



# Hurtigruten Group AS

First quarter report

Published 27 May 2022

## Key figures Hurtigruten Group

<i>(EUR 1 000)</i>	1st quarter 2022	1st quarter 2021	% Change	Full year 2021
Operational revenues	77 219	5 859	1218.0 %	122 117
Contractual revenues	14 225	19 033	-25.3 %	71 715
Other operating income	5 610	11 166	-49.8 %	28 856
<b>Total operating revenues and other income</b>	<b>97 054</b>	<b>36 058</b>	<b>169.2 %</b>	<b>222 688</b>
<b>EBITDA</b>	<b>(21 595)</b>	<b>(22 396)</b>	<b>3.6 %</b>	<b>(104 314)</b>
Excluding Net other gains/(losses)	(5 617)	3 185	-276.4 %	3 018
Adjustment for unusual or non-recurring items	17 717	-	-	-
<b>Normalized adjusted EBITDA</b>	<b>(9 496)</b>	<b>(19 211)</b>	<b>50.6 %</b>	<b>(107 332)</b>
<b>Net cash flows from operating activities</b>	<b>(24 146)</b>	<b>(15 005)</b>	<b>-60.9 %</b>	<b>(42 308)</b>
<b>Hurtigruten Norway</b>				
PCNs	111 449	8 038	1286.5 %	281 084
Gross ticket yield (EUR)	276	227	21.7 %	256
Occupancy rate	46.0 %	16.3 %	30 p.p.	48.6 %
<b>Hurtigruten Expeditions</b>				
PCNs	64 981	-	-	59 372
Gross ticket yield (EUR)	553	-	-	508
Occupancy rate	57.6 %	0.0 %	58 p.p.	58.7 %

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## First quarter 2022 summary

- In the first quarter 2022, Hurtigruten Group had the entire Hurtigruten Norway (“HRN”) fleet in operations and continued to ramp up the fleet in Hurtigruten Expeditions (“HRX”). By end of the first quarter of 2022, HRX had six out of eight ships (including MS Santa Cruz II) back in full operation with the MS Fridtjof Nansen and MS Spitsbergen entering service in the second quarter of 2022.
- 1 June 2022, MS Fridtjof Nansen will be departing Reykjavik with approx. 440 guests. As a result, the entire HRX will be back in service, and for the first time since the Covid-19 outbreak in March 2020 the entire Hurtigruten Group fleet be revenue generating within historical ranges.
- As of 25 May, the bookings for the summer season 2022 are strong and above 2019 levels. Bookings for the period May-September 2022 is at EUR 261 million which is 3.4% higher than for the same period in 2019.
- As of 25 May, the bookings for the 12-month period from second quarter of 2022 are 4% higher compared to the same period three years ago (pre-Covid-19).
  - This growth is driven by strong yields which are up 31% for the 12-month period compared with the 12-month period pre-Covid-19.
- MS Santa Cruz II was added to the expedition fleet and had her first voyage in the start of January and now offers year-round operations on Galapagos.
- HRN had all Covid-19 capacity limiting restrictions lifted in February 2022 and HRX will be back operating at normal capacity levels in the second quarter of 2022 but will still be keeping a testing and vaccination requirements in place and certain preventive measures in public areas.
- Hurtigruten Destinations operations on Svalbard are back to pre-Covid-19 levels and in March 2022 a turnover record and EBITDA was set for March for Svalbard.
- Hurtigruten Group continued to further invest and develop the global distribution model throughout the quarter including further development of the establishing a HQ2 in London centered around the strengthening of the global sales, marketing and digital distribution teams
- Normalized adjusted EBITDA in the first quarter of 2022 was negative EUR 9.5 million and reported EBITDA was negative with EUR 21.6 million. The negative EBITDA was driven by i) cancellations due to the omicron variant, the geopolitical unrest and MS Fridtjof Nansen being temporary out of service ii) ramp up of SG&A to drive future sales and operate the full fleet in HRX and HRN, iii) the restart of the Hurtigruten Expedition fleet which will be back in full operations 1 June 2022.
- Operational cash flow in the quarter was negative EUR 24.1 million mainly explained by negative normalized adjusted EBITDA and one off items.
- Based on the pre-booking level and current trading we expect the second quarter of 2022 to have a positive EBITDA and operational cash flow. From June 2022 and onwards we expect EBITDA and cash flow generation to be back within historical ranges.
- As of 31 March 2022, Hurtigruten Group had an available liquidity position of EUR 35.5 million.

## **Hurtigruten Group – The leading global expedition 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)	1st quarter 2022	1st quarter 2021	% Change	Full year 2021
<b>Total operating revenues and other income</b>				
Hurtigruten Norway	45 788	21 357	114.4 %	145 978
Hurtigruten Expeditions	40 703	255	15839.6 %	30 154
Hurtigruten Destinations	7 731	3 391	128.0 %	17 547
Group functions, other and eliminations	2 832	11 054	-74.4 %	29 009
<b>Total</b>	<b>97 054</b>	<b>36 058</b>	<b>169.2 %</b>	<b>222 688</b>

### Operating profit/(loss) (EBIT)

Hurtigruten Norway	(3 637)	(3 881)	6.3%	(21 801)
Hurtigruten Expeditions	(10 027)	(13 788)	27.3 %	(64 286)
Hurtigruten Destinations	915	(737)	224.2 %	3 936
Group functions, other and eliminations	(24 354)	(19 420)	-25.4 %	(114 724)
<b>Total</b>	<b>(37 103)</b>	<b>(37 826)</b>	<b>1.9%</b>	<b>(196 875)</b>

### EBITDA

Hurtigruten Norway	3 702	297	1147.0 %	23 669
Hurtigruten Expeditions	(5 687)	(7 427)	23.4%	(36 818)
Hurtigruten Destinations	2 117	50	4093.3 %	8 133
Group functions, other and eliminations	(21 727)	(15 316)	-41.9%	(99 298)
<b>Total</b>	<b>(21 595)</b>	<b>(22 396)</b>	<b>3.6%</b>	<b>(104 314)</b>

### EBITDA margin

Hurtigruten Norway	8.1 %	1.4 %	6.7 p.p.	16.2 %
Hurtigruten Expeditions	-14.0 %	-2908.6 %	2894.6 p.p.	-122.1 %
Hurtigruten Destinations	27.4 %	1.5 %	25.9 p.p.	46.4 %
Group functions, other and eliminations	-767.1 %	-138.5 %	-628.6 p.p.	-342.3 %
<b>Total</b>	<b>-22.3%</b>	<b>-62.1%</b>	<b>39.9 p.p.</b>	<b>-46.8%</b>

### Normalized adjusted EBITDA

Hurtigruten Norway	5 913	720	721.1%	22 676
Hurtigruten Expeditions	1 625	(8 919)	118.2%	(37 966)
Hurtigruten Destinations	2 094	37	5548.2%	3 368
Group functions, other and eliminations	(19 128)	(11 049)	-73.1%	(95 409)
<b>Total</b>	<b>(9 496)</b>	<b>(19 211)</b>	<b>50.6%</b>	<b>(107 331)</b>

\* SG&A is not allocated down to business segments, but reported in "Group Functions, Other and Eliminations". Hence segment EBITDA does not include SG&A.

## Operational review

The Group's activity continued to increase during the first quarter of 2022 as more ships returned to service. Hurtigruten Norway resumed full service with seven ships in July 2021 followed by four ships from the expedition fleet returning at the end of the third and fourth quarter of 2021. Despite some setbacks from the re-emerging 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 with turnaround ports in Dover and Hamburg respectively. 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.

Operating revenues increased by 169.2% in the first quarter of 2022 compared to the same period last year.

Reported EBITDA was EUR -22.4 million in the first quarter of 2021 compared to EUR -21.6 million this year, an increase of EUR 0.8 million. The increase in EBITDA compared to the same period last year is driven by more ships in operation, partially offset by an increase in both selling, general and administrative (SG&A) expenses and ship operating expenses. The level of SG&A costs has increased as sales and marketing expenses are returning to pre-Covid-19 levels. Ship operating expenses have increased as ships are preparing for return to service. Normalized adjusted EBITDA increased from EUR -19.2 million in the first quarter of 2021 to EUR -9.5 million this year.

Total Passenger Cruise Nights (PCN) for Hurtigruten Norway increased to 111 449 in the first quarter of 2022 compared to 8 038 same period last year. Total Passenger Cruise Nights (PCN) for Hurtigruten Expeditions was 64 981 in the first 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 46.0% in the first quarter of 2022. All seven ships in Hurtigruten Norway have been back in operations from July 2021. Restrictions in Norway were re-tightened in December 2021 as a result of the Omicron outbreak, but all ships were kept in operation and Covid-19 restrictions were ultimately lifted in Norway mid-February. 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 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 57.6% in the first quarter of 2022. From June 2022 the entire Hurtigruten Expeditions fleet is scheduled to be back in service at close to normal capacity levels.

Hurtigruten Destinations operation on Svalbard has been back at the same level as before Covid-19 since September 2021, and in 2022 a turnover record was set for March. Radisson and Funken had strong occupancy and high yield, at the same time as Coal Miners' Cabins has been rented out to Svalbard Folkehøgskole. There has 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.*

<i>(EUR 1 000)</i>	<b>1st quarter 2022</b>	1st quarter 2021	Change	Full year 2021
Operational revenues	<b>31 562</b>	2 324	1258.3 %	74 263
Contractual revenues	<b>14 225</b>	19 033	-25.3 %	71 715
<b>Total operating revenues and other income</b>	<b>45 788</b>	21 357	114.4 %	145 978
<b>EBITDA</b>	<b>3 702</b>	297	1147.0 %	23 669
Excluding Net other gains/(losses)	<b>(3 247)</b>	423	-867.2 %	993
Adjustment for unusual or non-recurring items	<b>5 458</b>	-		-
<b>Normalized adjusted EBITDA</b>	<b>5 913</b>	720	721.1 %	22 676

*\* SG&A is not allocated down to business segments, but reported in "Group Functions, Other and Eliminations". Hence segment EBITDA does not include SG&A.*



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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>	<b>1st quarter 2022</b>	1st quarter 2021	Full year 2021
PCNs	<b>111 449</b>	8 038	281 084
APCNs <sup>1)</sup>	<b>242 176</b>	49 200	578 749
Occupancy rate	<b>46.0%</b>	16.3%	48.6%
<b>Gross ticket revenues</b>	<b>30 759</b>	1 823	71 870
Less:			
Commissions, costs of goods for flights, hotels, transportation and other passenger services	<b>5 682</b>	171	10 572
Food, beverage, shop, excursions	<b>3 812</b>	252	7 205
<b>Net ticket revenues</b>	<b>21 266</b>	1 400	54 093
Gross ticket revenues per PCN (EUR)	<b>276</b>	227	256
Net ticket revenues per PCN (EUR)	<b>191</b>	174	192
<b>Gross cruise costs</b>	<b>41 127</b>	20 628	123 304
Less:			
Commissions, costs of goods for flights, hotels, transportation and other passenger services	<b>5 682</b>	171	10 572
Food, beverage, shop, excursions	<b>3 812</b>	252	7 205
<b>Net cruise costs</b>	<b>31 634</b>	20 205	105 527
Net cruise costs per APCN (EUR) <sup>2)</sup>	<b>131</b>	121	122
Fuel consumption (liter/nautical mile)	<b>88.1</b>	88.7	83.2
Fuel cost per liter	<b>9.18</b>	7.70	8.55

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 46 % for Q1 2022, 4.8 % for Q1 2021 and 32.4 % 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.

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 11 ships on the Coastal route. Operational revenue excluding the contractual income from the Norwegian state agreement, increased from EUR 2.3 million to EUR 31.6 million in the first quarter compared to last year, as a result of having seven ships back in operation and finally welcoming back more foreign guests. Occupancy increased to 46.0% in the first quarter of 2022 compared to 16.3% same period last year and gross ticket revenues per PCN (EUR) increased with 21.6% compared to the same

period last year. Contractual income per ship per month decreased to approximately EUR 0.7 million for the first 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 have the ability to carry 530 guests. The hybrid technology engines will reduce fuel consumption substantially and permit periods of emission-free sailing.*

*Over the last 6 years Hurtigruten Expeditions has increased the capacity from one ship in 2015 to seven ships in 2021, with the addition of MS Otto Sverdrup, MS Trollfjord and MS Maud (formerly part of the Hurtigruten Norway fleet as MS Finnmarken, MS Trollfjord 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 category.*

<i>(EUR 1 000)</i>	<b>1st quarter 2022</b>	1st quarter 2021	Change	Full year 2021
Operational revenues	<b>36 039</b>	255	14013.0 %	30 154
Other operating income	<b>4 664</b>	-		-
<b>Total operating revenues and other income</b>	<b>40 703</b>	255	15839.6 %	30 154
<b>EBITDA</b>	<b>(5 687)</b>	(7 427)	23.4 %	(36 818)
Excluding Net other gains/(losses)	<b>(2 719)</b>	(1 492)	-82.2 %	(1 148)
Adjustment for unusual or non-recurring items	<b>10 031</b>	-		-
<b>Normalized adjusted EBITDA</b>	<b>1 625</b>	(8 919)	118.2 %	(37 966)

\* SG&A is not allocated down to business segments, but reported in "Group Functions, Other and Eliminations". Hence segment EBITDA does not include SG&A.

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<i>(EUR 1 000 Except for PCNs, APCNs, occupancy rate, fuel consumption and fuel cost per liter)</i>	<b>1st quarter 2022</b>	1st quarter 2021	Full year 2021
PCNs	<b>64 981</b>	-	59 372
APCNs <sup>1)</sup>	<b>112 794</b>	-	101 190
Occupancy rate	<b>57.6 %</b>	-	58.7 %
<b>Gross ticket revenues</b>	<b>35 904</b>	255	30 154
Less:			
Commissions, costs of goods for flights, hotels, transportation and other passenger services	<b>7 014</b>	(108)	3 382
Food, beverage, shop, excursions	<b>3 268</b>	115	4 718
<b>Net ticket revenues</b>	<b>25 621</b>	249	22 054
Gross ticket revenues per PCN (EUR)	<b>553</b>	0	508
Net ticket revenues per PCN (EUR)	<b>394</b>	0	371
<b>Gross cruise costs</b>	<b>45 174</b>	8 851	68 088
Less:			
Commissions, costs of goods for flights, hotels, transportation and other passenger services	<b>7 014</b>	(108)	3 382
Food, beverage, shop, excursions	<b>3 268</b>	115	4 718
<b>Net cruise costs</b>	<b>34 892</b>	8 844	59 988
Net cruise costs per APCN (EUR) <sup>2)</sup>	<b>216</b>	n.m	381
Fuel consumption (liter/nautical mile) <sup>3)</sup>	<b>100.9</b>	-	131.6
Fuel cost per liter	<b>7.68</b>	6.94	9.26

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 40.3 % for Q1 2022, 0 % for Q1 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 first quarter of 2022 of 100.9 is based on 5 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 consist of eight ships of which six ships have been in operations during the first quarter of 2022. MS Otto Sverdrup and MS Maud have been sailing on the Norwegian coast with turnaround port in respectively Hamburg and Dover, while MS Fram and MS Roald Amundsen were operating in Antarctica. MS Fridtjof Nansen started operations early January but was forced to cancel sailings after 11 days due to necessary repairs. In addition, MS Santa Cruz II had her first voyage early January.

MS Nordstjernen returned to service 16 May, sailing from Longyearbyen on Svalbard. MS Fridtjof Nansen is scheduled to return to operations in June 2022 and for the first time since the Covid-19 outbreak the whole fleet will then be back into service.

Gross cruise costs increased from EUR 8.9 million in the first quarter of 2021 to EUR 45.1 million in the first quarter of 2022. The increase in cost is a result of ships being in operation in the first quarter of 2022 while all ships were laid-up in 2021. Operating costs also include Covid-19 testing of crew and passengers amounting to approximately EUR 1.2 million.

## 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.*

<i>(EUR 1 000)</i>	<b>1st quarter 2022</b>	1st quarter 2021	Change	Full year 2021
Operational revenues	<b>7 731</b>	2 787	177.4 %	16 539
Other operating income	-	605	-100.0 %	1 008
<b>Total operating revenues and other income</b>	<b>7 731</b>	3 391	128.0 %	17 547
<b>EBITDA</b>	<b>2 117</b>	50	4093.3 %	8 133
Excluding Net other gains/(losses)	<b>(23)</b>	(13)	-69.9 %	(4 765)
Adjustment for unusual or non-recurring items	-	-		-
<b>Normalized adjusted EBITDA</b>	<b>2 094</b>	37	5548.2 %	3 368

*\*) SG&A is not allocated to the business segment and Hurtigruten Destination SG&A is reported in "Group Functions, Other and Eliminations".*

Total operating revenues and other income in Hurtigruten Destinations increased from EUR 3.4 million in the first quarter of 2021 to EUR 7.7 million in the first quarter of 2022, which corresponds to an increase of 128%. EUR 4.2 million of the total revenue is 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 1.8 million and retail revenue amounted to EUR 1.1 million, which is also stronger numbers than 2021, mainly due to the changes in the Covid-19 regulations. From February 2022, Covid-19 restrictions on operations on Svalbard was lifted.

In the first quarter of 2021 Funken Lodge was closed for guests in January while Radisson was open and

Coal Miners 'Cabins was leased to Svalbard Folkehøgskole. In 2022 Radisson and Funken Lodge was open for guests, while Coal Miners Cabins was leased to Svalbard Folkehøgskole. Occupancy (guest nights) for Radisson and Funken increased by 263% 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.

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

## Group Functions, Other and Eliminations

<i>(EUR 1 000)</i>	1st quarter 2022	1st quarter 2021	Change	Full year 2021
Operational revenues	1 887	493	282.8 %	1 162
Other operating income	946	10 561	-91.0 %	27 848
<b>Total operating revenues and other income</b>	<b>2 832</b>	<b>11 054</b>	<b>-74.4 %</b>	<b>29 009</b>
<b>EBITDA</b>	<b>(21 727)</b>	<b>(15 316)</b>	<b>-41.9 %</b>	<b>(99 298)</b>
Excluding Net other gains/(losses)	371	4 267	-91.3 %	3 889
Adjustment for unusual or non-recurring items	2 228	-		-
<b>Normalized adjusted EBITDA</b>	<b>(19 128)</b>	<b>(11 049)</b>	<b>-73.1 %</b>	<b>(95 409)</b>

\*) SG&A is not allocated down to business segments, but reported in "Group Functions, Other and Eliminations".

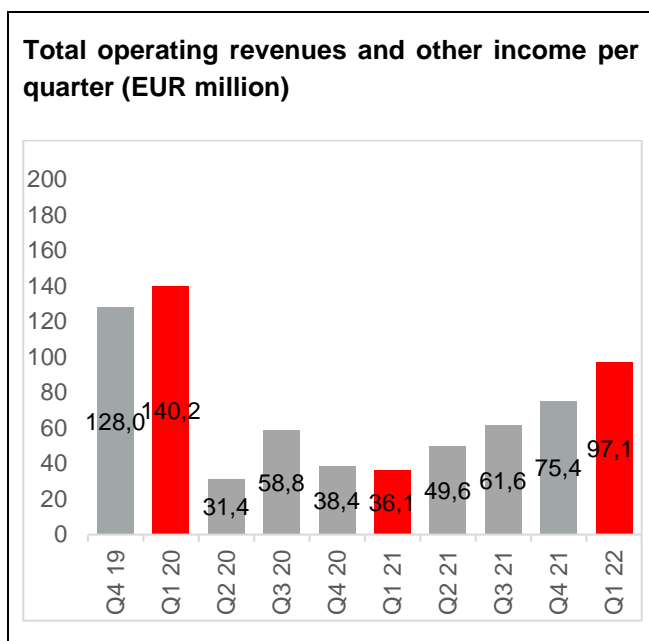
Total operating revenues and other income for the first quarter 2022 amount to EUR 2.8 million compared to EUR 11.1 million in the same period last year. In the first quarter of 2021 other operating income consisted of a provision for the grant from the Norwegian Government Business Compensation Scheme. Which is granted to enterprises with a significant drop in revenue due to Covid-19. The provision for 2022 amounts to EUR 0.1 million.

Negative EBITDA for the first quarter 2022 amounts to EUR 21.7 million compared to negative EBITDA of EUR 15.3 million in the same period last year. The increase in costs is mainly due to higher personnel expenses and sales and marketing expenses with the continued ramp up in first quarter 2022.

Personnel expenses has increased as the company has recalled the furloughed employees and in addition to hiring new employees to support future growth. Sales and marketing have activated marketing campaigns as we ramp up the sales efforts for 2022 and campaign planning for 2023 and 2024.

## Financial review

### Profit and loss



Total operating revenues and other income increased by 169.2% in the first quarter 2022 compared to the same period last year, from EUR 36.1 million to EUR 97.1 million. The increase is driven by full operations in both Hurtigruten Norway and Hurtigruten Expeditions in the first 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 consists of insurance settlement and Covid-19 government compensation scheme.

Direct cost of goods and services increased from EUR 1.6 million in the first quarter of 2021 to EUR 23.0 million in the first quarter of 2022. Also due to the return to normal operations in 2022. Total salaries and personnel costs were EUR 38.1 million in the quarter, an increase of 63.4% compared to the first quarter of 2021.

### Specification of other operating costs

(EUR 1 000)	1st quarter 2022	1st quarter 2021	% change	Full year 2021
Operating costs (ex fuel)	<b>(29 591)</b>	(11 466)	158.1 %	(58 452)
Fuel costs	<b>(16 645)</b>	(6 593)	152.5 %	(43 416)
Sales and administrative costs	<b>(16 906)</b>	(12 297)	37.5 %	(79 165)
<b>Total</b>	<b>(63 142)</b>	(30 356)	108.0 %	(181 033)

Other operating costs increased by 108.0% compared to the same period last year, from EUR 30.4 million in the first quarter of 2021 to EUR 63.1 million in the first quarter of 2022. 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 152.5% to EUR 16.7 million, compared to the same quarter last

year. Driven by more ships in operation, increased fuel cost and the use of more biodiesel.

Sales and administrative costs increased by 37.5% to EUR 16.9 million in the first quarter compared to the same period last year. Due to the return to service of ships in 2022, while activities were downscaled in 2021.

First quarter depreciation, amortization and impairment were EUR 15.5 million, compared to EUR 15.4 million same quarter last year.

Net other gains and losses for the first quarter was a gain of EUR 5.6 million (loss of EUR 3.2 million in the same period in 2021). The gain for the first quarter of 2022 is mainly explained by the realized and unrealized gain from the fuel derivatives of EUR 6.8 million.

First quarter operating loss was EUR 37.1 million, compared to an operating loss of EUR 37.8 million in the same period last year.

Net financial loss was EUR 23.5 million in the first quarter 2022 compared to a loss of EUR 15.2 million in the first quarter 2021. Interest costs in the first quarter of 2022 are higher due to new financing, more specifically an increase to the Term Loan C in December 2021 and the subordinated shareholder's loan facility which was fully drawn in the second and third quarter of 2021.

The net loss for the first quarter was EUR 60.2 million compared to a loss of EUR 56.5 million in 2021.

## Financial position and liquidity

### Cash flow

Net cash outflow from operating activities in the first quarter of 2022 was EUR 24.1 million compared to an outflow of EUR 15.0 million in the same quarter last year. This is mainly explained by net positive changes in working capital, somewhat offset by lower deposits from customers following a new trend after the pandemic where customers book the voyage closer to the sailing date.

Net cash outflow from investing activities was EUR 34.5 million in the first quarter of 2022 compared to an inflow of EUR 37.7 million in the same period last year. This is mainly explained by a change in restricted funds of EUR 60.2- in the first quarter of 2022 compared to the same period last year. Excluding the change in restricted funds, the net cash outflow from investing activities was EUR 23.3 million in the first quarter of 2022 compared to EUR 11.4 million in the first quarter of 2021, mainly explained by higher capital expenditures on the vessels this year for the environmental ship upgrade initiatives by Hurtigruten Norway.

Net cash inflow from financing activities in the first quarter 2022 was EUR 43.7 million compared to an inflow of EUR 17.3 in the same quarter last year. The increased inflow is mainly due to the completion of a new 3-year EUR 50 million senior unsecured green bond in February 2022.

Net decrease in cash and cash equivalents in the first quarter was EUR 14.9 million, compared to an increase of EUR 39.9 million in the first quarter 2021.

Available cash and cash equivalents in the cash flow statement totaled to EUR 35.5 million at the end of the first quarter 2022, compared to EUR 48.2 million on 31 December 2021. Cash equivalents in the statement of financial position, including restricted funds, totaled EUR 46.0 million at the end of the first quarter in 2022 compared to EUR 57.1 million on 31 December 2021. The total available free liquidity position was EUR 35.5 million. EUR 17.2 million in restricted funds are related to travel bonds recognized as "other non-current financial assets".

### Balance sheet

Total assets amounted to EUR 1 374.7 million as of 31 March 2022, which is an increase of EUR 20.8 million from year-end 2021.

Non-current assets increased with EUR 23.7 million since year end 2021 from EUR 1 224.4 million to EUR 1 248.2 million. The change is mainly due to an increase in loans to group companies in Silk Topco Group of EUR 9.6 million. Related to higher travel bonds in Silk Topco Group due to the ramp up in operations.

Current asset amounted to EUR 126.6 million, a decrease of EUR 2.9 million compared to 31 December 2021.

The reported equity at the end of March 2022 was negative EUR 412.5 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 1 519.6 million on 31 March 2022, an increase of EUR 66.8 million from EUR 1 452.8 million at year-end 2021. The increase is mainly due to an increase in the Term Loan C for EUR 25 million that was drawn in January 2022 and the placement of new senior unsecured green bonds for EUR 50 million in February 2022. The net proceeds from the bond issue will be used to finance green projects as defined in Hurtigruten Group's Green Bond Framework.

Current liabilities, excluding borrowings, were EUR 242.2 million at the end of first quarter. The increase of EUR 14.1 million since year-end 2021 is mainly driven by increased other current liabilities.



## Going concern

As of 31 March 2022, the carrying value of the equity in the Group was negative EUR 412.5 million. The Covid-19 pandemic's 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 have 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.

As of 25 May the bookings for the 12-month period from second quarter 2022 to first quarter of 2023 bookings are 4% higher compared to the same period three years ago pre-pandemic at higher yields across all business units.

Based on the pre-booking level and current trading we expect the second quarter of 2022 to have a

positive EBITDA and operational cash flow. From June 2022 and onwards the Board of Directors expect EBITDA and cash flow generation to be back within historical ranges.

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 31 March 2022, Hurtigruten Group had an available free liquidity position of EUR 35.5 million. 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. The ultimate shareholders' commitment to Hurtigruten Group was evident with the EUR 75 million subordinated shareholder loan facility provided in September 2021 and support for collateral related to travel guarantee schemes.

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.



## Outlook

At the date of this report, the operating conditions are back to normal which gives a strong and positive outlook for Hurtigruten Group over the coming quarters.

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

As of 25 May, the bookings for the summer season 2022 are strong and are currently above 2019 levels. Bookings for the period May-September 2022 is at EUR 261 million which is 3.4% higher than for the same period in 2019.

The second and third quarter has historically been the quarters with highest operational cash flow and EBITDA. In 2019 the second and third quarter accounted for 65% of the full year operational cash flow.

Bookings for the 12-month period from second quarter 2022 to first quarter 2023 are above pre-pandemic levels and at higher yields across all business units. Which supports the rapid financial recovery over the next quarters.

Based on the pre-booking level and current trading we expect the second quarter of 2022 to have a positive EBITDA and operational cash flow. From June 2022 and onwards the Board of Directors expect EBITDA and cash flow generation to be back within historical ranges.

Bookings for 2023 are off to a good start with bookings at the same level as for 2020 three years ago, but at an average yield which is approx. 49% higher compared. The yield growth vs. 2019 is both driven by the increase in capacity in Hurtigruten Expeditions and a significant higher average yield in the Hurtigruten Norway business unit.

Hurtigruten Group is closely monitoring the liquidity situation as the financial performance will significantly improve over the next quarters. 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.

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 could adversely affect global and regional economic conditions and has triggered volatility in oil 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.

## Interim financial statements

### Condensed consolidated income statement

Unaudited

<i>(EUR 1 000)</i>	<i>Note</i>	<b>1st quarter 2022</b>	1st quarter 2021	Full year 2021
Operating revenues		<b>77 219</b>	5 859	122 117
Contractual revenues		<b>14 225</b>	19 033	71 715
Other operating income		<b>5 610</b>	11 166	28 856
<b>Total operating revenues and other income</b>		<b>97 054</b>	36 058	222 688
Direct cost of goods and services		<b>(22 996)</b>	(1 582)	(31 152)
Salaries and personnel costs		<b>(38 128)</b>	(23 330)	(117 834)
Depreciation, amortisation and impairment		<b>(15 508)</b>	(15 430)	(92 561)
Other operating costs		<b>(63 142)</b>	(30 357)	(181 033)
Net other gains/(losses)		<b>5 617</b>	(3 185)	3 018
<b>Operating profit/(loss) EBIT</b>		<b>(37 103)</b>	(37 826)	(196 875)
Financial income		<b>1 174</b>	527	2 566
Financial expenses		<b>(25 467)</b>	(17 923)	(80 976)
Net foreign exchange gains/(losses)		<b>757</b>	2 168	1 306
<b>Net financial items</b>	<b>5</b>	<b>(23 536)</b>	(15 228)	(77 105)
Share of net income from associated companies		<b>215</b>	17	39
<b>Profit / (loss) before taxes</b>		<b>(60 424)</b>	(53 037)	(273 941)
Income taxes		<b>261</b>	(3 410)	(8 254)
<b>Net income</b>		<b>(60 163)</b>	(56 448)	(282 195)
<b>Net income attributable to:</b>				
Owners of the parent		<b>(60 168)</b>	(56 286)	(282 211)
Non-controlling interests		<b>5</b>	(162)	16

## Condensed consolidated statement of comprehensive income

### Unaudited

<i>(EUR 1 000)</i>	1st quarter 2022	1st quarter 2021	Full year 2021
<b>Net income</b>	<b>(60 163)</b>	(56 448)	(282 195)
<b>Other comprehensive income, net of tax:</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>			
Actuarial gain/loss on defined benefit obligations	-	-	341
<b>Sum</b>	<b>-</b>	-	341
<b>Items that may be reclassified to profit or loss in subsequent periods:</b>			
Currency translation differences	<b>(378)</b>	1 490	(685)
<b>Sum</b>	<b>(378)</b>	1 490	(685)
<b>Total other comprehensive income, net of tax</b>	<b>(378)</b>	1 490	(343)
<b>Total comprehensive income</b>	<b>(60 541)</b>	(54 958)	(282 538)
<b>Total comprehensive income attributable to</b>			
Owners of the parent	<b>(60 546)</b>	(54 796)	(282 554)
Non-controlling interests	<b>5</b>	(162)	16

## Condensed consolidated statement of financial position

### Unaudited

<i>(EUR 1 000)</i>	<i>Note</i>	<b>31.03 2022</b>	31.03 2021	31.12 2021
Property, plant and equipment		<b>880 569</b>	929 224	871 475
Right-of-use assets		<b>46 756</b>	15 980	45 589
Intangible assets		<b>266 870</b>	265 838	265 304
Investments in associates		<b>21 347</b>	559	21 116
Deferred income tax assets		<b>2 174</b>	1 468	2 163
Investments in other companies		<b>2 526</b>	2 509	2 526
Derivative financial instruments		<b>884</b>	-	-
Other non-current financial assets		<b>27 038</b>	28 936	16 259
<b>Total non-current assets</b>		<b>1 248 164</b>	1 244 514	1 224 432
Inventories		<b>19 138</b>	14 437	19 169
Trade receivables		<b>11 091</b>	10 575	23 922
Other current receivables		<b>45 599</b>	24 782	29 303
Current derivative financial instruments		<b>4 769</b>	-	1
Cash and cash equivalents		<b>45 974</b>	67 708	57 115
Assets held for sale		-	2 087	-
<b>Total current assets</b>		<b>126 571</b>	119 589	129 510
<b>Total assets</b>		<b>1 374 736</b>	1 364 103	1 353 942
Paid-in capital		<b>185 205</b>	185 200	185 205
Other equity		<b>(597 736)</b>	(342 169)	(537 190)
<b>Total equity attribute to owners of Hurtigruten Group AS</b>		<b>(412 530)</b>	(156 969)	(351 985)
Non-controlling interests		<b>33</b>	(99)	28
<b>Total equity</b>		<b>(412 497)</b>	(157 068)	(351 957)
Non-current interest-bearing liabilities	4	<b>1 467 529</b>	1 281 640	1 394 061
Deposits from customers, non-current		<b>38 140</b>	17 813	44 060
Deferred income tax liabilities		<b>11 538</b>	6 650	12 369
Retirement benefit obligations		<b>2 226</b>	3 031	2 164
Provisions for other liabilities and charges		-	419	-
Other non-current liabilities		<b>135</b>	11	135
<b>Total non-current liabilities</b>		<b>1 519 569</b>	1 309 564	1 452 790
Trade payables	6	<b>29 417</b>	10 712	23 496
Other current liabilities	6	<b>92 921</b>	82 280	82 454
Deposits from customers, current		<b>116 118</b>	90 942	117 286
Current income tax liabilities		<b>765</b>	(261)	1 444
Current interest-bearing liabilities	4	<b>25 478</b>	21 677	24 981
Current derivative financial debt instruments		-	2 432	2
Provision for other liabilities and charges		<b>2 965</b>	3 825	3 446
<b>Total current liabilities</b>		<b>267 664</b>	211 608	253 109
<b>Total equity and liabilities</b>		<b>1 374 736</b>	1 364 103	1 353 942

## Condensed consolidated statement of changes in equity

Unaudited

	01.01-31.03.2022				
	Attributable to shareholders of Hurtigruten Group AS				
<i>(EUR 1 000)</i>	Paid-in capital	Other equity	Total	Non- controlling interests	Total Equity
<b>Equity at beginning of the period</b>	185 205	(537 190)	(351 985)	28	(351 957)
Net income	-	(60 168)	(60 168)	5	(60 163)
Other comprehensive income	-	(378)	(378)	-	(378)
<b>Total comprehensive income</b>	-	(60 546)	(60 546)	5	(60 541)
<b>Equity at the end of the period</b>	185 205	(597 736)	(412 531)	33	(412 498)

	01.01-31.03.2021				
	Attributable to shareholders of Hurtigruten Group AS				
<i>(EUR 1 000)</i>	Paid-in capital	Other equity	Total	Non- controlling interests	Total Equity
<b>Equity at beginning of the period</b>	185 200	(285 935)	(100 734)	(1 438)	(102 172)
Net income	-	(56 286)	(56 286)	(162)	(56 448)
Other comprehensive income	-	1 490	1 490	-	1 490
<b>Total comprehensive income</b>	-	(54 796)	(54 796)	(162)	(54 958)
Transactions with non-controlling interests	-	(1 438)	(1 438)	1 500	63
<b>Equity at the end of the period</b>	185 200	(342 169)	(156 969)	(99)	(157 068)

## Condensed consolidated statement of cash flows

<i>(EUR 1 000)</i>	1st quarter 2022	1st quarter 2021	Full year 2021
<b>Cash flow from operating activities</b>			
Profit/(loss) before taxes	(60 424)	(53 037)	(273 941)
Adjustments for:			
Depreciation, amortisation and impairment losses	15 508	15 430	92 561
Gain/loss sale of fixed assets	(8)	(14)	(4 556)
Foreign exchange gains/losses	396	2 342	3 076
Net gains/(losses) derivatives	(6 747)	(1 312)	(4 564)
Net interest expenses	24 293	17 401	78 429
Share of net income from associated companies	(215)	(17)	(39)
Difference between expensed pensions and payments	(20)	(35)	(631)
<i>Change in working capital:</i>			
Inventories	32	(659)	(5 391)
Trade and other receivables	(1 271)	(4 870)	(15 588)
Trade and other payables	12 336	(3 483)	19 154
Change in prepaid travels	(7 088)	14 980	69 175
Settlement of financial instruments	-	(1 108)	-
Income tax paid	(938)	(625)	7
<b>Net cash flow from operating activities</b>	<b>(24 146)</b>	<b>(15 005)</b>	<b>(42 308)</b>
<b>Cash flow from investing activities</b>			
Purchase and prepayment of property, plant, equipment	(20 946)	(10 491)	(32 292)
Purchase of intangible assets	(2 407)	(908)	(7 272)
Proceeds from sale of fixed assets	14	40	56 902
Proceeds from sale of shares/(purchase of shares)	-	-	(20 570)
Other adjustments <sup>1)</sup>	(11 160)	49 036	45 877
<b>Net cash flow from investing activities</b>	<b>(34 498)</b>	<b>37 677</b>	<b>42 645</b>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings	75 000	46 500	46 550
Repayment of borrowings	(3 496)	(3 042)	(25 758)
Payment of lease liabilities	(1 581)	(1 049)	(6 073)
Transactions with non controlling entities	-	-	13
Paid interest and transaction costs	(26 189)	(24 938)	(60 915)
Borrowings from other group companies	-	(213)	75 000
<b>Net cash flow from financing activities</b>	<b>43 733</b>	<b>17 257</b>	<b>28 816</b>
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(14 911)	39 930	29 153
Cash and cash equivalents at the beginning of period	48 210	17 255	17 255
Foreign exchange gains/(losses) on cash, cash equivalents and bank overdrafts	2 158	4 779	1 803
<b>Cash and cash equivalents at end of period</b>	<b>35 458</b>	<b>61 963</b>	<b>48 211</b>
Restricted cash	10 518	5 746	8 905
<b>Cash and cash equivalents in the statement of financial position</b>	<b>45 974</b>	<b>67 709</b>	<b>57 115</b>

<sup>1)</sup> Other adjustments in cash flow from Investing activities relates to changes in restricted funds.

## 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

(EUR 1 000)	Hurtigruten Norway		Hurtigruten Expeditions		Hurtigruten Destinations	
	1st quarter 2022	1st quarter 2021	1st quarter 2022	1st quarter 2021	1st quarter 2022	1st quarter 2021
Operating revenues	31 562	2 324	36 039	255	7 731	2 787
Contractual revenues	14 225	19 033	-	-	-	-
Other operating income	-	-	4 664	-	-	605
<b>Total operating revenues and other income</b>	<b>45 788</b>	<b>21 357</b>	<b>40 703</b>	<b>255</b>	<b>7 731</b>	<b>3 391</b>
Direct cost of goods and services	(9 494)	(423)	(10 291)	(7)	(2 587)	(1 149)
Salaries and personnel costs	(13 771)	(8 218)	(11 203)	(3 278)	(2 052)	(1 439)
Other operating costs	(22 067)	(11 996)	(27 615)	(5 890)	(997)	(767)
Net other gains/(losses)	3 247	(423)	2 719	1 492	23	13
<b>EBITDA</b>	<b>3 702</b>	<b>297</b>	<b>(5 687)</b>	<b>(7 427)</b>	<b>2 117</b>	<b>50</b>
Depreciation, amortisation and impairment	(7 339)	(4 178)	(4 340)	(6 361)	(1 202)	(787)
<b>Operating profit/(loss) (EBIT)</b>	<b>(3 637)</b>	<b>(3 881)</b>	<b>(10 027)</b>	<b>(13 788)</b>	<b>915</b>	<b>(737)</b>

(EUR 1 000)	Group functions, other and eliminations		Hurtigruten Group	
	1st quarter 2022	1st quarter 2021	1st quarter 2022	1st quarter 2021
Operating revenues	1 887	493	77 219	5 859
Contractual revenues	-	-	14 225	19 033
Other operating income	946	10 561	5 610	11 166
<b>Total operating revenues and other income</b>	<b>2 832</b>	<b>11 054</b>	<b>97 054</b>	<b>36 058</b>
Direct cost of goods and services	(624)	(4)	(22 996)	(1 582)
Salaries and personnel costs	(11 102)	(10 396)	(38 128)	(23 330)
Other operating costs	(12 463)	(11 703)	(63 142)	(30 357)
Net other gains/(losses)	(371)	(4 267)	5 617	(3 185)
<b>EBITDA</b>	<b>(21 727)</b>	<b>(15 316)</b>	<b>(21 595)</b>	<b>(22 396)</b>
Depreciation, amortisation and impairment	(2 627)	(4 104)	(15 508)	(15 430)
<b>Operating profit/(loss) (EBIT)</b>	<b>(24 354)</b>	<b>(19 420)</b>	<b>(37 103)</b>	<b>(37 826)</b>

#### Note 4 Interest-bearing liabilities

	<b>31.03</b>	31.03	31.12
<i>(EUR 1 000)</i>	<b>2022</b>	2021	2021
<i>Secured</i>			
Bond	<b>296 964</b>	295 893	296 696
Term loans and financial lease vessels	<b>894 241</b>	878 983	869 758
Revolving credit facilities	<b>84 393</b>	84 046	84 311
<i>Unsecured</i>			
Bond	<b>47 935</b>	-	-
Lease liabilities <sup>1)</sup>	<b>65 514</b>	12 502	63 240
Other interest-bearing liabilities	<b>78 483</b>	10 216	80 056
<b>Total non-current interest-bearing liabilities</b>	<b>1 467 529</b>	1 281 640	1 394 061
<i>Secured</i>			
Term loans and financial lease vessels	<b>7 638</b>	13 172	7 537
<i>Unsecured</i>			
Lease liabilities <sup>1)</sup>	<b>11 002</b>	4 208	10 822
Other interest-bearing liabilities	<b>6 838</b>	4 296	6 622
<b>Total current interest-bearing liabilities</b>	<b>25 478</b>	21 677	24 981

<sup>1)</sup> 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.

	<b>31.03</b>	31.03	31.12
<i>(EUR 1 000)</i>	<b>2022</b>	2021	2021
Less than one year	<b>25 899</b>	21 826	25 349
Year 2 and 3	<b>395 545</b>	277 570	396 694
Year 4 and 5	<b>941 927</b>	985 184	941 576
More than 5 years	<b>132 118</b>	42 700	131 222
<b>Total interest-bearing liabilities</b>	<b>1 495 489</b>	1 327 280	1 494 842

**Note 5 Net financial items**

<i>(EUR 1 000)</i>	<b>1st quarter 2022</b>	1st quarter 2021	Full year 2021
Interest income	<b>587</b>	(1 046)	661
Other financial income	<b>587</b>	1 573	1 904
<b>Financial income</b>	<b>1 174</b>	527	2 566
Interest expenses	<b>(19 491)</b>	(15 171)	(68 930)
Other finance expenses	<b>(5 976)</b>	(2 752)	(12 046)
<b>Financial expenses</b>	<b>(25 467)</b>	(17 923)	(80 976)
Net foreign exchange gains/(losses)	<b>757</b>	2 168	1 306
<b>Net financial items</b>	<b>(23 536)</b>	(15 228)	(77 105)

**Note 6 Trade payables and other current liabilities**

<i>(EUR 1 000)</i>	<b>31.03 2022</b>	31.03 2021	31.12 2021
Trade payables	<b>29 411</b>	10 533	23 493
Trade payables related parties	<b>6</b>	179	3
<b>Total trade payables</b>	<b>29 417</b>	10 712	23 496
Public duties payable	<b>3 604</b>	5 030	5 185
Other current liabilities	<b>25 441</b>	48 809	19 286
Accrued expenses	<b>32 186</b>	13 826	22 348
Accrued interest	<b>19 664</b>	8 028	24 682
Deferred revenue	<b>12 026</b>	6 588	10 953
<b>Total other current liabilities</b>	<b>92 921</b>	82 280	82 454

**Note 7 Events after the reporting period**

No events of significance have occurred after the reporting period.

## 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**

<i>(EUR 1 000)</i>	1st quarter 2022	1st quarter 2021
Operating profit/(loss)	<b>(37 103)</b>	(37 826)
Excluding Depreciation, amortisation and impairment	<b>15 508</b>	15 430
<b>EBITDA</b>	<b>(21 595)</b>	(22 396)
Excluding Net other gains/(losses)	<b>(5 617)</b>	3 185
Adjustment for unusual or non-recurring items	<b>17 717</b>	-
<b>Normalized adjusted EBITDA</b>	<b>(9 496)</b>	(19 211)

**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.