



Hurtigruten Group AS

Second Quarter and First Half report

Published 29 August 2022

Key figures Hurtigruten Group

(EUR 1 000)	2nd quarter 2022	2nd quarter 2021	% Change	01.01-30.06 2022	01.01-30.06 2021	% Change	Full year 2021
Operational revenues	131 119	19 680	566.3 %	208 338	25 539	715.8 %	122 117
Contractual revenues	15 439	20 153	-23.4 %	29 664	39 186	-24.3 %	71 715
Other operating income	2 141	9 786	-78.1 %	7 751	20 952	-63.0 %	28 856
Total operating revenues and other income	148 699	49 619	199.7 %	245 753	85 677	186.8 %	222 688
EBITDA	602	(7 267)	108.3 %	(20 993)	(29 662)	29.2 %	(104 314)
Excluding net other gains/(losses)	(10 480)	(14 595)	28.2 %	(16 097)	(11 410)	-41.1 %	(3 018)
Adjustment for unusual or non-recurring items	29 360	-		47 077	-	-	-
Normalized adjusted EBITDA	19 481	(21 862)	189.1 %	9 986	(41 072)	124.3 %	(107 332)
Net cash flows from operating activities	39 858	197	20115.0 %	6 166	(14 808)	141.6 %	(42 307)
Hurtigruten Norway							
PCNs	194 318	30 044	546.8 %	305 767	38 082	702.9 %	281 084
Gross ticket yield (EUR)	336	238	41.1 %	314	236	33 %	256
Occupancy rate	75.4 %	30.5 %	45 p.p.	61.2 %	25.8 %	35 p.p.	48.6 %
Hurtigruten Expeditions							
PCNs	89 436	-	-	154 417	-	-	59 372
Gross ticket yield (EUR)	649	-	-	639	0	-	508
Occupancy rate	59.1 %	0.0 %	59 p.p.	58.4 %	0.0 %	58.4 p.p.	58.7 %

Table of contents

Second quarter 2022 summary	3
Hurtigruten Group's operations	5
Financial review	13
Going concern	15
Outlook	16
Risks and uncertainties	17
Interim financial statements	18
Alternative Performance Measures	29

Second quarter 2022 summary

- In the second quarter of 2022, Hurtigruten Group had the entire Hurtigruten Norway (“HRN”) fleet in operations and continued to ramp up the fleet in Hurtigruten Expeditions (“HRX”). As of 1 June 2022, the full fleets of the Hurtigruten Group business units were back in operations.
- Both Hurtigruten Norway and Hurtigruten Expeditions experienced increasing occupancy throughout the second quarter with Hurtigruten Norway and Hurtigruten Expeditions reaching 89% and 60% occupancy in June respectively.
- Total revenues and other income in the second quarter of 2022 was EUR 148.7 million for Hurtigruten Group, which was an increase of 200% compared to the second quarter of 2021 and close to the same revenue level as the second quarter of 2019 with an implied occupancy of 61% for the second quarter of 2022 compared to 83% for the second quarter of 2019 which shows the organic revenue growth potential. The revenue performance is driven by the average gross yield for Hurtigruten Group excluding contract revenues in HRN being 34% higher at EUR 473 per PCN vs. EUR 353 per PCN in the second quarter of 2019.
- Operational cash flow for Hurtigruten Group in the second quarter was positive EUR 39.9 million driven by the positive EBITDA in June and positive working capital development.
- Normalized adjusted EBITDA in the second quarter of 2022 was positive EUR 19.5 million and reported EBITDA was positive with EUR 0.6 million.
- In the second quarter Hurtigruten Group had a negative net income of EUR 37.7 million, but in June 2022 Hurtigruten Group delivered a positive profit before taxes of EUR 3.7 million which was the first month with a positive profit before taxes since the pandemic.
- We are continuing to see a change in booking patterns with guest booking closer to departure. For the 9-month period from July 2022 to March 2023 the bookings are, as of 26 August, at EUR 362 million which is 4.5% higher compared to the same 9-month period pre pandemic.
- The first quarter of 2023 sees a strong development and as of 26 August, the bookings are at EUR 92 million which is 22% higher compared to the same period three years ago (pre-Covid-19).
- As of 26 August, the bookings for the 12-month period from July 2022 to June 2023 are at EUR 398 million which is at the same level as pre pandemic.
- Hurtigruten Norway launched in June two new high-end fully commercial voyages for 2023 and beyond: the Svalbard Express and North Cape Express with the MS Trollfjord. The Svalbard Express and North Cape Express itineraries will offer an elevated addition to the existing Hurtigruten Original Coastal Express product with significant higher yields. The Svalbard Express will depart Bergen and the North Cape express will depart Oslo and both will visit Norway’s southernmost point and northernmost point.
- Hurtigruten Norway has initiated one of Europe's largest environmental ship upgrades and the first two ships to undergo upgrades started in February this year. With modern technology, the rebuilt ships will cut CO2 emissions by 25% and NOx emissions by as much as 80%. MS Nord Norge (Selective catalytic reduction (SCR) upgrade) completed its upgrades in May and MS Richard With (hybridization).
- As of 30 June 2022, Hurtigruten Group had an available liquidity position of EUR 26.2 million. In the third quarter of 2022 the shareholders of Hurtigruten Group provided the Company with a subordinated shareholder loan facility of EUR 55 million. The shareholder loan will be utilized for financing the ongoing environment projects in the Hurtigruten Norway fleet and working capital to support growth for Hurtigruten Group.

Hurtigruten Group – The leading global adventure travel company

Hurtigruten Group's vision is to be the undisputed global leader in sustainable inspirational adventure travel and is a catalyst for change towards a greener travel industry. Hurtigruten Group will continue to be a frontrunner in adventure tourism and expedition cruising - a niche with substantial global growth potential. Hurtigruten Group's goal is to reinforce its global position, differentiated from the rest of the cruise industry by authentic, sustainable, and active experiences on both land and sea. Hurtigruten Group has three main business segments: Hurtigruten Norway – branded as Hurtigruten in Scandinavia and Hurtigruten Norwegian Coastal Express in other markets, Hurtigruten Expeditions branded as Hurtigruten Expeditions in all markets and Hurtigruten Destinations under the Hurtigruten Svalbard brand. Over the last few years, Hurtigruten Group under the brands: Hurtigruten Expeditions, Hurtigruten Norwegian Coastal Express, and Hurtigruten Svalbard has been able to fortify its position as the leading expedition travel company focusing on sustainable expedition cruising for the global traveller.

With a fleet of 15 custom-built cruise vessels including the world's first two hybrid-powered expedition cruise ships delivered in 2019, Hurtigruten Group is the world's largest expedition travel company. In January 2022, the MS Santa Cruz II joined the Hurtigruten Expeditions fleet adding the Galapagos archipelago on the list of destinations with year-round expedition cruises.

Hurtigruten Group's strategy is to generate profitable sustainable growth in all three business segments. This will be achieved by increasing capacity through the construction of new vessels, operational initiatives to realize its substantial potential, expand and renew its customer base, and strengthen the product range.

Hurtigruten Group believes its product offerings in Hurtigruten Expeditions, Hurtigruten Norway and Hurtigruten Destinations differs significantly from other competing expedition cruise and adventure travel operators. The guest offering has been purposefully designed to reach a wide range of customer segments. Hurtigruten Group offers its guests the opportunity to get closer to nature in beautiful and remote areas and to experience local wildlife, culture, and activities while leaving a minimal footprint.

Hurtigruten Group's operations

The following table presents, for the periods indicated, the revenues, operating profit/(loss) (EBIT), EBITDA, EBITDA margin and Normalized adjusted EBITDA by reporting segment and for the Group as a whole:

(EUR 1 000)	2nd quarter	2nd quarter	%	01.01-30.06	01.01-30.06	%	Full year
Total operating revenues and other income	2022	2021	Change	2022	2021	Change	2021
Hurtigruten Norway	81 401	27 868	192.1 %	127 189	49 225	158.4%	145 978
Hurtigruten Expeditions	58 077	385	14994.3 %	98 780	640	15331.5%	30 154
Hurtigruten Destinations	10 908	3 552	207.1 %	18 639	6 944	168.4%	17 547
Group functions, other and eliminations	(1 687)	17 814	-109.5 %	1 145	28 868	-96.0%	29 009
Total	148 699	49 619	199.7 %	245 753	85 677	186.8%	222 688
Operating profit/(loss) (EBIT)*							
Hurtigruten Norway	4 950	(34 007)	114.6%	(8 546)	(47 997)	82.2%	(78 381)
Hurtigruten Expeditions	(19 472)	(38 981)	50.0 %	(43 166)	(64 733)	33.3%	(133 705)
Hurtigruten Destinations	2 499	13 097	-80.9 %	3 379	12 333	-72.6%	3 844
Group functions, other and eliminations	(3 418)	12 790	126.7 %	(4 210)	15 470	127.2%	11 367
Total	(15 440)	(47 101)	67.2%	(52 543)	(84 928)	38.1%	(196 875)
EBITDA*							
Hurtigruten Norway	12 482	(8 332)	249.8%	6 324	(18 143)	134.9%	(32 912)
Hurtigruten Expeditions	(15 025)	(30 914)	51.4%	(34 379)	(50 305)	31.7%	(106 237)
Hurtigruten Destinations	3 721	14 263	-73.9 %	5 803	14 285	-59.4%	8 041
Group functions, other and eliminations	(576)	17 716	-103.3 %	1 259	24 500	-94.9%	26 794
Total	602	(7 267)	108.3%	(20 993)	(29 663)	29.2%	(104 314)
EBITDA margin							
Hurtigruten Norway	15.3 %	-29.9 %	45.2 p.p.	5.0 %	-36.9 %	41.8 p.p.	-22.5 %
Hurtigruten Expeditions	-25.9 %	-8034.6 %	8008.7 p.p.	-34.8 %	-7858.7 %	7823.9 p.p.	-352.3 %
Hurtigruten Destinations	34.1 %	401.5 %	-367.4 p.p.	31.1 %	205.7 %	-174.6 p.p.	45.8 %
Group functions, other and eliminations	-34.1 %	99.4 %	-133.6 p.p.	110.0 %	84.9 %	25.1 p.p.	92.4 %
Total	0.4%	-14.6%	15.0 p.p.	-8.5%	-34.6%	-75.3 %	-46.8%
Normalized adjusted EBITDA							
Hurtigruten Norway	17 312	(9 298)	286.2%	14 443	(18 686)	177.3%	(33 905)
Hurtigruten Expeditions	(103)	(30 827)	99.7%	(10 994)	(51 711)	78.7%	(107 385)
Hurtigruten Destinations	3 713	457	712.4%	5 771	466	1138.1%	3 276
Group functions, other and eliminations	(1 441)	17 807	-108.1%	765	28 857	-97.3%	30 683
Total	19 481	(21 862)	189.1%	9 986	(41 073)	124.3%	(107 332)

* Comparable figures have been restated to reflect the reallocation of SG&A costs from group functions, other and eliminations to the segments Hurtigruten Norway, Hurtigruten Expeditions and Hurtigruten Destinations.

Operational review

The Group's activity continued to increase during the second quarter of 2022 as more ships returned to service and occupancy levels increased. Hurtigruten Norway resumed full service with seven ships in summer of 2021 and June this year reached higher occupancy levels than same period pre-Covid in 2019. Four out of eight ships in the expedition fleet returned to service at the end of the third and fourth quarter of 2021. Despite some setbacks from the remerging infection rates in the end of 2021 Hurtigruten was able to successfully resume Antarctica sailings with MS Fram and MS Roald Amundsen. MS Maud and MS Otto Sverdrup continued expedition sailings on the Norwegian coast and British Isles. MS Santa Cruz II was added to the expedition fleet and had her first voyage in the start of January 2022 and now offering year-round operations on Galapagos. By the start of June all eight Hurtigruten Expeditions ships were back in operations.

Total revenues and other income amounted to EUR 148.7 million in the second quarter of 2022 compared EUR 49.6 million in the same period last year, which is an increase of 199.7%. Operating cash flow and EBITDA were positive for the quarter.

Reported EBITDA was EUR 0.6 million in the second quarter of 2022 compared to EUR -7.3 million same period last year, an increase of EUR 7.9 million. The increase in EBITDA compared to the same period last year is driven by resumption of operations in both Hurtigruten Expeditions and Hurtigruten Norway, partially offset by an increase in both selling, general and administrative (SG&A) expenses and ship operating expenses. Ship operating expenses have increased with the ramp-up of operations, and especially the resumption of sailing in Hurtigruten Expeditions, compared to same period last year when the expedition fleet was in warm layup due to the Covid-19 pandemic. The higher level of SG&A cost is also a reflection of increased activity across the group compared to 2021, resulting in higher personnel expenses and sales & marketing expenses. Normalized adjusted EBITDA increased from negative EUR 21.9 million in the second quarter of 2021 to EUR 19.5 million this year.

Total Passenger Cruise Nights (PCN) for Hurtigruten Norway increased to 194 318 in the second quarter of 2022 compared to 30 044 same period last year. Total Passenger Cruise Nights (PCN) for Hurtigruten Expeditions was 89 436 in the second quarter of 2022 compared to zero same period last year (all ships in warm layup). The occupancy rate on the available capacity for the seven ships operating in Hurtigruten Norway, was 75.4% in the second quarter of 2022. The occupancy rate has been steadily increasing during the first and second quarter as more and more international guests are returning to our ships. In June 2022, Hurtigruten Norway had a higher occupancy level than the same period pre-Covid in 2019. During the first quarter of 2022, Hurtigruten Norway initiated its environmental ship upgrade program that will cut CO2 emissions by 25% and NOX by as much as 80% for the rebuilt ships. MS Richard With (hybridization) and MS Nordnorge (Selective catalytic reduction (SCR) upgrade) started their upgrades during the first quarter. MS Nordnorge completed its upgrades in May and MS Richard With in early August. The next ships due to start environmental upgrades are MS Kong Harald in August (Hybridization) and MS Nordkapp in September (SCR), both of which remain on track. MS Trollfjord has re-entered Hurtigruten Norway as a replacement ship during the ongoing and upcoming upgrades.

The occupancy rate on the available capacity for the ships operating in Hurtigruten Expeditions, was 59 % in the second quarter of 2022. MS Fridtjof Nansen, MS Fram and MS Roald Amundsen completed yard stays during the second quarter to perform various upgrades, reducing the available passenger capacity. Hurtigruten Expeditions have no significant yard stays planned for the second half of 2022. From June 2022 the entire Hurtigruten Expeditions fleet was back in service at close to normal capacity levels.

Hurtigruten Destinations operation on Svalbard recovered to pre-Covid-19 levels by September 2021, and the second quarter of 2022 has broken all records. Radisson and Funken had strong occupancy and high yield, at the same time as Coal Miners' Cabins has been rented out to Svalbard Folkehøgskole till the end of May, and back in business from June and through the summer. There have been several larger groups in the hotels, which has resulted in good numbers in our restaurants and activities department. Tourism is back in Svalbard, and we see positive trends on the booking side. Hurtigruten Kirkenes is operated by Radius Kirkenes but is still closed due to low activity.

Hurtigruten Norway

Hurtigruten Norway operates under the brand Hurtigruten in Scandinavia and Hurtigruten Norwegian Coastal Express in other markets. Its scheduled voyages along the beautiful Norwegian coast offers domestic and international guests a unique and immersive travel experience, connecting the international traveller with the everyday life and infrastructure of local communities.

The voyage was described by the New York Times as: "one of Norway's treasured national symbols". Having been developed over its 129-year history, it forms part of the country's cultural heritage, strengthening Hurtigruten Norway's legitimacy with international travellers seeking authentic Norwegian experiences.

(EUR 1 000)	2nd quarter 2022	2nd quarter 2021	Change	01.01-30.06 2022	01.01-30.06 2021	Change	Full year 2021
Operational revenues	65 962	7 715	755.0 %	97 524	10 038	871.5 %	74 263
Contractual revenues	15 439	20 153	-23.4 %	29 664	39 186	-24.3 %	71 715
Total operating revenues and other income	81 401	27 868	192.1 %	127 189	49 225	158.4 %	145 978
EBITDA*	12 482	(8 332)	249.8 %	6 324	(18 143)	134.9 %	(32 912)
Excluding net other gains/(losses)	4 143	966	328.8 %	7 390	543	1261.0 %	993
Adjustment for unusual or non-recurring items	8 973	-		15 509	-	-	-
Normalized adjusted EBITDA	17 312	(9 298)	286.2 %	14 443	(18 686)	177.3 %	(33 905)

* Comparable figures have been restated to reflect the reallocation of SG&A costs from group functions, other and eliminations to the segments Hurtigruten Norway, Hurtigruten Expeditions and Hurtigruten Destinations.

The calculations on the following table do not include the State agreements contractual revenue, nor the goods and other operating revenue originated by the Hurtigruten Norway activity.

<i>(EUR 1 000 Except for PCNs, APCNs, occupancy rate, fuel consumption and fuel cost per liter)</i>	2nd quarter 2022	2nd quarter 2021	01.01-30.06 2022	01.01-30.06 2021	Full year 2021
PCNs	194 318	30 044	305 767	38 082	281 084
APCNs ¹⁾	257 584	98 604	499 760	147 804	578 749
Occupancy rate	75.4%	30.5%	61.2%	25.8%	48.6%
Gross ticket revenues	65 341	7 160	96 101	8 983	71 870
Less:					
Commissions, costs of goods for flights, hotels, transportation and other passenger services	10 530	427	16 212	598	10 572
Food, beverage, shop, excursions	6 735	837	10 547	1 089	7 205
Net ticket revenues	48 076	5 896	69 342	7 295	54 093
Gross ticket revenues per PCN (EUR)	336	238	314	236	256
Net ticket revenues per PCN (EUR)	247	196	227	192	192
Gross cruise costs	55 089	23 506	96 217	44 143	123 302
Less:					
Commissions, costs of goods for flights, hotels, transportation and other passenger services	10 530	427	16 212	598	10 572
Food, beverage, shop, excursions	6 735	837	10 547	1 089	7 205
Net cruise costs	37 824	22 242	69 458	42 456	105 525
Net cruise costs per APCN (EUR) ²⁾	147	122	139	121	122
Fuel consumption (liter/nautical mile)	79.5	81.8	83.6	85.0	83.2
Fuel cost per liter	1.21	0.66	1.07	0.66	0.81

1) APCN is calculated based on capacity available for sale in the period including reductions due to Covid-19 restrictions. Covid-19 restrictions vary based on ship specification and sailing destination. Without adjusting for Covid-19 restrictions on occupancy for the period was 75.4 % for Q2 2022, 16.4 % for Q2 2021 and 32.4 % for full year 2021. All covid-restrictions in Hurtigruten Norway were removed in February 2022

2) Net cruise cost per APCN is calculated based on APCN for sale in the period, but not adjusted for Covid-19 restrictions on capacity.

Hurtigruten Norway started operating under the new State agreement valid from 2021 to 2030 in January last year and has a contract to operate seven ships out of eleven ships on the Coastal route. Operational revenue excluding the contractual income from the Norwegian state agreement, increased from EUR 7.7 million to EUR 66.0 million in the second quarter compared to last year, as a result of having seven ships back in operation and welcoming back more foreign guests. Occupancy increased to 75.4% in the second quarter of 2022 compared to 30.5% same period last year and gross ticket revenues per PCN (EUR) increased with 47.4% compared to the same

period last year. Contractual income per ship per month decreased to approximately EUR 0.7 million for the second quarter of 2022 compared to approximately EUR 0.9 million in 2021 as extraordinary payments from the government due to the global pandemic ended. Fuel cost per liter increased compared to 2021 due to increase in fuel prices.

Hurtigruten Expeditions

Hurtigruten Expeditions is the world's largest and leading expedition cruise line, offering expedition cruises to over 30 countries across 5 continents – including Galapagos, Antarctica, South America, Alaska, Iceland, Greenland, Svalbard, West-Africa, British Isles, the spectacular Norwegian coastline, and a variety of other destinations. Hurtigruten Expeditions' legacy dates back 126 years to 1896 when the first sailing from Hammerfest to the archipelago of Svalbard was introduced.

In 2019, its two new hybrid-powered expedition ships; MS Roald Amundsen and MS Fridtjof Nansen were delivered. The ships are state-of-the-art expedition vessels designed to meet guests' expectations as well as strict environmental and safety standards. MS Roald Amundsen and MS Fridtjof Nansen have an ice-reinforced hull, a total length of 140m and can carry 530 guests. The hybrid technology engines will reduce fuel consumption substantially and permit periods of emission-free sailing.

Over the last seven years Hurtigruten Expeditions has increased the capacity from one ship in 2015 to seven ships in 2022 (including MS Santa Cruz II), with the addition in 2019 of MS Roald Amundsen and MS Fridtjof Nansen and in 2021 of MS Otto Sverdrup and MS Maud (formerly part of the Hurtigruten Norway fleet as MS Finnmarken and MS Midnatsol). From January 2022 the vessel MS Santa Cruz II joined the fleet and by that adding year around cruises on the Galapagos archipelago on the list of unique destinations. This will further cement Hurtigruten Expeditions' global leadership in the expedition cruising segment.

(EUR 1 000)	2nd quarter 2022	2nd quarter 2021	Change	01.01-30.06 2022	01.01-30.06 2021	Change	Full year 2021
Operational revenues	55 937	385	14438.0 %	91 975	640	14268.5 %	30 154
Other operating income	2 141	-	-	6 805	-	-	-
Total operating revenues and other income	58 077	385	14994.3 %	98 780	640	15331.5 %	30 154
EBITDA*	(15 025)	(30 914)	51.4 %	(34 379)	(50 305)	31.7 %	(106 237)
Excluding net other gains/(losses)	5 464	(87)	6405.1 %	8 183	1 405	482.2 %	1 148
Adjustment for unusual or non-recurring items	20 386	-		31 567			-
Normalized adjusted EBITDA	(103)	(30 827)	99.7 %	(10 994)	(51 711)	78.7 %	(107 385)

* Comparable figures have been restated to reflect the reallocation of SG&A costs from group functions, other and eliminations to the segments Hurtigruten Norway, Hurtigruten Expeditions and Hurtigruten Destinations.

Second quarter and first half report 2022

<i>(EUR 1 000 Except for PCNs, APCNs, occupancy rate, fuel consumption and fuel cost per liter)</i>	2nd quarter 2022	2nd quarter 2021	01.01-30.06 2022	01.01-30.06 2021	Full year 2021
PCNs	89 436	-	154 417	0	59 372
APCNs ¹⁾	151 397	-	264 191	-	101 190
Occupancy rate	59.1 %	-	58.4 %	-	58.7 %
Gross ticket revenues	58 077	359	98 645	614	30 154
Less:					
Commissions, costs of goods for flights, hotels, transportation and other passenger services	9 750	22	16 764	(87)	3 382
Food, beverage, shop, excursions	5 754	2 195	9 023	2 310	4 718
Net ticket revenues	42 573	(1 858)	72 859	(1 609)	22 054
Gross ticket revenues per PCN (EUR)	649	0	639	0	508
Net ticket revenues per PCN (EUR)	476	0	472	0	371
Gross cruise costs	55 413	14 760	100 587	23 935	68 120
Less:					
Commissions, costs of goods for flights, hotels, transportation and other passenger services	9 750	22	16 764	(87)	3 382
Food, beverage, shop, excursions	5 754	2 195	9 023	2 310	4 718
Net cruise costs	39 909	12 543	74 801	21 711	60 020
Net cruise costs per APCN (EUR) ²⁾	264	n.m	283	n.m	381
Fuel consumption (liter/nautical mile) ³⁾	109.7	0.0	108.2	0.0	131.6
Fuel cost per liter	1.19	0.83	0.98	0.74	0.91

1) APCN is calculated based on capacity available for sale in the period including reductions due to Covid-19 restrictions. Covid-19 restrictions vary based on ship specification and sailing destination. Without adjusting for Covid-19 restrictions on occupancy for the period was 44.1 % for Q2 2022, 0 % for Q2 2021 and 37.7 % for full year 2021.

2) Net cruise cost per APCN is calculated based on APCN for sale in the period, but not adjusted for Covid-19 restrictions on capacity.

3) Fuel consumption (liter/nautical mile) for the second quarter of 2022 of 109.7 is based on 6 ships (Not including MS Santa Cruz II). Fuel consumption from the full year of 2021 is higher as the warm lay-up of ships is reflected throughout these time periods.

Hurtigruten Expeditions fleet continued the resumption of expedition voyages during the second quarter of 2022. MS Otto Sverdrup and MS Maud continued sailing on the Norwegian Coast and British Isles. MS Santa Cruz II continued her voyages in the Galapagos. MS Spitsbergen was back in operations from the start of the quarter. MS Nordstjernen returned to service 16 May, sailing from Longyearbyen on Svalbard. MS Fridtjof Nansen, MS Fram and MS Roald Amundsen completed a yard stay during the quarter. The full fleet was back in operations in early June. HRX have no significant yard stays planned for the remaining of 2022.

Operational revenues increased from EUR 0.4 million in the second quarter of 2021 to EUR 55.9 million in the second quarter of 2022. EBITDA for the second quarter of 2022 amounted to negative EUR 15 million compared to negative EUR 30.9 million in the same period last year. The result for the quarter is impacted by not having the full fleet back in commercial operations before the last month of the quarter.

Normalized adjusted EBITDA amounted to negative EUR 0.1 million in the second quarter of 2022 compared to negative EUR 30.8 million in the same quarter last year. Normalization items for the second quarter mainly relates to above normal level of cancellations, the MS Fridtjof Nansen incident, gains on fuel derivatives and non-recurring costs related to COVID-19. Gross cruise costs increased from EUR 14.8 million in the second quarter of 2021 to EUR 55.4 million in the second quarter of 2022. The increase in cost is a result of increased sailing activity in 2022 while all ships were laid-up in 2021.

Hurtigruten Destinations

Hurtigruten Destinations' main operation is under the Hurtigruten Svalbard brand, which operates the Radisson Blu Polar Hotel, Funken Lodge and the Coal Miners' Cabins, as well as arctic adventure tourism. The archipelago of Svalbard is the Northernmost settlement in the world and one of the most remote and unique destinations, where there are more polar bears than people.

From a base in Longyearbyen, Hurtigruten Svalbard AS offers active Arctic experiences on snow-covered and snow-free terrain with an extensive portfolio of activities and excursions. These include day trips on skis, dog sledding, snowmobile trips, boat or hiking excursions and longer expeditions in the archipelago. Hurtigruten Svalbard's operations – originating in 1896 – is the largest and most diversified on Svalbard.

(EUR 1 000)	2nd quarter 2022	2nd quarter 2021	Change	01.01-30.06 2022	01.01-30.06 2021	Change	Full year 2021
Operational revenues	10 908	3 552	207.1 %	18 639	6 339	194.0 %	16 539
Other operating income	-	-	-	-	605	-100.0 %	1 008
Total operating revenues and other income	10 908	3 552	207.1 %	18 639	6 944	168.4 %	17 547
EBITDA *	3 721	14 263	-73.9 %	5 803	14 285	-59.4 %	8 041
Excluding net other gains/(losses)	9	13 806	-99.9 %	31	13 819	-99.8 %	4 765
Normalized adjusted EBITDA	3 713	457	712.4 %	5 771	466	1138.1 %	3 276

* Comparable figures have been restated to reflect the reallocation of SG&A costs from group functions, other and eliminations to the segments Hurtigruten Norway, Hurtigruten Expeditions and Hurtigruten Destinations.

	2nd quarter 2022	2nd quarter 2021	01.01-30.06 2022	01.01-30.06 2021	Full year 2021
Room night	16 066	3 322	27 349	6 316	22 759
Available room night	21 786	19 656	41 226	37 178	76 922
Occupancy rate	73.7 %	16.9 %	66.3 %	17.0 %	29.6 %
Average room rate (EUR)	250	200	231	188	169
Revenue per available room (EUR)	184	34	153	32	50
Revenue rooms (EUR 1 000)	4 014	665	6 320	1 185	3 854
Guest night	26 405	5 197	45 038	10 322	35 632
Available guest night	43 872	39 312	83 008	74 356	153 844
Occupancy rate	60.2 %	13.2 %	54.3 %	13.9 %	23.2 %

Total operating revenues and other income in Hurtigruten Destinations increased from EUR 3.5 million in the second quarter of 2021 to EUR 10.9 million in the second quarter of 2022, which corresponds to an increase of 207%. EUR 6.7 million of the total revenue are deriving from hotel and food & beverage operations, which is the largest revenue contributor for Hurtigruten Destinations. High occupancy on the hotels for the quarter is also

creating ripple effects on the rest of the business. Revenues from activities amounted to EUR 2.8 million, retail revenue amounted to EUR 1.1 million and other revenue amounted to EUR 0.3 million. Radisson hotel and Funken Lodge has been open for guests in the second quarter of 2021 and 2022, while Coal Miners 'Cabins has been leased to Svalbard Folkehøgskole in the second quarter of 2021 and April and May 2022. From June 2022 Coal Miners

'Cabins was again open to regular guests. Occupancy (guest nights) increased from 5 197 guest nights to 26 405 guest nights, which is an increase by 359% for the period. This is a good indication that tourism is blooming again after months of strict Covid-19 regulations.

In the second quarter of 2021 Hurtigruten Group closed the sale of real-estate portfolio on Svalbard to

Store Norske, and at the same time it entered into long-term lease agreements for the real-estate portfolio. This also had a positive impact on the EBITDA for the second quarter of 2021 and resulted in net other gains on EUR 13.8 million.

Hurtigruten Destinations activity in Kirkenes, which is operated by Radius Kirkenes, was closed during the second quarter of 2022 due to the pandemic.

Group Functions, Other and Eliminations

(EUR 1 000)	2nd quarter 2022	2nd quarter 2021	Change	01.01-30.06 2022	01.01-30.06 2021	Change	Full year 2021
Operational revenues	(1 687)	8 028	121.0 %	199	8 521	-97.7 %	1 162
Other operating income	-	9 786	-100.0 %	946	20 347	-95.4 %	27 848
Total operating revenues and other income	(1 687)	17 814	-109.5 %	1 145	28 868	-96.0 %	29 009
EBITDA *	(576)	17 716	-103.3 %	1 259	24 500	-94.9 %	26 794
Excluding net other gains/(losses)	865	(91)	1055.4 %	494	(4 357)	111.3 %	(3 889)
Normalized adjusted EBITDA	(1 441)	17 807	-108.1 %	765	28 857	-97.3 %	30 683

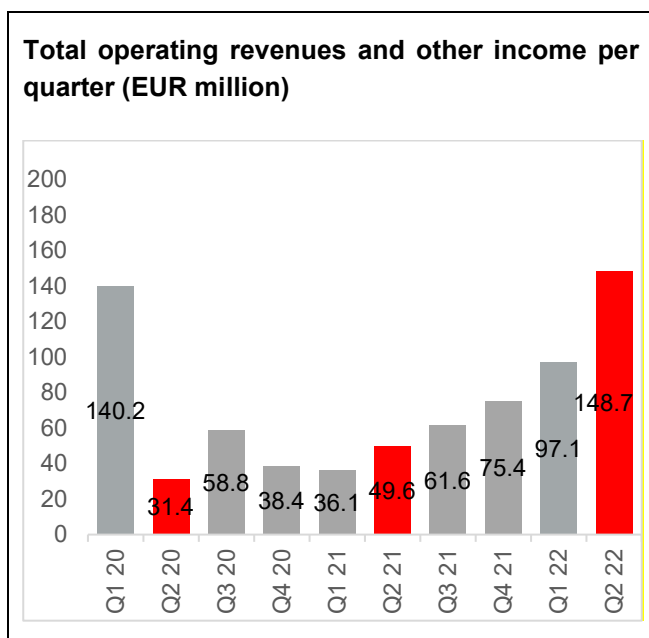
* Comparable figures have been restated to reflect the reallocation of SG&A costs from group functions, other and eliminations to the segments Hurtigruten Norway, Hurtigruten Expeditions and Hurtigruten Destinations.

Total operating revenues and other income for the second quarter 2022 amount to negative EUR 1.7 million compared to EUR 17.8 million in the same period last year. In the second quarter of 2021 other operating income consisted of a provision for the grant from the Norwegian Government Business Compensation Scheme, which were granted to enterprises with a significant drop in revenue due to

Covid-19. EBITDA for the second quarter of 2022 amounts to negative EUR 0.6 million compared to EBITDA of EUR 17.7 million in the same period last year. The change is mainly due to higher operating revenues and other income in the second quarter of 2021.

Financial review

Profit and loss



Total operating revenues and other income increased by 199.7% in the second quarter 2022 compared to the same period last year, from EUR 49.6 million to EUR 148.7 million. The increase is driven by full operations of the entire Hurtigruten Norway fleet and continued ramp up of the fleet in Hurtigruten Expeditions in the second quarter of 2022. In the same period last year, all ships were in warm lay-up in Hurtigruten Expeditions and five out of seven ships in Hurtigruten Norway were sailing with low occupancy due to Covid-19 restrictions. In addition, MS Santa Cruz II started its first sailings during the first quarter of 2022. Other operating income in this quarter consists of insurance settlement.

Direct cost of goods and services increased from EUR 4.4 million in the second quarter of 2021 to EUR 36.0 million in the second quarter of 2022, which is explained by the return to normal operations in 2022. Total salaries and personnel costs were EUR 43.8 million in the quarter, an increase of 64.0% compared to the second quarter of 2021.

Specification of other operating costs

	2nd quarter	2nd quarter	%	01.01-30.06	01.01-30.06	%	Full year
(EUR 1 000)	2022	2021	change	2022	2021	change	2021
Operating costs (ex fuel)	(29 845)	(14 262)	109.3 %	(59 437)	(25 728)	131.0 %	(58 452)
Fuel costs	(23 138)	(7 113)	225.3 %	(39 783)	(13 706)	190.3 %	(43 416)
Sales and administrative costs	(25 835)	(18 996)	36.0 %	(42 741)	(31 293)	36.6 %	(79 165)
Total	(78 818)	(40 371)	95.2 %	(141 960)	(70 728)	100.7 %	(181 033)

Other operating costs increased by 95.2% compared to the same period last year, from EUR 40.4 million in the second quarter of 2021 to EUR 78.8 million in the second quarter of 2022, which were mainly due to the ramp-up in operations.

Operating costs include all other cruise operating costs, harbor costs, bareboat lease costs and maintenance of the vessels, costs which are less directly variable with the level of production.

Fuel costs in the quarter increased by 225.3% to EUR 23.1 million from EUR 7.1 million, compared to the same quarter last year. The increase is driven by more ships in operation and increased fuel prices.

Sales and administrative costs increased by 36.0% to EUR 25.8 million in the second quarter compared to the same period last year. The increase is due to the return to service of ships in 2022, while activities were downscaled in 2021.

Second quarter depreciation, amortization and impairment were EUR 16.0 million, compared to EUR 39.8 million same quarter last year. The decrease is mainly related to an impairment in 2021.

Net other gains were EUR 10.5 million in the second quarter of 2022, compared to a gain of EUR 14.6 million in the same period in 2021. The gain for the second quarter of 2022 is mainly explained by the realized and unrealized gain from the fuel derivatives of EUR 9.2 million.

Second quarter operating loss was EUR 15.4 million, compared to an operating loss of EUR 47.1 million in the same period last year.

Net financial loss was EUR 27.4 million in the second quarter of 2022 compared to a loss of EUR 19.6 million in the second quarter 2021. Interest costs in the second quarter of 2022 are higher due to new financing. More specifically the EUR 75 million subordinated shareholder's loan facility which was fully drawn in the third and fourth quarter of 2021, and the placement of new senior unsecured green bond in February 2022.

The net loss for the second quarter was EUR 37.7 million compared to a loss of EUR 70.9 million in 2021.

Financial position and liquidity

Cash flow

Net cash inflow from operating activities in the second quarter of 2022 was EUR 39.9 million compared to an inflow of EUR 0.2 million in the same quarter last year. This is mainly explained by net positive changes in working capital and positive EBITDA in June.

Net cash outflow from investing activities was EUR 32.6 million in the second quarter of 2022 compared to an inflow of EUR 45.5 million in the same period last year. The outflow in this quarter is mainly explained by higher capital expenditures from environmental ship upgrades on Hurtigruten Norway vessels. The inflow last year is mainly explained by the proceeds from the sale of the real estate portfolio on Svalbard to Store Norske for the gross amount of approximately EUR 56.1 million.

Net cash outflow from financing activities in the second quarter 2022 was EUR 15.1 million compared to an outflow of EUR 20.6 in the same quarter last year.

Net decrease in cash and cash equivalents in the second quarter was EUR 7.8 million, compared to an increase of EUR 25.0 million in the second quarter of 2021.

Cash and cash equivalents totaled EUR 30.3 million on 30 June 2022, compared to EUR 57.1 million on 31 December 2021. Available cash and cash equivalents, excluding restricted cash, totaled EUR 26.2 million on 30 June 2022 compared to EUR 48.2 million on 31 December 2021.

Balance sheet

Total assets amounted to EUR 1 398.0 million as of 30 June 2022, which is an increase of EUR 44.1 million from year-end 2021.

Non-current assets increased with EUR 13.2 million since year end 2021, from EUR 1 224.4 million to EUR 1 237.6 million. The change is mainly due to an increase in property, plant and equipment driven by the environmental ship upgrades of the vessels MS Nordnorge and MS Richard With.

Current asset amounted to EUR 160.4 million, an increase of EUR 30.9 million compared to 31 December 2021. Mainly due to an increase in trade, other receivables, and derivatives, partially offset by decreased cash and cash equivalents.

The reported equity at the end of June 2022 was negative EUR 454.1 million compared to a negative EUR 352.0 million at year-end 2021. The change is mainly due to the net loss in the period.

Total non-current liabilities amount to EUR 1 337.2 million on 30 June 2022, a decrease of EUR 115.6 million from EUR 1 452.8 million at year-end 2021. The decrease is mainly due to the reclassification of the Term Loans C and D to current borrowings in June 2022, as the maturity date of the loans is June 2023. This is partially offset by the placement of new senior unsecured green bonds for EUR 50 million in February 2022 and the increase in Term Loan C for EUR 25 million that was drawn in January 2022.

Current liabilities, excluding borrowings, were EUR 317.2 million at the end of the second quarter. The increase of EUR 89.0 million since year-end 2021 is mainly driven by increased other current liabilities and deposits from customers.

Going concern

As of 30 June 2022, the carrying value of the equity in the Group was negative EUR 454.1 million. The Covid-19 pandemics effect on travel restrictions and demand for travel has led to a significantly lower short-term profitability.

The Board of Directors acknowledge that the equity book value of the Group is negative. In the opinion of the Board of Directors, the underlying fair value of Hurtigruten Group's vessels and brands are significantly higher than the reported equity. This is further supported by the impairment tests that has been performed on Hurtigruten Group's assets as of year-end 2021. The underlying values are further supported by the booking development for 2022 and 2023.

The Board of Directors expects the financial performance of the Company to continue to improve above pre-pandemic levels over the next 12 months.

The Board of Directors are constantly monitoring the liquidity and financial position of Hurtigruten Group as the financial performance continues to recover and will take appropriate action if additional capital is required.

As of 30 June 2022, Hurtigruten Group had an available free liquidity position of EUR 26.2 million. The shareholder of Hurtigruten Group provided in the third quarter of 2022 a subordinated shareholder loan facility of EUR 55 million to fund green investments in the fleet and working capital.

The ultimate shareholders of the company have confirmed that they remain supportive and have indicated that they would be willing to consider providing additional liquidity, if necessary.

In accordance with the Norwegian Accounting Act, the Board of Directors confirms that the interim financial statements have been prepared in accordance with the going concern assumption, and that it is appropriate to assume this based on the current information.

Outlook

At the date of this report, the operating conditions are back to normal, and Hurtigruten Group is experiencing an increasing booking momentum for the next 18 months which gives a strong and positive outlook for Hurtigruten Group.

As of 1 June 2022, all ships in Hurtigruten Expeditions and Hurtigruten Norway were back in operations with no capacity limitations.

We are continuing to see a change in booking patterns with guest booking closer to departure. For the 9-month period from July 2022 to March 2023 the bookings are, as of the 26th of August, at EUR 362 million which is 4.5% higher compared to the same 9-month period pre pandemic.

The first quarter of 2023 sees a strong development and as of 26 August, the bookings are at EUR 92 million which is 22% higher compared to the same period three years ago (pre-Covid-19)

As of 26 August, the bookings for the 12-month period from July 2022 to June 2023 is at EUR 398 million which is at the same level as pre pandemic. We are experiencing an increased booking momentum and the 14-day rolling average daily gross bookings are now above the level observed three years ago pre-pandemic.

The Board of Directors expects the financial performance of the Company to continue to improve towards above pre-pandemic levels over the next 12 months.

Hurtigruten Group is closely monitoring the liquidity situation as the financial performance continues to recover and we are currently investing in environmental upgrades for the Hurtigruten Norway fleet. The Board of Directors believes that the liquidity resources currently available and the plans that have been put in place are sufficient to ensure the long-term funding of Hurtigruten Group.

Risks and uncertainties

Hurtigruten Group is subject to a range of risks and uncertainties which may affect its business operations, financial condition and results of operation. An evaluation of Hurtigruten Group's main risks has been performed as part of the overall enterprise risk assessment. The risk description in the Annual Report 2021 gives a fair description of principal risks and uncertainties that may affect Hurtigruten Group in the second half of 2022, and the company is not aware of any significant new risks or uncertainties or significant changes to those risks or uncertainties, except for those described below.

The global Covid-19 pandemic has had a material adverse impact on our business and results of operations. The global spread of Covid-19 and the unprecedented responses by governments and other authorities to control and contain the spread of this virus has caused significant disruptions to our operations, created new risks, and exacerbated existing risks to our business.

The Hurtigruten Group has been negatively impacted by the Covid-19 pandemic, including impacts that resulted from actions taken in response to the outbreak. Examples include, but are not limited to, travel bans, restrictions on the movement and gathering of people, social distancing measures, shelter-in-place/stay-at-home orders, and disruptions to businesses in our supply chain. We believe we are now at the end of the impact from Covid-19 on our business as restrictions are being lifted in most countries and booking numbers are

increasing. However, the risk of new virus mutations and infection waves cannot completely be ruled out.

The Russian invasion of Ukraine in late February 2022 has brought increased geopolitical risks to global markets and business operations. The conflict has adversely affected global and regional economic conditions and triggered volatility in energy prices. In January 2022, the Group entered a new derivatives contract to hedge a portion of the forecasted total fuel consumption, approximately 49% for 2022 and 15% for 2023.

The likelihood of recession in the Euro area over the next 12 months is up from 20% in March to 45% in July, and 55% in Germany, according to a Bloomberg survey of economists. Still, Hurtigruten Group believes its customer base may be less adversely affected by a recession than other segments of the population.

Interest rate movements and the overall condition of the credit market play a role in Hurtigruten Group's ability to refinance its debt obligations. Hurtigruten Group has acquired a significant portion of debt over the past few years. Loans approaching maturity in combination with volatile global markets are increasing the risk of Hurtigruten Group not being able to refinance its loans at favourable terms, or in the worst-case scenario not able to refinance at all.

Interim financial statements

Condensed consolidated income statement

Unaudited

(EUR 1 000)	Note	2nd quarter 2022	2nd quarter 2021	01.01-30.06 2022	01.01-30.06 2021	Full year 2021
Operating revenues		131 119	19 680	208 338	25 539	122 117
Contractual revenues		15 439	20 153	29 664	39 186	71 715
Other operating income		2 141	9 786	7 751	20 952	28 856
Total operating revenues and other income		148 699	49 619	245 753	85 677	222 688
Direct cost of goods and services		(35 957)	(4 399)	(58 953)	(5 981)	(31 152)
Salaries and personnel costs		(43 802)	(26 710)	(81 930)	(50 041)	(117 834)
Depreciation, amortisation and impairment		(16 042)	(39 834)	(31 550)	(55 265)	(92 561)
Other operating costs		(78 818)	(40 371)	(141 960)	(70 728)	(181 033)
Net other gains/(losses)		10 480	14 595	16 097	11 410	3 018
Operating profit/(loss) EBIT		(15 440)	(47 101)	(52 543)	(84 927)	(196 875)
Financial income		1 004	409	2 178	936	2 566
Financial expenses		(26 193)	(19 154)	(51 661)	(37 078)	(80 976)
Net foreign exchange gains/(losses)		(2 207)	(813)	(1 449)	1 356	1 306
Net financial items	5	(27 396)	(19 558)	(50 932)	(34 786)	(77 105)
Share of net income from associated companies		102	59	317	75	39
Profit / (loss) before taxes		(42 734)	(66 601)	(103 158)	(119 638)	(273 941)
Income taxes		5 068	(4 274)	5 328	(7 685)	(8 254)
Net income		(37 666)	(70 875)	(97 830)	(127 323)	(282 195)
Net income attributable to:						
Owners of the parent		(37 641)	(71 048)	(97 809)	(127 334)	(282 211)
Non-controlling interests		(25)	173	(20)	11	16

Condensed consolidated statement of comprehensive income

Unaudited

<i>(EUR 1 000)</i>	2nd quarter 2022	2nd quarter 2021	01.01-30.06 2022	01.01-30.06 2021	Full year 2021
Net income	(37 666)	(70 875)	(97 830)	(127 323)	(282 195)
Other comprehensive income, net of tax:					
Items that will not be reclassified to profit or loss in subsequent periods:					
Actuarial gain/loss on defined benefit obligations	-	-	-	-	341
Sum	-	-	-	-	341
Items that may be reclassified to profit or loss in subsequent periods:					
Currency translation differences	(3 910)	(343)	(4 288)	1 147	(685)
Sum	(3 910)	(343)	(4 288)	1 147	(685)
Total other comprehensive income, net of tax	(3 910)	(343)	(4 288)	1 147	(343)
Total comprehensive income	(41 577)	(71 218)	(102 118)	(126 176)	(282 538)
Total comprehensive income attributable to					
Owners of the parent	(41 552)	(71 391)	(102 097)	(126 187)	(282 554)
Non-controlling interests	(25)	173	(20)	11	16

Condensed consolidated statement of financial position

Unaudited

(EUR 1 000)	Note	30.06 2022	30.06 2021	31.12 2021
Property, plant and equipment		898 205	880 252	871 475
Right-of-use assets		44 537	47 860	45 589
Intangible assets		266 864	262 824	265 304
Investments in associates		21 396	608	21 116
Deferred income tax assets		2 131	1 794	2 163
Investments in other companies		2 526	2 509	2 526
Derivative financial instruments		950	-	-
Other non-current financial assets		991	23 709	16 259
Total non-current assets		1 237 600	1 219 555	1 224 432
Inventories		20 046	14 936	19 169
Trade receivables		34 709	16 890	23 922
Other current receivables		64 705	36 004	29 303
Current derivative financial instruments		10 606	-	1
Cash and cash equivalents		30 332	91 823	57 115
Assets held for sale		-	2 087	-
Total current assets		160 399	161 741	129 510
Total assets		1 397 998	1 381 295	1 353 942
Paid-in capital		185 205	185 205	185 205
Other equity		(639 288)	(413 560)	(537 190)
Total equity attribute to owners of Hurtigruten Group AS		(454 082)	(228 354)	(351 985)
Non-controlling interests		8	74	28
Total equity		(454 074)	(228 280)	(351 957)
Non-current interest-bearing liabilities	4	1 288 863	1 326 796	1 394 061
Deposits from customers, non-current		39 462	39 016	44 060
Deferred income tax liabilities		6 662	11 383	12 369
Retirement benefit obligations		2 089	2 991	2 164
Non-current derivative financial instruments		-	44	0
Other non-current liabilities		135	-	135
Total non-current liabilities		1 337 212	1 380 230	1 452 790
Trade payables	6	24 467	16 811	23 496
Other current liabilities	6	112 388	85 606	82 454
Deposits from customers, current		176 386	96 781	117 286
Current income tax liabilities		990	1 218	1 444
Current interest-bearing liabilities	4	197 691	26 168	24 981
Current derivative financial debt instruments		-	509	2
Provision for other liabilities and charges		2 939	2 253	3 446
Total current liabilities		514 861	229 346	253 109
Total equity and liabilities		1 397 998	1 381 295	1 353 942

Condensed consolidated statement of changes in equity

Unaudited

	01.01-30.06.2022				
	Attributable to shareholders of Hurtigruten Group AS			Non-controlling interests	Total Equity
(EUR 1 000)	Paid-in capital	Other equity	Total		
Equity at beginning of the period	185 205	(537 190)	(351 985)	28	(351 957)
Net income	-	(97 809)	(97 809)	(20)	(97 830)
Other comprehensive income	-	(4 288)	(4 288)	-	(4 288)
Total comprehensive income	-	(102 097)	(102 097)	(20)	(102 118)
Equity at the end of the period	185 205	(639 288)	(454 083)	8	(454 074)

	01.01-30.06.2021				
	Attributable to shareholders of Hurtigruten Group AS			Non-controlling interests	Total Equity
(EUR 1 000)	Paid-in capital	Other equity	Total		
Equity at beginning of the period	185 200	(285 935)	(100 734)	(1 438)	(102 172)
Net income	-	(127 334)	(127 334)	11	(127 323)
Other comprehensive income	-	1 147	1 147	-	1 147
Total comprehensive income	-	(126 187)	(126 187)	11	(126 176)
Capital increase parent company	5	-	5	-	5
Transactions with non-controlling interests	-	(1 438)	(1 438)	1 500	63
Equity at the end of the period	185 206	(413 560)	(228 354)	74	(228 280)

Condensed consolidated statement of cash flows

Unaudited

	2nd quarter 2022	2nd quarter 2021	01.01-30.06 2022	01.01-30.06 2021	Full year 2021
(EUR 1 000)					
Cash flow from operating activities					
Profit/(loss) before taxes	(42 735)	(66 600)	(103 158)	(119 637)	(273 941)
Adjustments for:					
Depreciation, amortisation and impairment losses	16 042	39 834	31 550	55 265	92 561
Gain/loss sale of fixed assets	(21)	(13 666)	(29)	(13 680)	(4 556)
Foreign exchange gains/losses	970	1 459	1 366	3 802	3 076
Net gains/(losses) derivatives	(9 235)	(1 436)	(15 982)	(2 748)	(4 564)
Net interest expenses	25 190	18 745	49 482	36 146	78 429
Share of net income from associated companies	(102)	(59)	(317)	(75)	(39)
Difference between expensed pensions and payments	(34)	1	(54)	(34)	(631)
<i>Change in working capital:</i>					
Inventories	(909)	(500)	(877)	(1 158)	(5 391)
Trade and other receivables	(16 841)	(16 744)	(20 482)	(22 256)	(23 422)
Trade and other payables	6 069	2 615	20 775	(867)	19 154
Change in prepaid travels	61 590	28 645	54 503	43 625	69 175
Change related to travel bonds	(100)	8 802	(9 646)	9 444	7 834
Settlement of financial instruments	-	(614)	-	(1 722)	-
Income tax paid	(27)	(285)	(965)	(910)	7
Net cash flow from operating activities	39 858	197	6 166	(14 808)	(42 307)
Cash flow from investing activities					
Purchase and prepayment of property, plant, equipment	(29 717)	(9 895)	(50 663)	(20 386)	(32 292)
Purchase of intangible assets	(2 941)	(737)	(5 347)	(1 645)	(7 272)
Proceeds from sale of fixed assets	21	56 082	35	56 122	56 902
Proceeds from sale of shares/(purchase of shares)	-	-	(0)	-	(20 570)
Net cash flow from investing activities	(32 637)	45 450	(55 975)	34 091	(3 233)
Cash flow from financing activities					
Proceeds from borrowings	-	-	75 000	46 500	46 550
Repayment of borrowings	(3 638)	(13 342)	(7 134)	(16 384)	(25 758)
Payment of lease liabilities	(3 263)	(1 475)	(4 844)	(2 525)	(6 073)
Transactions with non controlling entities	-	-	-	-	13
Paid interest and transaction costs	(8 155)	(6 038)	(34 344)	(30 976)	(60 915)
Borrowings from other group companies	-	213	-	(0)	75 000
Net cash flow from financing activities	(15 055)	(20 642)	28 678	(3 385)	28 816
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(7 834)	25 005	(21 131)	15 898	(16 724)
Cash and cash equivalents at the beginning of period	45 974	67 709	57 115	72 037	72 037
Foreign exchange gains/(losses) on cash, cash equivalents and bank overdrafts	(7 807)	(890)	(5 652)	3 888	1 802
Cash and cash equivalents at end of period	30 332	91 823	30 332	91 823	57 115
Of which restricted cash	4 141	6 050	4 141	6 050	8 905

Notes to the interim consolidated financial statements

Note 1 General accounting principles

Hurtigruten Group consists of the parent company Hurtigruten Group AS, its subsidiaries and interests in associated companies. The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Report for 2021.

The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those described in the accounting policy note in the Annual Report for 2021.

The interim financial information has not been subject to audit or review.

The preparation of the interim consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The actual outcome may deviate from the estimates.

Note 2 Contingencies

There are no material changes to the facts and circumstances of the contingencies and legal items as disclosed in the Annual Report for 2021.

Note 3 Segments

	Hurtigruten Norway		Hurtigruten Expeditions		Hurtigruten Destinations	
	2nd quarter	2nd quarter	2nd quarter	2nd quarter	2nd quarter	2nd quarter
<i>(EUR 1 000)</i>	2022	2021	2022	2021	2022	2021
Operating revenues	65 962	7 715	55 937	385	10 908	3 552
Contractual revenues	15 439	20 153	-	-	-	-
Other operating income	-	-	2 141	-	-	-
Total operating revenues and other income	81 401	27 868	58 077	385	10 908	3 552
Direct cost of goods and services	(17 265)	(1 264)	(15 518)	(2 217)	(3 421)	(911)
Salaries and personnel costs*	(22 051)	(14 637)	(19 397)	(10 585)	(2 355)	(1 488)
Other operating costs*	(33 746)	(21 264)	(43 652)	(18 410)	(1 420)	(697)
Net other gains/(losses)	4 143	966	5 464	(87)	9	13 806
EBITDA	12 482	(8 332)	(15 025)	(30 914)	3 721	14 263
Depreciation, amortisation and impairment	(7 531)	(25 675)	(4 447)	(8 067)	(1 222)	(1 166)
Operating profit/(loss) (EBIT)	4 950	(34 007)	(19 472)	(38 981)	2 499	13 097

	Group functions, other and eliminations		Hurtigruten Group	
	2nd quarter	2nd quarter	2nd quarter	2nd quarter
<i>(EUR 1 000)</i>	2022	2021	2022	2021
Operating revenues	(1 687)	8 028	131 119	19 680
Contractual revenues	-	-	15 439	20 153
Other operating income	-	9 786	2 141	9 786
Total operating revenues and other income	(1 687)	17 814	148 699	49 619
Direct cost of goods and services	247	(7)	(35 957)	(4 399)
Salaries and personnel costs*	0	-	(43 802)	(26 710)
Other operating costs*	0	-	(78 818)	(40 371)
Net other gains/(losses)	865	(91)	10 480	14 595
EBITDA	(576)	17 716	602	(7 267)
Depreciation, amortisation and impairment	(2 842)	(4 926)	(16 042)	(39 834)
Operating profit/(loss) (EBIT)	(3 418)	12 790	(15 440)	(47 101)

* Comparable figures have been restated to reflect the reallocation of SG&A costs from group functions, other and eliminations to the segments Hurtigruten Norway, Hurtigruten Expeditions and Hurtigruten Destinations.

	Hurtigruten Norway		Hurtigruten Expeditions		Hurtigruten Destinations	
	01.01-30.06	01.01-30.06	01.01-30.06	01.01-30.06	01.01-30.06	01.01-30.06
<i>(EUR 1 000)</i>	2022	2021	2022	2021	2022	2021
Operating revenues	97 524	10 038	91 975	640	18 639	6 339
Contractual revenues	29 664	39 186	-	-	-	-
Other operating income	-	-	6 805	-	-	605
Total operating revenues and other income	127 189	49 225	98 780	640	18 639	6 944
Direct cost of goods and services	(26 759)	(1 687)	(25 808)	(2 224)	(6 008)	(2 059)
Salaries and personnel costs*	(40 312)	(28 021)	(37 212)	(19 093)	(4 407)	(2 927)
Other operating costs*	(61 184)	(38 203)	(78 322)	(31 034)	(2 453)	(1 492)
Net other gains/(losses)	7 390	543	8 183	1 405	31	13 819
EBITDA	6 324	(18 143)	(34 379)	(50 305)	5 803	14 285
Depreciation, amortisation and impairment	(14 870)	(29 854)	(8 787)	(14 428)	(2 424)	(1 953)
Operating profit/(loss) (EBIT)	(8 546)	(47 997)	(43 166)	(64 733)	3 379	12 333

	Group functions, other and eliminations		Hurtigruten Group	
	01.01-30.06	01.01-30.06	01.01-30.06	01.01-30.06
<i>(EUR 1 000)</i>	2022	2021	2022	2021
Operating revenues	199	8 521	208 338	25 539
Contractual revenues	-	-	29 664	39 186
Other operating income	946	20 347	7 751	20 952
Total operating revenues and other income	1 145	28 868	245 753	85 677
Direct cost of goods and services	(378)	(11)	(58 953)	(5 981)
Salaries and personnel costs*	0	-	(81 930)	(50 041)
Other operating costs*	(2)	-	(141 960)	(70 729)
Net other gains/(losses)	494	(4 357)	16 097	11 410
EBITDA	1 259	24 500	(20 993)	(29 663)
Depreciation, amortisation and impairment	(5 469)	(9 030)	(31 550)	(55 265)
Operating profit/(loss) (EBIT)	(4 210)	15 470	(52 543)	(84 928)

* Comparable figures have been restated to reflect the reallocation of SG&A costs from group functions, other and eliminations to the segments Hurtigruten Norway, Hurtigruten Expeditions and Hurtigruten Destinations.

Note 4 Interest-bearing liabilities

	30.06	30.06	31.12
<i>(EUR 1 000)</i>	2022	2021	2021
<i>Secured</i>			
Bond	297 232	296 161	296 696
Term loans and financial lease vessels	721 846	867 781	869 758
Revolving credit facilities	84 476	84 130	84 311
<i>Unsecured</i>			
Bond	48 117	-	-
Lease liabilities ¹⁾	60 531	70 532	63 240
Other interest-bearing liabilities	76 661	8 193	80 056
Total non-current interest-bearing liabilities	1 288 863	1 326 796	1 394 061
<i>Secured</i>			
Term loans and financial lease vessels	179 746	12 118	7 537
<i>Unsecured</i>			
Lease liabilities ¹⁾	11 503	7 497	10 822
Other interest-bearing liabilities	6 442	6 554	6 622
Total current interest-bearing liabilities	197 691	26 168	24 981

¹⁾ The accounting for lease-contracts in reference to IFRS 16 are reflected in the lease liabilities, while items that are classified as borrowings according to IFRS 9 are reflected within term loans and financial lease.

The above amounts state borrowings at amortized cost, as in the Statement of Financial Position.

Maturity profile

The below maturity schedule reflects the borrowings at nominal values.

	30.06	30.06	31.12
<i>(EUR 1 000)</i>	2022	2021	2021
Less than one year	197 976	26 278	25 349
Year 2 and 3	215 704	279 689	396 694
Year 4 and 5	940 709	987 929	941 576
More than 5 years	123 626	80 914	131 222
Total interest-bearing liabilities	1 478 015	1 374 810	1 494 842

Note 5 Net financial items

	2nd quarter	2nd quarter	01.01-30.06	01.01-30.06	Full year
(EUR 1 000)	2022	2021	2022	2021	2021
Interest income	668	1 072	1 255	26	661
Other financial income	336	(663)	923	909	1 904
Financial income	1 004	409	2 178	936	2 566
Interest expenses	(20 337)	(16 887)	(39 829)	(32 058)	(68 930)
Other finance expenses	(5 856)	(2 268)	(11 832)	(5 020)	(12 046)
Financial expenses	(26 193)	(19 154)	(51 661)	(37 078)	(80 976)
Net foreign exchange gains/(losses)	(2 207)	(813)	(1 449)	1 356	1 306
Net financial items	(27 396)	(19 558)	(50 932)	(34 786)	(77 105)

Note 6 Trade payables and other current liabilities

	30.06	30.06	31.12
(EUR 1 000)	2022	2021	2021
Trade payables	24 461	16 791	23 493
Trade payables related parties	6	20	3
Total trade payables	24 467	16 811	23 496
Public duties payable	6 422	4 985	5 185
Other current liabilities	26 584	37 962	19 286
Accrued expenses	41 653	17 177	22 348
Accrued interest	32 117	18 793	24 682
Deferred revenue	5 611	6 690	10 953
Total other current liabilities	112 388	85 606	82 454

Note 7 Events after the reporting period

In August 2022 Hurtigruten Group AS secured a new fully committed EUR 55 million subordinated shareholder loan facility from its shareholders. The loan will be fully subordinated to the senior secured debt with similar terms and structure as the EUR 75 million shareholder loan provided in September 2022. The shareholder loan will be utilized for financing the ongoing environment projects in the Hurtigruten Norway fleet and working capital to support growth for Hurtigruten Group.

No other events of significance have occurred after the reporting period.

Responsibility Statement

We confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the first half of 2022 which have been prepared in accordance with IFRS as adopted by EU and IAS 34 Interim Financial Reporting, give a true and fair view of the Group's consolidated assets, liabilities, financial position and results of operations. To the best of our knowledge, the interim report for the first half of 2022 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, the principal risks and uncertainties for the remaining half of 2022, and major related party transactions.

Oslo, 29 August 2022

Board of Directors of Hurtigruten Group AS



Trygve Hegnar
Chair



Petter Stordalen
Director



Jonathan Barlow Rosen
Director



Matthew John Lenczner
Director



Daniel Skjeldam
CEO



Torleif Ernsten
CFO

Definitions

Alternative Performance Measures

Hurtigruten Group's financial information is prepared in accordance with International Reporting Standards (IFRS). In addition, the Group presents alternative performance measures (APM) to enhance the stakeholders understanding of the Group's performance. The APMs are regularly reviewed by management, are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described below.

Measure	Description	Reason for including
Operating profit/(loss) before depreciation, amortisation and impairment losses (EBITDA)	Earnings before net financial items, income tax expense, depreciation, amortisation and impairment, and share of profit/(loss) from associated companies.	A measure useful for evaluating operating profitability on a more variable cost basis and enables comparison to competitors.
EBITDA margin	EBITDA divided by total operating revenues and other income.	Enables comparability of profitability relative to total operating revenues and other income.
Normalized adjusted EBITDA	Earnings before net other gains and losses, net financial items, income tax expense, depreciation, amortisation and impairment, and share of profit/(loss) from associated companies, adjusted with items which is deemed extraordinary, exceptional, unusual or non-recurring. Group SG&A is not allocated to the operating segments Hurtigruten Norway and Hurtigruten Expeditions.	A measure of underlying long-term operating profitability excluding effects of volatile, operating expenses relating to fuel derivatives, effects of non-cash balance sheet currency revaluation and extraordinary or non-recurring items.
Operating profit (EBIT)	Earnings before net financial items, income tax expense and share of profit/loss from associated companies.	Enables comparability of profitability regardless of capital structure or tax situation.

Reconciliation of operating profit/(loss) to normalized adjusted EBITDA

	2nd quarter	2nd quarter	01.01-30.06	01.01-30.06
(EUR 1 000)	2022	2021	2022	2021
Operating profit/(loss)	(15 440)	(47 101)	(52 543)	(84 927)
Excluding Depreciation, amortisation and impairment	16 042	39 834	31 550	55 265
EBITDA	602	(7 267)	(20 993)	(29 662)
Excluding Net other gains/(losses)	(10 480)	(14 595)	(16 097)	(11 410)
EBITDA excluding net other gains /(losses)	(9 879)	(21 862)	(37 091)	(41 072)
Adjustment for unusual or non-recurring items	29 360	-	47 077	-
Normalized adjusted EBITDA	19 481	(21 862)	9 986	(41 072)

Other definitions

Item	Description
APCN	Available passenger Cruise Nights (cabin capacity*2 multiplied by the number of cruise days for the period for ships in service)
PCN	Passenger Cruise night, defined as one occupied berth per night
Occupancy rate	The ratio of passengers (PCN) by available capacity (APCN)
Gross ticket revenues per PCN	Ticket revenues per Passenger Cruise night
Net ticket revenue per PCN	Ticket revenue less expenses for commission, flights, hotel, other passenger services, food, beverage, shop and excursions, per passenger cruise night.
Net cruise cost per APCN	Total cost excluding commission, flights, hotel, other passenger services, food, beverage, shop and excursions, per available passenger cruise night (not adjusted for Covid-19 restrictions).
Fuel consumption	Bunker fuel consumed, presented in litre per nautical mile sailed
Fuel cost per litre	The average expense per litre bunker fuel.