

Q2 2021 Earnings Presentation

August 30th, 2021

Disclaimer

This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Hurtigruten Group AS (the "Company") or any affiliated company thereof.

This presentation may include certain forward-looking statements, estimates, predictions, influences and projections relating to the business, financial performance and results of the Company and its affiliates and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. These forward-looking statements may or may not prove to be correct and no representation is made as to the accuracy of such statements, estimates, projections, predictions and influences. Forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The information and opinions contained in this presentation are subject to change without notice. Except as required by law, the Company assumes no obligation to update any forward-looking statements or to conform these forward-looking statements to its actual results.

This presentation contains alternative performance measures that are not required by or presented in accordance with IFRS. These non-IFRS measures may not be comparable to other similarly titled measures of other entities and should not be considered in isolation or as a substitute for the Company's operating results as reported under IFRS. Definitions and calculations of alternative performance measures are presented in the Company's interim reports.

This presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated. The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about, and observe, such restrictions.

Business Update



Hurtigruten Group operational cash flow turned positive for the first time since the pandemic and is well positioned coming out of the pandemic

Q2 2021 Summary

- Hurtigruten Group continued to ramp up the organization for the full return to service with the shore side organization having a close to pre pandemic activity level
- Operations were stable in the quarter with 5 of 7 ships operating in Hurtigruten Norway while the Hurtigruten Expeditions fleet was in warm lay-up along the coast in Norway
- Hurtigruten Expeditions entered a partnership with Metropolitan Touring in Ecuador to offer year-round cruises along the Galapagos including a 5+5 charter contract for the 90-bed cruise vessel, Santa Cruz II
- Hurtigruten Group closed the sale of the real-estate portfolio on Svalbard to Store Norske

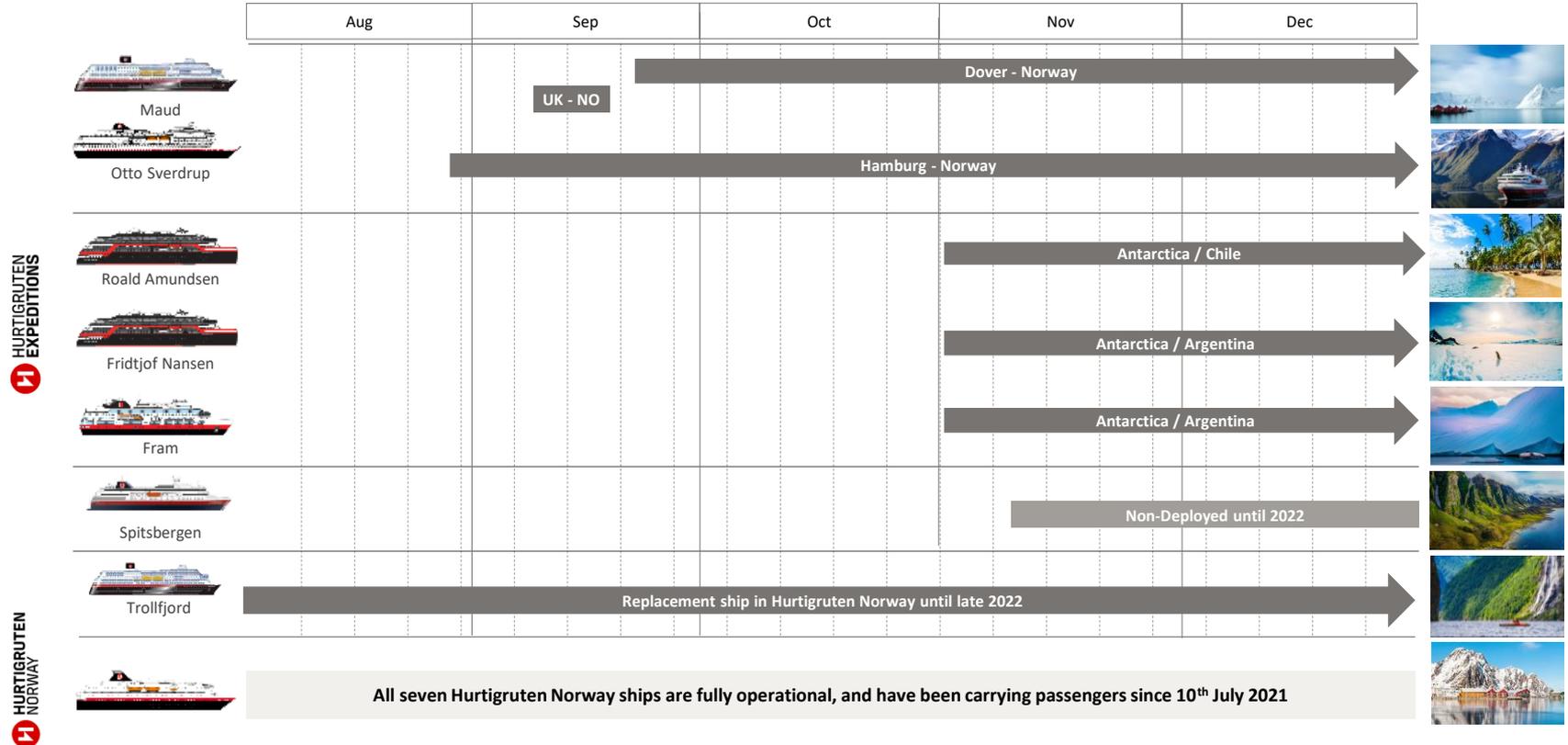
Hurtigruten Group has a solid financial position

- Operational cash flow in the quarter turned positive for the first time since the pandemic broke out, this was driven by increased pre-payments from customers with the introduction of quarantine free travel in the EU/EEA area from July 2021
- As of end of Q2 Hurtigruten Group had approx. EUR 86 million in available liquidity and approx. EUR 107m in liquidity resources including EUR 21m in government grants expected to be received in Q3

Hurtigruten Group is in a good position coming out of the pandemic

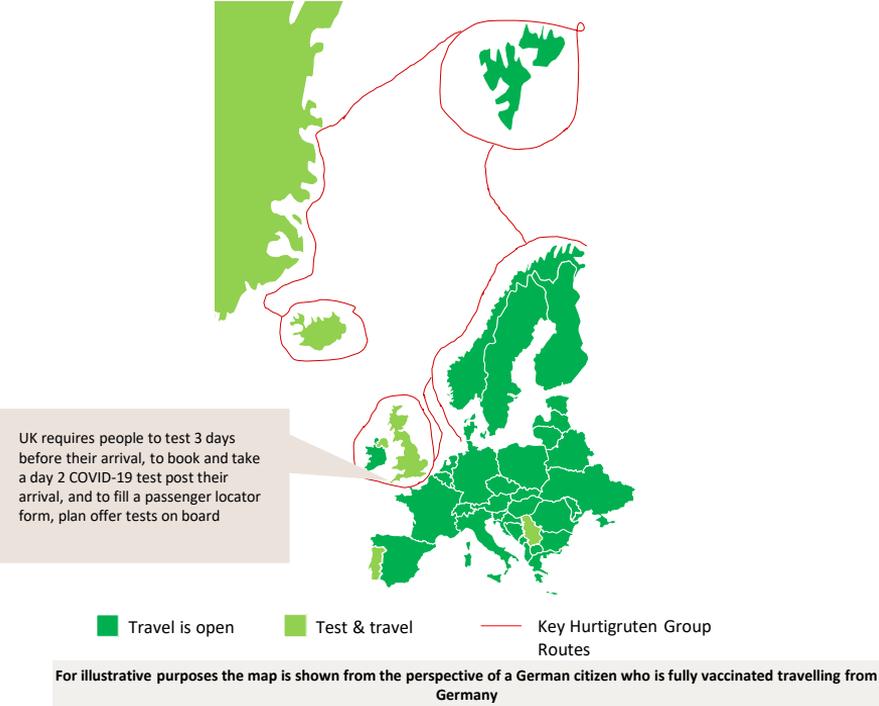
- As of 10th of July 7 of 7 ships in Hurtigruten Norway were in full operations
- Hurtigruten Expeditions started the first itinerary with MS Otto Sverdrup on the 24th of August
- As of 18th of August 2022 bookings are 31% above 2020 bookings at the same time two years ago, especially driven by demand for Hurtigruten Expeditions' itineraries
- The main booking window for 2022 sailings is September 2021 through to February 2022 and we expect a very good demand for 2022 and 2023 sailings

Update on return to sailing for Hurtigruten Expeditions and Hurtigruten Norway



Hurtigruten Group's destinations are among the safest, together with a uniform relaxation of travel restrictions across Europe

No significant travel restrictions in areas where Hurtigruten Group operates



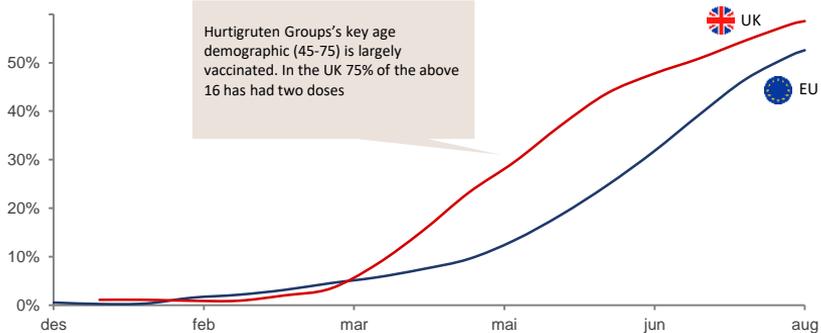
European Commission promotes opening of local tourism



- Lifting restrictions for member states with similar epidemiological situation
- Gradual restoration of passenger transportation
- Safely resuming tourism services
- Making vouchers a more attractive option for consumers

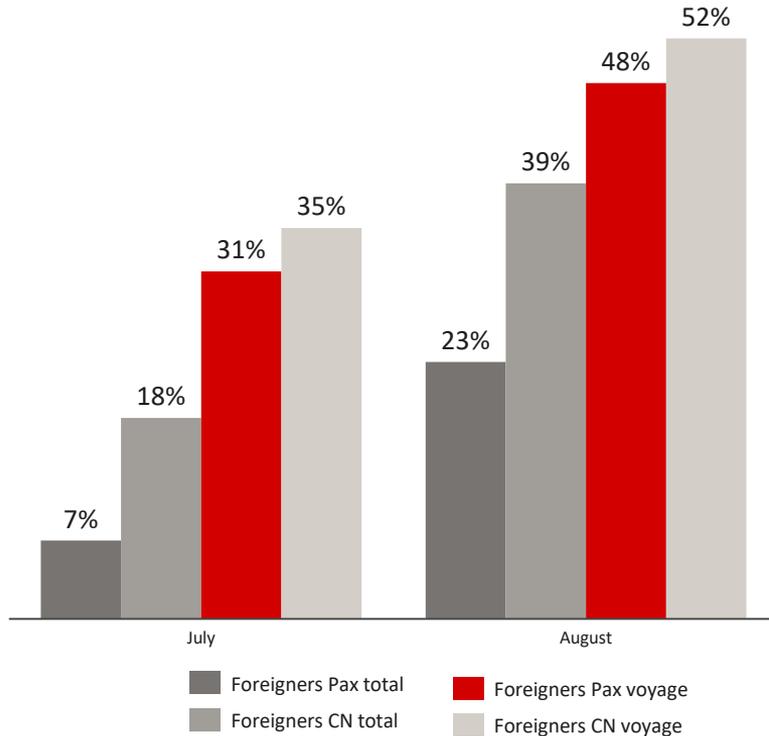
High vaccination prevalence across the EU and UK

Share of the population fully vaccinated against Covid-19 (%)



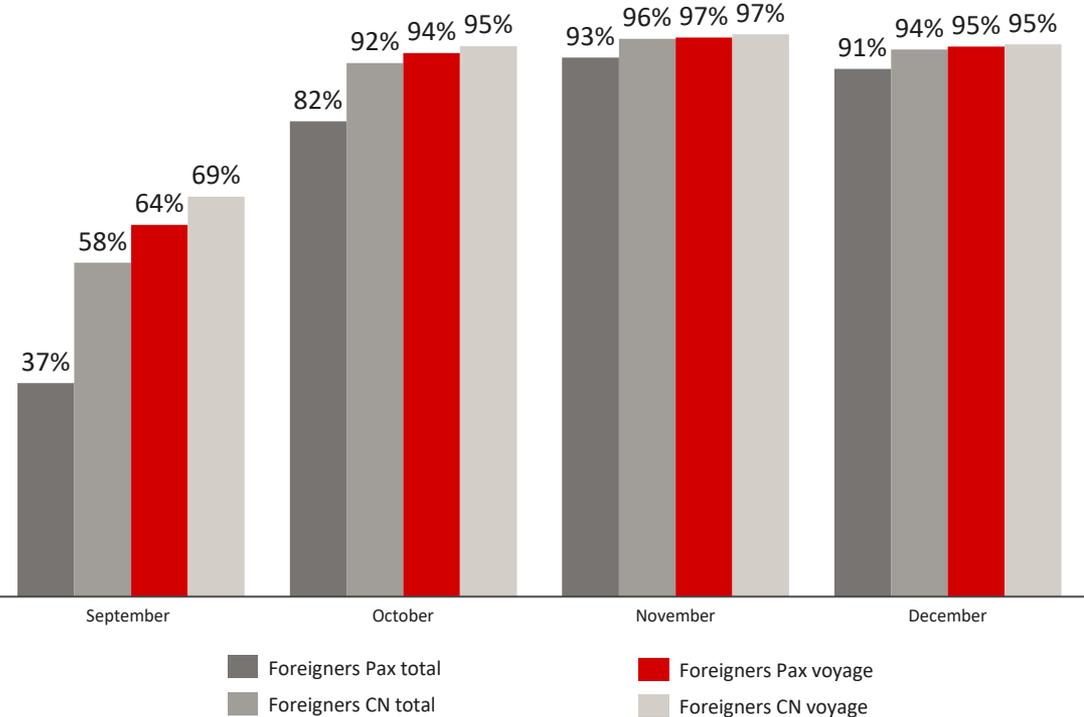
Source: European Commission, OECD, NHS, SSB, Reuters, Lit.Search, Internal data

Vaccination passports are driving increased travel with foreign travelers becoming a larger share of our guests in Hurtigruten Norway during July and August



- 1 of 3 were foreign travellers in July and 1 of 2 were foreign travellers in August if we only look at guests travelling over 6 days (voyage guests)
- Average length of foreign travellers higher than domestic travellers
- High share of fully vaccinated guests

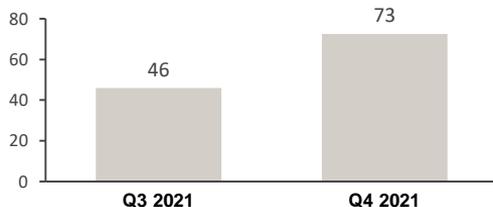
Foreign travelers will make up the largest share in Hurtigruten Norway as we move into the autumn



- Overall, we expect 4 out of 5 CN is coming from foreign travelers enabled by vaccination passports
- Figures in line with same time in 2019

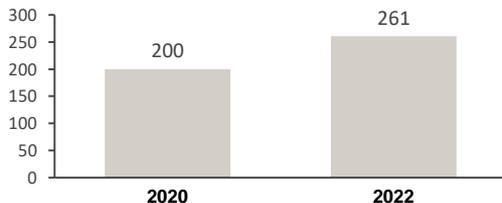
Hurtigruten Group has never experienced a higher prebooking level driven by Hurtigruten Expeditions

Bookings for 2H 2021 (EURm)



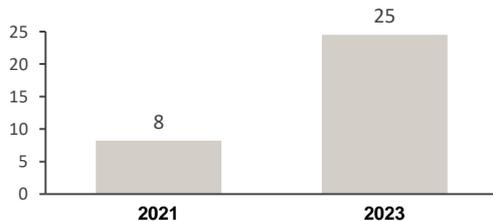
- The graph shows bookings for the second half of 2021 as of 19th of August 2019/2021
- Good interest to travel for 2H of 2021, but uncertainty on when travel restrictions will be lifted is keeping guests from booking
- Current bookings for 2H of 2021 corresponds to an average group occupancy of 45% which is above cash break even which is below 30%

Bookings for 2022 vs. 2020 (pre-covid) (EURm)



- The figures compare bookings for the respective year 2020/2022 as of 19th of August 2019/2021
- 2022 bookings is 31% above 2020 bookings same time two years ago with the main booking window for 2022 coming now in September to November
- The strong bookings is mainly driven by Hurtigruten Expeditions

Bookings for 2023 vs. 2021 (pre-covid) (EURm)



- The figure compare bookings for the respective year 2021/2023 as of 19th of August 2019/2021
- 2023 had a very strong start to the pre-sale period albeit very early in the booking cycle
- This continues to show the underlying demand for travelling from all source markets and towards all destinations

Galapagos, Bissagos and Cape Verde added to Hurtigruten Expeditions' list of destinations to strengthen our tropical portfolio of itineraries

Galápagos Islands

The wild beauty and unique ecology of the Galápagos Islands make for the perfect expedition cruise destination. With rugged volcanic scenery and tame wildlife, little has changed since Charles Darwin set foot here in 1835.



- Hurtigruten Expeditions is expanding our global offering to the Galapagos Island one of the most spectacular destinations on the planet
- First sailing departing January 2022
- Guests will explore Galapagos on the newly refurbished 90-guest MS Santa Cruz II, adding to Hurtigruten Expeditions' growing fleet of small purpose-built expedition cruise ships

West Africa & Cape Verde

Explore the unique history and vibrant culture of isolated Cape Verde, alongside the remarkable biodiversity of the tropical Bissagos Islands.



- Hurtigruten Expeditions' first-ever African adventure will depart, November 2022, and will be the first in a series of expedition cruises to visit Cape Verde and the Bissagos Islands.
- The 13-day itinerary includes four countries: Cape Verde, The Gambia, Guinea-Bissau, and Senegal.

Financial update



Operating cash flow turned positive for the first-time since the pandemic driven by lower refund claims and a return to service

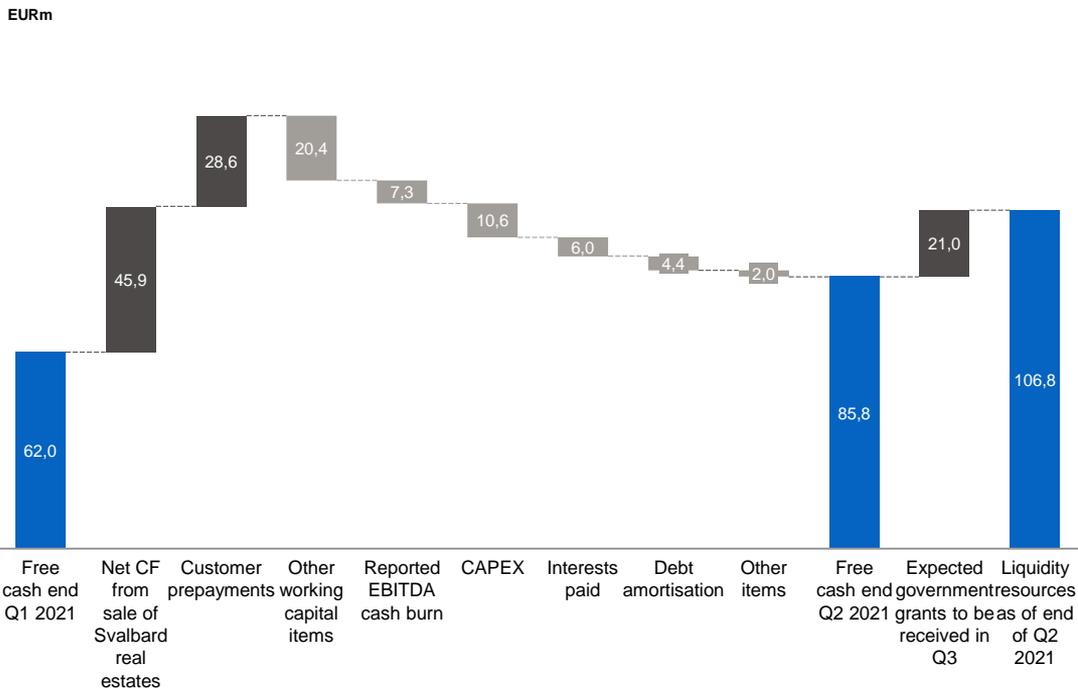


Note: All numbers presented are based on Hurtigruten Group AS on a consolidated basis as of fiscal year end 31 December. Numbers may not add to annuals due to rounding.

Available liquidity development – Q1 2021 to Q2 2021

Change in cash (excl. restricted cash) – Q1 2021 to end Q2-21

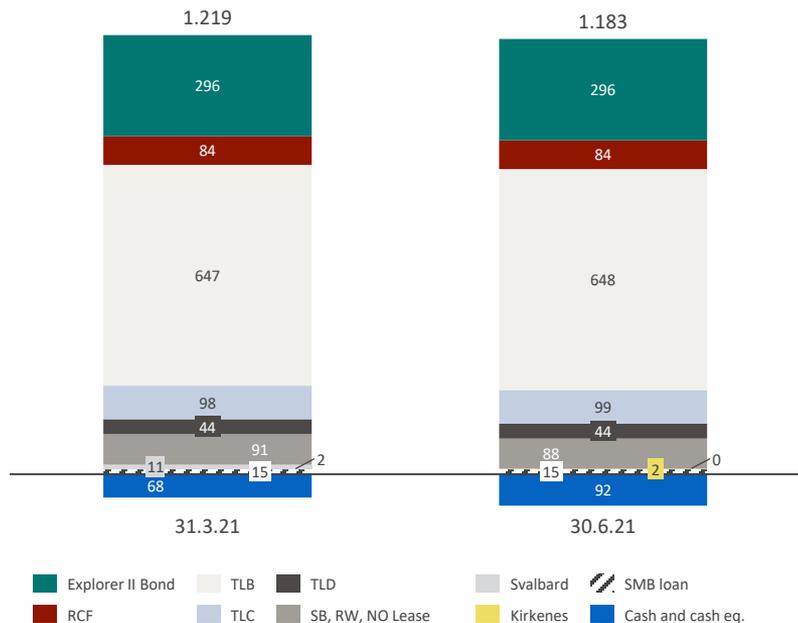
Commentary



- As of end of Q2 2021 Hurtigruten Group has EUR 107m in available liquidity and expected government grants to be received
- Prepayments from customers increased by EUR 28.6 million in the quarter
- The sale of the real-estate portfolio on Svalbard had a positive cash effect of EUR 46 million end of June.
- As of end of Q2 2021 the company had EUR 6m in restricted cash and EUR 6m of liquidity tied up in connection with travel bonding which is in the balance sheet classified as other non-current asset
- Hurtigruten Group and its parent company Silk Topco AS is evaluating options to raise additional liquidity in the form of debt and equity in order to increase the financial flexibility and to have the ability to take advantage of market opportunities that will present itself coming out of the pandemic

Net debt as of Q2 2021 decreased from EUR 1.219 bn to 1.183 bn in the second quarter

NIBD (EURm)¹



Overview of the interest-bearing debt

Instrument	RCF	TLB	TLC	TLD	Senior secured bonds	MS RW & Nordlys S&LB	MS Spitsbergen S&LB
Issuer/Lessee	HRG AS	HRG AS	HRG AS	HRG AS	Explorer II AS	MS Richard With AS and MS Nordlys AS	Explorer I AS
Ranking	1 st lien Senior Secured	1 st Lien Senior Secured	1 st Lien Senior Secured	1 st Lien Senior Secured	1 st Lien Senior Secured	n.a.	n.a.
Outstanding amount	EUR 85m	EUR 655m	EUR 105m	EUR 46.5m	EUR 300m	EUR 23m per ship	EUR 42m
Maturity	Feb 2024	Feb 2025	June 2023	Jun 2023	Feb 2025	January 2030	June 2028
Pricing	Euribor + [Margin ratchet of 250-325bps]	Euribor + [Margin ratchet of 350-400bps]	Euribor + 800bps	Euribor + 800bps	3.375%	5.5%	5.7%
Amortization	Revolving	Bullet	Bullet	Bullet	15m S/A starting Aug 23	Monthly charter hire	Monthly charter hire

Note: All numbers presented are book value and based on Hurtigruten Group AS on a consolidated basis.

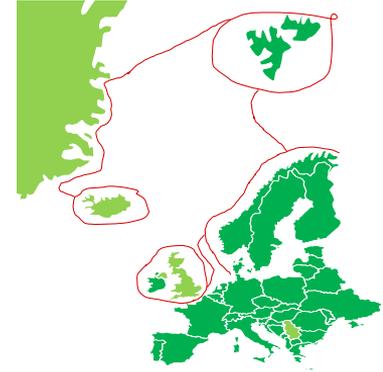
1) Excluding IFRS 16 debt of EUR 16.7 m at end of Q1 2021 and EUR 78 million in Q2 2021 (The increase is due to the new long-term lease agreement for the Svalbard real-estate portfolio).

Summary



1H 2021 Summary

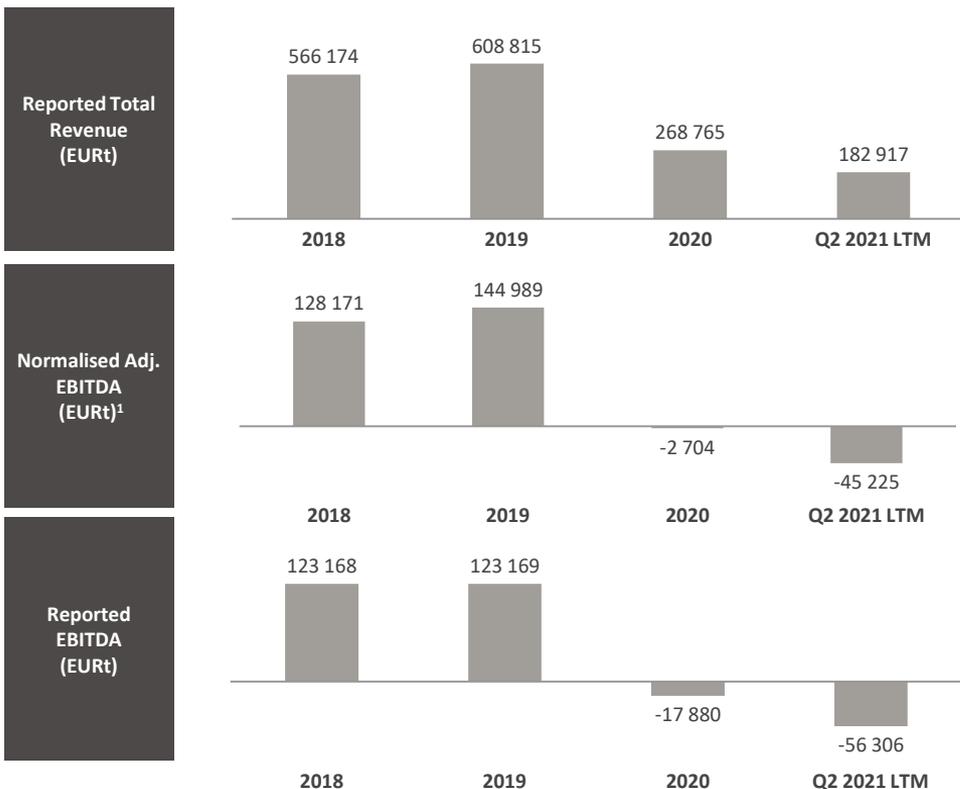
- 1) Operational cash flow in the quarter turned positive for the first time since the pandemic broke out and as of end of Q2 Hurtigruten Group had approx. EUR 86 million in available liquidity and approx. and EUR 107m in liquidity resources
- 2) Hurtigruten Group is well positioned as travel restrictions are eased with the introduction of vaccination passports for EU/EEA citizens in July 2021 and there is an increase in travel activity across Europe
- 3) As of 10th of July 7 of 7 ships in Hurtigruten Norway were in full operations
- 4) Hurtigruten Expeditions started the first itinerary with MS Otto Sverdrup on the 24th of August
- 5) Good booking momentum from the larger markets like Germany, UK and the US with 2022 bookings currently 31% ahead of 2020 bookings two years ago
- 6) Galapagos, Bissagos and Cape Verde added to Hurtigruten Expeditions' list of destinations to strengthen our tropical portfolio of itineraries





HURTIGRUTEN
GROUP

Suspended operations due to COVID-19 affects 2020 and first half of 2021 results



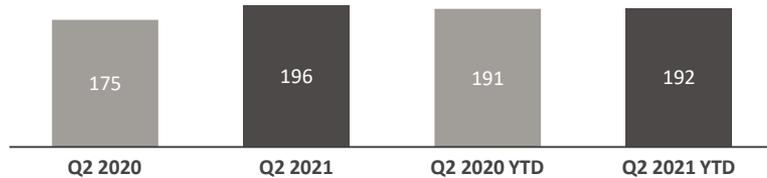
Commentary

- Suspended operations for both the Hurtigruten Norway and Hurtigruten Expedition segment due to Covid-19 affects numbers for 2020 and first half of 2021 significantly.
- Q2 2021 was the last period with the 5-ship operation in Hurtigruten Norway. Hurtigruten Norway was in service with 7 of 7 ships in July
- Last twelve months numbers are significantly affected by strict travel restrictions and limited operations the last twelve months.

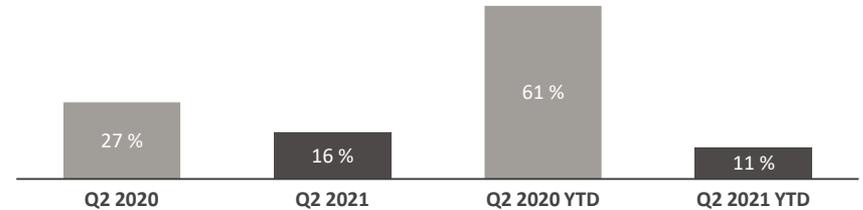
¹Normalized adjusted EBITDA is calculated as Reported EBITDA excluding other gains and losses adjusted for cost and revenue items which is deemed extraordinary, exceptional, unusual or non-recurring. Due to the Covid-19 pandemic we have decided not to do any normalizations for Q2 2021.

1H and Q2 2021 segment overview – Hurtigruten Norway

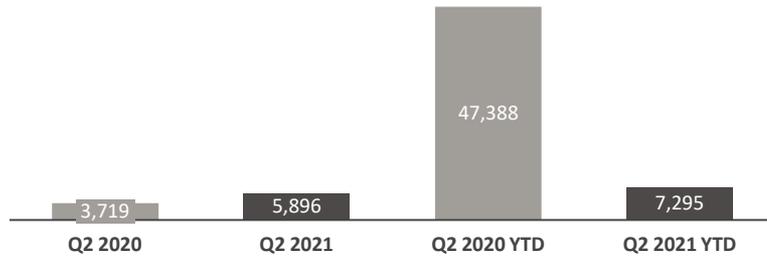
Net Ticket Yield¹ (EUR)



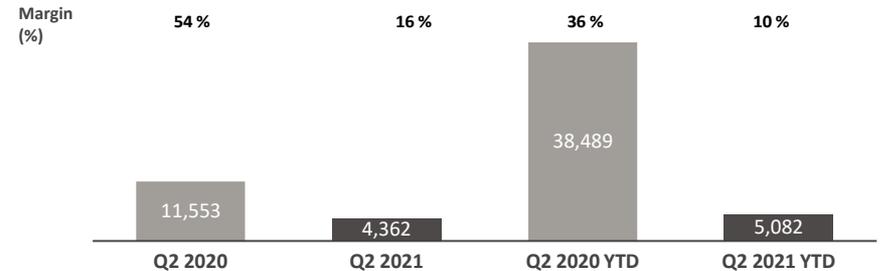
Occupancy Rate² (%)



Net Ticket Revenue (EURt)



Normalised adjusted EBITDA³ (EURt)



- Hurtigruten entered into the new State agreement valid from 2021-2030 in January and now have a contract to operate 7 ships compared to 11 ships in the previous agreement
- Limited occupancy driven by the extensive travel restrictions preventing foreign guests from travelling into Norway, but vaccination passports, introduced in July is generating foreign travel

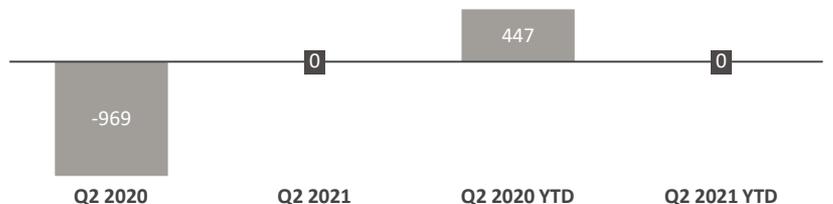
¹ Net ticket yield is calculated as: Gross ticket revenues less commissions and costs of goods for flights, hotels, transportation, food, beverage, shop and excursions as well as other passenger services, including travel insurance divided by passenger cruise nights

² APCN and occupancy rate shown for 2021 is APCN adjusted for the laid-up period caused by the Covid-19 pandemic, including only the available capacity on the actual sailings

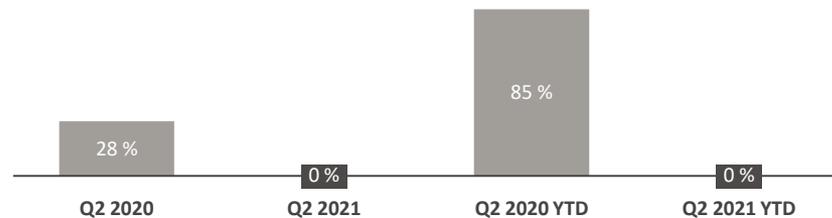
³ Normalized adjusted EBITDA is calculated as Reported EBITDA excluding other gains and losses adjusted for cost and revenue items which is deemed extraordinary, exceptional, unusual or non-recurring. Due to the Covid-19 pandemic we have decided not to do any normalizations for Q2 2021

1H and Q2 2021 segment overview – Hurtigruten Expeditions

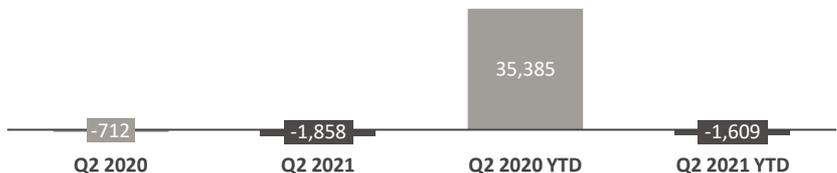
Net Ticket Yield¹ (EUR)



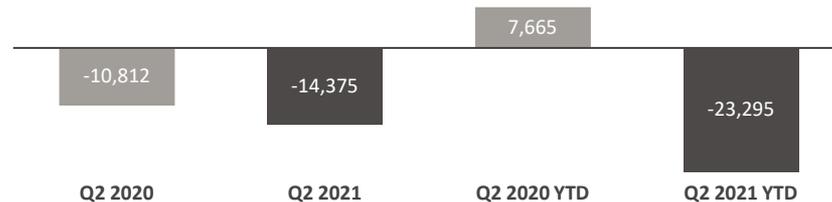
Occupancy Rate² (%)



Net Ticket Revenue (EURt)



Normalised adjusted EBITDA³ (EURt)



- All seven expeditions ships have been temporarily laid up since August 2020. Hurtigruten Expeditions expects a gradual ramp up of operations in Q3 2021
- EBITDA of negative EUR 14.4 million for Q2 2021 (negative EUR 10.8 million in Q2 2020) are predominantly costs for maintaining the ships in warm stack in the period. The cost increase is driven by transfer of three ships from Hurtigruten Norway to the Hurtigruten Expedition segment from January 2021.

¹) Net ticket yield is calculated as: Gross ticket revenues less commissions and costs of goods for flights, hotels, transportation, food, beverage, shop and excursions as well as other passenger services, including travel insurance divided by passenger cruise nights

²) APCN and occupancy rate shown for 2021 is APCN adjusted for the laid-up period caused by the Covid-19 pandemic, including only the available capacity on the actual sailings

³) Normalized adjusted EBITDA is calculated as Reported EBITDA excluding other gains and losses adjusted for cost and revenue items which is deemed extraordinary, exceptional, unusual or non-recurring. Due to the Covid-19 pandemic we have decided not to do any normalizations for Q2 2021

Cashflow 1H and Q2 2021

EURt	Q2 2020	Q2 2021	First half 2020	First half 2021
Operating Cash flow	(35 400)	197	3 511	(14 808)
Of which change in working capital	(31 408)	(5 827)	(15 966)	(14 837)
Cash flow from investments	(15 299)	45 145	(86 544)	82 822
Of which CAPEX	(12 616)	(10 632)	(86 791)	(22 031)
Cash flow from Financing	92 117	(20 642)	214 607	(3 385)
Of which change in debt	102 593	(13 129)	250 257	30 116
Of which paid interest and transaction cost:	(9 753)	(6 038)	(33 331)	(30 976)

- Net cash inflow from operating activities in the second quarter was EUR 0.2 million, vs. an outflow of EUR 35.4 million in the same period last year.
- This is driven by positive changes in working capital mostly changes in trade and other payables and deposits from customers as we are ramping up to return of service and the opening of travel restrictions
- Cash flow from investment activities includes proceeds from the sale of real estate portfolio on Svalbard to Store Norske for the gross amount of approximately EUR 56.1 million
- Note that cashflow from investments also includes changes in restricted cash

Hurtigruten Expeditions – Key financials

EURm	2018	2019	2020	LTM Q2 2021
PCNs - 000	167	222	90	11
APCNs - 000	231	288	527	637
Occupancy - %	72,1 %	77,0 %	17,1 %	1,7 %
Total Revenues reported	97	135	53	4
Direct Costs	34	43	16	3
Cruise Operating Costs	34	45	49	41
of which: Fuel costs	8	11	8	4
Reported Vessel Contribution¹	30	48	-11	-40
Vessel contribution margin	30,4 %	35,3 %	-20,6 %	-1119,0 %
Norm. Vessel contribution²	35	56	-9	-40

1)Occupancy rate is calculated based on APCN (available capacity) including any laid-up period.

2)Vessel contribution is defined as EBITDA contribution before SG&A, specifically calculated as revenue – total direct costs – total cruise operating expenses.

3)Due to the Covid-19 pandemic we have decided not to do any normalizations for Q1 2021.



Hurtigruten Norway – Key financials

EURm	2018	2019	2020	LTM Q2 2021
PCNs - 000	1 353	1 314	368	157
APCNs - 000	1 614	1 619	1 625	1 240
Occupancy - %	83,8 %	81,2 %	22,6 %	12,7 %
Total Revenues reported	439	444	172	115
Of which: Contractual Revenue	73	73	79	78
Direct Costs	109	105	22	7
Cruise Operating Costs	166	164	95	87
of which: Fuel costs	50	50	22	20
Reported Vessel Contribution¹	164	175	54	21
Vessel contribution margin	37,3 %	39,4 %	31,7 %	18,4 %
Norm. Vessel contribution²	164	177	55	21



¹Occupancy rate is calculated based on APCN (available capacity) including any laid-up period.

²Vessel contribution is defined as EBITDA contribution before SG&A, specifically calculated as revenue – total direct costs – total cruise operating expenses.

³Due to the Covid-19 pandemic we have decided not to do any normalizations for Q1 2021.

Historical key financials

EURt				
P&L items	2018	2019	2020	Q2 2021 LTM
Revenue	566 174	608 815	268 765	182 917
<i>Growth</i>	11,9 %	7,5 %	-55,9 %	-31,9 %
Contribution ¹	204 427	234 987	79 829	36 758
<i>Contribution %</i>	36,1 %	38,6 %	29,7 %	20,1 %
EBITDA	123 168	123 169 -	17 880	(56 306)
<i>EBITDA margin</i>	21,8 %	20,2 %	-6,7 %	-30,8 %
Normalised adj. EBITDA ²	128 171	144 989 -	2 704	(45 225)
<i>Normalised adj. EBITDA margin</i>	23 %	24 %	0 %	0 %
EBIT	72 538	67 582 -	94 831	(159 457)
<i>EBIT margin</i>	12,8 %	11,1 %	-35,3 %	-87,2 %
Net interest and other financial costs	(52 929)	(28 239)	(63 790)	(68 472)
Net currency gains / losses	(13 511)	9 793	(4 995)	4 284
Net income	46 845	(17 821)	(160 544)	(221 975)
Net income margin	8,3 %	-2,9 %	-59,7 %	-121,4 %
BS items	31.12.2018	31.12.2019	31.12.2020	31.03.2021
Cash ³	56 449	47 028	72 037	91 823
Total current assets	118 143	112 878	118 754	161 741
Total assets	1 011 173	1 393 674	1 362 597	1 381 295
Total equity	68 981	62 739	(102 172)	(228 280)
Equity ratio	6,8 %	4,5 %	-7,5 %	-16,5 %
Total current liabilities	188 591	333 475	208 346	229 346
NIBD ⁴	785 948	939 715	1 170 839	1 261 142
CF items	2018	2019	2020	Q2 2021
Change in NWC	(16 779)	13 147	(32 395)	4 138
Operating cash flow	105 196	141 388	(58 387)	163
Capex	(59 118)	(405 380)	(105 032)	(10 598)



Note: All numbers presented are based on Hurtigruten Group AS on a consolidated basis. All numbers are reported numbers unless stated.

1) Vessel contribution is defined as EBITDA contribution before SG&A, specifically calculated as revenue – total direct costs – total cruise operating expenses, 2) Normalized adjusted EBITDA is calculated as Reported EBITDA excluding other gains and losses adjusted for cost and revenue items which is deemed extraordinary, exceptional, unusual or non-recurring. Due to the Covid-19 pandemic we have decided not to do any normalizations for Q1 2021. 3) Total cash including restricted cash, 4) Excluding IFRS 16 debt of EUR 18.8 m at year-end 2020 and EUR 16.7 m at end of Q1 2021.

Definitions

- **Passenger cruise nights (“PCNs”)**, measurement of guest volume, representing the number of guests onboard the ships and the length of their stay.
- **Available passenger cruise nights (“APCNs”)**, which is a measurement of capacity and represents the aggregate number of available berths on each of the ships (assuming double occupancy per cabin), multiplied by the number of operating days for sale for the relevant ship for the period.
- **Occupancy rate**, PCNs for the relevant period as a percentage of APCNs for the period.
- **Gross revenues**, ticket revenues, revenues from flights, hotels, transportation, food, beverage, shop and excursions as well as other passenger revenues, including car transportation, travel insurance and retained deposits in cases of cancellations.
- **Net revenues**, Gross ticket revenues less commissions and costs of goods for flights, hotels, transportation, food, beverage, shop and excursions as well as other passenger services, including travel insurance.
- **Gross revenues per PCN**, Gross ticket revenues divided by PCNs.
- **Net revenues per PCN**, which represents Net ticket revenues divided by PCNs.



HURTIGRUTEN
GROUP