



Hurtigruten Group AS

Second Quarter and First Half report

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Key figures Hurtigruten Group

<i>(EUR 1 000)</i>	2nd quarter 2023	2nd quarter 2022	% Change	01.01-30.06 2023	01.01-30.06 2022	% Change	Full year 2022
Operational revenues	139 569	131 119	6.4 %	285 651	208 338	37.1 %	508 530
Contractual revenues	15 259	15 439	-1.2 %	31 001	29 664	4.5 %	59 378
Other operating income	-	2 141	-100.0 %	-	7 751	-100.0 %	8 610
Total operating revenues and other income	154 828	148 699	4.1 %	316 652	245 753	28.8 %	576 518
EBITDA	892	602	48.2 %	4 142	(20 993)	119.7 %	(35 194)
Excluding net other gains/(losses)	(2 263)	10 480	-121.6 %	(2 341)	16 097	-114.5 %	7 689
EBITDA excl Other gains/(losses)	3 154	(9 879)	131.9 %	6 483	(37 091)	117.5 %	(42 882)
Adjustment for unusual or non- recurring items	3 747	29 360	-87.2 %	17 865	47 077	-62.1 %	89 098
Normalized adjusted EBITDA	6 901	19 481	-64.6 %	24 349	9 986	143.8 %	46 216
Net cash flows from operating activities	9 323	39 858	-76.6 %	12 891	6 166	109.1 %	(10 068)
Hurtigruten Norway							
PCNs ¹⁾	182 634	178 823	2.1 %	335 110	283 040	18.4 %	609 151
Gross ticket yield (EUR)	383	365	5%	362	340	7%	356
Occupancy rate	70.1 %	69.4 %	1 p.p.	66.5 %	56.6 %	10 p.p.	60.2 %
Hurtigruten Expeditions							
PCNs ¹⁾	98 096	89 273	9.9 %	226 565	157 688	43.7 %	417 414
Gross ticket yield (EUR)	589	627	-6.0 %	637	582	9.4 %	615
Occupancy rate	51.8 %	59.0 %	-7.2 p.p.	60.4 %	59.7 %	.7 p.p.	59.7 %

1) As of April 2023, a new definition for PCN is being used resulting in historical values being restated. This change will impact all values using PCN in its calculation.

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Second quarter 2023 summary

- Hurtigruten Group had total revenues in the second quarter of 2023 of EUR 154.8 million, 4.1% higher than the second quarter of 2022. The second quarter revenue for 2023 was in line with the second quarter 2019. (Last quarter before the pandemic)
- Hurtigruten Group normalized adjusted EBITDA was EUR 6.9 million compared to EUR 19.5 million in the same quarter last year. This decrease reflects the significantly higher normalisations in the second quarter 2022 due to cancellations and costs related to Covid-19. The underlying performance is better indicated by an EBITDA in the second quarter of 2023 of EUR 0.9 million compared to EUR 0.6 million in the same quarter last year. This increased EBITDA is driven by improved financial performance for Hurtigruten Norway, lower ship operating expenses and lower selling, goods and administrative (SG&A) expenses, offset by an increase in direct costs attributable to inflation.
- Hurtigruten Expeditions had total revenues in the second quarter of 2023 EUR 57.8 million, 0.6% lower than the second quarter of 2022 with a normalized adjusted EBITDA of negative EUR 16.8 million compared to negative EUR 0.1 million in the same quarter last year.
- Hurtigruten Expeditions had a gross ticket revenue per PCN of EUR 589, 6.0% lower than second quarter of 2022 and occupancy for the second quarter of 51.8% compared to 59.0% in the second quarter of 2022.
- Hurtigruten Norway had total revenues in the second quarter of 2023 of EUR 85.7 million, 5.3% higher than the second quarter of 2022 with a normalized adjusted EBITDA of EUR 20.3 million compared to EUR 17.3 million in the same quarter last year.
- Hurtigruten Norway did also see an increase in gross ticket revenue and occupancy compared to the same period last year. Gross ticket revenue per PCN for Hurtigruten Norway of EUR 383 were 4.8% higher than second quarter 2022 and the occupancy for Hurtigruten Norway increased to 70.1% in the second quarter of 2023 compared to 69.4% same period last year.
- As of 25th of Aug 2023, Hurtigruten Group had EUR 551 million in pre-booked revenue for 2023 (excluding the EUR 67 million related to the contract revenue received from the Norwegian Government) which is 31% higher compared to same time last year for 2022 and EUR 175 million in pre-booked revenue for 2024. Pre booking levels for short-term departures are lower than expected, while we see good booking momentum for 24 departures entering into the key sales window in Q3/Q4.
- As of 25th of August 2023, Hurtigruten Group had made a total of EUR 44 million in new sales the last 30 days which is up 51% vs. the same period last year
- Net cash inflow from operating activities in the second quarter of 2023 was EUR 9.3 million compared to an inflow of EUR 39.9 million in the same quarter last year. The operating cash flow decline of EUR 30.5 million is mainly explained by a lower inflow from prepaid travels compared to the second 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 maturities of the 2025 TLB and the 2024 RCF by 2 years. In connection with 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 to 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 reinforce 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 operates seven expedition vessels, three of which are battery powered hybrid-electric cruise vessels and Hurtigruten Norway operates 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 our substantial potential, expand and renew our 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.

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)	2nd quarter	2nd quarter	%	01.01-30.06	01.01-30.06	%	Full year
Total operating revenues and other income	2023	2022	Change	2023	2022	Change	2022
Hurtigruten Norway	85 717	81 401	5.3 %	153 468	127 189	20.7 %	279 000
Hurtigruten Expeditions	57 751	58 077	-0.6 %	144 413	98 780	46.2 %	264 031
Hurtigruten Destinations	11 315	10 908	3.7 %	18 742	18 639	0.6 %	30 616
Other and eliminations	45	(1 687)	102.7 %	30	1 145	-97.4 %	2 871
Total	154 828	148 699	4.1 %	316 652	245 753	28.8 %	576 518

Operating profit/(loss) (EBIT)

Hurtigruten Norway	7 047	4 950	42.4%	(146)	(8 546)	98.3%	(24 900)
Hurtigruten Expeditions	(23 566)	(19 472)	-21.0 %	(27 985)	(43 166)	35.2 %	(75 487)
Hurtigruten Destinations	2 261	2 499	-9.5 %	2 510	3 379	-25.7 %	3 052
Other and eliminations	(3 397)	(3 418)	0.6 %	(6 827)	(4 210)	-62.2 %	(11 215)
Total	(17 655)	(15 440)	-14.3%	(32 449)	(52 543)	38.2%	(108 550)

EBITDA

Hurtigruten Norway	16 980	12 482	36.0%	18 632	6 324	194.6%	11 200
Hurtigruten Expeditions	(18 977)	(15 025)	-26.3%	(18 134)	(34 379)	47.3%	(52 765)
Hurtigruten Destinations	3 612	3 721	-2.9 %	5 007	5 803	-13.7 %	7 901
Other and eliminations	(723)	(576)	-25.5 %	(1 363)	1 259	-208.2 %	(1 529)
Total	892	602	48.2%	4 142	(20 993)	119.7%	(35 194)

EBITDA margin

Hurtigruten Norway	19.8 %	15.3 %	4.5 p.p.	12.1 %	5.0 %	7.2 p.p.	4.0 %
Hurtigruten Expeditions	-32.9 %	-25.9 %	-7.0 p.p.	-12.6 %	-34.8 %	22.2 p.p.	-20.0 %
Hurtigruten Destinations	31.9 %	34.1 %	-2.2 p.p.	26.7 %	31.1 %	-4.4 p.p.	25.8 %
Other and eliminations	1592.1 %	34.1 %	1557.9 p.p.	-4596.8 %	110.0 %	-4706.8 p.p.	-53.3 %
Total	0.6%	0.4%	.2 p.p.	1.3%	-8.5%	-1.2 p.p.	-6.1%

Normalized adjusted EBITDA

Hurtigruten Norway	20 343	17 312	17.5%	28 159	14 443	95.0%	40 442
Hurtigruten Expeditions	(16 782)	(103)	-16198.4%	(8 366)	(10 994)	23.9%	(4 309)
Hurtigruten Destinations	3 600	3 713	-3.0%	4 989	5 771	-13.6%	7 836
Other and eliminations	(259)	(1 441)	82.0%	(432)	765	-156.5%	2 247
Total	6 901	19 481	-64.6%	24 349	9 986	143.8%	46 216

Statement from CEO - Operational review

Total revenues and other income for Hurtigruten Group amounted to EUR 154.8 million in the second quarter of 2023 compared EUR 148.7 million in the same period last year, which is an increase of 4%. Reported EBITDA was positive for the quarter along with a positive Operating Cashflow of EUR 19.8 million.

Reported EBITDA was EUR 0.9 million in the second quarter of 2023 compared to EUR 0.6 million in the same period last year, an increase of EUR 0.3 million. The increase in EBITDA compared to the same period last year is driven by a decrease in ship operating expenses, a decrease in selling, general and administrative (SG&A) expenses and an improvement in performance at Hurtigruten Norway. Direct costs have increased which reflect the inflationary environment, compared to same period last year. The lower level of SG&A cost in the second quarter of 2023 is driven by phasing of marketing spend with lower spend in the second quarter after higher spend on campaigns to chase the booking curve in the first quarter. Despite increased activity across the group compared to 2022, personnel expenses are in line with the same period last year as cost initiatives put in place are continuing to stabilise the cost base as efficiencies materialise. Normalized adjusted EBITDA decreased from EUR 19.5 million in the second quarter of 2022 to EUR 6.9 million in the second quarter this year with significantly higher normalisations in the second quarter of 2022 reflecting voyage cancellations and extra costs due to Covid-19.

Hurtigruten Norway occupancy increased to 70.1% in the second quarter of 2023 compared to 69.4% for the same period last year. Hurtigruten Norway had a strong development of gross ticket revenues per PCN, increasing by 4.8% to 383 EUR in the second quarter of 2023 from 365 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 in April 2023. MS Trollfjord re-entered Hurtigruten Norway as a replacement ship during the ongoing upgrades. From June 2023 MS Trollfjord entered into a newly established commercial product, sailing the Svalbard Express during summertime and the North Cape Express during wintertime.

Hurtigruten Expeditions' occupancy for the second quarter of 2023 was 51.8 % compared to 59.0% same period last year, thus with a 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 10% from 89 273 in the second quarter of 2022 to 98 096 for the same period this year. 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 per PCN for Hurtigruten Expeditions of EUR 589 were 6% lower than second quarter 2022. Hurtigruten Expeditions has been operating 7 ships in multiple destinations throughout the quarter such as Alaska, Iceland, Spitsbergen, Norway, the British Isles and the Galapagos islands.

Hurtigruten Destinations' operations in Svalbard had an occupancy of 52% for the second quarter of 2023, which is 21 percentage points below same period last year. Svalbard as a destination has experienced a decline in the number of visitors in 2023, but Hurtigruten Svalbard has nevertheless maintained its fair share. By taking over the operations of the vessel MS Nordstjernen, the company has managed to maintain the same turnover in Q2 2023 as in Q2 2022 despite the decrease in guests in the hotels.

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 130th 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>	2nd quarter 2023	2nd quarter 2022	Change	01.01-30.06 2023	01.01-30.06 2022	Change	Full year 2022
Operational revenues	70 458	65 962	6.8 %	122 467	97 524	25.6 %	219 622
Contractual revenues	15 259	15 439	-1.2 %	31 001	29 664	4.5 %	59 378
Other operating income	-	-	0.0 %	-	-	0.0 %	-
Total operating revenues and other income	85 717	81 401	5.3 %	153 468	127 189	20.7 %	279 000
EBITDA	16 980	12 482	36.0 %	18 632	6 324	194.6 %	11 200
Excluding net other gains/(losses)	(1 016)	4 143	-124.5 %	(713)	7 390	-109.6 %	4 789
Adjustment for unusual or non- recurring items	2 347	8 973	-73.8 %	8 814	15 509	-43.2 %	34 031
Normalized adjusted EBITDA	20 343	17 312	17.5 %	28 159	14 443	95.0 %	40 442

Second quarter and first half report 2023

The calculations in the following table do not include the State agreements' contractual revenue, nor the goods and other operating revenue originated by Hurtigruten Norway activity.

<i>(EUR 1 000 Except for PCNs, APCNs, occupancy rate, fuel consumption and fuel cost per liter)</i>	2nd quarter 2023	2nd quarter 2022	01.01-30.06 2023	01.01-30.06 2022	Full year 2022
PCNs ¹⁾	182 634	178 823	335 110	283 040	609 151
APCNs ²⁾	260 418	257 584	504 066	499 760	1 011 304
Occupancy rate	70.1%	69.4%	66.5%	56.6%	60.2%
Gross ticket revenues	69 922	65 341	121 248	96 101	216 824

Less:

Commissions, costs of goods for flights, hotels, transportation and other passenger services	11 008	10 530	20 530	16 212	35 557
Food, beverage, shop, excursions	6 615	6 735	12 213	10 547	22 740
Net ticket revenues	52 299	48 076	88 504	69 342	158 526

Gross ticket revenues per PCN (EUR)	383	365	362	340	356
Net ticket revenues per PCN (EUR)	286	269	264	245	260

Gross cruise costs	52 433	55 089	100 111	96 217	204 120
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Less:

Commissions, costs of goods for flights, hotels, transportation and other passenger services	11 008	10 530	20 530	16 212	35 557
Food, beverage, shop, excursions	6 615	6 735	12 213	10 547	22 740
Net cruise costs	34 810	37 824	67 367	69 458	145 823

Net cruise costs per APCN (EUR) ³⁾	134	147	134	139	144
Net cruise costs per APCN excl. fuel costs (EUR) ³⁾	92	92	90	90	91
Fuel consumption (liter/nautical mile)	72.7	79.5	73.1	83.6	81.7
Fuel cost per liter	0.88	1.21	0.94	1.07	1.15

1) As of April 2023, a new definition for PCN is being used resulting in historical values being restated. This change will impact all values using PCN in its calculation.

2) 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 70.1% for Q2 2023, 69.4% for Q2 2022 and 60.2% for full year 2022. All covid-restrictions in Hurtigruten Norway were removed in February 2022.

3) 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.

increased from EUR 66 million to EUR 70.5 million in the second quarter compared to last year. Operational revenues for 1H 2023 increased 25.6% to EUR 122 million.

Two yard stays were completed during the second quarter of 2023, MS Kong Harald finished her environmental upgrade while MS Trollfjord finished preparations for the launch of the new commercial product starting up in June.

Occupancy increased to 70.1% in the second quarter of 2023 compared to 69.4% same period last year in addition to a strong development of gross ticket revenues per PCN, increasing by 4.8% to 383 EUR from 365 EUR the same period last year.

Operational revenue excluding the contractual income from the Norwegian state agreement,

Contractual income per ship per month was at EUR 0.7 million, which was at the same level as the same

period last year. Fuel cost per liter decreased compared to 2022 due to 8.5% lower consumption in l/nm as well as a decrease in fuel prices.

Gross cruise costs decreased from EUR 55.1 million in the second quarter of 2022 to EUR 52.4 million in the second quarter of 2023, one key driver being lower overall fuel cost driven by lower consumption in l/nm and lower underlying fuel prices. Gross cruise costs for 1H 2023 increased by 4.0% compared to same period 2022 explained by increased activity in 2023 with an 18.4% increase in number of passenger cruise nights.

EBITDA for the second quarter of 2023 amounted to EUR 17.0 million compared to EUR 12.5 million in the same period last year. EBITDA for 1H 2023 increased to EUR 18.6 million from EUR 6.3 million.

Normalized adjusted EBITDA for the second quarter of 2023 increased to EUR 20.3 million from EUR 17.3 million in the same period last year. Normalized items include gains on fuel derivatives, cancellations caused by Covid-19 and operating costs incurred by ships docked for environmental upgrades. Normalized EBITDA for 1H 2023 increased to EUR 28.2 million from EUR 14.4 million.

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, the 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.

(EUR 1 000)	2nd quarter 2023	2nd quarter 2022	Change	01.01-30.06 2023	01.01-30.06 2022	Change	Full year 2022
Operational revenues	57 751	55 937	3.2 %	144 413	91 975	57.0 %	256 376
Other operating income	-	2 141	-100.0 %	-	6 805	-100.0 %	7 655
Total operating revenues and other income	57 751	58 077	-0.6 %	144 413	98 780	46.2 %	264 031
EBITDA	(18 977)	(15 025)	-26.3 %	(18 134)	(34 379)	47.3 %	(52 765)
Excluding net other gains/(losses)	(795)	5 464	-114.5 %	(717)	8 183	-108.8 %	6 611
Adjustment for unusual or non-recurring items	1 400	20 386	-93.1 %	9 051	31 567	-71.3 %	55 067
Normalized adjusted EBITDA	(16 782)	(103)	-16198.4 %	(8 366)	(10 994)	23.9 %	(4 309)

Second quarter and first half report 2023

<i>(EUR 1 000 Except for PCNs, APCNs, rate, fuel consumption and fuel cost per liter)</i>	2nd quarter 2023	2nd quarter 2022	01.01-30.06 2023	01.01-30.06 2022	Full year 2022
PCNs ¹⁾	98 096	89 273	226 565	157 688	417 414
APCNs ²⁾	189 458	151 397	375 128	264 191	699 359
Occupancy rate	51.8 %	59.0 %	60.4 %	59.7 %	59.7 %
Gross ticket revenues	57 751	55 937	144 413	91 840	256 875
Less:					
Commissions, costs of goods for flights, hotels, transportation and other passenger services	11 328	9 750	31 203	16 764	46 807
Food, beverage, shop, excursions	5 290	5 754	11 878	9 023	21 285
Net ticket revenues	41 133	40 432	101 332	66 054	188 784
Gross ticket revenues per PCN (EUR)	589	627	637	582	615
Net ticket revenues per PCN (EUR)	419	453	447	419	452
Gross cruise costs	55 116	55 413	116 822	100 587	231 227
Less:					
Commissions, costs of goods for flights, hotels, transportation and other passenger services	11 328	9 750	31 203	16 764	46 807
Food, beverage, shop, excursions	5 290	5 754	11 878	9 023	21 285
Net cruise costs	38 498	39 909	73 741	74 801	163 136
Net cruise costs per APCN (EUR) ³⁾	203	253	197	234	216
Net cruise costs per APCN excl. fuel costs (EUR) ³⁾	165	195	152	187	163
Fuel consumption (liter/nautical mile) ⁴⁾	92.7	109.7	98.5	107.1	103.3
Fuel cost per liter	0.81	1.19	0.95	0.98	1.14

1) As of April 2023, a new definition for PCN is being used resulting in historical values being restated. This change will impact all values using PCN in its calculation.

2) 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 first half 2023. Without adjusting for Covid-19 restrictions on occupancy for the period was 56.6 % for Q2 2022, and 55.3 % for full year 2022.

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

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

Hurtigruten Expeditions operated all seven ships during the second quarter of 2023 and completed sailing to unique destinations such as Alaska, Iceland, Spitsbergen, Norway, the British Isles and the Galapagos islands.

There were two yard stays finalized in the period. MS Maud from start of March to first week of April and MS Otto Sverdrup from mid-March to mid-April. Hurtigruten Expeditions has no upcoming dockings planned for the remaining of 2023.

Operational revenues for the second quarter of 2023 amounted to EUR 57.8 million compared to EUR 55.9 million in the second quarter of 2022. Operational revenues for 1H 2023 increased by 57 % compared to 1H 2022 from EUR 91.8 million to EUR 144.4 million.

Hurtigruten Expeditions had a gross ticket revenue per PCN in the second quarter of 2023 of EUR 589 compared to EUR 627 same period last year. Occupancy for the second quarter was 51.8 % compared to 59.0 % same period last year.

Gross cruise costs decreased to EUR 55.1 million in the second quarter of 2023 compared to EUR 55.4 million in the same period last year. For the 1H of 2023 gross cruise cost amounted to EUR 116.8 million compared to EUR 100.6 million for the 1H of 2022. The increase in cost compared to same period last year is a result of increased activity in 1H 2023 with a 44 % increase in number of passenger cruise nights. Net cruise cost per APCN declined from EUR 253 in second quarter 2022 to EUR 203 in the same period this year.

Normalized adjusted EBITDA for the second quarter of 2023 amounted to EUR negative 16.8 million compared to negative EUR 0.1 million in the same period last year.

Normalization items for the second quarter mainly relate to a cancelled voyage due to a technical issue on MS Otto Sverdrup and one-off SG&A costs relating to the SAP support project and New Build programme.

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>	2nd quarter 2023	2nd quarter 2022	Change	01.01-30.06 2023	01.01-30.06 2022	Change	Full year 2022
Operational revenues	11 315	10 908	3.7 %	18 742	18 639	0.6 %	30 606
Other operating income	-	-	0.0 %	-	-	0.0 %	9
Total operating revenues and other income	11 315	10 908	3.7 %	18 742	18 639	0.6 %	30 615
EBITDA	3 612	3 721	-2.9 %	5 007	5 803	-13.7 %	7 901
Excluding net other gains/(losses)	11	9	34.1 %	18	31	-41.1 %	65
Normalized adjusted EBITDA	3 600	3 713	-3.0 %	4 989	5 771	-13.6 %	7 836

	2nd quarter 2023	2nd quarter 2022	01.01-30.06 2023	01.01-30.06 2022	Full year 2022
Room night	13 882	16 066	25 815	27 349	47 853
Available room night	26 572	21 786	48 336	41 226	82 491
Occupancy rate	52.2 %	73.7 %	53.4 %	66.3 %	58.0 %
Average room rate (EUR)	245	250	239	231	220
Revenue per available room (EUR)	128	184	128	153	128
Revenue rooms (EUR 1 000)	3 401	4 014	6 172	6 320	10 534
Guest night	22 337	26 405	40 341	45 038	76 635
Available guest night	53 144	43 872	96 672	83 008	165 848
Occupancy rate	42.0 %	60.2 %	41.7 %	54.3 %	46.2 %

In the second quarter of 2023, Hurtigruten Destinations recorded a 4% increase in total operating revenues, which amounted to EUR 11.3 million, in contrast to EUR 10.9 million during Q2 2022. Although the turnover in 2023 has exhibited substantial growth in Norwegian currency when compared to 2022, the prevailing weak krone exchange rate has rendered the company's performance seemingly on par with the previous year.

The individual hotel segment has faced a downturn due to decreased occupancy rates, but the company taking over operations of MS Nordstjernen has independently contributed to revenues of EUR 2 million.

The performance of the Food & Beverage and Activity departments has slightly fallen short of our initial expectations in April and May. This can be attributed primarily to the lower-than-anticipated occupancy rates experienced across our hotels. Nonetheless, June made a robust entrance, driven by the success of shore expeditions and the influx of cruise ships to Longyearbyen. The positive impact of these factors was also prominently reflected in the

exceptional performance of our retail store, Longyear78, which exceeded expectations by a considerable margin.

In Q2 2023, the occupancy rate for all three hotels was 52%, representing a 21% decrease compared to the same period in 2022. According to the latest reports by Visit Svalbard, there has been a decrease in the number of guests visiting Longyearbyen. Despite this overarching trend, it is noteworthy that Hurtigruten Svalbard has been successful in maintaining their fair share of the market at 52%.

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 half of 2023 due to lack of guests from the Asian markets because of travel restrictions out of China.

Other and Eliminations

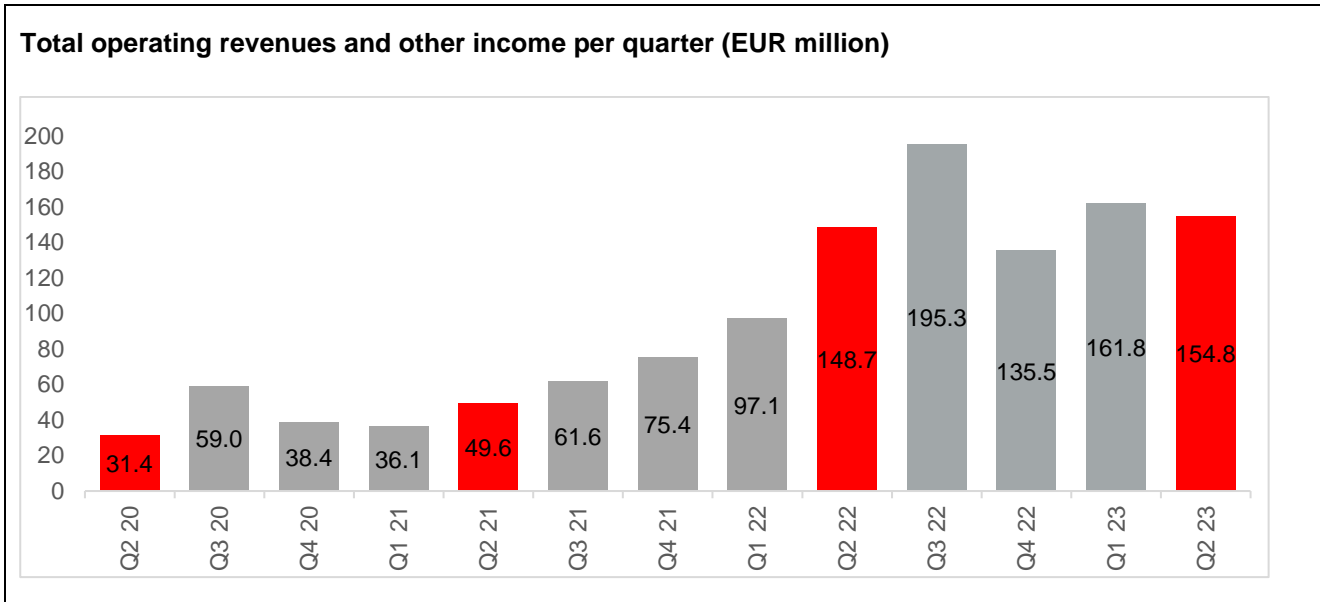
<i>(EUR 1 000)</i>	2nd quarter 2023	2nd quarter 2022	Change	01.01-30.06 2023	01.01-30.06 2022	Change	Full year 2022
Operational revenues	45	(1 687)	102.7 %	30	199	-85.1 %	1 925
Other operating income	-	-	0.0 %	-	946	-100.0 %	946
Total operating revenues and other income	45	(1 687)	102.7 %	30	1 145	-97.4 %	2 871
EBITDA	(723)	(576)	-25.5 %	(1 363)	1 259	-208.2 %	(1 529)
Excluding net other gains/(losses)	(464)	865	-153.6 %	(930)	494	-288.5 %	(3 776)
Normalized adjusted EBITDA	(259)	(1 441)	82.0 %	(432)	765	-156.5 %	2 247

Total operating revenues and other income for the second quarter 2023 amount to EUR 0.04 million compared to negative EUR 1.7 million in the same period last year. EBITDA for the second quarter of

2023 amounts to negative EUR 0.7 million compared to negative EUR 0.6 million in the same period last year.

Financial review

Profit and loss



Total revenues increased by 4.1% in the second quarter of 2023 compared to the same period last year, from EUR 148.7 million to EUR 154.8 million. The higher revenues are coming from the full fleet being operational in the second quarter of 2023, while by the end of the second quarter of 2022 Hurtigruten Group was continuing to ramp up the fleet in Hurtigruten Expeditions.

Direct cost of goods and services were stable in the second quarter of 2023 compared to the same period last year, EUR 38.1 million in the second quarter of 2023 to EUR 36.0 million in the second quarter of 2022. Total salaries and personnel costs were EUR 46.7 million in the quarter, an increase of 6.6% compared to the second quarter of 2022.

Specification of other operating costs

<i>(EUR 1 000)</i>	2nd quarter 2023	2nd quarter 2022	%	01.01-30.06 2023	01.01-30.06 2022	%	Full year 2022
			change			change	
Sales and administrative costs	(20 082)	(25 835)	-22.3 %	(44 196)	(42 741)	3.4 %	(93 488)
Operating costs (excl. energy)	(28 652)	(29 845)	-4.0 %	(52 573)	(59 437)	-11.5 %	(118 661)
Energy costs ¹⁾	(18 080)	(23 138)	-21.9 %	(38 534)	(39 783)	-3.1 %	(93 530)
Total	(66 813)	(78 818)	-15.2 %	(135 304)	(141 960)	-4.7 %	(305 679)

¹⁾ Fuel costs have been renamed to energy costs and include bunker oil, lubricating oil, NOx-tax and electricity

Other operating costs decreased by 15.2% compared to the same period last year, from EUR 78.8 million in the second quarter of 2022 to EUR 66.8 million in the second quarter of 2023.

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.

Energy costs in the quarter decreased by 21.9% to EUR 18.1 million, compared to EUR 23.1 million in the same quarter last year. The decrease is explained by a significant reduction in fuel expenses compared with last year.

Sales and administrative costs decreased by 22.3% to EUR 20.1 million in the second quarter compared to EUR 25.8 million in the same period last year driven mainly by lower marketing spending.

Second quarter 2023 depreciation, amortisation and impairment were EUR 18.5 million, compared to EUR 16.0 million for the same quarter last year. The increase is mainly related to capitalised environmental upgrades in the Hurtigruten Norway fleet.

Net other loss was EUR 2.3 million in the second quarter of 2023, compared to a gain of EUR 10.5 million in the same period in 2022. The gain in the second quarter of 2022 is mainly explained by fair value changes from the fuel derivatives of EUR 9.2 million.

Second quarter operating loss was EUR 17.7 million, compared to an operating loss of EUR 15.4 million in the same period last year.

Net financial expenses were EUR 46.2 million in the second quarter of 2023 compared to EUR 27.4

million in the second quarter 2022. Interest costs in the second quarter of 2023 increased due to higher interest-bearing liabilities from an additional shareholder funding of EUR 190 million, of which EUR 40 million shareholder funding was provided in the second quarter of 2023. Of the EUR 45.2 million in net financial expenses, approximately EUR 16.1 million is payment-in-kind non-cash interest related to subordinated debt and operating facility provided by the ultimate shareholders and the new Notes Facility.

The net loss for the second quarter was EUR 66.5 million compared to a loss of EUR 37.7 million in 2022. Adjusted for the EUR 16.1 million payment-in-kind interest and the net loss in the second quarter 2023 was EUR 50.4 million

Financial position and liquidity

Cash flow

Net cash inflow from operating activities in the second quarter of 2023 was EUR 9.3 million compared to an inflow of EUR 39.9 million in the same quarter last year. The decrease of EUR 30.5 million is mainly explained by a lower inflow from prepaid travel bookings.

Net cash outflow from investing activities was EUR 34.1 million in the second quarter of 2023 compared to an outflow of EUR 32.6 million in the same period last year of which c.EUR 14 million related to scheduled dockings, c.EUR 19.6 million to ship projects and EUR 0.6 million to digital development and other

Net cash inflow from financing activities in the second quarter of 2023 was EUR 38.0 million compared to an outflow of EUR 15.1 million in the same quarter last year. The EUR 53.0 million increase in net cash flow from financing activities is mainly coming from a EUR 40 million shareholder funding received in the second quarter 2023.

Net increase in cash and cash equivalents in the second quarter was EUR 13.1 million, compared to a decrease of EUR 7.8 million in the second quarter of 2022.

Cash and cash equivalents totaled EUR 39.5 million at the end of the second quarter of 2023, compared to EUR 30.0 million as of 31 December 2022. Available cash and cash equivalents, excluding restricted cash, totaled EUR 37.2 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 1 404.8 million as of 30 June 2023, an increase of EUR 32.7 million from year-end 2022.

Non-current assets increased by EUR 12.3 million over the year, from EUR 1 235.7 million to EUR 1 247.9 million. The change is due to capital expenditures from the environmental vessel upgrades in Hurtigruten Norway.

Current assets amounted to EUR 156.8 million compared to EUR 136.4 million as of 31 December 2022.

The reported equity at the end of June 2023 was negative EUR 675.2 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 amounted to EUR 1 664.1 million as of 30 June 2023, an increase of EUR 260.0 million from EUR 1 404.1 million at year-end 2022. The increase is mainly due to the completed refinancing in April 2023 of the EUR 176.5 million June 2023 maturities and the 2-year extension of the TLB and RCF, which were to mature in 2025 and 2024 respectively. The RCF loan was classified as current borrowings in the first quarter of 2023. New shareholder funding of EUR 55 million and EUR 40 million was provided in the first and second quarter 2023 respectively.

Current liabilities, excluding borrowings, were EUR 366.1 million at the end of June 2023 compared to EUR 315.7 million at year-end 2022.

Going concern

As of 30 June 2023, the carrying value of the equity in Hurtigruten Group was negative EUR 675.2 million. The group has successfully returned to normal operations bringing the full fleet of vessels back online during the first half of 2023.

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 is significantly higher than the book value. 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 recovery of most key markets, including the re-opening on the Chinese market which has allowed an increase in tourist groups, continues to drive a high growth rate in bookings compared to the same time last year.

As of 30 June 2023, Hurtigruten Group had an available free liquidity position of EUR 37.2 million.

As of the date of this report Hurtigruten Group has secured additional liquidity of EUR 62 million coming from shareholders. EUR 35m of cash was drawn down into the restricted group on 22 August under the new shareholder funding arrangements .

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 recent shareholder funding, borrowings and operating cash flows, to meet its payment obligations. The Board of Directors also believe there are positive strategic options available to ensure the going concern of the Hurtigruten Group in the foreseeable future.

As of 30 June 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 make this assumption.

Outlook

At the date of this report, the operating conditions are back to normal, and Hurtigruten Group is experiencing an increasing booking momentum across most key markets across the next 12 months. 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. The group is executing a slightly adjusted pricing and occupancy strategy to try and mitigate any potential weaknesses in consumer demand and competitive pressures.

As of 25 August 2023, Hurtigruten Group had EUR 551 million in pre-booked revenue for 2023 (excluding the EUR 67 million related to the contract revenue received from the Norwegian Government) which is 31% higher compared to same time last year for 2022 and EUR 175 million in pre-booked revenue for 2024. Pre booking levels for short-term

departures are lower than expected, while we see good booking momentum for 24 departures entering into the key sales window in Q3/Q4. Over the last 30 days, the Company made a total of EUR 44 million in new sales which is up 51% 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 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.

Inflation in our core markets has gradually been coming down from high levels in the second quarter. The NOK is weakened against the Euro, while the USD remains stable against the Euro. Fluctuations in these and other macroeconomic elements may adversely affect the cost base of Hurtigruten Group or lead to a significant reduction in the private budget available for travel services, and thereby lowering purchasing power and customer demand.

Hurtigruten Group is closely monitoring its liquidity situation as the financial performance continues to recover. The Board of Directors expects booking momentum to continue to improve towards above pre-pandemic levels over the next 12 months. The ultimate shareholders of the company have supported the liquidity position with additional shareholder funding.

Interim financial statements

Condensed consolidated income statement

Unaudited

<i>(EUR 1 000)</i>	2nd quarter 2023	2nd quarter 2022	01.01-30.06 2023	01.01-30.06 2022	Full year 2022
Operating revenues	139 569	131 119	285 651	208 338	508 530
Contractual revenues	15 259	15 439	31 001	29 664	59 378
Other operating income	-	2 141	-	7 751	8 610
Total operating revenues and other income	154 828	148 699	316 652	245 753	576 518
Direct cost of goods and services	(38 146)	(35 957)	(82 114)	(58 953)	(136 919)
Salaries and personnel costs	(46 714)	(43 802)	(92 751)	(81 930)	(176 801)
Depreciation, amortisation and impairment	(18 547)	(16 042)	(36 591)	(31 550)	(73 357)
Other operating costs	(66 813)	(78 818)	(135 304)	(141 960)	(305 679)
Net other gains/(losses)	(2 263)	10 480	(2 341)	16 097	7 689
Operating profit/(loss) EBIT	(17 655)	(15 440)	(32 449)	(52 543)	(108 550)
Operating profit/(loss) before depreciation, amortisation and impairment losses (EBITDA)	892	602	4 142	(20 993)	(35 194)
Financial income	940	1 004	1 027	2 178	1 696
Financial expenses	(47 227)	(26 193)	(85 517)	(51 661)	(113 766)
Net foreign exchange gains/(losses)	99	(2 207)	3 602	(1 449)	152
Net financial items	(46 188)	(27 396)	(80 887)	(50 932)	(111 918)
Share of net income from associated companies	128	102	277	317	650
Profit / (loss) before taxes	(63 715)	(42 734)	(113 059)	(103 158)	(219 819)
Income taxes	(2 757)	5 068	(3)	5 328	10 407
Net income	(66 472)	(37 666)	(113 062)	(97 830)	(209 412)
Net income attributable to:					
Owners of the parent	(66 453)	(37 641)	(113 117)	(97 809)	(209 414)
Non-controlling interests	(18)	(25)	55	(20)	2

Condensed consolidated statement of comprehensive income

Unaudited

<i>(EUR 1 000)</i>	2nd quarter 2023	2nd quarter 2022	01.01-30.06 2023	01.01-30.06 2022	Full year 2022
Net income	(66 472)	(37 666)	(113 062)	(97 830)	(209 412)
Other comprehensive income, net of tax:					
Items that will not be reclassified to profit or loss in subsequent periods:					
Actuarial gain/loss on retirement benefit obligations, net of tax	-	-	-	-	351
Total	-	-	-	-	351
Items that may be reclassified to profit or loss in subsequent periods:					
Currency translation differences	(255)	(3 910)	(278)	(4 288)	(844)
Total	(255)	(3 910)	(278)	(4 288)	(844)
Total comprehensive income	(66 727)	(41 577)	(113 340)	(102 118)	(209 905)
Total comprehensive income attributable to:					
Owners of Hurtigruten Group AS	(66 708)	(41 552)	(113 395)	(102 097)	(209 906)
Non-controlling interests	(18)	(25)	55	(20)	2

Condensed consolidated statement of financial position

Unaudited

<i>(EUR 1 000)</i>	<i>Note</i>	30.06 2023	30.06 2022	31.12 2022
Property, plant and equipment		925 080	898 205	900 462
Right-of-use assets		36 594	44 537	43 966
Intangible assets		259 830	266 864	264 439
Investments in associates		21 720	21 396	21 715
Deferred income tax assets		499	2 131	817
Investments in other companies		2 539	2 526	2 539
Derivative financial instruments		-	950	-
Other non-current financial assets		1 655	991	1 728
Total non-current assets		1 247 916	1 237 600	1 235 665
Inventories		15 240	20 046	18 189
Trade receivables		21 544	34 709	19 995
Other current receivables		80 530	64 705	65 440
Current derivative financial instruments		-	10 606	2 773
Cash and cash equivalents		39 528	30 332	29 958
Total current assets		156 842	160 399	136 355
Total assets		1 404 758	1 397 998	1 372 020
Paid-in capital		185 205	185 205	185 205
Other equity		(860 492)	(639 288)	(747 097)
Total equity attribute to owners of Hurtigruten Group AS		(675 286)	(454 082)	(561 892)
Non-controlling interests		85	8	30
Total equity		(675 201)	(454 074)	(561 861)
Non-current interest-bearing liabilities	4	1 630 107	1 288 863	1 374 028
Deposits from customers, non-current		32 225	39 462	28 073
Deferred income tax liabilities		(0)	6 662	21
Retirement benefit obligations		1 641	2 089	1 827
Provisions for other liabilities and charges		91	-	91
Other non-current liabilities		43	135	49
Total non-current liabilities		1 664 108	1 337 212	1 404 088
Trade payables	6	45 531	24 467	61 104
Other current liabilities	6	170 640	106 776	119 394
Deposits from customers, current		147 399	181 998	130 793
Current income tax liabilities		200	990	428
Current interest-bearing liabilities	4	49 727	197 691	214 062
Current derivative financial debt instruments		2 173	-	-
Provision for other liabilities and charges		181	2 939	4 012
Total current liabilities		415 851	514 861	529 793
Total equity and liabilities		1 404 758	1 397 998	1 372 020

Condensed consolidated statement of changes in equity

Unaudited

	01.01-30.06.2023				
	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	(747 097)	(561 892)	30	(561 861)
Net income	-	(113 117)	(113 117)	55	(113 062)
Other comprehensive income	-	(278)	(278)	-	(278)
Total comprehensive income	-	(113 395)	(113 395)	55	(113 340)
Equity at the end of the period	185 205	(860 492)	(675 287)	85	(675 201)

	01.01-30.06.2022				
	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	-	(97 809)	(97 809)	(20)	(97 830)
Other comprehensive income	-	(4 288)	(4 288)	-	(4 288)
Total comprehensive income	-	(102 097)	(102 097)	(20)	(102 118)
Equity at the end of the period	185 205	(639 288)	(454 083)	8	(454 074)

Condensed consolidated statement of cash flows

Unaudited

<i>(EUR 1 000)</i>	2nd quarter 2023	2nd quarter 2022	01.01-30.06 2023	01.01-30.06 2022	Full year 2022
Cash flow from operating activities					
Profit/(loss) before taxes	(63 714)	(42 735)	(113 059)	(103 158)	(219 819)
Adjustments for:					
Depreciation, amortisation and impairment losses	18 547	16 042	36 591	31 550	73 357
Other gains / losses (net)	4	(21)	(0)	(29)	5 268
Foreign exchange gains/losses	(195)	970	(4 513)	1 366	(2 686)
Net gains/(losses) derivatives	4 315	(9 235)	5 215	(15 982)	(2 774)
Net interest expenses	46 379	25 190	84 490	49 482	112 083
Share of net income from associated companies	(128)	(102)	(277)	(317)	(650)
Difference between expensed pensions and payments	-	(34)	-	(54)	(623)
<i>Change in working capital:</i>					
Inventories	342	(909)	2 570	(877)	813
Trade and other receivables	(6 577)	(16 841)	(17 003)	(20 482)	(14 158)
Trade and other payables	(4 926)	6 069	(4 136)	20 775	52 344
Change in prepaid travels	18 589	61 590	24 880	54 503	(6 870)
Change related to travel bonds	(3 573)	(100)	(1 516)	(9 646)	(4 925)
Income tax paid	262	(27)	(349)	(965)	(1 427)
Net cash flow from operating activities	9 323	39 858	12 891	6 166	(10 068)
Cash flow from investing activities					
Purchase and prepayment of property, plant, equipment	(34 031)	(29 717)	(54 449)	(50 663)	(83 167)
Purchase of intangible assets	(128)	(2 941)	(270)	(5 347)	(6 807)
Proceeds from sale of fixed assets	11	21	22	35	114
Dividend received from associated companies	-	-	-	-	-
Net cash flow from investing activities	(34 148)	(32 637)	(54 515)	(55 975)	(89 860)
Cash flow from financing activities					
Proceeds from borrowings	178 573	-	178 573	75 000	75 000
Repayment of borrowings	(179 945)	(3 638)	(183 722)	(7 134)	(14 258)
Payment of lease liabilities	(1 840)	(3 263)	(3 280)	(4 844)	(9 711)
Paid interest and transaction costs	(16 316)	(8 155)	(49 930)	(34 344)	(68 917)
Borrowings from other group companies	57 500	-	112 500	-	95 000
Net cash flow from financing activities	37 972	(15 055)	54 141	28 678	77 114
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	13 147	(7 834)	12 518	(21 131)	(22 814)
Cash and cash equivalents at the beginning of period	26 409	45 974	29 958	57 115	57 115
Foreign exchange gains/(losses) on cash, cash equivalents and bank overdrafts	(29)	(7 807)	(2 949)	(5 651)	(4 344)
Cash and cash equivalents at end of period	39 526	30 333	39 527	30 334	29 958
Of which restricted cash	2 365	4 141	2 365	4 141	2 785

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

<i>(EUR 1 000)</i>	Hurtigruten Norway		Hurtigruten Expeditions		Hurtigruten Destinations	
	2nd quarter 2023	2nd quarter 2022	2nd quarter 2023	2nd quarter 2022	2nd quarter 2023	2nd quarter 2022
Operating revenues	70 458	65 962	57 751	55 937	11 315	10 908
Contractual revenues	15 259	15 439	-	-	-	-
Other operating income	-	-	-	2 141	-	-
Total operating revenues and other income	85 717	81 401	57 751	58 077	11 315	10 908
Direct cost of goods and services	(17 623)	(17 265)	(16 609)	(15 518)	(3 664)	(3 421)
Salaries and personnel costs	(21 768)	(22 051)	(22 442)	(19 397)	(2 502)	(2 355)
Sales and marketing costs	(4 370)	(5 193)	(6 430)	(8 000)	(385)	(355)
Other operating costs	(23 960)	(28 553)	(30 452)	(35 653)	(1 164)	(1 065)
Net other gains/(losses)	(1 016)	4 143	(795)	5 464	11	9
EBITDA	16 980	12 482	(18 977)	(15 025)	3 612	3 721
Depreciation, amortisation and impairment	(9 933)	(7 531)	(4 589)	(4 447)	(1 351)	(1 222)
Operating profit/(loss) (EBIT)	7 047	4 950	(23 566)	(19 472)	2 261	2 499

<i>(EUR 1 000)</i>	Group functions, other and eliminations		Hurtigruten Group	
	2nd quarter 2023	2nd quarter 2022	2nd quarter 2023	2nd quarter 2022
Operating revenues	45	(1 687)	139 569	131 119
Contractual revenues	-	-	15 259	15 439
Other operating income	-	-	-	2 141
Total operating revenues and other income	45	(1 687)	154 828	148 699
Direct cost of goods and services	(250)	247	(38 146)	(35 957)
Salaries and personnel costs	(3)	0	(46 714)	(43 802)
Sales and marketing costs	0	(0)	(11 186)	(13 548)
Other operating costs	(52)	0	(55 628)	(65 271)
Net other gains/(losses)	(464)	865	(2 263)	10 480
EBITDA	(723)	(576)	892	602
Depreciation, amortisation and impairment	(2 674)	(2 842)	(18 547)	(16 042)
Operating profit/(loss) (EBIT)	(3 397)	(3 418)	(17 655)	(15 440)

Second quarter and first half report 2023

	Hurtigruten Norway		Hurtigruten Expeditions		Hurtigruten Destinations	
	01.01-30.06 2023	01.01-30.06 2022	01.01-30.06 2023	01.01-30.06 2022	01.01-30.06 2023	01.01-30.06 2022
<i>(EUR 1 000)</i>						
Operating revenues	122 467	97 524	144 413	91 975	18 742	18 639
Contractual revenues	31 001	29 664	-	-	-	-
Other operating income	-	-	-	6 805	-	-
Total operating revenues and other income	153 468	127 189	144 413	98 780	18 742	18 639
Direct cost of goods and services	(32 744)	(26 759)	(43 081)	(25 808)	(5 928)	(6 008)
Salaries and personnel costs	(43 566)	(40 312)	(44 393)	(37 212)	(4 789)	(4 407)
Sales and marketing costs	(10 802)	(7 778)	(15 564)	(13 112)	(651)	(735)
Other operating costs	(47 012)	(53 406)	(58 792)	(65 210)	(2 385)	(1 718)
Net other gains/(losses)	(713)	7 390	(717)	8 183	18	31
EBITDA	18 632	6 324	(18 134)	(34 379)	5 007	5 803
Depreciation, amortisation and impairment	(18 778)	(14 870)	(9 851)	(8 787)	(2 497)	(2 424)
Operating profit/(loss) (EBIT)	(146)	(8 546)	(27 985)	(43 166)	2 510	3 379

	Group functions, other and eliminations		Hurtigruten Group	
	01.01-30.06 2023	01.01-30.06 2022	01.01-30.06 2023	01.01-30.06 2022
<i>(EUR 1 000)</i>				
Operating revenues	30	199	285 651	208 338
Contractual revenues	-	-	31 001	29 664
Other operating income	-	946	-	7 751
Total operating revenues and other income	30	1 145	316 652	245 753
Direct cost of goods and services	(361)	(378)	(82 114)	(58 953)
Salaries and personnel costs	(3)	0	(92 751)	(81 930)
Sales and marketing costs	0	(0)	(27 017)	(21 625)
Other operating costs	(98)	(2)	(108 286)	(120 336)
Net other gains/(losses)	(930)	494	(2 341)	16 097
EBITDA	(1 363)	1 259	4 142	(20 994)
Depreciation, amortisation and impairment	(5 465)	(5 469)	(36 591)	(31 550)
Operating profit/(loss) (EBIT)	(6 827)	(4 210)	(32 449)	(52 544)

Note 4 Interest-bearing liabilities

	30.06	30.06	31.12
<i>(EUR 1 000)</i>	2023	2022	2022
<i>Secured</i>			
Bond	268 303	297 232	282 768
Term loans and lease liabilities	964 879	721 846	718 813
Revolving credit facilities	-	84 476	84 642
<i>Unsecured</i>			
Bond	48 846	48 117	48 482
Lease liabilities ¹⁾	50 664	60 531	58 797
Other interest-bearing liabilities	297 415	76 661	180 527
Total non-current interest-bearing liabilities	1 630 107	1 288 863	1 374 028
<i>Secured</i>			
Bond	30 000	-	15 000
Term loans and lease liabilities	8 341	179 746	182 330
<i>Unsecured</i>			
Lease liabilities ¹⁾	9 960	11 503	11 992
Other interest-bearing liabilities	1 427	6 442	4 740
Total current interest-bearing liabilities	49 727	197 691	214 062

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 lease liabilities.

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

On 4 April 2023 the Group announced the issuance of a EUR 200 million 5-year "New Debt Facility". The net proceeds from the New Debt Facility were applied towards refinancing in full the EUR 176.5 million term loans maturing in June 2023.

On 13 April 2023 the Group announced the extension of the TLB and RCF which mature in 2025 and 2024 with 2 years. Concurrently shareholder funding of EUR 40 million was provided (in addition to the EUR 55 million of shareholder funding provided in first quarter 2023).

Maturity profile

The below maturity schedule reflects the borrowings at nominal values.

	30.06	30.06	31.12
<i>(EUR 1 000)</i>	2023	2022	2022
Less than one year	50 111	197 976	216 477
Year 2 and 3	1 292 401	470 881	1 111 026
Year 4 and 5	29 361	685 905	30 417
More than 5 years	101 198	123 253	113 404
Total interest-bearing liabilities	1 473 070	1 478 015	1 471 324

Note 5 Net financial items

<i>(EUR 1 000)</i>	2nd quarter 2023	2nd quarter 2022	01.01-30.06 2023	01.01-30.06 2022	Full year 2022
Interest income	302	668	324	1 255	1 505
Other financial income	638	336	703	923	191
Financial income	940	1 004	1 027	2 178	1 696
Interest expenses ¹⁾	(44 220)	(20 337)	(75 083)	(39 829)	(99 194)
Other finance expenses	(3 006)	(5 856)	(10 434)	(11 832)	(14 572)
Financial expenses	(47 227)	(26 193)	(85 517)	(51 661)	(113 766)
Net foreign exchange gains/(losses)	99	(2 207)	3 602	(1 449)	152
Net financial items	(46 188)	(27 396)	(80 887)	(50 932)	(111 918)
¹⁾ Of which Payment-in-Kind interest	(16 075)	(5 665)	(26 282)	(11 267)	(27 366)

The Payment-in-Kind non-cash interest relates to subordinated debt and operating facility provided by the ultimate shareholders and Notes Facility put in place in April 2023.

Note 6 Trade payables and other current liabilities

<i>(EUR 1 000)</i>	30.06 2023	30.06 2022	31.12 2022
Trade payables	45 516	24 461	61 086
Trade payables related parties	15	6	19
Total trade payables	45 531	24 467	61 104
Public duties payable	7 996	6 422	6 156
Other current liabilities	44 444	26 584	29 558
Accrued expenses	52 734	41 653	42 736
Accrued interest	62 668	32 117	40 944
Accrued bonus	2 798	-	-
Deferred revenue ¹⁾	-	-	-
Total other current liabilities	170 640	106 776	119 394

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

Note 7 Events after the reporting period

Hurtigruten Group AS' ultimate shareholders have committed to provide additional funding of up to EUR 62 million under separate arrangements in form of 1) a receivables purchase agreement of up to EUR 30 million; and 2) a facilities agreement comprising EUR 20 million Purchase Money Obligation (PMO) facility to be advanced to purchase fuel and an unsecured loan facility to fund general corporate purposes; and 3) EUR 12 million operating facility agreement entered into between TDR and the Company (which is a redesignation of

a portion of the existing operating facility). There is no cash pay interest in respect of the new funding arrangements. The new funding demonstrates the continuing strong support from our shareholders.

On 22 August 2023, the Group utilised EUR 35 million in cash through separate facilities; EUR 24.9 million under the receivables purchase agreement structured as an asset disposition and EUR 10.1 million in respect of the PMO facility.

Responsibility Statement

We confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the first half of 2023 which have been prepared in accordance with IFRS as adopted by European Union and *IAS 34 Interim Financial Reporting*, give a true and fair view of the Group's consolidated assets, liabilities, financial position and results of operations. To the best of our knowledge, the interim report for the first half of 2023 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, the principal risks and uncertainties for the remaining half of 2023, and major related party transactions.

Oslo, 28 August 2023

Board of Directors of Hurtigruten Group AS



Trygve Hegnar
Chairman



Petter Stordalen
Director



Jonathan Barlow Rosen
Director



Linda Zhang
Director



Daniel Skjeldam
CEO

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.
Consolidated 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 according to the definition in the Senior Facilities Agreement and the Notes Facilit Agreement	A measure under the Senior Facilities Agreement and the Notes Facilit Agreement
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.

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Reconciliation of operating profit/(loss) to normalized adjusted EBITDA

<i>(EUR 1 000)</i>	2nd quarter 2023	2nd quarter 2022	01.01-30.06 2023	01.01-30.06 2022
Operating profit/(loss)	(17 655)	(15 440)	(32 449)	(52 543)
Excluding Depreciation, amortisation and impairment	18 547	16 042	36 591	31 550
EBITDA	892	602	4 142	(20 993)
Excluding Net other gains/(losses)	2 263	(10 480)	2 341	(16 097)
EBITDA excluding net other gains /(losses)	3 154	(9 879)	6 483	(37 091)
Adjustment for unusual or non-recurring items	3 747	29 360	17 865	47 077
Normalized adjusted EBITDA	6 901	19 481	24 349	9 986

The following table presents breakdown of adjustments for unusual or non-recurring items by business unit:

<i>(EUR 1 000)</i>	2nd quarter 2023			01.01-30.06.2023		
	HRN	HRX	Total	HRN	HRX	Total
<i>Covid related cancellations</i>				938	1 392	2 330
Vessel contribution lost due to warm lay up and unplanned dockings		984	984	-	5 236	5 236
Realised value of bunker fuel derivatives	(354)	(299)	(653)	217	144	361
One off SG&A costs	341	715	1 056	775	1 684	2 459
Cruise operating expenses on ships doing environmental upgrades	1 829		1 829	5 989	-	5 989
Marketing one off projects	531		531	1 330	-	1 330
Provisings relates to VAT on international cruises to Norway				-	882	882
Total adjustments for unusual or non-recurring items	2 347	1 400	3 747	8 815	9 050	17 865

<i>(EUR 1 000)</i>	2nd quarter 2022			01.01-30.06.2022		
	HRN	HRX	Total	HRN	HRX	Total
<i>Covid related cancellations</i>	2 355	13 647	16 002	7 659	22 485	30 144
<i>Covid related cost</i>	1 241	1 943	3 184	1 395	3 123	4 518
Realised value of bunker fuel derivatives	1 679	1 654	3 333	1 679	1 654	3 333
Capex items expensed	2 473	2 130	4 603	2 473	2 130	4 603
Other	839	144	983	1 440	745	2 185
Project cost	387	867	1 254	865	1 429	2 294
Total adjustments for unusual or non-recurring items	8 974	20 385	29 359	15 511	31 566	47 077

Reconciliation of operating profit/(loss) to Consolidated EBITDA

<i>(EUR 1 000)</i>	2nd quarter 2023
Operating profit/(loss)	(17,655)
Excluding Depreciation, amortisation and impairment	18,547
EBITDA	892
Excluding Net other gains/(losses)	2,263
EBITDA excluding net other gains /(losses)	3,154
Adjustments according to definition in SFA and NFA	350
Consolidated EBITDA	3,504

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.