

Fourth quarter report 2020 Hurtigruten AS



Hurtigruten AS Interim Financial Statements

Published 25 February 2020

Key Figures ^{1,2}

<i>EUR 1 000</i>	Q4 2020	Q4 2019	% Change	01.01-31.12 2020	01.01-31.12 2019	% Change
Operational revenues	(5,115)	66,862	-107.6 %	96,347	344,462	-72.0 %
Total revenue	(5,115)	66,862	-107.6 %	96,347	344,462	-72.0 %
EBITDA	(22,620)	(5,862)	285.9 %	(7,866)	12,150	-164.7 %
Other gains/(losses) – net	(753)	(685)	-9.8 %	6,018	(1,082)	n.m.
EBITDA excl Other gains (losses)	(21,868)	(5,176)	-322.5 %	(13,885)	13,232	-204.9 %

¹ The figures presented in this report are unaudited.

² On January 1st, 2020, the Company changed functional currency to EUR. See note 2 to the Interim Financial Statements.

About Hurtigruten AS

Hurtigruten AS, has become a sales and tour operator after the transfer of cruise business to the wholly owned subsidiary Hurtigruten Cruise in January 2019. Hurtigruten AS specializes in tour-packages using the subsidiaries within Hurtigruten Group to create genuine expedition travels for its travelers. Hurtigruten AS delivers a unique travel experiences together with Hurtigruten Cruises fleet of 16 custom-built expedition cruise vessels and land-based activities with Hurtigruten Svalbard, creating Hurtigruten brand as a world class expedition travel company. The company Hurtigruten AS offers travel and tour-packages with unique expedition experiences in areas of Alaska, South America, Arctic, Antarctica, along the Norwegian coast and to other unique destinations to travelers from all over the world.

Interim financial statements

Statement of profit and loss

Unaudited

<i>(EUR 1 000)</i>	<i>Note</i>	Q4 2020	Q4 2019	01.01-31.12 2020	01.01-31.12 2019
Operating revenues	-	5,115	66,862	96,347	344,462
Total Revenues		(5,115)	66,862	96,347	344,462
Payroll costs		856	(174)	3,452	(1,247)
Depreciation, amortisation and impairment		(729)	(399)	(1,943)	(1,600)
Operating costs		(17,609)	(71,865)	(113,684)	(329,982)
Other (losses)/gains – net		(753)	(685)	6,018	(1,082)
Operating profit/(loss)		(23,349)	(6,261)	(9,809)	10,550
Operating profit/(loss) before depreciation, amortisation and impairment losses (EBITDA)		(22,620)	(5,862)	(7,866)	12,150
Finance income		1,184	6,866	25,198	20,948
Finance expenses		1,202	(686)	(11,954)	(28,340)
Net financial items	3	2,386	6,180	13,244	(7,392)
Profit/(loss) before income tax		(20,963)	(80)	3,435	3,159
Income tax expense		(8,733)	(72,623)	(2,329)	(73,643)
Profit/(loss) for the period		(29,696)	(72,703)	1,106	(70,484)

Statement of financial position

Unaudited

<i>(EUR 1 000)</i>	<i>Note</i>	31.12. 2020	31.12. 2019
ASSETS			
Non-current assets			
Property, plant and equipment including right of use asset		5,689	3,399
Intangible assets		1,998	3,360
Loans to Group companies		49,960	159,496
Investment in subsidiaries		552,746	447,801
Total non-current assets		610,393	614,056
CURRENT ASSETS			
Inventories		3,950	4,871
Trade and other receivables		(2,712)	7,539
Trade and other receivables Group companies		23,565	57,393
Cash and cash equivalents		4,325	4,499
Total current assets		29,128	74,302
Total assets		639,520	688,358
EQUITY			
Paid -in capital		659,411	453,771
Other equity		(124,211)	(125,316)
Total equity	4	535,200	328,455
LIABILITIES			
Non-current liabilities			
Borrowings from Group companies		-	43,584
Other non-current liabilities		43,259	44,958
Total non-current liabilities		43,259	88,542
Current liabilities			
Trade and other liabilities		-	155,423
Trade and other liabilities Group companies		48,505	111,166
Other current liabilities		13,784	4,774
Total current liabilities		61,062	271,363
Total equity and liabilities		639,520	688,358

Cash flow statement

Unaudited

<i>(in EUR 1 000)</i>	<i>Note</i>	Q4 2020	Q4 2019	01.01-31.12 2020	01.01-31.12 2019
Cash flows from operating activities					
Profit/(loss) before income tax		(20,963)	(12,242)	3,435	3,159
Adjustments for:					
Depreciation, amortisation and impairment losses		728	386	1,943	1,600
Interest expenses and dividends received	3	264	(6,877)	(17,976)	(12,302)
Other gains and losses		-	17,098	-	17,098
Unrealised currency and derivatives gains/losses		(207)	883	(5,199)	1,531
Change in working capital		187,844	(155,286)	11,818	(61,524)
Taxes paid		-	(177)	-	(177)
Net cash flows from (used in) operating activities		167,667	(156,214)	(5,979)	(50,614)
Cash flows from investing activities					
Purchase of property, plant, equipment (PPE)		(3,191)	4,225	(3,765)	2,017
Other adjustments		3,895	6,586	5,138	12,703
Net cash flows from (used in) investing activities		704	10,811	1,373	14,720
Cash flows from financing activities					
Issue of ordinary shares		-	-	-	-
Payment of interest		-	(759)	-	(759)
Proceeds from borrowings		-	-	-	-
Repayment of borrowings from group companies		(171,353)	146,211	4,536	36,739
Net cash flows from (used in) financing activities		(171,353)	145,452	4,536	35,979
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(2,982)	48	(70)	86
Cash and cash equivalents at the beginning of period		3,612	651	700	614
Cash and cash equivalents at end of period		630	700	630	700
Restricted cash		3,694	3,799	3,694	3,799
Cash and cash equivalents at end of period		4,325	4,499	4,325	4,499

Notes to the interim financial statements

Note 1 Accounting policies

The interim financial report for the company is prepared in accordance with Norwegian Accounting Act and generally accepted accounting principles. The interim financial report does not include all information which will appear in the annual financial report, which is prepared in accordance with all effective GAAP, and this report should therefore be read in connection with the annual report for Hurtigruten AS for 2019.

The annual report for 2019 for the company can be obtained through a request to the company's main office. The accounting policies applied in the interim financial reporting are described in the note of accounting policies in the annual report for 2019.

In the preparation of the interim financial report, estimates and assumptions have been applied, which has affected assets, liabilities, revenues and costs. Actual figures can deviate from estimates applied.

Note 2 Functional currency

On January 1st, 2020, the Company changed functional currency from NOK to EUR. The change was made to reflect that EUR has become the predominant currency in the Company's operations, counting for a significant part of the cash flow and financing. The change is implemented with prospective effects.

Note 3 Net Financial items

Unaudited

<i>(EUR 1000)</i>	Q4 2020	Q4 2019	01.01-31.12 2020	01.01-31.12 2019
Interest income on current bank deposits	39	131	831	139
Return from investments in subsidiaries	-	5,611	21,435	5,611
Other financial income	1,145	1,124	2,932	7,666
Finance income	1,184	6,866	25,198	13,416
Interest expense and amortized borrowing fees	354	276	1,031	(41)
Foreign exchange losses	2,605	(604)	(4,674)	(2,806)
Other finance expenses	(1,758)	(357)	(8,312)	(1,162)
Finance expenses	1,202	(686)	(11,954)	(4,009)
Net Financial items	2,386	6,180	13,244	9,407

Note 4 Equity

Unaudited

<i>(in EUR 1 000)</i>	01.01-31.12.2020		
	Attributable to shareholders of Hurtigruten AS		
	Paid-in capital	Other equity	Total Equity
Equity at beginning of the period	453,771	(125,316)	328,455
Profit/loss for the year	-	1,106	1,106
Capital increase	205,640		205,640
Equity at the close of the period	659,411	(124,211)	535,200

<i>(in EUR 1 000)</i>	01.01-31.12.2019		
	Attributable to shareholders of Hurtigruten AS		
	Paid-in capital	Other equity	Total Equity
Equity at beginning of the period	449,917	(65,116)	384,801
Profit/loss for the year	-	(70,484)	(70,484)
Cash flow hedges, net of tax		12,580	12,580
Translation effect ¹⁾	3,854	(2,296)	1,558
Equity at the close of the period	453,771	(125,316)	328,455

¹⁾ As described in note 2, the functional currency has been changed to EUR from January 1, 2020. The presentation currency has also been changed, with retrospective effect on 2019 and 2018. Equity per January 1, 2018 and 2019 has been translated to EUR using the EUR/NOK closing rate applicable for the same date. As a result, a translation effect occurs for each component of equity. The translation effect related to the paid-in equity is shown as a separate item in the table above for 2019.

Note 5 Financial Risk Management

There are potential risks and uncertainties that can affect the operations of the Company. This may lead to actual results deviating from expected and historical results. Information concerning the most important risks and uncertainties is disclosed in the latest annual report.

Note 6 Events after the balance sheet date

There are no events after balance sheet date that would materially affect the financial statements of the company.