



# Hurtigruten Group AS

First Quarter report

Published 30 May 2023

## Key figures Hurtigruten Group

<i>(EUR 1 000)</i>	1st quarter 2023	1st quarter 2022	% Change	Full year 2022
Operational revenues	146 082	77 219	89.2 %	508 530
Contractual revenues	15 742	14 225	10.7 %	59 378
Other operating income	-	5 610	-100.0 %	8 610
<b>Total operating revenues and other income</b>	<b>161 824</b>	<b>97 054</b>	<b>66.7 %</b>	<b>576 518</b>
<b>EBITDA</b>	<b>3 250</b>	<b>(21 595)</b>	<b>115.1 %</b>	<b>(35 194)</b>
Excluding net other gains/(losses)	(79)	5 617	-101.4 %	7 689
Adjustment for unusual or non-recurring items	14 118	17 717	-20.3 %	89 098
<b>Normalized adjusted EBITDA</b>	<b>17 447</b>	<b>(9 495)</b>	<b>283.7 %</b>	<b>46 216</b>
<b>Net cash flows from operating activities*</b>	<b>3 570</b>	<b>(33 692)</b>	<b>110.6 %</b>	<b>(10 068)</b>
<b>Hurtigruten Norway</b>				
PCNs	158 382	111 449	42.1 %	659 356
Gross ticket yield (EUR)	324	276	17%	329
Occupancy rate	65.0 %	46.0 %	19 p.p.	65.2 %
<b>Hurtigruten Expeditions</b>				
PCNs	128 469	64 981	97.7 %	409 868
Gross ticket yield (EUR)	675	553	22.1 %	626
Occupancy rate	69.2 %	57.6 %	11.6 p.p.	58.6 %

\*Comparable figures have been restated to include the newly created account Change related to travel bonds in net cash flows from operating activities

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## First quarter 2023 summary

- Hurtigruten Group had total revenues in the first quarter of 2023 of EUR 161.8 million, 67% higher than the first quarter of 2022. The first quarter revenue for 2023 was 25% higher than for first quarter 2019. (Last quarter before the pandemic)
- Hurtigruten Group normalized adjusted EBITDA was EUR 17.4m compared to negative EUR 9.5 million in the same quarter last year. The increase in Hurtigruten Group Norm. adj. EBITDA compared to the same period last year is driven by resumption of operations in Hurtigruten Expeditions and improved financial performance for Hurtigruten Norway.
- Hurtigruten Expeditions had total revenues in the first quarter of 2023 EUR 86.6 million, 113% higher than the first quarter of 2022 with a normalized adjusted EBITDA of EUR 8.4 million compared to negative EUR 11 million in the same quarter last year.
- Hurtigruten Expeditions had gross ticket yields of EUR 675, 22% higher than first quarter 2022 and occupancy for the first quarter increased to 69% compared to 58% in first quarter of 2022. Capacity was significantly lower in first quarter of 2022 due to limited operations and restrictions on guest capacity caused by the pandemic.
- Hurtigruten Norway had total revenues in the first quarter of 2023 of EUR 67.7 million, 48% higher than the first quarter of 2022 with a normalized adjusted EBITDA of EUR 7.8m compared to negative EUR 2.9 million in the same quarter last year.
- Hurtigruten Norway did also see an increase in gross ticket yields and occupancy compared to the same period last year. Gross ticket yields for Hurtigruten Norway of EUR 324 were 17% higher than first quarter 2022 and the occupancy for Hurtigruten Norway increased to 65% in the first quarter of 2023 compared to 46% same period last year.
- As of 26<sup>th</sup> of May 2023, Hurtigruten Group had EUR 535 million in pre-booked revenue for 2023 (excluding the EUR 67 million related to the contract revenue received from the Norwegian Government) which is 23% higher compared to same time last year for 2022.
- As of 26<sup>th</sup> of May 2023, Hurtigruten Group had made a total of EUR 46m million in new sales the last 30 days which is up 50% vs. the same period last year
- Net cash inflow from operating activities in the first quarter of 2023 was EUR 3.6 million compared to an outflow of EUR 33.7 million in the same quarter last year. The operating cash flow improvement of EUR 37.3 million is mainly explained by improved EBITDA and working capital in 2023 compared to the first quarter of 2022.
- In April 2023 the Group completed the refinancing of the EUR 176.5 million June 23 maturities and the extension of the TLB and RCF which mature in 2025 and 2024 with 2 years. In relation to the financing transactions EUR 55 million of shareholder funding was provided in Q1 2023 and additional shareholder funding of EUR 40 million was provided in April 2023.

## **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 be 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 at 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, Hurtigruten Expeditions operating seven expedition vessels, three of which are battery powered hybrid-electric cruise vessels and Hurtigruten Norway operating eight vessels where 2 vessels are battery powered hybrid-electric vessels.

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 realise its substantial potential, expand and renew its customer base, and strengthen the product range. Guest experience striving to deliver the best and most sustainable travel product in the world, and ensuring the guest is at the centre of everything we do and sustainability with an ESG ethos in mind are at the heart of the organisation.

Hurtigruten Group believes its product offerings in Hurtigruten Expeditions, Hurtigruten Norway and Hurtigruten Destinations differ 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. All of Hurtigruten Group's business segments allow the guests to experience being a part of the destination – rather than simply viewing it from the ship.

The Group's global headquarter is in Oslo and has recently established a HQ2 in London placing us closer to talent and allowing us to build a world leading commercial organisation with global capabilities.

## 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 2023	1st quarter 2022	% Change	Full year 2022
<b>Total operating revenues and other income</b>				
Hurtigruten Norway	67 751	45 788	48,0 %	279 000
Hurtigruten Expeditions	86 662	40 703	112,9 %	264 031
Hurtigruten Destinations	7 427	7 731	-3,9 %	30 616
Other and eliminations	(16)	2 832	-100,6 %	2 871
<b>Total</b>	<b>161 824</b>	<b>97 054</b>	<b>66,7 %</b>	<b>576 518</b>

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

Hurtigruten Norway	(7 193)	(13 497)	46,7%	(24 900)
Hurtigruten Expeditions	(4 419)	(23 694)	81,3 %	(75 487)
Hurtigruten Destinations	249	880	-71,7 %	3 052
Other and eliminations	(3 430)	(792)	-333,1 %	(11 215)
<b>Total</b>	<b>(14 794)</b>	<b>(37 103)</b>	<b>60,1%</b>	<b>(108 550)</b>

### EBITDA\*

Hurtigruten Norway	1 651	(6 158)	126,8%	11 200
Hurtigruten Expeditions	843	(19 353)	104,4%	(52 765)
Hurtigruten Destinations	1 396	2 082	-32,9 %	7 901
Other and eliminations	(640)	1 835	-134,9 %	(1 529)
<b>Total</b>	<b>3 250</b>	<b>(21 595)</b>	<b>115,1%</b>	<b>(35 194)</b>

### EBITDA margin

Hurtigruten Norway	2,4 %	-13,4 %	15,9 p.p,	4,0 %
Hurtigruten Expeditions	1,0 %	-47,5 %	48,5 p.p,	-20,0 %
Hurtigruten Destinations	18,8 %	26,9 %	-8,1 p.p,	25,8 %
Other and eliminations	-4056,9 %	64,8 %	-4121,7 p.p,	-53,3 %
<b>Total</b>	<b>2,0%</b>	<b>-22,3%</b>	<b>24,3 p.p,</b>	<b>-6,1%</b>

### Normalized adjusted EBITDA

Hurtigruten Norway	7 816	(2 869)	372,4%	40 442
Hurtigruten Expeditions	8 416	(10 891)	177,3%	(4 309)
Hurtigruten Destinations	1 389	2 059	-32,5%	7 836
Other and eliminations	(173)	2 206	-107,8%	2 247
<b>Total</b>	<b>17 447</b>	<b>(9 495)</b>	<b>283,7%</b>	<b>46 216</b>

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

## Operational review

Total revenues and other income for Hurtigruten Group amounted to EUR 161.8 million in the first quarter of 2023 compared EUR 97.1 million in the same period last year, which is an increase of 67%. Reported EBITDA was positive for the quarter along with a positive Operating Cashflow of EUR 3.6 million.

Reported EBITDA was EUR 3.2 million in the first quarter of 2023 compared to negative EUR 21.6 million in the same period last year, an increase of EUR 24.8 million. The increase in EBITDA compared to the same period last year is driven by resumption of operations in Hurtigruten Expeditions and improvement in performance for Hurtigruten Norway, partially offset by an increase in both selling, general and administrative (SG&A) expenses and ship operating expenses due increased activity levels. Ship operating expenses have increased with the ramp-up of operations, compared to same period last year. The higher level of SG&A cost is also a reflection of increased activity across the group compared to 2022, resulting in higher personnel expenses and sales & marketing expenses, however cost initiatives in place are expected to stabilise the cost base as efficiencies materialise. Normalized adjusted EBITDA increased from negative EUR 9.5 million in the first quarter of 2022 to positive EUR 17.5 million in the first quarter this year.

Hurtigruten Norway occupancy increased to 65% in the first quarter of 2023 compared to 46% same period last year in addition to a strong development of gross ticket revenues per PCN, increasing by 17% to 324 EUR from 276 EUR the same period last year. During 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 Nordnorge (Selective catalytic reduction (SCR)), MS Richard With (Hybridization) and MS Nordkapp (SCR) finished in 2022. MS Kong Harald (Hybridization) and MS Polarlys (SCR) completed by April 2023. MS Trollfjord re-entered Hurtigruten Norway as a replacement ship during the ongoing upgrades.

Hurtigruten Expeditions occupancy increased to 69 % in the first quarter of 2023 compared to 58 % same period last year, thus with a significantly lower capacity in the comparable period due to limited operations and restrictions on guest capacity caused by the pandemic. Total Passenger Cruise Nights (PCN) for Hurtigruten Expeditions increased by 98 % from 64 981 in the first quarter of 2022 to 128 469 in the first quarter of 2023. There were yard stays for MS Otto Sverdrup and MS Maud in the period both ending first half of April in line with the plan. Gross ticket yields for Hurtigruten Expeditions of EUR 675 were 22% higher than first quarter 2022. Hurtigruten Expeditions has been operating 6 ships in multiple destinations throughout the quarter such as Antarctica where it operated a full season with 3 ships at full capacity, South America the Norwegian coast, and the Galapagos. MS Spitsbergen in Hurtigruten Expeditions was in warm layup until March as a result of the cancelling of the 22/23 Bissagos Islands season due to Dakar closing the port to cruise ships and returned to service in late March. Which means that as of Q2 2023 all ships in Hurtigruten Expeditions are back in normal service.

Hurtigruten Destinations operations in Svalbard had an occupancy of 55% for the first quarter of 2023, which is three percentage points behind same period last year. January has historically been a challenging month for tourism in Svalbard, with many competitors choosing to close their hotels until February. Despite this trend, Hurtigruten Svalbard has opted to keep Radisson hotel and Funken Lodge open year-round following their recent refurbishment, with Coal Miners' Cabins being seasonally closed.

## 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 offer 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”. Celebrating its 130<sup>th</sup> anniversary in 2023, 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>	1st quarter 2023	1st quarter 2022	Change	Full year 2022
Operational revenues	<b>52 009</b>	31 562	64.8 %	219 622
Contractual revenues	<b>15 742</b>	14 225	10.7 %	59 378
<b>Total operating revenues and other income</b>	<b>67 751</b>	45 788	48.0 %	279 000
<b>EBITDA*</b>	<b>1 651</b>	(6 158)	126.8 %	11 200
Excluding net other gains/(losses)	<b>303</b>	3 247	-90.7 %	4 789
Adjustment for unusual or non-recurring items	<b>6 467</b>	6 536	-1.0 %	34 031
<b>Normalized adjusted EBITDA</b>	<b>7 816</b>	(2 869)	372.4 %	40 442

\* 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.



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The calculations in 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 2023</b>	1st quarter 2022	Full year 2022
PCNs	<b>158 382</b>	111 449	659 356
APCNs <sup>1)</sup>	<b>243 648</b>	242 176	1 011 304
Occupancy rate	<b>65.0%</b>	46.0%	65.2%
<b>Gross ticket revenues</b>	<b>51 327</b>	30 759	216 824
Less:			
Commissions, costs of goods for flights, hotels, transportation and other passenger services	<b>9 522</b>	5 682	35 557
Food, beverage, shop, excursions	<b>5 599</b>	3 812	22 740
<b>Net ticket revenues</b>	<b>36 205</b>	21 266	158 526
Gross ticket revenues per PCN (EUR)	<b>324</b>	276	329
Net ticket revenues per PCN (EUR)	<b>229</b>	191	240
<b>Gross cruise costs</b>	<b>47 678</b>	41 127	204 120
Less:			
Commissions, costs of goods for flights, hotels, transportation and other passenger services	<b>9 522</b>	5 682	35 557
Food, beverage, shop, excursions	<b>5 599</b>	3 812	22 740
<b>Net cruise costs</b>	<b>32 557</b>	31 634	145 823
Net cruise costs per APCN (EUR) <sup>2)</sup>	<b>134</b>	131	144
Net cruise costs per APCN excl. fuel costs (EUR) <sup>2)</sup>	<b>88</b>	87	91
Fuel consumption (liter/nautical mile)	<b>76.0</b>	88.1	81.7
Fuel cost per liter	<b>0.99</b>	0.92	1.15

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 65% for Q1 2023, 46% for Q1 2022 and 65.2% for full year 2022. 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 2021 and has a contract to operate seven out of eleven ships on the Coastal route.

There were two yard stays during the first quarter of 2023, MS Polarlys and MS Kong Harald were both undertaking their environmental upgrades.

Operational revenue excluding the contractual income from the Norwegian state agreement, increased from EUR 31.6 million to EUR 52 million in the first quarter compared to last year, as a result of our operations coming back to normal after the Covid pandemic.

Occupancy increased to 65% in the first quarter of 2023 compared to 46% same period last year in addition to a strong development of gross ticket revenues per PCN, increasing by 17% to 324 EUR from 276 EUR the same period last year.

Contractual income per ship per month increased to approximately EUR 0.75 million for the first quarter of 2023 compared to approximately EUR 0.68 million in 2022 due to annual index adjustments. Fuel cost per liter increased compared to 2022 due to increase in fuel prices.

Gross cruise costs increased from EUR 41.1 million in the first quarter of 2022 to EUR 47.7 million in the first quarter of 2023 explained by increased activity

in 2023 with a 42 % increase in number of passenger cruise nights.

EBITDA for the first quarter of 2023 amounted to EUR 1.6 million compared to negative EUR 6.2 million in the same period last year.

Normalized adjusted EBITDA for the first quarter of 2023 increased to EUR 7.8 million from negative EUR 2.9 million in the same period last year. Normalized items include gains on fuel derivatives, Covid-19 caused cancellations and operating costs incurred by ships docked for environmental upgrades.

## 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.*

<i>(EUR 1 000)</i>	<b>1st quarter 2023</b>	1st quarter 2022	Change	Full year 2022
Operational revenues	<b>86 662</b>	36 039	140.5 %	256 376
Other operating income	-	4 664	-100.0 %	7 655
<b>Total operating revenues and other income</b>	<b>86 662</b>	40 703	112.9 %	264 031
<b>EBITDA*</b>	<b>843</b>	(19 353)	104.4 %	(52 765)
Excluding net other gains/(losses)	<b>78</b>	2 719	-97.1 %	6 611
Adjustment for unusual or non-recurring items	<b>7 651</b>	11 181	-31.6 %	55 067
<b>Normalized adjusted EBITDA</b>	<b>8 416</b>	(10 891)	177.3 %	(4 309)

\* 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.

<i>(EUR 1 000 Except for PCNs, APCNs, occupancy rate, fuel consumption and fuel cost per liter)</i>	<b>1st quarter 2023</b>	1st quarter 2022	Full year 2022
PCNs	<b>128 469</b>	64 981	409 868
APCNs <sup>1)</sup>	<b>185 670</b>	112 794	699 359
Occupancy rate	<b>69.2 %</b>	57.6 %	58.6 %
<b>Gross ticket revenues</b>	<b>86 662</b>	35 904	256 376
Less:			
Commissions, costs of goods for flights, hotels, transportation and other passenger services	<b>19 875</b>	7 014	46 807
Food, beverage, shop, excursions	<b>6 588</b>	3 268	21 285
<b>Net ticket revenues</b>	<b>60 199</b>	25 621	188 285
Gross ticket revenues per PCN (EUR)	<b>675</b>	553	626
Net ticket revenues per PCN (EUR)	<b>469</b>	394	459
<b>Gross cruise costs</b>	<b>61 706</b>	45 174	231 227
Less:			
Commissions, costs of goods for flights, hotels, transportation and other passenger services	<b>19 875</b>	7 014	46 807
Food, beverage, shop, excursions	<b>6 588</b>	3 268	21 285
<b>Net cruise costs</b>	<b>35 242</b>	34 892	163 136
Net cruise costs per APCN (EUR) <sup>2)</sup>	<b>190</b>	216	216
Net cruise costs per APCN excl. fuel costs (EUR) <sup>2)</sup>	<b>139</b>	179	163
Fuel consumption (liter/nautical mile) <sup>3)</sup>	<b>105.0</b>	104.5	103.3
Fuel cost per liter	<b>1.08</b>	0.78	1.14

1) APCN is calculated based on capacity available for sale in the period including reductions due to Covid-19 restrictions. There were no Covid-19 restrictions in place for Q1 2023. Without adjusting for Covid-19 restrictions on occupancy for the period was 69.2 % for Q1 2023, 40.3 % for Q1 2022, and 54.3 % for full year 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.

3) Fuel consumption (litre/nautical mile) is based on 6 ships (Not including MS Santa Cruz II).

Hurtigruten Expeditions fleet returned to full operations in June 2022.

At the end of the first quarter of 2023 Hurtigruten Expeditions completed a successful Antarctica season. This was the first complete post Covid-19 season with three ships and at full capacity. During same period last year Hurtigruten Expeditions operated two ships in Antarctica at lower capacity due to Covid-19 restrictions.

MS Otto Sverdrup and MS Maud continued winter sailings on the Norwegian Coast. MS Santa Cruz II continued her voyages in the Galapagos. The planned winter season in West Africa for MS

Spitsbergen was cancelled as the port of Dakar, which was scheduled as the main turnaround port, was closed for cruise ships due to Covid-19 restrictions. As a result of the cancellation MS Spitsbergen was in warm lay-up from the middle of October 2022 until end of March 2023.

There were three yard stays in the period. MS Santa Cruz II in January, Ms Maud from start of March to first week of April and MS Otto Sverdrup from mid-March to mid-April.

Operational revenues increased by 113 % from EUR 36 million in the first quarter of 2022 to EUR 86.7 million in the first quarter of 2023.

Hurtigruten Expeditions continued to show strong yield development with a gross ticket revenue per PCN in the first quarter of 2023 at EUR 675 compared to EUR 553 same period last year. Occupancy for the first quarter was 69.2 % compared to 57.6 % same period last year, thus with a significantly lower capacity in the comparable period due to limited operations and restrictions on guest capacity caused by the pandemic.

Gross cruise costs increased from EUR 45.2 million in the first quarter of 2022 to EUR 61.7 million in the first quarter of 2023. The increase in cost compared to same period last year is a result of increased

activity in 2023 with a 98 % increase in number of passenger cruise nights. Net cruise cost per APCN declined from EUR 216 in first quarter 2022 to EUR 190 in the same period this year.

Normalized adjusted EBITDA for the first quarter of 2023 amounted to EUR 8.4 million compared to negative EUR 10.9 million in the same period last year.

Normalization items for the first quarter mainly relate to Covid-19 caused cancellations, one-off legal and administrative cost and extraordinary docking of MS Otto Sverdrup and MS Santa Cruz II.

## 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 2023</b>	1st quarter 2022	Change	Full year 2022
Operational revenues	<b>7 427</b>	7 731	-3.9 %	30 606
Other operating income	-	-	0.0 %	9
<b>Total operating revenues and other income</b>	<b>7 427</b>	7 731	-3.9 %	30 615
<b>EBITDA *</b>	<b>1 396</b>	2 082	-32.9 %	7 901
Excluding net other gains/(losses)	<b>7</b>	23	-69.3 %	65
<b>Normalized adjusted EBITDA</b>	<b>1 389</b>	2 059	-32.5 %	7 836

\* 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.

	1st quarter 2023	1st quarter 2022	Full year 2022
Room night	11 933	11 283	47 853
Available room night	21 764	19 440	82 491
Occupancy rate	54.8 %	58.0 %	58.0 %
Average room rate (EUR)	232	204	220
Revenue per available room (EUR)	127	119	128
<b>Revenue rooms (EUR 1 000)</b>	<b>2 772</b>	<b>2 307</b>	<b>10 534</b>
Guest night	18 004	18 633	76 635
Available guest night	43 528	39 136	165 848
Occupancy rate	41.4 %	47.6 %	46.2 %

In Q1 2023, Hurtigruten Destinations experienced a 4% decrease in total operating revenues and other income, which amounted to EUR 7.4 million, compared to EUR 7.7 million in Q1 2022. The difference of EUR 0.4 million is due to the impact of the EUR/NOK exchange rate, as Hurtigruten Destinations operates primarily in Norwegian kroner.

Despite the decrease in total operating revenues and other income, hotel and food & beverage operations remained the largest revenue contributors for Hurtigruten Destinations in Q1 2023, generating EUR 4.7 million of the total revenue. Although there was a slight decrease in occupancy from Q1 2022 to Q1 2023, a 14% price increase helped to offset the impact on revenue.

In Q1 2023, the occupancy rate for all three hotels was 55%, representing a 3% decrease compared to the same period in 2022. January has historically been a challenging month for tourism in Svalbard, with many competitors choosing to close their hotels until February. Despite this trend, Hurtigruten

Svalbard has opted to keep Radisson hotel and Funken Lodge open year-round following their recent refurbishment, with CMC being seasonally closed.

In addition, Hurtigruten Destinations generated EUR 0.9 million in revenue from activities, and EUR 1 million from retail sales in Q1 2023. Other sources of revenue contributed EUR 0.8 million to the total revenue during this period.

The efforts to keep hotels open year-round and the strategic pricing decisions to offset the impact of lower occupancy levels demonstrate Hurtigruten Destinations' commitment to the tourism industry and to providing quality experiences for guests.

Hurtigruten Destinations activity in Kirkenes, which is operated by Radius Kirkenes, was closed during 2022 and first quarter of 2023 due to lack of guests from the Asian markets due to travel restrictions out of China.

## Other and Eliminations

<i>(EUR 1 000)</i>	<b>1st quarter 2023</b>	1st quarter 2022	Change	Full year 2022
Operational revenues	<b>(16)</b>	1 886	-100.8 %	1 925
Other operating income	-	946	-100.0 %	946
<b>Total operating revenues and other income</b>	<b>(16)</b>	2 832	-100.6 %	2 871
<b>EBITDA*</b>	<b>(640)</b>	1 835	-134.9 %	(1 529)
Excluding net other gains/(losses)	<b>(467)</b>	(371)	-25.8 %	(3 776)
<b>Normalized adjusted EBITDA</b>	<b>(173)</b>	2 206	-107.8 %	2 247

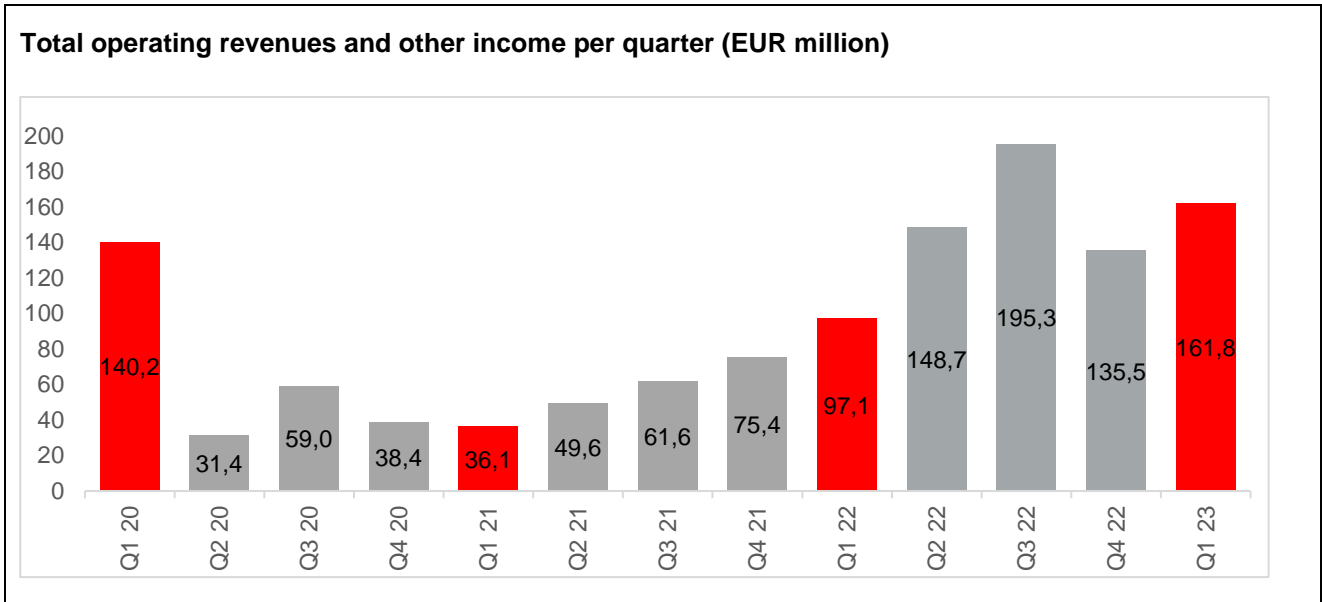
\* Comparable figures have been restated to reflect the reallocation of SG&A costs from group functions, other and eliminations to the segments Hurtigruten Norway, Hurtigruten Expeditions and Hurtigruten Destinations.

Total operating revenues and other income for the first quarter 2023 amount to negative EUR 0.01 million compared to EUR 2.8 million in the same period last year. EBITDA for the first quarter of 2023

amounts to negative EUR 0.6 million compared to EUR 1.8 million in the same period last year.

# Financial review

## Profit and loss



Total revenues increased by 66.7% in the first quarter of 2023 compared to the same period last year, from EUR 97.1 million to EUR 161.8 million. The higher revenues are coming from the full fleet being operational in the first quarter of 2023, while by the end of the first quarter of 2022 Hurtigruten Expeditions had six of eight ships in operations.

Direct cost of goods and services increased from EUR 23.0 million in the first quarter of 2022 to EUR 44.0 million in the first quarter of 2023, which is explained by the fleet in full operations in 2023. Total salaries and personnel costs were EUR 46.0 million in the quarter, an increase of 20.7% compared to the first quarter of 2022.

## Specification of other operating costs

<i>(EUR 1 000)</i>	<b>1st quarter 2023</b>	1st quarter 2022	%	Full year 2022
			change	
Sales and administrative costs	<b>(24 114)</b>	(16 906)	42.6 %	(93 488)
Operating costs (ex fuel)	<b>(23 922)</b>	(29 591)	-19.2 %	(118 661)
Fuel costs	<b>(20 454)</b>	(16 645)	22.9 %	(93 530)
<b>Total</b>	<b>(68 490)</b>	(63 142)	8.5 %	(305 679)

Other operating costs increased by 8.5% compared to the same period last year, from EUR 63.1 million in the first quarter of 2022 to EUR 68.5 million in the first quarter of 2023, which was mainly due to the ramp-up in operations.

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

Fuel costs in the quarter increased by 22.9% to EUR 20.5 million, compared to EUR 16.7 million in the same quarter last year. The increase is explained by more ships in operation and higher fuel prices, but there has been a significant reduction in fuel expenses compared with Q3 and Q4 2022.

Sales and administrative costs increased by 42.6% to EUR 24.1 million in the first quarter compared to EUR 16.9 million in the same period last year driven mainly by increased marketing spend which increased with EUR 7.8m.

First quarter 2023 depreciation, amortization and impairment were EUR 18.1 million, compared to EUR 15.5 million same quarter last year. The increase is mainly related to capitalized environmental upgrades in the Hurtigruten Norway fleet.

Net other loss was EUR 0.1 million in the first quarter of 2023, compared to a gain of EUR 5.6 million in the same period in 2022. The gain last year is mainly explained by the realized and unrealized gains from the fuel derivatives of EUR 6.8 million.

First quarter operating profit was EUR 3.3 million, compared to an operating loss of EUR 21.6 million in the same period last year.

Net financial expenses were EUR 34.7 million in the first quarter of 2023 compared to EUR 23.6 million in the first quarter 2022. Interest costs in the first quarter of 2023 increased due to higher interest-bearing liabilities from an additional shareholder funding of EUR 150 million, of which EUR 55 million shareholder loan facility was provided in the first quarter of 2023. Of the The Payment-in-Kind non-cash interest relates to subordinated debt and operating facility provided by the ultimate shareholders. Of the EUR 34.7m in net financial expenses approx. EUR 10.2 million is Payment-in-Kind non-cash interest related to subordinated debt and operating facility provided by the ultimate shareholders.

In addition, there was an accelerated amortization of borrowing fees in the first quarter of 2023 due to the refinancing completed in second quarter 2023.

The net loss for the first quarter was EUR 46.6 million compared to a loss of EUR 60.2 million in 2022 of which EUR 10.2 million is related Payment-in-Kind interests to the ultimate shareholders and EUR 5.5 million is related to accelerated amortizations as a result of the refinancing completed in April 2023. Adjusted for these items the net loss in Q1 2023 was EUR 30.9 million



## Financial position and liquidity

### Cash flow

Net cash inflow from operating activities in the first quarter of 2023 was EUR 3.6 million compared to an outflow of EUR 33.7 million in the same quarter last year. The increase of EUR 37.3 million is mainly explained by improved EBITDA and positive working capital changes in 2023 compared to the first quarter of 2022.

Net cash outflow from investing activities was EUR 20.4 million in the first quarter of 2023 compared to an outflow of EUR 23.3 million in the same period last year. The outflow from investing activities was mainly related to the environmental vessel upgrades in Hurtigruten Norway.

Net cash inflow from financing activities in the first quarter of 2023 was EUR 16.2 million compared to an inflow of EUR 43.7 million in the same quarter last year. The reduction in inflow is mainly due to the completion of a 3-year EUR 50 million senior unsecured green bond in February 2022 and the additional EUR 25 million from increasing the TLC loan, partly offset by a new shareholder loans in 2023.

Net decrease in cash and cash equivalents in the first quarter was EUR 0.6 million, compared to a decrease of EUR 13.3 million in the first quarter of 2022.

Cash and cash equivalents totaled EUR 26.4 million at the end of the first quarter of 2023, compared to EUR 30.0 million as of 31 December 2022. Available cash and cash equivalents, excluding restricted cash, totaled EUR 24.4 million at the end of the quarter compared to EUR 27.2 million as of 31 December 2022.

### Balance sheet

Total assets amounted to EUR 1 386.1 million as of 31 March 2023, which is an increase of EUR 14.1 million from year-end 2022.

Non-current assets increased by EUR 14.7 million over the year, from EUR 1 235.7 million to EUR 1 250.3 million. The change is due to capital expenditures from the environmental vessel upgrades in Hurtigruten Norway.

Current assets amounted to EUR 135.8 million compared to EUR 136.4 million as of 31 December 2022.

The reported equity at the end of March 2023 was negative EUR 608.5 million compared to a negative EUR 561.9 million at year-end 2022. The change is mainly due to the net loss in the period.

Total non-current liabilities amount to EUR 1 379.8 million on 31 March 2023, a decrease of EUR 24.3 million from EUR 1 404.1 million at year-end 2022. The decrease is mainly due to the reclassification of the RCF loan to current borrowings. This is partially offset by the new shareholder loan of EUR 55 million secured in the first quarter 2023.

Current liabilities, excluding borrowings, were EUR 316.3 million at the end of the first quarter compared to EUR 315.7 million at year-end 2022.

## Going concern

As of 31 March 2023, the carrying value of the equity in Hurtigruten Group was negative EUR 608.5 million. The Covid-19 pandemics effect on travel restrictions led to a significantly lower profitability since the second quarter of 2020. In 2022, the financial performance has improved throughout the year supported by the return to full operations in the third quarter of 2022.

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 book value. If considering the expected earnings capacity of the Hurtigruten Group and applying generally accepted valuation principles the fair value of the equity of the Hurtigruten Group is positive.

The underlying positive equity value is further supported by the booking development for 2023 which as of 26<sup>th</sup> of May is 23% higher compared to same time last year. The Board of Directors expects the financial performance of the Company to continue to improve supported by the strong booking development.

As of 31 March 2023, Hurtigruten Group had an available free liquidity position of EUR 24.4 million.

As of the date of this report Hurtigruten Group has completed a capitalization transaction which includes

- i) refinancing of the EUR 176.5 million June 23 maturities
- ii) extension of the Term Loan B and RCF which matures in 2025 and 2024 respectively with 2 years and
- iii) EUR 95m of shareholder funding provided to the Company in first half of 2023.

From the Board of Directors point of view, despite the existing risks, the Hurtigruten Group currently has and will continue to have sufficient funds, resulting from both borrowings and operating cash flows, to meet its payment obligations and to ensure the going concern of the Hurtigruten Group in the foreseeable future.

As of 31 March 2023, the Board of Directors does not identify any material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. As a result, and in accordance with the Norwegian Accounting Act, the Board of Directors confirms that the 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, and Hurtigruten Group is experiencing an increasing booking momentum for the next 18 months which gives a good outlook for Hurtigruten Group. The Board of Directors assumes that booking behavior in the 2023 financial year will continue to develop positively. The Board of Directors assumes that travel behavior will not be affected by further long-term closures and lockdowns or by the impact of Russia's war of aggression on Ukraine. Nevertheless, the intensified general price increase of recent months could continue, in particular due to rising energy costs, and lead to a significant reduction in the private budget available for travel services, thus lowering purchasing power and resulting in declining customer demand. In addition, a permanent increase in fuel costs as well as services, especially those purchased in US Dollars, could lead to an increase in our cost base.

As of 26th of May 2023, Hurtigruten Group had EUR 535 million in pre-booked revenue for 2023 (excluding the EUR 67 million related to the contract revenue received from the Norwegian Government) which is 23% higher compared to same time last year for 2022 and over the last 30 days made a total of EUR 46m million in new sales the last which is up 50% vs. the same period last year.

The Board of Directors expects the financial performance of the Company to continue to improve supported by the strong booking development reflecting the resurgence of desire and demand for travel.

The strong bookings for 2023 driven by the higher yields across all business units, will support a financial recovery. Based on the current outlook, the financial performance is expected to be back above pre-pandemic levels in 2023.

The Company emphasizes that the information included in this report contains certain forward-looking statements that address activities or developments that the Company anticipates will or may occur in the future. The statements are based on assumptions and estimates, and some of them are beyond the Company's control and therefore subject to risks and uncertainties.

## Risks and uncertainties

Hurtigruten Group is subject to a range of risks and uncertainties which may affect its business operations, results and financial condition. 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 2022 gives a fair description of principal risks and uncertainties that may affect Hurtigruten Group. An elaboration of our ESG Risk programme with the top identified risks for each of the Group's ESG pillars, including a high-level mitigation plan, can be found in Appendix D of our ESG Report 2022. 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 Russian invasion of Ukraine in late February 2022 has brought increased geopolitical risks to global markets and business operations. While energy prices are currently at a more normalized level compared to 2022, the conflict has adversely

affected global and regional economic conditions and triggered volatility in energy prices. As a result, the Group has entered a derivatives contract to hedge 50% of the forecasted total fuel consumption for 2023.

Hurtigruten Group is closely monitoring the liquidity situation as the financial performance continues to recover. The ultimate shareholders of the company have supported the liquidity position with shareholder loans when required.

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 and 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.

# Interim financial statements

## Condensed consolidated income statement

### Unaudited

<i>(EUR 1 000)</i>	<i>Note</i>	<b>1st quarter 2023</b>	1st quarter 2022	Full year 2022
Operating revenues		<b>146 082</b>	77 219	508 530
Contractual revenues		<b>15 742</b>	14 225	59 378
Other operating income		-	5 610	8 610
<b>Total operating revenues and other income</b>		<b>161 824</b>	97 054	576 518
Direct cost of goods and services		<b>(43 968)</b>	(22 996)	(136 919)
Salaries and personnel costs		<b>(46 037)</b>	(38 128)	(176 801)
Depreciation, amortisation and impairment		<b>(18 044)</b>	(15 508)	(73 357)
Other operating costs		<b>(68 490)</b>	(63 142)	(305 679)
Net other gains/(losses)		<b>(79)</b>	5 617	7 689
<b>Operating profit/(loss) EBIT</b>		<b>(14 794)</b>	(37 103)	(108 550)
<b>Operating profit/(loss) before depreciation, amortisation and impairment losses (EBITDA)</b>		<b>3 250</b>	(21 595)	(35 194)
Financial income		<b>87</b>	1 174	1 696
Financial expenses		<b>(38 290)</b>	(25 467)	(113 766)
Net foreign exchange gains/(losses)		<b>3 504</b>	757	152
<b>Net financial items</b>	<b>5</b>	<b>(34 699)</b>	(23 536)	(111 918)
Share of net income from associated companies		<b>149</b>	215	650
<b>Profit / (loss) before taxes</b>		<b>(49 344)</b>	(60 424)	(219 819)
Income taxes		<b>2 754</b>	261	10 407
<b>Net income</b>		<b>(46 590)</b>	(60 163)	(209 412)
<b>Net income attributable to:</b>				
Owners of the parent		<b>(46 664)</b>	(60 168)	(209 414)
Non-controlling interests		<b>74</b>	5	2

## Condensed consolidated statement of comprehensive income

### Unaudited

<i>(EUR 1 000)</i>	1st quarter 2023	1st quarter 2022	Full year 2022
<b>Net income</b>	<b>(46 590)</b>	(60 163)	(209 412)
<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 retirement benefit obligations, net of tax	-	-	351
<b>Total</b>	<b>-</b>	-	351
<b>Items that may be reclassified to profit or loss in subsequent periods:</b>			
Currency translation differences	<b>(23)</b>	(378)	(844)
<b>Total</b>	<b>(23)</b>	(378)	(844)
<b>Total other comprehensive income, net of tax</b>	<b>(23)</b>	(378)	(493)
<b>Total comprehensive income</b>	<b>(46 613)</b>	(60 541)	(209 905)
<b>Total comprehensive income attributable to:</b>			
Owners of Hurtigruten Group AS	<b>(46 687)</b>	(60 546)	(209 906)
Non-controlling interests	<b>74</b>	5	2

## Condensed consolidated statement of financial position

### Unaudited

<i>(EUR 1 000)</i>	<i>Note</i>	<b>31.03 2023</b>	31.03 2022	31.12 2022
Property, plant and equipment		<b>919 695</b>	880 569	900 462
Right-of-use assets		<b>39 972</b>	46 756	43 966
Intangible assets		<b>261 523</b>	266 870	264 439
Investments in associates		<b>21 617</b>	21 347	21 715
Deferred income tax assets		<b>3 323</b>	2 174	817
Investments in other companies		<b>2 539</b>	2 526	2 539
Derivative financial instruments		-	884	-
Other non-current financial assets		<b>1 674</b>	27 038	1 728
<b>Total non-current assets</b>		<b>1 250 342</b>	1 248 164	1 235 665
Inventories		<b>15 674</b>	19 138	18 189
Trade receivables		<b>25 620</b>	11 091	19 995
Other current receivables		<b>67 872</b>	45 599	65 440
Current derivative financial instruments		<b>197</b>	4 769	2 773
Cash and cash equivalents		<b>26 410</b>	45 974	29 958
<b>Total current assets</b>		<b>135 773</b>	126 571	136 355
<b>Total assets</b>		<b>1 386 115</b>	1 374 736	1 372 020
Paid-in capital		<b>185 205</b>	185 205	185 205
Other equity		<b>(793 784)</b>	(597 736)	(747 097)
<b>Total equity attribute to owners of Hurtigruten Group AS</b>		<b>(608 578)</b>	(412 530)	(561 892)
Non-controlling interests		<b>104</b>	33	30
<b>Total equity</b>		<b>(608 475)</b>	(412 497)	(561 861)
Non-current interest-bearing liabilities	4	<b>1 342 552</b>	1 467 529	1 374 028
Deposits from customers, non-current		<b>35 422</b>	38 140	28 073
Deferred income tax liabilities		<b>(0)</b>	11 538	21
Retirement benefit obligations		<b>1 685</b>	2 226	1 827
Provisions for other liabilities and charges		<b>91</b>	-	91
Other non-current liabilities		<b>49</b>	135	49
<b>Total non-current liabilities</b>		<b>1 379 799</b>	1 519 569	1 404 088
Trade payables	6	<b>56 537</b>	29 417	61 104
Other current liabilities	6	<b>134 886</b>	80 895	119 394
Deposits from customers, current		<b>124 362</b>	128 144	130 793
Current income tax liabilities		<b>351</b>	765	428
Current interest-bearing liabilities	4	<b>298 478</b>	25 478	214 062
Provision for other liabilities and charges		<b>176</b>	2 965	4 012
<b>Total current liabilities</b>		<b>614 790</b>	267 664	529 793
<b>Total equity and liabilities</b>		<b>1 386 115</b>	1 374 736	1 372 020

## Condensed consolidated statement of changes in equity

Unaudited

	01.01-31.03.2023				
	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	(747 097)	(561 892)	30	(561 861)
Net income	-	(46 664)	(46 664)	74	(46 590)
Other comprehensive income	-	(23)	(23)	-	(23)
<b>Total comprehensive income</b>	-	(46 687)	(46 687)	74	(46 613)
<b>Equity at the end of the period</b>	185 205	(793 784)	(608 578)	104	(608 474)

	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)



## Condensed consolidated statement of cash flows

### Unaudited

<i>(EUR 1 000)</i>	<i>Note</i>	<b>1st quarter 2023</b>	1st quarter 2022	Full year 2022
<b>Cash flow from operating activities</b>				
Profit/(loss) before taxes		<b>(49 344)</b>	(60 424)	(219 819)
Adjustments for:				
Depreciation, amortisation and impairment losses		<b>18 044</b>	15 508	73 357
Other gains / losses (net)		<b>(4)</b>	(8)	5 268
Foreign exchange gains/losses		<b>(4 318)</b>	396	(2 686)
Net gains/(losses) derivatives		<b>901</b>	(6 747)	(2 774)
Net interest expenses		<b>38 111</b>	24 293	112 083
Share of net income from associated companies		<b>(149)</b>	(215)	(650)
Difference between expensed pensions and payments		<b>-</b>	(20)	(623)
<i>Change in working capital:</i>				
Inventories		<b>2 228</b>	32	813
Trade and other receivables		<b>(10 426)</b>	(3 641)	(14 158)
Trade and other payables		<b>790</b>	14 706	52 344
Change in prepaid travels		<b>6 291</b>	(7 088)	(6 870)
Change related to travel bonds*		<b>2 057</b>	(9 546)	(4 925)
Income tax paid		<b>(611)</b>	(938)	(1 427)
<b>Net cash flow from operating activities*</b>		<b>3 570</b>	(33 692)	(10 068)
<b>Cash flow from investing activities</b>				
Purchase and prepayment of property, plant, equipment		<b>(20 418)</b>	(20 946)	(83 167)
Purchase of intangible assets		<b>(142)</b>	(2 407)	(6 807)
Proceeds from sale of fixed assets		<b>10</b>	14	114
Dividend received from associated companies		<b>183</b>	-	-
<b>Net cash flow from investing activities</b>		<b>(20 367)</b>	(23 339)	(89 860)
<b>Cash flow from financing activities</b>				
Proceeds from borrowings		<b>-</b>	75 000	75 000
Repayment of borrowings		<b>(3 777)</b>	(3 496)	(14 258)
Payment of lease liabilities		<b>(1 441)</b>	(1 581)	(9 711)
Paid interest and transaction costs		<b>(33 613)</b>	(26 189)	(68 917)
Borrowings from other group companies		<b>55 000</b>	-	95 000
<b>Net cash flow from financing activities</b>		<b>16 169</b>	43 733	77 114
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		<b>(628)</b>	(13 298)	(22 814)
<b>Cash and cash equivalents at the beginning of period</b>		<b>29 958</b>	57 115	57 115
Foreign exchange gains/(losses) on cash, cash equivalents and bank overdrafts		<b>(2 920)</b>	2 156	(4 344)
<b>Cash and cash equivalents at end of period</b>		<b>26 410</b>	45 974	29 958
Of which restricted cash		<b>1 988</b>	10 518	2 785

\*Comparable figures have been restated to include Change related to travel bonds

## 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 2022.

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 2022.

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 2022.

### Note 3 Segments

	Hurtigruten Norway		Hurtigruten Expeditions		Hurtigruten Destinations	
	1st quarter 2023	1st quarter 2022	1st quarter 2023	1st quarter 2022	1st quarter 2023	1st quarter 2022
<i>(EUR 1 000)</i>						
Operating revenues	<b>52 009</b>	31 562	<b>86 662</b>	36 039	<b>7 427</b>	7 731
Contractual revenues	<b>15 742</b>	14 225	-	-	-	-
Other operating income	-	-	-	4 664	-	-
<b>Total operating revenues and other income</b>	<b>67 751</b>	45 788	<b>86 662</b>	40 703	<b>7 427</b>	7 731
Direct cost of goods and services	<b>(15 121)</b>	(9 494)	<b>(26 472)</b>	(10 291)	<b>(2 265)</b>	(2 587)
Salaries and personnel costs*	<b>(21 799)</b>	(18 261)	<b>(21 951)</b>	(17 815)	<b>(2 286)</b>	(2 052)
Other operating costs*	<b>(29 483)</b>	(27 438)	<b>(37 475)</b>	(34 669)	<b>(1 487)</b>	(1 033)
Net other gains/(losses)	<b>303</b>	3 247	<b>78</b>	2 719	<b>7</b>	23
<b>EBITDA</b>	<b>1 651</b>	(6 158)	<b>843</b>	(19 353)	<b>1 396</b>	2 082
Depreciation, amortisation and impairment	<b>(8 845)</b>	(7 339)	<b>(5 262)</b>	(4 340)	<b>(1 147)</b>	(1 202)
<b>Operating profit/(loss) (EBIT)</b>	<b>(7 193)</b>	(13 497)	<b>(4 419)</b>	(23 694)	<b>249</b>	880

	Group functions, other and eliminations		Hurtigruten Group	
	1st quarter 2023	1st quarter 2022	1st quarter 2023	1st quarter 2022
<i>(EUR 1 000)</i>				
Operating revenues	<b>(16)</b>	1 887	<b>146 082</b>	77 219
Contractual revenues	-	-	<b>15 742</b>	14 225
Other operating income	-	946	-	5 610
<b>Total operating revenues and other income</b>	<b>(16)</b>	2 832	<b>161 824</b>	97 054
Direct cost of goods and services	<b>(111)</b>	(624)	<b>(43 968)</b>	(22 996)
Salaries and personnel costs*	<b>(1)</b>	(0)	<b>(46 037)</b>	(38 128)
Other operating costs*	<b>(46)</b>	(2)	<b>(68 490)</b>	(63 142)
Net other gains/(losses)	<b>(467)</b>	(371)	<b>(79)</b>	5 617
<b>EBITDA</b>	<b>(640)</b>	1 835	<b>3 250</b>	(21 595)
Depreciation, amortisation and impairment	<b>(2 791)</b>	(2 627)	<b>(18 044)</b>	(15 508)
<b>Operating profit/(loss) (EBIT)</b>	<b>(3 430)</b>	(792)	<b>(14 794)</b>	(37 103)

\* 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

	<b>31.03</b>	31.03	31.12
<i>(EUR 1 000)</i>	<b>2023</b>	2022	2022
<i>Secured</i>			
Bond	<b>283 036</b>	296 964	282 768
Term loans and lease liabilities	<b>718 579</b>	894 241	718 813
Revolving credit facilities	-	84 393	84 642
<i>Unsecured</i>			
Bond	<b>48 664</b>	47 935	48 482
Lease liabilities <sup>1)</sup>	<b>54 352</b>	65 514	58 797
Other interest-bearing liabilities	<b>237 921</b>	78 483	180 527
<b>Total non-current interest-bearing liabilities</b>	<b>1 342 552</b>	1 467 529	1 374 028
<i>Secured</i>			
Bond	<b>15 000</b>	-	15 000
Term loans and lease liabilities	<b>184 758</b>	7 638	182 330
Revolving credit facilities	<b>85 000</b>	-	-
<i>Unsecured</i>			
Lease liabilities <sup>1)</sup>	<b>10 800</b>	11 002	11 992
Other interest-bearing liabilities	<b>2 920</b>	6 838	4 740
<b>Total current interest-bearing liabilities</b>	<b>298 478</b>	25 478	214 062

<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 lease liabilities.

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

The refinancing of the TLC and TLD loans and maturity extension of the RCF maturing in Q1 2024 and the TLB maturing in Q1 25 with 2 years were completed in April 2023. As a result of the refinancing being completed in Q2 these are classified as current interest-bearing liabilities as of 31 March 2023 and will be classified as non-current liabilities in the Q2 2023 report. Please refer to note 7 Events after the reporting period.

#### 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>2023</b>	2022	2022
Less than one year	<b>298 853</b>	25 899	216 477
Year 2 and 3	<b>1 024 919</b>	395 545	1 111 026
Year 4 and 5	<b>30 256</b>	941 927	30 417
More than 5 years	<b>105 478</b>	132 118	113 404
<b>Total interest-bearing liabilities</b>	<b>1 459 505</b>	1 495 489	1 471 324

## Note 5 Net financial items

<i>(EUR 1 000)</i>	<b>1st quarter 2023</b>	1st quarter 2022	Full year 2022
Interest income	<b>22</b>	587	1 505
Other financial income	<b>65</b>	587	191
<b>Financial income</b>	<b>87</b>	1 174	1 696
Interest expenses <sup>1)</sup>	<b>(30 863)</b>	(19 491)	(99 194)
Other finance expenses	<b>(7 427)</b>	(5 976)	(14 572)
<b>Financial expenses</b>	<b>(38 290)</b>	(25 467)	(113 766)
Net foreign exchange gains/(losses)	<b>3 504</b>	757	152
<b>Net financial items</b>	<b>(34 699)</b>	(23 536)	(111 918)
<sup>1)</sup> Of which Payment-in-Kind interest	<b>(10 207)</b>	(5 603)	(27 366)

The Payment-in-Kind non-cash interest relates to subordinated debt and operating facility provided by the ultimate shareholders.

## Note 6 Trade payables and other current liabilities

<i>(EUR 1 000)</i>	<b>31.03 2023</b>	31.03 2022	31.12 2022
Trade payables	<b>56 522</b>	29 411	61 086
Trade payables related parties	<b>16</b>	6	19
<b>Total trade payables</b>	<b>56 537</b>	29 417	61 104
Public duties payable	<b>5 380</b>	3 604	6 156
Other current liabilities	<b>36 449</b>	25 441	29 558
Accrued expenses	<b>54 237</b>	32 186	42 736
Accrued interest	<b>34 280</b>	19 664	40 944
Accrued bonus	<b>4 540</b>	-	-
Deferred revenue <sup>1)</sup>	<b>-</b>	-	-
<b>Total other current liabilities</b>	<b>134 886</b>	80 895	119 394

\*Deferred revenues have been reclassified to deposits from customers, current in 2022

## Note 7 Events after the reporting period

On 4 April 2023 the Group announced that it had completed the issuance of a new EUR 200 million 5-year debt facility (the "New Debt Facility"). The net proceeds of the New Debt Facility have been applied towards refinancing in full the EUR 176.5 million existing term loans maturing in June 2023.

On 13 April 2023 the Group announced that it had completed the extension of the TLB and RCF which mature in 2025 and 2024 with 2 years. In relation to the financing transactions additional shareholder funding of EUR 40 million was provided (in addition to the EUR 55 million of shareholder funding provided in Q1 2023).

## 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.	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>	<b>1st quarter 2023</b>	1st quarter 2022
Operating profit/(loss)	<b>(14 794)</b>	(37 103)
Excluding Depreciation, amortisation and impairment	<b>18 044</b>	15 508
<b>EBITDA</b>	<b>3 250</b>	(21 595)
Excluding Net other gains/(losses)	<b>79</b>	(5 617)
<b>EBITDA excluding net other gains /(losses)</b>	<b>3 329</b>	(27 212)
Adjustment for unusual or non-recurring items	<b>14 118</b>	17 717
<b>Normalized adjusted EBITDA</b>	<b>17 447</b>	(9 495)

**Other definitions**

<b>Item</b>	<b>Description</b>
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.