



Hurtigruten Cruise AS

Interim Financial Statements

Second quarter and first half report 2021

Published 27 August 2021

Key figures¹⁾

(EUR 1 000)	Q2 2021	Q2 2020	% Change	01.01-30.06 2021	01.01-30.06 2020	% Change	Full year 2020
Operating revenue	3,691	1,902	94.0 %	14,424	63,109	-77.1 %	120,671
Contractual revenues	20,153	19,098	5.5 %	39,186	40,189	-2.5 %	79,162
Total revenue	23,844	21,000	13.5 %	53,610	103,298	-48.1 %	199,833
EBITDA	(35,688)	(26,119)	-36.6 %	(59,412)	(34,902)	-70.2 %	(79,695)
Net other gains/(losses)	1,598	(618)	358.5 %	(611)	(10,957)	94.4 %	(19,486)
EBITDA excl other gains (losses)	(37,286)	(25,501)	-46.2 %	(58,800)	(23,945)	-145.6 %	(60,209)

¹⁾ The figures presented in this report are unaudited

About Hurtigruten Cruise AS

Hurtigruten Cruise AS, is the ship manager, operator and owner of the Hurtigruten Group cruise operations, which is the world leader expedition travel.

Hurtigruten Group – The leading global expedition travel company

Hurtigruten Group's vision is to be the world's leading expedition travel company by offering authentic and accessible experiences to travellers who wish to explore in a sustainable and meaningful way. 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, the brands: Hurtigruten Expeditions, Hurtigruten Norwegian Coastal Express, and Hurtigruten Svalbard have 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 16 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.

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 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.

Interim financial statements

Income statement

Unaudited

<i>(EUR 1 000)</i>	<i>Note</i>	Q2 2021	Q2 2020	01.01-30.06 2021	01.01-30.06 2020	Full year 2020
Operating revenues		3,691	1,902	14,424	63,109	120,671
Contractual revenues		20,153	19,098	39,186	40,189	79,162
Total revenues		23,844	21,000	53,610	103,298	199,833
Direct cost of goods and services		(1,403)	(557)	(1,867)	(7,393)	(9,357)
Personel expenses		(1,330)	(2,080)	(2,151)	(5,560)	(9,274)
Depreciation, amortisation and impairment		(29,197)	(8,732)	(37,566)	(16,546)	(36,147)
Other operating costs		(58,396)	(43,864)	(108,393)	(114,290)	(241,412)
Net other gains/(losses)		1,598	(618)	(611)	(10,957)	(19,486)
Operating profit/(loss)		(64,885)	(34,851)	(96,978)	(51,448)	(115,842)
Financial income		32	-	114	-	393
Financial expenses		(1,012)	207	(2,015)	(1,698)	(4,025)
Net foreign exchange gains/(losses)		2,479	(805)	(1,591)	445	6,289
Net financial items	2	1,499	(598)	(3,492)	(1,253)	2,658
Profit/(loss) before taxes		(63,386)	(35,449)	(100,470)	(52,701)	(113,184)
Income taxes		-	-	-	-	(673)
Net income		(63,386)	(35,449)	(100,470)	(52,701)	(113,858)

Statement of financial position

Unaudited

<i>(EUR 1 000)</i>	<i>Note</i>	30.6. 2021	30.6. 2020	31.12. 2020
Property, plant and equipment		403,600	428,395	422,000
Intangible assets		564	217	307
Loans to Group companies		4,580	2,700	8,013
Other non-current assets		15	15	15
Total non-current assets		408,758	431,326	430,335
Inventories		6,812	6,483	6,656
Trade and other receivables		8,328	13,265	9,898
Trade and other receivables, Group companies		38,557	130,872	39,080
Cash and cash equivalents		3	3	35,389
Total current assets		53,699	150,623	91,023
Total assets		462,458	581,949	521,358
Paid-in capital		400,229	400,229	400,229
Other equity		(199,670)	(48,436)	(99,201)
Total equity	3	200,559	351,793	301,029
Intragroup non-current interest bearing liabilities		40,435	43,711	42,097
Derivative financial instruments		-	995	-
Total non-current liabilities		40,435	44,706	42,097
Trade and other liabilities		19,666	48,536	18,613
Trade and other liabilities, Group companies		200,728	127,369	154,348
Derivative financial instruments		509	9,394	4,564
Other current liabilities		562	151	706
Total current liabilities		221,464	185,450	178,232
Total equity and liabilities		462,458	581,949	521,358

Cash flow statement

Unaudited

<i>(EUR 1 000)</i>	Note	Q2 2021	Q2 2020	01.01-30.06 2021	01.01-30.06 2020	Full year 2020
Cash flows from operating activities						
Profit/(loss) before taxes		(63,386)	(35,449)	(100,470)	(52,701)	(113,185)
Adjustments for:						
Depreciation, amortisation and impairment		29,197	8,732	37,566	16,546	36,147
Interest expenses	2	980	(208)	1,901	1,698	3,631
Unrealised currency and derivatives gains/losses		(1,462)	(625)	576	12,155	17,707
Settlement from financial instruments		(614)	(4,802)	(1,722)	(6,048)	(10,850)
Change in working capital		26,700	39,603	44,416	32,424	126,231
Net cash flows from (used in) operating activities		(8,585)	7,251	(17,733)	4,074	59,681
Cash flows from investing activities						
Purchase of property, plant and equipment		(8,847)	(6,589)	(19,159)	(53,688)	(66,907)
Purchase of intangible assets		(111)	126	(264)	(166)	(243)
Other adjustments		-	2	-	(3)	(3)
Net cash flows from (used in) investing activities		(8,958)	(6,461)	(19,423)	(53,857)	(67,153)
Cash flows from financing activities						
Repayment of borrowings from group companies		(1,633)	(788)	1,770	(4,265)	(11,191)
Net cash flows from (used in) financing activities		(1,633)	(788)	1,770	(4,265)	(11,191)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(19,176)	2	(35,387)	(54,050)	(18,663)
Cash and cash equivalents at the beginning of period		19,176	(2)	35,387	54,050	54,050
Cash and cash equivalents at end of period		(0)	0	0	0	35,386
Restricted cash		3	3	3	3	3
Cash and cash equivalents in statement of financial position		3	3	3	3	35,389

Notes to the interim financial statements

Note 1 Accounting policies

The interim financial report for the company is prepared in accordance with Norwegian Accounting Act and generally accepted accounting principles. The interim financial report does not include all information which will appear in the annual financial report, which is prepared in accordance with all effective GAAP, and this report should therefore be read in connection with the annual report for Hurtigruten Cruise AS for 2020.

The annual report for 2020 for the company can be obtained through a request to the company's main office. The accounting policies applied in the interim financial reporting are described in the note of accounting policies in the annual report for 2020.

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

Note 2 Net financial items

Unaudited

<i>(EUR 1 000)</i>	Q2 2021	Q2 2020	01.01-30.06 2021	01.01-30.06 2020	Full year 2020
Other financial income	32	-	114	-	393
Financial income	32	-	114	-	393
Interest expense	(984)	(765)	(1,960)	(1,676)	(3,940)
Other finance expenses	(28)	973	(55)	(23)	(85)
Financial expenses	(1,012)	207	(2,015)	(1,698)	(4,025)
Net foreign exchange gains/(losses)	2,479	(805)	(1,591)	445	6,289
Net Financial items	1,499	(598)	(3,492)	(1,253)	2,658

Note 3 Equity

Unaudited

	01.01-30.06.2021		
	Attributable to shareholders of Hurtigruten Cruise AS		
<i>(EUR 1 000)</i>	Paid-in capital	Other equity	Total Equity
Equity at beginning of the period	400,229	(99,201)	301,029
Profit/loss for the year	-	(100,470)	(100,470)
Equity at the end of the period	400,229	(199,670)	200,559

	01.01-30.06.2020		
	Attributable to shareholders of Hurtigruten Cruise AS		
<i>(EUR 1 000)</i>	Paid-in capital	Other equity	Total Equity
Equity at beginning of the period	400,229	12,174	412,403
Profit/loss for the year	-	(52,701)	(52,701)
Cash flow hedges attributed directly to equity	-	(7,909)	(7,909)
Equity at the end of the period	400,229	(48,436)	351,793

Note 4 Covid-19

Our business continues to be impacted by the Covid-19 pandemic. New waves of outbreaks have emerged during 2021, driven by mutants of the virus. The low level of international travel will likely remain until restrictions are further eased and mass-vaccination has gained traction. Thus, the Covid-19 pandemic has created a challenging business environment for the Company, and an unprecedented uncertainty of potential negative impact on the financial performance. For the Company, these events are impairment triggers, and as such, as of the end of fourth quarter of 2020, the Group has assessed the carrying values of the Groups assets for impairment according to IAS 36. The value in use has been estimated for the Groups' ships on a cash generating unit level and has been calculated based on the present value of estimated future cash flows. The projected cash flows represent managements best estimate for future ramp-up in operations after the Covid-19 effects on the travel industry. The impairment tests are supported by the booking development for 2022 and 2023As of year-end, the estimated value in use was equal to or higher than the carrying value of the assets, and no impairment were recognized in the financial statements.

Note 5 Events after the reporting period

No events of significance have occurred after the reporting period.