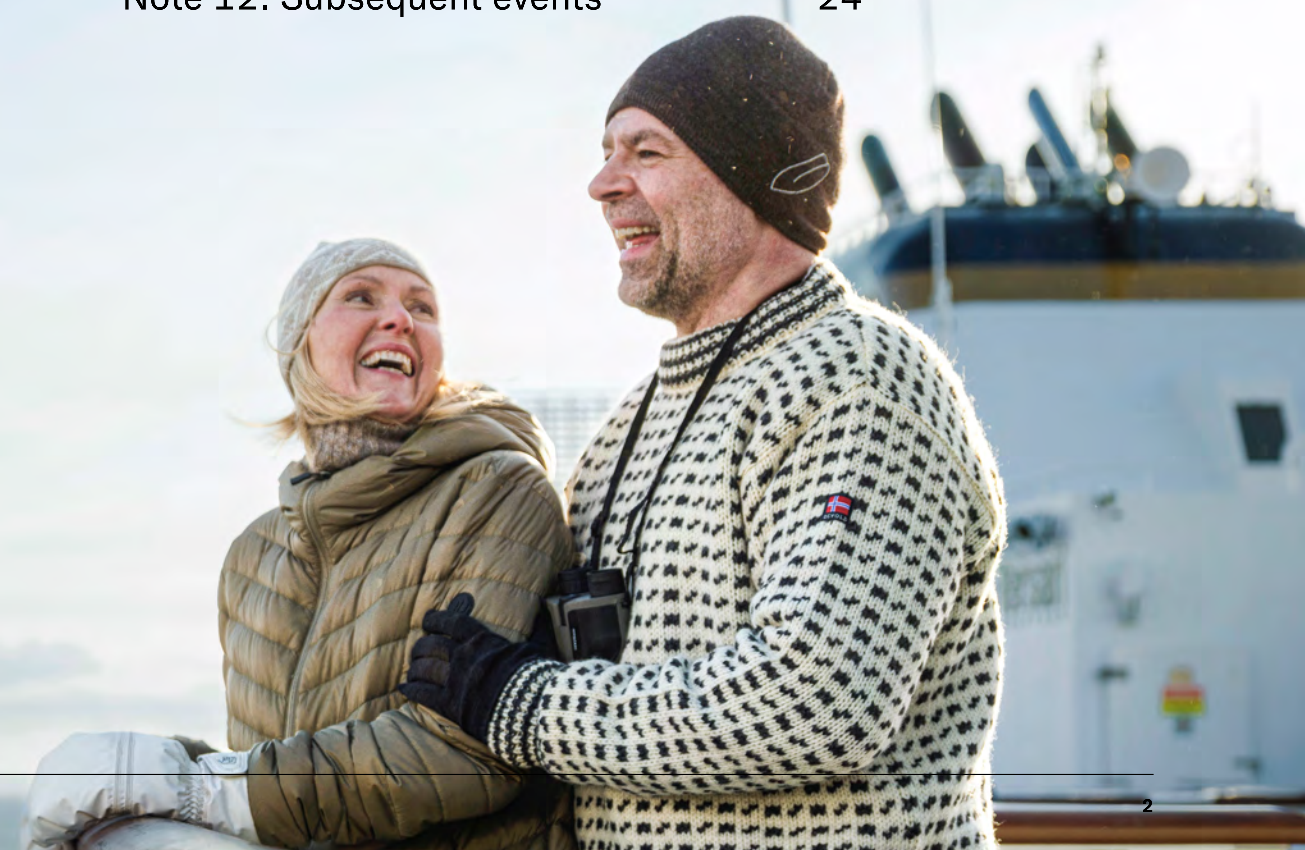
HAVILA KYSTRUTEN

2025

First Quarter

Content



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Key Figures Q1 2025

35% reduction of CO_2 emissions[1]

87% NOx & 100% SOx emissions reduced[1]

Hydrogen ready

One of the world's largest battery packs

Up to four hours emission-free operations

Revenue
MNOK 350

EBITDA
MNOK 11.2

100% operational up-time

6,219 tons of cargo transported

80 partners for coastal excursions

55% of sales through own channels

4 ships in operation

68 g food waste per guest
50% waste sorting rate

[1] The reference figures represent emissions from traditional vessels under a similar contract with the Ministry of Transport in 2017, as sourced from the contract.

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We are Havila Kystruten

A Sustainable Journey Along Norway's Magnificent Coast

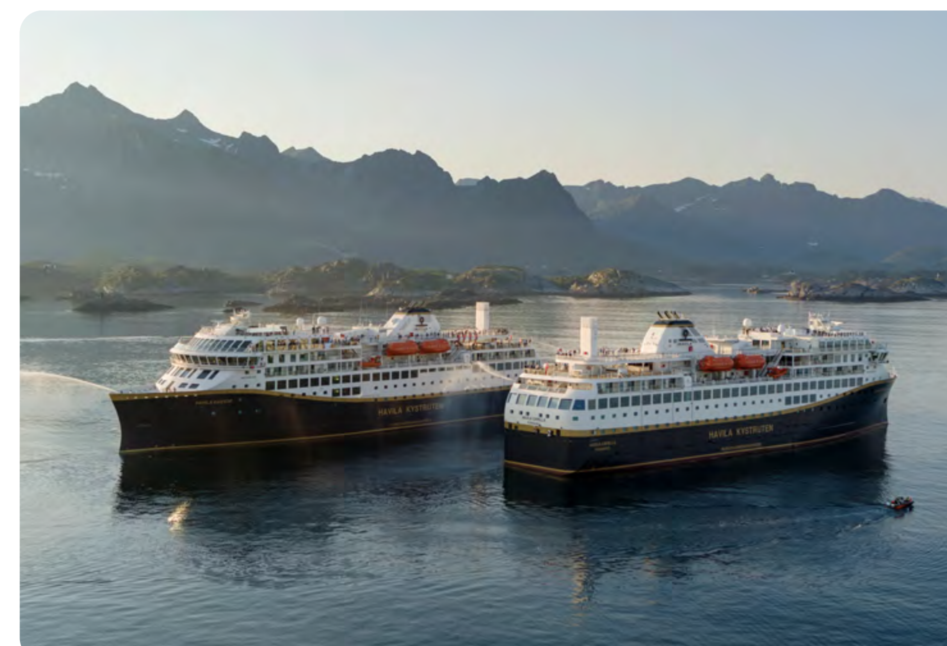
Havila Kystruten sails the historic coastal route between Bergen and Kirkenes with the four most environmentally friendly ships along the Norwegian coast. The coastal cruise ships operate as ferries and cargo vessels for local communities, allowing coastal residents to both send and receive essential goods where they live. Additionally, the company's goal is to offer unforgettable journeys that are both sustainable and adventurous, while also protecting our beautiful coast and the surrounding nature. Our modern ships and our crew provide guests with comfort, culture, and nature.

Havila Kystruten is a privately owned company listed on Euronext Growth in Oslo. Havila Holding is the company's main shareholder and has roots dating back to the 1950s. The Havila Group has a long history in maritime operations and is headquartered in the small coastal town of Fosnavåg in Sunnmøre. It all began when our founder, Per Sævik, bought his first fishing boat as a teenager, and from fisheries, the Havila Group now operates within ship technology, offshore, transportation, and tourism. Havila Kystruten is part of this heritage and aims to be a pioneer in sustainable maritime transport.

The company's four ships are equipped with groundbreaking environmental technology, including large battery packs that allow for silent and emission-free sailing for up to four hours. As early as June 2022, the ship Havila Castor sailed emission-free into the Geirangerfjord, making history. The company therefore meets the government's requirements for zero-emission sailing in the Norwegian World Heritage fjords well before the restrictions are implemented.

Ready for the Future

Despite the government's postponement of the zero-emission initiative in the World Heritage fjords, Havila Kystruten will continue working towards carbon-neutral operations on the coastal route by 2028 and achieving emission-free ship operations at the start of the next concession period in 2030. This is especially important for the company in doing its part to reduce its impact on Norway's magnificent and pristine nature. Havila Kystruten's ships are designed to run on zero-emission fuels such as hydrogen, which can be utilized once it becomes a viable energy source and is approved for commercial operation on passenger ships.



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We are setting course with the entire fleet in operation

Our Vision

To revolutionize coastal travel and contribute to a more sustainable industry for ourselves and future generations.

Our Values

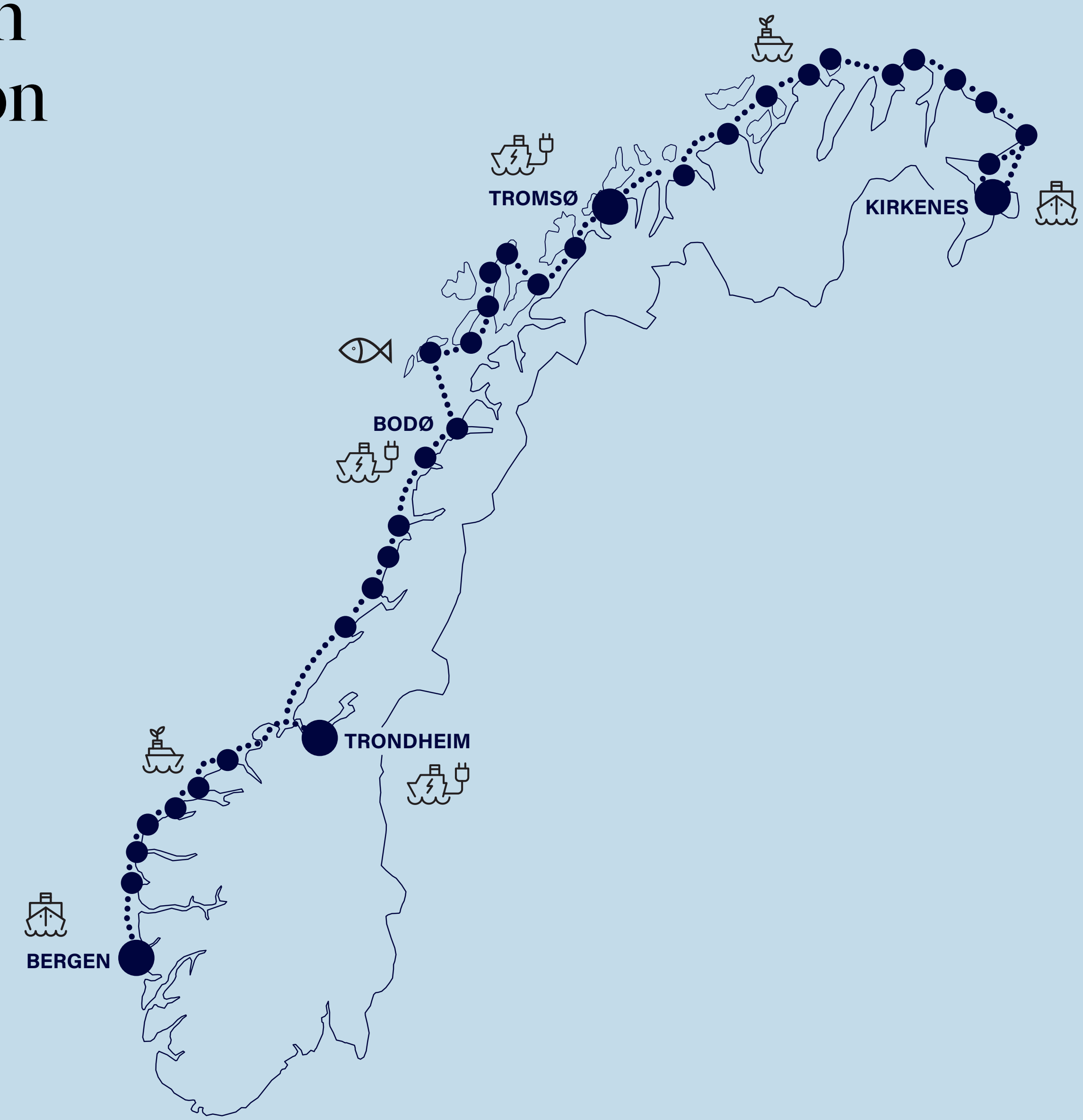
Lead — We always act responsibly, demonstrate leadership and initiative. We trust each other and build trust with others.

Share — We share knowledge, experience, and passion with each other, our customers, and our business partners. We motivate and inspire each other to be the best at what we do.

Care — We care about each other, our customers, the coast, and the environment, and show empathy.

Our Mission

The company's goal is to create safe, sustainable, and adventurous journeys that provide lifelong memories for people, revenues for owners, and lasting value for the business community and the coastal population.



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The journey towards zero emissions

2030

Zero emissions

100 % CO^2 emission reduction

2028

LBG + Battery

90 % CO_2 emission reduction

2025–2026

LBG + Battery

50% CO_2 emission reduction

Today

LNG + Battery

35% CO_2 reduction

87% Nox reduction

100% SOx reduction

All presented reductions in CO_2, NOx, and SOx relate to emissions from the propulsion machinery of the vessels in our fleet. This concerns the transition from diesel to LNG, and further to biogas and potential future transitions to alternative fuels. The figures above pertain to the use of LNG and do not include emissions related to diesel consumed by lifeboats, MOB boats, boilers, and the emergency generator.

The reference figures represent emissions from traditional ships under a similar contract with the Ministry of Transport and Communications in 2017.

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Summary

Havila Kystruten delivered further improvements in both revenue and profitability in the first quarter of 2025. The company reported a strengthened operating result (EBITDA), primarily driven by top-line growth.

In Q1 2025, Havila Kystruten generated revenues of MNOK 350, an increase of 20% from MNOK 293 in the same period last year. The growth was mainly due to a 35% increase in average cabin revenue (ACR), which rose from NOK 3,350 to NOK 4,600. Onboard sales per guest night remained stable compared to last year, despite expected growth. More challenging weather than normal resulted in cancelled excursions, thus negatively impacting onboard sales.

The occupancy rate ended at 61%, down from 68% in Q1 2024. The decline was due to an unusually high occupancy last year, partly because of rebooked guests following previous cancellations, but with lower ACR. However, it is worth noting a better balance in booking between northbound and southbound routes in 2025, due to several successful initiatives. The cabin factor (guests per cabin) increased from 1.77 to 1.86.

Operating costs in the first quarter amounted to MNOK 339, up from MNOK 310 in the same period last year. Wage costs increased by MNOK 11, driven by general wage growth and strengthening of the organization. Wage costs are expected to stabilize going forward. Other operating expenses increased by MNOK 15, mainly due to higher sales and marketing costs as well as generally increased operating expenses, including maintenance. Fuel costs (LNG) were MNOK 10 higher than expected, due to low LNG stocks in Europe during the winter. These costs are expected to decline in coming quarters based on forward market pricing.

The first quarter of 2025 resulted in an EBITDA of MNOK 11, a significant improvement from negative MNOK 18 in the same period in 2024, underlying the positive trajectory for the company.

The company's results and balance sheet continue to be affected by currency fluctuations, particularly between NOK and EUR, which in the first quarter led to an unrealized foreign exchange gain. The company's value-adjusted equity is solidly positive at MNOK 3,419, based on market-adjusted vessel values using external broker assessments and indicative newbuild costs totaling MEUR 692.

Operational efficiency in the fleet was very high during the quarter, with 100% operational uptime , excluding weather related cancellations. At the same time, Havila Kystruten continued its targeted sustainability efforts. CO_2 emissions were reduced by 35% compared to the baseline figures from Coastal Route in 2017. The company also achieved its ambitious target to reduce food waste to under 75 grams per guest night, with an actual result of 68 grams in the first quarter.

The company has initiated preparations to refinance its existing secured debt and has engaged advisors to identify a suitable long-term solution tailored to both the company's situation and the secured debt market. This preparatory work has resulted in some increased administrative costs in the first quarter.

Employees

Havila Kystruten had a total of 553 permanent employees as of March 31, 2025, of which 491 were seafarers and 62 in the administration.

Trading outlook

As of today, 61% of capacity for 2025 is booked, corresponding to approximately 81% of the annual target for cabin nights. Occupancy for Q2 2025 currently stands at 73% with one month remaining in the quarter, compared to 69% in the same period last year. A more balanced distribution between northbound and southbound routes has increased flexibility and enabled more sales closer to departure. At the same time, campaigns for Q4 started later than last year, which is expected to contribute to increased annual occupancy.

For 2026, 21% of capacity is already booked at significantly higher average prices (ACR) than for 2025. Early bookings provide a basis for expectations of continued top-line growth and improved EBITDA margins.

The market for travel to Norway is growing. Havila Kystruten's modern and environmentally friendly fleet has been well received, as documented by several international awards. The company's sustainability profile provides a clear competitive advantage that strengthens opportunities for price increases and higher occupancy.

With an increasingly experienced organization and continuous improvements in digital sales channels, the focus is on increasing direct bookings, which historically have yielded higher prices closer to departure. The company will actively balance occupancy and price to maximize margins throughout the year.

Measures to increase onboard sales are ongoing, with targeted pricing and product promotion initiatives aimed at increasing revenue from ancillary services and experiences.
The strategy of shorter trips is established and under development. There is considered significant potential for increased occupancy and a broader customer base with a lower average age than historically, especially in segments with high willingness to pay. Targeted marketing and commercial initiatives have been implemented to realize this potential.

Income statement

NOK in 1 000	Note	1st quarter 2025	1st quarter 2024
Operating income			
Governement contract revenues	3	99,737	96,915
Operating revenues	3	250,302	195,941
Total operating revenues		**350,039**	**292,856**
Operating expenses			
Good and services consumed related sale of goods and ancillary services	4	-43,186	-42,113
Payroll and other personnel expenses		-113,963	-102,864
Other operating expenses	4, 5	-82,182	-67,141
Bunkers and port fees	4	-99,513	-98,266
Total operating expenses		**-338,844**	**-310,383**
Operating income before depreciation (EBITDA)		**11,195**	**-17,526**
Depreciation	6	-54,996	-40,094
Operating profit/loss		**-43,801**	**-57,620**
Financial items			
Interest income		277	344
Interest expenses		-151,026	-157,610
Net currency profit/loss		128,779	-143,190
Other financial expenses		-340	-206
Net financial items		**-22,310**	**-300,660**
Profit before taxes		**-66,112**	**-358,281**
Taxes		0	0
Profit for the period		**-66,112**	**-358,281**

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Balance sheet

NOK in 1 000	Note	3/31/25	3/31/24	12/31/24
ASSETS				
Tangbile fixed assets				
Other intangible assets	6	38,703	37,930	37,403
Vessel	6	4,079,684	4,245,660	4,123,944
Property, plant and equipment	6	16,638	4,946	10,799
Right-of-use assets	7	13,112	18,553	14,124
Total fixed assets		**4,148,136**	**4,307,089**	**4,186,270**
Finanial fixed assets				
Investments in shares		25	25	25
Other long-term receivables		1,916	401	1,429
Total financial assets		**1,941**	**426**	**1,454**
Total fixed assets		**4,150,078**	**4,307,515**	**4,187,724**
Current assets				
Trade receivables		86,533	114,918	89,860
Other current receivables		60,254	64,618	78,013
Inventories		12,659	12,334	11,078
Cash and cash equivalents	8	85,180	36,807	48,795
Restricted cash	8	146,449	155,118	166,201
Total current assets		**391,076**	**383,794**	**393,948**
Total assets		**4,541,154**	**4,691,309**	**4,581,672**
Paid in equity				
Share capital	9	855,986	855,986	855,986
Share premium		1,335,697	1,335,697	1,335,697
Total paid-in equity		**2,191,683**	**2,191,683**	**2,191,683**

NOK in 1 000		3/31/25	3/31/24	12/31/24
Retained earnings				
Uncovered loss		-2,580,192	-2,084,433	-2,514,080
Total reained earnings		**-2,580,192**	**-2,084,433**	**-2,514,080**
Total equity		**-388,509**	**107,250**	**-322,397**
LIABILITIES				
Other non-current liabilities				
Non-current liabilities to financial institutions	10	3,051,131	3,011,093	3,115,798
Non-current lease liabilities	7	11,462	16,038	12,298
Non-current liabilities to related parties	5, 10	1,227,523	249,923	1,221,855
Deferred income	3	30,781	26,525	42,685
Total non-current liabilities		**4,320,897**	**3,303,579**	**4,392,636**
Current liabillities				
Trade payables	5	124,664	207,176	143,454
Current liabilities to financial institutions	10	62,771	698,984	67,795
Public duties payable		9,799	9,391	16,488
Current liabilities to related parties	5, 10	2,625	22,507	0
Other current liabilities		405,220	338,528	280,004
Current lease liabilities	7	3,687	3,892	3,691
Total current liabilities		**608,766**	**1,280,480**	**511,432**
Total liabilities		**4,929,663**	**4,584,059**	**4,904,069**
Total equity and liabilities		**4,541,154**	**4,691,309**	**4,581,672**

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Cash flow statement

NOK in 1 000	Note	1st quarter 2025	1st quarter 2024	12/31/24
Cash flows from operating activities				
Profit/(loss) before tax		-66,112	-358,282	-788,148
Depreciation and impairment	6	54,996	40,094	213,894
Net interest expense		150,750	157,266	620,113
Inventories		1,581	2,787	4,043
Trade receivables		3,327	25,723	50,780
Trade payables		-18,791	-2,973	-69,249
Unrealized currency profit/loss		-128,779	146,853	183,706
Other accruals		118,911	136,452	40,861
Cash flow from operating activities		**112,722**	**147,921**	**256,001**
Interest received		277	0	6,834
Net cash from operating activities		**112,998**	**147,921**	**262,834**
Cash flows from investing activities				
Purchase of vessel	6	-5,224	-6,427	-33,542
Purchase of other property, plant and equipment, and intangible assets	6	-18,226	-4,091	-27,305
Net cash flows from investing activities		**-23,450**	**-10,517**	**-60 847**
Cash flow from financing activities				
Proceeds from intercompany borrowings		0	0	200,000
Interest paid	10	-78,769	-89,244	-344,160
Repayment of leases liabilites	7	-839	53	-4,882
Net cash flow from financing activities		**-79,608**	**-89,191**	**-149,042**
Net change in cash and cash equivalents		9,940	48,213	52,946
Cash and cash equivalents at the beginning of the period		214,995	150,157	150,157
Currency effect on bank deposits		6,694	-6,446	11,892
Cash and cash equivalents at the end of the period	8	231,630	191,925	214,995

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Equity statement

NOK in 1 000	Share capital	Share premium	Uncovered loss	Total
Equity per 1/1/25	**855,986**	**1,335,697**	**-2,514,080**	**-322,397**
Profit/Loss for the period	0	0	–66,112	–66,112
Equity per 3/31/25	**855,986**	**1,335,697**	**-2,580,192**	**-388,509**

Despite negative book equity, adjusted equity is significantly positive and estimated at NOK 3,419 million as of the end of March 2025. This is attributed to the added value of the group's assets, where shipbrokers assess the market value of the vessels to be substantially higher than their book value. The increase in value is due to price appreciation since the vessels were contracted and built.

Fosnavåg, 27.05.2025
Styret i Havila Kystruten AS

Per Sævik
Styrets leder

Vegard Sævik
Styremedlem

Hege Sævik Rabben
Styremedlem

Anita Nybø
Styremedlem

Karina Birkelund
Styremedlem

Svein Roger Selle
Styremedlem

Bent Martini
Administrerende direktør (CEO)

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Note 1. **Accounting principles**

Accounting principles and valuation methods for assets and liabilities are the same as for the annual accounts for 2024. The interim report is prepared in accordance with IAS 34.

IFRS 9 Financial instruments

Loans and other financial liabilities are carried at amortized cost. Amortization of long-term debt due within 12 months is classified as current debt.

IFRS 16 Leases

Havila Kystruten evaluates whether an arrangement contains a lease according to IFRS 16, and establish principles for calculation, measurement and presentation of leases and for information about these.

Refer to note 7.

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.

Note 2. **Main accounting estimates**

In preparing the interim report, estimates and assumptions have been made that have affected the income statement and the valuation of assets and liabilities, and uncertain assets and liabilities on the balance sheet date in accordance with good accounting practice. Areas that to a large extent contain such subjective assessments, a high degree of complexity, or areas where the assumptions and estimates are material to the interim report, are described in the notes.

Estimates and assessments are continuously evaluated and are based on experience, consultation with experts, trend analyzes and several other factors, including forecasts for future events that are considered likely under current conditions.

Critical judgements in determining the lease term

The Group applies IFRS 16. For all leases, with the exception of short-term leases and low-value leases, a lease liability and a corresponding right-of-use are recognized in the balance sheet. When determining the lease term, management considers all facts and circumstances that create an economic basis for exercising options or not. Extension options are only included if it is reasonably certain that the lease term will be extended.

Periods after a possible termination option are included in the lease term, unless it is reasonably certain that the contract will be terminated.

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Note 3. **Revenues**

Business area NOK in 1 000	3/31/25	3/31/24
Government contract revenues	99,737	96,915
Ticket revenues	157,044	110,796
Additional services (shorex, etc.)	39,596	34,181
Sales of goods (food, shop etc.)	51,323	48,670
Cargo	2,339	2,294
Total	**350,039**	**292,856**

Unearned revenue from agents and individual travelers is recorded as other current liabilities.

The contract with the Ministry of Transport

The company's 10-year contract with the Ministry of Transport, which includes an option for a one-year extension, represents a significant revenue stream.

According to the agreement, the consideration for the option year is lower than in the fixed contract period. The company has applied the simplification rule in IFRS 15.B43, and the total consideration (excluding expected index adjustments) for both the fixed contract period and the option period is allocated linearly over the entire contract period, including the option year. This implies that a portion of the contractually agreed revenue received during the fixed contract period is recognized as unearned revenue. This is presented as long-term liabilities in the balance sheet. In January 2025, the company corrected the calculation method, which means that the provision for unearned income has been adjusted by NOK 15 million.

Accounting policies:

Revenue

Revenue from the sale of travel and services
Sales of services are recognized in the financial period in which the service has been performed and/or delivered to the customer. Advance sales are recognized over the days the passenger is on board. For scheduled voyages on the reporting date, revenue is based on the remaining days in the financial period. Revenue is periodized based on reports from the booking system, with detailed information about the sailings. Tickets, meals and excursions are primarily pre-sold before the start of the journey, but for travelers along the Norwegian coast it is also possible to buy tickets at the port just before the ship sails. Prepaid journeys are recognized as deposits from customers (liabilities).

Revenue from the sale of goods
The Group's sales of goods mainly relate to the sale of food, souvenirs and other products on board the ships. Sales are recognized when the customer has received and paid for the goods. Payment for retail is usually in the form of cash or credit card, from which any credit card fees are booked as a selling cost. The sale is recognized when the goods are delivered to the customer.

Public procurement
Havila Kystruten AS has a state service obligation to the Ministry of Transport to operate the Bergen-Kirkenes coastal route. Revenue from public procurement is recognized on an ongoing basis throughout the year based on existing contracts. These contracts are primarily based on a public tender, where the company has a fixed contract sum for planned (annual) operation. There are specific terms and calculation methods for index regulation of the contract sum. Any changes beyond the planned production are compensated/deducted using agreed rates set out in the agreements and are recognized in the periods they occur.

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Note 4. **Specification of expenses**

Goods and services consumed related sale of goods and ancillary services

NOK in 1 000	3/31/25	3/31/24
Goods	21,962	21,377
Services	21,223	20,736
Total	**43,186**	**42,113**

Bunkers and port fees

NOK in 1 000	3/31/25	3/31/24
Port expenses	22,406	20,727
Bunkers and power*	77,107	77,538
Total	**99,513**	**98,266**

Other operating expenses

NOK in 1 000	3/31/25	3/31/24
Rent of facilities	1,019	698
IT costs	10,384	8,780
Legal fees	1,249	382
Audit and accounting	1,120	908
Other consultancy fees	8,334	7,761
Internal travel expenses	1,922	1,556
External travel expenses**	1,249	2,204
Marketing and sales	18,701	13,212
Insurance	6,956	7,119
Maintenance and repair expenses	13,011	8,639
Other operating expenses	18,237	15,881
Total	**82,182**	**67,141**

* Includes the NOx emission tax.
** External travel expenses are associated with costs arising from cancellations, scheduled routes, operational disruptions, and related incidents.

Note 5. **Related parties**

The Group has engaged in various transactions with related parties. All transactions were conducted in the ordinary course of business and at arm's length prices.

Transactions with related parties

NOK in 1 000

Related parties	Transaction	Amount
Havila Holding AS	Interest costs	30,773
Havila Holding AS	Forwarded other operating expenses	619
Havila Service AS	Business administration*	4,824
Havila Service AS	Forwarded other operating expenses	1,053
Havila Service AS	Forwarded payroll and personnel expenses	133
Havila Shipping ASA	Forwarded other operating expenses	39
Havila Hotels AS	Forwarded payroll	56
Havilahuset AS	Forwarded other operating expenses	434

Related parties	Relation	Ownership
Havila Holding AS	Parent company	59.7%
Havila Service AS	Subsidiary of Havila Holding	0.0%
Havila Shipping ASA	Subsidiary of Havila Holding	0.0%
Havila Hotels AS	Subsidiary of Havila Holding	0.0%

Balances with related parties

NOK in 1 000	3/31/25	12/31/24
Non-current liabilities		
Havila Holding AS*	1,230,148	1,221,855
Total	**1,230,148**	**1,221,855**
Trade payables		
Havila Shipping ASA	0	119
Havila Service AS	2,352	2,341
Havila Hotels AS	56	93
Total	**2,408**	**2,553**
Current receivables		
Havila Shipping ASA	41	0
Havila Hotels AS	0	64
Total	**41**	**64**

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Note 6. **Fixed assets**

Property, plant and equipment

NOK in 1000	Vessel	Periodic maintenance	Equipment	Art	Total
Acquisition cost					
Per 1/1/25	4,310,811	66,538	68,615	3,093	4,449,057
Aquisitions	0	6,627	6,257	0	12,883
Per 3/31/25	**4,310,811**	**73,165**	**74,871**	**3,093**	**4,461,941**
Per 1/1/24	4,369,914	28,072	2,670	3,093	4,403,749
OB correction	0	0	-31,000	0	-31,000
Aquisitions	0	38,466	8,088	0	46,554
Disposals	0	0	-78,000	0	-78,000
Reclassification	-59,102,470	0	57,966	0	-1,136,186
Per 12/31/24	**4,310,811**	**66,538**	**68,615**	**3,093**	**4,449,057**
Accumulated depreciation and impairment:					
Per 1/1/25	245,073	28,791	40,468	0	314,332
Depreciation	35,160	11,599	4,546	0	51,305
Per 3/31/25	**280,232**	**40,390**	**45,014**	0	**365,637**
Per 1/1/24	104,108	7,264	13,230	0	124,601
Depreciation	140,942	21,528	27,239	0	189,709
Per 12/31/24	**245,050**	**28,791**	**40,468**	0	**314,309**
Book value per 12/31/24	**4,065,762**	**37,747**	**28,146**	**3,093**	**4,134,748**
Book value per 3/31/25	**4,030,579**	**32,774**	**29,857**	**3,093**	**4,096,304**
Useful economic lifetime	30 years	1-3 years	3-5 years	N/A	

Note 6. **Fixed assets cont.**

Intangible assets

NOK in 1000	Total
Acquisition cost	
Per 1/1/25	73,842
Aquisitions	3,979
Per 3/31/25	**77,821**
Per 1/1/24	60,659
Correction OB	-6,257
Aquisitions	18,304
Reclassification	1,136
Per 12/31/24	**73,842**
Accumulated depreciation and impairment	
Per 1/1/25	36,439
Amortisation	2,656
Impairment	24
Per 3/31/25	**39,119**
Per 1/1/24	16,453
Amortisation	19,424
Impairment	562
Per 12/31/24	**36,439**
Book value per 12/31/24	**36,439**
Book value per 3/31/25	**37,403**
Useful economic lifetime	2-5 years

Accounting policies:

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.

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.

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Note 7. **Leases**

The Group has implemented IFRS 16 Leases.

Lease liabilities under IFRS 16 are measured at the present value of the remaining lease payments, discounted at the leesee's incremental borrowing rate. The Group's weighted average marginal borrowing rate on lease liabilities as of March 31, 2025 was 4.9% for other leases. The associated right-of-use for the assets was measured at an amount equal to the lease liability adjusted for any prepaid payments or accrued lease costs capitalized as of March 31, 2025.

The Group's leases consist of office premises, apartments and ship equipment. The rental of apartments runs until they are cancelled. The office lease agreements are for a term of between 6 and 10 years, and are automatically renewed for a further 5 years unless terminated by either party within the agreed notice periods. Ship equipment is leased for between 5 and 8 years.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract between the lease and non-lease components based on the components' relative fair values. However, for office lease contracts where the Group is the lessee, the Group has elected not to separate the lease and nonlease components, and instead to treat the entire rent as a lease component.

Total lease liabilities

NOK in 1000	Ship equipment	Property	Total
As of 1/1/25	**7,929**	**8,060**	**15,989**
Addition new leases	0	0	0
Disposal / termination of leases	0	0	0
Lease payments	-367	-472	-839
As of 3/31/25	**7,563**	**7,587**	**15,150**

Amounts recognised in the Balance Sheet

The Balance Sheet shows the following amounts relating to leases:

Right of use assets*

NOK in 1000	3/31/25	31/12/24
Property	7,412	7,778
Vessel equipment	5,700	6,346
Total	**13,112**	**14,124**

* Included in Tangible fixed assets in the balance sheet.

Lease liabilities

NOK in 1000	3/31/25	31/12/24
Current	3,687	3,691
Non-Current	11,462	12,298
Total	15,150	15,989

Amounts recognised in the Statement of Profit or Loss

The Statement of Profit or Loss shows the following amounts relating to leases:

NOK in 1000	3/31/25	31/12/24
Depreciation right of use assets	1,012	4,274
Interest expense	317	345
Expenses relating to short-term leases	839	939
Total	**2,168**	**5,558**

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Note 7. **Leases cont.**

Accounting policies:

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 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.

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Note 8. **Restricted cash**

Total bank deposits, cash and cash equivalents as of March 31, 2025 amounted to NOK 232 million, of which restricted cash was NOK 146.5 million. Of the restricted cash, NOK 1.5 million represents tax withholding funds. The remaining balance consists of pledged bank deposits of NOK 114 million in accordance with an agreement with the lender, and a guarantee deposit of NOK 31 million.

Total bank deposits, cash and cash equivalents as of December 31, 2024 amounted to NOK 215 million, of which restricted cash was NOK 166 million.

Note 9. **Shares and shareholders**

Per 3/31/25, 1 173 shareholders owns the company, whereof 46 shareholders from outside of Norway. Havila Holding AS owns 59.7 % of the company. The company has no own shares.

The share capital amounts to NOK 856 million, comprising 855,985,659 shares at par value NOK 1. Havila Kystruten AS has one class of shares, where each share gives one vote at the company's general meeting.

The 20 largest shareholders at 3/31/25:

Shareholder	Shares	Ownership
Havila Holding AS	510,928,333	59.69%
DZ Privatbank S.A.	78,156,010	9.13%
Athinais Maritime Corp.	63,137,470	7.38%
Basat Shipping Ltd	56,685,393	6.62%
Camillo AS	20,012,578	2.34%
Clearstream Banking S.A.	18,757,583	2.19%
Farvatn II AS	16,960,784	1.98%
Tvenge	7,000,000	0.82%
MP Pensjon PK	4,977,064	0.58%
Camaca AS	3,500,000	0.41%
Nordnet Livsforsikring AS	3,352,811	0.39%
Eitzen AS	2,982,000	0.35%
Commerzbank Aktiengesellschaft	2,632,579	0.31%
Eitzen	2,500,000	0.29%
Interface AS	2,241,752	0.26%
Fremr AS	2,077,235	0.24%
State Street Bank and Trust Comp	1,884,675	0.22%
Cryptic AS	1,800,562	0.21%
Morgan Stanley & Co. Int. Plc.	1,707,784	0.20%
Farvatn Private Equity AS	1,666,666	0.19%
20 largest	**802,961,279**	**93.81%**
Other	53,024,380	6.19%
Total	**855,985,659**	**100.00%**

Note 10. **Borrowings**

The company's debt is interest-bearing.

NOK in 1000	Nominal value	Non-amortised transaction costs	Book value
Nominal value at 3/31/25			
Liabilities			
Liabilities to financial institutions	3,113,902	26,318	3,087,584
Of which long-term	*3,051,131*	*26,318*	*3,024,813*
Of which short-term	*62,771*	*0*	*62,771*
Liabilities to related parties	1,227,523	0	1,227,523
Total	**4,341,425**	**26,318**	**4,315,106**
Nominal value at 12/31/24			
Liabilities			
Liabilities to financial institutions	3,183,593	5,468	3,178,125
Of which long-term	*3,115,798*	*5,468*	*3,110,330*
Of which short-term	*67,795*	*0*	*67,795*
Liabilities to related parties	1,221,855	0	1,221,855
Total	**4,405,448**	**5,468**	**4,399,980**

The carrying amount of financial instruments measured at amortised cost is not significantly different from fair value.

Since 2023, the Group has had a financing agreement with HPS Investment Partners, encompassing a EUR 305 million bond loan to finance the Group's four vessels. The bond loan carries an interest rate of 3-month EURIBOR plus 6 percent, and a PIK (payment-in-kind) interest rate of 3.5 percent. Upon fulfillment of specific conditions, the interest rate reduces to 3-month EURIBOR plus 7.75%. EUR 50 million of the loan (Tranche B) matured at a price of 107 after 15 months, and Havila Holding AS (the Group's largest shareholder) assumed the obligation in April 2024. The corresponding liability to Havila Holding has no cash effect for Havila Kystruten. This liability has terms equivalent to the secured loan with 3-month EURIBOR plus 9.5%, and interest accrues.

The remaining debt of EUR 255 million (Tranche A) has a total term of three years and is to be redeemed at 106% of its nominal value, in addition to PIK interest.

The loan agreement with HPS Investment Partners contains general and vessel-specific provisions customary for secured high-yield loans. Additionally, given the circumstances surrounding the refinancing, several of the provisions are particularly stringent, including mandatory prepayment clauses, some of which entail a "make-whole" payment, as well as significant additional costs for repurchase. Refer to note 12 going concern.

In 2024, Havila Holding AS provided a revolving credit facility of NOK 200 million, which was fully drawn as of December 31, 2024. The facility carries an interest rate of 13% in addition to a quarterly fee of 0.5%.

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Note 10. **Borrowings cont.**

Accounting policies:

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.

Borrowings that are decomposed are expensed between the old and new borrowings. As well past and future transaction costs.

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.

Note 11. **Subsequent events**

No events have occurred after the balance sheet date that are considered to be of material significance to the financial statements as of 3/31/2025.

Note 12. **Going concern**

The Q1 2025 accounts have been prepared based on the going concern assumption. The company's operations are based on the agreement with the Ministry of Transport for operating four ships on the coastal route between Bergen and Kirkenes.

Havila Kystruten delivered further improvements in both revenue and profitability in the first quarter of 2025 and the fleet had an operational uptime of 100% for the quarter, reflecting a well-prepared crew, efficient shoreside organization, and strong collaboration with customers and partners along the coast. This provides the foundation for the company's value creation for shareholders, travelers, and the communities it serves.

The company has a bond loan with a scheduled maturity in July 2026. The secured bond loan agreement contains general, financial and vessel covenants customary in high yield bonds. In addition, given the circumstances surrounding the financing in 2023, a number of the provisions are particularly strict, including mandatory prepayment provisions, many of which attract a make-whole payment and substantive call premia.

As of the reporting date the company is not in compliance with all terms of the current financing. However, the company has received a commitment for a new bond loan from the existing lender, which – if entered into – would address these issues. This provides a foundation for a planned long-term refinancing during 2025, which will strengthen the company's ability to establish itself as a profitable and sustainable operator on the coastal route. It will also facilitate further growth and a capital structure that better reflects vessel values and earnings potential.

The company's board of directors assumes that the conditions for continued operations are in place.

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