



Hurtigruten Group AS

Fourth Quarter report

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Key figures Hurtigruten Group

<i>(EUR 1 000)</i>	4th quarter 2022	4th quarter 2021	% Change	01.01-31.12 2022	01.01-31.12 2021	% Change
Operational revenues	120 027	58 892	103.8 %	508 530	122 117	316.4 %
Contractual revenues	14 570	16 509	-11.7 %	59 378	71 715	-17.2 %
Other operating income	850	-	0.0 %	8 610	28 856	-70.2 %
Total operating revenues and other income	135 447	75 401	79.6 %	576 518	222 688	158.9 %
EBITDA	(32 619)	(48 879)	33.3 %	(35 194)	(104 314)	66.3 %
Excluding net other gains/(losses)	(6 404)	(9 268)	30.9 %	7 689	3 018	154.8 %
EBITDA excl Other gains/(losses)	(26 215)	(39 611)	33.8 %	(42 882)	(107 332)	60.0 %
Adjustment for unusual or non- recurring items	26 681	-		89 098	-	
Normalized adjusted EBITDA	466	(39 611)	101.2 %	46 216	(107 332)	143.1 %
Net cash flows from operating activities	(5 928)	(21 280)	72.1 %	(6 582)	(42 307)	84.4 %
Hurtigruten Norway						
PCNs	137 748	110 624	24.5 %	659 356	281 084	134.6 %
Gross ticket yield (EUR)	312	258	21%	329	256	29%
Occupancy rate	57.1 %	42.7 %	14 p.p.	65.2 %	48.6 %	17 p.p.
Hurtigruten Expeditions						
PCNs	117 564	48 188	144.0 %	409 868	59 372	590.3 %
Gross ticket yield (EUR)	607	509	19.2 %	626	508	23.2 %
Occupancy rate	56.6 %	57.0 %	-4 p.p.	58.6 %	58.7 %	-1 p.p.

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Fourth quarter 2022 summary

- Total revenues and other income in the fourth quarter of 2022 were EUR 135.5 million for Hurtigruten Group, 80% higher than the fourth quarter of 2021. Average gross yields for Hurtigruten Norway of EUR 312 and Hurtigruten Expeditions of EUR 607 were 21% higher and 19% higher than fourth quarter 2021 respectively with occupancy for the fourth quarter of 2022 of 57% compared to 41% in fourth quarter 2021. This highlights significant growth potential for the Hurtigruten Group.
- Both Hurtigruten Norway and Hurtigruten Expeditions had an occupancy of 57% during the fourth quarter. Occupancy in HRX was still influenced by the covid testing regimes at embarkation and travel disruptions experienced in the quarter.
- Cash flow from operations was negative EUR 5.9 million, including positive EUR 17.6 million from movement in net working capital.
- Normalized adjusted EBITDA in the fourth quarter of 2022 was positive EUR 0.5 million. The EBITDA was impacted by cruise operating costs which were higher than expected in the fourth quarter, driven by i) passenger cost related to flight disruptions ii) continued high marine gas oil prices and iii) the strong USD vs. the EUR that influenced the cost base in Hurtigruten Expeditions which is mainly dollar based.
- Direct costs were also higher than expected largely due to the higher price of long-haul flights to South America impacting Hurtigruten Expeditions.
- As of 27 February 2023, 1H bookings for Hurtigruten Group are at EUR 254 million which is 30% higher compared to the EUR 196 million same time last year for 1H 2022. For full year 2023 Hurtigruten Group currently has EUR 432 million in pre-booked revenue (excluding the EUR 67 million related to the contract revenue received from the Norwegian Government) which is approx. 60% of the expected revenue related to total pre-booked ticket sales for 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 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 realise 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 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.

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)	4th quarter	4th quarter	%	01.01-31.12	01.01-31.12	%
Total operating revenues and other income	2022	2021	Change	2022	2021	Change
Hurtigruten Norway	58 305	45 700	27.6 %	279 000	145 978	91.1 %
Hurtigruten Expeditions	72 165	24 522	194.3 %	264 031	30 154	775.6 %
Hurtigruten Destinations	3 757	4 810	-21.9 %	30 616	17 547	74.5 %
Group functions, other and eliminations	1 219	368	231.3 %	2 871	29 009	-90.1 %
Total	135 447	75 401	79.6 %	576 518	222 688	158.9 %

Operating profit/(loss) (EBIT)*

Hurtigruten Norway	(24 539)	(23 004)	-6.7%	(24 900)	(78 381)	68.2%
Hurtigruten Expeditions	(27 852)	(30 617)	9.0 %	(75 487)	(133 705)	43.5 %
Hurtigruten Destinations	(1 031)	(8 986)	88.5 %	3 052	3 844	-20.6 %
Group functions, other and eliminations	(5 325)	(3 658)	-45.6 %	(11 215)	11 368	-198.7 %
Total	(58 746)	(66 265)	11.3%	(108 550)	(196 875)	44.9%

EBITDA*

Hurtigruten Norway	(10 349)	(15 529)	33.4%	11 200	(32 912)	134.0%
Hurtigruten Expeditions	(18 674)	(25 035)	25.4%	(52 765)	(106 237)	50.3%
Hurtigruten Destinations	177	(8 139)	102.2 %	7 901	8 041	-1.7 %
Group functions, other and eliminations	(3 773)	(176)	-2044.3 %	(1 529)	26 794	-105.7 %
Total	(32 619)	(48 879)	33.3%	(35 194)	(104 314)	66.3%

EBITDA margin

Hurtigruten Norway	-17.7 %	-34.0 %	16.2 p.p.	4.0 %	-22.5 %	26.6 p.p.
Hurtigruten Expeditions	-25.9 %	-102.1 %	76.2 p.p.	-20.0 %	-352.3 %	332.3 p.p.
Hurtigruten Destinations	4.7 %	-169.2 %	173.9 p.p.	25.8 %	45.8 %	-20.0 p.p.
Group functions, other and eliminations	309.4 %	-47.8 %	357.2 p.p.	-53.3 %	92.4 %	-145.6 p.p.
Total	-24.1%	-64.8%	40.7 p.p.	-6.1%	-46.8%	-.9 p.p.

Normalized adjusted EBITDA

Hurtigruten Norway	3 538	(15 907)	122.2%	40 442	(33 905)	219.3%
Hurtigruten Expeditions	(4 156)	(24 936)	83.3%	(4 309)	(107 385)	96.0%
Hurtigruten Destinations	144	915	-84.3%	7 836	3 276	139.2%
Group functions, other and eliminations	941	317	197.0%	2 247	30 683	-92.7%
Total	466	(39 611)	101.2%	46 216	(107 331)	143.1%

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

Operational review

The Group's activity continued to increase during the fourth quarter of 2022 with the entire Hurtigruten fleet in service for the full quarter. Hurtigruten Norway occupancy increased to 57.1% in the fourth quarter of 2022 compared to 42.7% same period last year in addition to a strong development of gross ticket revenues per PCN, increasing by 21% to 312 EUR from 258 EUR the same period last year. Hurtigruten Expeditions returned all ships back to full service at the start of June 2022 and has been operating in multiple destinations throughout the quarter such as Antarctica, South America the Norwegian coast, and the Galapagos.

Total revenues and other income amounted to EUR 135.5 million in the fourth quarter of 2022 compared EUR 75.4 million in the same period last year, which is an increase of 80%. EBITDA was negative for the quarter along with a negative Operating Cashflow of EUR 5.9 million.

Reported EBITDA was negative EUR 32.6 million in the fourth quarter of 2022 compared to negative EUR 48.9 million in the same period last year, an increase of EUR 16.3 million. The increase in EBITDA compared to the same period last year is driven by resumption of operations in Hurtigruten Expeditions and improved results for both Hurtigruten Norway and Hurtigruten Destinations, partially offset by an increase in both selling, general and administrative (SG&A) expenses and ship operating expenses. Ship operating expenses have increased with the ramp-up of operations, and especially the resumption of sailing in Hurtigruten Expeditions, compared to same period last year when the expedition fleet was mostly in warm layup due to the Covid-19 pandemic. The higher level of SG&A cost is also a reflection of increased activity across the group compared to 2021, resulting in higher personnel expenses and sales & marketing expenses. Normalized adjusted EBITDA increased from negative EUR 39.6 million in the fourth quarter of 2021 to positive EUR 0.5 million in the fourth quarter this year.

Total Passenger Cruise Nights (PCN) for Hurtigruten Norway increased to 137 748 in the fourth quarter of 2022 compared to 110 624 same period last year. The occupancy rate on the available capacity for the seven ships operating in Hurtigruten Norway, was 57.1% in the fourth quarter of 2022 compared to 42.7% same period last year. In June and July 2022, Hurtigruten Norway had a higher occupancy level than the same period pre-Covid in 2019. During the first quarter of 2022, Hurtigruten Norway initiated its environmental ship upgrade program that will cut CO2 emissions by 25% and NOX by as much as 80% for the rebuilt ships. MS Nordnorge (Selective catalytic reduction (SCR)) finished her upgrades in May, Richard With (Hybridization) finished in September and MS Nordkapp finished in November. MS Kong Harald (Hybridization) started her upgrades in August and remains on track. MS Trollfjord has re-entered Hurtigruten Norway as a replacement ship during the ongoing and upcoming upgrades.

Total Passenger Cruise Nights (PCN) for Hurtigruten Expeditions was 117 564 in the fourth quarter of 2022 compared to 48 188 same period last year (4 out of 6 ships in warm layup). The occupancy rate on the available capacity for the ships operating was 56.6 % in the fourth quarter of 2022 compared to 57.0 % in the fourth quarter of 2021. Hurtigruten Expeditions had no yard stays in the last quarter of 2022. From June 2022 the entire Hurtigruten Expeditions fleet was back in service at normal capacity levels.

Hurtigruten Destinations operations in Svalbard ended up with an occupancy on 35% for the fourth quarter of 2022, which is two percentage points behind same period last year. Last year was strongly influenced by the great desire to travel after two years of lockdown and regulations. Radisson hotel and Funken Lodge have been open for business, while Coal Miners' Cabins was leased to Svalbard Folkehøgskole. The fourth quarter has always been challenging on Svalbard, and competitors have therefore decided to close their hotels in the period. The lack of flights and activities in Longyearbyen has a negative impact on tourism, and all our venues have been struggling to deliver according to last year.

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”. 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>	4th quarter 2022	4th quarter 2021	Change	01.01-31.12 2022	01.01-31.12 2021	Change
Operational revenues	43 735	29 192	49.8 %	219 622	74 263	195.7 %
Contractual revenues	14 570	16 509	-11.7 %	59 378	71 715	-17.2 %
Total operating revenues and other income	58 305	45 700	27.6 %	279 000	145 978	91.1 %
EBITDA*	(10 349)	(15 529)	33.4 %	11 200	(32 912)	134.0 %
Excluding net other gains/(losses)	(1 224)	378	-423.9 %	4 789	993	382.2 %
Adjustment for unusual or non- recurring items	12 662	-		34 031	-	-
Normalized adjusted EBITDA	3 538	(15 907)	122.2 %	40 442	(33 905)	219.3 %

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

The calculations 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>	4th quarter 2022	4th quarter 2021	01.01-31.12 2022	01.01-31.12 2021
PCNs	137 748	110 624	659 356	281 084
APCNs ¹⁾	241 324	259 030	1 011 304	578 749
Occupancy rate	57.1%	42.7%	65.2%	48.6%
Gross ticket revenues	42 986	28 488	216 824	71 870
Less:				
Commissions, costs of goods for flights, hotels, transportation and other passenger services	8 546	5 462	35 557	10 572
Food, beverage, shop, excursions	4 629	3 071	22 740	7 205
Net ticket revenues	29 811	19 956	158 526	54 093
Gross ticket revenues per PCN (EUR)	312	258	329	256
Net ticket revenues per PCN (EUR)	216	180	240	192
Gross cruise costs	48 291	44 272	204 120	123 302
Less:				
Commissions, costs of goods for flights, hotels, transportation and other passenger services	8 546	5 462	35 557	10 572
Food, beverage, shop, excursions	4 629	3 071	22 740	7 205
Net cruise costs	35 116	35 739	145 823	105 525
Net cruise costs per APCN (EUR) ²⁾	146	138	144	122
Net cruise costs per APCN excl. fuel costs (EUR) ²⁾	95	53	91	81
Fuel consumption (liter/nautical mile)	77.5	82.3	81.7	83.2
Fuel cost per liter	1.18	1.03	1.15	0.81

1) APCN is calculated based on capacity available for sale in the period including reductions due to Covid-19 restrictions. Covid-19 restrictions vary based on ship specification and sailing destination. Without adjusting for Covid-19 restrictions on occupancy for the period was 57.1 % for Q4 2022, 42.7 % for Q4 2021 and 32.4 % for full year 2021. All covid-restrictions in Hurtigruten Norway were removed in February 2022

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

Hurtigruten Norway started operating under the new State agreement valid from 2021 to 2030 in January 2021 and has a contract to operate seven ships out of eleven ships on the Coastal route. Operational revenue excluding the contractual income from the Norwegian state agreement, increased from EUR 29.2 million to EUR 43.7 million in the fourth quarter compared to last year, as a result of welcoming back more foreign guests and the world opening again after Covid. Occupancy increased to 57.1% in the fourth quarter of 2022 compared to 42.7% same period last year in addition to a strong development of gross ticket revenues per PCN, increasing by 21% to 312 EUR from 258 EUR the same period last year. Contractual income per ship per month decreased to approximately EUR 0.7 million for the fourth quarter

of 2022 compared to approximately EUR 0.8 million in 2021 due to annual index adjustments. Fuel cost per liter increased compared to 2021 due to increase in fuel prices.

EBITDA for the fourth quarter of 2022 amounted to negative EUR 10.3 million compared to negative EUR 15.5 million in the same period last year.

Normalized adjusted EBITDA for the fourth quarter of 2022 increased to EUR 3.5 million from negative EUR 15.9 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>	4th quarter 2022	4th quarter 2021	Change	01.01-31.12 2022	01.01-31.12 2021	Change
Operational revenues	71 315	24 522	190.8 %	256 376	30 154	750.2 %
Other operating income	850	-	0.0 %	7 655	-	0.0 %
Total operating revenues and other income	72 165	24 522	194.3 %	264 031	30 154	775.6 %
EBITDA*	(18 674)	(25 035)	25.4 %	(52 765)	(106 237)	50.3 %
Excluding net other gains/(losses)	(499)	(99)	-402.7 %	6 611	1 148	475.7 %
Adjustment for unusual or non- recurring items	14 019	-		55 067	-	
Normalized adjusted EBITDA	(4 156)	(24 936)	83.3 %	(4 309)	(107 385)	96.0 %

** 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.*

Fourth quarter report 2022

<i>(EUR 1 000 Except for PCNs, APCNs, occupancy rate, fuel consumption and fuel cost per liter)</i>	4th quarter 2022	4th quarter 2021	01.01-31.12 2022	01.01-31.12 2021
PCNs	117 564	48 188	409 868	59 372
APCNs ¹⁾	207 698	84 480	699 359	101 190
Occupancy rate	56.6 %	57.0 %	58.6 %	58.7 %
Gross ticket revenues	71 315	24 522	256 376	30 154
Less:				
Commissions, costs of goods for flights, hotels, transportation and other passenger services	15 824	3 102	46 807	3 382
Food, beverage, shop, excursions	5 955	1 873	21 285	4 718
Net ticket revenues	49 536	19 547	188 285	22 054
Gross ticket revenues per PCN (EUR)	607	509	626	508
Net ticket revenues per PCN (EUR)	421	406	459	371
Gross cruise costs	64 373	27 479	231 227	68 120
Less:				
Commissions, costs of goods for flights, hotels, transportation and other passenger services	15 824	3 102	46 807	3 382
Food, beverage, shop, excursions	5 955	1 873	21 285	4 718
Net cruise costs	42 593	22 505	163 136	60 020
Net cruise costs per APCN (EUR) ²⁾	205	172	216	381
Net cruise costs per APCN excl. fuel costs (EUR) ²⁾	149	137	163	328
Fuel consumption (liter/nautical mile) ³⁾	101.6	97.4	103.7	131.6
Fuel cost per liter	1.22	0.78	1.14	0.91

1) APCN is calculated based on capacity available for sale in the period including reductions due to Covid-19 restrictions. Covid-19 restrictions vary based on ship specification and sailing destination. Without adjusting for Covid-19 restrictions on occupancy for the period was 56.6 % for Q4 2022, 36.8 % for Q4 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 (litre/nautical mile) for the fourth quarter of 2022 of 101.6 is based on 6 ships (Not including MS Santa Cruz II). Fuel consumption from the full year of 2021 is higher as the warm lay-up of ships is reflected throughout these time periods.

Hurtigruten Expeditions fleet returned to full operations in June 2022. During the fourth quarter of the year MS Otto Sverdrup and MS Maud continued sailing on the Norwegian Coast. MS Santa Cruz II continued her voyages in the Galapagos. MS Fram, MS Fridtjof Nansen and MS Roald Amundsen all returned to Antarctica in the middle of October. 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 has been in warm lay-up from the middle of October.

There were no yard stays in the quarter. For the first quarter of 2023 Hurtigruten Expeditions have planned yard stay for MS Maud and MS Otto Sverdrup starting in March.

Operational revenues increased from EUR 24.5 million in the fourth quarter of 2021 to EUR 71.3 million in the fourth quarter of 2022. EBITDA for the fourth quarter of 2022 amounted to negative EUR 18.7 million compared to negative EUR 25.0 million in the same period last year.

Hurtigruten Expeditions continued to show strong yield development with a gross ticket revenue per PCN in the fourth quarter of 2022 at EUR 607 compared to EUR 509 same period last year. Occupancy for the fourth quarter was 56.6 %

compared to 57.0 % 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 27.5 million in the fourth quarter of 2021 to EUR 64.4 million in the fourth quarter of 2022. The increase in cost compared to same period last year is a result of increased activity in 2022 with a 142 % increase in number of passenger cruise nights. In addition, MS

Santa Cruz II was added to the fleet in the start of 2022.

Normalized adjusted EBITDA amounted to negative EUR 4.2 million in the fourth quarter of 2022 compared to negative EUR 24.9 million in the same quarter last year.

Normalization items for the fourth quarter mainly relate to Covid-19 caused cancellations, gains on fuel derivatives, one-off marketing projects and costs related to the grounding of MS Nansen.

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>	4th quarter 2022	4th quarter 2021	Change	01.01-31.12 2022	01.01-31.12 2021	Change
Operational revenues	3 757	4 810	-21.9 %	30 606	16 539	85.1 %
Other operating income	-	-	0.0 %	9	1 008	-99.1 %
Total operating revenues and other income	3 757	4 810	-21.9 %	30 616	17 547	74.5 %
EBITDA *	177	(8 139)	102.2 %	7 901	8 041	-1.7 %
Excluding net other gains/(losses)	33	(9 054)	100.4 %	65	4 765	-98.6 %
Normalized adjusted EBITDA	144	915	-84.3 %	7 836	3 276	139.2 %

* 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.

	4th quarter 2022	4th quarter 2021	01.01-31.12 2022	01.01-31.12 2021
Room night	6 190	7 380	47 853	22 759
Available room night	17 772	19 872	82 491	76 922
Occupancy rate	34.8 %	37.1 %	58.0 %	29.6 %
Average room rate (EUR)	157	147	220	169
Revenue per available room (EUR)	55	55	128	50
Revenue rooms (EUR 1 000)	973	1 088	10 534	3 854
Guest night	9 012	10 872	76 635	35 632
Available guest night	35 544	39 744	165 848	153 844
Occupancy rate	25.4 %	27.4 %	46.2 %	23.2 %

Total operating revenues and other income in Hurtigruten Destinations decreased from EUR 4.8 million in the fourth quarter of 2021 to EUR 3.7 million in the fourth quarter of 2022, which corresponds to a decrease of 22%. Covid-19 compensation had a positive impact on EUR 0.6 million in revenues for 2021. Remaining difference on EUR 0.5 million comes as a result of lower occupancy in our hotels in 2022. Q4 2021 was characterized by a great desire to travel after many months of regulations.

EUR 2.1 million of the total revenue in fourth quarter 2022 are deriving from hotel and food & beverage operations, which is the largest revenue contributor for Hurtigruten Destinations. High occupancy in the hotels for the quarter is also creating ripple effects on the rest of the business.

Occupancy for all hotels came in at 35% in the fourth quarter of 2022, which is a decrease of 2 percent points from the fourth quarter of 2021. Historically Q4 has always been challenging on Svalbard, many

competitors choose to close their hotels in the period from October-January and reopen in February. Hurtigruten Svalbard have done this in the past, but after the refurbishment of the hotels we have chosen to keep Radisson hotel and Funken Lodge open all year (CMC seasonally closed). Revenues from activities amounted to EUR 0.5 million, retail revenue amounted to EUR 0.6 million and other revenue amounted to EUR 0.5 million.

In the second quarter of 2021 Hurtigruten Group closed the sale of real-estate portfolio on Svalbard to Store Norske, and at the same time it entered into long-term lease agreements for the real-estate portfolio. This also had a positive impact on the EBITDA in 2021 and resulted in net other gains on EUR 4.8 million.

Hurtigruten Destinations activity in Kirkenes, which is operated by Radius Kirkenes, was closed during the fourth quarter of 2021 and 2022 due to lack of guests from the Asian markets.

Group Functions, Other and Eliminations

<i>(EUR 1 000)</i>	4th quarter 2022	4th quarter 2021	Change	01.01-31.12 2022	01.01-31.12 2021	Change
Operational revenues	1 219	368	231.3 %	1 925	1 162	65.7 %
Other operating income	-	-	0.0 %	946	27 848	-96.6 %
Total operating revenues and other income	1 219	368	231.3 %	2 871	29 009	-90.1 %
EBITDA*	(3 773)	(176)	-2044.3 %	(1 529)	26 794	-105.7 %
Excluding net other gains/(losses)	(4 714)	(493)	-856.8 %	(3 776)	(3 889)	2.9 %
Normalized adjusted EBITDA	941	317	197.0 %	2 247	30 683	-92.7 %

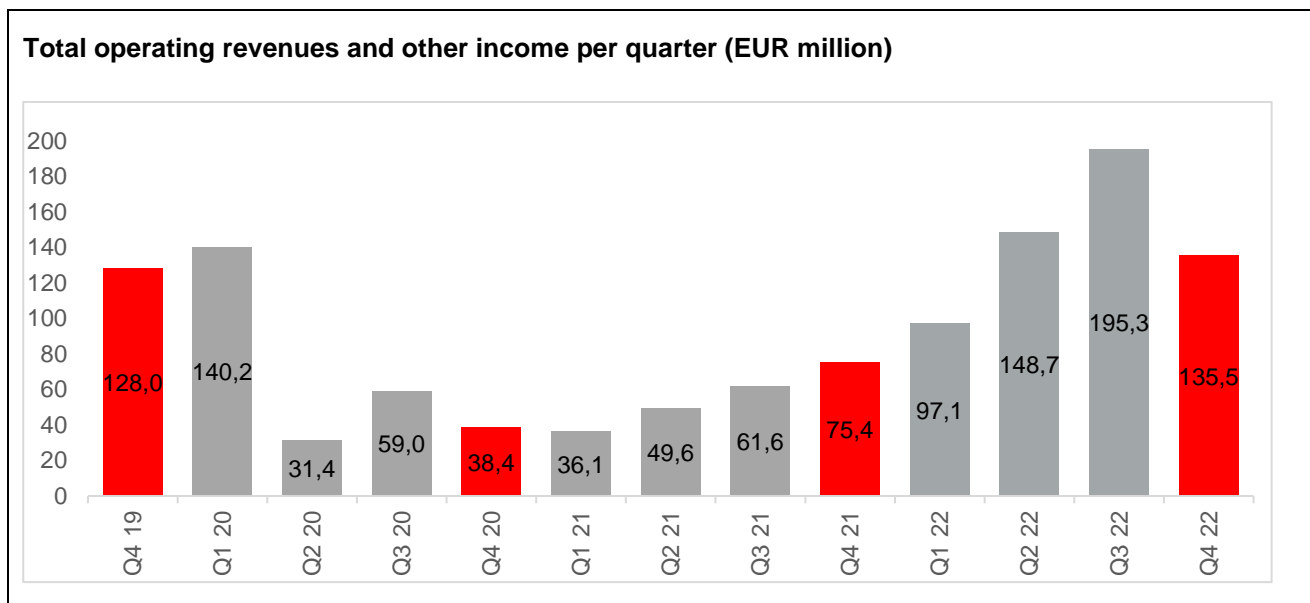
* Comparable figures have been restated to reflect the reallocation of SG&A costs from group functions, other and eliminations to the segments Hurtigruten Norway, Hurtigruten Expeditions and Hurtigruten Destinations.

Total operating revenues and other income for the fourth quarter 2022 amount to EUR 1.2 million compared to EUR 0.4 million in the same period last year. EBITDA for the fourth quarter of 2022 amounts to negative EUR 3.8 million compared to EBITDA of

negative EUR 0.2 million in the same period last year. The change is related to increased activity across the group compared to 2021.

Financial review

Profit and loss



Total revenues increased by 79.6% in the fourth quarter of 2022 compared to the same period last year, from EUR 75.4 million to EUR 135.5 million. The higher revenues are coming from the full fleet in both Hurtigruten Norway and Hurtigruten Expeditions being operational in the fourth quarter of 2022, while four ships in Hurtigruten Expeditions sailed in the fourth quarter of 2021.

Direct cost of goods and services increased from EUR 15.2 million in the fourth quarter of 2021 to EUR 36.2 million in the fourth quarter of 2022, which is explained by the return to normal operations in 2022. Total salaries and personnel costs were EUR 47.7 million in the quarter, an increase of 25.5% compared to the fourth quarter of 2021.

Specification of other operating costs

<i>(EUR 1 000)</i>	4th quarter 2022	4th quarter 2021	%	01.01-31.12 2022	01.01-31.12 2021	%
			change			change
Operating costs (ex fuel)	(28 902)	(19 026)	51.9 %	(118 661)	(58 452)	103.0 %
Fuel costs	(23 925)	(17 463)	37.0 %	(93 530)	(43 416)	115.4 %
Sales and administrative costs	(24 943)	(25 329)	-1.5 %	(93 488)	(79 165)	18.1 %
Total	(77 770)	(61 819)	25.8 %	(305 679)	(181 033)	68.9 %

Other operating costs increased by 25.8% compared to the same period last year, from EUR 61.8 million in the fourth quarter of 2021 to EUR 77.8 million in the fourth quarter of 2022, which were mainly due to the ramp-up in operations.

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

Fuel costs in the quarter increased by 37% to EUR 23.9 million, compared to EUR 17.5 million in the same quarter last year. The increase is explained by more ships in operation and higher fuel prices.

Sales and administrative costs decreased by 1.5% to EUR 24.9 million in the fourth quarter compared to the same period last year.

Fourth quarter 2022 depreciation, amortization and impairment were EUR 26.1 million, compared to EUR 17.4 million same quarter last year. The increase is mainly related to the hybridization upgrades in the Hurtigruten Norway fleet as well as periodic dockings for several vessels in the fleet. An impairment loss related to intangible assets of EUR 0.7 million was recognized in the quarter.

Net other loss was EUR 6.4 million in the fourth quarter of 2022, compared to a loss of EUR 9.3 million in the same period in 2021. The loss in the fourth quarter of 2022 is largely related to a settlement of a legal dispute regarding LNG supply.

Fourth quarter operating loss was negative EUR 58.8 million, compared to an operating loss of EUR 66.3 million in the same period last year.

Net financial loss was EUR 32.3 million in the fourth quarter of 2022 compared to a loss of EUR 21.8 million in the fourth quarter 2021. Interest costs in the

fourth quarter of 2022 increased due to higher interest-bearing liabilities from an increase in the Term Loan C of EUR 25 million, the placement of EUR 50 million new senior unsecured green bond in February 2022 and the EUR 95 million new fully committed subordinated shareholder loan facility that was fully drawn during the fourth quarter of 2022.

The net loss for the fourth quarter was EUR 82.7 million compared to a loss of EUR 91.3 million in 2021.

Financial position and liquidity

Cash flow

Net cash outflow from operating activities in the fourth quarter of 2022 was EUR 5.9 million compared to an outflow of EUR 21.3 million in the same quarter last year. The reduction in outflow is explained by an improved EBITDA in 2022 compared to 2021.

Net cash outflow from investing activities was EUR 18.0 million in the fourth quarter of 2022 compared to an outflow of EUR 36.1 million in the same period last year. The outflow in the fourth quarter of 2022 is coming from higher capital expenditures from the ongoing environmental ship upgrades in the Hurtigruten Norway fleet. The outflow last year was mainly related to the investment in the associated company Empresa Turistica Internacional C.A.

Net cash inflow from financing activities in the fourth quarter of 2022 was EUR 26.8 million compared to an inflow of EUR 42.0 million in the same quarter last year. The net inflow in the quarter is mainly coming from the new subordinated shareholder loan of EUR 40 million.

Net increase in cash and cash equivalents in the fourth quarter was EUR 2.8 million, compared to a decrease of EUR 15.4 million in the fourth quarter of 2021.

Cash and cash equivalents totaled EUR 30.0 million on 31 December 2022, compared to EUR 57.1 million on 31 December 2021. Available cash and cash equivalents, excluding restricted cash, totaled EUR 27.2 million on 31 December 2022 compared to EUR 48.2 million on 31 December 2021.

Balance sheet

Total assets amounted to EUR 1 372.0 million as of 31 December 2022, which is an increase of EUR 18.1 million from year-end 2021.

Non-current assets increased by EUR 11.2 million over the year, from EUR 1 224.4 million to EUR 1 235.7 million. The change is mainly due to an increase in property, plant and equipment from the environmental vessel upgrades in Hurtigruten Norway, partially offset by a decrease in right of use assets and settlement of related party receivables.

Current assets amounted to EUR 136.4 million, an increase of EUR 6.9 million compared to 31 December 2021. This is mainly due to an increase in other current receivables, partially offset by decreased cash and cash equivalents.

The reported equity at the end of December 2022 was negative EUR 561.9 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 1 404.1 million on 31 December 2022, a decrease of EUR 48.7 million from EUR 1 452.8 million at year-end 2021. The decrease is mainly due to the reclassification of the Term Loans C and D to current borrowings. This is partially offset by the placement of new senior unsecured green bonds for EUR 50 million in February 2022 and the new subordinated shareholder loan of EUR 95 million, of which EUR 55 million shareholder funding was secured in the third quarter 2022 and further increased by EUR 40 million in the fourth quarter of 2022.

Current liabilities, excluding borrowings, were EUR 315.7 million at the end of the fourth quarter. The increase of EUR 87.6 million since year-end 2021 is mainly driven by increased trade payables and other current liabilities.

Going concern

As of 31 December 2022, the carrying value of the equity in the Group was negative EUR 561.9 million. The Covid-19 pandemic's effect on travel restrictions and demand for travel has led to a significantly lower profitability since the second quarter of 2020.

The Board of Directors acknowledges 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 is significantly higher than the reported equity. The underlying values are further supported by the booking development for 2023.

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

As of 31 December 2022, Hurtigruten Group had an available free liquidity position of EUR 27.2 million. In the fourth quarter, shareholder funding was increased by a further EUR 40 million. The

shareholder loans will be utilized for financing the ongoing environmental upgrade projects in the Hurtigruten Norway fleet and working capital to support further growth for Hurtigruten Group.

On 21 February 2023, the Group announced a refinancing and capitalization transaction which includes i) refinancing of the EUR 176.5 million June 23 maturities, ii) extension of the loans which matures in 2025 and 2024 with 2 years, and iii) additional shareholder funding of EUR 80 million in addition to the EUR 15 million of shareholder funding provided in January 2023. This transaction will give the Company a solid financial position to further develop and demonstrate the support it has from its ultimate shareholders.

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 based on the current information.

Outlook

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

As of 27 February 2023, 1H bookings for Hurtigruten Group are at EUR 254 million which is 30% higher compared to the EUR 196 million same time last year for 1H 2022. For full year 2023 Hurtigruten Group currently has EUR 432 million in pre-booked revenue (excluding the EUR 67 million related to the contract revenue received from the Norwegian Government) which is approx. 60% of the expected revenue related to total pre-booked ticket sales for 2023.

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.

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 2021 gives a fair description of principal risks and uncertainties that may affect Hurtigruten Group, and the company is not aware of any significant new risks or uncertainties or significant changes to those risks or uncertainties, except for those described below.

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

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

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

High inflation, and thereby falling levels of real income could reduce the demand for cruises and adventure travel. A broad and sustained downturn in demand, combined with interest rate hikes by central banks, could lead to a recession in the global economy. Despite the potential impact on global demand, there are indications that Hurtigruten Group's customer base may be less adversely affected by a recession than other segments of the population.

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

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.

On 21 February 2023 the Group announced a refinancing and capitalization transaction which includes i) refinancing of the EUR 176.5 million June 23 maturities ii) extension of the loans which matures in 2025 and 2024 with 2 years and iii) additional shareholder funding of EUR 80 million in addition to the EUR 15 million of shareholder funding provided in January 2023. This transaction will give the Company a solid financial position in order to further develop the Company.

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.

Interim financial statements

Condensed consolidated income statement

Unaudited

<i>(EUR 1 000)</i>	<i>Note</i>	4th quarter 2022	4th quarter 2021	01.01-31.12 2022	01.01-31.12 2021
Operating revenues		120 027	58 892	508 530	122 117
Contractual revenues		14 570	16 509	59 378	71 715
Other operating income		850	-	8 610	28 856
Total operating revenues and other income		135 447	75 401	576 518	222 688
Direct cost of goods and services		(36 227)	(15 229)	(136 919)	(31 153)
Salaries and personnel costs		(47 664)	(37 965)	(176 801)	(117 834)
Depreciation, amortisation and impairment		(26 127)	(17 386)	(73 357)	(92 561)
Other operating costs		(77 770)	(61 819)	(305 679)	(181 033)
Net other gains/(losses)		(6 404)	(9 268)	7 689	3 018
Operating profit/(loss) EBIT		(58 746)	(66 265)	(108 550)	(196 875)
Operating profit/(loss) before depreciation, amortisation and impairment losses (EBITDA)		(32 619)	(48 879)	(35 194)	(104 314)
Financial income		296	1 044	1 696	2 566
Financial expenses		(33 984)	(23 039)	(113 766)	(80 976)
Net foreign exchange gains/(losses)		1 429	244	152	1 306
Net financial items	5	(32 259)	(21 752)	(111 918)	(77 105)
Share of net income from associated companies		323	6	650	39
Profit / (loss) before taxes		(90 682)	(88 011)	(219 819)	(273 941)
Income taxes		8 003	(3 305)	10 407	(8 254)
Net income		(82 678)	(91 316)	(209 412)	(282 195)
Net income attributable to:					
Owners of the parent		(82 721)	(91 314)	(209 414)	(282 211)
Non-controlling interests		43	(3)	2	16

Condensed consolidated statement of comprehensive income

Unaudited

<i>(EUR 1 000)</i>	4th quarter 2022	4th quarter 2021	01.01-31.12 2022	01.01-31.12 2021
Net income	(82 678)	(91 316)	(209 412)	(282 195)
Other comprehensive income, net of tax:				
Items that will not be reclassified to profit or loss in subsequent periods:				
Actuarial gain/loss on defined benefit obligations	351	341	351	341
Sum	351	341	351	341
Items that may be reclassified to profit or loss in subsequent periods:				
Currency translation differences	2 564	(1 250)	(844)	(685)
Sum	2 564	(1 250)	(844)	(685)
Total other comprehensive income, net of tax	2 915	(908)	(493)	(344)
Total comprehensive income	(79 764)	(92 224)	(209 905)	(282 539)
Total comprehensive income attributable to				
Owners of the parent	(79 807)	(92 222)	(209 906)	(282 555)
Non-controlling interests	43	(3)	2	16

Condensed consolidated statement of financial position

Unaudited

<i>(EUR 1 000)</i>	<i>Note</i>	31.12 2022	31.12 2021
Property, plant and equipment		900 462	871 475
Right-of-use assets		43 966	45 589
Intangible assets		264 439	265 304
Investments in associates		21 715	21 116
Deferred income tax assets		817	2 163
Investments in other companies		2 539	2 526
Other non-current financial assets		1 728	16 259
Total non-current assets		1 235 665	1 224 432
Inventories		18 189	19 169
Trade receivables		19 995	23 922
Other current receivables		65 440	29 303
Current derivative financial instruments		2 773	1
Cash and cash equivalents		29 958	57 115
Total current assets		136 355	129 510
Total assets		1 372 020	1 353 942
Paid-in capital		185 205	185 205
Other equity		(747 097)	(537 190)
Total equity attribute to owners of Hurtigruten Group AS		(561 892)	(351 985)
Non-controlling interests		30	28
Total equity		(561 861)	(351 957)
Non-current interest-bearing liabilities	4	1 374 028	1 394 061
Deposits from customers, non-current		28 073	44 060
Deferred income tax liabilities		21	12 369
Retirement benefit obligations		1 827	2 164
Provisions for other liabilities and charges		91	-
Other non-current liabilities		49	135
Total non-current liabilities		1 404 088	1 452 790
Trade payables	6	61 104	23 496
Other current liabilities	6	119 394	82 454
Deposits from customers, current		130 793	117 286
Current income tax liabilities		428	1 444
Current interest-bearing liabilities	4	214 062	24 981
Current derivative financial debt instruments		-	2
Provision for other liabilities and charges		4 012	3 446
Total current liabilities		529 793	253 109
Total equity and liabilities		1 372 020	1 353 942

Condensed consolidated statement of changes in equity

Unaudited

	01.01-31.12.2022				
	Attributable to shareholders of Hurtigruten Group AS				
<i>(EUR 1 000)</i>	Paid-in capital	Other equity	Total	Non- controlling interests	Total Equity
Equity at beginning of the period	185 205	(537 190)	(351 985)	28	(351 957)
Net income	-	(209 414)	(209 414)	2	(209 412)
Other comprehensive income	-	(493)	(493)	-	(493)
Total comprehensive income	-	(209 906)	(209 906)	2	(209 905)
Equity at the end of the period	185 205	(747 097)	(561 892)	30	(561 861)

	01.01-31.12.2021				
	Attributable to shareholders of Hurtigruten Group AS				
<i>(EUR 1 000)</i>	Paid-in capital	Other equity	Total	Non- controlling interests	Total Equity
Equity at beginning of the period	185 200	(285 935)	(100 734)	(1 438)	(102 172)
Net income	-	(282 211)	(282 211)	16	(282 195)
Other comprehensive income	-	(344)	(344)	-	(344)
Total comprehensive income	-	(282 554)	(282 554)	16	(282 538)
Capital increase parent company	5	-	5	-	5
Group contribution related parties	-	(27)	(27)	-	(27)
Effect of business combination under common control, predecessor accounting	-	32 763	32 763	-	32 763
Transactions with non-controlling interests	-	(1 438)	(1 438)	1 450	13
Equity at the end of the period	185 205	(537 190)	(351 985)	28	(351 957)

Condensed consolidated statement of cash flows

Unaudited

<i>(EUR 1 000)</i>	4th quarter 2022	4th quarter 2021	01.01-31.12 2022	01.01-31.12 2021
Cash flow from operating activities				
Profit/(loss) before taxes	(90 682)	(88 011)	(219 819)	(273 940)
Adjustments for:				
Depreciation, amortisation and impairment losses	26 128	17 386	73 357	92 561
Other gains / losses (net)	5 296	9 073	5 268	(4 556)
Foreign exchange gains/losses	(3 248)	(615)	(2 686)	3 076
Net gains/(losses) derivatives	6 147	(1 505)	(2 774)	(4 564)
Net interest expenses	33 701	22 178	112 083	78 429
Share of net income from associated companies	(323)	(6)	(650)	(39)
Fair value adjustments on financial investments	-	(8)	-	-
Difference between expensed pensions and payments	(570)	(597)	(623)	(631)
<i>Change in working capital:</i>				
Inventories	(508)	(2 623)	813	(5 391)
Trade and other receivables	(1 931)	1 479	(14 158)	(7 124)
Trade and other payables	35 100	6 677	55 829	19 154
Change in prepaid travels	(7 738)	15 827	(6 870)	69 175
Change related to travel bonds	(7 295)	(2 419)	(4 925)	(8 464)
Settlement of financial instruments	-	2 034	-	-
Income tax paid	(4)	(152)	(1 427)	7
Net cash flow from operating activities	(5 928)	(21 280)	(6 583)	(42 307)
Cash flow from investing activities				
Purchase and prepayment of property, plant, equipment	(17 499)	(10 459)	(86 653)	(32 292)
Purchase of intangible assets	(571)	(4 410)	(6 807)	(7 272)
Proceeds from sale of fixed assets	79	(658)	114	56 902
Proceeds from sale of shares/(purchase of shares)	-	(20 570)	(0)	(20 570)
Net cash flow from investing activities	(17 991)	(36 097)	(93 346)	(3 233)
Cash flow from financing activities				
Proceeds from borrowings	-	50	75 000	46 550
Repayment of borrowings	(3 545)	(4 740)	(14 258)	(25 758)
Payment of lease liabilities	(1 756)	(1 606)	(9 711)	(6 073)
Transactions with non controlling entities	-	13	-	13
Paid interest and transaction costs	(7 939)	(6 755)	(68 917)	(60 915)
Borrowings from other group companies	40 000	55 000	95 000	75 000
Net cash flow from financing activities	26 760	41 962	77 114	28 816
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	2 840	(15 415)	(22 814)	(16 724)
Cash and cash equivalents at the beginning of period	28 211	72 928	57 115	72 037
Foreign exchange gains/(losses) on cash, cash equivalents and bank overdrafts	(1 093)	(398)	(4 344)	1 802
Cash and cash equivalents at end of period	29 958	57 115	29 957	57 115
Of which restricted cash	2 785	8 905	2 785	8 905

Notes to the interim consolidated financial statements

Note 1 General accounting principles

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

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

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

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

Note 2 Contingencies

The Group has entered into a settlement agreement with one LNG supplier. The agreed settlement fee is recognized as part of Other gains/(losses) in the Q4 2022 report. There are no other 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	
	4th quarter 2022	4th quarter 2021	4th quarter 2022	4th quarter 2021	4th quarter 2022	4th quarter 2021
Operating revenues	43 735	29 192	71 315	24 522	3 757	4 810
Contractual revenues	14 570	16 509	-	-	-	-
Other operating income	-	-	850	-	-	-
Total operating revenues and other income	58 305	45 700	72 165	24 522	3 757	4 810
Direct cost of goods and services	(13 175)	(8 532)	(21 848)	(4 975)	(1 090)	(1 299)
Salaries and personnel costs*	(21 127)	(18 944)	(24 548)	(17 198)	(1 989)	(1 823)
Other operating costs*	(33 127)	(34 131)	(43 944)	(27 285)	(535)	(773)
Net other gains/(losses)	(1 224)	378	(499)	(99)	33	(9 054)
EBITDA	(10 349)	(15 529)	(18 674)	(25 035)	177	(8 139)
Depreciation, amortisation and impairment	(14 190)	(7 475)	(9 177)	(5 582)	(1 208)	(847)
Operating profit/(loss) (EBIT)	(24 539)	(23 004)	(27 852)	(30 617)	(1 031)	(8 986)

(EUR 1 000)	Group functions, other and eliminations		Hurtigruten Group	
	4th quarter 2022	4th quarter 2021	4th quarter 2022	4th quarter 2021
Operating revenues	1 219	368	120 027	58 892
Contractual revenues	-	-	14 570	16 509
Other operating income	-	-	850	-
Total operating revenues and other income	1 219	368	135 447	75 401
Direct cost of goods and services	(115)	(422)	(36 227)	(15 229)
Salaries and personnel costs*	(0)	(1)	(47 664)	(37 965)
Other operating costs*	(164)	372	(77 770)	(61 818)
Net other gains/(losses)	(4 714)	(493)	(6 404)	(9 268)
EBITDA	(3 773)	(176)	(32 619)	(48 879)
Depreciation, amortisation and impairment	(1 552)	(3 482)	(26 127)	(17 386)
Operating profit/(loss) (EBIT)	(5 325)	(3 658)	(58 746)	(66 265)

* 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.

Fourth quarter report 2022

(EUR 1 000)	Hurtigruten Norway		Hurtigruten Expeditions		Hurtigruten Destinations	
	01.01-31.12	01.01-31.12	01.01-31.12	01.01-31.12	01.01-31.12	01.01-31.12
	2022	2021	2022	2021	2022	2021
Operating revenues	219 622	74 263	256 376	30 154	30 606	16 539
Contractual revenues	59 378	71 715	-	-	-	-
Other operating income	-	-	7 655	-	9	1 008
Total operating revenues and other income	279 000	145 978	264 031	30 154	30 616	17 547
Direct cost of goods and services	(58 298)	(17 777)	(68 238)	(8 100)	(9 919)	(4 830)
Salaries and personnel costs*	(84 082)	(62 589)	(83 965)	(48 806)	(8 755)	(6 432)
Other operating costs*	(130 209)	(99 516)	(171 205)	(80 633)	(4 105)	(3 009)
Net other gains/(losses)	4 789	993	6 611	1 148	65	4 765
EBITDA	11 200	(32 912)	(52 765)	(106 237)	7 901	8 041
Depreciation, amortisation and impairment	(36 100)	(45 470)	(22 722)	(27 468)	(4 849)	(4 197)
Operating profit/(loss) (EBIT)	(24 900)	(78 381)	(75 487)	(133 705)	3 052	3 844

(EUR 1 000)	Group functions, other and eliminations		Hurtigruten Group	
	01.01-31.12	01.01-31.12	01.01-31.12	01.01-31.12
	2022	2021	2022	2021
Operating revenues	1 925	1 162	508 530	122 117
Contractual revenues	-	-	59 378	71 715
Other operating income	946	27 848	8 610	28 856
Total operating revenues and other income	2 871	29 009	576 518	222 688
Direct cost of goods and services	(464)	(445)	(136 919)	(31 152)
Salaries and personnel costs*	(0)	(7)	(176 801)	(117 834)
Other operating costs*	(159)	2 126	(305 679)	(181 033)
Net other gains/(losses)	(3 776)	(3 889)	7 689	3 018
EBITDA	(1 529)	26 794	(35 194)	(104 314)
Depreciation, amortisation and impairment	(9 686)	(15 426)	(73 357)	(92 561)
Operating profit/(loss) (EBIT)	(11 215)	11 368	(108 550)	(196 875)

* 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

	31.12	31.12
<i>(EUR 1 000)</i>	2022	2021
<i>Secured</i>		
Bond	282 768	296 696
Term loans and financial lease vessels	718 813	869 758
Revolving credit facilities	84 642	84 311
<i>Unsecured</i>		
Bond	48 482	-
Lease liabilities ¹⁾	58 797	63 240
Other interest-bearing liabilities	180 527	80 056
Total non-current interest-bearing liabilities	1 374 028	1 394 061
<i>Secured</i>		
Bond	15 000	-
Term loans and financial lease vessels	182 330	7 537
<i>Unsecured</i>		
Lease liabilities ¹⁾	11 992	10 822
Other interest-bearing liabilities	4 740	6 622
Total current interest-bearing liabilities	214 062	24 981

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

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

Maturity profile

The below maturity schedule reflects the borrowings at nominal values.

	31.12	31.12
<i>(EUR 1 000)</i>	2022	2021
Less than one year	216 477	25 349
Year 2 and 3	1 111 026	321 694
Year 4 and 5	30 417	941 576
More than 5 years	113 404	131 222
Total interest-bearing liabilities	1 471 324	1 419 842

Note 5 Net financial items

<i>(EUR 1 000)</i>	4th quarter 2022	4th quarter 2021	01.01-31.12 2022	01.01-31.12 2021
Interest income	153	388	1 505	661
Other financial income	143	656	191	1 904
Financial income	296	1 044	1 696	2 566
Interest expenses ¹⁾	(29 295)	(18 634)	(99 194)	(68 930)
Other finance expenses	(4 689)	(4 406)	(14 572)	(12 046)
Financial expenses	(33 984)	(23 039)	(113 766)	(80 976)
Net foreign exchange gains/(losses)	1 429	244	152	1 306
Net financial items	(32 259)	(21 752)	(111 918)	(77 105)
¹⁾ Of which Payment-in-Kind interest	(9 265)	(5 727)	(27 366)	(12 075)

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>	31.12 2022	31.12 2021
Trade payables	61 086	23 493
Trade payables related parties	19	3
Total trade payables	61 104	23 496
Public duties payable	6 156	5 185
Other current liabilities	29 558	19 286
Accrued expenses	42 736	22 348
Accrued interest	40 944	24 682
Deferred revenue ¹⁾		10 953
Total other current liabilities	119 394	82 454

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

Note 7 Events after the reporting period

On 21 February 2023 the Group announced a refinancing and capitalization transaction which includes i) refinancing of the EUR 176.5 million June 23 maturities, ii) extension of the loans which matures in 2025 and 2024 with 2 years and iii) additional shareholder funding of EUR 80 million in addition to the EUR 15 million of shareholder funding provided in January 2023. This transaction will give the Group a solid financial position in order to further develop the Company.

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>	4th quarter 2022	4th quarter 2021	01.01-31.12 2022	01.01-31.12 2021
Operating profit/(loss)	(58 746)	(66 265)	(108 550)	(196 875)
Excluding Depreciation, amortisation and impairment	26 127	17 386	73 357	92 561
EBITDA	(32 619)	(48 879)	(35 194)	(104 314)
Excluding Net other gains/(losses)	6 404	9 268	(7 689)	(3 018)
EBITDA excluding net other gains /(losses)	(26 215)	(39 611)	(42 882)	(107 332)
Adjustment for unusual or non-recurring items	26 681	-	89 098	-
Normalized adjusted EBITDA	466	(39 611)	46 216	(107 332)

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.