

SUPPLEMENTAL PROSPECTUS



HAVILA SHIPPING ASA

(A public limited liability company incorporated under the laws of Norway)

FRN Senior Secured Callable Bonds 2010/2016

ISIN NO 0010590441 (HAVI04)

Senior Secured Callable Bonds 2011/2017

ISIN NO 0010605033 (HAVI07)

This document (the "**Supplemental Prospectus**") is a supplement to the prospectus dated 29 April 2020 (the "**Prospectus**") prepared by Havila Shipping ASA ("**Havila Shipping**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**") in connection with the continued listing on the Oslo Stock Exchange (the "**Continued Listing**") of

- (i) the FRN senior secured callable bonds 2010/2016 with ISIN NO 0010590441 issued on 8 November 2010 and listed on the Oslo Stock Exchange on 1 December 2010 (the "**HAVI04 Bonds**") governed by the bond terms dated 5 November 2010 (the "**HAVI04 Bond Terms**"), as amended by the bond amendment agreement dated 27 February 2017 (the "**BAA I -04**"); and
- (ii) the senior secured callable bonds 2011/2017 with ISIN NO 0010605033 issued on 30 March 2011 and listed on the Oslo Stock Exchange on 14 June 2011 (the "**HAVI07 Bonds**") governed by the bond terms dated 28 March 2011 (the "**HAVI07 Bond Terms**"), as amended by the bond amendment agreement dated 27 February 2017 (the "**BAA I -07**"),

both as restructured to become partly convertible to shares in the Company pursuant to the bond amendment agreements entered into on 23 June 2020 (the "**BAA II -04**" and the "**BAA II -07**" respectively).

In this Supplemental Prospectus, the "**Bonds**" collectively refers to the HAVI04 Bonds and the HAVI07 Bonds.

The Continued Listing of the Bonds is expected to commence on or around 8 July 2020.

THIS DOCUMENT IS A SUPPLEMENT TO THE LISTING PROSPECTUS FOR THE BONDS ALREADY ISSUED BY HAVILA SHIPPING AND DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO BUY, SUBSCRIBE OR SELL THE SECURITIES DESCRIBED HEREIN. NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT TO THIS PROSPECTUS IN ANY JURISDICTION.

Investing in the Company involves a high degree of risk. Prospective investors should read the entire Prospectus and this Supplemental Prospectus and, in particular, Section 2 "**Risk factors**" beginning on page 11 of the Prospectus when considering an investment in the Company.

Information in the Prospectus shall still apply unless and then only to the extent it has not been amended, supplemented or deleted by this Supplemental Prospectus. Please refer to "**Important Information**", beginning on page 2.

Sole manager



3 July 2020

IMPORTANT INFORMATION

This Supplemental Prospectus constitutes a supplement to the Prospectus. The information included herein is to be considered as an integral part of the Prospectus and (i) supersedes information originally contained in the Prospectus to the extent inconsistent with such information and (ii) supplements information originally contained in the Prospectus so that any statement contained therein will be deemed to be modified to the extent that a statement in this Supplemental Prospectus modifies such statement. This Supplemental Prospectus must be read together with the Prospectus and as part of the basis for any decision of investment in the Bonds. Unless explicitly stated otherwise, capitalised terms and expressions used herein shall have the meaning ascribed to such terms in the Prospectus, see Section 12 "*Definitions and Glossary of Terms*" of the Prospectus.

This Supplemental Prospectus is part of an EEA prospectus and has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended) (the "**Norwegian Securities Trading Act**") and related secondary legislation, including 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 2014/71/EC1, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Supplemental Prospectus has been prepared solely in the English language.

The Company has engaged Arctic Securities AS (the "**Manager**") as Manager in connection with the Restructuring and the Continued Listing.

The supplemental information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. Neither the publication nor distribution of this Supplemental Prospectus shall under any circumstances create any implication that there has been no change in the Group's affairs subsequent to the date of the Prospectus (other than in respect of supplemental information provided herein or in other supplements to the Prospectus prepared in accordance with Article 23 of the EU Prospectus Regulation), or, in respect of the supplemental information set forth herein, subsequent to the date hereof, or that the supplemental information set forth herein is correct as of any date subsequent to the date hereof.

Havila Shipping has furnished the information in this Supplemental Prospectus. All inquiries relating to this Supplemental Prospectus must be directed to Havila Shipping. No other person is authorised to give information or to make any representation in connection with the transactions described herein. If any such information is given or made, it must not be relied upon as having been authorised by Havila Shipping or by any of the employees, affiliates or advisers of any of the foregoing.

The distribution of this Supplemental Prospectus and the offer and sale of the Bonds in certain jurisdictions may be restricted by law. The Company and the Manager require persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions. This Supplemental Prospectus does not constitute an offer of, or an invitation to subscribe or purchase any securities in any jurisdiction. Furthermore, the restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations in relation to the Supplemental Prospectus that are not known or identified by the Company and the Manager at the date hereof may apply in various jurisdictions as they relate to the Supplemental Prospectus. The Company has not registered the Bonds under the U.S. Securities Act or the securities laws of any other jurisdictions than Norway and the Company does not expect to do so in the future. The Bonds may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the Securities Act), except for pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities law, or pursuant to an effective registration statement.

Any dispute arising with regard to this Supplemental Prospectus is subject to Norwegian law. The courts of Norway, with Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Continued Listing, the Prospectus or this Supplemental Prospectus.

1 RESPONSIBILITY FOR THE SUPPLEMENTAL PROSPECTUS

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

Fosnavåg, 3 July 2020

The Board of Directors of Havila Shipping ASA

Jostein Sætrenes
(Chairperson)

Helge Aarseth
(Director)

Hege Sævik Rabben
(Director)

Nina Skage
(Director)

Jogeir Romestrand
(Director)

2 SUPPLEMENTAL INFORMATION TO THE PROSPECTUS

2.1 The approval of the Supplemental Prospectus by the Norwegian Financial Supervisory Authority of Norway

This Supplemental Prospectus has on 3 July 2020 been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*; the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves the Supplemental Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the Company or the quality of the securities that are the subject of this Supplemental Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

2.2 Successful completion of the Restructuring

2.2.1 Execution of the agreements pertaining to the Restructuring and Closing

As set out in Section 5.1 of the Prospectus, the Company expected to enter into the agreements regarding a second restructuring of the Group's debt and equity (the "**Restructuring**") by the course of May 2020. On 29 May 2020, the Company announced that the finalisation of the documentation for the Restructuring had taken longer time than the Company expected. On 18 June 2020, the Company's extraordinary general meeting approved that the deadline for inter alia the subscription of the Liquidity Loan by Havila Holding AS (the "**Anchor Shareholder**"), as further detailed in Section 5.2.2.5 of the Prospectus, had been postponed from 31 May 2020 to 30 June 2020.

Subsequent to such approval by the extraordinary general meeting, the Company has entered into the following agreements for the purpose of completion of the Restructuring:

- i) A new global amendment agreement dated 19 June 2020 between the Company; certain other Group companies and bank lenders (the "**GAA II**");
- ii) a new bond amendment agreement dated 23 June 2020 pertaining to the HAVI04 Bonds, replacing the BAA I -04 (the "**BAA II -04**"); and
- iii) a new bond amendment agreement dated 23 June 2020 pertaining to the HAVI07 Bonds, replacing the BAA I -07 (the "**BAA II -07**").

The Restructuring was completed on 30 June 2020 (the "**Closing Date**"). The Restructuring is further described in Section 5 of the Prospectus.

The BAA II -04 and the BAA II -07 are incorporated by reference to this Supplemental Prospectus. The information in the BAA II -04 and the BAA II -07 is relevant for the information included in the Prospectus, including Section 1 "*Summary*" under the headings "*What are the main features of the securities?*" and "*Why is this Prospectus being produced?*" and Section 5.5 "*Information concerning the Bonds*". The BAA II -04 is available on <https://www.oslobors.no/markedsaktivitet/#/details/HAVI04.OSE/data>, and the BAA II -07 is available on <https://www.oslobors.no/markedsaktivitet/#/details/HAVI07.OSE/data>.

2.2.2 Liquidity Loan subscribed by the Anchor Shareholder

On 30 June 2020, the Anchor Shareholder subscribed for the unsecured and fully subordinated zero-interest convertible loan in the amount of NOK 100,000,000 (the "**Liquidity Loan**") issued by the Company. The Liquidity Loan will be used to secure liquidity for working capital purposes and OPEX/CAPEX funding. For further details on

the Liquidity Loan, please refer to Section 5.2.2.5 of the Prospectus and Clause 12 and Clause 13 of the BAA II -04 and BAA II -07, respectively.

2.2.3 *Changes in security for the HAVI07 Bonds*

According to Section 5.5.2.2 of the Prospectus, the HAVI07 Bonds are inter alia secured by security arrangements relating to Havila Subcon AS (the "**Owning Company**"), a company indirectly owned 100% by Havila Shipping, including by way of the Owning Company Assignment of Earnings, the Owning Company Factoring Agreement, and the Owning Company Earnings Account Pledge, all terms as defined in the HAVI07 Bond Terms.

Pursuant to the BAA II -07 governing the HAVI07 Bonds, Havila Shipping has undertaken to complete an ownership rearrangement of the Owning Company within 90 calendar days from the Closing Date. Such ownership rearrangement involves a restructuring of the Owning Company's ownership of the vessel "Havila Subsea" (the "**Vessel**") and indirect ownership of the vessel "Havila Phoenix" by securing that the Vessel and the vessel "Havila Phoenix" are being owned in two separate single purpose company ("**Ownership Rearrangement**"). Simultaneously with the completion of the Ownership Rearrangement, Havila Shipping shall pledge all the issued shares in the single purpose company being the owner of the Vessel to the Bond Trustee as security for any and all outstanding amounts under the Finance Documents, as defined in the HAVI07 Bond Terms.

The Company deems the Ownership Rearrangement relating to the security for the HAVI07 Bonds to be of importance to prospective investors determining whether to invest in the HAVI07 Bonds.

2.3 Audited consolidated financial statement for the Group as of and for the year ended 31 December 2019 and unaudited consolidated financial statement for the Group as of and for the three months period ended 31 March 2020

On 30 April 2020, the Company published its audited consolidated financial statements for the Group as of and for the year ended 31 December 2019 (the "**2019 Financial Statements**"). The 2019 Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. Furthermore, on 28 May 2020, the Company published its unaudited consolidated financial statements for the Group as of and for the three months period ended 31 March 2020 (the "**Q1 2020 Financial Statements**", and together with the 2019 Financial Statements, the "**Financial Statements**"). The Q1 2020 Financial Statements have been prepared in accordance with International Accounting Standard 34 (IAS 34), as adopted by the EU.

The Company deems the Financial Statements to be of importance to prospective investors determining whether to invest in the Bonds.

The Financial Statements are incorporated by reference to this Supplemental Prospectus. The information in the Financial Statements is relevant for the information included in the Prospectus, including Section 1 "*Summary*" under the heading "*What is the key financial information regarding the issuer?*". The 2019 Financial Statements are available on https://www.havilashipping.no/prod_images/doc_244_26.pdf (the 2019 Financial Statements) and at https://www.havilashipping.no/prod_images/doc_246_26.pdf (the Q1 2020 Financial Statements).

Copies of the Financial Statements are also available for inspection at the Company's registered office during normal business hours on Monday to Friday each week (except for public holidays) for a period of 12 months from the date of this Supplemental Prospectus.



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