 Majority shareholder risk

The Company is currently owned 60.42% by Havila Holding AS, a company owned and controlled by the Sævik family. A concentration of ownership may have the effect of delaying, deterring or preventing a change of control of the Company that could be economically beneficial to other shareholders. Further, the interests of shareholders exerting a significant influence over the Company may not in all matters be aligned with the interests of the Company and the other shareholders of the Company.

2.5.4 The Company will incur increased costs as a result of being a traded company

As a company with shares admitted to trading on Euronext Growth Oslo, the Company will be required to comply with applicable reporting and disclosure requirements. The Company will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations. The Company anticipates that its incremental general and administrative expenses as a traded company will include, among other things, costs associated with annual and interim reports to shareholders, disclosure obligations, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. Any such increased costs, individually or in the aggregate, could have a material adverse effect on the Company's business, operating income and overall financial condition.

2.5.5 Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares

The Company may in the future decide to offer and issue new Shares or other securities in order to finance new capital intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

2.5.6 Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway

The Company is a private limited company organized under the laws of Norway. All of the members of the Board of Directors and the Management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

2.5.7 Norwegian law could limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

2.5.8 Investors could be unable to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such Shares unless their ownership is re-registered in their names with the

Norwegian Central Securities Depository (VPS) prior to any general meeting of shareholders. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting of shareholders in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

3 GENERAL INFORMATION

3.1 Important information

The Company has furnished the information in this Information Document. No representation or warranty, express or implied, is made by the Euronext Growth Advisors as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Information Document is, or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. The Euronext Growth Advisors assume no responsibility for the accuracy or completeness or the verification of this Information Document and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Information Document or any such statement.

Neither the Company nor the Euronext Growth Advisors, or any of their respective affiliates, representatives, advisors or selling agents, is making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "*Risk factors*" beginning on page 4.

3.2 Presentation of financial and other information

3.2.1 Financial information

The company Havila Kystruten Operations AS ("**HKO**"; until recently named "Havila Kystruten AS") was established on 4 January 2017 as holder of the Group's four shipbuilding contracts and a holding company of the four companies that will be the lessees of the vessels upon their delivery from the yard. Previously HKO has not been required to prepare consolidated financial statements, as consolidated financial statements have been prepared by the parent company Havila Holding AS.

The Company was incorporated on 18 May 2021 for the purpose of being the new holding company of the Group, and for the purpose of the Admission. Thus, on 28 July 2021, all the shares in HKO were transferred from Havila Holding AS to the Company as a contribution in kind, in exchange for share capital in the Company. The transfer of shares in HKO was carried out as part of the Transaction as further described in Section 4.3.

The Company has determined that the transfer of HKO (representing the business) to the Company, as part of the Transaction, constituted a transaction under common control. The Transaction is therefore considered to be outside the scope of IFRS 3 "Business combinations", as IFRS 3 specifically does not apply to a combination of entities or businesses under common control. Hence, the Company expects to account for the Transaction in line with continuity (predecessor accounting). As such, the Transaction will not result in any purchase price analysis, no fair value adjustments or goodwill and no uplift to the carrying values of assets and liabilities compared to what is currently recognized in the Consolidated Financial Statements (as defined below).

Furthermore, in accordance with accounting practice of capital reorganizations, the financial figures as reflected in the Consolidated Financial Statements will constitute the Company's historical financial information subsequent to completion of the Transaction.

For purposes of the Admission, HKO has prepared consolidated financial statements in accordance with IFRS as approved by the EU ("**IFRS**") for the two years 2020 and 2019, reflecting primarily the construction of the four vessels (the "**Consolidated Financial Statements**").

For the purpose of the Admission, the Company has also prepared an interim stand-alone financial statement in accordance with IFRS for the period from its incorporation on 18 May 2021 until 31 May 2021 (the "**Parent Financial Statement**"). Since the Transaction was carried out thereafter, i.e. on 28 July 2021, the Parent Financial Statement reflects no major activities.

Both the Consolidated Financial Statements and the Parent Financial Statement have been audited by PricewaterhouseCoopers AS ("**PwC**"). The audit reports do not include any qualifications. The Consolidated Financial Statements are attached hereto as Appendix B, while the Parent Financial Statements are attached hereto as Appendix C.

Financial information in this Information Document has been derived from the Consolidated Financial Statements, as of and for the year ended 31 December 2020 with comparable numbers for 2019.

For further details, please refer to Section 6 "*Selected financial information*".

3.2.2 Functional currency and foreign currency

In this Information Document, all references to "NOK" are to the lawful currency of Norway, and all references to "EUR" are to euro, the single currency of member states of the EU participating in the European Monetary Union having adopted the euro as its lawful currency.

The Company has NOK as functional currency, and the Financial Statements are presented in NOK.

3.2.3 Rounding

Certain figures included in this Information Document have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

3.2.4 Third-party information

Throughout this Information Document, the Company has used industry and market data obtained from independent industry publications, market research, internal surveys and other publicly available information. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. The Company has not independently verified such data. Similarly, whilst the Company believes that its internal surveys are reliable, they have not been verified by independent sources and the Company cannot assure of their accuracy. Thus, the Company does not guarantee or assume any responsibility for the accuracy of the data, estimates, forecasts or other information taken from sources in the public domain. The information in this Information Document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Company confirms that no statement or report attributed to a person as an expert is included in this Information Document.

Unless otherwise indicated in the Information Document, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which the Group operates.

3.2.5 Cautionary note regarding forward-looking statements

This Information Document includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Information Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

4 PRESENTATION OF THE COMPANY

This Section provides an overview of the Company's business as of the date of this Information Document. The following discussion contains forward-looking statements that reflect the Company's plans, see Section 3.2.5 "*Cautionary note regarding forward-looking statements*" above, and should be read in conjunction with other parts of this Information Document, in particular Section 2 "*Risk factors*".

4.1 Information about the Company

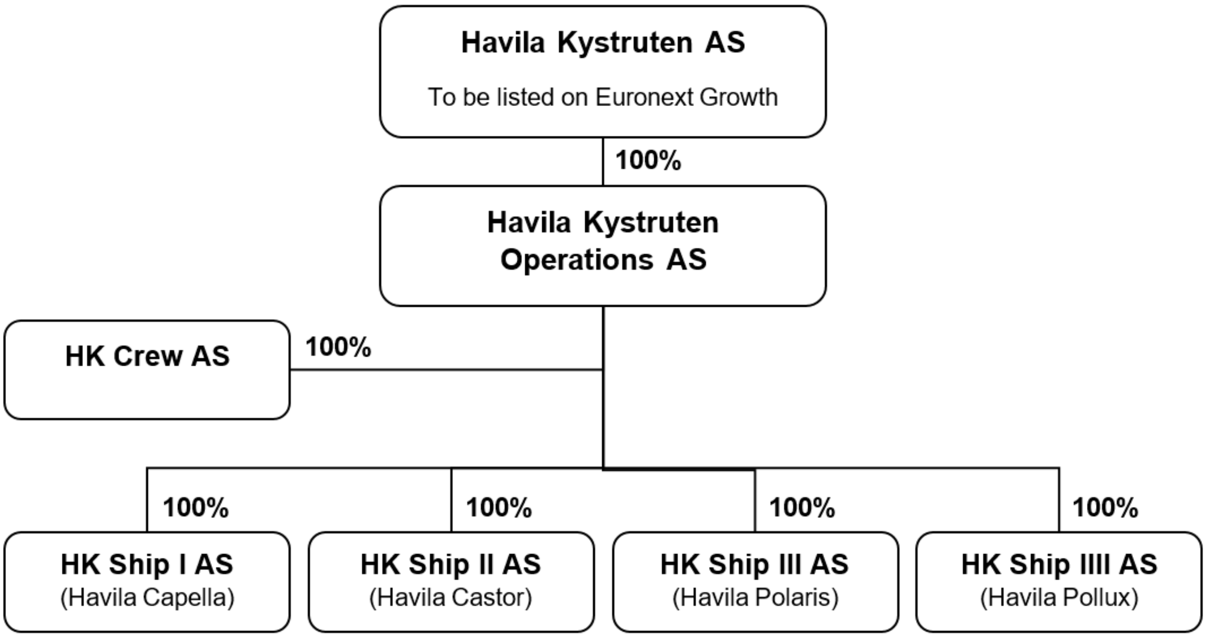
The legal and commercial name of the Company is Havila Kystruten AS. The Company is a private limited liability company (Nw.: aksjeselskap) incorporated on 18 May 2021, organized and existing under the laws of Norway pursuant to the Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44, as amended (Nw.: *aksjeloven*) (the "**Norwegian Private Companies Act**"). The Company is registered with the Norwegian Register of Business Enterprises with business registration number 927 216 841. The Company's registered business address is Mjølstadnesvegen 24, 6092 Fosnavåg, Norway.

The Company's website is www.havilavoyages.com. The contents of the website are not incorporated by reference into, nor otherwise form part of, this Information Document.

4.2 Group structure

Through the Transaction (as described in Section 4.3 below), all of the shares in HKO were transferred from Havila Holding AS to the Company as a contribution in kind. Thus, post Transaction, the Company became the top holding company of the Group. The Company is also the issuer of the listed Shares.

The legal structure of the Group is set out below:



HKO operates the business of the Group, being the operator of four vessels on the cruise line between Bergen and Kirkenes. HKO also employs the Group's management. HKO is party to the service contracts with the Ministry as well as the agreements for the financing of the construction of the Group's vessels.

HK Ship I AS is the bareboat charterer of the vessel MV "Havila Capella", which is under a sale and lease back arrangement between the Group and its financiers GTLK (as defined below). The same kind of arrangement applies to HK Ship II AS as regards MV "Havila Castor", HK Ship III AS as regards MV "Havila Polaris" and HK Ship IV AS as regards MV "Havila Pollux".

Each of the lessees has an option to purchase the respective vessels two years following delivery under the bareboat charter, as well as a purchase obligation at the end of the 10 year contract with the Ministry.

All vessels are sub-leased by HKO on bareboat charters from the above referred companies (lessees).

HK Crew AS employs the Group's seafarers and construction inspection team, in total 333 persons.

4.3 The Transaction

The Company was incorporated on 18 May 2021. The establishment of the Group with the Company as the top holding company has taken place in connection with the Private Placement and the Admission as set out below.

4.3.1 Restructuring of shareholder's loan given to HKO

Havila Holding AS had as of 31 December 2020 provided a shareholder's loan to HKO in the total amount of NOK 757 million. As part of the preparation for the Admission and the Private Placement, this shareholder's loan has been divided into two tranches, being Tranche 1 in the total amount of NOK 403 million and Tranche 2 in the total amount of NOK 354 million.

At an extraordinary general meeting in HKO held on 28 July 2021, it was resolved to increase the share capital of HKO through conversion of debt. Havaila Holding subscribed the capital increase, which was settled through set-off against Tranche 1. The capital increase was registered in the Register of Business Enterprises on 30 July 2021.

Tranche 2 has been agreed to be settled upon the outcome of the Disputes (see Sections 4.9.1 and 4.9.2). See Section 4.9.3 for further details.

4.3.2 Establishment of the Company as the new holding company for the Group

At an extraordinary general meeting of the Company held on 28 July 2021, immediately after the general meeting held in HKO (see the preceding Section), it was resolved i.a. to direct a share capital increase towards Havila Holding AS against contribution in kind consisting of 100% of the shares in HKO. This share capital increase were registered in the Register of Business Enterprises (Nw: *Foretaksregisteret*) on 30 July 2021. Thereby, the Company became the holding company of the Group (see Section 4.2 for group structure).

The transactions set out above are together referred to as the "**Transaction**".

The Private Placement was resolved at the above referred general meeting in the Company, see Section 7.3 for further details.

4.4 History and important events

The Group's operations date back to 2017 when Havila Holding AS resolved to participate in a bidding process organized by the Ministry for the provision of services to the coastal route from Bergen to Kirkenes in Norway (the "**Coastal Route**"). The Coastal route is a route that has formed a vital part of Norway's coastal infrastructure since 1893 and is regulated by a governmental concession covering a total of eleven ships.

The Group was awarded a contract for four ships in 2018, with contract commencement on 1 January 2021 and a duration of ten years, with an option for the Ministry to extend the contract with one additional year. Further information about the contract with the Ministry is provided in Section 4.5.3. Havila Holding AS formed the company HKO for the purpose of servicing these contracts.

In order to service the contracts, the Group ordered two newbuild vessels from the Turkish yard Tersan Shipyard and two newbuild vessels from the Spanish yard Barreras in 2018. In 2019/2020 the contract with Barreras was terminated and replaced by two additional newbuild vessels being ordered from Tersan Shipyard. Following delays caused by the COVID-19 pandemic, the four vessels are currently scheduled to be delivered in a sequence starting in the third quarter of 2021 and ending in the second quarter of 2022.

The termination of the Barreras contract resulted in pending disputes with Barreras and Abarca (insurance bond provider), for which a hearing with the Commercial Courts of England and Wales, London, is scheduled to be held in July 2022. As set out in Section 4.3 above, the Group has agreed with Havila Holding AS to transfer the financial interest and risk of these disputes to Havila Holding AS. Further information about these arrangements are provided in Section 4.9 (Litigation).

Upon delivery of the four vessels, the Group will commence providing services on the Coastal Route with four modern vessels at the forefront of maritime and environmental technology. The vessels will run with hybrid propulsion systems that allow for battery powered operation and zero emissions when sailing in fjords.

The key events in the Group's history are set forth in the following table:

Time	Main Events
2017	
January	HKO was incorporated.
2018	
April	Havila Holding AS was awarded a one ten year contract to operate four vessels in the coastal route between Bergen and Kirkenes with contract commencement 1 January 2021 by the Ministry. The contract was later transferred to HKO.
May	HKO ordered two newbuilding cruise vessels from Tersan Shipyard in Turkey with scheduled delivery 30 September 2020 and 31 October 2020.
2020	
February	HKO ordered two additional newbuilding cruise vessels from Tersan Shipyard in Turkey with scheduled delivery 19 November 2021 and 17 December 2021.
March	Tersan Shipyard could not meet the original delivery schedule following delays from the COVID-19 pandemic and declared force majeure.
2021	
May	Establishment of new holding company, Havila Kystruten.
December 2020 – June 2021	Following the COVID-19 pandemic and the delays from Tersan Shipyard, HKO could not commence operation of the coastal route contract. The Ministry has granted HKO conditional exemptions from operation of the coastal route contract, with the latest such exemption applying in the period from 1 January 2021 to end of September 2021 for the first vessel, the end of December 2021 for the second vessel and 1 May 2022 for the final two vessels.
June	Confirmation from Tersan regarding estimated delivery dates (see Section 4.5.4)
End of July	The Company was capitalised through the Transaction and the Private Placement

4.5 Principal activities and markets

4.5.1 Introduction

The Group's business is to provide services to the Coastal Route under a ten year contract with the Ministry with a fleet of four purpose built vessels. The Group expects to commence its ordinary operation following the delivery of the four vessels, starting in the third quarter of 2021.

The Company is headquartered in Norway with the Group employing 353 full-time employees located in Norway, Sweden, United Kingdom, Turkey and Germany. In addition, 1 employee is hired-in in Norway.

4.5.2 The Coastal Route

The Coastal Route is regulated by a governmental concession covering a total of eleven vessels, of which the Group will operate four. The Coastal Route is a ship-based transportation service between Bergen and Kirkenes, covering a large number of ports with daily northbound and southbound calls for cargo and passengers, which has served the coastal line since 1893 and is a vital part of the coastal infrastructure.

The sailing pattern of the Coastal Route is illustrated by the map. The trip from Bergen to Kirkenes takes a little over five days with a sailing distance of approximately 1,250 nautical miles (2,300 km), meaning that the service roundtrip takes eleven days. Hence, eleven vessels are required for the daily north- and southbound service at each port.

The Coastal Route serves both passengers and cargo, with a total of 34 port calls catering to the needs of the coastal communities. The vessels are well equipped for both purposes.

Passenger traffic includes both commuters ("distance travellers") and tourists. The "distance traveller" segment is a part of the concession fundament for the Coastal Route. Over time, the tourism segment has developed into a very significant part of the business, which adds the potential for a broader revenue base, including on-board food and excursions. The Norwegian Coastal Route is recognized as one of the most beautiful sea trips globally, displaying Norway's pure and unspoilt nature along with coastal culture. Accordingly, many tourists take a Coastal Route trip as an adventure cruise, taking the full coastal line or a part of it. The Group's vessels are well suited for this purpose.

Based on information provided by the operator of all eleven ships serving the Norwegian Coastal Route until end-2020, the total Coastal Route market amounted to EUR 444 million in 2019. The COVID-19 pandemic caused a significant drop in revenues in 2020, when total revenues were EUR 172 million.

4.5.3 The Service Contract and the shipbuilding contracts

The Norwegian state, through the Ministry, purchases local transport and freight shipment services along the Norwegian coast. The Coastal Route is regulated by a governmental concession and has historically been operated by one company. In 2018, the Ministry put out a tender for the contract period 2021-2030 (with an option for the Ministry to extend for one year) where the service was split into three packages of three, and two times four ships, respectively, totalling 11 ships. One of the tenders (for four ships) was awarded to the Group, while the two remaining tenders (for a total of seven ships) were awarded to the former operator of all ships. The agreement entered into with the Ministry for this purpose is hereinafter referred to as the "**Service Contract**".

As both Havila Kystruten and the other operator covers the same ports (albeit with a different itinerary), the two shipping companies are direct competitors.

Important elements in the service award, in addition to price and quality, was a significant focus on climate and environmental footprint.

Under the Service Contract, the Group will undertake to provide the regular service under defined parameters which includes regularity and availability for certain users. As compensation for such service, the Group will receive an annual payment of NOK 72 million per ship per year (2021 level) from the Ministry. The annual payment will be adjusted based on the consumer price index (CPI) over the duration of the contract.

Due to the delay in construction of the Group's vessels as a consequence of the COVID-19 pandemic, the Group has come to an agreement with the Ministry, latest by an addendum no. 4 dated 30 June 2021 to the Service Contract, exempting the Group from the obligation to operate the coastal route (i.e. from the obligation to provide replacement vessels). The exemption applicable for the first two vessels is conditional upon these two vessels being in operation within the end of September 2021 and the end of December 2021, respectively. Moreover, the exemption applicable to the final two vessels is conditional upon the Group being able to demonstrate that these will be in operation within 1 May 2022. Such evidence must be provided by the end of December 2021. During the exemption period, the Group will only receive a pro rata portion of the agreed state support under the Service Contract for those vessels that are actually put into service.

4.5.4 The Group's vessels

The Group has four identical vessels under construction at the Tersan Shipyard in Turkey. The ships are purpose designed and built for their intended service and will, on delivery, be ideally suited for efficient and comfortable transportation with a minimal environmental footprint.

The vessels will have a length of 124 meters and a beam of 22 meters. They will have a total of 179 spacious passenger cabins with a total passenger capacity of 640, with a span of various comfort levels catering to different demands, including those desiring deluxe cabins or suites with panoramic view. The ships will have excellent amenities including restaurants with local quality food, swimming pools, shops, etc. The design will match the Norwegian landscapes and will allow for enjoyment of the beautiful nature along the route.

The vessels have been designed by HAV Design AS, a Norwegian specialist ship design company which is part of HAV Group ASA. In the design of the ships, a wide range of design parameters and technologies have been employed to ensure that the environmental footprint is optimized. This includes such factors as:

- The world's largest battery packs, enabling four hours' sailing with zero emissions;
- Charging current from hydropower at the quay;
- LNG powered engines that cut CO_2 emissions by 25% and NOx emissions by 90%;
- Energy efficient hull designs;
- Heat recovery from the sea and cooling water.

The vessels are eligible for funding from the NOx Fund due to the positive environmental footprint they provide. The NOx fund is founded and owned by 15 business organisations to reduce NOx emissions in Norway. Enterprises pay a small fee to the NOx Fund instead of the high fiscal fee to the government. Affiliated companies can apply for NOx Funding for NOx reduction measures.

The Company estimates to be able to recover a significant amount, approx. NOK 82 million per ship, in total approx. NOK 327 million, based on documentation on future reduction in NOx emissions. The pay-out is expected within 12 months after delivery.

The ships are being built at Tersan Shipyard Inc., a market leading international shipyard with significant experience from complex offshore vessels to modern passenger vessels. According to the last formalised delivery schedule provided by Tersan in June 2021, the delivery dates for the vessels are as follows:

- MV Havila Capella – 30 July 2021
- MV Havila Castor – 15 September 2021
- MV Havila Polaris – April 2022
- MV Havila Pollux – May 2022

The date for MV Havila Capella has passed at the date of this Information Document. The vessel is in all material respects complete and in the final stages of outfitting and commissioning. Delivery of both MV Havila Capella and MV Havila Castor are still scheduled for Q3 2021, but due to the impact of Covid-19 on the construction and completion of the vessels, there may be further delays, see also the risk factors in Sections 2.2.1 and 2.2.2. The Group and Tersan are in continuous dialogue as to delivery of the vessels.

4.5.5 Organization

The Company is headquartered in Norway. When in full operation, the Group will have approximately 353 employees, divided between 325 seafaring and 28 land-based employees. In addition, the Company has 1 hired-in. See Section 5.5 for further details on employees of the Company.

The Group will have all arrangements for marketing, sales, booking, invoicing and accounting as in-house services, and will not rely on material third party services for provision of its core business.

4.6 Material contracts

Other than the Service Contract and shipbuilding contracts (see Sections 4.5.3) and the loan agreements (see Section 6.6), the Group does not consider any single contract to be of material importance to the Group.

Some of the Group's supplier agreements are long term, but most are framework contracts that are renegotiated regularly. The Company does not consider itself dependent on any individual supply agreement.

4.7 Intellectual property rights

The Group has registered certain domain names. Other than that, the Company does not hold any registered intellectual property rights.

4.8 Related party transactions

Below is a summary of certain agreements between the Group and its related parties.

4.8.1 Shareholder loan with Havila Holding AS

Pursuant to an agreement with Havila Holding AS, HKO has been granted a shareholder loan with current balance NOK 354 million (following conversion of an amount of NOK 403 million on 28 July 2021 as described in Section 4.3.1). This loan has been provided to HKO in order for HKO to finance the construction of the vessels. The loan will be settled as follows from Section 4.9.3.

4.8.2 Agreement for transfer of interest and exposure of claims

HKO and Havila Holding AS will enter into an agreement for transfer of interest and exposure of claims. See Section 4.9.3 for more information.

4.8.3 Service Agreement with Havila Service AS

A service agreement was entered into between HKO and Havila Service AS, a wholly owned subsidiary of the Company's principal shareholder, Havila Holding AS, with effect as of 1 November 2020. The agreement covers i.a. accounting, payroll, crewing/recruiting, strategic, operational, purchasing, IT and switchboard/reception and other services which may be agreed between the parties. The agreement specifies hourly rates payable for each type of service, subject to annual recalculations. The agreement may be terminated by HKO with six months' notice.

4.8.4 Office lease with Havila Holding AS

HKO and Havila Holding AS entered into an office lease agreement on 1 January 2021 for the lease of the 2nd floor of the property at Mjølstadnesvegen 24 in Fosnavåg. The agreement expires on 31 December 2030 and may not be terminated by any party during this period. Upon expiry, there are two five-year extension options.

4.8.5 Service agreement with Havila AS and HKO, including hire-in of CFO

On 11 June 2021, the Company entered into a service agreement with HKO and Havila AS, under which Havila AS shall deliver and HKO and the Company shall purchase the following services:

- CFO: Havila has hired a CFO for the Group. The purpose is to maintain the role as a CFO in the parent company and to offer services to wholly – and partly owned companies.
- Services: Havila shall provide financial reporting advisory services, and participate in the planning and preparing of financial reports. Havila shall also take care of financing needs and related work, and participate in the execution of tasks related to a possible future listing. The scope of services can be extended by agreement.

The services performed under the agreement shall be calculated based on cost coverage with a surcharge of 3%. The agreement shall be effective until terminated by either party.

4.8.6 Management agreement with HKO

On 7 June 2021, the Company entered into a management agreement with HKO, under which HKO shall deliver to the Company the following services:

- Management functions: The management function shall be exercised as if the management of HKO were employed by the Company.
- Administrative services: Administrative services shall be performed as needed.
- Accounting/finance: Accounting, reporting, budgeting and liquidity management services are performed as needed.
- Other management services: Other services necessary for the Company to fulfil its obligations related to the Company's operations and external responsibilities.

Bent Martini, who will take position as the new CEO of the Company in August, as well as the administration, will be employed by HKO.

The services performed under the agreement shall be calculated based on cost coverage with a surcharge of 3 %. The agreement shall be effective until terminated by either party.

Reference is also made to the notes in the Consolidated Financial Statements regarding related party transactions.

4.9 Legal and arbitrational proceedings

4.9.1 Dispute with Abarca

In 2018, HKO entered into shipbuilding contracts with the Spanish yard Hijos De J Barreras S.A., Vigo, Spain ("**Barreras**") for the building, construction, outfitting and delivery of two costal passengers vessels, NB 1710 and NB 1711 as later amended ("**Contracts 1710 and 1711**"). Each of the Contracts 1710 and 1711 has been cancelled by Barreras and HKO, respectively, and the cancellation has been rejected by the other party.

Instalments paid under each of the contracts have been secured by insurance bonds issued by Abarca Companhia De Serguros S.A. ("**Abarca**") in favour of HKO. HKO has claimed compensation from Abarca under the insurance bonds for repayment of the total amount paid as instalments under the two contracts in the total amount of EUR 36.8 million plus interest and expenses.

Abarca has rejected the claim, and the disputes are now pending arbitration before the Commercial Courts of England and Wales in London with hearings scheduled in July 2022.

4.9.2 Dispute with Barreras

Barreras has as a consequence of HKO rejecting their cancellation (see the preceding Section) pursued and filed a claim against HKO before the same Commercial Court in London and claimed compensation of a total amount of EUR 17,115,816 plus interest and expenses. As a counter-claim, HKO has claimed Barreras for compensation for a total amount of EUR 36.8 million (the amount alternatively to be refunded by Abarca, see the preceding Section) and EUR 10 million per vessel (NB 1093 and NB 1094) plus interest and costs, fees and expenses, corresponding to the increase of the contract price by re-contracting at Tersan as replacement of the cancelled vessels (contracts).

The parties have rejected each other's claims, and the disputes will be heard during the same hearings as for the Abarca dispute, to be held in July 2022.

HKO has in addition also secured an attachment on the steel, steel blocks and hulls produced at Barreras for the construction of NB 1710 and NB 1711, as granted by the Registro de Bienes Muebles of Vigo, Spain (the "**Steel Attachment**"). The Steel Attachment is expected to be disputed, and HKO will therefore only benefit of the attachment if HKO is being heard in this respect, and the attached steel is being sold at a price which is in excess of the removal costs. The value of the Steel Attachment is expected to be limited due to the fact that the value will be impacted by substantial removal and dismantling costs.

The disputes referred herein and in the preceding Section are together referred to as the "**Disputes**".

4.9.3 Transfer of interest and exposure under the Disputes

In connection with completion of the Transaction, and on the basis of the main principles agreed upon in the revised terms for the financing of the vessels, HKO and Havila Holding AS will enter into an agreement whereby all of HKO's economic interest, being both the potential upside of being awarded payments and the potential downside of being ordered to pay, will be transferred to and assumed by, as the case may be, Havila Holding AS. By this agreement Havila Holding AS will indemnify HKO for any claim of compensation from Barreras and likewise all litigations costs, fees and expenses incurred by HKO from the effectiveness of the agreement.

As compensation to Havila Holding AS for the indemnification as set out above, the proceeds (if any) from the disputes will be distributed to Havila Holding AS, provided HKO is in compliance with all financial covenants at the relevant time and there are no defaults under the bareboat charter agreements. The value of the proceeds has been assessed to NOK 354 million.

Settlement under the agreement will be set off against Tranche 2 of shareholder's loan provided by Havila Holding AS, see Section 4.3.1. To the extent HKO will not be successful with any part of its legal pursuit under the Disputes, any amount outstanding under Tranche 2 will be written off by Havila Holding AS.

By this agreement the effect of the Disputes will be neutral to HKO.

The agreement will be subject to approval by the board of directors and/or shareholders' meeting of HKO pursuant to Section 3-8 of the Private Limited Companies Act on the basis of a report to be prepared by the board and a statement from PwC.

4.9.4 No other disputes

Other than the above, the Company is not, nor has it been, during the course of the preceding 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

5 ORGANIZATION, THE BOARD OF DIRECTORS AND MANAGEMENT

5.1 Introduction

The general meeting is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at general meetings and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested with its Board of Directors and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's Chief Executive Officer (the "**CEO**") is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must, according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results at a minimum every fourth month.

5.2 The Board of Directors

5.2.1 Overview

According to the Company's articles of association, the Board of Directors shall have three to seven board members. The table below sets out the names and other details of the current members of the Board of Directors:

Name	Position	Served since	Term expires	Shares	Options
Per Sævik	Chairman	2021	2022	-	No
Njål Sævik	Board Member	2021	2022	-	No
Hege Sævik Rabben	Board Member	2021	2022	-	No
Vegard Sævik	Board Member	2021	2022	-	No

* Per Sævik indirectly owns 10% of the shares in Havila Holding AS, while the other three board members indirectly own 30% each. Havila Holding AS in turn is expected to own more than 50% of the Company's shares upon completion of the Private Placement.

The Company's registered business address (see Section 4.1 above) serves as business address for the members of the Board of Directors as regards their directorship in the Company.

The Company has currently not established an audit committee or a remuneration committee.

Following the Admission to Trading, a process will be initiated in which the board composition will be made more representative for the total group of shareholders by bringing in new and/or replacing certain current board members.

5.2.2 Brief biographies of the Board of Directors

Set out below are brief biographies of the Board Members, including their managerial expertise and experience, in addition to an indication of any significant principal activities performed by them outside of the Company.

Per Rolf Sævik, Chairman of the Board
Per Rolf Sævik (born in 1940) has more than 50 years' experience of the operation and management of fishing supply vessels, and is currently the CEO of Havila AS and Havilafjord AS. Sævik was also a member of the

Norwegian parliament (Stortinget) for a four-year period. He currently chairs and serves as director on the board of several companies, including companies in the Havila Group. Mr. Sævik is a Norwegian citizen and resides in Remøy, Norway.

Hege Sævik Rabben, Board Member
Hege Sævik Rabben (born 1971) is employed in Havila AS. She is a trained children's nurse and has worked in a day care centre as a children's nurse. She holds board positions in various companies. Ms. Sævik Rabben is a Norwegian citizen and resides in Remøy, Norway.

Vegard Sævik, Board Member
Vegard Sævik (born 1978) is employed in Havila AS and holds board positions in various companies associated with the Havyard Group, including as Deputy Managing Director in Havila Holding AS and chairman of the board of directors in Havyard. He is also chairman of the board in Fjord1 AS and holds a Bachelor of commerce from Handelshøyskolen BI. Mr. Sævik is a Norwegian citizen and resides in Leinøy, Norway.

Njål Sævik, Board Member
Njål Sævik (born 1969) has significant experience from maritime and tourism industries, and is currently the CEO of Havila Shipping AS. He also holds board positions in various companies in the Havila Group. Mr. Rabben is a Norwegian citizen and resides in Remøy, Norway

5.2.3 Board of Directors' independence

All board members are connected to the Group's principal shareholder, Havila Holding AS, which is also an important business connection of the Group (see Section 4.8). They are independent of the Group's management.

5.3 The Management

5.3.1 Overview

As of the date of this Information Document, the Company's Management consists of the following persons:

Name	Position	Employed since	Shares
Bent Martini	CEO (taking position in August)	2021	25,000
Arne Johan Dale	Acting CEO, CFO	2021	0

No members of Management own any options or other securities exchangeable for Shares.

The Company's registered business address (see Section 4.1) serves as business address for the members of the Management as regards their positions with the Company.

5.3.2 Brief biographies of the members of the Management

Bent Martini, Chief Executive Officer (CEO) – taking position in August 2021
Mr. Martini was appointed CEO of the Company in May 2021 and will take on his position on 9 August 2021. Mr Martini has his education from the Royal Norwegian Navy (Naval Academy, Staff College) and Duke University. He has wide relevant experience from top management roles in the maritime industry, both from shore and ships, with his background from the Norwegian Navy, the Federation of Norwegian Coastal Shipping, HSD/ Tide Sjø, Torvald Klaveness shipping company and from Hurtigruten Group.

Arne Johan Dale, Chief Financial Officer (CFO) and acting CEO until Martini takes position in August
Mr. Dale was appointed CFO of Havila Shipping ASA in spring 2008. From April 2021 he was appointed as CFO of the Havila Group including CFO of the Company. Mr. Dale is educated from Bankakademiet and different specialized fields from BI. Mr. Dale has previously held the position as Finance Manager of Glitnir Bank ASA, former KredittBanken ASA in Ålesund, where he was a part of the leadership that established the bank in 1992. Before that he was the Chief Accountant of Volda og Ørsta Sparebank from 1983.

5.3.3 Management's independence

Bent Martini will be employed by the Company's subsidiary, HKO, independent of the Company's material business contacts and main shareholders.

Arne Johan Dale is employed by the Company's principal shareholder, Havila Holding AS, which is also an important business connection of the Group.

5.4 Benefits upon termination

In line with the CEO agreement entering into force in August 2021, the CEO will be entitled to severance pay of 12 months' salary should the Group choose to terminate his employment. The CEO may also claim severance pay within six months allowing a change of control in which shareholder(s) other than Havila Holding AS (and companies controlled by it) gain(s) ownership of more than 50% of the shares in the Company.

5.5 Employees and share-based incentive program

At the date of this Information Document, the Group has 353 full-time employees. 325 of the full-time employees are seafarers, currently on a temporary lay-off until the vessels start sailing.

There are currently no share-based incentive program in place for employees, but such program may be initiated in the future, and the Board of Directors has been authorized to buy back the Company's shares for this purpose, see Section 7.2.2.

5.6 Corporate governance requirements

The Board has a responsibility to ensure that the Company has good corporate governance.

The Company has implemented insider trading routines in connection with the Admission to Trading.

Other than the above, and since the Company's shares will not be listed on any Regulated Market, no mandatory corporate governance code applies. The trading of the Shares on Euronext Growth Oslo does not provide specific requirements in terms of corporate governance code, such as the Norwegian Code of Practice for Corporate Governance. However, the Company intends to maintain a high level of corporate governance standards and will consider the implications of the Norwegian Code of Practice going forward.

On the basis of the current ownership structure, the Company has decided not to have a nomination committee.

5.7 Conflicts of interests etc.

During the last five years preceding the date of this Information Document, none of the members of the Board of Directors or the members of the Management has, or had, as applicable:

a) any convictions in relation to indictable offences or convictions in relation to fraudulent offences;

b) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or

c) been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or manager of a company.

All board members are family related with Per Sævik being the father of the other three board members. There are no family ties between any of the board members and the members of the Management.

None of the members of the Board of Directors have service contracts with any Group company.

6 SELECTED FINANCIAL INFORMATION

6.1 Introduction and basis for preparation

The following selected financial information has been extracted from the Consolidated Financial Statements, attached hereto as Appendix B. The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Consolidated Financial Statements. For further details, see Section 3.2.1 above.

6.2 Summary of accounting policies and principles

The Consolidated Financial Statements have been prepared in accordance with IFRS. For further information on accounting policies and principles, please refer to note 1 “Summary of main accounting policies” (Norwegian; *Sammendrag av vesentlige regnskapsprinsipper*) as set out in the financial statements, attached hereto as Appendix B. The selected financial information included in this Section should be read in connection with, and is qualified in its entirety by reference to, the Consolidated Financial Statements.

6.3 Selected income statement

The table below sets out selected data from the Company's income statement and is extracted from the audited Consolidated Financial Statements.

Amounts in NOK thousands	**For the Year Ended 31 December (audited)**	
	2020	**2019**
Personnel expenses	15,903	11,781
Other operating expenses	841	2,502
Operating profit before depreciation and amortization (EBITDA)	**-80,254**	**-51,700**
Depreciation	-1,164	- 459
Operating profit (loss) (EBITDA)	**-81,418**	**-52,159**
Financial income	10,624	39
Financial expenses	-1,886	-2,392
Net financial items	**26,601**	**-2,409**
Profit/(loss) before tax	**-54,817**	**-54,568**
Taxes	-12,064	11,984
Net result for the year	**-42,754**	**-42,584**

6.4 Selected statement of financial position

The table below sets out selected data from the Company's statement of financial position and is extracted from the audited Consolidated Financial Statements.

Amounts in NOK thousands	**As of 31 December (audited)**	
	2020	**2019**
Assets		
Deferred tax asset	15,828	17,148
Other intangible assets	12,615	1,995
Vessels under construction	974,241	961,590
Property, plant and equipment	212	282
Right-of-use assets	11,658	27
Total fixed assets	**1,014,554**	**981,041**
Investments in shares	25	25
Other long-term receivables	354,359	-
Total financial assets	354,348	25
Trade receivables	-	56
Other short-term receivables	4,585	2,262
Cash and cash equivalents	1,016	7,769
Total assets	**1,374,540**	**991,154**

Amounts in NOK thousands	**As of 31 December (audited)**	
	2020	**2019**
Liabilities		
Share capital	102,000	102,000
Premium paid in capital	240,000	240,000
Other equity	(117,088)	(60,923)
Total equity	**224,912**	**281,077**
Long term debt credit institutions	342,331	171,032
Long-term leasing	10,893	-
Sum long-term debt	**353,224**	**171,032**
Trade payables	14,491	5,412
Public dues	1,912	1,604
Short-term debt to parent company	757,543	528,547
Other current debts	21,460	3,446
Short-term leasing	997	36
Total current debt	**796,404**	**539,045**
Total debt	**1,149,628**	**539,045**
Total debt and equity	**1,374,540**	**991,154**

6.5 Changes in the Company's financial or trading position

Other than the Transaction, the Company has not carried out any transactions after 31 December 2020 that represent a change of more than 25% in its total assets, revenue or profit or loss.

6.6 Material borrowings and financial commitments

6.6.1 Agreements with the yard

The Group has entered into four separate shipbuilding contracts with Tersan as set out in Section 4.5 and Section 4.6.

6.6.2 Financing from GTLK

The financing of the four vessels contracted at Tersan is arranged with GTLK Asia Limited for Havila Capella and Havila Castor and GTLK Europe DAC (Ireland) for Havila Polaris and Havila Pollux (together referred to as "**GTLK**"). The financing provided by GTLK covers both the construction period of the vessels and the long-term financing after delivery of the respective vessel from Tersan.

The agreed contract price with Tersan for each vessel is a total amount partly in EUR, USD and NOK. Using a currency exchange rate of 8.70 NOK for 1 USD and 10.30 NOK for 1 EUR, the average agreed contract prices for all four vessels are NOK 1,020 million per vessel. EUR 86.5 million per vessel has been financed by the lease agreements provided by GTLK and the remaining part by equity provided by the Group.

6.6.3 Construction Loan

The construction of each vessel is initially financed with a construction loan of EUR 86.5 million in average per vessel (the "**Construction Loan**") from GTLK. The Construction Loan is being drawn up as each vessel is being constructed and instalments paid to the yard. Each newbuilding is in addition to the Construction Loan financed with equity as set out above under item 6.6.2

The payments to be made under each of the shipbuilding contracts are agreed as a total of 50% being advance payments (instalments) secured by refund guarantees and 50% by delivery of each of the respective vessels.

For the instalments paid under the Contracts 1093 and 1094, DNB Bank ASA has issued refund guarantees. These refunded guarantees are all counter guaranteed by two Turkish banks being Tuerkiye Vakiflar Bankasi for NB 1093 and Tuerkiye Is Bankasie for NB 1094. For the instalments paid under the contracts for NB 1103 and NB 1104, refund guarantees are issued by two Turkish banks (Vakiflar and IS Bankasi respectively).

The refund guarantees provided by the Turkish banks for NB 1103 and NB 1104 are going to be swapped and replaced with refund guarantees from DNB Bank ASA when the first and second vessels (NB 1093 and NB 1094) have been delivered.

6.6.4 Leasing financing

Immediately after the delivery of a vessel from the yard, the vessel will be subject to a sale and lease back transaction with GTLK, which includes the sale of each vessel to an external company controlled by GTLK, and the immediate lease back of the vessel from GTLK to a specific special purpose company set up by HKO (the “**SPC**”, being the subsidiaries of HKO as set out in Section 4.2) for the purpose of being the counterparty for each leased back vessel, i.e. one SPC for each leased back vessel.

Each vessel in the sale and lease back transaction will be sold for an amount corresponding to the lower of the outstanding original contract price and the finance amount (in average EUR 86.5 million per vessel upon delivery, see Section 6.6.2 above). Any shortfall in the total external financing as per delivery of each vessel will have to be settled by HKO.

At delivery of each vessel the Construction Loan will change character and thereafter be the long term leasing financing for HKO's subsidiaries (the “**Leasing Financing**”).

According to the Leasing Financing agreement, each SPC – which will service the leasing debt – is subject to the following financial covenants:

- At all times from an agreed date after delivery of each vessel a cash collateral / deposit of NOK 50 million
- At all times from an agreed date after delivery of each vessel the Debt Service Courage Ratio of each Lessee in respect of relevant period shall be no less than 1,05 :1.

In addition, the following covenants on Havila Holding AS must be complied with:

- The tangible net worth of Havila Holding AS shall not be at any time during the relevant period be less than EUR 37 million (or its equivalent in NOK)
- The equity ratio of Havila Holding AS shall not at any time after delivery date of the vessels be less than 25 % based on unconsolidated accounts for the relevant period.

In addition to the financial covenants, the Leasing Financing contains the following conditions:

- The cut-off date for delivery of the two first vessels is 31 August 2021 and 30 September 2021 respectively.
- There is a change of control provision preventing Havila Holding AS from reducing its ownership in the Company below 50.10%, and 50.10% of the shares in the Company are pledged by Havila Holding AS. The shares in HKO are pledged by the Company.

The Leasing Financing had initially a fixed lease period for ten years, reflecting the ten years license agreement with the Ministry. Due to COVID-19, the delayed start-up has reduced the initially fixed leasing period of ten years to such period outstanding until 31 December 2030 for each vessel. The Company has for the moment decided not to request GTLK for any prolongation of the lease payment structure as set out in the leasing contracts for NB 1093 and NB 1094, and informed GTLK about this. The reason for this is that the Ministry may extend the license period beyond the agreed ten years period as set out in the current agreement with the Ministry. However, this is a matter which the Company will have to address to GTLK at a later stage – depending of the prospects for further employment of the vessels under contract with the Ministry or alternative employment of the vessels.

Annual leasing cost is per vessel as follows: For NB 1093 and NB 1093 EUR 5,703,322 per vessel per year (12 months) and for NB 1103 and NB 1104 EUR 5,611,111 per vessel per year (12 months).

By the expiry of the lease agreement, the Company has an option and an obligation to take over or acquire the vessels by providing the balloon payment as set out in each of the respective Leasing Financing agreements. The balloon payment for each of NB 1093 and NB 1094 is EUR 28,466,680, and for each NB 1103 and NB 1104 EUR 37 million.

6.6.5 Sub-let of vessel from SPC to HKO

Each SPC will be sub-letting the vessel to HKO, which generates revenues from the vessels through the operation of the vessel (with crew) on the Coastal Route.

Earnings to each SPC from the sub-letting of the vessel to HKO is spent by the SPC on servicing the Leasing Financing.

6.6.6 Guarantees from Havila Holding AS and from the Company and pledged assets

In addition to the Leasing Financing between each ship owning company and GTLK, the Company's principal shareholder Havila Holding AS has provided a guarantee to GTLK for the SPC’s debt service under the Leasing Agreement. As such, should any of the four SPCs not be able to service the Leasing Financing, GTLK can turn to Havila Holding AS for claiming fulfilment of the Leasing Financing.

In addition to the guarantee mentioned above, the Company has provided a similar parent guarantee to GTLK guaranteeing the SPC's debt service under the Leasing Financing agreement.

In addition to the guarantees, all the assets of HKO and the shares in HKO and the SPCs have been pledged as security for the Construction Loans and Leasing Financing.

6.6.7 The cross default clause

As part of the guarantee provided from Havila Holding AS to GTLK, Havila Holding AS is also subject to a cross default clause; should Havila Holding AS (as parent) be in breach of any of its payment obligations in excess of a threshold of USD 10 million (including any loan agreements unrelated to the Leasing Financing), such breach would constitute a default also under the Leasing Financing agreement between GTLK and the four SPCs. Hence, should Havila Holding AS for any reason be in breach of any such payment obligation this may also cause the respective lessees to be in breach of the Leasing Financing. Any such default may entail claims being pursued by the lessor under the guarantees provided by HKO, the Company and Havila Holding AS.

6.7 Working capital statement

As of the date of this Information Document, the Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements.

6.8 Near-term financial reporting and general meeting calendar

Following the publication of this Information Document, the Company expects to publish its interim financial statements for the second half of 2021 on 26 August 2021. Furthermore, the Company expects to hold its first annual general meeting after the publication of this Information Document on 22 May 2022.

7 SHARES AND SHARE CAPITAL

This Section includes a summary of certain information relating to the Company's Shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Information Document. The mentioned summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association.

7.1 The Shares

As of the date of this Information Document, the Company has a total of 49,650,000 shares outstanding, each with a par value of NOK 1. The shares have been created under the laws of Norway and are registered in book-entry form in the Norwegian Central Securities Depository (the "**VPS**") with International Securities Identification Number ("**ISIN**") NO 001 1045429 and legal entity identifier (LEI) code 549300HQNL6UPBRT4P26. All the outstanding shares are validly issued and fully paid.

The Company has one class of shares. All of the Shares carry equal rights in all respects, including rights to dividends. All Shares are freely transferable, meaning that a transfer of shares is not subject to the consent of the Board of Directors or rights of first refusal.

On 23 July 2021, Oslo Børs resolved to admit the Shares to trading on Euronext Growth Oslo. The first day of trading of the Shares is expected to be on or about 3 August 2021 under the ticker code "HKY". The Company does not have securities listed on any stock exchange or other Regulated Market.

The Company's VPS-registrar is DNB Bank ASA, Norwegian branch, registrars department, with registered address Essendrops gate 7, 0368 Oslo (the "**VPS Registrar**").

7.2 Share capital

7.2.1 Share capital history

The table below shows the development in the Company's share capital for the period covered by the Financial Statements to the date of the Information Document.

Date registered	Event	Capital increase (NOK)	Par value (NOK)	Share price (NOK)	Share capital (NOK)	New shares issued	Total no. of Shares
18 May 2021	Incorporation	30,000	1.00	1.00	30,000	30,000	30,000
28 July 2021	Contribution in kind of the shares in HKO AS	29,970,000	1,000	21,302.80	30,000,000	N/A	30,000
28 July 2021	Share split – one share split into 1000 shares	N/A	1.00	N/A	30,000,000	N/A	30,000,000
28 July 2021	The Private Placement	19,650,000	1.00	25.50	49,650,000	19,650,000	49,650,000

7.2.2 Authorisations to acquire the Company's own shares

On 28 July 2021, the Company's general meeting granted the Board of Directors an authorization to acquire the Company's own shares. The authorisation can be used if the Board decides to implement an incentive program for employees in the future. The authorisation has a total nominal value of up to NOK 10 million. Upon acquisition, the price per share shall be minimum NOK 20 and maximum NOK 100.

The authorization to acquire the Company's own shares shall be valid until the next ordinary shareholders' meeting, but no longer than until 30 June 2022.

7.2.3 Other financial instruments issued by the Company

Other than set out above, neither the Company nor any of its subsidiaries have issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries.

7.2.4 Ownership Structure

Following completion of the Private Placement, see Section 7.3 below, the Company will have a total of approximately 110 registered shareholders with the VPS. The following shareholders will be holding more than 5% of the Company's share capital upon completion and settlement of the Private Placement:

Shareholder	Number of Shares	% of the Company's share capital
Havila Holding AS	30,000,000	60.42%
Paladin Asset Management	3,235,294	6.52%

As of the date of this Information Document, the Company does not hold any treasury shares, nor does any of the Company's subsidiaries hold shares in the Company.

There are no arrangements known to the Company that may lead to a change of control in the Company.

To the Company's knowledge, with the exception of the Sævik family, there are no persons that can be identified as Beneficial Owners as defined in the EU Legislation on anti-money laundering. Beneficial Owners are understood as any natural person(s) who ultimately owns or controls the customer.

7.3 The Private Placement

7.3.1 Details of the Private Placement

On 28 July 2021, the Company resolved to issue 19,650,000 new Shares, each with a par value of NOK 1, at a subscription price of NOK 25.50 per Share, raising gross proceeds of NOK 501,075,000 (the "**Private Placement**"). The resolution was registered in the Register of Business Enterprises on 30 July 2021 on the basis of a pre-funding arrangement with the Managers.

The application period for the Private Placement took place from 6 July 2021 at 09:00 CEST to and including 13 July 2021 at 16:30 CEST. Notifications of allocation were issued on 14 July 2021, and delivery vs. payment settlement is expected to take place on 3 August 2021.

7.3.2 Reasons for Private Placement and Admission to Trading

The Company believes the Admission to Trading will:

a) Strengthen the working capital of the Company;

b) support the Group's operational strategy;

c) advance the Company's public and commercial profile;

d) diversify and increase the shareholder base; and

e) provide a market place for the Shares and give the Company improved access to the capital markets for potential future funding.

The Private Placement was completed immediately prior to the Admission to Trading. No other equity capital or proceeds will be raised by the Company in connection with the Admission to Trading.

7.3.3 Use of proceeds

The proceeds from the Private Placement will be used for yard instalments, other investments related to the vessels, marketing, working capital and general corporate purposes.

In addition, the proceeds will be used to cover relevant transaction costs incurred in connection with the Private Placement.

7.3.4 Lock-up

As part of the Private Placement, certain members of the board of directors and the management and/or their related parties have entered into customary lock-up arrangements with the for the benefit of the Euronext Growth Advisors for a duration of 12 months following the Admission to Trading.

7.4 Dividend and dividend policy

7.4.1 Dividends policy

The Company has not established any dividend policy to date. Future dividends will be dependent on earnings, cash flow and liquidity situation going forward.. There can be no assurance that in any given year a dividend will be proposed or declared.

The Company has not paid any dividends on its Shares to date.

7.4.2 Legal and contractual constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Private Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in force at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Private Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or in some instances in kind. The Norwegian Private Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

a) Section 8-1 of the Norwegian Private Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealized gains and the reserve for valuation of differences).

b) The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the general meeting may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the general meeting's resolution.

c) Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Private Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian private limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Private Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 8 "*Norwegian taxation*".

7.4.3 Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through the VPS Registrar. Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

7.5 The Articles of Association

The Articles of Association are enclosed in Appendix A to the Information Document, a summary of which is given below:

7.5.1 Objective of the Company

The Company's objective is to conduct ship owning, transport and travelling business, including development and investment in other companies and other related business.

7.5.2 Share capital and par value of each Share

The Company's share capital is NOK 49,650,000, divided into 49,650,000 Shares, each with a par value of NOK 1.

The shares shall be registered in Verdipapirsentralen ASA (VPS).

7.5.3 The Board of Directors

According to the general meeting's resolution, the Board shall consist of between three to seven Board Members. The Board Members are elected for one year at a time. Board Members can be re-elected.

7.5.4 Nomination committee

The Company does currently not have a nomination committee.

7.5.5 Restrictions on transfer of Shares

Other than the lock-up as described in Section 7.3.4 above, there are no restrictions on transfer of the Shares.

7.6 Certain aspects of Norwegian corporate law

7.6.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian private limited liability company. The date for the first annual general shareholder meeting following the Admission to Trading is not set. However, in accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that a written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting is sent to all shareholders with a known address no later than seven days before the annual general meeting of a Norwegian private limited liability company shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy (the proxy holder is appointed at their own discretion). Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the shareholders' register kept and maintained with VPS as of the date of the general meeting, or who otherwise have reported and documented ownership of shares in the Company, are entitled to participate at general meetings, without any requirement of pre-registration.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the board of directors considers it necessary. An extraordinary general meeting of shareholders shall also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 10% of the share capital demands such in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings.

7.6.2 Voting rights – amendments to the articles of association

Each Share carries one vote. In general, decisions shareholders are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments (e.g. to the board of directors), the person(s) who receive(s) the greatest number of votes cast is elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe or shares in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the articles of association, to authorize an increase or reduction of the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the general meeting in question. Moreover, Norwegian law requires that certain decisions, i.e. decisions that have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favor of the resolution, as well as the majority required for amending the articles of association.

In general, only a shareholder registered in VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees.

There are no quorum requirements that apply to the general meetings.

7.6.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's articles of association must be amended, which requires the same vote as other amendments to the articles of association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. The preferential rights may be deviated from by a resolution in the general meeting passed with the same vote required to amend the articles of association. A deviation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the articles of association, authorize the board of directors to issue new Shares, and to deviate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered par share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States and other jurisdictions upon the exercise of preferential rights may require the Company to file a registration statement or prospectus in the United States under United States securities laws or in such other jurisdictions under the laws of such jurisdictions. Should the Company in such a situation decide not to file a registration statement or prospectus, the Company's U.S. shareholders and shareholders in such other jurisdictions may not be able to exercise their preferential rights. To the extent that shareholders are not able to exercise their rights to subscribe for new shares, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company will be reduced.

7.6.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the board of directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 10% or more of the Company's share capital have a right to demand in writing that the Board of Directors convenes an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

7.6.5 Rights of redemption and repurchase of shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not lead to the share capital with deduction of the aggregate nominal of the holding of own shares is less than the minimum allowed share capital of NOK 30,000, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the general meeting of the Company's shareholders cannot be granted for a period exceeding two years.

7.6.6 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the board of directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the articles of association stipulate that, made available to the shareholders on the Company's website, at least two weeks prior to the general meeting to pass upon the matter.

7.6.7 Liability of Board Members

Board Members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Board Members may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the articles of association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the articles of association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

7.6.8 Indemnification of Board Members

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

7.6.9 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

7.7 Takeover bids and forced transfer of shares

The Company is not subject to the takeover regulations, applicable only to companies with shares listed on a Norwegian Regulated Market, set out in the Norwegian Securities Trading Act, or otherwise.

The Shares are, however, subject to the provisions on compulsory transfer of shares as set out in the Norwegian Private Companies Act. If a private limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the general meeting, the board of directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary have the right to require the parent company to take over the shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Norwegian Private Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.

7.8 Insider trading

According to the Market Abuse Regulation (EU) No 596/2014 ("**MAR**"), as implemented through the Norwegian Securities Trading Act, subscription for, purchase, sale or exchange of financial instruments that are admitted to trading, or subject to an application for admission to trading on a Norwegian Regulated Market or a Norwegian Multilateral Trading Facility, or incitement to such dispositions, must not be undertaken by anyone who has inside information. The same applies in the case of financial instruments that are admitted to trading on a Norwegian multilateral trading facility. Inside information is defined in Article 7(1)(a) of the MAR and refers to precise information about financial instruments issued by the Company admitted to trading, about the Company admitted trading itself or about other circumstances which are likely to have a noticeable effect on the price of financial instruments issued by the Company admitted to trading or related to financial instruments issued by the Company admitted to trading, and which is not publicly available or commonly known in the market. Information that is likely to have a noticeable effect on the price shall be understood to mean information that a rational investor would probably make use of as part of the basis for his investment decision. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions. Breach of insider trading obligations may be sanctioned and lead to criminal charges.

8 NORWEGIAN TAXATION

This Section describes certain tax rules in Norway applicable to shareholders who are resident in Norway for tax purposes ("**Norwegian Shareholders**") and to shareholders who are not resident in Norway for tax purposes ("**Foreign Shareholders**"). The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Information Document and are subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. The statements only apply to shareholders who are beneficial owners of Shares. Please note that for the purpose of the summary below, references to Norwegian Shareholders or Foreign Shareholders refers to the tax residency rather than the nationality of the shareholder.

8.1 Norwegian shareholders

8.1.1 Taxation of dividends

Norwegian corporate shareholders (i.e. limited liability companies and similar entities) ("**Norwegian Corporate Shareholders**") are comprised by the Norwegian participation exemption. Under the participation exemption, only 3% of dividend income on shares in Norwegian limited liability companies is subject to tax as ordinary income (22% flat rate as of 2021), implying that such dividends are effectively taxed at a rate of 0.66%.

Dividends distributed to Norwegian individual shareholders (i.e. other shareholders than Norwegian Corporate Shareholders) ("**Norwegian Individual Shareholders**") are grossed up with a factor of 1.44 before taxed as ordinary income (22% flat rate, resulting in an effective tax rate of 31.68%) to the extent the dividend exceeds a tax-free allowance.

The tax-free allowance is calculated on a share-by-share basis for each individual shareholder on the basis of the cost price of each of the Shares multiplied by a risk-free interest rate. The risk-free interest rate is based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The tax-free allowance is calculated for each calendar year and is allocated solely to Norwegian Individual Shareholders holding Shares at the expiration of the relevant calendar year. Norwegian Individual Shareholders who transfer Shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the Share ("unused tax-free allowance") may be carried forward and set off against future dividends received on (or gains upon realisation of, see below) the same Share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same Share the following year.

The Shares will not qualify for Norwegian share saving accounts (Nw.: *aksjesparekonto*) for Norwegian Individual Shareholders as the Shares are listed on the Euronext Growth Oslo (and not Oslo Børs/Euronext Expand).

8.1.2 Taxation of capital gains

Sale, redemption or other disposal of Shares is considered as a realisation for Norwegian tax purposes.

Capital gains generated by Norwegian Corporate Shareholders through a realisation of shares in Norwegian limited liability companies, such as the Company, are comprised by the Norwegian participation exemption and therefore tax exempt. Net losses from realisation of Shares and costs incurred in connection with the purchase and realisation of such Shares are not tax deductible for Norwegian Corporate Shareholders.

Norwegian Individual Shareholders are taxable in Norway for capital gains derived from realisation of Shares, and have a corresponding right to deduct losses. This applies irrespective of how long the Shares have been owned by the individual shareholder and irrespective of how many Shares that are realized. Gains are taxable as ordinary income in the year of realisation and losses can be deducted from ordinary income in the year of realisation. Any gain or loss is grossed up with a factor of 1.44 before taxed at a rate of 22% (resulting in an effective tax rate of 31.68%). Gain or loss is calculated per Share, as the difference between the consideration received for the Share and the Norwegian Individual Shareholder's cost price for the Share, including costs incurred in connection with the acquisition or realisation of the Share. Any unused tax-free allowance connected to a Share may be deducted from a capital gain on the same Share, but may not lead to or increase a deductible loss. Further, unused tax-free allowance related to a Share cannot be set off against gains from realisation of other Shares.

If a Norwegian shareholder realizes Shares acquired at different points in time, the Shares that were first acquired will be deemed as first sold (the "first in first out"-principle) upon calculating taxable gain or loss. Costs incurred in connection with the purchase and sale of Shares may be deducted in the year of sale.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances.

8.1.3 Net wealth tax

The value of Shares is taken into account for net wealth tax purposes in Norway. The marginal net wealth tax rate is currently 0.85% of the value assessed. The value for assessment purposes for the Shares is equal to 55% of the total tax value of the Company as of 1 January of the year before the tax assessment year. However, if the share capital in the Company has been increased or reduced by payment from or to shareholders in the year before the tax assessment year, the value for assessment purposes for the Shares is equal to 55% of the total tax value of the Company as of 1 January of the tax assessment year. The value of debt allocated to the Shares (a proportional part of the shareholder's total debt) for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 55%).

Norwegian limited liability companies and similar entities are exempted from net wealth tax.

8.2 Foreign Shareholders

8.2.1 Taxation of dividends

Dividends paid from a Norwegian limited liability company to Foreign Shareholders are subject to Norwegian withholding tax at a rate of 25% unless the recipient qualifies for a reduced rate according to an applicable tax treaty or other specific regulations. The shareholder's country of residence may give credit for the Norwegian withholding tax imposed on the dividend.

If a Foreign Shareholder is carrying on business activities in Norway and the Shares are effectively connected with such activities, the Foreign Shareholder will be subject to the same taxation of dividend as a Norwegian Shareholder, as described above.

Foreign Shareholders that are corporate shareholders (i.e. limited liability companies and similar entities) ("**Foreign Corporate Shareholders**") resident within the EEA are exempt from Norwegian withholding tax pursuant to the Norwegian participation exemption provided that the Foreign Corporate Shareholder is genuinely established and carries out genuine economic activities within the EEA.

Dividends paid to Foreign Shareholders that are individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders) ("**Foreign Individual Shareholders**") are as the main rule subject to Norwegian withholding tax at a rate of 25%, unless a lower rate has been agreed in an applicable tax treaty. If the individual shareholder is resident within the EEA, the shareholder may apply to the tax authorities for a refund of an amount limited up to 25% of the calculated tax-free allowance on each individual share, see Section 8.1.1 "*Taxation of dividends*". However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation of the dividends than the withholding tax rate of 25% applied on the gross dividend less the tax-free allowance.

In accordance with the present administrative system in Norway, a distributing company will generally deduct withholding tax at the applicable rate when dividends are paid directly to an eligible Foreign Shareholder, based on information registered with the VPS. Foreign Corporate and Individual Shareholders must document their entitlement to a reduced withholding tax rate by (i) obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state and (ii) providing a confirmation from the shareholder that the shareholder is the beneficial owner of the dividend. In addition, Foreign Corporate Shareholders must also present either (i) an approved withholding tax refund application or (ii) an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate or a withholding tax exemption. Such documentation must be provided to either the nominee or the account operator (VPS). Dividends paid to Foreign Shareholders in respect of nominee registered shares are not eligible for reduced treaty withholding tax rate at the time of payment unless the nominee, by agreeing to provide certain information regarding beneficial owner, has obtained approval for reduced treaty withholding tax rate from the Norwegian tax authorities. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Foreign Individual Shareholders and Foreign Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Foreign Corporate Shareholders that have suffered withholding tax although qualifying for the Norwegian participation exemption.

Foreign Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments.

8.2.2 Taxation of capital gains

Gains from realisation of Shares by Foreign Shareholders will not be subject to tax in Norway unless the Foreign Shareholders are holding the Shares in connection with business activities carried out in or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

8.2.3 Net wealth tax

Foreign Shareholders are not subject to Norwegian net wealth tax with respect to the Shares, unless the shareholder is an individual, and the shareholding is effectively connected with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

8.2.4 Transfer taxes etc. VAT

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, issuance, disposal or redemption of shares. Further, there is no VAT on transfer of shares.

9 ADDITIONAL INFORMATION

9.1 Admission to trading on Euronext Growth Oslo

The Company applied for the Admission to Trading on Euronext Growth Oslo on 14 July 2021. The first day of trading is expected to be on or about 3 August 2021.

9.2 Auditor

The Company's independent auditor is PwC, with business registration number 987 009 713 and registered address Dronning Eufemias gate 71, 0194 Oslo, Norway. The partners of PwC are members of the Norwegian Institute of Public Accountants (Nw.: "*Den Norske Revisorforeningen*").

PwC has been the Company's independent auditor since its incorporation on 18 May 2021.

9.3 Advisors

Wikborg Rein Advokatfirma AS, with business registration number 916 782 195 and registered address Dronning Mauds gate 11, 0250 Oslo, Norway, is acting as legal counsel to the Company and to the Managers.

Fearnley Securities AS, with business registration number 945 757 647 and registered business address Grev Wedels plass 9, 0151 Oslo, Norway, and SpareBank 1 Markets AS, with registration number 992 999 101 and registered business address Olav Vs gate 5, 0161 Oslo, Norway, are acting as legal counsels to the Company.

10 DEFINITIONS AND GLOSSARY OF TERMS

Admission or **Admission to Trading**	The admission to trading of the Company's Shares on Euronext Growth Oslo, expected to take place on or about 3 August July 2021
Articles of Association	The articles of association of the Company as of 28 July 2021
Board of Directors or **Board Members**	The board of directors of the Company
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Coastal Route	The coastal route between Bergen and Kirkenes regulated by a governmental concession covering a total of eleven ships
Company	Havila Kystruten AS a private limited liability company with business registration number 927 216 841 and registered address Mjølstadnesvegen 24, 6092 Fosnavåg, Norway
Group	Havila Kystruten AS and its subsidiaries.
Consolidated Financial Statements	The audited, consolidated financial statements prepared for Havila Kystruten Operation AS in accordance with IFRS as approved by the EU for the two years 2020 and 2019.
Construction Loan	The loan from GTLK for the construction of the vessels
Disputes	Has the meaning ascribed to such term in Section 4.9.
EEA	European Economic Area
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a Regulated Market, as amended, and as implemented in Norway
Euronext Growth Advisors or **Managers**	Fearnley Securites AS and SpareBank 1 Markets AS
Euronext Growth Oslo	A multilateral trading facility operated by Oslo Børs ASA as one of several Euronext Growth Markets under Euronext
Euronext Growth Rule Book	The Euronext Rule Book I and the Euronext Rule Book II for Euronext Growth Oslo, collectively
Financial Statements	The Consolidated Financial Statements and the Parent Financial Statements together.
Foreign Corporate Shareholders	Foreign Shareholders that are corporate shareholders (i.e. limited liability companies and similar entities)
Foreign Individual Shareholders	Foreign Shareholders that are individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders)
Foreign Shareholders	Shareholders who are not resident in Norway for tax purposes
GDPR	The General Data Protection Regulation (EU) 2016/679 (GDPR)
Group	The Company and its subsidiaries as set out in Section 4.2
HKO	Havila Kystruten Operations AS, org. no. 918 458 999, until recently named Havila Kystruten AS, a holding company owning the four subsidiaries which each own a newbuilding contract or a completed vessel.
Information Document	This Information Document dated 3 August 2021
IP	Intellectual property
Leasing Financing	The sale and lease back arrangement between the Group and GTLK
Management	The members of the Group's executive management as set out in Section 5.3
Managers	Fearnley Securities AS and Sparebank 1 Markets AS
MAR	The Market Abuse Regulation ((EU) No. 596/2014)
Ministry	The Norwegian Ministry of Transport
NGAAP	Accounting principles generally accepted in Norway
NOK	Norwegian Kroner, the lawful currency of Norway
Norwegian Code of Practice	The Norwegian Code of Practice for Corporate Governance last updated on 17 October 2018
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes
Norwegian Individual Shareholders	Norwegian Shareholders other than Norwegian Corporate Shareholders
Norwegian Private Companies Act	The Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44, as amended (Nw.: *aksjeloven*)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (Nw.: *verdipapirhandelloven*)
Norwegian Securities Trading Regulation	The Norwegian Securities Trading Regulations of 29 June 2007 no. 876, as amended (Nw.: *verdipapirforskriften*)
Norwegian Shareholders	Shareholders who are resident in Norway for tax purposes
Parent Financial Statements	The audited interim standalone financial statements for the Company for the period from its incorporation on 18 May 2021 to 31 May 2021, prepared in connection with the Admission and in accordance with IFRS.
Private Placement	The private placement of 19,650,000 new Shares, each with a par value of NOK 1, at a subscription price of NOK 25.50 per Share raising gross proceeds of NOK 501,075,000, completed on 28 July 2021
PwC	PricewaterhouseCoopers AS, the Company's independent auditor

Regulated Market	A market for financial instruments within the scope of Article 4(1)(21) of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments
Relevant Member State	Each Member State of the European Economic Area which has implemented the EU Prospectus Regulation
Service Contract	Has the meaning ascribed to such term in Section 4.5.3.
Share(s)	The shares of the Company, consisting as of the date of this Information Document of 49,650,000 ordinary shares, each with a par value of NOK 1
SPC	Each of the four special purpose companies fully owned by HKO, set up to be the counterparties for the leasing agreements with GTLK, one SPC for each of the NB 1093, NB 1094, NB 1103 and NB 1104 respectively.
Tersan	The Turkish yard Tersan Tersanecilik San. Ve. Tic. A.S.
Transaction	The transaction described in Section 4.3
United States or US	The United States of America
VPS Registrar	DNB Bank ASA, Norwegian branch
VPS	The Norwegian Central Securities Depository (Nw.: *Verdipapirsentralen ASA*)

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Appendix A – Articles of Association

VEDTEKTER

FOR

HAVILA KYSTRUTEN AS

(organisasjonsnummer 927 216 841)

(Sist endret 28. juli 2021)

§ 1

Foretaksnavn

Selskapets foretaksnavn er Havila Kystruten AS.

§ 2

Selskapets virksomhet

Selskapets virksomhet skal være å drive rederi-, transport- og reiselivsvirksomhet, herunder utvikling og investering i andre selskaper, og annet som står i naturlig sammenheng med dette.

§ 3

Aksjekapital og aksjer

Selskapets aksjekapital er NOK 49 650 000 fordelt på 49 650 000 aksjer, hver pålydende NOK 1. Selskapets aksjer skal være registrert i en verdipapirsentral.

§ 4

Fri omsettelighet av aksjer

Selskapets aksjer er fritt omsettelige. Erverv av aksjer er ikke betinget av selskapets samtykke. Aksjeeiere har ikke forkjøpsrett ved overdragelse av aksjer.

ARTICLES OF ASSOCIATION

FOR

HAVILA KYSTRUTEN AS

(organisation number 927 216 841)

(last modified on 28 July 2021)

§ 1

Company name

The name of the Company is Havila Kystruten AS.

§ 2

Business of the Company

The Company's business is to conduct shipping, transport and tourism activities, including development and investment in other companies, and other activities that are naturally related to this.

§ 3

Share capital and shares

The Company's share capital is NOK 49,650,000 divided into 49,650,000 shares, each having a nominal value of NOK 1. The company's shares shall be registered in a central securities depository.

§ 4

Negotiability of shares

The Company's shares are negotiable. Acquisition of shares is not conditional upon the Company's consent. Shareholders do not have pre-emptive rights at transfer shares.

§ 5

Styret

Selskapets styre skal ha fra 3-7 medlemmer. Styret velges for ett år om gangen. Styremedlemmer kan ta gjenvalg.

§ 6

Signatur

Selskapets firma tegnes av daglig leder og styrets leder hver for seg, eller to styremedlemmer i fellesskap.

§ 7

Innkalling til generalforsamling

Når dokumenter som gjelder saker som skal behandles på generalforsamlingen, er gjort tilgjengelige for aksjeeierne på selskapets internettsider, gjelder ikke aksjelovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen.

§ 5

Board of Directors

The company's Board of Directors shall have from 3-7 members. The Board of Directors is elected for one year at a time. Board members can be re-elected.

§ 6

Signature

The general manager and the Chairman of the Board separately, or two board members jointly shall have signatory power on behalf of the Company

§ 7

Notice to general meeting

When documents concerning matters to be considered at the general meeting have been made available to the shareholders on the Company's website, the Norwegian Limited Liability Companies Act's requirement that the documents shall be sent to shareholders does not apply. This also applies to documents that by law shall be included in or appended to the notice of the general meeting.

The English language version of this document is an office translation of the original Norwegian text. In case of discrepancies, the Norwegian text shall prevail

Appendix B – Audited Consolidated Financial Statements for 2020

Financial statement 2020

Havila Kystruten AS Group

Havila Kystruten AS Group – Annual report 2020

Havila Kystruten AS was awarded a contract on the coastal route between Bergen and Kirkenes with the Ministry of Transport and communications in 2018. The contract covers four cruise ships with a fixed duration of 10 years. The sailing will start in 2021, and the contract with the Ministry will ensure a good offer of transportation along the Norwegian coast. Havila Kystruten's four new ships will be the most eco-friendly ships sailing between Bergen and Kirkenes.

To serve the contract with the Ministry, Havila Kystruten has entered into four newbuilding contracts with Tersan in Turkey. The first two ships will be delivered in mid-2021, and the last two ships approximately one year after.

The company is headquartered in Herøy, Fosnavåg.

Financial performance

The Group, Havila Kystruten, had no income in 2020. The expenses consist of salary expenses and other expenses related to developing the company towards sailing in 2021. Profit before tax for 2020 was negative by MNOK 42.754 (MNOK 42.584). Interest expenses of MNOK 7.349 (MNOK 0,069) applies to interest on loans from the shareholders, as well as interest to financial institutions. Last years figures in parentheses.

Total equity and liability for the Group is MNOK 1.374.540 (MNOK 991.154). The majority of the assets consist of advance payments for newbuilding contracts, and investment in IT. Total equity as of 31.12.2020 was MNOK 224.912 (MNOK 281.077), equal to an equity ratio of 16,3%.

Total paid-up equity is MNOK 342.000. Accordingly, the Group has received capital in the form of a loan from the shareholder Havila Holding AS of MNOK 757.543 (MNOK 528.547).

The Group has withdrawn a loan of MNOK 342.331 from financial institutions regarding advance payment to the shipyard. The Group also has obligations to the shipyard regarding the ships that are under construction. The Group is fully financed through capital supply from shareholders in 2020 and has received loan commitment from financial institutions.

Future prospects

Havila Kystruten AS has a 10-year agreement on sailing the coastal route between Bergen and Kirkenes for a total of four ships. The Covid-19 pandemic still affects how we view the world and the market as such, and this applies in particular to the construction of the company's ships. It is difficult to maintain normal progress at the shipyard under such circumstances, and this causes delays. The start-up date for sailing with our new ships will therefor be during the summer of 2021.

The market is still characterized by Covid-19, as well as the travel restrictions. We still see reason for optimism as the vaccination process is well underway. So far, we have received a good number of bookings for the summer season and autumn of 2021, as well as the whole year of 2022. We consider this to be positive due to the fact that we have not been able to carry out much of our marketing activities due to Covid-19.

Norway has a beautiful and sought-after nature, and therefore is a popular and exclusive destination for tourists. The Group is working to prepare our organization and ships to enter the market, so that we become a preferred specialist for cruises along the Norwegian coast.

Financial risk

Currency risk

Havila Kystruten will be exposed for currency risk. Payment for our ships will be executed in another currency than NOK. The risk is partly mitigated by withdrawing financing in the same currency as payments to the shipyard.

At the start of sailing in 2021, the income will be distributed in different currencies as NOK, GBP, EUR and USD.

The Group aims to shed light on the various risks and implement mitigating measures. Financing in the same currency as part of the income can be one of those measures. The Groups current strategy does not include usage of financial instruments, but this is a subject of ongoing assessment by the Board of Directors.

Liquidity risk

The Group has been provided with liquidity from the Group's shareholder to pay further advance to the shipyards, and to assist with current working capital. It is assumed that the shareholder provides the company with necessary liquidity until sails start. With liquidity from the shareholders and received loan commitments, the Group is sufficiently financed to handle delivery of the ships that are under construction.

Going concern

In accordance with the IAS 1.125, it is confirmed that the preconditions for continued operations are present. The assumption is based on long-term financing of the ships, capital supply from shareholders, and profit forecasts. The Group assumes that the shareholders provide the Group with necessary liquidity for operations. The Group's management considers that the capital market makes it possible to raise equity when needed.

Subsequent events

As of January 2021 the group has started the transfer of business from Hurtigruten related to four licenses on the Coastal Route of Norway. It has been decided by the Ministry of Transport and Communications that the four routes that Havila Kystruten AS takes over shall be treated as a business transfer within the meaning of the Working Environment Act, Occupational Transport Act § 8 (2). For the group, this means a transfer of 320 employment relationships from Hurtigruten to Havila Kystruten. This includes seniority, pension schemes and collective agreements. The employees have the opportunity to use the right of reservation, and if they choose to do so, no employment relationship will be established within the Group.

Barreras

Havila Kystruten entered into a contract with the Spanish shipyard Hijos de J.Barrers ("Barreras") for the construction of two ships that were intended to operate under the contract Havila Kystruten has with the Ministry.

The shipbuilding contracts were cancelled by Barreras on 24th of November 2019. Havila Kystruten has contested Barreras right to cancel and finds it unfounded. On the 11th of February 2020 Havila Kystruten cancelled the contracts with Barreras. Advances paid under the contracts are secured by an insurance bond, and as a result of Havila Kystruten's cancellation, Havila Kystruten has filed a lawsuit against the issuer of the insurance bond to obtain coverage for advances paid under the construction contract. Advances paid under the construction contract with Barreras amount to NOK 354.4 million as of 31st of December 2020. The financial exposure for the claim is transferred to Havila Holding AS in 2021.

Profit allocation

Based on the company's result, the Board of Directors proposes the following allocation of the profit for the year:

Uncovered loss (MNOK)	-42.754
Total allocated (MNOK)	-42.754

Working environment

The Group has 27 employees. The Group will continue to staff the Group for sail start in 2021.

Equal opportunities and discrimination

The Group aims to be a workplace where there is full equality between women and men. There are currently women in both the Group's management team and Board of Directors.

Environment

The Group's operations are not to be considered as harmful or to pollute the external environment.

Fosnavåg 31.12.20 / 28.07.21

Per Sævik
Chairman of the Board

Arne Johan Dale
Acting CEO

Njål Sævik
Board Member

Hege Sævik Rabben
Board Member

Vegard Sævik
Board Member

List of Signatures

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Name	Method	Signed at
Sævik, Vegard	BANKID	2021-07-28 12:24 GMT+02
Sævik, Njål	BANKID_MOBILE	2021-07-28 10:13 GMT+02
Rabben, Hege Sævik	BANKID	2021-07-28 08:39 GMT+02

Income statement
Havila Kystruten AS Group

In NOK 1000	Note	2020	2019
Payroll and other personnel expenses	5	-21 584	-16 393
Other operating expenses	6	-58 670	-35 307
Total		**-80 254**	**-51 700**
EBITDA		**-80 254**	**-51 700**
Depreciation	8, 9	-1 164	-459
Operating profit/(loss)		**-81 418**	**-52 159**
Interest income		15 061	14
Other financial income	6	19 624	39
Interest expenses		-1 151	-69
Interest to group company		-6 198	-
Other financial expenses	6	-735	-2 392
Net financial items		**26 601**	**-2 409**
Profit before taxes		**-54 817**	**-54 568**
Income tax expense	7	12 064	11 984
Profit for the period		**-42 754**	**-42 584**
Total comprehensive income			
Profit for the period		-42 754	-42 584
Other comprehensive income			
Other gains/losses		-	-
Total comprehensive income		**-42 754**	**-42 584**

Balance sheet
Havila Kystruten AS Group

In NOK 1000	Note	31.12.2020	31.12.2019	01.01.2019
Deferred tax asset	7	15 828	17 148	5 164
Other intangible assets	8	12 615	1 995	85
Vessels under construction	8	974 241	961 590	348 097
Property, plant and equipment	8	212	282	108
Right-of-use assets	9	11 658	27	345
Total fixed assets		**1 014 554**	**981 041**	**353 799**
Investments in shares	4, 10	25	25	25
Other long-term receivables	8, 18	354 359	-	
Total financial assets		**354 384**	**25**	**25**
Trade receivables		-	56	0
Other current receivables	12	4 585	2 262	3 190
Cash and cash equivalents	11	1 016	7 769	583
Total current assets		**5 602**	**10 087**	**3 773**
Total assets		**1 374 540**	**991 154**	**357 597**
Share capital	15	102 000	102 000	102 000
Share premium	15	240 000	240 000	240 000
Total paid-in capital		**342 000**	**342 000**	**342 000**
Other equity		-117 088	-60 923	-18 339
Total equity		**224 912**	**281 077**	**323 661**
Non-current liabilities to financial institutions	3, 13	342 331	171 032	-
Non-current lease liabilities		10 893	-	-
Other non-current liabilities		-	-	-
Total non-current liabilities		**353 224**	**171 032**	**-**
Trade payables		14 491	5 412	7 489
Public duties payable		1 912	1 604	629
Intercompany liabilities	3, 16	757 543	528 547	17 845
Other current liabilities	14	21 460	3 446	7 626
Current lease liabilities	9	997	36	349
Total current liabilities		**796 404**	**539 045**	**33 938**
Total liabilities		**1 149 628**	**710 077**	**33 938**
Total equity and liabilities		**1 374 540**	**991 154**	**357 597**

Fosnavåg 31.12.20 / 28.07.21

Per Sævik
Chairman of the Board

Arne Johan Dale
Acting CEO

Njål Sævik
Board member

Hege Sævik Rabben
Board member

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Board member

List of Signatures

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Financial Statement 2020 - Havila Kystruten AS Group.pdf

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Sævik, Njål	BANKID_MOBILE	2021-07-28 10:14 GMT+02
Rabben, Hege Sævik	BANKID	2021-07-28 08:38 GMT+02

Statement of changes in equity

In NOK 1000	Note	Share capital	Share premium	Other equity	Total
Equity at 01.01.2019		**102 000**	**240 000**	**-18 339**	**323 661**
Profit/(loss) for the period				**-42 584**	**-42 584**
Other gains/losses				-	-
Total comprehensive income				**-42 584**	**-42 584**
Transactions with owners		**-**	**-**	**-**	**-**
Equity at 31.12.2019		**102 000**	**240 000**	**-60 923**	**281 077**
Equity at 01.01.2020		**102 000**	**240 000**	**-60 923**	**281 077**
Profit/(loss) for the period				**-42 754**	**-42 754**
Other gains/losses				-	-
Total comprehensive income				**-42 754**	**-42 754**
Net contributions to owners, net of tax*				-13 373	**-13 373**
Transactions with owners		**-**	**-**	**-13 373**	**-13 373**
Equity at 31.12.2020		**102 000**	**240 000**	**-117 088**	**224 912**

* In 2020 the Group received a contribution of MNOK 60,8 with tax effect from Havila Holding, net of tax MNOK 47,4.
In 2020 the Group made a contribution of MNOK 60,8 without tax effect to Havila Holding.

Statement of cash flows

In NOK 1000	Note	2020	2019
Cash flows from operating activities			
Profit/(loss) before tax		-54 817	-54 568
Adjustments:			
Depreciation and impairment		1 164	459
Net interest expense		7 346	56
Working capital adjustments:			
Trade receivables		1	-
Trade payables		-17 093	-2 105
Other accruals		8 670	-2 328
Cash flow from operating activities		**-56 039**	**-58 485**
Interest received		1	14
Income tax paid		-	-
Net cash from operating activities		**-56 039**	**-58 472**
Cash flows from investing activities			
Purchase of vessels under construction		-320 097	-599 524
Purchase of other property, plant and equipment, and intangible assets		-10 549	-2 084
Purchase of shares including subsidiaries		-25	-
Net cash flows from investing activities		**-330 672**	**-601 609**
Cash flow from financing activities			
Proceeds from borrowings	13	181 268	172 697
Proceeds from intercompany borrowings	16	218 420	503 393
Interest paid		-19 020	-8 511
Share capital increase		-	-
Repayment of leases liabilites	9	-710	-313
Net cash flow from financing activities		**379 958**	**667 267**
Net change in cash and cash equivalents		**-6 753**	**7 186**
Cash and cash equivalents at the beginning of the period		7 769	583
Cash and cash equivalents at the end of the period	11	**1 016**	**7 769**

Accounting principles

The consolidated financial statement for the Havila Kystruten AS are prepared in connection with the listing of the company's shares. These financial statements are prepared in addition to the statutory separate financial statements for the company

Note 1. Summary of significant accounting policies

Havila Kystruten AS was incorporated 4 January 2017 and has its headoffice located in Fosnavåg, Herøy. The company is in a start-up phase and will be operating scheduled passenger and freight transportation along the West coast of Norway under a government contract. Havila Kystruten AS is the parent company in the Havila Kystruten Group (see note 10 for information about subsidiaries). In addition, Havila Kystruten Group is consolidated into the financial statement for Havila Holding Group. The ultimate parent company is Havila Holding AS.

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and mandatory for the financial year commencing on 1 January 2020, as well as the requirements that follow for the Norwegian Accounting Act.

These financial statements are the first consolidated financial statements presented by Havila Kystruten AS. At the date of transition (1 January 2019), the company did not have any subsidiaries. Havila Kystruten AS presented separate financial statements according to IFRS for the financial year ended 31 December 2019. There are no differences between the IFRS consolidated financial statements 1 January 2019, and financial position at 31 December 2018 included in the separate IFRS financial statements for the year ended 31.12.2019. Consequently, there are no transition effects to reconcile. The financial position for the transition date is included in the statement of financial position as required by IFRS 1.

The consolidated financial statements have been prepared under the historical cost convention. Certain exceptions from historical cost are described in the accounting policies below.

Foreign currency translation

The Company's presentation and functional currency is Norwegian kroner (NOK). Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, as part of interest expense. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Taxes

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is calculated on temporary differences arising between the tax values of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

Property, plant and equipment

Property, plant and equipment consists of vessels, furniture, equipment and office related equipment.

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, plant and equipment are depreciated on a straight-line basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

When material components of operating assets have different useful lives, these operating assets are recognized as separate components and depreciated over each component's useful life.

Newbuildings

Vessels under construction include instalment payments to the shipyard, as well as design and engineering expenses, capitalized borrowing costs and construction oversight costs.

Intangible assets

Intangible assets consist of a software booking system under development and are measured at cost at initial recognition, if the criteria for recognition in the balance sheet are met. Cost associated with maintaining software systems are recognized as expense as incurred.

Development costs that are directly attributable to new functionality and new systems, controlled by the Company, are recognized in the balance sheet as intangible asset when the criteria for doing so are met. Development expenditure that do not meet these criteria are recognized as an expense as incurred. Software systems recognized in the balance sheet are amortized over its estimated useful life. Amortization commences when the asset is available for use.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Subsequently, borrowings are recognized at amortized cost using the effective interest method. The difference between the proceeds (net of transaction cost) and the redemption value is recognized over the income statement over the period of the borrowings as part of the effective interest.

Borrowing costs related to borrowings that are directly related to vessels under construction are according to IAS 23 capitalized as part of the acquisition cost.

Borrowings are classified as current liabilities unless there is an unconditional right to defer payment of the liability at least 12 months after the reporting date. Repayments due within one year are therefore classified as current liabilities.

Leases

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate the Company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Havila Kystruten AS and makes adjustments specific to the lease, e.g. term, country, currency and security.

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

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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

Extension and termination options are included in several of the lease agreements. These are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. Some of extension and termination options held are exercisable only by the Company and not by the respective lessor. Some of the termination options are exercisable by both parties in the agreement. In these cases the lease period that can be terminated unilaterally are excluded from the lease period.

Accounts payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are not settled. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Pension obligations

The Company has a mandatory defined contribution pension scheme for its employees. The annual premium paid to the insurance company is recognized through profit and loss as incurred and is presented within payroll costs.

The cash flow statement

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

Investments in subsidiaries

Subsidiaries constitute all companies over which the parent exercises control. Investments in subsidiaries are valued using the cost method. Dividend distribution to owners of the parent are recognized as a liability in the financial statements when the dividends are approved by the General Meeting.

Note 2 - Critical accounting judgments and key sources of estimation uncertainty

In the preparation of the annual accounts estimates and assumptions have been made that have affected the profit and loss account and the valuation of assets and liabilities, and uncertain assets and liabilities on the balance sheet date in accordance with generally accepted accounting practice. Areas which to a large extent contain such subjective evaluations, a high degree of complexity, or areas where the assumptions and estimates are material for the annual accounts, are described in the notes.

Estimates and judgements are reviewed on an ongoing basis and are based on experience, consultation with experts, trend analyses and several other factors, including forecast future events that are deemed probable under current circumstances.

2.1 Barreras newbuilding contract

Management has used judgement to determine the accounting for the termination of the Barreras shipbuilding contracts. Reference are made to note 18 for further information.

2.2 Going concern

In accordance with IAS 1.125 it is confirmed that the preconditions for going concern are present. The assumption is based on long-term financing of the vessels, capital injections from shareholders, and profit forecasts. The company's management considers that the capital market makes it possible to raise equity when needed.

Note 3 - Financial risk management

The Group has not started ordinary operations in 2020, but has four vessels under construction. Planned start up on the contract with the Norwegian government is in Q3 2021. The Groups' policy for financial risk management is currently under development by management. At the end of 2020, the Group is exposed to financial risk arising from market risk, foreign currency risk and interest rate risk, in addition to liquidity risk.

The Group has no derivative instruments to hedge the abovementioned risks.

Market risk
Foreign currency risk

The Group's exposure in foreign currencies presented in NOK are as follows:

In NOK 1000	31.12.2020 EUR	31.12.2019 EUR	01.01.2019 EUR
Assets			
Other long-term receivables	354 359	-	-
Total asset	**354 359**	**-**	**-**
Liabilities			
Non-current liabilities to financial institutions	342 331	171 032	-
Accounts payables currency	7 863	-	-
Total liabilities	**350 194**	**171 032**	**-**

Total (gains)/losses recognised in the income statement:

In NOK 1000	2020	2019
Net agio/disagio recognised in other financial income	7472	-
Disagio recognised in other financial expenses	-735	-2353
Net disagio	6736	-2353

Financial risk in 2019 and 2020 mainly arises from the contracts related to the construction of four vessels. The contract contains elements in USD, EUR and NOK. Part of the Groups' funding is from loans in EUR. The financial risk is measured based on liquidity analysis taking into account the payment schedule to the yard.

The Groups do not use derivatives to hedge foreign currency risk. The Group expects that part of revenue from ordinary operations will be generated in EUR which may serve as an economic hedge as part of the interest expenses on the Company's borrowings are in EUR. Management is continuously monitoring the development in currency risk, and evaluates whether it needs to enter into derivatives to hedge the currency risk sufficiently.

Sensitivity:
As described, the Group is mainly exposed to currency fluctuations in NOK/EUR:

In NOK 1000	Impact on profit after tax	
	2020	2019
EUR/NOK - increase of 5%	162	-6 670
EUR/NOK - decrease of 5%	-162	6 670

*All other factors held unchanged

Interest rate risk

The Group's most material interest rate risk arises from borrowings at floating interest rate. All non-current liabilities are agreed with a floating interest rate, both for NOK and EUR borrowings.
The borrowings are recognised at amortised cost.
The Group's exposure to changes in interest rates are as follows:

In NOK 1000	Reference rate	31.12.2020	31.12.2019	01.01.2019
Borrowings from financial institutions	EURIBOR	342 331	171 032	-
Borrowings from the parent Havila Holding AS	NIBOR	757 543	528 547	17 845
Sum		1 099 874	699 579	17 845

The Group do not apply derivatives to hedge the interest rate exposure.

Sensitivity:

	Impact on profit after tax	
Amount in NOK 1000	**2020**	**2019**
Interest - increase by 100 basis points		
- External	-3 856	-1 887
- Parent	-6 242	-3 518
Interest - decrease by 100 basis points		
- External	NA**	NA**
- Parent Havila Holding AS***	3 433	3 518

*All other factors held constant
** The interest rate on external borrowings are determined based on EURIBOR with a minimum value of 0 + margin.
In second half of 2019, the EURIBOR were negative.
***The interest on the loan to Havila Holding AS is NIBOR6M + margin of 1%. NIBOR6M was 0,55% as of 31st of December, hence the rate used above are reduced by 0,55% to a margin of 1%.

Liquidity risk
The Group manage liquidity risk by ensuring that it maintains sufficient holding of cash and liquid assets so that the Group is able to fulfil its obligations as they fall due.

Management is monitoring the Group's liquidity reserves based on forecasted cash flows.

Borrowings
The Group had the following undrawn borrowing facilities at year end:

In NOK 1000	31.12.2020	31.12.2019	01.01.2019
Loan from financial institutions*	3 281 440	1 498 977	-
Loan from parent Havila Holding AS**	143 358	102 189	2 155

* Non-utilised amount can only be used for payments related to the construction of 4 vessels (2 in 2019). The facility is calculated based on the NOK/EUR exchange rate at 31.12.2020.
** The Group has a loan facility with the parent company Havila Holding AS, with a total borrowing limit of 901 MNOK, of which 757,5 MNOK is utilised as of 31.12.2020. In 2018 and 2019 the limit was 20 MNOK and 600 MNOK.

Maturity of financial liabilities

The table below analyse financial liabilities based on contracted maturity. The amount disclosed below is based on undiscounted contracted cash flows. Amount due within 12 months equal book value as the impact of discounting is deemed immaterial.

In NOK 1000 Maturity of financial liabilities Per 31 December 2020	Less than 12 months	1-3 years	3-5 years	More than 5 years	Total
Trade payables	5 398				5 398
Maturity structure unused loan facilities*		121 058	478 516	2 681 866	3 281 440
Maturity structure used loan facilities**	800 236	299 638			1 099 874
Lease liabilities	997	3 038	3 849	4 006	11 891
Sum	**806 631**	**423 734**	**482 365**	**2 685 872**	**4 398 603**

*Includes non-utilised borrowings from financial institutions.
The facility is calculated based on the NOK/EUR exchange rate at 31.12.2020.
**The loan from parent Havila Holding AS to Havila Kystruten Group has no fixed maturity date (757 543 TNOK), and are included in financial liabilites with maturity less than 12 months.

See note 17 for capital commitments.

Credit risk

In NOK 1000	31.12.2020
Other long-term receivables (see note 18)	354 359

The counterparty of the refund receivable is solid financial institution, hence the credit risk is considered to be insignificant.
Because expected credit loss is considered to be immaterial, there are no loss provision on the receivable.

Note 4 - Financial instruments by category

The following categories are used for subsequent measurement of financial assets and liabilities:

31st of December 2020
NOK 1000

Financial assets	Amortised cost	Fair value through profit/loss	Sum
Investments in and shares		25	25
Cash and cash equivalents	1 016		1 016
Non current receivables	354 359		354 359
Sum	**355 375**	**25**	**355 400**

Financial liabilities	Fair value through profit/loss	Amortised cost	Sum
Liabilities to financial institutions		342 331	342 331
Liabilities to the parent company		757 543	757 543
Trade payables		14 491	14 491
Lease liabilities*		11 891	11 891
Sum	**-**	**1 126 256**	**1 126 256**

*Includes both current and non-current lease liabilities

The fair value of lease liabilities and right to use asset is considered to be equal to the book value. The Group's assets measured at fair value are level 3. No transfer between the levels in the hierarchy in 2019 or 2018.

Change in financial instruments - level 3

NOK 1000	2020	2019	2018
Opening balance	25	25	25
End balance	25	25	25

Specification of investments in shares
NOK 1000

Book value 2018, 2019 and 2020	Ownership share	Book value
Utviklingsforum Ålesund Lufthavn	2.44 %	25
Sum		**25**

Note 5 Payroll, personnel expenses, employees etc.

NOK in 1000

Payroll and other personnel expenses	**2020**	**2019**
Payroll	15 903	11 781
Social security	2 598	2 011
Pensions	2 987	1 484
Other personnel expenses	95	1 117
Sum	**21 584**	**16 393**

The Group had as of 31.12 2020 15 employees (11 in 2019).

NOK in 1000

Compensation to the CEO	**2020**	**2019**
Salary	2 531	2 292
Pension	251	245
Other	25	15
Sum	**2 808**	**2 551**

No loans or securities have been granted to CEO or members of the Board of Directors.

No compensation has been paid to the members of the Board of Directors in 2019 or 2020.

Fee to the auditor

NOK in 1000	**2020**	**2019**
Audit	401	45
Other assurance services		-
Other advisory services	220	5
Tax advisory services	326	76
Sum	**948**	**126**

Note 6 - Other items

Other operating expenses

NOK in 1000	2020	2019
Rent of facilities	1 080	1 248
IT costs	2 507	263
Fees to lawyers	11647	10 776
Audit and accounting	1 101	600
Other consultancy fees	10 237	14 545
Travel expenses	1 314	2 641
Marketing	2 732	2 733
Other operating expenses	841	2 502
Losses on financial receivables*	27 211	-
Other operating expenses	**58 670**	**35 306**

*As disclosed in note 8 and 18, the contracts for the construction of two vessels at Barreras in Spain were terminated in 2020. The advance payments capitalized as vessels under construction for these two vessels was derecognized and a financial receivables for the refund claim was recognized. Due to the derecognition there was booked a loss on receivables. There has also been recognized interests and agio in relation to the financial receivable as interest income and other financial income.

Other financial income and other financial expenses

NOK 1000	2020	2019
Agio	19 623	39
Dividends	-	-
Other financial income	1	-
Other financial income	**19 624**	39
Disagio	-735	-2 353
Other financial expenses	-1 151	-39
Other financial expenses	**-1 886**	**-2 392**

Note 7 Tax

Specification of income tax expense:

(in NOK 1000)	2020	2019
Taxes payable on profit before tax	-	-
Adjustment tax payable prior years	-	-
Tax effect of received group contribution	-	-13 373
Change in tax loss carry forwards	-35 608	-8 567
Change in temporary differences	23 556	9 956
Change in deferred tax due to a change in statutory tax rate	-	-
Income tax expense	**-12 064**	**-11 984**

Reconciliation of the income tax expense:

(in NOK 1,000)	2020	2019
Profit/(loss) before tax	**-54 817**	**-54 568**
Expected income tax expense using the applicable statutory tax rates	-12 067	-11 997
Non-taxable income	-	-
Other non-deductable expenses	3	2
Change in statutory tax rate	-	12
Income tax expense	**-12 064**	**-11 984**

Deferred tax

Deferred tax and deferred tax asset that can be offset in the balance sheet:

Temporary differences	31.12.2020	31.12.2019	01.01.2019
Vessels under construction	115 688	8 000	8 000
Property, plant and equipment	-108	-14	-
Lease liabilities	-233	-9	-
Debt measured at amortised cost	3 010	3 312	-
Group contribution with tax effect	-	-60 786	-
Interest expense limitation carry forward	-616	-616	-616
Sum	**117 741**	**-50 114**	**7 384**
Tax loss carry forward	-189 686	-27 832	-30 855
Basis for deferred tax/(deferred tax asset)	**-71 945**	**-77 946**	**-23 471**
Deferred tax/(deferred tax asset)	**-15 828**	**-17 148**	**-5 164**

Deferred tax assets are offset in the balance sheet. The company expects to use the loss to carry forward the sale of the vessels that are under construction, which will be leased back to it's own ship-owning subsidiaries. Based on the expected market value at sale and leaseback, a taxable profit is expected to exceed the loss to carry forward.

The company's business consists of building and putting four advanced, eco-friendly passenger ships into operation. Construction was scheduled to be completed at an earlier stage. Due to general delays and the eruption of Covid-19, construction has taken longer than planned. It is considered normal for the business that a tax loss accumulates during the construction period. The potential for revenue has been maintained, and the company's revenue forecasts and models for the 10-year contract with the Ministry of Transport and Communications provide a convincing basis for future earnings.

Note 8 Property, plant and equipment
NOK in 1000

Acquisition cost	Vessels under construction	Equipment	Sum
1 January 2019	348 097	108	348 205
Additions	613 492	314	613 807
Disposals*	-	-	-
31 December 2019	**961 589**	**422**	**962 011**
1 January 2020	961 589	422	962 011
Additions	367 011	160	367 170
Disposals*	-354 359	-	-354 359
31 December 2020	**974 241**	**582**	**974 822**
Accumulated depreciation and impairment:			
1 January 2019	-	-	-
Depreciation	-	140	140
Impairment	-	-	-
31 December 2019	**-**	**140**	**140**
1 January 2020	-	140	140
Depreciation	-	230	230
Impairment	-	-	-
31 December 2020	**-**	**370**	**370**
Book value 1 January 2019	**348 097**	**108**	**348 205**
Book value 31 December 2019	**961 589**	**282**	**961 872**
Book value 31 December 2020	**974 241**	**212**	**974 453**
Useful economic lifetime	Not applicable	3-5 years	

The Group has four vessels under construction per 31.12.2020 by Tersan in Turkey.
The first and second vessel are expected to be delivered from the yard end of July 2021 and middle of September 2021. The third and fourth vessel are expected to be delivered in March 2022 and April 2022.

The acquisition cost include instalments paid to the ship yard, capitalised interest, guarantee costs and other costs directly attributable to the construction of the vessels.

Capitalised interest and guarantee commissions was NOK 96 million in 2020 (NOK 49 million in 2019)

*As disclosed in note 18, the contracts for the construction of two vessels at Barreras in Spain were terminated in 2020. The advance payments capitalized as vessels under construction for these two vessels was derecognised (NOK 354 million) and a financial receivables for the refund claim was recognised.

Intangible assets
Intangible assets include a booking IT system which is expected to be operational at the start of ordinary operations in 2021.

Acquisition cost	Booking-system	Sum
1st of January 2019	85	85
Additions	1 910	1 910
Disposals		-
31 December 2019	**1 995**	**1 995**
1st of January 2020	1 995	1 995
Additions	10 620	10 620
Disposals		-
31 December 2020	**12 615**	**12 615**
Accumulated depreciation and impairment		
1st of January 2019	-	-
Depreciation	-	-
Impairment	-	-
31 December 2019	**-**	**-**
1st of January 2020	-	-
Depreciation	-	-
Impairment	-	-
31 December 2020	**-**	**-**
Book value 1 January 2019	**85**	**85**

Book value 31 December 2019	**1 995**	**1 995**
Book value 31 December 2020	**12 615**	**12 615**

The booking system is as of 31 December 2020 under development. The depreciation will start when the system is put into operation.

Note 9 Leases

Book value

	Property
Right to use asset 1 January 2020	27
Additions*	12 564
Depreciation	934
Right to use asset 31 December 2020	**11 658**

* included in non-current assets

	31.12.2020	31.12.2019	01.01.2019
Lease liabilities**			
Current	997	36	313
Non-current	10 893		36
	11 891	36	349

** included in current and non-current liabilities

Amount recognised in the profit/(loss) statement:

The income statement consists of the following amounts related to leases in addition to depreciation:

	2020	2019
Interest expense	490	18
Expenses on short-term leases	710	931

Total cash flow from lease agreements was NOK 1 191 432.

See note 13 for changes in borrowings.

Note 10 - Subsidiaries

Havila Kystruten AS had the following subsidiaries as of 31st of December 2020:

NOK in 1000

Subsidiary	**Location**	**Ownership share**
HK Crew AS*	Fosnavåg	100 %
HK Ship I AS*	Fosnavåg	100 %
HK Ship II AS*	Fosnavåg	100 %
HK Ship III AS**	Fosnavåg	100 %
HK Ship IV AS**	Fosnavåg	100 %

** HK Crew, HK Ship I AS and HK Ship II AS was founded in 2019, hence these companies are not included in consolidated numbers in 2018.
** HK Ship III AS and HK Ship IV AS was founded in 2020, hence these companies are not included in consolidated numbers in 2018 and 2019

Note 11 Restricted cash

	Group		
NOK in 1000	**31.12.2020**	**31.12.2019**	**01.01.2019**
Restricted cash and cash equivalents	939	990	-
Total	**939**	**990**	**-**

Note 12 - Other current receivables

Specification of other current receivables

In NOK 1000	**31.12.2020**	**31.12.2020**	**01.01.2019**
Prepaid expenses	3 535	634	2 908
VAT refund	1 624	1 628	282
Total	**5 159**	**2 262**	**3 190**

Refer to note 16 for a specification of receivables from related parties.

Note 13 - Borrowings

Nominal value at 31 December 2020

In NOK 1000	Nominal value	Unamortised transaction costs	Book value
Liabilities to financial institutions	353 965	11 634	342 331
Liabilities to parent Havila Holding AS	757 543		757 543
Lease liabilities*	11 891		11 891
Sum	**1 123 399**	**11 634**	**1 111 765**

*includes both current and non-current liabilities

Nominal value at 31 December 2019

In NOK 1000	Nominal value	Unamortised transaction costs	Book value
Liabilities to financial institutions	174 343	3 312	171 032
Liabilities to parent Havila Holding AS	528 547		528 547
Lease liabilities	36		36
Sum	**702 926**	**3 312**	**699 615**

Nominal value at 1 January 2019

In NOK 1000	Nominal value	Unamortised transaction costs	Book value
Liabilities to parent	17 845		17 845
Lease liabilities	349		349
Sum	**18 193**	**-**	**18 193**

Fair value of the liabilities are assumed to approximate book value given immaterial effect of discounting.

Changes in borrowings:

In NOK 1000	Loan	Lease liabilities	Sum
At 1 December 2020	**699 579**	**36**	**699 615**
Changes from financing cash flows			
Repayment of lease liabilities		-710	-710
Proceeds from new borrowings	400 355		400 355
Paid interest	-18 531	-490	-19 020
Total	**381 825**	**-1 200**	**380 625**
Non-cash changes:			
Interest expense using effective interest method	30 877	490	**31 367**
Effect of currency translation	-772		**-772**
Transaction fees in amortised cost	-11 634		**-11 634**
Changes in fair value			**-**
New lease liabilities		12 564	**12 564**
Total	**18 470**	**13 054**	**31 525**
At 31 December 2020	**1 099 874**	**11 891**	**1 111 766**
At 1 December 2019	**17 845**	**349**	**18 193**
Changes from financing cash flows			
Repayment of lease liabilities	-	-313	-313
Proceeds from new borrowings	676 090	-	676 090
Paid interest	-8 493	-18	-8 511
Total	**667 598**	**-331**	**667 266**
Non-cash changes:			
Interest expense using effective interest method	17 165	18	**17 183**
Effect of currency translation	283	-	**283**
Transaction fees in amortised cost	-3 312		**-3 312**
Changes in fair value	-	-	**-**
New lease liabilities	-	-	**-**
Total	**14 136**	**18**	**14 155**
At 31 December 2019	**699 579**	**36**	**699 615**

The Group has entered into a sale/leaseback agreement for the financing of four vessels under construction at Tersan. The financing arrangement has a maximum available borrowing amount of EUR 85.5 million for vessel 1 and 2, and EUR 87,5 million for vessel 3 and 4, with an obligation to purchase the vessels back after 10 years. There are also options that give the Group a right to purchase the vessel at an earlier date. Due to the obligation to purchase the vessels back, the agreement is recognised as a financial liability in accordance with IFRS 9 and measured at amortised cost using an estimated duration of 10 years.

The agreement contain financial covenants, including:
- from 30th September 2021: Requirement minimum free liquidity of NOK 50 million for each of the vessels after delivery (total of NOK 100 million for two vessels as of 30 September 2021).
- from 31st December 2021: EBITDA in relation to debt service of at least 1.05
- Minimum value of collateral in relation to debt
- Havila Holding shall be the ultimate owner

Note 14 - Current liabilities

In NOK 1000	**31.12.2020**	**31.12.2019**	**01.01.2019**
Holiday pay	1 950	1 142	332
Loans to employees		120	-
Lease liabilities	997	36	349
Other accrued expenses	19 503	2 184	7 294
Other current liabilities	**22 450**	**3 482**	**7 975**

Refer to note 16 for a specification of trade payables and other current liabilities to related parties.

Note 15 Share capital and share holders

The share capital consist of 30 000 shares with a nominal amount of NOK 3400 per share.

All shares held equal voting rights. All shares are owned by Havila Holding AS.
The address of Havila Holding AS is Mjølstadneset, 6092 Fosnavåg.

Note 16 Related parties

NOK in 1000

Other current liabilities	**31.12.2020**	**31.12.2019**	**01.01.2019**
Havila Holding AS*	757 543	528 547	17 845
Sum	**757 543**	**528 547**	**17 845**

*The interest on the loan to Havila Holding AS is NIBOR6M + margin of 1%.

Trade payables	**31.12.2020**	**31.12.2019**	**01.01.2019**
Havila Holding AS	432	61	1 543
Havila Ariel AS	-	44	66
Havila AS	1 301	120	1 543
Havila Service AS	2 008	-	
Havila Management AS	41	-	
Sum	**3 783**	**225**	**3 152**

The parent company, Havila Holding AS, has issued a loan to Havila Kystruten AS with no instalment requirements with a total borrowing limit of NOK 901 million (of which NOK 756,6 million has been utilised as of 31.12.2020). The loan is classified as current due to no fixed maturity date.

Note 17 - Capital commitments

Material contracted capital commitments that are not recognised as liabilities in the balance sheet have the following payment schedule at 31 December 2020:

In NOK 1000	2021	After 2021	Sum
Vessels under construction	2 378 240	851 047	3 229 287

The table above do not include payments under the contracts with Barreras, that were terminated in 2020, as described in note 18.

See note 3 for financial risk management.

Note 18 - Barreras termination

Vessels under construction
The Group entered into two contracts for the construction of two vessels at the Spanish ship yard Hijos de J. Barreras (“Barreras”). The two vessels were intended for operations under the contract with the Norwegian government, starting 2021.

On 24 November 2019, Barreras sent a notice of termination of these contracts. The Group has disputed Barreras' right to terminate and consider the notice of termination to be without foundations. 11 February 2020, the Group decided to terminate the contracts with Barreras. Paid instalments under the contracts have been secured by a guarantee issued by a financial institution. The Group have filed for a lawsuit in order to claim refund of the paid instalments under the issued guarantee. Prepaid instalments under the contracts was as of 31 December 2019 included in the balance sheet as part of vessel under construction, and amounted to NOK 354.4 million (EUR 36,8 million). The financial exposure for the outcome of the the lawsuit has been transferred to Havila Holding in 2021, as part of the planned listing process.

The advance payments are capitalized as vessels under construction for these two vessels was derecognized (NOK 354 million). The refund claim represent a financial receivable, based on the terms in the shipbuilding contract. Estimated fair value of NOK 327 million for the financial receivable was recognized as an asset. The difference between the asset derecognized and the receivable recognized of NOK 27 million is presented as other operating expenses. Management used judgement to conclude that the refund claim represent a financial asset. As the termination from Barreras is considered to be without foundations, it is considered clear that Havila Kystruten was entitled to terminate. Management has also used judgement when estimating fair value on intitial recognition. The contractual interest on the receivable is 5% p.a. When estimating fair value on initial recognition, managment has assumed that a market participant would require a discount because of process risk and cost, and because of uncertain timing of the future cash flows. At the time of cancellation, NOK 327 million was equivalent to EUR 32,4 million which implies a discount of 12% compared to the full amount.

Subsequent measurement is at amotised cost, using the effective interest method. Currency gains after initial recognition is recognised as part of other financial income. The financial receivable is presented as a non-current asset, since the trial is not scheduled before summer 2022.

Barreras has as a consequence of the Barreras Cancellation having been rejected by the Group, opened a case against the Group for the Commercial Court and claimed compensation of a total amount of EUR 10 million and a compensation of EUR 7,1 million plus interest and expenses. The Barreras termination is considered to be without foundation, and the shipbuiling contracts limits the liability to advance payments made. Therefore it is considered unlikely that Havila Kystruten will be required to make any payments related to these claims, and no provisions are made.

Note 19 - Subsequent events

Business transfer from Hurtigruten

As of January 2021 the Group has started the transferred of business from Hurtigruten related to four licenses on the Coastal Route of Norway. It has been decided by the Ministry of Transport and Communications that the four routes that Havila Kystruten AS takes over shall be treated as a business transfer within the meaning of the Working Environment Act, Occupational Transport Act § 8 (2). For the group, this means a transfer of 320 employment relationships from Hurtigruten to Havila Kystruten. This includes seniority, pension schemes and collective agreements. The employees have the opportunity to use the right of reservation, and if they choose to do so, no employment relationship will be established in the Group.

Listing on the Oslo Stock Exchange

The 6th of July 2021, Havila Kystruten starts private investment of NOK 450-500 million in new equity for the company. The money will ensure the company sufficient liquidity for preparations and delivery and put the four coastal cruise ships into operation as they are delivered from the Tersan shipyard in Turkey. The capital raising has been arranged by Fearnleys Securities and SpareBank 1 Markets.

Havila Kystruten has applied for listing on the Oslo Stock Exchange. If all permits are granted and the capital raising falls into place as assumed, it is expected that the company's shares will be listed by the end of July.

To the General Meeting of Havila Kystruten AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Havila Kystruten AS Group, which comprise:

- The consolidated financial statements of Havila Kystruten AS and its subsidiaries (the Group), which comprise the balance sheets as at 31 December 2019 and 31 December 2020, the income statements, statements of changes in equity and statements of cash flows for the years 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019 and 31 December 2020, and its financial performance and its cash flows for the years 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.

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 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 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 fair presentation.

- 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 those charged with governance 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.

Bergen, 29 July 2021
PricewaterhouseCoopers AS

Fredrik Gabrielsen
State Authorised Public Accountant

(This document is signed electronically)

Revisjonsberetning Havila Kystruten Group

Signers:

Name	*Method*	*Date*
Gabrielsen, Fredrik	BANKID_MOBILE	2021-07-29 09:45

Appendix C – Audited Parent Financial Statements for the period from 18 May 2021 to 31 May 2021

Financial Statements

HK Newco AS

18.05.21 - 31.05.21

Business Registration Number
927.216.841

Income statement
HK Newco AS

NOK	Note	18.05.2021 - 31.05.2021
Payroll and other personnel expenses		-
Other operating expenses		-
Total		**-**
EBITDA		**-**
Depreciation		-
Operating profit/(loss)		**-**
Interest income		-
Other financial income		-
Interest expenses		-
Interest to group company		-
Other financial expenses		-
Net financial items		**-**
Profit before taxes		**-**
Income tax expense		-
Profit for the period		**-**
Total comprehensive income		
Profit for the period		-
Other comprehensive income		
Other gains/losses		-
Total comprehensive income		**-**

Balance sheet
HK Newco AS

NOK	**Note**	**31.05.2021**
Cash and cash equivalents	2	30 000
Total current assets		**30 000**
Total assets		**30 000**
Other current liabilities	3	5 570
Total non-current liabilities		**5 570**
Total liabilities		**5 570**
Share capital		30 000
Share premium		-
Total paid-in capital		**30 000**
Other equity		-5 570
Total equity		**24 430**
Total liabilities		**-**
Total equity and liabilities		**30 000**

Fosnavåg, 08.07.2021
Board of Directors
HK Newco AS

Per Rolf Sævik
Chairman of the Board

DocuSigned by:
Arne Johan Dale
3DC6BC5947A54A0...
Arne Johan Dale
Acting CEO

DocuSigned by:
Njål Sævik
51AF9DF3D75E4B4...
Njål Sævik
Board member

DocuSigned by:
Hege Sævik Rabben
3A04A6FA31124DE...
Hege Sævik Rabben
Board member

DocuSigned by:
Vegard Sævik
ACBB440312AF486...
Vegard Sævik
Board member

Statement of changes in equity

NOK	Sharecapital	Share premium	Other equity	Total
Equity at 01.01.2021	-	-	-	-
Profit/(loss) for the period			-	-
Other gains/losses			-	-
Total comprehensive income			-	-
Established 18.05.2021	30 000		-5 570	
Transactions with owners	**30 000**	-	**-5 570**	-
Equity at 31.05.2021	**30 000**	-	**-5 570**	**24 430**

Statement of cash flows

In NOK 1000	Note	18.05.2021 - 31.05.2021
Cash flows from operating activities		
Profit/(loss) before tax		-
Adjustments:		
Depreciation and impairment		-
Net interest expense		-
Working capital adjustments:		
Trade receivables		-
Trade payables		-
Other accruals		-
Cash flow from operating activities		
Interest paid		-
Interest received		-
Income tax paid		-
Net cash from operating activities		**-**
Cash flows from investing activities		
Purchase of vessels under construction		-
Purchase of other property, plant and equipment, and intangible assets		-
Purchase of shares including subsidiaries		-
Net cash flows from investing activities		**-**
Cash flow from financing activities		
Established 18.05.2021		30 000
Net cash flow from financing activities		**30 000**
Net change in cash and cash equivalents		**30 000**
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	2	**30 000**

Accounting principles

Note 1. Summary of significant accounting policies

The financial statement as of 31st of May 2021 for the HK Newco AS are prepared in connection with the admission to trading of shares on Euronext Growth.

HK Newco AS (will change name to Havila Kystruten AS) was establised 18th of May 2021 and has its headoffice located in Fosnavåg, Herøy. The purpose of the company is to own shares in Havila Kystruten AS (will change the name to Havila Kystruten Operations AS).
In the period from establishment 18th of May to 31st of May 2021 there has been no operation in the company.

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and mandatory for the financial year commencing on 2019. 1st of January 2019 or later, as well as the requirements that follow for the Norwegian Accounting Act as at 31 December.

The Company has adopted the going concern basis in preparing its financial statements. When assessing this assumption, management has assessed all available information about the future. The assumption is based on capital injections from shareholders. The company's management considers that the capital market makes it possible to raise equity when needed.

Cash deposit
The cash deposit are presented as amortised cost. The counterparty of the cash deposit is a solid financial institution with good credit rating, hence the credit risk and provision for expected credit loss on the cash deposit is set to zero.

The cash flow statement
The cash flow statement has been prepared using the indirect method. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.
As of 31st of May 2021 the cash flow includes only deposit the share capital of NOK 30.000.

Note 2 Restricted cash

NOK in 1000	**31.05.2021**
Restricted cash and cash equivalents	30 000
Total	**30 000**

The bank deposits have restrictions until the company is registered in the Register of Business Enterprises in Norway.

Note 3 Share capital and share holders

The company was founded 18th of May 2021.
The share capital consist of 30 000 shares with a nominal amount of NOK 1 per share.

The company has incurred costs of NOK 5 570 in relation to founding the company.

All shares held equal voting rights. All shares are owned by Havila Holding AS.
The adress of Havila Holding AS is Mjølstadneset, 6092 Fosnavåg.

Note 4 - Subsequent events

Listing on the Oslo Stock Exchange

On the 6th of July Havila Kystruten starts private investment of NOK 450-500 million in new equity for the company. The money will ensure the company sufficient liquidity for preparations and delivery and put the four coastal cruise ships into operation as they are delivered from the Tersan shipyard in Turkey. The capital raising has been arranged by Fearnleys Securities and SpareBank 1 Markets.

Havila Kystruten has applied for listing on the Oslo Stock Exchange. If all permits are granted and the capital raising falls into place as assumed, it is expected that the company's shares will be listed by the end of July.

To the General Meeting of HK Newco AS

Independent Auditor's Report

Opinion

We have audited the financial statements of HK Newco AS, which comprise the balance sheet as at 31 May 2021, the income statement, statement of changes in equity and statement of cash flows in the stub period of 18 May 2021 to 31 May 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 May 2021, and its financial performance and its cash flows for the stub period that ended 31 May 2021 in accordance with International Financial Reporting Standards as adopted by 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 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.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 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 fair presentation.

We communicate with those charged with governance 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.

Bergen, 8 July 2021
PricewaterhouseCoopers AS

Fredrik Gabrielsen
State Authorised Public Accountant

(This document is signed electronically)

Revisjonsberetning

Signers:

Name	*Method*	*Date*
Gabrielsen, Fredrik	BANKID_MOBILE	2021-07-08 10:20