

Consolidated Statement of Profit or Loss

NOK	Note	YTD Q2-22	YTD Q2-21	2021
Rental Income		18 564 545	15 860 207	27 452 106
Property-related expenses		(1 010 646)	(1 602 394)	(3 739 680)
Other operating expenses		(1 173 591)	(2 368 505)	(4 893 328)
Depreciation and amortisation		(7 266 546)	(8 133 792)	(16 267 582)
Other gains and losses		0	0	21 808 924
Operating profit (EBIT)		9 113 762	3 755 517	24 360 440
Financial income		2 812	66 316	154 708
Financial expenses		(13 417 270)	(6 540 187)	(30 652 727)
Net financial items		(13 414 458)	(6 473 871)	(30 498 019)
Profit before taxes		(4 300 696)	(2 718 354)	(6 137 579)
Income taxes		(8 690 563)	121 374	(3 851 747)
Net profit		4 389 867	(2 839 728)	(2 285 832)
Net profit for the financial year attributed to:				
Owners of the Parent company		4 389 867	(9 463 969)	(2 285 832)
Total		4 389 867	(9 463 969)	(2 285 832)

Consolidated statement of comprehensive income

	Note	YTD Q2-22	YTD Q2-21	2021
Net profit		4 389 867	(9 463 969)	(2 285 832)
Total comprehensive income for the period, net of tax		4 389 867	(9 463 969)	(2 285 832)
Total comprehensive income attributable to:				
Owners of the Parent company		4 389 867	-9 463 969	-2 285 832
Non-controlling interest		-	-	-
Total		4 389 867	-9 463 969	-2 285 832

Consolidated Statement of Financial Position

NOK	Note	30.06.2022	31.12.2021
ASSETS			
Deferred tax assets		13 141 279	4 450 716
Investment properties	2	537 448 228	457 527 202
Other non-current financial assets		59 750 293	0
Total non-current assets		610 339 800	461 977 918
			0
Trade receivables		6 381 443	983 514
Other receivables		4 249 299	62 203 437
Cash and cash equivalents		21 622 192	34 916 036
Total current assets		32 252 934	98 102 987
TOTAL ASSETS		642 592 735	560 080 905
EQUITY AND LIABILITIES			
Share capital		4 145 312	4 145 312
Share premium		57 572 711	57 572 711
Other paid-in equity		158 211 113	158 211 112
Total paid-in-equity		219 929 136	219 929 135
Other equity		-297 695 711	-302 085 578
TOTAL EQUITY		-77 766 575	-82 156 443
Deferred tax liability		0	0
Interest-bearing non-current liabilities		0	232 253 051
Bond loan	3	389 565 607	389 437 190
Other non-current liabilities	3	312 253 051	0
Total non-current liabilities		701 818 658	621 690 241
Trade and other payables		16 642 651	18 649 107
Interest-bearing current liabilities	3	1 898 000	1 898 000
Total current liabilities		18 540 651	20 547 107
TOTAL LIABILITIES		720 359 309	642 237 348
TOTAL EQUITY AND LIABILITIES		642 592 734	560 080 905

Consolidated statement of cash flows

NOK	Note	YTD Q2-22	YTD Q2-21	2021
Profit before income taxes		(4 300 696)	(2 718 354)	(6 137 579)
Depreciation		7 266 546	8 133 792	16 267 582
Net interest expenses		6 643 000	8 240 712	22 591 414
Change in trade receivables		(5 397 929)	(7 275 565)	4 548 741
Change in trade payables		(4 855 942)	2 364 586	8 590 981
Change in other provisions		3 798 813	7 984 625	(18 325 316)
Cash generated from operations		3 153 792	16 729 796	27 535 823
Interests paid		(6 643 000)	(16 289 182)	(14 339 863)
Interests received		(2 317 066)	0	-
Net cash flow from operations		(5 806 274)	440 614	13 195 960
				-
Proceeds from property transactions		0	0	13 488 247
Acquisition of investment properties		(7 187 570)	0	(67 613 968)
Acquisition of other non-current assets		0		0
				(5 000 000)
Net cash flow from investments		(7 187 570)	0	(59 125 721)
				-
				-
				-
Proceeds interest bearing debt		0	57 000 000	149 358 553
Repayment interest bearing debt		(300 000)	(78 757 113)	(96 952 382)
Net cash flow from financing		(300 002)	(21 757 111)	52 406 171
				-
Net change in cash and cash equivalents		(13 293 846)	(26 316 500)	6 476 410
Cash and cash equivalents at the beginning of the period		34 916 036	28 439 626	28 439 626
Cash and cash equivalents at the end of the period		21 622 192	2 123 127	34 916 036

Consolidated Statement of Changes in Equity

NOK	Share capital	Share premium	Other paid-in equity	Other equity	Total equity
Equity at 1 Jan 2021	4 145 312	57 572 711	150 605 124	-299 799 746	-87 476 599
Profit for period				-2 285 832	-2 285 832
Transaction with treasury shares*					-
Group contribution			7 605 989		7 605 989
Reallocation of share premium					-
Other comprehensive income					-
Equity 31.12.2021	4 145 312	57 572 711	158 211 113	-302 085 578	-82 156 442
Profit for period				4 389 867	4 389 867
Other comprehensive income					
Equity 30.06.2022	4 145 312	57 572 711	158 211 113	-297 695 711	-77 766 575

Notes to the Financial Statements

Note 1 - Accounting principles

General

The results for the period have been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles that have been used in the preparation of the interim financial statements are in conformity with the principles used in preparation of the annual financial statements for 2021.

The financial reporting covers Havila Ariel AS, subsidiaries, associated companies and jointly controlled entities. The interim financial statements have not been audited.

Note 2 - Investment properties

ACCOUNTING POLICIES

Depreciation is recognized according to plan based on the estimated economic lives of the individual assets and accounted for in accordance with the straight-line method. The assets' residual useful lives are reviewed, and adjusted if appropriate, at each reporting date. Assets that are subject to depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss equal to the difference is recognized in profit or loss.

Critical estimates and judgements

The asset's useful lives are considered a critical estimates due the uncertainty and effect on numbers on related to this input in the calculation of depreciation, and thus the carrying value of the assets.

The group applies the following useful lives:

Buildings

Years

30-50 years

Property, plant & equipment

	Favourable lease contract (building)	Land	Buildings	Total
Acquisition cost 1 Jan 2022	104 000 000	44 788 968	438 928 306	587 717 274
Additions	-	1 445 714	85 741 858	87 187 572
Acquisition cost cost 30 June 2022	104 000 000	46 234 682	524 670 164	674 904 846
Accumulated amortization and impairments 1 Jan 2022	-104 000 000	-	-26 190 072	-130 190 072
Depreciation	-	-	-7 266 546	-7 266 546
Accumulated amortization and impairments 30 June 2022	-104 000 000	-	-33 456 618	-137 456 618
Carrying value 1 Jan 2022	-	44 788 968	412 738 234	457 527 202
Carrying value 30 June 2022	-	46 234 682	491 213 546	537 448 228

The Group has in 2022 acquired 1 property. The transaction were completed with related party Havila Holding AS.

Property	Company	Location	Acquisition price
Holmefjordvegen 1	Havilahuset AS	Fosnavåg, Møre og Romsdal, Norway	80 000 000
Total acquisition			80 000 000

Note 3 - Interest bearing liabilities and accrued interest

ACCOUNTING POLICIES

Interest-bearing liabilities are classified as financial liabilities at amortised cost, and are measured at fair value upon initial recognition, and subsequently at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as net realised financials in the statement of profit or loss. The liabilities are measured at their nominal value when the effect of discounting is immaterial.

Interest-bearing liabilities are classified as current liabilities where debt is due for repayment less than 12 months from the balance sheet date.

Non-current interest-bearing debt

	30.06.2022	31.12.2021
Bank loans		
Bonds	389 565 607	389 437 190
Debt to Group companies	312 263 051	232 563 051
Total Interest-bearing non-current liabilities	701 828 658	622 000 241

Current interest-bearing debt

	30.06.2022	31.12.2021
Bank loans		
Bonds	1 898 000	1 898 000
Debt to Group companies		
Total Interest-bearing current liabilities	1 898 000	1 898 000

Changes in liabilities arising from financing activities

	Bond loan	Other interest-bearing liabilities	Total liabilities from financing activities
31 December 2021	391 335 190	232 563 051	623 898 241
New liabilities		80 000 000	
Repayment		-300 000	
Other non-cash movements		128 417	
30 June 2022	0	0	0
Non-current liabilities	389 565 607	312 263 051	701 828 658
Current liabilities	1 898 000	0	1 898 000

Debt secured by pledged assets

	30.06.2022	31.12.2021
Bank loan		
Bond loan	391 463 607	391 335 190
Debt to Group Companies		
Total secured debt	391 463 607	391 335 190

Assets pledged as security for debt	30.06.2022	31.12.2021
Buildings	537 448 228	457 527 202
Trade and other receivables	10 630 742	63 186 951
Total assets pledged as security	548 078 970	520 714 153

The parent, Havila Holding AS, as well as the companies in the group works as guarantor's for the Bond loan. Interest-bearing debt to group companies are set under a floating 6 month NIBOR plus 1% margin.

Loan covenants

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

- Loan-to-Value ratio should not exceed 75 %. Market Value is defined as the aggregate fair market value of all the groups Properties.
- Minimum liquidity of 10 000 000 NOK
- Interest Cover Ratio of not less than 120 %. The Interest Cover Ratio is defined as the ratio of EBITDA to Net Interest Cost.

The Group has complied with these covenants throughout the reporting period.

All claims against group companies shall be subordinated to the bond loan.

Maturity of interest-bearing debt

	≤ 1 year	1-2 years	2-3 years	4-5 years	≥ 5 years	Total
Bank loans						0
Bonds			400 000 000			400 000 000
Debt to Group companies		312 263 051				312 263 051
Total interest-bearing debt	0	312 263 051	400 000 000	0	0	712 263 051

The groups bond loan includes a cash sweep clause that require the group to repay the amount of cash and cash equivalents exceeding 10 000 000 NOK at specified amortisation dates. The amortisation dates are 12 months, 18 months, 24 months and 30 months after the issue date. As future cash balances are contingent on future transactions, repayment of the bond loan in the table above is based on the final contractual maturity date.

Group bond loans at 30.06.2022

ISIN	Issue limit	Coupon rate	Maturity	Amount issued	Net balance
11159485	400 000 000	Nibor + 5,75 %	desember 2024	400 000 000	391 463 607

Group bond loans at 31.12.2021

ISIN	Issue limit	Coupon rate	Maturity	Amount issued	Net balance
11159485	400 000 000	Nibor + 5,75 %	desember 2024	400 000 000	391 335 190

Note 4 - Events after the reporting period

The Group has in Q4 2022 applied to list its bond on the Oslo Stock Exchange.

The Group has received a group contribution from the parent company, Havila Holding AS of 172 MNOK in 2022.