ANNUAL & ESG REPORT 2023
HURTIGRUTEN GROUP

HURTIGRUTEN

HURTIGRUTEN EXPEDITIONS

HURTIGRUTEN SVALBARD

Senja, Norway

Photo: Marco-Bottigelli, Getty Images

DEAR FELLOW TRAVELLERS

2023 will for aways stand for us as a transformative year for the Group. In 2023 we have continued on the journey to make sure our two operating companies, Hurtigruten, with 130 years of operating the original Norwegian Coastal Express and HX Hurtigruten Expeditions, the global leader in expedition cruising with the world's first expedition cruise in 1896, reach their full potential as standalone companies.

Daniel Skjeldam
Chief Executive Officer, Hurtigruten Group

For the first time we are publishing an integrated annual report, combining financial and sustainability reporting. This reflects the increasing importance of environmental, social and governance issues to our partners, employees and owners.

The pandemic hit the travel industry hard, and the industry has had challenging years also in the wake of the pandemic. In Hurtigruten Group, we have used these years to reshape the Group into two standalone companies. This process started in March 2021, when the fleet was separated into one dedicated to Hurtigruten and one to HX Hurtigruten Expeditions. The ongoing strategic effort to develop Hurtigruten, with HQ in Oslo and HX Hurtigruten Expeditions, with the HQ in London, into standalone and autonomous entities has taken significant steps during 2023.

Rebranding to HX and Hurtigruten

During the second quarter of 2023 we initiated the separation of group functions, with particular emphasis on outlining the commercial and marketing teams for each unit. In September, we announced a rebranding of Hurtigruten Expeditions to HX, and Hurtigruten Norway to continue with its iconic name but simplifying it to just Hurtigruten.

Through the second half of 2023, we shaped a blueprint for robust financial, organizational, and operational frameworks tailored to the unique requirements of each business unit. The remaining work throughout 2024 will be separating the finance function linked to the joint capital structure, as well as the separation of systems and digital/IT solutions. We believe strong organizational focus in each entity and increasing brand awareness across key markets will strengthen the positioning of Hurtigruten and HX Hurtigruten Expeditions and drive demand for our products and itineraries.

On the right track

Our effort for a more sustainable travel industry stands out as a core value for us, and we continue to push boundaries as leaders in our industry. Among the achievements this year was transforming Hurtigruten's MS Kong Harald to a battery hybrid ship, as part of the environmental upgrade program of the fleet. This will cut CO_2 emissions by 25%, and NOx emissions by 80% – setting in motion one of Europe's most ambitious environmental fleet upgrades.

It is great to see that we are on the right track when it comes to emissions in 2023. With 10% reduction in CO_2 per guest in Hurtigruten and 17% reduction in CO_2 per guest in HX Hurtigruten Expeditions.

Our efforts are also recognized externally. In 2023, we received #1 ESG Ranking of a Cruise Company from Morningstar Sustainalytics, and Hurtigruten Group is the only cruise company to be awarded a Low ESG Risk Rating. In Germany, we are #1 in NABUs Cruise Ranking for 2023, Germany's oldest environmental association.

130 years with Hurtigruten

In 2023 we celebrated our 130th anniversary with Hurtigruten sailing the iconic route along the Norwegian coast. This was marked by the introduction of two new successful Signature routes; The Svalbard express between Bergen and Svalbard; and The North Cape express between Bergen, the North Cape and Oslo. In July 2023 the Group decided to strengthen this success even more with moving MS Otto Sverdrup from HX Hurtigruten Expeditions to Hurtigruten to expand the offer under Hurtigruten's Signature category.

I firmly believe that the actions we have taken in 2023, along with our plans going forward, have made us a more resilient Group. I want to thank our employees, our partners and all our stakeholders for believing in us and supporting this transformation.

I am immensely proud of all we have achieved despite operating in a complex environment over the last years. We will continue to lean into the legacy that we have created over 130 years and challenge ourselves every day to have a more profound impact on the communities where we live, operate and visit. Our guests are ready to travel again, and we are excited to see them eagerly returning to take on their next adventure together with us.

Snowshoeing provides a fantastic opportunity to experience places such as Damoy Point, Antartica.

Photo: Camille Seaman

All the best,

Daniel Skjeldam

Chief Executive Officer, Hurtigruten Group

THE SPLIT

On our journey from a group to independent companies

2021

THE START OF THE SPLIT

Hurtigruten & HX Hurtigruten Expeditions established as separate business units with separate fleets

2022

FULL OPERATION

Both fleets back in full operations

2023

DEDICATION OF GROUP SERVICES

Functions starting move from Group to Hurtigruten & HX Hurtigruten Expeditions

REBRANDING ANNOUNCED

Hurtigruten Norway becomes Hurtigruten & Hurtigruten Expeditions becomes HX in Global Rebranding

BLUEPRINT

Developing of blueprint to finalize the split of shared functions

ANNOUNCED TRANSACTION

Enables path towards full separation of the Group

2024

FULL SEPARATION

Roadmap for the final steps on fully independent Hurtigruten and HX Hurtigruten Expeditions

2025

Full separation of Hurtigruten & HX Hurtigruten Expeditions from 2025

HX HURTIGRUTEN EXPEDITIONS

HURTIGRUTEN

HURTIGRUTEN GROUP

Getting that close to nature experience kayaking in Leith Cove, Antarctica.

Photo: Yuri Choufour

HURTIGRUTEN GROUP

HURTIGRUTEN

The operator of the Norwegian Coastal Express has been sailing the Norwegian coastline since 1893 on what is considered the world's most beautiful sea voyage. Today, Hurtigruten's eight ships are connecting communities, delivering freight, and showcasing the Norwegian coast to travellers from around the world.

HURTIGRUTEN

FOUNDED 1893

34 PORTS

8 CRUISE SHIPS

HURTIGRUTEN DESTINATIONS

The indisputable main adventure tour operator for the Svalbard archipelago brings people closer to the vastness of the Arctic's nature all year round. Hurtigruten Svalbard is the longest-running tour operator in Svalbard (est. 1989), offering land-based adventures, accommodation and dining in this spectacular wilderness destination.

HURTIGRUTEN SVALBARD

FOUNDED 1989

3 HOTELS

200 LAND-BASED ADVENTURES

HX HURTIGRUTEN EXPEDITIONS

The world's largest and leading expedition cruise company. The company has been taking adventure travellers to unique and inspirational destinations off the beaten path since founding expedition cruising in 1896. HX Hurtigruten Expeditions currently offers over 150 itineraries across five continents aboard seven custom-built 100 to 500 berth expedition cruise ships.

HX HURTIGRUTEN EXPEDITIONS

FOUNDED 1896

150 ITINERARIES

7 CUSTOM-BUILT CRUISE SHIPS

HURTIGRUTEN FOUNDATION

Our non-profit foundation was established in late 2015 as a collaboration between the Hurtigruten Group and our guests, partners and suppliers.

The aim was to create a positive impact for the oceans, wildlife and local communities, and since its inception it has supported over sixty projects worldwide.

HURTIGRUTEN FOUNDATION

FOUNDED 2015

140 PROJECTS

10.5 NOK MILL

HURTIGRUTEN GROUP

Hurtigruten Group is a truly global company with strong Norwegian heritage. The Group has the ambition to attract adventure travelers from all over the world and introduce them to unique and inspirational destinations through its two distinct businesses: **Hurtigruten** and **HX Hurtigruten Expeditions.**

The two businesses are frontrunners in adventure travel and expedition cruising, a niche with substantial global growth potential.

The Group has two distinct business segments:

Hurtigruten (formerly known as Hurtigruten Norway) – branded as Hurtigruten in Scandinavia and Hurtigruten – Norwegian Coastal Express in other markets, and from 2023 including the unit of Hurtigruten Destinations.

HX Hurtigruten Expeditions (formerly known as Hurtigruten Expeditions) branded as HX Hurtigruten Expeditions in all markets.

Bringing out the split

To further develop and clarify the distinction between the brands a rebranding of Hurtigruten Norway and Hurtigruten Expeditions was announced and carried out in 2023. Hurtigruten Expeditions will transform into HX, and Hurtigruten Norway will continue with the iconic name, simplified to just Hurtigruten. Hurtigruten and HX Hurtigruten Expeditions have a high level of recognition in key travel markets, such as Germany, UK, the Nordic countries and we have seen a significant increase in the US and Australian markets as well. This shows that we have a position in all four large cruise markets.

HX Hurtigruten Expeditions is the world's largest expedition cruise company, in 2023 operating seven expedition vessels, three of which are battery powered hybrid-electric cruise vessels. Hurtigruten operating eight vessels, two of which are battery powered hybrid-electric cruise vessels.

The ongoing strategic effort to develop Hurtigruten and HX Hurtigruten Expeditions into distinct and autonomous companies has taken significant steps during 2023. This strategic division is imperative to facilitate the individual growth trajectories and objectives of both Hurtigruten and HX Hurtigruten Expeditions.

Started back in 2021

The division started with the separation of our fleet in 2021, marking the initial step towards independent operations. In 2023, the Group continued this journey and took significant steps that reinforced the development of Hurtigruten and HX Hurtigruten Expeditions as independent companies. In 2023 we initiated the separation of group functions, with particular emphasis on outlining the commercial teams for each company.

MS Kong Harald passes beautiful Skjervøy in the midnight sun, Norway.
Photo: Hurtigruten, photo comepetiton

Through the second half of 2023, we shaped a blueprint for robust financial, organizational, and operational frameworks tailored to the unique requirements of each business unit. Remaining work throughout 2024 will be dividing of the finance function linked to the joint capital structure, as well as the separation of systems and digital/IT solutions.

With this process, the two businesses are positioning in line with their long and proud legacy and building world leading brands though organizations with global capabilities.

The Group and HX Hurtigruten Expeditions are headquartered in London, while Hurtigruten is headquartered in Oslo. In addition to the headquarters, the businesses have offices and operations in Hamburg, Tromsø, London, Paris, Seattle, Melbourne, Tallinn, Hong Kong, Shanghai, Longyearbyen and Kirkenes (where Hurtigruten's crew center is situated) serving the most important and emerging markets.

Closer to nature with minimal environmental footprint

Hurtigruten and HX Hurtigruten Expeditions differs significantly from the offering of other expedition cruise and adventure travel operators, with a customer offering designed to reach a wide range of customer segments, giving the guests the opportunity to get closer to nature in beautiful areas off the beaten path to experience local wildlife, culture and activities – with a minimal environmental footprint.

Operating smaller, custom-built vessels, Hurtigruten and HX Hurtigruten Expedition can go where others cannot and their crew and staff are very familiar with the waters they sail in, which are among the most challenging in the world.

In HX Hurtigruten Expeditions, the day-to-day itineraries and programs are adjusted based on weather and local conditions, ensuring optimal sightings of nature and wildlife, cultural events in several ports of call and other experiences.

Hurtigruten's voyages lets the guest immerse in the everyday life along the rugged Norwegian coasts visiting small villages, admiring beautiful landscapes and experiencing the Norwegian culture and wildlife through a wide range of excursions, including the northernmost settlement in the world on the Archipelago of Svalbard to experience the Arctic frontier like no other place on earth.

Unique destinations around the world

Hurtigruten Group's brands offers a unique gateway to the Norwegian coast, Greenland, Svalbard, Iceland, British Isles, Alaska, South America, Arctic, Antarctica, Galapagos and to other unique destinations to travelers from all over the world. Hurtigruten Group's operation builds on a rich and proud Norwegian Expedition Cruises heritage having offered scheduled voyages along the Norwegian coast since 1893 and offering the first Expedition cruises to Svalbard as early as 1896. Today, this combines a deeply rooted desire to offer genuine experiences, the best local food and beverages, all while leaving a minimal environmental footprint as it shapes the future of the growing adventure travel and expedition cruise market in a sustainable way.

Our commitment to ESG

All operations are done with our ESG ethos in mind. We want to champion responsible and sustainable travel and are constantly striving to leave a positive impact across the value chain, from vendors to the destinations where we operate. Our ESG ambition is to be the most sustainable travel operator in the world, and to keep pushing the industry's boundaries for ESG. To achieve this, we will continue to work towards having the greenest fleet in the world, educating our guests on climate change and the ecosystems we visit, pushing for local value creation and helping sustain coastal communities, and – last but not least – being a great place to work.

This commitment to ESG is demonstrated through our hybridization investments in which we are converting 3 Hurtigruten ships to battery-powered hybrid propulsion with the aim of reducing CO_2 emissions by around 25% and NOx emissions by more than 80%.

MS Fram, a custom-built expedition ship from HX Hurtigruten Expeditions, pictured here in Greenland.
Photo: Hurtigruten

WORLD'S BEST ESG RANKED CRUISE COMPANY

In 2023 Hurtigruten Group received best ESG ranking for a global cruise line on ESG rating from Morningstar Sustainalytics and only one with a "low ESG risk". Read more here.

HURTIGRUTEN

Hurtigruten sails the legendary route, often referred to as “the most beautiful voyage in the world”, which operates Norwegian Coastal Express, and Signature routes along the Norwegian coastline to The North Cape and Svalbard. Hurtigruten is offering a unique combination of transport for local travelers, freight, and international tourists, as done since the very first departure more than 130 years ago.

Norway is the best place to experience the Northern Lights, Hurtigruten the best way to experience it.
Photo: Hurtigruten

HIGHLIGHTS 2023

TOTAL REVENUES
334.9 MILL EURO

1 380 EMPLOYEES

770 000 CRUISE NIGHTS

"We've been caring for our coast for 130 years and will be continuing to do so for the next 130 years and more. We're shaping sustainable travel experiences, striving to keep our footprint small and our impact lasting."

Hedda Felin, CEO
Hurtigruten

Hurtigruten's eight ships bring guests closer to nature and local communities. They connect the international traveler with everyday life along the rugged Norwegian coast. The voyage forms part of the country's cultural heritage and is an important link between coastal communities, strengthening the brand's legitimacy with international travelers seeking authentic Norwegian experiences.

MS Nordkapp in the narrow and distinctive fjord Trollfjorden.
Photo: Trym Ivar Bergsmo

Introduced Signature sailings

Hurtigruten expanded the offer beyond the original coastal express in 2023 with the Signature products Svalbard Line and North Cape Line, a more premium product built to showcase the best Norway has to offer while preserving our historical heritage along the coast with experiences close to nature, local communities, and Norwegian culinary kitchen. In 2023 Hurtigruten started preparing for an additional Signature product with MS Otto Sverdrup sailing directly from Hamburg along the Norwegian Coast under Hurtigruten fleet from January 2024.

Norway's Coastal Kitchen

Hurtigruten has integrated the Norwegian food culture in the onboard culinary concept Norway's Coastal Kitchen. In the peak seasons, 80% of the ingredients in the restaurants come from more than 50 local suppliers along the coast. Sourcing food locally is not just about fresh, farm-and-fjord-to-table flavors. It is also about achieving the lowest footprint possible and making sure there is minimal food waste.

Unique activities and experiences

Excursions and authentic experiences have been a prioritized area for Hurtigruten for many years. By collaborating with around 30 excursion providers the company is offering guests more than 70 unique and seasonally adapted activities and experiences. With the Norwegian Coastal Express being one of Norway's foremost tourist products, this is a driving force for the development of Norwegian tourism industry and marketing of the country internationally.

In 2023, Hurtigruten entered into a partnership agreement with Arctic Umiaq Line, the official Greenland coastal passenger ship service since 1774, with the aim of expanding their offer globally in connection with the expansion of airports in Greenland.

With the year of our 130th anniversary behind us in 2023, Hurtigruten aims to further develop and strengthen the Hurtigruten brand with the ambition to be the iconic travel operator for the Norwegian coast and Arctic region, continuously shaping sustainable travel experiences.

MILESTONES 2023

7 SHIPS OPERATED UNDER STATE CONTRACT

Hurtigruten operates seven ships under the state contract valid from 2021 to 2030. In 2023 all ships were fully operational throughout the whole year.

Photo: Hurtigruten

MS KONG HARALD UPGRADED TO HYBRID

In 2023, MS Kong Harald was upgraded to a hybrid ship as part of one of the largest environmental upgrades in the history of European shipping. In 2022 the company initiated this program with large-scale investments in batteries and state-of-the-art technology that will reduce CO_2 emissions by 25% and NOx emissions by 80%. By 2025 three out of seven ships in the coastal fleet will be converted to hybrid ships and 7 out of 7 ships will be fitted with SCR systems (cutting NOx).

Foto: Nature Picture Library / Alamy Stock Photo

SEA ZERO KICKED OFF

In 2023 Hurtigruten presented renderings of the future ship in the Sea Zero project together with our 13 industry partners. Together, we explore how state-of-the-art energy efficiency and carbon-neutral technologies can take us to our ambition to sail emission-free along the Norwegian coast by 2030.

Photo: Hurtigruten

HX HURTIGRUTEN EXPEDITIONS

HX Hurtigruten Expeditions is the world's largest and leading expedition cruise line, with sustainability and exploration at its core, building on the experience dating back to its first expedition cruising in 1896.

MS Roald Amundsen, the world's first hybrid cruise ship. Here in Antarctica.
Photo: Dan Avila

HIGHLIGHTS 2023

TOTAL REVENUES
287.3 MILL EURO

1 155 EMPLOYEES

481 000 CRUISENIGHTS

"Sustainability for both people and the planet is at the heart of everything we do. We want to ensure that the explorers of tomorrow have the same unique experiences as our guests of today."

Daniel Skjeldam, CEO
HX Hurtigruten Expeditions

HX Hurtigruten Expedition offers big adventures on small, custom-built ships at hundreds of destinations in more than 40 countries across four continents – including Galapagos, Antarctica, South America, Alaska, Iceland, Greenland, Svalbard, British Isles, the spectacular Norwegian Coastline, and a variety of other destinations.

2023 was a year of full-fleet operations for HX Hurtigruten Expeditions, with seven ships operating under the HX Hurtigruten Expeditions umbrella: Battery-hybrid powered MS Roald Amundsen, MS Fridtjof Nansen and MS Otto Sverdrup, as well as MS Fram, MS Maud, MS Spitsbergen and MS Santa Cruz II.

On the right track

Pioneering new standards in emission reductions, HX Hurtigruten Expeditions' fleet has been fitted with shore power connectivity since 2021, and in June 2023 the company became the first to establish shore power connection in Iceland with MS Maud. HX Hurtigruten Expeditions continues to pursue its position as the sustainability leader in expedition cruising and since 2022 the company has reduced scope 1 emissions by 18% and reduced waste per guest of more than 30%.

Scientific and research programs

HX Hurtigruten Expeditions offers an outstanding scientific program in the expedition segment, 2023 being a record year for our scientific and research programs. With more than 1 880 cruise nights donated, supporting over 30 projects and facilitating in excess of 8 000 citizen science data submissions HX Hurtigruten Expeditions is consistently increasing the positive impact of the sailings and broadening its guest experience through the Science and Education programme.

Unique destinations worldwide

The 2022/23 Antarctica season marked the 20th anniversary for Antarctic exploration for HX Hurtigruten Expeditions and its most successful Antarctic season to date. Additionally, the offering in the Arctic continues to go from strength to strength, we have increased capacity in the Galapagos, and

Out on an excursion with snowshoes in Loen, Norway.
Photo: Tommy Simonsen

we have learned from the first season in West Africa.

HX Hurtigruten Expeditions continues a pathway for global growth. This includes streamlining the organization, with further emphasis on London as the main hub for HX Hurtigruten Expeditions and Hamburg for operations, alongside other locations for support functions.

A strong foundation

Looking forward, 2023 has created the strongest possible foundation for HX Hurtigruten Expeditions and is well positioned for 2024 with the launch of the highly competitive all-inclusive adventures offer, in addition to deepening of the guest experience, broadening the choice of activities and remaining focused on innovations in the expedition offering.

The Galapagos is one of the world's best-preserved archipelagos and offers a rich wildlife.
Photo: Andres Mesias

MILESTONES 2023

SCIENCE AND EDUCATION PROGRAMME

HX Hurtigruten Expeditions' Science and Education programme donating more than 1880 cruise nights, supporting over 30 projects and facilitating in excess of 8 000 citizen science data submissions.

Photo: Espen Mills

A MEETING OF HYBRID SISTER-SHIPS

The world's two first battery-hybrid cruise ships – MS Fridtjof Nansen and MS Roald Amundsen – met for the first time in the Northwest Passage

Photo: Hurtigruten

SHORE POWER CONNECTION

HX Hurtigruten Expeditions becomes first cruise company to establish shore power connection in Iceland

Photo: Hurtigruten

THE TRAVEL INDUSTRY AWARDS 2023 by ttg WINNER Expedition Cruise Line of the Year

THE TRAVEL INDUSTRY AWARDS 2023 by ttg WINNER UK & Ireland Travel Company of the Year

SILVER TRAVEL AWARDS 2023 WINNER

CRUISERS' CHOICE cruisecritic 2023

TRAVEL WEEKLY MAGELLAN AWARDS

HURTIGRUTEN DESTINATIONS

Hurtigruten Destinations' main operations are through Hurtigruten Svalbard which operates the Radisson Blu Polar Hotel, Funken Lodge and the Coal Miners' Cabins, as well as arctic adventure tourism on Svalbard. The archipelago of Svalbard is the northernmost settlement in the world and one of the most remote and unique destinations in the world.

Svalbard

Photo: Shutterstock

HIGHLIGHTS 2023

TOTAL REVENUES
34.0 MILL EURO

235 EMPLOYEES

71 612 GUEST NIGHTS

"Being situated at the northernmost city in the world and close to the wildlife, we see the impact of climate change first-hand. Our powerful yet fragile home gives us a unique opportunity to inspire people and harness the power of nature."

Ingeborg Flønes, CEO
Hurtigruten Destinations

From a base in Longyearbyen, Hurtigruten Destinations 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 Destinations' operations – originating back in 1896 – are the largest and most diversified on Svalbard.

Top modern hotel experience

Over the period 2017–2020 Hurtigruten Destinations invested heavily in the product and the hotels. In February 2018, Funken Lodge was re-opened with 88 brand-new rooms, new bar and lounge areas, a new reception and a refurbished Funktionærmessen gourmet restaurant. In February 2019 the Radisson Blu opened after a full refurbishment of the public areas including a new restaurant and pub concept, and in January 2020 the new wing with 33 new superior rooms was opened for customers.

Lease agreement with SNSK

In March 2021 Hurtigruten Group entered into an agreement with Store Norske Spitsbergen Kullkompani AS ("SNSK") to sell the real-estate portfolio. At closing of the transaction Hurtigruten Svalbard AS entered into a 30-year lease agreement with SNSK for the real estate and will continue to operate them and further develop the product offering on Svalbard. In 2022 the operating company of Huset was acquired.

Experience the fantastic wilderness of Svalbard at Hurtigruten Svalbard's Camp Barentz.
Photo: Arild Danielsen

With Huset's spacious building, Hurtigruten Svalbard gains an ideal venue for hosting larger groups, meetings and gatherings as well as a fine dining restaurant.

MS Nordstjernen – 80 degrees north

In 2023, Hurtigruten Svalbard has embarked on an exciting venture with the introduction of MS Nordstjernen cruises, charting a course from Longyearbyen to the remarkable 80 degrees north. This addition has proven to be a splendid enhancement to the already impressive array of offerings by Hurtigruten Svalbard, enriching the expedition experience for travelers seeking unparalleled adventures in the Arctic. Moreover, in a dedication to ensuring excellence for both the guests and the local community of Longyearbyen, Hurtigruten Svalbard has meticulously curated a bakery that not only serves delectable treats but also upholds the highest standards of quality.

Initiative for a lower footprint

Hurtigruten Svalbard has implemented a series of green initiatives that underscore the company's responsibility to the environment. This includes the installation of solar panels atop the Radisson's roof, a significant step towards harnessing renewable energy sources and reducing the carbon footprint by incorporation of two hybrid boats, as well as eco-friendly modes of transportation such as electric snowmobiles and e-bikes.

MILESTONES 2023

FROM LONGYEARBYEN TO 80 DEGREES NORTH

Introduction of MS Nordstjernen cruises, charting a course from Longyearbyen to the remarkable 80 degrees north.

Photo: Halvor Mykleby

INSTALLATION OF SOLAR PANELS

The installation of solar panels atop the Radisson's roof is a significant step towards harnessing renewable energy sources and reducing our carbon footprint.

Photo: Hurtigruten

REDUCED FOOTPRINT

Expanding our more environmentally friendly offers, which reduce our footprint, including two hybrid boats, as well as electric snowmobiles and e-bikes.

Photo: Hurtigruten

LRQA CERTIFIED ISO 9001 · ISO 14001

HURTIGRUTEN FOUNDATION

Hurtigruten Foundation is a non-profit foundation founded by the Hurtigruten Group in 2015. It was established as a cooperative venture with our guests to create a positive impact on the ocean, wildlife and local communities. The Hurtigruten Group covers the administrative costs of the Foundation so that all the donations go directly to the projects and organizations the foundation supports.

The rescue dogs in Svalbard are an important partner for the Hurtigruten Foundation.
Photo: Hurtigruten

HIGHLIGHTS 2023

140 ONGOING PROJECTS

12 NEW PROJECTS

25 SUPPORTING PARTNERS

100% DIRECTLY TO PROJECTS

"We are delighted that our guests are so eager to give back to the unique places they have visited, resulting in record donations to the Hurtigruten Foundation. It makes a real difference to the local communities we support."

Henrik Lunde, Managing Director Hurtigruten Foundation

As a Group and as a Foundation, we care, and we want to make sure that every place we operate is a little bit better off because we are there. Since the foundation was launched, it has supported over 150 projects in 23 countries, creating a positive impact for more than 250 000 people from Svalbard in the high north to Antarctica in the south and everywhere in between.

Record-breaking contribution from the guests

In the foundation we focus on preserving endangered wildlife, battling plastic waste and marine litter and supporting local communities in the areas where we operate. A few highlights that our grants have contributed to are the protection over 1 000 sea turtle nests from poachers on Boa Vista, restoring an area of more than 2 000 m2 of kelp forest in Northern Norway, collecting more than 10 tons of plastic waste and marine litter on Svalbard, releasing almost 4 000 endangered hawksbill sea turtle hatchlings in Panama, creating a reserve for the critically endangered Galapagos Petrel, scientific research measuring the impacts of climate change on Antarctic baleen whales, and the construction of the North Cape Steps in Honningsvåg.

Beach cleaning at Kap Bruun, Svalbard, Norway.
Photo: Stefan Dall

As a result, our guests have truly embraced the work and impact of the foundation, donating over EUR 830 000 to the foundation through various fundraising initiatives in 2023. That is an increase in donations of 127% compared to 2022, which allowed us to support 71 projects in 16 different countries in 2023, more than twice as many projects as in 2022.

ESG REPORT 2023

Experience whales in fantastic Antarctica.

Photo: Karsten Bidstrup

OUR APPROACH TO ESG

As a company operating in the travel sector, we go to many parts of our planet, both near and far. This gives us a front row seat when it comes to seeing the urgency of protecting its most fragile regions. It is why we have adopted the highest ESG standards and aim to be transparent in all that we do. We are proud to say that our company was last year given the highest ESG ranking of any cruise company by the sustainability ratings agency Morningstar Sustainalytics.

ESG principles guide us across all areas of our operations and throughout our value chain, creating benefits for guests, employees and wider stakeholders. We have chosen to focus on four main pillars when it comes to defining our material topics and reporting structure. At present, our ESG strategy, data collecting, and targets are executed at Group level. However, in line with the ongoing separation of companies within the Group this will in future be carried out at the individual company level.

Our four pillars are:

- **EMISSIONS:** As we aim to minimise our impact on the planet, we invest heavily in reducing our emissions.
- **NATURE:** Using science and education we protect the oceans, landscapes and the delicate ecosystems to which we venture.
- **PEOPLE:** We celebrate differences and aim to be the most inclusive travel company in the world.
- **COMMUNITY:** We aim to maximise our positive impact and create value for local communities.

We are pushing for firmer global regulations to ensure all travel operators abide by rules designed to protect the special places where we all operate. We were involved in establishing the Association of Arctic Expedition Cruise Operators (AECO) and chair the executive committees for both AECO and the International Association of Antarctica Tour Operators (IAATO). We are also a member of the UN Global Compact Norway, meaning we collaborate with a broader group of stakeholders on issues surrounding sustainable development, and work with global research institutes and universities as part of our Science & Education Program.

Concrete, science- and engineering-backed solutions that have a tangible effect in the real world are our preferred methods, and we are investing heavily in technology to reduce emissions in our fleet. By way of example, we have committed to the Science Based Targets initiative (SBTi), and our guiding belief is that transparency, education and concrete action is the most effective strategy, which is why we took the decision to not follow the path of carbon offsetting. Instead of counterbalancing our emissions by purchasing offsetting credits, we believe the right approach is to focus investments on driving in-sector emissions reductions.

This is Hurtigruten Group's integrated ESG report. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. The GRI Standards are the world's most widely used sustainability reporting standard. The report presents the environmental, social and governance (ESG) performance of Hurtigruten Group for the 2023 financial year. In the ESG Appendix all performance data, materiality assessment and more is located.

For feedback, questions or comments on this report contact: Rikke Jørgensen, VP Sustainability, rikke.joergensen@hurtigruten.com

GRI | SASB STANDARDS Now part of IFRS Foundation | TCFD | SUSTAINABLE DEVELOPMENT GOALS

WHEN WE TALK ABOUT 'SUSTAINABILITY' WHAT DO WE MEAN?

For us, it is a belief that international travel can be a force for good ... when it is done right.

By building networks of local suppliers and rejecting mass tourism, our global operations create value for the communities and ecosystems we visit. We expand our guests' horizons, creating ambassadors for nature and connecting them with diverse cultures.

Our commitment to being the most sustainable adventure travel company means defining metrics and transparently reporting them – for example in this report – to ensure internal progress and inspire others in our industry to follow suit.

TARGETS & AMBITIONS

Our ESG targets are approved by the Board of Directors, with the Executive Management Team being responsible for implementing targets and strategy. Targets relate to our material topics and represent the areas where we believe we can make the biggest contribution. The following table provides an overview of our ESG targets.

EMISSIONS

As we aim to minimise our impact on the planet, we invest heavily in reducing our emissions.

- Net 0 emissions Scope 1, 2 and 3 by or before 2050
- First zero emission ship sailing on the Norwegian coast by 2030
- Carbon neutral Scope 1 operations by 2040

PEOPLE

We celebrate differences and aim to be the most inclusive travel company in the world.

- Employee Net Promoter Score above 30 by 2025
- 0 marine casualties
- Lost time incident frequency rate below 0.5 by 2030
- 40% women in senior leadership by 2026
- 35% female officers by 2030

NATURE

Using science and education we protect the oceans, landscapes and the delicate ecosystems to which we venture.

- 100% reuse and recycling of all waste streams by 2030

COMMUNITY

We aim to maximise our positive impact and create value for local communities.

From 2024

- Maximise the number of people positively impacted
- Maximise the number of endangered species supported in the communities we visit

PERFORMANCE HIGHLIGHTS

Here we present the 2023 ESG performance highlights for Hurtigruten Group. The indicators are selected from our Pillars and should give a good picture of our current status. You can find more details about each company in the Business Performance chapters, and there is a full overview of ESG performance data in the Appendices at the end of this report.

WORLD'S BEST ESG RANKED CRUISE COMPANY

In 2023 Hurtigruten Group received best ESG ranking for a global cruise line on ESG rating from Morningstar Sustainalytics and only one with a "low ESG risk". Read more here.

SUSTAINALYTICS

EMISSIONS

- 12% reduced Scope 1 emissions per guest vs 2022
- +1 ship running on hybrid power, now total of 5
- Increased solar capacity by 446%
- 49% reduction NOx emissions vs 2022

PEOPLE

- 40% women in senior leadership shoreside
- 13% women in senior leadership seaside
- Cadets increased by 15% to 154 across the group
- Health and Safety training has been boosted

NATURE

- 12,8% reduction in total waste produced
- 9.3% reduced water consumption per passenger
- More than 3 tonnes marine litter cleaned from beaches
- More than 1 800 cruise nights donated to researchers
- 51% reduction in edible food waste per passenger

COMMUNITY

- 57% spending from local suppliers
- Record contributions to the Foundation, with EUR 830 682. 127% increase on 2022.
- The foundation supported 71 projects across 16 different countries.
- More than 100 000 local passengers
- 46 000 tonnes of cargo on the Norwegian coast

MS Nordnorge in Hjørundfjorden, Norway, one of the most beautiful fjords in the world.
Photo: Fabrice Milochau

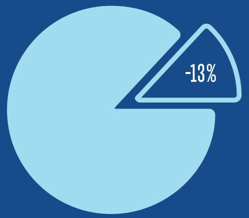
EMISSIONS

Curbing greenhouse gas (GHG) emissions is crucial in reducing the extent of – and therefore the inevitable impacts of – global warming. We know that the travel industry has work to do reducing its impact on the climate, so we have set out ways we can make a real difference by focusing on concrete, measurable solutions.

CO_2 EMISSIONS PER GUEST

SCOPE 1 MEASURED AS APCN
(AVAILABLE PASSENGER CRUISE NIGHTS)

115 KG CO_2 IN 2023



↓13% COMPARED TO 2022

↓12% COMPARED TO 2018

SOLAR PANEL INSTALLATIONS IN SVALBARD

139 SOLAR PANELS IN 2022

788 SOLAR PANELS IN 2023

17 400 KWH

42 634 KWH

THE FLEET

5 HYBRID POWERED CRUISE SHIPS IN 2023 +1 IN 2023 MS KONG HARALD

13 OF 14 SHIPS WITH SHORE POWER CONNECTIVITY

32 MILLION EURO INVESTMENT IN EMISSION-REDUCING UPGRADES ON OUR FLEET

TOPIC GUIDE: EMISSIONS

Why is this material?

By contributing to greenhouse gas emissions, we know we have a negative impact on the climate. This in turn affects the destinations we visit, and we have a duty to protect what we value.

How is it managed?

We have set an overall target of being Net Zero by 2050. This is governed by our Board and Executive Management Team, and all parts of the organisation are working to enable us to reach this target.

What is our target?

Net Zero 1, 2 and 3 emissions by or before 2050, and carbon neutral Scope 1 operations by 2040. Our first zero emission ship will be sailing on the Norwegian coast by 2030.

How did we perform?

Scope emissions per guest* fell markedly across the Group in 2023 compared to 2022 and our baseline year 2018 as efficiency measures and the deployment of new technology took effect. For Hurtigruten, we saw a fall of 9% in Scope 1 emissions since 2022, while HX emissions have fallen by 18% over the same period.

To review all our emissions data, please see Appendix E

* Calculated using Available Passenger Cruise Night data

PROGRESS IN 2023

We recognise our ships and operations contribute to global warming, so we have set ambitious targets to reduce emissions. We can already see that the measures we have taken to meet our targets are having an effect. Compared to 2022, our overall GHG emissions that can be directly attributable to our operations – known as Scope 1 emissions – fell by 12% per guest (based on available passenger cruise nights – APCN). Compared to 2018 our absolute Scope 1 CO_2 emissions have been reduced by 4%.

For Hurtigruten, Scope 1 emissions per guest dropped by 9% in 2023 compared to the year before, and by 10% compared with 2018. The clear gains in CO_2 emissions reductions have been helped by the conversion to hybrid propulsion of an additional ship within the fleet. There has also been a sharp reduction in NOx emissions due to the installation of selective catalytic reduction (SCR) systems on seven ships, with a 49% fall in 2023 compared with 2022.

For HX, there was an 18% drop in Scope 1 emissions per passenger year-on-year, which represents a 1.6% fall compared to our baseline year of 2018. These reductions have occurred even though the number of nautical miles increased by around 10% between 2018 and 2023. The gains were made possible by the ongoing optimisation of sailing routes, a focus on speed reduction, improving the efficiency of hybrid power packs, and connecting to shore power on Reykjavík sailings. NOx and SOx emissions were both almost halved in absolute terms since 2022.

Hurtigruten Svalbard saw a 145% increase in the amount of renewable energy generated as the investment of 650 new solar panels took effect in 2023. In addition, four new electric vans and one electric logistics vehicle were added, boosting the ongoing electrification of operations.

KEY INITIATIVES & NEW PROJECTS - 2023 HIGHLIGHTS

Hurtigruten's Sea Zero Project

A concept design for the world's most energy efficient zero-emissions cr uise ship was launched by Hurtigruten in 2023, with the aim of launching on the Norwegian coastal route by 2030. Partnering with the scientific institute SINTEF, the pioneering initiative is the most ambitious GreenTech project in our history. Among many cutting-edge advancements, the concept vessel includes retractable wind and solar sails, a large 60MWh battery bank, and AI assisted manoeuvring. Learn more about the Sea Zero project here.

HX emissions reduction initiatives

Cutting emissions from our ships has been a key focus for HX in 2023. Fuel economy has been improved year-on-year, and by optimising routes and cutting sailing speeds greater efficiencies have been achieved. Furthermore, increased use of the diesel additive AdBlue when sailing in certain areas has significantly reduced nitrogen oxide emissions. Concrete results include a 51% cut in NOx and a 47% cut in SOx emissions.

Additional hybrid vessel for Hurtigruten

Hurtigruten's coastal vessel MS Kong Harald received a green upgrade in 2023, with the installation of a hybrid propulsion system. Along with large battery packs and new engines, this means the ship's CO_2

Renderings presented in June 2023 of the Hurtigrutens Sea Zero project.
Photo: VARD Design (René Bjerregaard)

emissions will be substantially reduced. The vessel was also equipped with a Selective Catalytic Reduction system (SCR), reducing NOx emissions by more than 80%. With MS Kong Harald's refit, this brings the total number of hybrid ships within the fleet at Group-level to five. The refit was financed by the company's Green Bond issued the previous year.

HX shore power in Iceland

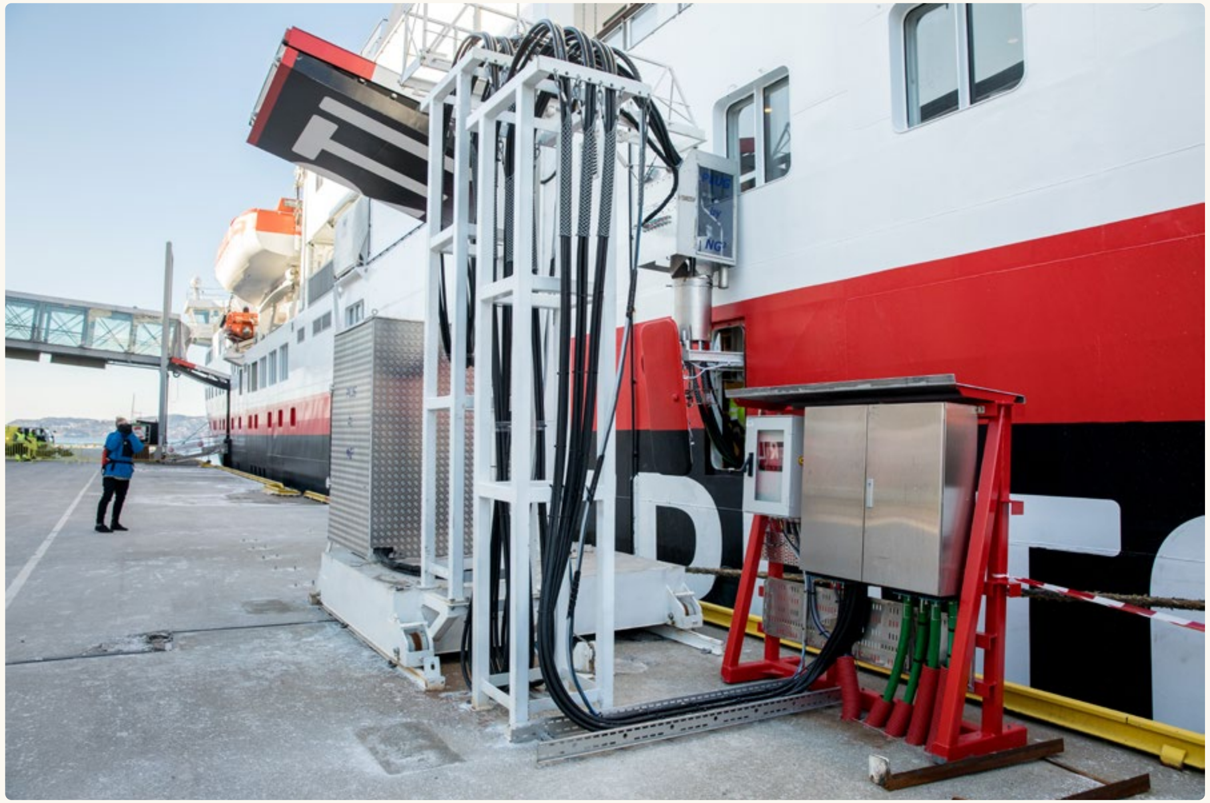
In September 2023, HX became the first cruise company to establish a shore power connection in Iceland. MS Maud connected to Iceland's national grid at Faxagardur terminal in Reykjavík, plugging into the country's 85% renewable-generated energy. Shore power connections allow for a reduction in the use of diesel, and contribute to improving local air quality, while reducing CO_2 emissions. The connection marks the Group's first international shoreside connection.

Solar power investments in Svalbard

During the summer season in 2023, Hurtigruten Svalbard was instrumental in mounting 650 solar panels on the roof of the Radisson Blu hotel and Polarsenteret in Longyearbyen. These solar panels will produce approximately 140 000 kWh of clean electricity in addition to the four solar installations already established by Hurtigruten Svalbard which produce 43 000 kWh. For Hurtigruten Svalbard, this will mean almost 8% of total energy consumption.

More electric vehicles for Hurtigruten Svalbard

Hurtigruten Svalbard has acquired an electric-powered Mercedes e-sprinter van for logistics use between businesses in the Longyearbyen area. This replaces similar diesel vehicles which had been used in the past and is charged using solar power from the cells installed on the Polarsenteret. In addition, four electric minibuses are used for guest transportation, and these are charged using a combination of solar and wind power.



SHORE POWER IN REYKJAVÍK

In September 2023, HX became the first cruise company to establish a shore power connection in Iceland when MS Maud connected to Iceland's national grid at Faxagardur terminal in Reykjavík.

Photo: Eivind Senneset

Puffins can be seen in Iceland from early April until late August, Grimsey, Iceland.
Photo: Camille Seaman

NATURE

Each of our actions has some impact on the natural world. We must tip the balance in favour of those actions that promote healthy ecosystems and lessen the burden we all place on nature.

RECORD YEAR FOR HX SCIENCE PROGRAMME

1 887 CRUISE NIGHTS DONATED TO RESEARCHERS

+101% COMPARED TO 2022

WASTE AND WATER USE REDUCTION

↓ 13% DROP IN TOTAL WASTE PRODUCED ACROSS GROUP

↓ 9% REDUCED WATER USE PER PASSENGER (APCN)

>2 MILLION LITERS OF WATER SAVED THROUGH OUR GREEN STAY PROGRAMME

+43% FROM 2022

FOOD WASTE DOWN

↓ 51% DROP IN EDIBLE FOOD WASTE PER GUEST

169 GRAMS PER GUEST IN 2023

MORE MARINE LITTER COLLECTED

>3 METRIC TONNES OF WASTE REMOVED FROM BEACHES

+38% FROM 2022

TOPIC GUIDE: NATURE

Why is this material?
Tourism puts pressure on natural resources and the ecosystems we rely on. We are committed to playing our part to protect the environment, reduce waste, and help to stop marine pollution.

How is it managed?
Our impact on nature is not an area handled by an individual within the company. All parts of the organisation are responsible for- and are involved in- starting and driving projects that enable us to increase our positive impact. Policies and guidelines set out clear paths for how we work to ensure we minimise our impact on nature.

What is our target?
By 2030 we aim to reuse or recycle 100% of the waste we produce on board our ships and in our land-based operations.

How did we perform?
2023 saw the implementation of new systems for measuring the waste we produce, as well as ongoing initiatives for reducing our impact. These yielded positive results, with a notable reduction in overall waste, food and freshwater bunkered.

To review all our nature data please see Appendix E.

PROGRESS IN 2023

It is the nature of the tourism sector that wherever tourists go there will be some impact on the environment. Our focus is, and has always been, on maximising the actions we do in support of nature and minimising those which do harm to nature. We believe that – done right – travel can and should be a force for good.

Travel that steers clear of mass tourism has the potential to yield many benefits. As adventurers, we strive to ensure our guests gain a deep appreciation of the places they visit, and that they return home as passionate advocates of environmental protection. Not only do we facilitate their adventures, we also provide knowledge and help connect them with new cultures and ways of living.

Science initiatives

One way we do this is through our science and guest learning initiatives, which includes HX's Science & Education Program. As part of this, guests on board HX ships can take part in supported Citizen Science projects, such as photographing whales for the Happywhale conservation database or helping botanic research by using the iNaturalist app. The number of data submissions from guests engaged in these projects rose by over 50% in 2023. At the same time, the number of scientific cruise nights – which are the cabin nights donated to international scientists conducting research – jumped by 101% to reach a total of 1 887.

Green Stays and waste management

Meanwhile, our guests continued to show their support for Green Stays. By foregoing room cleaning, they contributed individually to reducing their water, detergent and electricity use by around 43% compared to 2022, proving they are just as supportive of our sustainability initiatives as we are.

Waste management is incredibly important in adventure cruise travel from both an environmental and operational standpoint. In 2023, HX cut edible food waste by 22% per passenger while Hurtigruten achieved a notable 11% reduction from their already extremely low base– bringing it down to 65 grams per guest. For the Group as a whole, the total amount of all waste produced was down almost 13% on the previous year – and we aim to keep these figures moving in that direction.

Collecting marine litter

We also contribute to reducing the discarded waste of others by collecting marine litter from beaches in the places we sail. Led by onboard Expedition Teams, we saw the total amount of waste removed from beaches rise by 38% in 2023. This translates to over three metric tonnes of – mostly plastic – waste being removed from remote coastal ecosystems and safely disposed of.

SCIENCE & EDUCATION

HX's Science & Education Program lets guests on board HX ships take part in supported Citizen Science projects.

Photo: Espen Mills

KEY INITIATIVES & NEW PROJECTS - 2023 HIGHLIGHTS

Record year for the HX Science & Education Program

2023 saw HX make great strides with its Science & Education Program. In this programme, we support Citizen Science (guests collecting and reporting scientific data), guest lectures with our Expedition Teams on topics from climate change to the great explorers, and guest scientists from partner institutions carrying out important research across many relevant areas. Through a combination of onboard lectures and educational activities, hosting of collaborating scientists form leading research institutions and guest participation in numerous citizen science projects, HX saw a participation rate jump. The number of onboard Citizen Science projects rose 54% in 2023 compared with 2022 (from 13 to 20), and over 50% more data was submitted to these programmes, aided by guests. Meanwhile, the number of scientific collaboration cruise nights offered to researchers from institutions such as the University of Tasmania and the California Ocean Alliance increased by more than double to 1887 nights.

Hurtigruten introduces sustainable seaweed products

Sustainably sourced seaweed can be one of the lowest environmental impact products. There are extensive kelp forests along the Norwegian coast which act as an important carbon sink, and in 2023 Hurtigruten introduced a range of novel products using this abundant and renewable resource. From guest shampoo sets that use chemical-free soap from the Lofoten Seaweed company to "Blue Food" concepts that incorporate seaweed into menus, Hurtigruten is also partnering with Lyngen Seaweed to grow sugar kelp for further inclusion in onboard food offerings. By using sustainable seaweed in this way, Hurtigruten is creating value for local harvesting companies and contributing to the long-term protection of Norway's kelp forests.

Wastewater systems on all Hurtigruten and HX ships

Across the fleet, advanced water plants have been installed, transforming onboard sewage into clean water that can be safely discharged. After treatment only 2% solid waste remains, which is landed ashore and processed safely in environmental waste facilities. Additionally, ballast water – used for stabilisation at sea – is treated with ultraviolet light to neutralise any microorganisms present and make it safe for discharge. This method completely eliminates both the need for the use of chemicals in the process of purifying water and the possibility of invasive species transmission.

HX upcycles mooring ropes in inventive way

In an effort to reduce the environmental impact of its operations, HX has partnered

LOFOTEN SEAWEED BY HURTIGRUTEN

There are extensive kelp forests along the Norwegian coast and sustainably sourced seaweed can be one of the lowest environmental impact products. In 2023 Hurtigruten introduced a range of novel products from Lofoten Seaweed.

Photo: Hurtigruten

with German upcycling firm Bracenet to provide lanyards for guest and crew which are made from used mooring ropes and discarded fishing nets removed during beach cleans. Lanyards are used to attach essential cards and keys while on the ship, and the use of recycled materials will also initiate wider conversations about the impact of discarded or lost fishing gear on the environment.

HX hotel initiatives reduce onboard waste

The impact of onboard consumables on HX ships was in sharp focus during 2023, with HX Hotel Operations – which covers onboard operations relating to cabins and hospitality – running a number of initiatives aimed at slashing waste. These included launching initiatives aimed at reducing the amount of paper used by both guests and crew, as well as introducing reusable packaging and containers for takeaway food. Crew were trained in reducing food waste, and this learning was passed onto guests. This strategy of waste reduction is a continuous process and follows on from the pioneering ban on single use plastics on all our ships in 2018.

Hurtigruten's Save Water campaign

Progress continued to be made on Hurtigruten's campaign to reduce the amount of fresh water used on its ships. The Save Water initiative aims to educate guests on water usage, partly through the Green Stay initiative. As a result, many guests reduced the amount of water they used, and the average water consumption reduced by 8% across all guests as a result.

Environmental management systems

Monitoring our impact on the environment is fundamental to supporting our efforts to reduce that impact. To ensure this is done in an accurate and thorough manner we have an environmental management system in place that complies with the International Safety Management (ISM) Code. Maritime companies receive their Document of Compliance (DOC) after successfully completing an audit. This evaluates the company's adherence to the ISM Code, ensuring it has effective safety management systems in place for its vessels, demonstrating its compliance with international maritime safety regulations. This is checked by internal and external annual audits. The HX audit is carried out by DNV, while Hurtigruten's audit was conducted by the Norwegian Maritime Authority, with the latest year covered being 2023. Additionally, for waste handling, Hurtigruten has a nationwide agreement with Retura. This specialist company supplies waste handling and recycling solutions; storing, sorting and recycling all waste streams from vessels.

SCIENCE SEA DAY

HX scientist leads a citizen science session. Showing guests how to log observations and upload them to the iNaturalist app.

Photo: Tommy Simonsen

Expedition team member in Antarctica.
Photo: Karste Bidstrup

PEOPLE

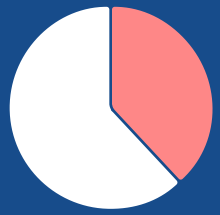
Our employees are at the heart of who we are. They are the driving force behind our business, the faces that guests see on board our ships, and the advocates for our brand.

EMPLOYEES

TOTAL NUMBER OF EMPLOYEES

3 534

62% MEN



38% WOMEN

68% OF EMPLOYEES ARE SHIP BASED

13% WOMEN IN SENIOR OFFICERS/LEADERSHIP ONBOARD

71 NATIONALITIES

32% OF EMPLOYEES ARE LAND BASED

40% WOMEN IN SENIOR LEADERSHIP LAND

AVERAGE AGE **39**

TOPIC GUIDE: PEOPLE

Why is this material?

People are at the heart of Hurtigruten Group. Our employees deliver world-class travel experiences for our guests. As a global employer plugged into global supply chains, we have an important responsibility to uphold human rights.

What is our target?

Employee Net Promoter Score over 30 by 2025, 40% of women in senior leadership by 2026, 35% female officers by 2030, zero marine casualties and a Lost Time Incident Frequency score below 0.5 by 2030.

How is it managed?

Our CEO has the overall responsibility for our employees. All people and organisation topics are managed through the head of people and culture in each company, who is the owner of policies, guidelines and routines, and is tasked with ensuring the job satisfaction and wellbeing of all empl oyees.

How did we perform?

Investing in people was a prime focus in 2023, with new surveys, performance reviews and safety training. We are proud to see a growing percentage of females in shoreside senior leadership positions, currently at our target of 40%.

To review all our people data, please see Appendix E.

PROGRESS IN 2023

People are at the heart of Hurtigruten Group. Our employees deliver world-class travel experiences for our guests, and as a global employer we have an important responsibility to uphold human rights. Within Hurtigruten Group we have over 3.5 thousand employees representing 71 different nationalities. They are the cornerstone of our business and as such we are committed to ensuring their employment is a fulfilling and rewarding experience. Operating in the marine sector, it is natural that the health and safety of employees remains our foremost priority.

People numbers

Of our people, 68% work at sea, and of these, 30% are female. In total, 38% of our total workforce is female and 62% are male – a ratio that has remained unchanged since 2022 – and the average age is 39. We are proud to report that the proportion of women in senior leadership roles is currently at target, and we are continuing along a path towards an equal balance. This is driven by an increase within both Hurtigruten, HX and Hurtigruten Svalbard, with the latter in particular seeing important results from dedicated work by the new CEO. Furthermore, we have recorded steady development in the sea-based gender representation, as 30% of onboard crew are women.

Our training programmes for sea-based recruits remain popular and well respected within the industry, with the total number of maritime apprentices and cadets reaching 154: 142 in Hurtigruten, 11 in HX and 1 in Hurtigruten Destinations in Svalbard.

Collective barganing agreements and parental leave

For individual employees, we can report positive developments in the numbers covered by collective bargaining agreements and parental leave. Additionally, in 2023, we recorded a lower number of sick leave days, a positive trend that we aim to continue. We are currently working on expanding the scope of countries of operation in which we measure sick leave.

KEY INITIATIVES & NEW PROJECTS -2023 HIGHLIGHTS

Health and Safety

Health and Safety is fundamental to a sea-faring organisation operating in some of the most extreme environments on earth. The CEO in each company has the overall responsibility for the safety in all our operations, and we are committed to the prevention of injury and illness for our sea-based employees, as well as the continuous improvement of our Health and Safety management systems and performance. HX and Hurtigruten have externally audited safety management systems in compliance with the ISM code. The latest external audits for HX were in 2023, and for Hurtigruten in 2021. This covers operational guidelines to employees on board and on shore, safety training procedures, emergency preparedness programmes, and environmental management systems as explained in the Nature chapter. Our safety policies foster a safety culture built around stop work authority and a no-blame attitude toward reporting deficiencies, and these safety policies cover all employees. Accidents and serious incidents are not tolerated – including serious personal injuries and the loss of human life – and everyone's contributions count toward the company target.

People are at the heart of all our operations.
Photo: Chelsea Claus

In 2023 HX launched a Global Safety Excellence (GSE) initiative. Expedition cruising can involve significant risks to crew and guests, and this initiative is aimed at identifying and preparing for those risks. From being aware of trip hazards and safely operating Zodiac boats, to ensuring shore excursions are safe and monitoring geopolitical risk in the regions where we operate, GSE is focused on analysing areas of risk and mitigating them. The initiative features lectures, training and presentations, and is aimed at maintaining a culture of safety across all operations both at sea and on shore.

Continued investment in our people

When people choose to work within Hurtigruten Group, we want to make sure they continue to develop by investing in them. Over the past year we have launched several initiatives to invest in employee engagement and development, including:

- **HX Explorer Workshops.** Almost 50% of all HX employees have attended the HX Explorer Workshops, in which the values, spirit and history of the company are presented, as well as learnings about our products.

- **Hurtigruten Culture Survey and extended People Survey.** This is a detailed, annual employee survey used as a mechanism to get employee feedback and understand satisfaction levels. 70% responded to the 2023 survey, which is a great result. In addition, Hurtigruten conducted a Culture Survey as a people engagement mechanism to understand what the most material topics are for employees.

- **Performance Reviews.** Another important development of the year was the launch of our new performance review mechanism in Hurtigruten and HX. This is a tool to help us invest in human capital development, giving our employees a structured way of giving and receiving feedback, as well as setting targets for goals and development.

Tools for employee engagement

HX uses Employee Net Promoter score (eNPS) to measure the satisfaction of our employees. In 2023 the eNPS score for HX employees remained broadly within the same range, showing a slight drop from the previous year. While we would like to have seen this figure rise, we acknowledge the broad organisational change that is taking place may have had an impact. Hurtigruten uses different metrics for measuring job satisfaction in the form of Culture and People surveys (see above) which allow for greater levels of feedback.

Maritime apprentices at Hurtigruten and HX

Investing in future generations to work for us at sea is important to both Hurtigruten and HX. There is a strong maritime apprenticeship programme at Hurtigruten, which trains people across a range of areas from electrical engineering to cheffing, and it is one of the largest apprentice programmes in Norway. In 2023, 142 positions were held, and we were proud to be awarded "Apprentice Company of the Year" by the education office in North of Norway. The HX Cadet Programme has 11 recruits coming from as far afield as Croatia and New Zealand, training in operational areas such as engines and advanced technology. HX is recruiting for the 2024 intake, and in the UK we are already a sought-after brand with a high volume of queries.

Fresh, locally sourced ingredients are delivered directly to the Hurtigruten ships when they are in port.

Photo: René Bjerregaard

PROTECTING HUMAN RIGHTS

Being a global employer comes with great responsibility. With offices in nine different countries and operations on multiple continents, we acknowledge that we have a huge responsibility for the promotion and protection of human rights regardless of where we are. We want to provide leading global working conditions to secure high employee satisfaction. Our commitment and framework for working with Human Rights Due Diligence is presented in our Human Rights Policy.

All employees working at sea in HX and Hurtigruten are covered by union and shipowner negotiated wages and are covered by collective bargaining agreements. We believe it is our duty to secure all our workers' rights, and that all seafarers should have contracts with high standards that secure their labour and human rights.

Within HX, the majority of our crew is hired through a third party. Nevertheless, we have a solid agreement to secure and protect their labour and human rights. The Collective Bargaining Agreement, which came into effect on January 1st 2022, is set in place to secure the rights of all crew working on our ships and prohibits all discrimination and harassment based on race, colour, sex, religion, political opinion, national extraction or social origin. We are proud we have a high retention rate among our expedition crew, and one of the positive

GUEST EXCURSIONS

Our experienced expedition staff take guests on excursions, contributing expertise on the natural environments and history of the places we visit.

Photo: STEFANDALL

things they have highlighted is an onboard culture that emphasises open dialogue and trust more than formal hierarchy.

In addition, we have pledged not to violate any provisions contained within the following ILO conventions: 29, 87, 98, 100, 105, 111, 138, 182, 190 and the Maritime Labour Convention. Norwegian crew members are hired under the Norwegian Working Environment Act as described below.

Our operations in Norway (Hurtigruten and Hurtigruten Svalbard) fall under the Norwegian Working Environment Act which covers the working environment, working hours and employment protection. The law ensures all employees have rights to parental leave, protection against discrimination and several other labour rights.

Diversity and Inclusion (D&I)

Hurtigruten Group believes that an inclusive workplace is fundamental in securing the engagement and wellbeing of our employees. We aspire to be an employer of choice for people from diverse backgrounds, regardless of ethnicity, gender, religion, sexual orientation, disability or age. Diversity and Inclusion is a desired and positive part of the corporate culture, strengthening our ability to operate under varying conditions and operating parameters as well as giving our guests a unique experience. We aim to increase diversity in all areas of our business and have set clear ambitions for an inclusive workplace.

There is a policy of zero tolerance for discrimination of employees within Hurtigruten Group, and we continuously work with a structured improvement agenda to secure the wellbeing of our workforce. In 2022 we implemented D&I policies, processes, leadership training and continuous development as well as compliance related to discrimination. This effort has been applied to all aspects of the employee journey and sets clear requirements regarding how we recruit, develop, compensate, and present career opportunities.

We want Diversity and Inclusion to become an integral part of who we are and how we work globally. Our global footprint is represented by employees from 71 different nationalities.

Whistleblower policy and channel

To foster a culture of openness, where reports of possible misconduct are dealt with in a professional way, external software allows employees to make an anonymous report at any time of the day and week. A channel is also available to external parties, such as customers, partners, or others, and as part of our business reviews an account is produced on a quarterly basis that includes any reported incidents. All employees, hires and partners have the right and duty to report misconduct within the company. We report on whistleblower numbers in our internal quarterly business reviews.

To visit our whistleblower channel, click here.

In small boats, guests get close to nature and all that it can offer.
Photo: Andrea Klaussner

COMMUNITY

Local communities stand to gain from travel and tourism if it is done right. By fostering strong links with the places we visit, and a mutual respect, we can help empower people, strengthen local economies and protect the environment.

RECORD CONTRIBUTION FROM OUR GUESTS TO SUPPORT LOCAL COMMUNITIES

830 682 EUR DONATED TO THE FOUNDATION

+127% COMPARED TO 2022

PROJECTS

THE FOUNDATION HAS SUPPORTED **71** PROJECTS

+137% COMPARED TO 2022

16 DIFFERENT COUNTRIES

HURTIGRUTEN - LIFELINE ON THE NORWEGIAN COAST

46 392 TONNES OF FREIGHT TRANSPORTED

105 775 LOCAL PASSENGERS

LOCAL SUPPLIERS

57% SPENDING FROM LOCAL SUPPLIERS IN THE FOOD & BEVERAGE CATEGORY

TOPIC GUIDE: COMMUNITY

Why is this material?

We are privileged to access the unique destinations we visit, so it is our responsibility to have a positive impact on the communities that live there.

What is our target?

To maximise the number of people positively impacted and endangered species supported.

How is it managed?

Our impact on the communities we visit is very important to us and it is deeply rooted in all parts of the organisation. In addition, the Hurtigruten Foundation works to ensure the guests of tomorrow can enjoy the same experiences as the guests of today.

How did we perform?

Our network of local food suppliers continues to grow, with 71% of food and beverage menu items being sourced locally by Hurtigruten in 2023. Direct and holistic engagement with local communities has gone from strength to strength, and guests have contributed a record amount to Hurtigruten Foundation, with over 830 000 euros for local communities.

To review all our community data please see Appendix E.

PROGRESS IN 2023

Mass tourism is unsustainable and can be destructive for local communities. Our model demonstrates a better way to travel, one that positively contributes to the communities we visit and builds long-term sustainable relationships. As a cruise business, we empower local people without exploitation. We do this by working in partnership with them, supporting them socially and adding value economically to create positive ripple effects that endure.

Our community work is focused on two main areas: local value creation and the direct positive impact made by the operations of Hurtigruten, HX and Hurtigruten Svalbard, including supporting projects in communities with Hurtigruten Foundation.

Increasing local value creation via our operations

We strive to support communities over the long term by creating social and economic value. Our choice of limited sized 500-passenger ships enables access to remote locations without having a negative impact on the destination by overwhelming it with people. At the same time our operations are an important and sustainable source of income in otherwise small and/or isolated communities.

Additionally, we source food and beverages locally, employ local guides and build partnerships. By creating a local network of food and beverage suppliers, we are able to have a direct impact wherever we sail. In Norway, we are a lifeline for many coastal communities, delivering freight, transporting passengers and connecting regions.

In 2023, 80% of the food served on Hurtigruten ships was sourced locally, and 46 000 tonnes of freight was shipped within Norway using our vessels. We define 'local' as being produced in the same country in which it is delivered on board.

With a long heritage of sailing the Norwegian coast, Hurtigruten continues to be an important local recruiter in the region. Many captains, crew members and apprentices grew up watching Hurtigruten ships pass by and have gone onto work for the company in adulthood. Advocating for Norwegian salaries and terms for ships sailing in Norwegian waters is an important principle for Hurtigruten.

Increasing our positive impact through Hurtigruten Foundation

Hurtigruten Foundation is a collaboration between Hurtigruten Group, guests, partners and private donors, with an aim to strengthen local communities, protect endangered species, and back environmental initiatives. Last year was the most successful yet for the Foundation, with a record 830 000 euros raised from our guests. This money is given to projects around the world, with 71 grants in 16 countries being issued in 2023.

GREENLAND'S NEXT GENERATION

Hurtigruten Foundation cemented its investment in Greenland's next generation by awarding grants to the Association of Greenlandic Children, Sisimiut Youth Center Nutaraq, and the Oxen Expedition Engagement Network.

Photo: Camille Seaman

KEY INITIATIVES & NEW PROJECTS - 2023 HIGHLIGHTS

Hurtigruten – a lifeline on the Norwegian coast

Hurtigruten has been an integral part of coastal life for over 130 years. Operating between 34 ports along the rugged coastline, our ships have been a lifeline for many communities for well over a century. In 2023, Hurtigruten transported over 46 000 tonnes of goods and more than 105 000 local passengers along the coast, proving the service is part of Norway's infrastructure and offering a more sustainable alternative to road transport.

Launch of the Svalbard Express

Marking 130 years of coastal sailing, Hurtigruten in 2023 launched the Svalbard Express. Connecting the mainland to the Svalbard Arctic Archipelago, this was a return to service for the iconic route, which had last been sailed in 1982. Far more than a celebration of maritime heritage, the Svalbard Express, and its sister service the North Cape Express, transports cargo and passengers between these far-flung destinations, delivering local value, connecting communities and providing jobs.

Record HX Green Stay translates to more Hurtigruten Foundation community grants

2023 saw an increase in the share of guests opting to take part in the Green Stay initiative. More than 1 in 4 passenger nights on HX ships opted into green stay, which translated to record donations to Hurtigruten Foundation thereby contributing to social and environmental projects around the world. New projects supported in 2023 included grants for Kommuneqarfik Sermersook (Greenland) to refurbish Ittoqqortoormiit Museum, Mariuxi Prieto Pino (Ecuador) to supply needed uniforms and supplies to two schools, and the Oxen Expedition Engagement Network, which helps local Arctic communities engage with sustainable tourism.

LOCAL PRODUCERS

Hurtigruten saw 80% of its onboard food and beverages sourced from local producers in peak season, and this included Norwegian beers, ciders and spirits. 99% of local beverage suppliers are family-owned.

Photo: Hurtigruten

Investing in Greenland's next generation

Hurtigruten Group continued to collaborate on a number of projects and initiatives in Greenland. These include Hurtigruten's partnering with Greenland's Arctic Umiaq Line, providing a passenger service that connects remote coastal communities. HX, meanwhile, hosted AECO and Visit Greenland representatives aboard MS Maud, and ran a small-scale community feedback trial. Lastly, Hurtigruten Foundation cemented its investment in Greenland's next generation by awarding grants to the Association of Greenlandic Children, Sisimiut Youth Center Nutaraq, and the Oxen Expedition Engagement Network.

Local food and beverages helping local businesses

Across the Group, 2023 saw a concerted push towards serving more locally sourced food and beverages on board ships. Driven by a strategy of offering unique experiences with authentic local flavours for our guests, an added plus is that local beverages also have a smaller environmental footprint and benefit the places where we sail.

Hurtigruten saw 71% of its onboard food and beverages sourced from local producers, and this included Norwegian beers, ciders and spirits. 99% of local beverage suppliers are family-owned. Similarly, HX has expanded its worldwide network of local wine suppliers, with wines from Germany, Argentina and Chile – selected for their organic certification – offered to guests.

Community engagement in West Africa

2023 marked our first sailing to West Africa, primarily the Bissagos Islands in Guinea Bissau. During 29 sailings we were welcomed into five different local communities, procuring services for our guests such as cultural performances and guiding. In one village, Ampincha, Hurtigruten Foundation supported the building of lodgings for schoolteachers. In two of the communities, villagers set up interactive workshops for guests, such as making palm oil and learning musical instruments, which were appreciated by all parties. This approach of constructive engagement is key to our engagement strategy in West Africa and beyond.

WEST AFRICA

2023 marked HX's first sailings to West Africa – primarily the Bissagos Islands and Guinea Bissau. Alongside these sailings, funds from the Hurtigruten Foundation were deployed to build accommodation for local school teachers.

Photo: Credit: Nature Picture Library / Alamy Stock Photo

RUNNING A RESPONSIBLE BUSINESS

Transparency and accountability are the cornerstones of our ESG reporting. We believe an important mechanism for pushing the industry in the right direction is to disclose ESG performance data and to be open about what we need to improve. We also believe that strengthening our policies and ESG governance are important stepping stones for building a robust company where ESG runs through everything we do. We call it running a responsible business.

MS Roald Amundsen is as pioneering as the man it is named after, the state-of-the-art ship features new and environmentally hybrid technology that reduces fuel consumption and shows the world that hybrid propulsion on large ships is possible.
Photo: Karsten Bidstrup

Hurtigruten Group's progressive and ongoing split into divergent companies has had no effect on our commitment to protecting human rights, avoiding malpractice relating to corruption exposure, or respecting the data of our employees, customers and suppliers. In 2023, 35% of employees conducted Code of Conduct training – up from 6% the previous year. We are continuing to implement robust staff training programmes relating to codes of conduct and GDPR, ensuring due diligence checks are carried out on our value chain and that our business is run responsibly.

We are proud to see a strong increase in the share of local suppliers in the food and beverage category, with Hurtigruten sourcing almost half of all supplies locally in 2023. This is in line with our strategy of local value creation and working closely with local communities to ensure more sustainable tourism for future generations.

In 2023 Hurtigruten Expedition Cruises AS accepted a fine of EUR 8 495 by Sysselmesteren (Governor of Svalbard) for conducting zodiac cruising in a bird protection zone. This was a result of losing situational awareness of the exclusion zone.

The fleet implemented a refresh for relevant crew of established operating protocols.

In line with running a responsible business, we have implemented a whistleblower channel that is also available to external parties, such as customers, partners, or others. We report on Whistleblower numbers in our internal quarterly business reviews. To visit our whistleblower channel, click here.

KEY HAPPENINGS AND NEW PROJECTS

Best ESG ranking for a cruise company in 2023

In 2023 Hurtigruten Group received recognition in the form of Best ESG ranking for a Cruise Company from leading rating agency Morningstar Sustainalytics. The rating was a reflection of our ethos of putting sustainability and governance front and centre, just as much as it was the result of a cross-departmental effort to gather data, set targets and formulate policies for action. Our top ranking acts as a benchmark for success, and we are committed to remaining focused on retaining the highest of standards when it comes to ESG reporting.

Hurtigruten Svalbard earns environmental certification

Hurtigruten Svalbard has been ISO certified in accordance with the standards ISO 9001:2015 and ISO 14001:2015. This is an important milestone in the company's mission to deliver unique and high-quality experiences. The certifications demonstrate that Hurtigruten Svalbard operates in a safe and predictable way, with focus on improvement measures that reduce the impact on the environment. The certifications are also forward-looking, ensuring continuous quality improvement for the organisation's processes and routines.

Corruption Risk Index

Operating globally naturally increases the likelihood of encountering corrupt practices, and being aware of the risks of exposure to corruption is part of our due diligence procedures. As such, we are monitoring the Corruption Perceptions Index (CPI) for changes in current itineraries and risks for potential itineraries. Our group-wide anti-corruption policy sets out the limits of acceptable gifts and the ramifications for violations of said policy. The policy can be found here: Report and Policies Hurtigruten Group. This policy was successfully put into practice for the launch of our West Africa Itineraries, and we ensured that all officers and crew were aware of and acted upon it at all times.

Executive compensation framework and ESG

We have made the important decision to include ESG in our compensation framework for our executives. This decision is a milestone for our company, reflecting our owners' dedication to ESG and our Executive Team's motivation. It is also an important mechanism for securing the strategic focus of our company regarding ESG-related topics.

Procurement as a strategic enabler for ESG

We believe procurement has a strategic role to play in our ESG work. As a global company, we can have an impact on local businesses, and we can use our purchasing rights to support environmental and social development. In our 2021 ESG report we communicated some key ambitions, and we are proud to have come a long way. We still have work to do, but recent developments are enabling us to progress in line with our aims. These are, firstly, the adoption of a digital contracting and procurement analytics tool which allows systematic follow-ups of our suppliers. Another useful digital tool has been employed which helps us estimate our Scope 3 emissions. And finally, we have an updated Supplier Code of Conduct covering environmental and social requirements which works in connection with our set of policies.

Proactive Human Rights Due Diligence in the value chain

As a leading cruise company we recognise our responsibility to ensure that our operations, both at sea and on land, respect and promote human rights. From 2022 and into 2023 we have intensified our work with human rights due diligence in the supply chain. We have established a risk-based framework for assessing the risk of human rights and decent working conditions breaches in our direct and indirect operations. In 2023 our Board of Directors approved a new governance structure for this area of operations. In addition, we launched a Human Rights Committee for Hurtigruten and HX to monitor and oversee the important work done by procurement. To learn more about our work in the past two years, please see our account of due diligence here. By June 30th 2024 we will publish our updated report covering the latter part of 2023 and first part of 2024.

Data & Privacy

Guests and employees trust us with their personal data, and we take our responsibility to protect it seriously. In January 2022 we launched a revised mandatory GDPR staff awareness training course. We continue to actively push this course to all employees which is reflected in the large increase in time spent on data privacy training compared to 2021 and prior years. At the end of 2023, 54% of employees had completed the course, which is a doubling from the previous year. Of our land-side employees, almost three quarters had completed the training by end of 2023. As we continue to promote this training, in particular to our sea-side organisation, we expect this number to continue rising in 2024.

REPORT OF THE BOARD OF DIRECTORS

The destinations we visit are rich in wildlife

Photo: Bertolazzi-Monica, Getty Images

MARKET DEVELOPMENT

Hurtigruten Group's consolidated revenues mainly derive from international guests seeking unique nature-based and active experiences around the world. The global cruise and travel industry have substantial exposure to fluctuations in the world economy, which also applies to Hurtigruten Group.

Hurtigruten Group experienced in 2023 a significant growth compared to 2022 as the travel industry was emerging from the pandemic. This growth is expected to continue in 2024 supported by a strong booking momentum. Hurtigruten Group is of the opinion that the demand trend will continue to be strong driven by the attractiveness of the remote and off the beaten track destinations, which is a trend that is increasing globally, and which meets our offers well. Even with the Russians invasion of Ukraine continued to influence Europe the bookings for 2024 are strong.

The Hurtigruten Group has carried out several strategic measures in the split of the companies Hurtigruten and HX Hurtigruten Expeditions through 2023 to ensure that they will better achieve their goals and develop in their unique direction and offer. This will position the business and shape them to continue its efforts to make real, active and nature-based travel products more easily accessible and build sales channels better customized to their products and customer segments. Clearly differentiating their unique and authentic product in the global cruise and tourism market will be essential.

With a high focus on building out the B2B collaboration, rebranding to more distinct names and dedicated market departments the Group are already experiencing results from these efforts through strong growth in brand recognition and future bookings in UK, US and Australia which are markets where the brands have historically had lower relative market penetration compared to the Nordics and Germany.

Underlying booking patterns for 2024 and beyond show that the underlying travel industry trends continue to show growth in demand for unique destinations and an increasing interest in adventure travel and expedition cruising. With its strong history and clear positioning Hurtigruten, HX Hurtigruten Expeditions and Hurtigruten Destinations, is the leading in this segment. With its strong focus on sustainability and the environment, Hurtigruten Group introduced in 2019 the world's first hybrid expedition cruise ship, MS Roald Amundsen, powered by hybrid battery technology. Her sister ship, MS Fridtjof Nansen, was delivered in the fourth quarter 2019. In 2023, Hurtigruten finished the upgrade of the second of its battery-hybrid power ships in the coastal fleet, continuing with its third ship in 2024.

DIGITAL

In order to succeed with the implementation of the Group's growth strategy, Digital has become an essential part of Hurtigruten Group's business model, across sales, marketing and operations in all business units.

All our digital solutions are built based on modern agile principles, with integrated technical and business teams, automated quality controls, frequent user testing and short development cycles.

Through 2022, the development of a new digital front-end platform was executed for the Expeditions business. The platform shows increased conversion and engagement. Rollout took place through 2022 and finished in Q1 2023. Through 2023, the Group has finalized the rollout of a the new web solution for HX Hurtigruten Expeditions, with enhanced self service capabilities for our guests, as well as being the focal point for the new HX brand.

A Hurtigruten website based on the same technology architecture has also been developed and is being rolled out in all markets.

The Hurtigruten Guest App is rolled out on all own-operated Expeditions vessels and most of the Hurtigruten fleet, simplifying the experience for both guests and crew onboard the vessels. The app supports guests with details about the ship and their journey, managing the daily schedule of the expeditions and providing self-service opportunities for the guests.

FINANCIAL REVIEW

Consolidated statement of income

The Group's activity continued to increase through 2023 as the global Covid-19 pandemic subsided. In June the entire Hurtigruten fleet was back in operation and there was a positive development in both future bookings and travel patterns.

Operating revenue increased by 15% from EUR 567.9 million in 2022 to EUR 655.6 million in 2023. The increase in revenue is primarily driven by higher passenger volume.

From the agreement with the Norwegian Government through the Ministry of Transport and Communications, Hurtigruten Group has received contractual revenues of EUR 62.0 million in 2023 compared to EUR 59.4 million in 2022. The increase is due to a cost index adjustment for 2023 of

17.2%. The agreement applies to 7 ships on the Bergen–Kirkenes route for the period 1 January 2021 through 31 December 2030.

Direct cost of goods and services increased by 27.1% from EUR 136.9 million in 2022 to EUR 174.0 million in 2023. The increase is related to the increase in passenger volume combined with higher cost for flights, hotel and transportation services that are part of the pre- and post-cruise activities. Total salaries and personnel costs were EUR 191.8 million in 2023 which is 8.5% up from EUR 176.8 million in 2022. Other operating expenses decreased from EUR 305.7 million in 2022 to EUR 288.1 million in 2023. The decrease in other operating expenses is mainly driven by a reduction in fuel expenses.

Depreciation, amortisation and impairment expenses increased from EUR 73.4 million in 2022 to EUR 74.7 million in 2023.

Net other gains were EUR 3.2 million in 2023, compared to a gain of EUR 7.7 million in 2022. Whereof net foreign exchange gain on balance sheet items was 2.7 million in 2023 while forward bunker fuel contracts gain (net realised and unrealised) was EUR 0.4 million.

The Group's operating loss was EUR 69.8 million in 2023 up from a loss of EUR 108.6 million in 2022, an improvement of EUR 38.7 million driven by increase in revenues. The Group's net loss before taxes was EUR 284.1 million in 2023, an increase of EUR 64.3 million from the loss of EUR 219.8 million in 2022. This increase is due to an increase in financial expenses. The increase is driven by increased interest-bearing liabilities, higher effective interest rate and accelerated amortization of loans that were re-financed in February 2024. Of the EUR 222.4 million in net financial expenses, EUR 63.8 million is payment-in-kind non-cash interest related to subordinated debt and operating facility provided by the ultimate shareholders and the EUR 200 million Notes Facility.

Consolidated statement of financial position

Non-current assets were EUR 1 237.2 million on 31 December 2022, compared to EUR 1 235.7 million at the start of the year. The increase was mainly due to investments in the fleet.

Current asset amounted to EUR 179.7 million, compared to EUR 136.4 million last year. The net increase of EUR 43.4 million was due to increase in trade and other current receivables of EUR 20.3 million as well as an increase in cash and cash equivalents of EUR 20.4 million.

Total non-current liabilities amounted to EUR 1 664.2 million as of 31 December 2023, an increase of EUR 288.1 million from EUR 1 376.0 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. Total shareholder funding increased with EUR 182.5 million in 2023.

Current liabilities for the Group ended at EUR 612.7 million in 2023 compared to EUR 557.9 million in 2022. The main change is a net increase in interest-bearing debt classified as current.

The reported equity at 31 December 2023 was negative EUR 859.9 million compared to negative EUR 561.9 million at year-end 2022. The change is due to the net loss in 2023. The equity ratio was negative 60.7% at the end of 2023 compared to negative 41.0% at the end of 2022.

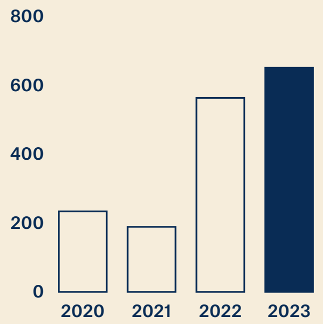
See note 30 for information about events after the reporting period.

Consolidated statement of cash flows

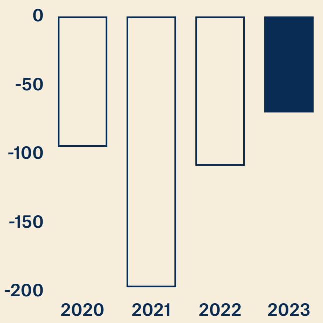
Available cash and cash equivalents in the cash flow statement totaled EUR 50.3 million on 31 December 2023, compared to EUR 30.0 million on 31 December 2022. Restricted cash constituted EUR 2.4 million in 2023 and EUR 2.7 million in 2021 of the total cash and cash equivalents.

The net cash inflow from operating activities was EUR 21.6 million in 2023, compared to net outflow of EUR 10.1 million in 2022. The improvement in cash flow from operating activities is explained by an improved EBITDA in 2023 compared to 2022.

OPERATING REVENUE (EUR MILL)



OPERATING PROFIT (EUR MILL)



A message from the CEO

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Net cash used for investment activities in 2023 was EUR 72.5 million, compared to EUR 89.9 million in 2021. The decrease in the outflow of EUR 17.3 million is caused by lower capital expenditures from the ongoing environmental ship upgrades in the Hurtigruten fleet.

Net cash inflow from financing activities was EUR 73.5 million compared to EUR 77.1 million in 2021. The net inflow in 2023 is mainly net proceeds from the new borrowings and shareholder loans.

Parent company financial statements

The parent company, Hurtigruten Group AS reported a net loss of EUR 169.5 million in 2023 compared to a net loss of EUR 63.1 million in 2022. The increased loss was mainly due to increased interest expenses and loan expenses from interest-bearing liabilities.

In the statement of financial position the parent company reported a net increase in cash and cash equivalents of EUR 18.0 million. Of which a net cash outflow of EUR 14.9 million from operating activities, outflow of EUR 184.4 million from investing activities and an inflow of EUR 217.2 million from financing activities. The outflow from the investing activities is explained by an outflow to loans to subsidiaries, and the inflow from the financing activities is mainly explained by proceeds from new financing.

The equity ratio for the parent company was negative 16.4% on 31 December 2023, compared to negative 4.3% at 31 December 2022. The negative equity ratio for 2023 is mainly explained by the net loss of EUR 169.5 million for the year. The net loss for the parent company is proposed to be transferred to uncovered loss in the equity.

RISK MANAGEMENT

Hurtigruten Group is committed to proactive and effective risk management to mitigate adverse effects on our operations and to identify and explore business opportunities. Ultimately, risk management contributes to achieving our short-term targets and long-term strategic objectives.

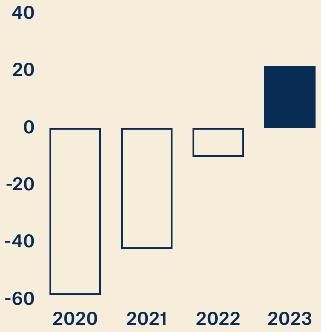
The Group has implemented an enterprise risk framework with policies, guidelines and tools to facilitate risk management across the organization. Our framework is inspired by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM framework and the ISO 31000 risk management guideline. The Group risk management function is reporting to the Chief Financial Officer. The Group CFO function is responsible, in consultation with the Group CEO, for conducting ongoing tactical risk management in line with the approved strategy, including exposure analyses and reporting. Hurtigruten Group is currently in the process of separating its two business areas Hurtigruten and HX Hurtigruten Expeditions. As of 1 February 2024, the Group risk management function is split in two. VP Legal & Risk Management in HX is reporting to the CFO of HX while VP Risk Management in Hurtigruten is reporting to VP Legal with a dotted line to the CFO of Hurtigruten. The Board of Directors has approved the risk management framework and periodically reviews the company's key risks.

The Group has defined overarching principles for risk management. Risk appetite is broadly defined as the level of risk an entity deems acceptable in the pursuit of overall goals. The Group Leadership Team in Hurtigruten Group has evaluated and defined risk appetite across key operational, strategic and financial dimensions, arriving at a set of practical guidance statements to regulate risk exposure. These risk appetite statements provide guidance for strategic initiatives, resource allocation and decision-making within the company.

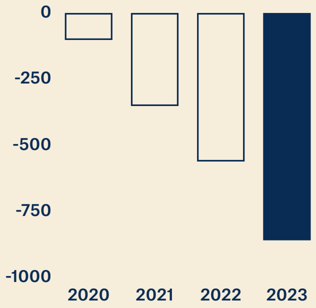
Strategic risk

Hurtigruten Group's aims to be the undisputed global leader in sustainable, inspirational adventure travel – a catalyst for change towards a greener travel industry. Our main strategic risks are risks that could prevent us from achieving this ambition. This may include regulatory and political risk, sustainability risks, or other risks which may impact our reputation, the demand for

NET CASH FLOW FROM OPERATIONAL ACTIVITIES (EUR MILL)



EQUITY (EUR MILL)



our services or our ability to deliver on our key ambitions.

Regulatory and political risks

Due to our global footprint, Hurtigruten Group is subject to complex laws and regulations in various jurisdictions, including environmental, health and safety laws and regulations. Changes in current laws and regulations could lead to increased costs or decreased revenue. Further, the costs of compliance associated with environmental and safety regulations and changes to these regulations could require significant expenditures. Failure to comply with such regulations could result in harm to people, the environment or the Group's reputation, legal proceedings, material fines and penalties, or temporary or permanent suspension of operations.

Reputational risk

The success of Hurtigruten Group depends on our reputation and the continued strength of our brand. A loss of reputation may lead to decreased demand for our services. Delays or cancellation of our services or re-routing of customers to other ports of call may adversely affect our reputation and customer loyalty. An incident involving environmental contamination could also harm Hurtigruten Group's reputation and business. Allegations of improper payments made to authorities at state-controlled enterprises or others in the jurisdictions we operate, whether or not substantiated, could harm the Group's reputation. This also includes funds that are received to or donated from Hurtigruten Foundations. Any such allegation, were it to be substantiated, may give rise to penalties, fines or contract disputes, any of which could adversely affect our business, financial condition and results of operations.

Sustainability risk

Our industry primarily impacts climate change through emissions from vessels, especially CO_2, SOx and NOx. In addition, other pollutants such as particulate matter and black carbon may contribute to global warming. The effects of climate change on wildlife habitats, especially in the Arctic and Antarctic regions, pose a considerable long-term risk to the environment. For further details about our ESG risk exposure, please see the ESG section of this report. Hurtigruten Group is also exposed to sustainability risk in the supply chain. In the past few years, working conditions at shipyards have received increased attention. The Norwegian Transparency Act implemented in July 2022 requires companies to carry out due diligence activities to identify risks, negative consequences and ensure they are operating responsibly, respecting both human rights and decent working conditions. The Group's account of due diligence in accordance with the Norwegian Transparency Act is available on our websites.

Operational risk

Hurtigruten Group is naturally exposed to operational risk. This includes risks that could impact our operations directly such as the impact of severe weather conditions, major ship incidents, virus outbreak or cyber-attack, but also risks associated with our administrative operations such as incompliance with regulatory requirements, breach of data privacy regulations or inability to recruit and retain qualified personnel.

Onboard health risk

Hurtigruten Group is exposed to health-related risks onboard our ships such as outbreaks of norovirus, legionella or other infectious deceases. Such incidents may be caused by insufficient food safety, or breach of preventive procedures for testing and isolation of crew and guests. In addition to illness among guests and crew, consequences could also include reputational damage, adverse financial impact or disruption to our operations.

Cyber security risk

Cyber-crime is increasing globally, exposing Hurtigruten Group to a range of threats to the integrity, availability and confidentiality of our systems. Cyber risk may include attempts to access information, ransomware attacks, installation of destructive viruses, denial of service and other digital security breaches. A major cyber-attack could result in a broad range of impacts including HSE events, operational disruptions and leakage or loss of private or business sensitive data.

Data privacy risk

Failure to comply with data privacy laws could damage Hurtigruten Group's customer relationships and increase risk of litigation and potential fines. Data privacy is subject to frequently changing rules and regulations not necessarily aligned between the various jurisdictions and countries in which we operate. Evolving technologies, such as AI, may also have implications on these regulations and increase risk exposure. The Group's failure to adhere to or successfully implement processes in response to changing regulatory requirements could result in legal liability or impairment of the Group's reputation in the marketplace, which could have material adverse effects on the Group's business, financial robustness and results of operations.

Competence risk

Hurtigruten Group is dependent on its key personnel. Inability to recruit or retain qualified personnel both on sea and land could adversely affect results of operations and our ability to deliver on strategic ambitions. Navigating along the Norwegian coast without using pilotage services requires a Pilotage Exemption Certificate (PEC). Hurtigruten Group is dependent on recruiting and retaining experienced crew with PEC as well as other skilled personnel onboard our ships. The Group is also dependent on skilled employees for running our hotel operations on Svalbard and other support functions of the landside organization.

Supply and demand risk

Hurtigruten Group faces competition from cruise companies as well as other holiday alternatives. To compete effectively we depend on our ability to anticipate future market changes and trends, and to rapidly react on such changes. Inability to meet competition from new and existing companies, or failure to react to market changes or trends, may have adverse effects on our business, earnings and financial position.

As a consequence of our global presence, and the nature of our operations as a cruise and adventure travel company, Hurtigruten Group has been significantly affected by the Covid-19 pandemic by customers cancelling or rescheduling their bookings or by changes in travel regulations leading to changes in or cancellation of itineraries. We believe we are now at the end of the impact from Covid-19 on our business as restrictions have been lifted in most countries and booking numbers are increasing. However, the risk of new virus mutations, infection waves and subsequent travel restrictions cannot completely be ruled out.

Financial and macroeconomic risk

Hurtigruten Group is exposed to a variety of financial risks, including market risk (e.g. fuel, currency, price, fair-value interest rate and variable interest rate risks), tax risk, credit risk, liquidity risk and refinancing risk. Interest rate movements and the overall condition of the credit market play a role in Hurtigruten Group's ability to refinance its debt obligations. It is an overarching goal to increase predictability for our operations and to minimize the impact of fluctuations in macro conditions on our results and financial position. For further assessments of financial risks, see note 4 – Financial risk.

The risk of a continued cost-of-living crisis remains for 2024. The World Economic Forum highlights inflation and economic downturn amongst their top 10 short-term global risks. Continued high inflation, and thereby falling levels of real income could reduce the demand for cruises and adventure travel. Although a "softer landing" appears to be prevailing for now, the near-term outlook remains highly uncertain. A broad and sustained downturn in demand, combined with interest rates remaining at relatively high levels for a longer period may impact both consumers and indebted enterprises and could lead to a recession in the global economy. 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. Escalation of this conflict or other events and conditions around the world may impact the ability or desire of people to travel. Despite the 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.

ENVIRONMENT

Working toward a more sustainable travel industry is a core value for Hurtigruten.

Already in 2018 Hurtigruten Group was the first cruise company in the world to launch hybrid powered ships; MS Roald Amundsen and MS Fridtjof Nansen. An on-going program is to convert 3 of 7 ships in the coastal fleet to battery hybrid ships. This will cut $CO2$ emissions by 25% and NOx emissions by 80% which is one of the most ambitious fleet upgrades in Europe. MS Richard With and MS Kong Harald has been upgraded and the third ship will be upgraded by early 2025. Further, a large number of projects and initiatives are in progress related to emission reductions, waste and water treatment and nature preservation.

Hurtigruten Group's efforts are recognized externally. In 2023 Hurtigruten Group received #1 ESG Ranking of a Cruise Company from Morningstar Sustainalytics. Hurtigruten Group is the only cruise company to be awarded a Low ESG Risk Rating. In Germany, we are #1 in NABUs Cruise Ranking for 2023, Germany's oldest environmental association.

With reference to the full ESG report from page 21 which is an integrated part of this Annual report

ORGANISATION

For Hurtigruten Group 2023 has been a year of significant organizational change. In June the Group completed the landside reorganization of Hurtigruten and HX Hurtigruten Expeditions – across each function and country – to be able to serve separate businesses.

Hurtigruten Destinations has already been operating as an independent organization, with from 2023 being included as a unit under Hurtigruten.

The drivers for the change of the Group functions into the business Hurtigruten and HX Hurtigruten Expeditions been improved business efficiency, the need to be more focused and prioritize more efficiently. By evolving the organization, building on the separation of the fleet, and removing Group as a cross functional team and integrating these roles into the businesses units the Group were able to build capability in the expedition space at the same time as increasing the success and autonomy of the business in Norway by also having them take supporting function roles in house, which increased their efficiency and evolving to two fully separate organizations, Hurtigruten and HX Hurtigruten Expeditions.

As of June 15th, the Group established a new HX Hurtigruten Expeditions Executive Leadership team, based out of HQ in London, to deliver on the Hurtigruten Expedition strategy, and with the Hurtigruten Executive Leadership Team based out of HQ in Oslo, delivering on the Hurtigruten strategy. At the same time the business executed on the separation of the Commercial functions, across the majority of our markets. Followed up by developing a blueprint for the final steps of separations of the organizations during the fall of 2023. This separation enabled both organizations to move forward at pace and operate as independent businesses.

In December, the London based HQ relocated to new office at 210 Pentonville Road. Over 100 employees are based out of this new facility with 10 000 sq ft of floorspace optimized to provide a collaborative and flexible workspace.

For Hurtigruten Group the education of seafarers is seen as a vital component of business continuity. Maintaining a strong maritime community is important for our global industry. As one of Norway's largest maritime employers and apprenticeship companies, Hurtigruten is proud to create jobs and maritime competence for the future. Our crew members in Hurtigruten are mainly recruited from along the Norwegian coast and the various ports at which our ships call. Hurtigruten had 142 apprentices on its ships in 2023.

The HX Hurtigruten Expedition vessels MS Fram, MS Fridtjof Nansen, MS Maud, MS Spitsbergen, MS Roald Amundsen and MS Otto Sverdrup offer trainee positions in their expedition teams to newly qualified nature guides from selected institutions. As a truly global company with 71 nationalities, we strongly emphasize world class professional expertise but also local knowledge in our recruitment processes.

HX Hurtigruten Expedition operates a crewing model where agreements with third party manning agencies ensure that international crewing and operational requirements are fulfilled. Through this, Hurtigruten and HX Hurtigruten Expedition contribute to maintaining local and regional employment, a growing international workforce combined with objectives such as ensuring knowledge, local expertise, and flexible shift arrangements for its employees.

Directors and Officers Liability Insurance

Directors and Officers Liability Insurance Hurtigruten Group AS (through Silk Holdings S.a.r.l.) has purchased and maintains a Directors and Officers Liability Insurance on behalf of the members of the Board of Directors and the CEO. The insurance also covers managing directors and directors of controlled subsidiaries. The insurance policy is issued by reputable insurers with an appropriate rating.

WORKING ENVIRONMENT

Being a global employer with offices in 8 different countries and operations on multiple continents comes with great responsibility to ensure human rights regardless of where we operate.

Hurtigruten Group employs 3 534 persons with 901 beeing persons via third party partnership, representing 71 nationalities at year-end 2023.

All employees working at sea are covered by collective bargaining agreements and we have prepared our internal processes to comply with the Norwegian Transparency Act to ensure that we protect the human rights of all men and women working in our entire value chain.

We work diligently to proactively reduce the total sick leave throughout the organization. Our rolling turnover numbers for 2023 is 5%, which is a reduction since last year. Overall Group level total sick leave ended on 7,5% (only Norway) at the end of 2023.

Hurtigruten Group will continue to work diligently on retention and attraction strategies to maintain our position as a preferred employer. We already see great results from the ongoing initiatives on Diversity & Inclusion and our new Employer Value Proposition in both Norway and internationally.

The Board of Directors considers the working environment in the Group to be good and will continue to maintain a sharp focus on working conditions and safety culture. The Group executes quarterly employee surveys to monitor changes in employee engagement. Employee engagement is followed up through structured processes that is reflected in concrete actions in our quarterly Objectives and Key Results on both Group and Business unit level. In Hurtigruten Group we believe in a flexible workspace and have implemented a Group Hybrid Office policy enabling employees to continue to utilize the digital tools and opportunities that we learned to appreciate during the pandemic. The increased use of digital tools for information and document sharing has had a positive effect on the working environment in the company.

GOING CONCERN

As of 31 December 2023, the Group had successfully returned to normal operations bringing the full fleet of vessels back online during the first half of 2023.

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 and the recapitalization transaction completed in February 2024 has improved the fair value equity position by a conversion of EUR 70 million and a subordination of loan of EUR 720 million (book equity as of 31 December 2023 amounted to EUR 859 million negative). As of 31 December 2023, Hurtigruten Group had an available free liquidity position of EUR 48 million. On 23 February 2024, the Company successfully implemented a comprehensive recapitalisation transaction with its senior lenders, its shareholders, and senior unsecured note holders. This transaction support a positive movement in equity value of EUR 70 million via novation and equitization of select interest and debt facilities. In addition, the outstanding loans to parent entity, Hurtigruten Newco AS, amounting to a total of EUR 720 million will be subordinated to any other loans in Hurtigruten Group. Therefore, the amount of EUR 720 million should also be included as equity when determining the actual value of group equity before future cash flow potential is taken into consideration.

The recapitalisation transaction involved:

1. injection of liquidity of EUR 185 million (on a net basis) through a combination of near-term interest waivers and a new super senior secured opco facility in a principal amount of EUR 205 million, part of which was used to repay in full the interim financing provided to the Company in a principal amount of EUR 74 million in December 2023;

2. restructuring of the Group's existing senior facilities into a new senior secured opco facility of EUR 345 million (the "New Senior Facility") and a new secured PIK holdco facility of around EUR 670 million (the "New Holdco Facility");

3. restructuring of the existing senior unsecured bonds in a principal amount of EUR 50 million originally issued by the Company such that these were converted into senior secured bonds issued by Hurtigruten Newco AS, the parent company of the Company (the "Reinstated SUNs"). The repayment of the Reinstated SUNs is subject to a payment waterfall such that 60% of the Reinstated SUNs rank pari passu with the New Holdco Facility and certain other restructured shareholder facilities, while the remaining 40% are subordinated to them; and

4. shareholder facilities of about EUR 150 million were restructured, all of which are subordinated to the New Senior Facility and approximately EUR 55 million of which are subordinated to the New Holdco Facility and Reinstated SUNs. The maturity profile of these facilities was extended to provide additional support for the business.

This recapitalisation transaction will enable the Hurtigruten Group to implement the separation of the business into our expeditions business, which would have the largest expeditions fleet in the world, and our prestigious Norwegian cruise business, and this separation is permitted under the terms of the New Senior Facility, New Holdco Facility and Reinstated SUNs.

As at the date of this report, the Group is actively looking to refinance the EUR 300 million Explorer II bond which will mature in February 2025. Current bond outstanding is EUR 271 million as at April 2024 following amortization which began in early 2024.

Based on the Group's outlook and plans for the next 12 months (in particular given the completion of the recapitalisation transaction outlined above), the Board of Directors, on the assumption that the Group is able to successfully refinance the EUR 300 million Explorer II bond, have a reasonable expectation that the Group has adequate liquidity for the 12-month period from the date of this report, and (ii) given the benefits of the recaptalisation transaction and the support of its lenders and shareholders thereunder, resources to continue operations for the foreseeable future. The Board of Directors also believe there are strategic options available, if required, to ensure the going concern of the Hurtigruten Group in the foreseeable future.

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 company and the broader cruise industry are facing fairly normal operating conditions following years of turmoil. Operationally, the pandemic is largely behind us, and the industry have taken the necessary precautions related to Russia's war of aggression on Ukraine.

The probability of a "soft landing" in the global economy has greatly improved, and global inflation has come down significantly over the past 18 months. This in turn have led to improved consumer confidence and a more positive outlook for the global economy.

Nevertheless, there are factors that may provide headwinds in 2024 and beyond. Although energy costs have come down since 2023, the current situation in the Middle East may lead to further geopolitical unrest and may trigger a jump in oil prices. Across the world, there are also other geopolitical risks in both the western and the eastern hemisphere that my affect global travel patterns and consumer spending in the future. Climate change will also continue to be a significant source of risk for any travel company, both for regulations, taxations and fees, and the status of the ecosystems where we operate. Hurtigruten Group has taken several steps to mitigate such risks, steps that has been recognized by rating agencies. Still, climate change will continue to be on top of the global agenda for many years and will unfortunately continue to affect all global businesses going forward.

As of 31.03.24 we had booked EUR 495 million for 2024 compared to EUR 470 million for 2023 as of 31.03.23 which indicates a 5.2% increase. For 2025, we see a further boost in bookings. As at 31.03.24 we had booked EUR 81.7 million for 2025 compared to EUR 64.6 million for 2024 as at 31.03.23, which is a 26.5% increase. The Board of Directors expects the financial performance of the Company to continue to improve supported by the strong booking development reflecting the resurgence of desire and demand for travel.

The strong bookings for 2024 driven by the higher yields across all business units, will support a financial recovery.

The Company emphasizes that the information included in this annual 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.

Oslo, 30 April 2024
The Board of Directors of
Hurtigruten Group AS

Trygve Hegnar /s
Chairman

Petter Anker Stordalen /s
Board member

Kennet Jarl Andersen /s
Board member

Daniel Skjeldam /s
CEO

2023 was a transformative year for the Group and with the successful completion of our comprehensive recapitalisation transaction, we have significantly strengthened our balance sheet. This positions us well to deliver on our strategic objectives, which include dividing our operations into Hurtigruten, our legendary business on the Norwegian coast, and HX Hurtigruten Expeditions, the world's largest specialist expeditions fleet, and I would like to extend my deepest gratitude to our dedicated team, loyal customers, and steadfast investors who continue to believe in and support our journey.

Trygve Hegnar
Chairman

FINANCIAL STATEMENTS 2023

Penguins are one of Antarctica's more iconic residents, with around 12 million of them living on this frozen continent.

Photo: David-Merron, Getty Images

CONSOLIDATED FINANCIAL STATEMENTS 2023

STATEMENT OF INCOME

(EUR 1 000)	note	2023	2022
Operating revenue	6	655 579	567 908
Other operating income	6	-	8 610
Direct cost of goods and services	7	(173 994)	(136 919)
Salaries and personnel expenses	8, 9, 24	(191 797)	(176 801)
Depreciation, amortisation and impairment expenses	14, 15, 16	(74 716)	(73 357)
Other operating expenses	10	(288 094)	(305 679)
Net other gains/(losses)	11	3 212	7 689
Operating profit/(loss)		**(69 810)**	**(108 550)**
Financial income	12	3 782	1 696
Financial expenses	12	(222 401)	(113 766)
Net foreign exchange gains/(losses)	12	2 014	152
Net financial items		**(216 605)**	**(111 918)**
Share of net income from associated companies	17	2 327	650
Net income before tax		**(284 088)**	**(219 819)**
Income taxes	13	(14 316)	10 407
Net income		**(298 404)**	**(209 412)**
Net income attributable to			
Owners of the parent		(298 469)	(209 414)
Non-controlling interests		65	2

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(EUR 1 000)	note	2023	2022
Net income		**(298 404)**	**(209 412)**
Items that will not be reclassified to income statement			
Remeasurement postemployment benefits, net of tax	25	303	351
Total		**303**	**351**
Items that may be reclassified to income statement			
Currency translation differences, net of tax		25	(844)
Total		**25**	**(844)**
Total comprehensive income		**(298 076)**	**(209 905)**
Total comprehensive income for the year attributable to			
Owners of the parent		(298 141)	(209 907)
Non-controlling interests		65	2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR 1 000)	note	31.12.2023	31.12.2022
Assets			
Property, ship and equipment	14	910 641	900 462
Right-of-use assets	14, 16	41 636	43 966
Intangible assets	15	257 822	264 439
Investments in associates	17	23 814	21 715
Deferred income tax asset	13	603	817
Investments in other companies	17	206	2 539
Other non-current financial assets	18	2 497	1 728
Total non-current assets		**1 237 219**	**1 235 665**
Inventories	19	17 271	18 189
Trade receivables	20	28 900	19 995
Other current receivables	20	45 666	34 232
Prepayments	20	36 856	31 207
Current derivative financial instruments	18	678	2 773
Cash and cash equivalents	21	50 327	29 958
Total current assets		**179 699**	**136 355**
Total assets		**1 416 918**	**1 372 020**

(EUR 1 000)	note	31.12.2023	31.12.2022
Equity and liabilities			
Equity			
Share capital	22	9	9
Additional paid-in capital	22	185 196	185 196
Other equity		(4 495)	(4 922)
Retained earnings		(1 040 743)	(742 175)
Total equity attributable to owners of the parent		**(860 032)**	**(561 892)**
Non-controlling interests		95	30
Total equity		**(859 937)**	**(561 861)**
Liabilities			
Non-current interest-bearing liabilities	23, 18	1 595 675	1 315 231
Non-current lease liabilities	16	55 389	58 797
Deferred income tax liabilities	13	11 213	21
Retirement benefit obligations	25	1 653	1 827
Provisions for other liabilities and charges	26	0	91
Other non-current liabilities		222	49
Total non-current liabilities		**1 664 152**	**1 376 015**
Trade and other payables	26	151 584	131 098
Deposits from customers	6	170 808	158 866
Current income tax liabilities	13	3 351	428
Current interest-bearing liabilities	23	269 628	251 471
Current lease liabilities	16	11 832	11 992
Provision for other liabilities and charges	26	5 500	4 012
Total current liabilities		**612 703**	**557 866**
Total equity and liabilities		**1 416 918**	**1 372 020**

Oslo, 30 April 2024
The Board of Directors of Hurtigruten Group AS

Trygve Hegnar /s
Chairman

Petter Anker Stordalen /s
Board member

Kennet Jarl Andersen /s
Board member

Daniel Skjeldam /s
CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR 1 000)	Attributable to owners of the parent				Equity attributable to owners of the parent	Non-controlling interests	Total Equity
	Share capital	Additional paid-in capital	Other reserves	Retained earnings			
1 January 2022	**9**	**185 196**	**(5 397)**	**(531 793)**	**(351 985)**	**29**	**(351 957)**
Net income		-		(209 414)	(209 414)	2	(209 412)
Other comprehensive income			475	(968)	(493)		(493)
31 December 2022	**9**	**185 196**	**(4 922)**	**(742 175)**	**(561 892)**	**30**	**(561 861)**
Net income		-		(298 469)	(298 469)	65	(298 404)
Other comprehensive income			427	(99)	328		328
31 December 2023	**9**	**185 196**	**(4 495)**	**(1 040 743)**	**(860 032)**	**95**	**(859 937)**

CONSOLIDATED STATEMENT OF CASH FLOW

(EUR 1 000)	note	2023	2022
Cash flows from operating activities			
Net income before tax		(284 087)	(219 819)
Income tax paid	13	(864)	(1 427)
Adjustments for			
Depreciation, amortisation and impairment losses	14, 15, 16	74 716	73 357
Other gains/(losses) net	11	(82)	5 268
Net foreign exchange gains/(losses)		(4 749)	(2 686)
Net gains/(losses) derivatives		2 097	(2 774)
Net financial expenses	12	218 619	112 083
Share of net income from associated companies		(2 327)	(650)
Difference between expensed pension and payments		(478)	(623)
Change in working capital			
Inventories		677	813
Trade and other receivables		(24 187)	(14 158)
Trade and other payables		34 416	57 358
Change in deposits from customers and deferred revenue		11 870	(11 884)
Change related to travel guarantees		(4 008)	(4 925)
Net cash inflow from operational activities		**21 612**	**(10 068)**
Cash flows from investing activities			
Payments for property, ship and equipment	14	(73 661)	(83 167)
Payments for intangible assets	15	(1 606)	(6 807)
Proceeds from sale of tangible assets		148	114
Proceeds from sale of financial assets		1 843	-
Dividends received		746	-
Net cash (outflow) from investing activities		**(72 529)**	**(89 860)**

(EUR 1 000)	note	2023	2022
Cash flows from financing activities			
Proceeds from borrowings	23	252 930	75 000
Proceeds from shareholder loan	23	182 500	95 000
Repayment of borrowings	23	(241 026)	(14 258)
Payment of principal portion of lease liabilities	16	(9 064)	(9 711)
Interest, placement fee and other financial expenses paid	12, 23	(111 809)	(68 917)
Net cash inflow from financing activities		**73 531**	**77 114**
Net increase in cash and cash equivalents		**22 614**	**(22 814)**
Cash and cash equivalents at the beginning of the financial year	21	29 958	57 115
Effects of exchange rate changes on cash and cash equivalents		(2 245)	(4 344)
Cash and cash equivalents at the end of year		**50 327**	**29 958**
Of which restricted cash	21	2 362	2 785

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1
GENERAL INFORMATION

Hurtigruten Group (the Group) consists of Hurtigruten Group AS and its subsidiaries. Hurtigruten Group AS is a limited company incorporated and domiciled in Norway. Hurtigruten Group AS is a private company, but several of its bonds were listed on the Oslo Stock Exchange as of 31 December 2023 and were thus publicly traded. The address of the registered office and principal place of business is Langkaia 1, 0150 Oslo Norway.

The Group is ultimately owned 100% by Silk Topco AS, which is owned by TDR Capital (80.8%) through a Luxembourg intermediate company, Strawberry Equities AS (11.55%), Periscopus AS (4.89%), and other minor investors (2.76%).

With a fleet of 15 custom-built cruise vessels Hurtigruten Group is the world's largest expedition travel company focusing on sustainable expedition cruises for the global traveller.

The consolidated financial statements for 2023 were approved by the company's Board of Directors on 29 April 2024.

NOTE 2
BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of Hurtigruten Group AS and its subsidiaries are prepared in accordance with the IFRS® Accounting Standards as adopted by the European Union (EU) and additional requirements of the Norwegian Accounting Act (Regnskapsloven), effective on 31 December 2023.

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention, except for derivative financial instruments and other financial assets measured at fair value. Accounting policies relating to specific areas of the financial statements are shown in the corresponding note.

The presentation currency of Hurtigruten Group is Euro, which is the functional currency of the parent company Hurtigruten Group AS. Unless otherwise noted, all amounts in the consolidated financial statements are denominated in EUR 1 000. The subtotals and the totals in some of the tables in the notes may not equal to the sum of the amounts shown in the primary financial statements due to rounding. Certain amounts in the comparable years have been reclassified to conform to current year presentation.

Consolidation

The consolidated financial statements include the accounts of Hurtigruten Group AS and its subsidiaries as well as Hurtigruten Group's interest in equity accounted investments. All intercompany balances and transactions, including unrealised profits and losses arising from Hurtigruten Group's internal transactions, have been eliminated.

Subsidiary undertakings are entities over which the Group has control. Control is defined as the power to direct an entity's relevant activities, the ability to use that power to affect the entity's returns, and exposure to, or rights to, variable returns from involvement with the entity. Subsidiary undertakings are fully consolidated from the date on which control is transferred to the Group until the date control ceases. The list of subsidiaries is included in the Financial statements, note 28 Investment in subsidiaries.

Non-controlling interests are presented separately as part of the equity in the consolidated balance sheet.

Foreign currency translation

The functional currency of each entity in the Group is determined by the economic environment in which it operates, and transactions included in the financial statements of each entity are measured in that functional currency.

Transactions in foreign currencies are recorded using the currency exchange rate of the transaction date.

Monetary assets or liabilities denominated in foreign currencies are translated into each entity's functional currency using the closing rate at the end of the reporting period, and any gains (losses) are reported in the income statement. Non-monetary items measured at fair value are translated using the exchange rate at the measurement date.

Currency gains (losses) related to operating activities, i.e. receivables, payables, bank accounts for operating purposes including current intragroup balances, are recognised as part of net other gains/(losses).

Currency effects recognised in finance income and expenses are only related to financing activities such as loans, lease liabilities, long-term placements and dividends.

For consolidation purposes, the financial statements of subsidiaries with a functional currency other than Euro (EUR) are translated into EUR. Assets and liabilities, including investments in associates, joint ventures and goodwill, are translated using the exchange rate as at the balance sheet date.

Income, expenses and cash flows are translated using the average exchange rate for the reported period. Goodwill is recognised in the functional currency of the acquired business. Translation adjustments are recognised in other comprehensive income and accumulated in currency translation differences in other components of equity. On disposal of a subsidiary, joint venture or associate, the cumulative translation adjustment of the disposed entity is recognised in the income statement as part of the gain or loss on disposal.

Statement of cash flows

In the statement of cash flows, operating activities are presented using the indirect method where profit/(loss) before taxes is adjusted for changes in working capital, the effects of non-cash items, or effects from investing or financing activities. Interest paid and other financial costs paid are reported as part of cash flow from financing. Dividends received from joint ventures and associates are included in investing activities.

Changes in accounting policies and disclosures

Hurtigruten Group has implemented the amendment to IAS 1 and Practice Statement 2 issued by IASB. Under the amendment, companies are required to disclose their material accounting information rather than their significant accounting policies.

The Group's disclosures focus on only those policies and policy choices that are considered necessary to understand other material information.

The Group has also applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2023:

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates – amendments to IAS 8
- International Tax Reform – Pillar Two Model Rules – amendments to IAS 12.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Amendments to IAS 1 – Non-current Liabilities with Covenants.

The Group has not adopted any optional new/amended accounting standards for the 31 December 2023 reporting period. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTE 3
CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements that comply with IFRS requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management is required to exercise judgement in applying Hurtigruten Group's accounting policies. Management's assumptions and judgement can have a significant impact on the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on market conditions, historical data, management's experience, and other relevant factors. Actual results may differ from estimates.

All estimates and related underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following represents a summary of the critical accounting judgements management has made in the process of applying the Group's accounting policies.

Estimated impairment of goodwill and trademark

The Group assesses goodwill and trademarks for impairment annually. The estimated recoverable amount is determined using the present value of budgeted cash flows for the cash-generating units. These calculations require the use of estimates (refere to note 15 for more details) for the required rate of return for the period, cash flows and the growth factor of the cash flows.

The Group does not apply a general growth factor beyond expected inflation for cash flows when testing goodwill for impairment. The total required rate of return used to discount cash flows is calculated as a weighted average return on equity and the required rate of return on interest-bearing debt. This calculation utilises an estimate of the risk-free interest rate, risk premium, industry beta and the liquidity premium. Refer to note 15 for more details.

Ships

Useful economic lifetime

The useful economic life of an asset determines the amount of annual depreciation. The estimated useful life is based on the individual vessel's history and management s experience with the Group's other vessels. The estimates are reviewed at regular intervals. A change in the estimate will affect depreciation in future periods.

Estimated impairment of ships

The book value of the ships is reviewed for impairment annually or in cases where there are clear indicators of impairment, e.g. an incident at sea. Refer to note 14 for more details.

Environmental upgrade to the fleet

In 2018 the first hybrid powered ships MS Roald Amundsen and MS Fridtjof Nansen were launched. By the end of 2023 two ships in the coastal fleet were upgraded to hybrid power. The third ship in this program will be upgraded by early 2025. The upgrades will cut CO2 emissions by 25% and NOx emissions by 80% which is one of the most ambitious fleet upgrades in Europe. Being in the forefront of the cruise industry with completing environmental investments support the value of the fleet and confirms the commitment to a more sustainable travel industry.

Deferred income tax assets

Deferred tax assets are recognised to the extent that it is probable that the tax assets will be realised. Significant judgement is required to determine the amount that can be recognised. The recognition of deferred income tax assets depends mainly on the utilisation of tax loss carry forwards against future taxable income in the Group. The assessment is made based on management's estimates of future taxable profits in the Group and includes an assessment of the Group's future strategy, economic developments in the markets in which the Group operates and tax planning strategies. In preparing the financial statements, management has found the future taxable income to be sufficient to utilise the recognised deferred income tax assets. Please refer to note 13 for more information on deferred income tax assets recognised in the balance sheet.

Uncertain tax positions, legal proceedings, claims and regulatory enquiries

The Group may become party to legal proceedings, disputes or claims including regulatory enquiries. These may be related to the Group's business, value added tax (VAT) filings, or tax position, for instance. Any of these processes have uncertain outcomes. Management evaluates a variety of factors, including the likelihood of an unfavourable outcome and the ability to make a reasonable estimate of the amount of loss.

Where a reasonable estimate can be made, management accrues for costs related to probable unfavourable outcomes and adds a financial statement disclosure for unfavourable outcomes that are possible, but unlikely. Unanticipated events or changes in these factors may require the Group to accrue for a matter that has not been previously accrued for because it was not considered probable, or a reasonable estimate could not be made or increase or decrease an amount accrued for a matter in previous reporting periods. Details regarding ongoing tax disputes are described in note 4 and 13.

Leases

When determining lease terms, the Group's management assesses extension options and termination rights. Only if there is reasonable certainty that these rights will be used, does the Group amend its lease accounting. Guidelines for this assessment have been set at Group level to ensure consistency of assumptions across different markets. To estimate right-of-use assets and liabilities, the Group uses the incremental borrowing rate (IBR) following a defined methodology to determine the discount rate used for calculating the present value of the future lease obligations. Refer to notes 14, 16 and 23 for more details.

NOTE 4
FINANCIAL RISK MANAGEMENT

4.1 FINANCIAL RISK FACTORS

The Group's overarching risk management goal is to increase predictability for the Group's operations and to minimise the impact of fluctuations in macro conditions on the Group's results and financial position.

The Group has defined overarching principles for risk management which encompass guidelines for specific areas such as currency, interest rate, bunker price, credit risk and the use of financial derivatives. The Board of Directors approves the Group's risk management strategy and reviews it annually as part of the budget process. The CFO is responsible, in consultation with the CEO, for conducting ongoing tactical risk management in line with the approved strategy, including exposure analyses and reporting.

The Group has exposure to the following risks from its use of financial instruments: market risk (including currency, bunker price, interest rate risk), credit risk and liquidity risk.

Currency risk

The Group's presentation currency and main functional currency is EUR. However, the Group operates internationally and is exposed to currency risk in multiple foreign currencies, in particular USD, GBP, and NOK. Currency risk arises from revenues, operational and capital expenditures as well as recognised assets and liabilities in foreign currency. The Group also has some investments in foreign subsidiaries whose net assets are exposed to currency translation risk.

The Group seeks to minimise currency risk by matching foreign currency inflows with outflows. The Group aims to achieve natural hedges where possible from contracts with suppliers. There is no financial hedging in place for any underlying cash flow in foreign currency, but foreign currencies are exchanged regularly to minimize the currency risk exposure.

The table below shows the translation effects to the Group's consolidated net profit before taxes and equity from simulated changes in the exchange rates against EUR (presentation currency for the Group). The calculation assumes that the EUR depreciates by 5% against the relevant currencies based on the exchange rates as of 31 December 2023. With a similar appreciation of the EUR, the impact would be opposite.

(EUR million)	Impact on net profit/loss after tax 2023	Impact on equity 2023
Change NOK/EUR 5%	5.8	5.8
Change USD/EUR 5%	4.0	4.0
Change GBP/EUR 5%	(1.4)	(1.4)
Change CAD/EUR 5%	0.1	0.1
Change CHF/EUR 5%	(0.7)	(0.7)
Change AUD/EUR 5%	(1.1)	(1.1)
Total impact	**6.7**	**6.7**

Price risk

In 2023 the Group's total bunker cost was EUR 76.7 million which is 11.7% of Group total operating revenues, and the Group is therefore exposed to fluctuations in the price of bunker fuel. To reduce the risk related to fluctuations in the fuel price the Group has implemented a fuel hedging policy where the key principle is to obtain visibility on profit.

In January 2022 the Group entered derivative contracts to hedge a portion of the forecasted total fuel consumption, for 2022 and 2023. In March 2023 the Group entered further derivative contracts to hedge a portion of the forecasted total fuel consumption for the remainder of 2023. Through 2023 the Group hedged approximately 45% of the forecasted fuel consumption.

The bunker derivatives are recognised as held for trading and are accounted for at fair value through profit or loss in 2022. The different derivatives are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the reporting date. There were no active derivate contracts as of 31 December 2023.

Interest rate risk

The Group's interest rate risk is primarily associated with current and non-current borrowings. A portion of the Group's borrowings are subject to a variable interest rate which presents a risk to the Group's overall cash flow. The Group is exposed to EURIBOR through its floating rate EUR borrowings with a zero EURIBOR floor and exposed to NIBOR through its term loans in NOK. The Group has no specific hedging strategy to reduce variable interest rate risk, but the risk is monitored and evaluated on a regular basis. The following table shows the split between fixed interest borrowings and floating rate borrowings:

(EUR 1 000)	**2023**	2022
Fixed interest rate		
Bonds	335 000	350 000
Sale leaseback liabilities	30 771	75 009
Shareholder loan	395 585	180 477
Lease liabilities	119 142	123 182
Total	**880 498**	**728 668**
Floating interest rate		
Term loans	946 133	655 000
Revolving credit facilities	-	85 000
Other borrowings	3 119	6 452
Accrued interest external financing	74 468	-
Total	**1 023 720**	**746 452**

In the table above, prior year comparators comparators do not agree to the published 2022 financial statements as all values are now shown as nominal outstanding borrowings. This is because the financial risk is related to the amount of money owed. This has a particularly large impact on lease liabilities shown.

The following table shows the impact on profit or loss and equity in 2023 of an interest rate increase of 100bp, considering the zero-floor for EUR borrowings:

(EUR million)	**Impact on net profit/loss after tax 2023**	**Impact on equity 2023**
Change in interest rate level with +100 basis points – NOK loans	0.0	0.0
(EUR million)	**Impact on net profit/loss after tax 2023**	**Impact on equity 2023**
Change in interest rate level with +100 basis points – EUR loans	10.1	10.1

Credit Risk

The Group has no significant concentration of credit risk. Sales to end users are settled in cash or with recognised credit cards. Sales to external agents are made either through prepayment/credit cards or through invoicing. The Group has processes in place that ensure that credit is only extended to agents with a satisfactory credit rating. Individual risk exposure limits are considered and set based on internal and external assessments of credit ratings.

The Group uses measures like prepayment guarantees to reduce the credit risk on large capital investments.

The counterparties to the derivative contracts and cash transactions are limited to financial institutions with high credit ratings. The Group has procedures in place that limit exposure to credit risk relating to individual financial institutions.

Liquidity risk

Liquidity risk management includes maintaining a sufficient level of liquid assets geared to operational and investment plans and ensuring the availability of sufficient funding from committed credit facilities. The Group's finance function has overall responsibility for managing the Group's liquidity risk. Rolling liquidity forecasts are prepared to ensure that the Group has sufficient liquidity reserves to satisfy the Group's obligations and financial loan covenants.

4.2 CAPITAL MANAGEMENT

The Group's objective for management of capital is to ensure the ability to continue as a going concern to grow the business, provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital, including compliance with covenants in the loan agreements. In 2023 the Group started several capital management initiatives and secured additional loan facilities to make sure that the Group is well funded and has enough liquidity to continue as a going concern. See 4.1 in this note, note 23 Interest-bearing liabilities for details concerning amounts, terms, and conditions. See also note 29 Subsequent events for information concerning the Group's refinancing in February 2024.

The maturity of the Group's liabilities is shown below.

(EUR million)	2024 0–6 months	2024 7–12 months	2025–2026 Year two and three	2027–2028 Year four and five	2029-> More than five years
Trade and other payables	157 109	0	0	0	0
Interest-bearing liabilities	194 719	162 556	607 896	1 587 192	9 218
Lease liabilities	6 200	6 200	16 002	13 029	77 712
Other liabilities	623	1 775	152	152	418
Total impact on liquidity	**358 651**	**170 531**	**624 049**	**1 600 373**	**87 348**

NOTE 5
SEGMENT INFORMATION

ACCOUNTING POLICY

The Group's reportable segments are in accordance with how the corporate management makes, follows up and evaluates its decisions. The operating segments have been identified based on internal management information that is periodically reviewed by the corporate management and used as a basis for resource allocation and key performance review.

The Group has three operating segments: Hurtigruten (former Hurtigruten Norway), HX Hurtigruten Expeditions (former Hurtigruten Expeditions) and Hurtigruten Destinations. Activities that do not naturally fall within these segments are reported in Group functions, other and eliminations.

01.01–31.12 2023 (EUR 1 000)	Hurtigruten	HX Hurtigruten Expeditions	Hurtigruten Destinations	Group functions, other and eliminations	Total Hurtigruten Group
Operating revenue	272 870	287 310	33 958	(552)	593 586
Revenue from government contract	61 993	-	-	-	61 993
Other operating income	-	-	-	-	-
Total revenue and other income	**334 863**	**287 310**	**33 958**	**(552)**	**655 579**
Direct cost of goods and services	(73 590)	(87 866)	(11 267)	(1 271)	(173 994)
Salaries and personnel costs	(91 714)	(90 861)	(9 217)	(6)	(191 797)
Sales and marketing costs	(19 435)	(27 169)	(1 099)	10	(47 693)
Other operating costs	(107 027)	(129 515)	(3 670)	(189)	(240 400)
Net other gains/(losses)	1 860	964	73	315	3 212
EBITDA	**44 956**	**(47 137)**	**8 780**	**(1 693)**	**4 906**
- Net other gains/(losses)	(1 860)	(964)	(73)	(315)	(3 212)
- Net non-recurring expenses	14 170	16 836			31 006
Normalised adjusted EBITDA	**57 266**	**(31 265)**	**8 707**	**(2 008)**	**32 700**
EBITDA	44 956	(47 137)	8 780	(1 693)	4 906
Depreciation, amortisation and impairment losses	(37 486)	(17 004)	(6 537)	(13 689)	(74 716)
Operating profit/(loss) (EBIT)	**7 470**	**(64 142)**	**2 243**	**(15 382)**	**(69 810)**

01.01-31.12 2022 (EUR 1 000)	Hurtigruten	HX Hurtigruten Expeditions	Hurtigruten Destinations	Group functions, other and eliminations	Total Hurtigruten Group
Operating revenue	219 622	256 376	30 606	1 925	508 530
Revenue from government contract	59 378	-	-	-	59 378
Other operating income	-	7 655	9	946	8 610
Total revenue and other income	**279 000**	**264 031**	**30 616**	**2 871**	**576 518**
Direct cost of goods and services	(58 298)	(68 238)	(9 919)	(464)	(136 919)
Salaries and personnel costs	(84 082)	(83 965)	(8 755)	(0)	(176 801)
Sales and marketing costs	(20 332)	(30 918)	(777)	(0)	(52 028)
Other operating costs	(109 877)	(140 287)	(3 328)	(159)	(253 652)
Net other gains/(losses)	4 789	6 611	65	(3 776)	7 689
EBITDA	**11 200**	**(52 765)**	**7 901**	**(1 529)**	**(35 194)**
- Net other gains/(losses)	(4 789)	(6 611)	(65)	3 776	(7 689)
- Net non-recurring expenses	34 031	55 067			89 098
Normalised adjusted EBITDA	**40 442**	**(4 309)**	**7 836**	**2 247**	**46 216**
EBITDA	11 200	(52 765)	7 901	(1 529)	(35 194)
Depreciation, amortisation and impairment losses	(36 100)	(22 722)	(4 849)	(9 686)	(73 357)
Operating profit/(loss) (EBIT)	**(24 900)**	**(75 487)**	**3 052**	**(11 215)**	**(108 550)**

The reporting of segment assets and liabilities is not part of the internal management reporting in the Group. Material assets and liabilities are monitored at Group level and individual key figures (e.g. trade receivables) are valued in the individual legal companies. Segment assets and liabilities are therefore not presented.

NOTE 6
OPERATING REVENUE AND OTHER INCOME

ACCOUNTING POLICY

Hurtigruten Group presents revenue from contracts with customers and other revenue in a single caption, Operating revenues in the consolidated statement of income.

Revenue from voyage tickets, flights, hotels, transportation and presold items

Sale of services is recognised in the accounting period when the service is rendered and/or delivered to the customer. For ship voyages, revenue is recognised over the days the passenger is on board. For voyages currently en route on the reporting date, revenues are accrued based on the number of days the voyage lasts before the end of the accounting period. Tickets, meals and excursions are primarily pre-sold before the journey commences. For travellers along the Norwegian coast, it is also possible to purchase tickets in the port right before the ship sails. Travellers pay their journey up-front, and these payments are accounted for as deposits from customers (liabilities).

Revenue from freight of cargo along the Norwegian coast is recognised based on monthly invoicing of cargo space. The customers rent a specified cargo space and pays a daily rate regardless of whether the space is used or not.

Revenue from onboard sales

The Group's sale of goods primarily relate to sale of food, souvenirs and other kiosk products onboard the ships. Sale of goods is recognised as income when the customer has received and paid for the goods. Payment for retail transactions is usually made in the form of cash or by credit card. The revenue is recognised in the income statement less the credit card fees incurred for the transaction. The fees are recorded as cost of sales.

Contractual revenue

Hurtigruten Costal AS has a State Service Obligation with the Ministry of Transport and Communications to operate the Bergen–Kirkenes coastal route.

Revenue received from public procurement is recognised in the income statement on a continuous basis over the year based on existing contracts. These contracts are primarily based on a public tender, where the company earns a contracted amount for planned (annual) production. There is an annual index adjustment of the contract amount. Any changes beyond the planned production are compensated/deducted utilising agreed-upon rates set out in the agreements which are recognised in the periods in which they occur.

Cost of sales

Cost of sales are the costs incurred to obtain a contract with a customer such as for example a sales commission. The Group pays commissions to agents that sell tickets to on behalf of the Group. When sales agencts are invoiced the commission costs are recognised in the income statement at the time of the related cruise. In some instances the Group makes a provision for prepaid or accrued commission. The cost of sales is presented as direct cost of goods and services in the Income Statement.

Guarantees

Hurtigruten Global Sales AS has, as a provider of package travels, the same responsibilities as other actors in the business, following the EU Directive 2015/2302 on Package Travel, as set forth in our terms and conditions for travellers: "Subject to these booking conditions, if we or our suppliers perform or arrange your contracted holiday arrangements negligently, taking into consideration all relevant factors, we will pay you reasonable compensation".

No provisions for guarantees were accounted for in the statement of financial position as of 31 December 2023 and 2022.

Government grants

Government grants are recognised when there is reasonable certainty that the grant will be given. When the grant is related to an expense item, it is recognised as income over the periods that the related costs are expensed.

When the Group receives grants related to tangible or intangible assets, the grant is initially recognised in the balance sheet at nominal value. In later periods it is allocated to profit or loss over the expected useful life of the underlying asset.

The Group has received government grants related to Covid-19 relief packages in 2021 and 2022. The grants were recognized as other operating income over the periods the reduction in operating revenue occurred.

The Group receives grants related to trainee schemes consisting of net salary subsidies. These grants are recognised as reduction of the personnel expenses.

Revenue by Category

(EUR 1 000)	**2023**	2022
Ticket revenue	**333 132**	287 872
Revenue from flights, hotels & transportation	**73 045**	51 210
Presold food, beverages and excursions	**116 483**	90 221
Onboard sales of food, beverages, shop and excursions	**39 618**	34 724
Other passenger revenue	**14 438**	12 685
Cargo-freight revenue	**2 628**	2 996
Other operating revenue	**14 243**	28 821
Total operating revenue	593 586	**508 530**
Revenue from government contract	**61 993**	59 378
Total contractual revenue	**61 993**	**59 378**
Government grant compensation scheme (Covid-19)	**-**	946
Insurance settlements	**-**	7 664
Total other operating income	-	**8 610**
Total operating revenue and other income	655 579	**576 518**

Contractual revenue relating to the Bergen–Kirkenes coastal service is based on the current agreement with the Norwegian government through the Ministry of Transport and Communications. The agreement applies to the Bergen–Kirkenes route for the period 1 January 2021 through 31 December 2030 and applies to 7 ships.

Other operating income relate to insurance claims related to the MS Fridtjof Nansen incident in 2022. The amount of the Covid-19 compensation scheme received for 2022 from the Norwegian Government was EUR 1.0 million.

Reconciliation of movement in deposits from customers

(EUR 1 000)	**2023**	2022
Deposits from customers, opening balance	**158 866**	172 299
Net new sales	**555 657**	298 175
Recognised in revenue	**(544 620)**	(309 891)
Currency translation effects	**40**	(2 436)
Other deferred revenue	**865**	718
Deposits from customers, closing balance	**170 808**	**158 866**

Deposits from customers are expected to be recognised in income as follows

(EUR 1 000)	**2023**	2022
During the first twelve months	**136 809**	130 793
During the second year	**33 999**	28 073
Total deposits from customers	170 808	**158 866**

In the table above, deferred revenue have been reclassified from other current liabilities to deposits from customers.

Revenue by category and geographical segments

Operating revenue have been separated into geographical areas based on the market where the sales office is located. Some markets serve customers in other countries. In the table below, onboard sales, cargo freight revenue, contractual revenue and revenue from the Hurtigruten Destinations segment have all been allocated to the Nordic market.

2023 (EUR 1 000)	**Ticket revenue**	**Flights, hotels and transportation**	**Presold food, beverages, shop and excursions**	**Contractual revenue**	**Other operating revenue**	**Total operating revenue**
Nordic market/Onboard sales/Destination segment	31 111	(10 134)	23 666	61 993	57 492	164 128
Germany	119 883	45 885	31 898	-	5 891	203 557
France	19 956	5 408	7 163	-	1 802	34 329
United Kingdom	49 979	13 965	18 584	-	1 778	84 306
Rest of Europe	29 854	4 490	9 397	-	445	44 186
United States and Canada	49 076	8 994	15 089	-	3 100	76 260
Asia/Pacific	33 273	4 435	10 601	-	505	48 814
Total operating revenue	**333 132**	**73 045**	**116 397**	**61 993**	**71 012**	**655 579**

2022 (EUR 1 000)	**Ticket revenue**	**Flights, hotels and transportation**	**Presold food, beverages, shop and excursions**	**Contractual revenue**	**Other operating revenue**	**Total operating revenue**
Nordic market/Onboard sales/Destination segment	28 262	2 204	8 510	59 378	57 045	155 399
Germany	118 265	24 979	40 329	-	6 151	189 724
France	14 619	3 733	3 367	-	2 903	24 621
United Kingdom	47 107	10 794	14 374	-	5 581	77 857
Rest of Europe	26 324	2 035	8 298	-	3 306	39 962
United States and Canada	41 821	6 396	11 727	-	1 737	61 681
Asia/Pacific	11 474	1 069	3 617	-	2 504	18 664
Total operating revenue	**287 872**	**51 210**	**90 221**	**59 378**	**79 227**	**567 908**

NOTE 7
DIRECT COSTS OF GOODS AND SERVICES

(EUR 1 000)	2023	2022
Commisions	**43 040**	35 535
Flights, hotels and transportation costs	**65 574**	46 588
Food, beverages, shops and excursion costs	**54 653**	46 062
Other direct costs of goods and services	**10 727**	8 735
Total direct costs of goods and services	**173 994**	**136 919**

NOTE 8
SALARIES AND PERSONNEL EXPENSES

(EUR 1 000)	2023	2022
Wages and salaries	**157 824**	142 814
Payroll tax	**11 342**	10 200
Pension costs (note 25)	**11 209**	9 188
Other benefits	**11 423**	14 600
Total salaries and personnel costs	**191 797**	**176 801**
Average number of full-time equivalents	**2 089**	1 904

Seamen hired by Hurtigruten Group are included in the "Net Wages" – scheme, where the Norwegian government reimburses to shipping companies an amount corresponding to the sum of the income tax paid, social security contributions and employer's national insurance contributions (payroll tax) for crew within the scheme. The government grant is recorded as a reduction in payroll costs. In 2022, the Group recognised EUR 10.9 million (NOK 110.0 million) in government grants through this arrangement (EUR 10.6 million or NOK 107.2 million in 2022).

The Norwegian government reimburses parts of the salary to new seamen apprentices. The government grant is recognised as a reduction in payroll costs. During 2023 the Group recognised EUR 0.9 million (NOK 8.8 million) in government grants through this arrangement (EUR 0.8 million or NOK 8.0 million in 2022). In 2023, the Group did not receive any extra grants as compensation for not furloughing employees at sea (EUR 4.0 million or NOK 41.9 million in 2022).

NOTE 9
MANAGEMENT AND AUDITORS' REMUNERATION

Total compensation year 2023

Board of directors

The Board of Directors have waved their annual compensation for 2023.

Executive management

Hurtigruten underwent substantial reorganisation at every level, including executive management, in 2023.

The disclosure's composition has been updated to reflect the new, leaner management structure.

(EUR 1 000)	Position	Salary	Pension cost	Other [1]	Total remuneration
Daniel Skjeldam	Group Chief Executive Officer	753	179	766	1 698
Torleif Ernstsen	Group Chief Financial Officer [2]	178	1	525	704
James McArthur	Group Chief Financial Officer [3]	282	19	70	371
Asta Lassesen	Chief Executive Officer HRX	210	28	175	413
Hedda Felin	Chief Executive Officer HRN	257	19	135	412
Total		**1 681**	**246**	**1 672**	**3 598**

1) Other costs include bonus for 2022 paid in 2023, housing allowance, relocation costs (Daniel Skjeldam moved to the UK) and severance benefits for outgoing managers.

2) Left the post in June 2023.

3) In post from May 2023.

The CEO has an annual bonus plan in place which is based on company performance linked to EBITDA achievement and key project milestones. This bonus is ultimately paid at the discretion of the board. EBITDA performance was not achieved in 2023 and hence will not be paid out.

The CEO and the Norwegian management team members are included in the company's ordinary defined contribution pension scheme in Norway and in a defined contribution scheme that provides a pension basis for salaries over 12k. The UK management team members are included the company's ordinary defined contribution pension scheme in the UK. The pension costs for the executive management have been included in pension costs above.

A performance-based bonus scheme was introduced for the Group's management from 2013. The bonus payments are established applying pre-determined targets/parameters, some of which relate to the Group's overall performance and others to results within managers' individual spheres of responsibility. The maximum bonus for an individual manager is NOK 4.5 million. The bonus scheme covers certain members of the Group management. The bonus criteria for FY 2023 were not fulfilled. The CEO has a separate performance-related bonus scheme as described above.

Total compensation year 2022

Board of directors

The Board of Directors have waved their annual compensation for 2022.

Executive management (restated)

(EUR 1 000)	Position	Salary	Pension cost	Other [1]	Total remuneration
Daniel Skjeldam	Group Chief Executive Officer	711	98	1 185	1 994
Torleif Ernstsen	Chief Financial Officer	291	41	280	612
Asta Lassesen	Chief Executive Officer HRX	200	41	340	581
Hedda Felin	Chief Executive Officer HRN	230	32	67	329
Ole-Marius Moe-Helgesen	Chief Digital Officer	218	27	118	363
Steven Taylor [2]	Chief Commercial Officer	347	24	1	373
Simon Little [3]	Chief People Officer	63	4	1	68
Total		**2 060**	**267**	**1 992**	**4 319**

[1] Other costs include bonus for 2022 paid in 2023, housing allowance, relocation costs (Daniel Skjeldam moved to the UK) and severance benefits for outgoing managers.

[2] Joined 10 January 2022.

[3] Joined 1 October 2022.

Auditor remuneration

(EUR 1 000)	2023	2022
Statutory audit	714	565
Other assurance services	37	54
Other non-assurance services	-	-
Tax consultant services	11	-
Total	**762**	**619**

VAT is not included in the fees specified above.

NOTE 10
OTHER OPERATING EXPENSES

(EUR 1 000)	**2023**	2022
Sales and administrative expenses	95 679	93 488
Operating expenes (excl. energy)	113 167	118 661
Energy expenses [1)]	79 248	93 530
Total other operating expenses	**288 094**	**305 679**

Operating expenses include all other cruise operating costs such as harbour costs, bareboat lease costs, repair and maintenance costs.

NOTE 11
NET OTHER GAINS AND LOSSES

(EUR 1 000)	**2023**	2022
Net foreign currency gains/(losses) on balance sheet items	2 735	2 533
Net gains/(losses) on forward bunker contracts	395	10 358
Net gains/(losses) other	82	(5 203)
Total	**3 212**	**7 689**

Net other gains and losses consist of gains and losses that result from translation of operational balance sheet items denominated in foreign currencies to Group functional currency at balance sheet date, realised gains and losses on forward bunker fuel contracts and other net gains and losses. The net loss of EUR 5.2 million in 2022 was related to a settlement of a legal dispute with an LNG supplier.

NOTE 12
NET FINANCIAL ITEMS

(EUR 1 000)	**2023**	2022
Interest income	1 363	1 505
Dividends	563	45
Other financial income	1 855	145
Financial income	**3 782**	**1 696**
Interest on debt and borrowings	(214 940)	(104 173)
Interest on lease liabilities	(3 683)	(4 063)
Other financial expenses	(3 778)	(5 530)
Financial expenses	**(222 401)**	**(113 766)**
Net foreign exchange gains/(losses)	**2 014**	**152**
Net financial items	**(216 605)**	**(111 918)**

The interest expenses increased as a consequence of higher net debt as well as higher interest rates. In addition, the initial loan expenses for the financing in April 2023 which were initially recorded in the statement of financial position according to the amortised cost method were mostly expensed as part of the interest expense in 2023 because of the re-financing in February 2024. The part of interest expenses related to amortised loan expenses were EUR 44.6 million in 2023 and EUR 9.0 million in 2022. With reference to note 23 Net interest-bearing liabilities.

The table has been restated from the 2022 annual report as follows: Expenses related to amortisation of initial loan expenses for the interest-bearing liabilities have been reclassified from other financial expenses to interest expenses

NOTE 13
INCOME TAXES

ACCOUNTING POLICY

Income tax expense comprises income taxes payable and deferred income tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is calculated in accordance with the tax laws and regulations enacted or substantively enacted at the balance sheet date in the countries in which the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax laws are subject to interpretation. Based on management's assessment, a provision is made for expected tax payments when necessary.

Deferred tax is calculated on all temporary differences between the tax values and financial values of assets and liabilities. Deferred income tax is determined using tax rates and tax laws which have been enacted or substantially enacted by the balance sheet date and which are expected to apply when the deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the tax-reducing temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

Several of the Group's subsidiaries are vessel owning companies, which are subject to taxation under the Norwegian tonnage tax regime pursuant to chapter 8 of the Taxation Act. Under the tonnage tax regime, profits from qualifying operations are exempt from taxes, whilst financial results are not exempt from taxation. Under the tonnage tax regime, taxable profit is calculated on the basis of financial income after deduction of a portion of financial expenses. The portion deducted is calculated as financial assets in percent of total assets. The tax regime allows for financial losses to be carried forward against positive financial income in later years. Tonnage tax is payable based on the net tonnage of vessels and classified as an operating expense.

Taxation under the Tax tonnage regime requires compliance with strict requirements. Voluntary or compulsory exit from the regime will result in ordinary taxation of the operating results.

Deferred income tax assets and deferred income tax liabilities are recognised net to the extent that they relate to income taxes levied by the same taxation authority, and there is a desire and ability to realise the assets and settle the liabilities simultaneously.

Income tax recognised in profit and loss

(EUR 1 000)	2023	2022
Current taxes	(3 262)	(1 580)
Deferred taxes	(11 054)	11 987
Total income taxes	**(14 316)**	**10 407**

Tonnage tax is calculated based on the ship's tonnage and not income and is therefore classified as an operating expense.

Reconciliation of income tax (expense)/benefit

(EUR 1 000)	**2023**	2022
Net income before tax	**(284 088)**	**(219 819)**
Expected income taxes 22% of profit before tax	62 540	48 374
Tax effect on taxable income within the tonnage tax scheme in Norway	(14 613)	(30 631)
Tax effect non-deductable expenses and non-taxable income and translation differences [1]	(27 205)	(5 604)
Effect from difference in tax rate from nominal tax rate in Norway	(52)	(111)
Effect from change in tax rate and tax provisions from previous years	122	7
Tax effects of changes in unrecognised deferred tax assets	(35 635)	(1 770)
Tax effects share of profit (loss) from equity accounted companies	527	143
Total income (taxes) benefit	**(14 316)**	**10 407**
Effective tax rate	-5.0%	4.7%

[1] Most of the borrowings in the Group are denominated in EUR. This will not have any translation effects in the reported accounts in the specific subsidiaries. However, the Norwegian tax papers are filed in NOK and will show revaluation effects in the taxable profit and loss statement in NOK in the specific subsidiaries. This creates a translation difference in profit/(loss) before taxes in EUR compared to NOK in the consolidated accounts.

Income taxes for items recognised in other comprehensive income (OCI)

(EUR 1 000)	**2023**	2022
Remeasurement of defined benefit pension plans	158	167
Total tax charged to OCI	**158**	**167**

Deferred tax assets and deferred tax liabilities

Deferred income tax assets and liabilities are recognised on a net basis if the differences that are reversible can be offset. The deferred income tax assets relating to tax losses carried forward are recognised in the statement of financial position to the extent that the Group can utilise the taxes losses carried forward against expected future taxable income.

(EUR 1 000)	**31.12.2023**	31.12.2022
Retirement benefit obligations	720	896
Other current and non-current items	1 077	496
Tax loss carry forward	70 387	71 454
Deferred tax asset	**83 924**	**85 901**
Unrecognised deferred tax for tax loss carried forward	(47 739)	(10 789)
Unrecognised deferred tax interest cost subjected to limitatinos	(11 740)	(13 055)
Deferred tax assets recognised	**24 445**	**62 058**
Netting	(23 842)	(61 241)
Net deferred tax assets recognised	**603**	**817**
Property, ship and equipment and intangible asses	826	313
Taxable gain and loss account (Norway only)	31 867	58 748
Other current and non-current items	2 213	1 592
Derivatives	149	609
Deferred tax liabilities	**35 055**	**61 262**
Netting	(23 842)	(61 241)
Net deferred tax liabilities	**11 213**	**21**
Carrying value of defered tax asset	603	817
Carrying value of deferred tax liability	11 213	21
Net deferred tax asset/(liability)	**(10 610)**	**796**

Movements in net deferred tax assets and deferred tax liabilities

(EUR 1 000)	**31.12.2023**	31.12.2022
Opening balance	796	(10 206)
Recognised in profit and loss	(11 054)	11 987
Recognised in other comprehensive income	(158)	(167)
Currency translation differences	(194)	(817)
Net deferred tax asset/(liability)	**(10 610)**	**796**

There is a pending tax issue with the Norwegian tax authorities dating back to 2017 related to determination of taxable income when entering into the tax tonnage scheme. The tax authorities decided to increase Explorer I AS' taxable income by MNOK 87.5 which is taxable with 20% annually from 2017. Hurtigruten is of the of the opinion that the decision of the Norwegian Tax Office is unfounded and has filed an appeal. Based on legal advice Hurtigruten assess that the appeal will be successful. Therefore, the increase in tax was not recognized in the statement of income. The tax claims have been paid annually and a corresponding receivable for the paid income tax has been recognized. As of December 2023, the receivable amounts to EUR 596.511.

Tax losses carried forward

2023 (EUR 1 000)	**Gross tax loss carried forward**	**Net tax loss carried forward**	**Unrecog-nised tax losses**	**Recognised deferred tax**
Norway	309 265	68 038	(45 545)	22 493
UK	48	9	-	9
France	582	145	-	145
Estonia	336	67	(67)	-
US	10 128	2 127	(2 127)	-
Total tax losses carried forward	**320 359**	**70 387**	**(47 739)**	**22 648**

2022 (EUR 1 000)	**Gross tax loss carried forward**	**Net tax loss carried forward**	**Unrecog-nised tax losses**	**Recognised deferred tax**
Norway	313 997	69 079	(8 568)	60 511
UK	47	9	-	9
France	582	145	-	145
Estonia	(336)	(67)	67	-
US	10 895	2 288	(2 288)	-
Total tax losses carried forward	**325 185**	**71 454**	**(10 789)**	**60 666**

The majority of tax losses can be carried forward indefinitely.

NOTE 14
PROPERTY, SHIP AND EQUIPMENT

ACCOUNTING POLICY

Property, ship and equipment consist primarily of ships and buildings (office buildings and warehouses). Property, ship and equipment are recognised at cost less depreciation and any impairments. Assets are reflected at cost less accumulated depreciation and accumulated impairment losses. See note 3 for critical judgements on the impairment of nonfinancial assets.

Cost includes costs directly associated with the acquisition of the asset. The cost of ships under construction includes progress payments for the construction of new ships, capitalised interest, construction oversight costs and various owner supplied items. The cost of prepayments ships and assets under construction include design and engineering fees, capitalised interests, construction oversight costs and various owner supplied items. The Group accounts for ship improvement costs by capitalising those costs believed to add value to its ships and which have a useful life greater than one year and depreciates those improvements over its estimated useful life.

Property, ship and equipment, other than land and properties under construction, are depreciated over their estimated useful lives, using the straight-line method and taking into consideration any residual values. Depreciation commences when the assets are ready for their intended use. Depreciation ceases when property, ship and equipment are classified as held for sale. Periodic maintenance of ships is recognised in the balance sheet and depreciated over its useful life until the next periodic maintenance. Ongoing maintenance for all ship types is expensed in the P&L continuously during the period in which the work is performed.

Expected useful life is determined based on historical data, as well as the standard useful economic lifetimes in the industry. Residual value is calculated based on estimated sales values for operating assets at the end of their expected useful life.

The useful life and residual value of operating assets are assessed on every balance sheet date and amended as necessary. When material components of operating assets have different useful lives, these operating assets are recognised as their various components. These components are depreciated separately over each component's useful life. At the end of each accounting period operating assets are assessed for indications of lasting impairment and, in the event of such impairment, the asset's recoverable amount is estimated. When the book value of an operating asset is higher than the estimated recoverable amount, it is written down to the recoverable amount.

Gains and losses on disposals are recognised on a net basis, as the difference between the sales price and the book value.

Movements in property, ship and equipment 2023

(EUR 1 000)	Land and buildings	Ships	Prepayments ships and assets under construction	Other property, plant and equipment	Right of use asset	Total
Acquisition cost						
As at 1 January 2023	3 534	1 323 221	49 119	24 229	84 435	1 484 538
Additions	38	49 410	16 287	2 727	8 328	76 790
Additions through investments in subsidiaries	-	-	-	-	-	-
Transfers and reclassifications	3	27 197	(28 601)	1 400	-	-
Remeasurement right of use assets	-	-	-	-	1 564	1 564
Disposals	(50)	-	(180)	(632)	-	(861)
Currency translation differences	(83)	-	(48)	(757)	(2 844)	(3 732)
As at 31 December 2023	**3 444**	**1 399 827**	**36 578**	**26 967**	**91 483**	**1 558 300**
Accumulated depreciation and impairment						
As at 1 January 2023	(1 201)	(483 796)	-	(14 645)	(40 469)	(540 111)
Additions through investments in subsidiaries	-	-	-	-	-	-
Depreciation	(198)	(53 731)	-	(2 657)	(8 915)	(65 501)
Disposals	-	-	-	804	-	804
Impairment losses	(494)	-	(708)	-	(1 159)	(2 361)
Transfers and reclassifications	25	-	-	(25)	-	-
Currency translation differences	(109)	-	(16)	575	696	1 146
As at 31 December 2023	**(1 977)**	**(537 528)**	**(724)**	**(15 947)**	**(49 847)**	**(606 023)**
Book value 31 December 2023	**1 467**	**862 300**	**35 854**	**11 020**	**41 636**	**952 277**
Useful economic lifetime	25–40 years	20–40 years	N/A	5–10 years		

Movements in property, ship and equipment 2022

(EUR 1 000)	Land and buildings	Ships	Prepayments ships and Assets under construction	Other property, plant and equipment	Right of use asset	Total
Acquisition cost						
As at 1 January 2022	3 360	1 255 381	39 805	21 411	77 182	1 397 139
Additions	13	38 672	45 575	2 420	3 064	89 744
Remeasurement right of use assets	-	-	-	-	6 731	6 731
Disposals	346	29 167	(36 240)	1 164	-	(5 563)
Currency translation differences	(185)	(0)	(20)	(765)	(2 543)	(3 513)
As at 31 December 2022	**3 534**	**1 323 221**	**49 119**	**24 229**	**84 435**	**1 484 538**
Accumulated depreciation and impairment						
As at 1 January 2022	(1 636)	(433 897)	-	(12 948)	(31 593)	(480 074)
Additions through investments in subsidiaries	-	-	-	-	-	-
Depreciation	(197)	(54 845)	-	(2 275)	(9 520)	(66 837)
Disposals	572	4 946	-	-	-	5 518
Currency translation differences	60	(0)	-	578	644	1 283
As at 31 December 2022	**(1 201)**	**(483 796)**	**-**	**(14 645)**	**(40 469)**	**(540 111)**
Book value 31 December 2022	**2 333**	**839 424**	**49 119**	**9 585**	**43 966**	**944 427**
Useful economic lifetime	25–40 years	20–40 years	N/A	5–10 years		

Land has indefinite useful economic lifetime; hence it is not subject to depreciations.

Impairment

In 2023 the Group operated 15 cruise ships. As of 31 December 2023, the Group has assessed the carrying values of the ships against the recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. The value in use has been estimated for the ships on a cash generating unit level and has been calculated based on the present value of estimated future projected cash flows that represents management's best estimate. As of year-end the estimated value in use is higher than the carrying value of the assets, and no impairment has been recognised in the financial statements as of 31 December 2023.

Reference to note 16 regarding impairment of right-of-use assets in 2023

NOTE 15
INTANGIBLE ASSETS

ACCOUNTING POLICY

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets in the acquired subsidiary at the date of acquisition. Goodwill arising on the acquisition of subsidiaries is classified as an intangible asset.

Goodwill is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the acquisition at the time of acquisition.

Goodwill is not amortised but is tested annually for impairment.

Trademarks

Trademarks acquired in a business combination are recognised at fair value at the acquisition date. The trademark recognised in the balance sheet is assessed to have an indefinite useful life and is therefore tested annually for impairment.

Other intangible assets

Intangible assets consist mainly of development costs for computer systems recognised in the balance sheet at cost if the criteria for recognition in the balance sheet are met. Costs related to assets recognised in the balance sheet as custom developed computer systems largely comprise of payroll costs and external consultants in connection with the development.

The criteria for recognising custom developed intangible assets in the balance sheet are:

- It is technically feasible to complete the development of the software so that it will be available for use.
- Management intends to complete the development of the software and use it.
- It is probable that the intangible asset will create future economic benefits.
- Adequate technical, financial, and other resources are available for the Group to be able to complete the development and to use the completed intangible asset.
- Development costs for the asset can be reliably measured.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Other development expenditures that do not meet the criteria for recognition in the balance sheet are expensed as they are incurred.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances, modifies or creates additional capability to existing systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year.

Impairment of non-financial assets excluding goodwill

At each reporting date, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Impairment of goodwill and trademarks
Goodwill and intangible assets that have an indefinite useful life such as trademarks are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances are evaluated to be impairment indicators. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the recoverable amount. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal, and value in use. For the purposes of assessing assets for impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets, other than goodwill, that have historically been impaired are reviewed for possible reversal of the impairment at the end of each reporting period.

Movements in intangible assets 2023

(EUR 1 000)	Goodwill	Trademark	Intangible assets under construction	Other intangible assets	Total
Acquisition cost					
As at 1 January 2023	199 035	45 621	3 000	72 289	319 945
Additions	-	-	241	1 458	1 699
Transfer from assets under construction	-	-	(2 681)	2 681	-
Currency translation differences	(116)	-	(285)	(3 725)	(4 126)
As at 31 December 2023	**198 919**	**45 621**	**274**	**72 704**	**317 519**
Accumulated depreciation and impairment					
As at 1 January 2023	(1 365)	-	-	(54 141)	(55 506)
Amortisation	-	-	-	(5 896)	(5 896)
Impairment losses	-	-	-	(957)	(957)
Currency translation differences	88	-	-	2 575	2 663
As at 31 December 2023	**(1 277)**	**-**	**-**	**(58 420)**	**(59 696)**
Book value 31 December 2023	**197 643**	**45 621**	**274**	**14 284**	**257 822**
Useful economic lifetime	Indefinite	Indefinite	N/A	3–10 years	

Movements in intangible assets 2022

(EUR 1 000)	Goodwill	Trademark	Intangible assets under construction	Other intangible assets	Total
Acquisition cost					
As at 1 January 2022	198 679	45 621	6 483	66 413	317 197
Additions	448	-	208	6 150	6 806
Disposals	-	-	(3 180)	2 457	(723)
Currency translation differences	(91)	-	(512)	(2 731)	(3 335)
As at 31 December 2022	**199 035**	**45 621**	**3 000**	**72 289**	**319 945**
Accumulated depreciation and impairment					
As at 1 January 2022	(1 437)	-	-	(50 456)	(51 893)
Amortisation	-	-	-	(5 814)	(5 814)
Depreciation disposals	-	-	-	706	706
Impairment losses	-	-	-	(706)	(706)
Currency translation differences	72	-	-	2 129	2 201
As at 31 December 2022	**(1 365)**	**-**	**-**	**(54 141)**	**(55 506)**
Book value 31 December 2022	**197 670**	**45 621**	**3 000**	**18 148**	**264 439**
Useful economic lifetime	Indefinite	Indefinite	N/A	3–10 years	

Hurtigruten Group AS acquired 100% of the outstanding shares in Hurtigruten Global Sales AS in 2014. As a result of the acquisition, a goodwill of EUR 194.6 million and an excess value on trademarks of EUR 45.6 million were recognised.

In 2023 the Group recognised an impairment of EUR 1.0 million related to IT-systems.

Other intangible assets primarily comprise of capitalised development expenses related to ICT systems (booking, inventories and similar) with a limited lifespan. The assets are amortised on a straight-line basis over 3–10 years. Amortisation is presented under amortisation in the income statement.

Annual impairment tests

Goodwill acquired through business combinations has been allocated to individual cash-generating units as presented below:

(EUR 1 000)	2023	2022
Hurtigruten Norway	126 483	97 675
Hurtigruten Expeditions	64 668	93 477
Hurtigruten Destinations	6 491	6 519
Total	**197 643**	**197 670**

The change between the Hurtigruten and HX Hurtigruten Expeditions segments is due to a transfer of the ship MS Otto Sverdrup from HX Hurtigruten Expeditions to Hurtigruten in 2023. The change in the Hurtigruten Destinations segment is related to the restaurant “Huset” on Svalbard.

The recoverable amount of a cash-generating unit is calculated based on forecasted results and liquidity for the units, approved by Management and the Board of Directors.

Assumptions applied when calculating the recoverable amount

	Hurtigruten	HX Hurtigruten Expeditions	Hurtigruten Destinations
Growth rate	2.0%	2.0%	2.0%
Discount rate after tax	14.5%	14.5%	14.5%

The recoverable amount has been calculated based on the latest updated forecast for discounted cash flow for a forecasted period of five years, and an extrapolation period of 10 years. The forecast represents management's best estimate for the range of economic conditions that will exist over the period, including expectations regarding occupancy rate, fuel prices and salary development. Expected future cash flows are based on forecasted EBITDA deducted for capex, depreciation, changes in net working capital (NWC) and other non-cash items. Subsequently the terminal value is used. For the period beyond 2038, cash flow is estimated by extrapolating the projections based on the forecasts, using a perpetuity growth rate 2 % for subsequent years, equal to assumptions in inflation.

The Group does not apply a general growth factor beyond expected inflation for cash flows when testing goodwill for impairment. The total required rate of return used to discount cash flows is calculated as a weighted average return on equity and the required rate of return on interest-bearing debt. This calculation utilises an estimate of the risk-free interest rate, risk premium, beta, and the liquidity premium.

Sensitivities

The value in use calculation is mainly affected and sensitive to 1) changes in EBITDA driven by changes in occupancy rate and ticket price (Yield) assumptions and 2) discount rate. Management has tested the value in use calculation to changes for these key assumptions with 5 % increase or decrease in both occupancy and yield, and an increase or decrease of 1 percentage point for the discount rate. None of these scenarios alter the outcome of the impairment test.

Impairment in 2023 and 2022

Based on this analysis, the Group has not recognised any impairment of the carrying value of goodwill and trademarks in 2023 or 2022.

NOTE 16
LEASES

ACCOUNTING POLICY

The Group has rental agreements related to properties, ships, and equipment, representing future obligations for the Group.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments before commencement date, initial direct costs incurred and, if applicable, an estimate of costs to dismantle the underlying asset.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as property and equipment, and is periodically reduced by impairment losses, if any, and adjusted for remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is remeasured when there is a change in the terms of the lease such as index adjustments of lease payments, lease duration or scope changes. A corresponding adjustment is made to the right-of-use asset.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense.

The largest impact for the Group leases related to rental of buildings, ships, machinery, and equipment.

For a any sale and leaseback transaction, the requirements in IFRS 15 for determining when a performance obligation is satisfied is first assessed before applying the required accounting treatment in IFRS 16 for a sale and leaseback transaction.

Right-of-use assets

(EUR 1 000)	Ships	Buildings	Office- and other machinery	Total
2023				
Balance at 1 January	**12 543**	**30 293**	**1 130**	**43 966**
New contracts	3 362	3 880	1 086	8 328
Remeasurement or amendments	(2 893)	4 150	308	1 564
Depreciation	(2 970)	(4 585)	(1 361)	(8 915)
Impairment	-	(1 159)	-	(1 159)
Currency translation differences	(483)	(1 658)	(7)	(2 148)
Balance at 31 December	**9 559**	**30 921**	**1 156**	**41 636**
2022				
Balance at 1 January	**10 919**	**31 977**	**2 694**	**45 589**
New contracts	-	2 847	217	3 064
Remeasurement or amendments	5 443	1 262	26	6 731
Depreciation	(3 340)	(4 376)	(1 804)	(9 520)
Currency translation differences	(479)	(1 416)	(3)	(1 898)
Balance at 31 December	**12 543**	**30 293**	**1 130**	**43 966**

Impairment of right-of-use assets in 2023 is related to vacated office space in US, UK and Norway.

Reference to note 14 for movements in right-of-use assets.

Lease liabilities

(EUR 1 000)	2023	2022
Maturity analysis – Contractual undiscounted cash flows		
Short-term liability		
Less than one year	12 400	12 205
Long-term liability		
One to five years	29 031	29 517
More than five years	77 712	81 460
Total undiscounted lease liability at 31 December	**119 142**	**123 182**
Lease liabilities in the statement of financial position at 31 December		
Current	11 832	11 992
Non-current	55 389	58 797
Total lease liabilities at 31 December	**67 221**	**70 789**

Reference to note 23 for movements in the lease liabilities.

Amounts recognised in the consolidated statement of income

(EUR 1 000)	2023	2022
Depreciation right-of-use assets	(8 915)	(9 520)
Interest on lease liabilities	(3 683)	(4 063)
Total	**(12 598)**	**(13 583)**

Amounts recognised in the consolidated statement of cash flows

(EUR 1 000)	2023	2022
Net cash outflow for leases	**(9 064)**	**(9 711)**

Lease contracts of low value and lease contracts with duration less than 12 months are exempt from the IFRS 16 lease accounting.

NOTE 17
INVESTMENTS IN ASSOCIATES

ACCOUNTING POLICY

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition net income of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

This table presents the associates and joint ventures of the Group as of 31 December 2023 and 2022. Associates are accounted for using the equity method.

(EUR 1 000)	Green Dog Svalbard AS	Empresa Turistica Internacional C.A.	Total
Registered office	Longyearbyen, Svalbard	Ecuador	
Shareholding	50.0%	24.9%	
Net investments at 1 January 2022	**580**	**20 536**	**21 116**
Additions	-	33	33
Share of net income	296	353	650
Translation differences	(83)	-	(83)
Carrying value, 31 December 2022	**793**	**20 923**	**21 715**
Additions	-	-	-
Share of net income	258	2 069	2 327
Dividends	(183)	-	(183)
Translation differences	132	(178)	(46)
Carrying value, 31 December 2023	**1 001**	**22 814**	**23 814**

Green Dog Svalbard AS offers dog-related activities on Svalbard. These include dog sledding, overnight trips with teams of dogs and similar. The Group has a 50% shareholding in Green Dog Svalbard AS.

Empresa Turistica Internacional C.A. operates under the brand Metropolitan Touring and offers a wide range of travel products in Ecuador, including three ships used for sailings in the Galapagos and the luxury resort Finch Bay in the Galapagos. The Group has a 24.9% shareholding in Empresa Turistica Internacional C.A

NOTE 18
FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

Classification of financial assets

The Group classifies financial assets in the following three categories, depending on management's objective when acquiring the asset and the characteristics of the asset:

1) **Financial assets measured at amortised cost**
Primarily loans and receivables with fixed payments of principal and interest, where the financial instrument is not traded, but held to collect the contractual cashflow. Loans and receivables are carried in successive periods at amortised cost, using the effective interest method. Loans and receivables with maturities less than 12 months are classified as current assets and with more than 12 months maturity as non-current assets.

2) **Financial assets measured at fair value through other comprehensive income**
Investments in equity instruments, not held for trading, where management has made an irrevocable election to present subsequent changes in the fair value as other comprehensive income, are classified into this group.

3) **Financial assets measured at fair value through profit or loss**
All other financial assets are measured at fair value through profit or loss. For the Group, this primarily consists of derivatives that are not designated as hedges. Assets in this category are classified as current assets or liabilities.

Recognition and measurement

Regular purchases and sales of financial assets are recognised and derecognised using trade date accounting, which means using the date the Group commits itself to purchase or sell the asset. Unconditional receivables and payables are recognised as assets or liabilities when the entity becomes a party to the contract and has a legal right to receive or a legal obligation to pay cash. Assets to be acquired and liabilities to be incurred as a result of a firm commitment to purchase or sell goods or services are generally not recognised until at least one of the parties has performed under the agreement. Planned future transactions, no matter how likely, are not assets and liabilities because the entity has not become a party to a contract.

All financial assets that are not recognised at fair value through profit or loss are initially recognised at fair value plus transaction costs. Financial assets recognised at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Subsequent measurement depends on the classification of the asset.

Financial assets are derecognised when the rights to receive cash flows from the investment expire or when these rights have been transferred and the Group has substantially transferred all risks and rewards of ownership.

Gains or losses from changes in fair value of assets classified as “financial assets at fair value through profit or loss”, including interest income and dividends, are presented on a net basis in the income statement in the period in which they arise. Dividends from financial assets at fair value through profit or loss are recognised when the Group's right to receive payments is established.

Offsetting of financial assets and liabilities

Financial assets and liabilities are only offset, and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

At the end of each reporting period, for all financial assets measured at amortised cost except customer receivables, the Group assesses whether the credit risk on the financial instruments has increased significantly since initial recognition, using available reasonable and supportable forward-looking information. If and when contractual payments are more than 30 days past due, the credit risk is considered to have increased. For financial instruments where the credit risk is considered to have increased significantly, an amount equal to the lifetime expected credit losses is recognised for loss allowance. For financial instruments where the credit risk has not increased since initial recognition, an amount equal to 12-months expected credit losses is recognised for loss allowance. The change in recognised impairment losses since the last reporting period is recognised in profit or loss.

Impairment testing of customer receivables is described under trade receivables below.

Derivatives and hedging

The Group uses derivatives to hedge exposure against bunker oil price risk. Some of these derivatives might be designated as hedging instruments by management. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value on an ongoing basis. The changes are generally recognised in profit or loss. However, the method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group has not had derivatives designated as hedging instruments in 2023 or 2022.

Carrying amount of financial assets and liabilities 2023

As of 31 December 2023 (EUR 1 000)	note	Financial liabilities at amortised cost	Financial instruments at fair value through profit and loss	Derivatives used for hedging	Non-financial assets and liabilities	Total
Non-current assets						
Other non-current financial assets	20	899			1 598	2 497
Investments accounted for using equity method	17				23 814	23 814
Investments in other companies			206			206
Current assets						
Trade receivables	20	28 900				28 900
Other receivables and prepaid expenses	20	45 666			36 856	82 522
Derivatives				678		678
Cash and cash equivalents	21	50 210	117			50 327
Non-current liabilities						
Interest-bearing liabilities	23	1 651 064			13 088	1 664 152
Current liabilities						
Interest-bearing liabilities	23	281 460				281 460
Trade payables	26	48 085				48 085
Other payables and provisions	26	71 737			40 614	112 350
Accrued revenue and deposit from customers	6	865			169 943	170 808
Net financial assets and liabilities		**(1 927 535)**	**324**	**678**		

Carrying amount of financial assets and liabilities 2022

As of 31 December 2022 (EUR 1 000)	note	Financial liabilities at amortised cost	Financial instruments at fair value through profit and loss	Financial instruments at fair value through OCI	Derivatives used for hedging	Non-financial assets and liabilities	Total
Non-current assets							
Other non-current financial assets	20	919				808	1 728
Investments accounted for using equity method	17					21 715	21 715
Investments in other companies			309	2 230			2 539
Current assets							
Trade receivables	20	19 995					19 995
Other receivables and prepaid expenses	20	34 232				31 207	65 440
Derivatives					2 773		2 773
Cash and cash equivalents	21	29 841	117				29 958
Non-current liabilities							
Interest-bearing liabilities	23	1 374 028				1 987	1 376 015
Current liabilities							
Interest-bearing liabilities	23	263 463					263 463
Trade payables	26	61 104					61 104
Other payables and provisions	26	50 172				24 261	74 433
Accrued revenue and deposit from customers	6	5 872				152 994	158 866
Net financial assets and liabilities		**(1 669 651)**	**426**	**2 230**	**2 773**		

Classification by IFRS fair value hierarchy

The Group uses the following hierarchy to classify assets and liabilities, based on the valuation methods used to measure and disclose their fair value:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.
- Level 2: Other techniques in which all the parameters that have a significant impact on measuring fair value are either directly or indirectly observable. This is primarily relevant for our derivatives, where the price normally is set by the counterpart (a financial institution).
- Level 3: Valuation techniques that use parameters that significantly affect the valuation, but which are not observable.

Assets and liabilities measured at fair value as per 31 December 2023

(EUR 1 000)	note	Level 1	Level 2	Level 3	Total
Assets					
Investments in other companies				206	206
Derivatives			678		678
Market based investments	22	117			117
Total		**117**	**678**	**206**	**1 002**

There were no transfers between levels 1, 2 or 3 in 2023.

Assets and liabilities measured at fair value as per 31 December 2022

(EUR 1 000)	note	Level 1	Level 2	Level 3	Total
Assets					
Investments in other companies				2 539	2 539
Derivatives			2 773		2 773
Market based investments	22	117			117
Total		**117**	**2 773**	**2 539**	**5 430**

There were no transfers between levels 1, 2 or 3 in 2022.

Specification of investments in other companies

(EUR 1 000)	Ownership share	2023	2022
Myklebust Verft Invest AS	15.9%		2 230
Other minor investments		206	309
Total		**206**	**2 539**

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

(EUR 1 000)	note	2023	2022
Counterparties without external credit ratings:		74 565	55 783
Total trade receivables and other receivables	20	**74 565**	**55 783**
Bank deposit – Rating AA (S&P)		49 336	29 000
Cash on hand		874	841
Total cash and short-term bank deposits	21	**50 210**	**29 841**
Money market fund (SICAV-France)		117	117
Total market based investments		**117**	**117**
Classification of derivatives – Assets			
Rating A (S&P)		678	2 773
Total derivative assets	18	**678**	**2 773**

A hedging instrument is classified as non-current if the majority of the instrument is settled at a date later than 12 months from the balance sheet date.

NOTE 19
INVENTORIES

ACCOUNTING POLICY

Inventories have been measured at cost and in accordance with the FIFO principle.

The inventories comprise the following types of goods:

(EUR 1 000)	**2023**	**2022**
Goods purchased for resale	11 489	11 454
Spare parts	2 577	408
Bunkers and lubrication oil	3 206	6 327
Total inventories	**17 271**	**18 189**

NOTE 20
TRADE RECEIVABLES, PREPAYMENTS AND OTHER CURRENT RECEIVABLES

ACCOUNTING POLICY

Trade receivables are amounts due from customers for merchandise or services sold in the ordinary course of business. If settlement is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are classified as non-current assets.

Trade receivables are measured at the invoiced amount unless there is a significant financing component.

Trade receivables are adjusted for provision for impairment in accordance with the expected credit loss model. The Group applies the simplified approach for trade receivables, measuring the loss allowance at an amount equal to lifetime expected credit losses. Impairment for expected credit losses is recognised in the income statement and updated at each reporting date. The impairment is calculated by considering the historic evidence of the level of bad debt experienced for customer types and the ageing of the receivable balance.

All other short-term receivables are measured at nominal values.

For any current financial assets, please refer to the Financial Instruments note.

Carrying value of trade receivables, prepayments and other current receivables

(EUR 1 000)	**2023**	2022
Trade receivables	31 354	20 563
Less provision for impairment of trade receivables	(2 454)	(568)
Trade receivables	**28 900**	**19 995**
Prepaid expenses	34 767	29 651
Prepaid income tax	2 089	1 556
Total prepayments	**36 856**	**31 207**
Current receivables related to travel bonds	18 502	14 202
Other miscellaneous receivables	15 930	11 412
Other current receivables, group companies	6 600	1 678
Net wages claims	3 742	5 809
Public duties receivable	**891**	**1 131**
Total other receivables	**45 666**	**34 232**
Total current trade and other receivables	**111 422**	**85 435**
Non-current receivables, group companies	119	116
Other non-current financial assets	2 378	1 612
Total other non-current financial assets	**2 497**	**1 728**

For specification of receivables from related parties, please see note 27.

Ageing of overdue trade receivables

(EUR 1 000)	**2023**	2022
Up to three months	19 081	9 402
Three to six months	621	481
Over six months	884	320
Total ageing of overdue trade receivables	**20 586**	**10 204**

Movements in the provision for impairment of trade receivables

(EUR 1 000)	**2023**	2022
Provision for impairment of receivables, opening balance	568	638
Provision for impairment of receivables during the year	2 437	471
Receivables written off during the year	(34)	(135)
Reversal of unused amounts	(509)	(399)
Currency translation effects	(7)	(6)
Provision for impairment of receivables, closing balance	**2 454**	**568**

The Group has no significant concentration of credit risk. Sales to end users are settled in cash or with recognised credit cards and are paid in full prior to the travel date.

Trade receivables primarily comprise sales to external agents through invoicing. The Group has routines to ensure that trade credit and prepayment of expenses are only extended to agents and vendors that have a satisfactory credit rating. Individual risk exposure limits are set based on internal and external assessments of credit ratings.

NOTE 21
CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and cash equivalents comprise cash in hand, bank deposits and other short-term liquid investments with maturity of three months or less. Bank overdrafts are included in current interest-bearing liabilities.

(EUR 1 000)	note	2023	2022
Cash at bank and on hand	18	50 210	29 841
Market-based investments [1]	18	117	117
Cash and cash equivalents in the balance sheet		**50 327**	**29 958**
Of which restricted bank deposits [2]		2 362	2 785

[1] Funds owned by a foreign subsidiary.

[2] Restricted bank deposits primarily comprise deposits for guarantees, pledged bank deposits and tax withholding funds.

NOTE 22
SHARE CAPITAL

Share capital	2023	2022
Total number of shares as of 01.01	30	30
Total number of shares as of 31.12	**30**	**30**
Nominal value as of 31.12 (NOK)	**3 001**	**3 001**
Share capital (total number of shares at nominal value) in EUR million	9	9
Other paid in capital (EUR million)	185 196	185 196
Total paid in equity (EUR million)	**185 205**	**185 205**

All ordinary shares have equal rights.

Shareholder information as at 31 December 2023

	Number of shares	Shareholding (%)
Silk Midco AS	30	100.0%

Shares in the ultimate parent Silk Topco AS held by elected officers in Hurtigruten as of 31 December 2023

Board of Directors	
Trygve Hegnar, Chair, through Persicopus AS	4.9%
Petter Anker Stordalen, Director, through Strawberry Equities AS	11.6%
Jonathan Barlow Rosen, Director	0.0%
Linda Zhang, Director	0.0%
Dean Merritt, Director	0.0%
Management	
Daniel A. Skjeldam, CEO, through Hornsund Invest AS	0.9%
Asta Lassesen, CEO Hurtigruten Expeditions, through A. Y. Invest AS	0.4%
Torleif Ernstsen, CFO [1], through Rypestrand Sjøbad AS	0.1%
Ole-Marius Moe-Helgesen, CDO, through HMH Consulting AS	0.04%
Hedda Felin, CEO Hurtigruten Norway, through Felinvest AS	0.04%

[1] Left the position in June 2023

The company's auditor does not own any shares in Silk Topco AS.

Shareholder information as at 31 December 2022

	Number of shares	Shareholding (%)
Silk Midco AS	30	100.0%

Shares in the ultimate parent Silk Topco AS held by elected officers in Hurtigruten of 31 December 2022

Board of Directors	
Trygve Hegnar, Chair, through Persicopus AS	4.9%
Petter Anker Stordalen, Director, through Strawberry Equities AS	11.6%
Jonathan Barlow, Director	0.0%
Matthew Lenczner, Director	0.0%
Dean Merritt, Director	0.0%
Management	
Daniel A. Skjeldam, CEO, through Hornsund Invest AS	0.9%
Asta Lassesen, CEO Hurtigruten Expeditions, through A. Y. Invest AS	0.4%
Torleif Ernstsen, CFO, through Rypestrand Sjøbad AS	0.1%
Ole-Marius Moe-Helgesen, CDO, through HMH Consulting AS	0.04%
Hedda Felin, CEO Hurtigruten Norway, through Felinvest AS	0.04%

Dividend per share

No dividend was proposed for the fiscal years 2023 and 2022.

NOTE 23
INTEREST-BEARING LIABILITIES

ACCOUNTING POLICY

Interest-bearing liabilities are recognised initially at fair value, net of transaction costs incurred. Subsequently, interest-bearing liabilities are recognised at amortised cost using the effective interest method. The difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the interest-bearing liabilities as part of the effective interest.

Interest-bearing liabilities are classified as current liabilities unless there is an unconditional right to defer payment of the liability for at least 12 months after the reporting date. Repayments due within one year are therefore classified as current liabilities.

Borrowing costs directly attributable to the acquisition of operating assets are recognised in the statement of financial position until the asset is ready for its intended use. Other borrowing costs are expensed on an ongoing basis. In the cash flow statement, interest paid is classified as part of the financing activities.

Classification of interest-bearing liabilities

(EUR 1 000)	31.12.2023	31.12.2022
Secured		
Bonds	253 839	285 000
Term loans	946 133	655 000
Sale leaseback debt facilities	26 742	67 233
Revolving credit facilities	-	85 000
Other non-current interest-bearing liabilities	834	1 518
Transaction cost at amortised cost – (secured)	(7 423)	(7 529)
Total non-current interest-bearing secured liabilities	**1 220 125**	**1 086 222**
Unsecured		
Bonds	50 000	50 000
Transaction cost at amortised cost	(790)	(1 518)
Shareholder loan, non-current	324 899	180 477
Other interest-bearing liabilities	1 440	50
Total non-current interest-bearing unsecured liabilities	**375 550**	**229 009**
Non-current lease liabilities	**55 389**	**58 797**
Total non-current interest-bearing liabilities	**1 651 064**	**1 374 028**

(EUR 1 000)	31.12.2023	31.12.2022
Secured		
Bonds	30 000	15 000
Term loans	-	176 500
Sale leaseback debt facilities	4 029	7 776
Other interest-bearing liabilities	845	4 884
Other current interest-bearing liabilities	74 468	-
Transaction cost at amortised cost – (secured)	(2 979)	(2 090)
Accrued interest external financing	41 627	20 438
Total secured current interest-bearing liabilities	**147 990**	**222 508**
Unsecured		
Shareholder loan, current	70 686	
Accrued interest shareolder loan	50 951	28 963
Total unsecured current interest-bearing liabilities	**121 637**	**28 963**
Total current interest-bearing liabilities	**269 628**	**251 471**
Current lease liabilities	**11 832**	**11 992**
Total outstanding interest-bearing liabilities including lease liabilities	**1 932 524**	**1 637 491**

Movements in interest-bearing liabilities

(EUR 1 000)	2023	2022
Total interest-bearing liabilities	**1 637 491**	**1 443 724**
Cash flows		
New financing	435 430	170 000
Repayments	(241 026)	(14 259)
Lease payments	(9 064	(9 711)
Interest and financial cost paid	(111 809)	(68 917)
Non-cash flows		
Financial expenses recognised in profit or loss	216 516	110 589
New lease contracts or modified/remeasured contracts	9 866	9 823
Currency translation effects	(4 881)	(3 758)
Total	**1 932 524**	**1 637 491**

Maturity of interest-bearing liabilities as of 31 December 2023

(EUR 1 000)	Between 0–1 year	Between 2–3 years	Between 4–5 years	More than 5 years
Interest-bearing liabilities	357 275	607 896	1 587 192	9 218
Lease liability (nominal value)	12 400	16 002	13 029	77 710
Total	**369 675**	**623 897**	**1 600 221**	**86 928**

Maturity of interest-bearing liabilities as of 31 December 2022

(EUR 1 000)	Between 0–1 year	Between 2–3 years	Between 4–5 years	More than 5 years
Interest-bearing liabilities	266 061	1 336 929	150 169	31 673
Lease liability (nominal value)	12 205	18 116	11 401	81 460
Total	**278 266**	**1 355 045**	**161 570**	**113 133**

The maturity table above have been restated from the 2022 report by adding maturity of interests to the maturity of the nominal balances of the interest-bearing liabilities.

Listed bonds

Senior secured bond

The EUR 300 million Explorer II bond was listed on the Oslo Stock Exchange with ISIN: NO 0010874548 on 10 July 2020. The senior secured listed bonds hold mortgage over the vessels MS Roald Amundsen and MS Fridtjof Nansen, bear a fixed coupon of 3.375% and mature in February 2025. From and including August 2023 the bonds have semi-annual amortisation of EUR 15 million (EUR 30 million per annum).

The fair value for the bond is gathered from Bloomberg, which showed a value of 91.73% as of 31 December 2023, compared to an issue price of 87.15%.

Green bond

The EUR 50 million green bond was listed on the Oslo Stock Exchange with ISIN: NO 0012436270 on 18 July 2022. The listed bonds are unsecured and bear a fixed coupon of 11% and mature in February 2025. Net proceeds from the bond were used to finance the upgrade of 3 ships in the Hurtigruten fleet to battery-hybrid power. Certain amendments were made to the bond terms as part of the recapitalisation transaction announced in December 2023. See separate note on subsequent events for further details.

The fair value of the bond is gathered from Bloomberg, which showed a value of 57.54% as of 31 December 2023, compared to an issue price of 87.15%.

For the remainder of the interest-bearing liabilities, the Group considers the fair value to approximate their carrying value. The main difference between carrying value and fair value is the capitalised expenses recognised and amortised in accordance with the effective interest method.

Other interest-bearing liabilities

Term Loan B (TLB), and Revolving Credit Facility (TLB1)

On 13 April 23 the Group completed certain amendments to the terms of the Term loan B (TLB) EUR 655 million and the EUR 85 million Revolving Credit Facility (RCF) under the senior facilities agreement originally dated 9 February 2018 (the "SFA"). The maturities under the RCF and TLB were extended from February 2024 and February 2025 to February 2026 and February 2027 respectively. The margin under the TLB was increased to 6.50% with additional 100bps annual margin step-ups from November 2024 (and in certain circumstances step-downs). The margin under the RCF was increased to 6.25% with additional 100bps annual margin step-ups from November 2024 (and in certain circumstances step-downs).

In addition the RCF was converted into a separate term loan (TLB1). As part of the transaction the ultimate shareholders of the Group provided an additional EUR 80 million of funding. The TLB and TLB1 loans hold the same security package including mortgage over 9 vessels and rank pari-passu.

Term Loan C, Term Loan D refinanced with Senior secured Notes Facility

On 4 April 2023 the Group completed the issuance of a new EUR 200 million 5-year notes facility agreement (the "NFA") maturing in February 2028. The net proceeds were applied towards refinancing in full the EUR 176.5 million existing term loans (TLC and TLD) maturing in June 2023. The notes facility was priced at E+600bps cash coupon and 600bps PIK coupon, holds the same security package and ranks pari passu with the TLB and TLB1 under the SFA. In connection with the new notes facility, a synthetic warrant instrument was issued by Silk Topco AS in respect of a small minority of its fully diluted equity for cash consideration of EUR 17.5 million (cash proceeds from which were made available in full to the Group).

Sale and leaseback debt facilities

The Group has sale and leaseback facility in place for the vessel MS Spitsbergen with monthly charter hire maturing in June 2028. The sale and leaseback facilities for MS Nordlys and MS Richard With were repaid in December 2023 as part of the recapitalisation transaction announced in December 2023. See Interim Facility below and separate note on subsequent events.

Interim Facility

As part of the recapitalisation transaction announced in December 2023 the Group secured a EUR 74 million interim facility in December 2023. The facility provided net liquidity proceeds of EUR 33 million after repayment of the sale and leaseback facilities for MS Nordlys and MS Richard With and transaction fees. The facility holds security over MS Nordlys and MS Richard With. Reference to note 30 Subsequent events for further details.

Other interest-bearing liabilities

During 2023 the Group received additional EUR 182.5 million in loans from its ultimate shareholders. The State guaranteed bank loans of NOK 150 million were repaid in July 2023.

Lease liabilities

The lease liabilities mainly consist of the real estate leases in Hurtigruten Svalbard, following the 30-year sale leaseback agreement in 2021, office leases and lease of MS Bard.

Pledges

The security packages under the Senior Secured Facility Agreement (SFA: TLB and TLB1) and the Senior Notes Facility Agreement (NFA) include mortgage over 9 owned vessels, pledge of shares in subsidiaries and assignment of intercompany loans and insurances.

The Interim Facility holds mortgage over the vessels MS Richard With and MS Nordlys.

The senior secured bond holds mortgage over the vessels MS Roald Amundsen and MS Fridtjof Nansen.

The vessel MS Spitsbergen is pledged under the sale and leaseback debt facility.

The real estate in Sollia Gjestegård Holding AS and Sollia Gjestegård AS are pledged under the term loan to Sollia Holding Gjestegård AS.

(EUR 1 000)	**2023**	2022
Interest-bearing liabilities secured by mortgage		
Senior secured Bond	285 000	300 000
Term loans	946 133	831 500
Sale leaseback debt facilities	30 771	75 009
Revolving credit facilities	-	85 000
Total interest-bearing liabilities secured by mortgage	**1 261 904**	**1 291 509**
Book value of assets pledge as security	898 857	889 051
Total assets pledged as security	**898 857**	**889 051**

Covenants

Senior secured bond

Minimum Free Liquidity covenant

Hurtigruten Group AS must maintain a Minimum Free Liquidity above EUR 15 million and the issuer Explorer II AS must maintain a minimum free liquidity above 50% of the next interest and amortisation instalment.

Green bond

Minimum Free Liquidity covenant

Hurtigruten Group AS must maintain a Minimum Free Liquidity above EUR 15 million.

Term Loan B, Term Loan B1 and Notes Facility

Minimum Available Liquidity covenant

Hurtigruten Group AS must maintain a Minimum Free Liquidity above EUR 25 million, tested monthly and on a 13 week forward looking basis.

In December 2023 the Group announced that it had obtained a waiver of the minimum liquidity covenant under its senior facilities and senior notes facilities for the month ending November 2023.

Consolidated Net Leverage Ratio

On or after 31 March 2025 the Company shall ensure that the Consolidated Net Leverage Ratio is not greater than 6.85:1, tested quarterly.

Reference to note 30 Subsequent events.

NOTE 24
SHARE-BASED PAYMENT

ACCOUNTING POLICY

The Group has share-based remuneration schemes in which the company receives services from employees as consideration for a share-based payment. The fair value of the amount payable to employees in respect of the bonus shares, which is settled in cash or shares through a private placement of shares, is recognised as an expense with a corresponding increase in liabilities over the period during which the employees become unconditionally entitled to the shares. The liability is remeasured at each reporting date and at settlement date based on the fair value of the bonus shares. Any changes in the liability are recognised in profit or loss.

In 2015, the executive management of Hurtigruten Group entered into an agreement with the ultimate parent company, Silk Topco AS. Given the indebtedness of the Group as at 31 December 2023, management have written down the obligation under this incentive agreement to nil. A new incentive plan will likely be implemented in 2024.

NOTE 25
EMPLOYEE RETIREMENT BENEFIT PLANS

ACCOUNTING POLICY

Defined benefit schemes

The liability recognised in the balance sheet connected with the defined benefit schemes is the present value of the defined benefits at the balance sheet date less the fair value of the pension assets. The pension liability is calculated annually by an independent actuary using the projected unit credit method. The gross liability is discounted to present value applying the interest rate on high-quality corporate bonds issued in the currency in which the liability will be paid, and with approximately the same terms as the payment horizon of the liability.

The cost of pension entitlements for the period are recognised as personnel expenses. These expenses include an increase in the pension liability due to earnings from previous years, changes, curtailments, and settlements.

Past service costs arising from the amendments of plan benefits are immediately recognised in the income statement.

The net interest expense is calculated by applying the discount rate to the net pension liability and the fair value of the pension assets. This cost is also recognised in payroll costs in the income statement.

Remeasurement gains or losses arising from changes in actuarial assumptions are recognised in equity through other comprehensive income in the period in which they arise and will not be reclassified to profit or loss in subsequent periods.

Defined contribution schemes

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as personnel expenses in the same period as the employees have rendered services entitling them to the contributions. Prepaid contributions are recognised as a financial asset to the extent that a cash refund or a reduction in the future payments are available. Future pensions are dependent on the size of the contributions and the return on the pension plans.

The Group operates both defined contribution and defined benefit pension schemes as well as mandatory occupational pension plans in the companies where this is required. These plans for Norwegian companies satisfy the requirements stipulated in the Norwegian Mandatory Occupational Pension Act.

The Group has defined benefit plans in Norway and Germany. In the Norwegian defined benefit plan, there are three former employees included in the scheme. During 2022 the arrangement was adjusted to be an unfunded plan with future payments to be made on an ongoing basis. The assets in the scheme were released. The German defined benefit plan is organised as a CTA (contractual trust arrangement), in which the plan assets are earmarked for the pension fund, while the company's management determines how the assets are to be invested. An agreed fixed amount per month is paid to the pension plan where most beneficiaries receive the same agreed amount, while two former directors receive a considerably higher part.

The geographical allocation of the obligations and plan assets for the defined benefit plans is:

2023

(EUR 1 000)	Norway	Germany	Total
Present value of obligations	1 653	3 703	5 356
Fair value of plan assets	-	5 300	5 300
Net pension obligations/(assets)	**1 653**	**(1 598)**	**55**

2022

(EUR 1 000)	Norway	Germany	Total
Present value of obligations	1 827	4 166	5 992
Fair value of plan assets	(0)	4 974	4 974
Net pension obligations/(assets)	**1 827**	**(808)**	**1 018**

The Contractual Early Retirement (AFP) Scheme Act adopted by the Norwegian Parliament in 2010 entailed the derecognition and recognition in the income statement of provisions related to the old contractual early retirement scheme. Provisions were set aside to cover the assumed underfunding of the old contractual early retirement scheme. The new AFP early retirement scheme is based on a tri-parties collaboration between employer, employee organisations and the government. The government covers one-third of the pension expenses for the early retirement scheme, while affiliated enterprises cover the remaining two-thirds. The scheme is recognised as a defined benefit multi-entity plan in the financial statements. This means that each individual company shall account for its proportional share of the scheme's pension obligations, plan assets and pension costs. Until reliable and consistent information is available for allocation, the new contractual early retirement scheme will be accounted for as a defined contribution plan. This is consistent with the Ministry of Finance's conclusion concerning the new AFP early retirement plan published in connection with the presentation of the Norwegian State Budget on 14 October 2013.

The pension costs recognised in the income statement are:

(EUR 1 000)	**2023**	2022
Present value of accrued pension entitlements for the year	15	15
Defined contribution plan	11 180	9 176
Interest expenses (income)	8	(9)
Payroll tax	6	6
Total pension costs included in payroll costs (note 8)	**11 209**	**9 188**

Risks, asset management and sensitivity

The Group is exposed to several risks through the defined benefit pension schemes. The most significant are potential changes in discount rates, bond interest rates, inflation, life expectancy and expected return on funds.

The pension obligations are calculated using a discount rate based on the interest rate on bonds. If the investment in the pension fund assets provides a lower return than the bond interest rate, this gives rise to a deficit. An increase in inflation could result in a higher obligation. A rise in life expectancy could also result in a higher obligation. These assumptions are applied in the pension reports from actuaries.

A basic intention of asset management of plans organised through pension insurance companies is to secure the non-current obligations by delivering a competitive annual return at least equal to the guaranteed interest rate. The plan assets in the German plan are currently invested in a listed fund that is managed by a professional asset manager. The fund follows a multi-asset strategy with a conservative risk profile. The composition of the fund is regularly changed to accommodate optimal returns and risk management. Consequently, these investments are exposed to market risk. While the company management cannot influence the fund's investments, it may at any time elect to exit fund investments.

The pension obligation is most sensitive to changes in the applied discount rates. It is estimated that a change of one percentage point will increase/decrease the pension obligation by approximately EUR 0.4 million.

Financial assumptions

(EUR 1 000)	**2023**	2022
Norway		
Discount rate	3.10%	1.90%
Expected annual wage adjustment	3.50%	2.75%
Expected annual pension adjustment	1.80%	0.00%
Expected annual National Insurance basic amount (G) adjustment	3.25%	2.50%
Table book used for estimating liabilities	K2013 BE	K2013 BE
Table book used for estimating disabilities	IR02	IR02
Germany		
Discount rate	3.20%	3.60%
Expected annual wage adjustment	N/A	N/A
Expected annual pension adjustment	2.25%	2.25%
Expected annual National Insurance basic amount (G) adjustment	N/A	N/A
Average expected years of service until retirement age	10.6 Years	10.1 Years

Change in the defined benefit pension obligations during the year

(EUR 1 000)	2023	2022
Pension obligations as of 1 January	5 993	10 408
Present value of accrued pension entitlements for the year	8	15
Interest expenses	192	92
Effect of recalculation:		
Changes in financial assumptions	(316)	(4 785)
Changes in demographic assumptions	-	232
Estimate deviations	-	384
Currency translation differences – obligations	(119)	(237)
Discontinuation of pension plans (plan changes)	-	387
Pension benefits paid	(402)	(495)
Change in payroll tax on net pension obligations	-	(8)
Pension obligations as of 31 December	**5 356**	**5 993**

Change in the fair value of the plan assets

(EUR 1 000)	2023	2022
Fair value as of 1 January	4 973	8 272
Return on plan assets	179	46
actual return on assets (incl. interest income) recognised in income statement	147	(3 630)
Paid-up policies and disbursements due to discontinuation of plans (plan changes)	-	435
Employer contributions	-	53
Currency translation differences – assets	-	(131)
Pension benefits paid	-	(72)
Fair value as of 31 December	**5 300**	**4 973**

Specification of net plan assets/obligations

(EUR 1 000)	2023	2022
Present value of funded pension obligation	3 703	4 166
Present value of unfunded pension obligations	1 653	1 827
Total pension obligation at 31 December	**5 356**	**5 992**
Estimated fair value of plan assets at 31 December	5 300	4 974
Net pension obligations at 31 December	**55**	**1 018**

Expected maturity date of pension schemes as of 31 December 2023

(EUR 1 000)	< 1 year	1–2 years	2–5 years	>5 years	Total
Defined benefit pension	639	1 028	1 883	6 683	10 233

Table of the historical present values of pension obligations and assets as of 31 December

(EUR 1 000)	2023	2022
Present value of defined benefit pension obligations	5 356	5 992
Fair value of plan assets	5 300	4 974
Deficit/(surplus)	**55**	**1 018**

NOTE 26
TRADE PAYABLES, OTHER CURRENT LIABILITIES AND PROVISIONS

(EUR 1 000)	**2023**	2022
Trade payables	47 969	61 086
Trade payables related parties [1]	116	19
Public duties payable	8 551	6 156
Other current liabilities	43 448	21 214
Current payables to related parties [1]	2 256	(114)
Accrued expenses	49 245	42 736
Total other current liabilities [2]	**151 584**	**131 098**

[1] See note 27 for information on trade payables and other current payables due to related parties.

[2] Deferred revenue have been reclassified from other current liabilities to deposits from customers. The total amount has not changed.

(EUR 1 000)	**Bonuses**	**Management incentive plan**	**MS Maud [1]**	**Other**	**Total**
Provision book value as of 1 January 2022	**2 070**	**718**	**-**	**658**	**3 446**
Provisions for the year	3 200	69	-	13	3 282
Utilisation/reversal of provisions from prior year	(2 070)	-	-	(459)	(2 529)
Currency translation effects	(96)	-	-	(0)	(96)
Provision book value as of 31 December 2022	**3 104**	**787**	**-**	**212**	**4 103**
Provisions for the year	-	-	5 500	-	5 500
Utilisation/reversal of provisions from prior year	(2 982)	(787)	-	(212)	(3 980)
Currency translation effects	(122)	-	-	-	(122)
Provision book value as of 31 December	**-**	**-**	**5 500**	**-**	**5 500**

[1] The provision relates to the repairs required to MS Maud following a severe weather incident. An insurance receivable related to this incident has been recognised as part of other receivables.

Provision classification in the balance sheet as of 31 December

(EUR 1 000)	2023	2022
Non-current liabilities	-	91
Current liabilities	5 500	4 012

Bonuses

The Group has certain bonus schemes for the CEO, Group management and other key personnel. As the performance indicators required to receive a bonus were not achieved, no bonus provision was required in 2023 (EUR 3.1 million in 2022).

Management incentive plans

The management in Hurtigruten Group has entered an incentive plan to purchase shares in the parent company, Silk Topco AS. For further information regarding the Management incentive plan, see note 24.

NOTE 27
RELATED PARTY TRANSACTIONS

Transactions with related parties are carried out with terms and conditions that are no more favourable than those available, or which might reasonably be expected to be available, in similar transactions between independent parties. Related parties are defined as the key management personnel in the company, shareholders, and associates. Associates in 2023 include Green Dog Svalbard AS, and Empresa Turistica Internacional C.A. (see note 17).

The Group conducted the following transactions with related parties:

Transactions with associates

(EUR 1 000)	2023	2022
Operating revenues		
Sale of services to Green Dog Svalbard	32	45
Operating costs		
Purchase of services from Green Dog Svalbard AS	763	802
Purchase of services from Empresa Turistica International C.A.	21 227	9 631
Balances with Green Dog Svalbard AS at year-end		
Current receivables	818	6 028
Non-current receivables	8 001	-
Current liabilities	(6 732)	(1 063)
Net balances with related parties as of 31 December	**2 087**	**4 966**

Current receivables from other group companies at year-end

(EUR 1 000)	2023	2022
Silk Topco AS	6 554	1 653
Silk Midco AS	7	4
KVE Holding AS	1	6
Kirberg Shipping AS	4	12
Namdalen Wilderness Lodge	-	4
Kleven Prosjekt 401 AS	19	21
HRG NewCo Holding	15	15
Total	**6 600**	**1 716**

Non-current receivables from other group companies at year-end

(EUR 1 000)	2023	2022
Silk Topco AS	13	14
Silk Midco AS	28	26
KVE Holding AS		-
Kirberg Shipping AS	78	76
Total	**119**	**116**

Current payables to other group companies at year-end

(EUR 1 000)	2023	2022
Silk Topco AS	2 519	336
Silk Midco AS	16 794	8 138
KVE Holding AS	1	1
Kirberg Shipping AS	1	1
Namdalen Wilderness Lodge	(2)	(2)
Total	**19 312**	**8 474**

Non-current payables to other group companies at year-end

(EUR 1 000)	2023	2022
Silk Topco AS	50 686	20 000
Silk Midco AS	324 899	160 477
Totals	**375 585**	**180 477**

NOTE 28
INVESTMENT IN SUBSIDIARIES

	Registered office	Ownership/ voting share
Owned directly by Hurtigruten Group AS		
Hurtigruten Expeditions AS	Oslo, Norway	100%
Hurtigruten Expeditions Group Ltd	London, UK	100%
Hurtigruten Norway AS	Tromsø, Norway	100%
Hurtigruten Global Sales AS	Oslo, Norway	100%
Hurtigruten Global Services AS	Oslo, Norway	100%
Hurtigruten Destinations AS	Oslo, Norway	100%
Hurtigruten Investments AS	Oslo, Norway	100%
Hurtigruten AS	Oslo, Norway	100%
Owned by subsidiaries of Hurtigruten Group AS		
Hurtigruten Offshore Excursions AS	Oslo, Norway	100%
Hurtigruten Expedition Fleet AS	Oslo, Norway	100%
Hurtigruten Explorer AS	Oslo, Norway	100%
Explorer I AS	Oslo, Norway	100%
Explorer II AS	Oslo, Norway	100%
Hurtigruten Expedition Crew AS	Oslo, Norway	100%
Hurtigruten Expedition Cruises AS	Oslo, Norway	100%
Hurtigruten Expedition Technical Services GmbH	Hamburg, Germany	50%
Hurtigruten Expeditions Hotel Support GmbH	Hamburg, Germany	100%
Hurtigruten Expeditions Ltd	London, UK	100%
Hurtigruten Expeditions Cruises Ltd	London, UK	100%
Hurtigruten Expeditions Global Sales Ltd	London, UK	100%
Hurtigruten Coastal AS	Tromsø, Norway	100%
Hurtigruten Sjø AS	Tromsø, Norway	100%
Hurtigruten Coastal Fleet AS	Tromsø, Norway	100%
MS Richard With AS	Tromsø, Norway	100%
MS Nordlys AS	Tromsø, Norway	100%
Hurtigruten Estonia OÜ	Tallinn, Estonia	100%
Hurtigruten GmbH	Hamburg, Germany	100%
Hurtigruten Americas Inc.	Seattle, USA	100%
Norwegian Coastal Voyage Ltd	London, UK	100%
Hurtigruten France SAS	Paris, France	100%
Hurtigruten Australia Pty Ltd	Melbourne, Australia	100%
Hurtigruten Ltd	London, UK	100%
Hurtigruten Asia Pacific	Hong Kong	100%
Hurtigruten Barents AS	Kirkenes, Norway	100%
Hurtigruten Svalbard AS	Longyearbyen, Svalbard, Norway	100%
Sollia Gjestegård Holding AS	Kirkenes, Norway	100%
Sollia Gjestegård AS	Jarfjord, Norway	100%

NOTE 29
CONTINGENT LIABILITIES AND OTHER COMMITMENTS

As of 31 December 2023, no significant liabilities are expected to arise from contingent liabilities that have not already been provided for in the financial statements. With reference to note 26.

Guarantees

As of 31 December 2023 Hurtigruten Group had guarantees and letter of credit capacity of EUR 136 million (of which EUR 9.4 million undrawn), including EUR 73 million of letter of credit facilities provided by banks which are credit supported by the ultimate shareholders of the Group. Guarantees and letter of credit issued are mainly in connection to travel guarantee schemes, tax bonds and other guarantees related to operations and payment collection.

Membership of the NOx Fund

Hurtigruten Coastal AS and Hurtigruten Expedition Cruises AS are members of the Confederation of Norwegian Enterprise's (NHO) NOx Fund. The main objective of the Environmental Agreement concerning reductions of NOx and the NHO's NOx Fund is to reduce emissions of nitrogen oxide. The Fund is a joint venture to which affiliated businesses can apply for support for emission-reducing measures. Payment to the Fund replaces the nitrogen oxide tax for affiliated businesses.

The Environmental Agreement for 2011–2017 was signed on 14 December 2010 by 15 industry organisations and the Ministry of the Environment and was approved by EFTA's Monitoring Body (ESA) on 19 May 2011. The Fund has reported that the targets for 2011–2016 were met. On 24 May 2017, an extension to the NOx Agreement for the period 2018–2025 was signed between the business organisations and the Norwegian Authorities. The extension was approved by ESA on 2 February 2018. A second extension for the years 2026 and 2027 was signed in May 2022. This agreement is not yet approved by ESA.

Coastal service agreement with the ministry of transportation regarding CO_2 emissions

As part of the requirements in the Norwegian coastal contract with the Norwegian Ministry of Transport and Communications, the maximum level of CO_2 emission is set to a total average of 103 000 tonnes CO_2 equivalents per year during the contract period from January 2021 to December 2030. To meet this requirement three vessels in the coastal fleet was planned upgraded with new low emission engines and battery-hybrid power solutions. The Group upgraded one ship in 2022, one in 2023, and will complete the upgrade programme with the last ship in Q1 2025. This will significantly reduce the emission of CO_2 equivalents throughout the contract period.

Legal items

While acknowledging the uncertainties related to disputes and claims, the management is of the opinion that based on the information currently available, these matters will be resolved without any material adverse effects individually or in the aggregate on the Group's financial position.

NOTE 30 SUBSEQUENT EVENTS

On 23 February 2024, the Company successfully completed a comprehensive recapitalisation transaction, which involved:

1. injection of liquidity of EUR 185 million (on a net basis) through a combination of near-term interest waivers and a new super senior secured opco facility in a principal amount of EUR 205 million, part of which was used to repay in full the interim financing provided to the Company in a principal amount of EUR 74 million in December 2023;

2. restructuring of the Group's existing senior facilities into a new senior secured opco facility of EUR 345 million (the "New Senior Facility") and a new secured PIK holdco facility of around EUR 670 million (the "New Holdco Facility");

3. restructuring of the existing senior unsecured bonds in a principal amount of EUR 50 million originally issued by the Company such that these were converted into senior secured bonds issued by Hurtigruten Newco AS, the parent company of the Company (the "Reinstated SUNs"). The repayment of the Reinstated SUNs is subject to a payment waterfall such that 60% of the Reinstated SUNs rank pari passu with the New Holdco Facility and certain other restructured shareholder facilities, while the remaining 40% are subordinated to them; and

4. shareholder facilities of about EUR 150 million were restructured, all of which are subordinated to the New Senior Facility and approximately EUR 55 million of which are subordinated to the New Holdco Facility and Reinstated SUNs. The maturity profile of these facilities was extended to provide additional support for the business.

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the consolidated financial statements for the year ended 31 December 2023 have been prepared in accordance with IFRS as adopted by the EU, that the financial statements for the parent company for the year ended 31 December 2023 have been prepared in accordance with the Norwegian Accounting Act, that they give a true and fair view of the Company's and Group's assets, liabilities, financial position and results of operations, and that the Report of the Board of Directors gives a true and fair review of the development, performance and financial position of the Company and the Group and includes a description of the principle risks and uncertainties that they face.

Oslo, 30 April 2024
The Board of Directors of Hurtigruten Group AS

Trygve Hegnar /s
Chairman

Petter Anker Stordalen /s
Board member

Kennet Jarl Andersen /s
Board member

Daniel Skjeldam /s
CEO

PARENT COMPANY FINANCIAL STATEMENTS 2023

STATEMENT OF INCOME

(EUR 1 000)	note	2023	2022
Salaries and personnel expenses	11	(1 288)	(2 344)
Other operating expenses	3	(9 166)	(551)
Net other gains/(losses)		600	10 281
Operating profit/(loss)		**(9 853)**	**7 386**
Financial income	4	42 639	12 061
Financial expenses	4	(189 686)	(88 603)
Net foreign exchange gains/(losses)	4	(12 582)	(5 343)
Net financial items		**(159 629)**	**(81 885)**
Net income before tax		**(169 482)**	**(74 499)**
Income taxes	5	(0)	11 407
Net income		**(169 482)**	**(63 092)**

STATEMENT OF FINANCIAL POSITION

(EUR 1 000)	note	31.12.2023	31.12.2022
Assets			
Non-current assets			
Deferred income tax asset	5	38 863	38 907
Investments in subsidiaries	6	841 283	841 283
Other non-current receivables, related parties	7	540 270	499 283
Investments in other companies		-	2 230
Total non-current assets		**1 420 416**	**1 381 703**
Current assets			
Other current receivables		38	(2)
Current receivables, related parties cash pool	8	179 268	43 886
Other current receivables, related parties	7	14 499	5 485
Current derivative financial instruments		678	2 773
Cash and cash equivalents	8	35 606	17 621
Total current assets		**230 089**	**69 762**
Total assets		**1 650 505**	**1 451 465**

(EUR 1 000)	note	31.12.2023	31.12.2022
Equity and liabilities			
Equity attribute to owners of the parent			
Share capital		9	9
Additional paid-in capital		185 196	185 196
Other equity		(3 076)	(3 076)
Retained earnings		(411 516)	(241 990)
Total equity	9	**(229 386)**	**(59 861)**
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	10	987 921	783 845
Non-current interest-bearing liabilities, related parties	7, 10	324 899	160 477
Total non-current liabilities		**1 312 820**	**944 322**
Current liabilities			
Trade and other payables		3 837	1 397
Trade and other payables, related parties	7	2 358	8
Current liabilities related parties, Cash pool	8	399 451	345 838
Current interest-bearing liabilities	10	36 101	191 116
Current interest-bearing, related parties	7	125 325	28 644
Total current liabilities		**567 071**	**567 004**
Total equity and liabilities		**1 650 505**	**1 451 465**

Oslo, 30 April 2024
The Board of Directors of Hurtigruten Group AS

Trygve Hegnar /s	**Petter Anker Stordalen /s**	**Kennet Jarl Andersen /s**	**Daniel Skjeldam /s**
Chairman	Board member	Board member	CEO

STATEMENT OF CASH FLOW

(EUR 1 000)	note	**2023**	2022
Cash flows from operating activities			
Net income before tax		(169 482)	(74 499)
Income tax paid		140	-
Interest paid	10	(73 612)	(34 785)
Adjustments for			
Net foreign exchange gains/(losses)		12 376	5 420
Net gains/(losses) derivatives		2 098	(2 773)
Net financial expenses	4	147 047	76 600
Change in working capital			
Trade and other receivables		56	(2 477)
Trade and other payables		(7 086)	(4 632)
Net cash (outflow) from operational activities		**(14 851)**	**(2 362)**
Cash flows from investing activities			
Change in net lendings to related parties	7	(50 684)	(428 590)
Net change in cash pool receivable	8	(135 382)	132 158
Proceeds from sale of financial assets		1 669	-
Net cash (outflow) from investing activities		**(184 396)**	**(296 432)**
Cash flows from financing activities			
Proceeds from shareholder loan	7, 10	258 989	150 000
Net change in cash pool liabilities	8	53 611	169 796
Placement fee and other financial expenses paid	10	(21 756)	(3 659)
Net cash inflow from financing activities		**217 232**	**281 352**
Net increase in cash and cash equivalents		**17 985**	**(17 442)**
Cash and cash equivalents at the beginning of the financial year		17 620	35 063
Cash and cash equivalents at the end of the year		**35 605**	**17 621**
Of which restricted cash		-	-

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

NOTE 1
GENERAL INFORMATION AND ACCOUNTING PRINCIPLES

Hurtigruten Group AS is owned by Silk Midco AS and the ultimate Norwegian parent company Silk Topco AS, headquartered at Langkaia 1 in Oslo. Hurtigruten Group AS is the parent of Hurtigruten Group. The consolidated Group financial statements can be downloaded from the following website: hurtigruten.no. The purpose of Hurtigruten Group AS is being the Group's Treasury, and holding the direct ownership of Hurtigruten Norway AS, Hurtigruten Expeditions AS, Hurtigruten Destinations AS and Hurtigruten Global Sales AS which operate the main activities of the Group.

The Group's consolidated financial statements contain the description of the Group's operating activities. The financial statements of Hurtigruten Group AS for the year ended 31 December 2023 were authorised for issue by the Board of Directors on 29 April 2024.

Basis of preparation

The financial statements of Hurtigruten Group AS have been prepared in accordance with the Norwegian Accounting Act and Norway's generally accepted accounting principles. The accounting principles set out below have been applied in preparing the financial statements for the year ended 31 December 2023 and the comparative information presented in these financials.

The accounting principles described in this section are applied to the company Hurtigruten Group AS only and do not describe the principles applied to the Hurtigruten Group consolidated statements and notes.

Use of estimates

Preparation of the accounts in accordance with generally accepted accounting principles require that management makes estimates and assumptions which have an effect on the value of assets and liabilities in the balance sheet and reported revenues and expenses for the accounting year. The ultimate values realised may deviate from these estimates.

Foreign currency translation

The financial statements are presented in euro (EUR) which has been the functional currency of the parent company since 1 January 2020. The change was made to reflect that EUR is the predominant currency in the Company, accounting for a significant part of the cash flow and financing.

All foreign currency translations are converted to EUR at the transaction date. All monetary items denominated in foreign currency are translated at the exchange rate at the balance sheet date. Derivates designated as hedging instruments in fair values hedges are measured at fair value. Other non-monetary items in foreign currencies recognised in accordance with the cost method are translated to EUR using the exchange rate applicable on the transaction date. Gains and losses resulting frem changes to exchange rates are recognised in the statement of profit and loss as they occur during the accounting period.

Investment in subsidiaries and associated companies

Investment in subsidiaries and associated companies are recorded in accordance with the cost method, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary and reversed in later periods if the reason for the impairment loss in no longer present.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends/group contribution exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Classification principles

Assets intended for permanent ownership or use and receivables that mature more than one year after the end of the accounting year are classified as non-current assets. Other assets are classified as current assets.

Liabilities that fall due later than one year after the end of the accounting year are classified as non-current liabilities. Other liabilities are classified as current liabilities.

Income taxes

The tax expense consists of incom taxes payable and deferred tax. Deferred tax is recognised in respect of all temporary differences and accumulated tax losses carried forward at the balance sheet date which implies increased or decreased tax payable when these differences reverse in future periods.

Current tax is calculated in accordance with the tax laws and regulations enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax laws are subject to interpretation. Based on management's assessment, a provision is made for expected tax payments when necessary.

Deferred tax is calculated on all temporary differences between the tax values and financial values of assets and liabilities. Temporary differences are differences between taxable profit and results that occur in one period and reverse in future periods. Deferred tax is calculated by applying the nominal tax rate to temporary differences and accumulated tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilised. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Deferred income tax assets and deferred income tax liabilities are recognised net to the extent that there is the ability and intention to realise the assets and settle the liabilities simultaneously.

Accounts receivables and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts.

Derivatives and hedging

The Company has entered into derivative contracts for bunker oil to hedge the Group's exposure against bunker oil prices (cash flow hedge). Hedges are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value on an ongoing basis in the Statement of Financial Position. Any gains or losses on remeasurement are recognised in the Income Statement.

Statement of cash flow

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash and bank deposits.

NOTE 2
FINANCIAL RISK MANAGEMENT

The company is covered by the Group risk management strategy. Further information can be found in the Group consolidated financial statements, note 4.

NOTE 3
OTHER OPERATING EXPENSES

(EUR 1 000)	**2023**	2022
Insurance premiums	242	8
Legal services	5 440	325
Other services	3 243	162
Other general expenses	1 528	2 399
Total other operating costs	**10 454**	**2 895**

Auditors' remuneration

(EUR 1 000)	**2023**	2022
Statutory audit	82	57
Other assurance services	-	-
Other non-assurance services	4	2
Tax consultant services	-	-
Total	**85**	**60**

VAT is not included in the fees specified above.

NOTE 4
NET FINANCIAL ITEMS

(EUR 1 000)	**2023**	2022
Interest income, related parties	42 582	4 635
Interest from cash pool	-	7 368
Other financal income	57	57
Financial income	**42 639**	**12 061**
Interest expenses, related parties	(33 340)	(16 418)
Interest expenses	(153 858)	(70 876)
Other financial expenses	(2 488)	(1 309)
Financial expenses	**(189 686)**	**(88 603)**
Foreign exchange gains	56 157	13 185
Foreign exchange losses	(68 739)	(18 528)
Net foreign exchange gains/(losses)	**(12 582)**	**(5 343)**
Net financial items	**(159 629)**	**(81 885)**

NOTE 5
INCOME TAXES

Income tax recognised in profit or loss

(EUR 1 000)	**2023**	2022
Current taxes	140	-
Deferred taxes	(140)	(11 407)
Total income taxes	**(0)**	**(11 407)**

Reconciliation of income tax (expense)/benefit

(EUR 1 000)	**2023**	2022
Profit/(loss) before taxes	**(169 482)**	**(74 499)**
Expected income taxes 22% of profit before tax	37 286	16 390
Tax effect non-deductable expenses and non-taxable income	(10 740)	(6 174)
Tax effects of changes in unrecognised deferred tax assets	(26 546)	1 191
Total income (taxes) benefit	**(0)**	**11 407**
Effective tax rate	(0)	0

Non-deductible expenses in 2023 are related to interest's limitation rules and currency translation effects from EUR functional currency in financial statements to NOK tax returns.

Deferred tax assets and deferred tax liabilities

(EUR 1 000)	**31.12.2023**	31.12.2022
Tax oss carry forward	57 838	40 605
Deferred tax asset	**57 838**	**40 605**
Unrecognised deferred tax for tax loss carried forward	(16 584)	-
Deferred tax assets recongnised	**41 254**	**40 605**
Netting	(2 391)	(1 698)
Net Deferred tax assets recognised	**38 863**	**38 907**
Group contribution	-	140
Other current and non-current items	2 242	949
Derivatives	149	609
Deferred tax liabilities	**2 391**	**1 698**
Netting	(2 391)	(1 698)
Net Deferred tax liabilities	**0**	**0**
Carrying value of defered tax asset	38 863	38 907
Carrying value of deferred tax liability	-	-
Net deferred tax asset/(liability)	**38 863**	**38 907**

The deferred income tax assets relating to tax losses carried forward are recognised in the statement of financial position to the extent that the Company can utilise the tax losses carried forward against future group contributions and specific taxable profits in subsidiaries.

Movements in net deferred tax assets and deferred tax liabilities

31 December 2023 (EUR 1 000)	Gross tax loss carried forward	Net tax loss carried forward	Unrecon-gnised tax losses	Recognised deferred tax
Norway	262 900	57 838	(16 584)	41 254
Total tax losses carried forward	**262 900**	**57 838**	**(16 584)**	**41 254**

31 December 2022 (EUR 1 000)	Gross tax loss carried forward	Net tax loss carried forward	Unrecon-gnised tax losses	Recognised deferred tax
Norway	184 568	40 605	-	40 605
Total tax losses carried forward	**184 568**	**40 605**	**-**	**40 605**

NOTE 6
INVESTMENTS IN SUBSIDIARIES

(EUR 1 000)	Registered office	Ownership/ voting share	Total equity as at 31 December 2023	Net result for the year 2023	Book value
Hurtigruten Expeditions AS	Oslo, Norway	100.0%	326 593	(12 102)	338 351
Hurtigruten Norway AS	Oslo, Norway	100.0%	154 064	(23 744)	176 840
HR Investments AS	Oslo, Norway	100.0%	(9 711)	(8 047)	5
Hurtigruten Global Sales AS	Oslo, Norway	100.0%	31 129	(11 573)	312 163
Hurtigruten Global Services	Oslo, Norway	100.0%	579	(1 437)	5 644
Hurtigruten AS	Oslo, Norway	100.0%	2 864	32	39
Hurtigruten Destinations AS	Oslo, Norway	100.0%	6 798	(667)	8 242
Net					**841 283**

No impairment of investments in subsidiaries has been recognised in the financial statements of Hurtigruten Group AS per 31 December 2023.

NOTE 7
RELATED PARTY TRANSACTIONS

Transactions with Group companies

(EUR 1 000)	**2023**	2022
Purchase of services		
Hurtigruten Global Servies AS	33	35
Purchase of services	**33**	**35**
Interest income		
Hurtigruten Global Sales AS	-	1 072
MS Richard With AS	3 595	1 567
MS Nordlys AS	1 328	869
Hurtigruten Investements AS	1 869	1 128
Hurtigruten Expeditions AS	11 993	-
Hurtigruten Norway AS	23 797	-
Total interest income	**42 582**	**4 635**
Interest expenses		
Hurtigruten Global AS	-	-
Silk Midco AS	(32 072)	(16 418)
Silk Topco AS	(1 113)	-
MS Richard With AS	(155)	-
Total interest expenses	**(33 340)**	**(16 418)**

Balances with companies in the same group and related parties

Non-current receivables

(EUR 1 000)	**2023**	2022
MS Richard With AS	43 320	43 436
MS Nordlys AS	20 139	16 696
Hurtigruten Expeditions Technical Services GmbH	50	50
Hurtigruten Investements AS	23 869	21 999
Hurtigruten Expeditions AS	151 763	139 770
Hurtigruten Norway AS	301 129	277 332
Total non-current receivables	**540 270**	**499 283**

Current receivables

(EUR 1 000)	**2023**	2022
Hurtigruten Coastal Crew AS	17	-
Hurtigruten Ltd	542	1
Silk Topco AS	4 912	7
Hurtigruten Coastal Fleet AS	606	-
Explorer 1 AS	663	571
MS Richard With AS	172	22
MS Nordlys AS	274	22
Hurtigruten Offshore Excursions AS	28	-
Hurtigruten Expeditions AS	32	-
Hurtigruten Expedition Cruises AS	3 036	-
Hurtigruten Expedition Crew AS	18	-
Kleven Prosjekt 401 AS	19	16
HRG NewCo Holding AS	13	11
Hurtigruten Global Sales AS	4 150	4 150
Hurtigruten Norway	-	638
Other	17	47
Total trade and other current receivables	**14 499**	**5 485**

Non-current payables

(EUR 1 000)	**2023**	2022
Silk Midco AS	324 899	160 477
Total non-current payables due to Group companies	**324 899**	**160 477**

Trade payables and other current payables

(EUR 1 000)	**2023**	2022
Hurtigruten Coastal Crew AS	(1)	(1)
Slik Topco AS	101	-
Hurtigruten Global Services AS	-	6
Hurtigruten Global Sales AS	-	4
TDR Capital III Holdings L.P.	2 258	
Total trade payables and other current payables due to Group companies	**2 358**	**8**

Current payables

(EUR 1 000)	**2023**	2022
Silk Midco AS	16 793	8 137
Silk Topco AS	52 868	20 506
MS Richard With AS	35 663	-
Hurtigruten Global Sales AS	1	-
TDR Capital III Holdings L.P.	20 000	-
Total non-current payables due to Group companies	**125 325**	**28 643**

NOTE 8
CASH, CASH POOL AND CASH EQUIVALENTS

The company holds the following balances categorised as cash and cash equivalents

(EUR 1 000)	**2023**	2022
Cash and bank deposits in cash pool	**35 605**	240 832
Adjustment to prior year reported cash [1]		(223 211)
Total cash and cash equivalents	**35 605**	**17 621**

[1] The amount reported in the prior year for cash and cash equivalents is restated to correct an error in the allocation of cash pool balances. Previously, only the bank accounts directly allocated to the Company were included. The restatement reflects the Company's ownership of the entire cash pool, resulting in a comprehensive depiction of the Company's liquid resources. This adjustment ensures consistency with the current year's reporting method and aligns with best practices for financial disclosure.

Cash pool – receivables

(EUR 1 000)	**2023**	2022
Hurtigruten Norway AS	6 950	6 090
Hurtigruten Coastal AS (H. Cruise AS)	13 319	5 982
Hurtigruten Coastal Fleet AS	18 446	109
Hurtigruten Expeditions AS	17 915	7 035
Hurtigruten Expedition Crew AS	23 418	1 863
Hurtigruten Expeditions Hotel Support GmbH	231	311
Hurtigruten Expedition Cruises AS	90 740	21 418
Hurtigruten Offshore Excursions AS EUR	530	1
Hurtigruten Expedition Fleet AS EUR	-	868
Hurtigruten Investments AS (EUR)	6 410	-
Sollia Gjesteg rd Holding AS (Arctic Secret Holding AS)	449	174
Hurtigruten Barents AS	39	29
Hurtigruten Destinations AS (Onshore Operations AS)	711	-
Sollia Gjesteg rd AS	110	4
Total receivables – cash pool	**179 268**	**43 886**

Cash pool – payables

(EUR 1 000)	**2023**	2022
Hurtigruten Coastal Crew AS (H. SjAS)	22 812	8 601
Explorer 2 AS	114 973	117 845
Hurtigruten Expedition Fleet AS EUR	20 844	-
Hurtigruten Svalbard AS	7 027	7 455
Hurtigruten Global Sales AS (H. AS)	94 706	106 687
Hurtigruten GmbH	1 918	9 391
Hurtigruten Ltd	64 481	33 862
Hurtigruten France	13 734	7 618
Hurtigruten Americas, Inc	33 761	14 389
Hurtigruten Global Services AS (H. Pluss)	22 335	16 934
Hurtigruten Investments AS (EUR)	-	20 089
Hurtigruten AS (HRG Eiendom)	2 860	2 954
Hurtigruten Destinations AS (Onshore Operations AS)	-	15
Total receivables – cash pool	**399 451**	**345 838**

NOTE 9
SHARE CAPITAL

Attributable to shareholders of Hurtigruten Group AS

(EUR 1 000)	**Share capital**	**Additional paid-in capital**	**Other reserves**	**Retained earnings**	**Total Equity**
1 January 2022	9	185 196	(3 076)	(178 841)	3 289
Net income		-		(63 092)	(63 092)
Other changes			-	(57)	(57)
31 December 2022	**9**	**185 196**	**(3 076)**	**-241 991**	**(59 861)**
Net income		-		(169 482)	(169 482)
Other changes				**(42)**	**(42)**
31 December 2023	**9**	**185 196**	**(3 076)**	**(411 515)**	**(229 386)**

Shareholders	**Number of shares**	**Shareholding (%)**
Silk Midco AS	30	100

All shares carry the same rights in the Company.

NOTE 10
INTEREST-BEARING LIABILITIES

Classification of interest-bearing libilities

(EUR 1 000)	**31.12.2023**	31.12.2022
Secured		
Term loans	946 133	655 000
Revolving credit facilities	-	85 000
Transaction cost at amortised cost – (secured)	(7 423)	(4 637)
Total non-current interest-bearing secured liabilities	**938 710**	**735 363**
Unsecured		
Green Bond EUR 50 millions	50 000	50 000
Transaction cost at amortised cost – (unsecured)	(790)	(1 518)
Shareholder loan, non-current	324 899	160 477
Total non-current interest-bearing unsecured liabilities	**374 110**	**208 959**
Total non-current interest-bearing liabilities	**1 312 820**	**944 322**
Secured		
Term loans	-	176 500
Transaction cost at amortised cost – (secured)	(1 420)	(2 090)
Accrued interest external financing	37 521	16 706
Total secured current interest-bearing liabilities	**36 101**	**191 116**
Unsecured		
Shareholder loan, current	40 540	-
Current interst-bearing liabilities, related parties	35 508	
Accrued interest shareolder loan/related parties	49 277	28 644
Total unsecured current interest-bearing liabilities	**125 325**	**28 644**
Total current interest-bearing liabilities	**161 426**	**219 760**
Total interest-bearing liabilities	**1 474 246**	**1 164 082**

Listed bonds

Green bond

The EUR 50 million green bond was listed on the Oslo Stock Exchange with ISIN: NO 0012436270 on 18 July 2022. The listed bonds are unsecured and bear a fixed coupon of 11% and mature in February 2025. Net proceeds from the bond were used to finance the upgrade of 3 ships in the Hurtigruten fleet to battery-hybrid power. Certain amendments were made to the bond terms as part of the recapitalisation transaction announced in December 2023. Reference to note 13 Subsequent events for further details.

Other interest-bearing liabilities

Term Loan B (TLB), and Revolving Credit Facility (TLB1)

On 13 April 23 the Group completed certain amendments to the terms of the Term loan B (TLB) EUR 655 million and the EUR 85 million Revolving Credit Facility (RCF) under the senior facilities agreement originally dated 9 February 2018 (the "SFA"). The maturities under the RCF and TLB were extended from February 2024 and February 2025 to February 2026 and February 2027 respectively. The margin under the TLB was increased to 6.50% with additional 100bps annual margin step-ups from November 2024 (and in certain circumstances step-downs). The margin under the RCF was increased to 6.25% with additional 100bps annual margin step-ups from November 2024 (and in certain circumstances step-downs). In addition, the RCF was converted into a separate term loan (TLB1). As part of the transaction the ultimate shareholders of the Group provided an additional EUR 80 million of funding. The TLB and TLB1 loans hold the same security package including mortgage over 9 vessels and rank pari-passu.

Term Loan C, Term Loan D refinanced with Senior secured Notes Facility

On 4 April 2023 the Group completed the issuance of a new EUR 200 million 5-year notes facility agreement (the "NFA") maturing in February 2028. The net proceeds were applied towards refinancing in full the EUR 176.5 million existing term loans (TLC and TLD) maturing in June 2023. The notes facility was priced at E+600bps cash coupon and 600bps PIK coupon, holds the same security package and ranks pari passu with the TLB and TLB1 under the SFA. In connection with the new notes facility, a synthetic warrant instrument was issued by Silk Topco AS in respect of a small minority of its fully diluted equity for cash consideration of EUR 17.5 million (cash proceeds from which were made available in full to the Group).

Other interest-bearing liabilities

During 2023 the Group received additional EUR 182.5 million in loans from its ultimate shareholders.

Pledges

The security packages under the Senior Secured Facility Agreement (SFA: TLB and TLB1) and the Senior Notes Facility Agreement (NFA) include mortgage over 9 owned vessels, pledge of shares in subsidiaries and assignment of intercompany loans and insurances.

(EUR 1 000)	**31.12.2023**	31.12.2022
Book value of assets pledged as security	**1 396 052**	**1 345 910**

NOTE 11
SALARIES AND PERSONNEL EXPENSES

(EUR 1 000)	**2023**	**2022**
Wages and salaries	427	1 381
Payroll tax	234	301
Pension costs	30	10
Other benefits	597	651
Total salaries and personnel expenses	**1 288**	**2 344**
Average number of full-time equivalents	1	1

Daniel Skjeldam served as the sole full-time employee in the parent company throughout 2022. In August 2023, Mr. Skjeldam's employment transitioned to another entity within Hurtigruten Group. For further information please see Hurtigruten Group Financial statements and notes; Note 8 Salaries and personnel expenses, note 9 Management and auditor's remuneration and note 25 Employee retirement benefit plans.

Employee retirement benefit plans

The company operates both defined contribution and defined benefit pension schemes as well as mandatory occupational pension plans . These plans for Norwegian companies satisfy the requirements stipulated in the Norwegian Mandatory Occupational Pension Act.

Board of directors

The Board of Directors have waved their annual compensation for 2023.

NOTE 12
GOING CONCERN

As of 31 December 2023, the Group had successfully returned to normal operations bringing the full fleet of vessels back online during the first half of 2023.

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 and the recapitalization transaction completed in February 2024 has improved the fair value equity position by a conversion of EUR 70 million and a subordination of loan of EUR 720 million (book equity as of 31 December 2023 amounted to EUR 859 million negative). As of 31 December 2023, Hurtigruten Group had an available free liquidity position of EUR 48 million. On 23 February 2024, the Company successfully implemented a comprehensive recapitalisation transaction with its senior lenders, its shareholders, and senior unsecured note holders. This transaction support a positive movement in equity value of EUR 70 million via novation and equitization of select interest and debt facilities. In addition, the outstanding loans to parent entity, Hurtigruten Newco AS, amounting to a total of EUR 720 million will be subordinated to any other loans in Hurtigruten Group. Therefore, the amount of EUR 720 million should also be included as equity when determining the actual value of group equity before future cash flow potential is taken into consideration.

The recapitalisation transaction involved:

1. injection of liquidity of EUR 185 million (on a net basis) through a combination of near-term interest waivers and a new super senior secured opco facility in a principal amount of EUR

205 million, part of which was used to repay in full the interim financing provided to the Company in a principal amount of EUR 74 million in December 2023;

2. restructuring of the Group's existing senior facilities into a new senior secured opco facility of EUR 345 million (the "New Senior Facility") and a new secured PIK holdco facility of around EUR 670 million (the "New Holdco Facility");

3. restructuring of the existing senior unsecured bonds in a principal amount of EUR 50 million originally issued by the Company such that these were converted into senior secured bonds issued by Hurtigruten Newco AS, the parent company of the Company (the "Reinstated SUNs"). The repayment of the Reinstated SUNs is subject to a payment waterfall such that 60% of the Reinstated SUNs rank pari passu with the New Holdco Facility and certain other restructured shareholder facilities, while the remaining 40% are subordinated to them; and

4. shareholder facilities of about EUR 150 million were restructured, all of which are subordinated to the New Senior Facility and approximately EUR 55 million of which are subordinated to the New Holdco Facility and Reinstated SUNs. The maturity profile of these facilities was extended to provide additional support for the business.

This recapitalisation transaction will enable the Hurtigruten Group to implement the separation of the business into our expeditions business, which would have the largest expeditions fleet in the world, and our prestigious Norwegian cruise business, and this separation is permitted under the terms of the New Senior Facility, New Holdco Facility and Reinstated SUNs.

As at the date of this report, the Group is actively looking to refinance the EUR 300 million Explorer II bond which will mature in February 2025. Current bond outstanding is EUR 271 million as at April 2024 following amortization which began in early 2024.

Based on the Group's outlook and plans for the next 12 months (in particular given the completion of the recapitalisation transaction outlined above), the Board of Directors, on the assumption that the Group is able to successfully refinance the EUR 300 million Explorer II bond, have a reasonable expectation that the Group has adequate liquidity for the 12-month period from the date of this report, and (ii) given the benefits of the recaptalisation transaction and the support of its lenders and shareholders thereunder, resources to continue operations for the foreseeable future. The Board of Directors also believe there are strategic options available, if required, to ensure the going concern of the Hurtigruten Group in the foreseeable future.

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.

NOTE 13
SUBSEQUENT EVENTS

On 23 February 2024, the Company successfully completed a comprehensive recapitalisation transaction, which involved:

1. injection of liquidity of EUR 185 million (on a net basis) through a combination of near-term interest waivers and a new super senior secured opco facility in a principal amount of EUR 205 million, part of which was used to repay in full the interim financing provided to the Company in a principal amount of EUR 74 million in December 2023;

2. restructuring of the Group's existing senior facilities into a new senior secured opco facility of EUR 345 million (the "New Senior Facility") and a new secured PIK holdco facility of around EUR 670 million (the "New Holdco Facility");

3. restructuring of the existing senior unsecured bonds in a principal amount of EUR 50 million originally issued by the Company such that these were converted into senior secured bonds issued by Hurtigruten Newco AS, the parent company of the Company (the "Reinstated SUNs"). The repayment of the Reinstated SUNs is subject to a payment waterfall such that 60% of the Reinstated SUNs rank pari passu with the New Holdco Facility and certain other restructured shareholder facilities, while the remaining 40% are subordinated to them; and

4. shareholder facilities of about EUR 150 million were restructured, all of which are subordinated to the New Senior Facility and approximately EUR 55 million of which are subordinated to the New Holdco Facility and Reinstated SUNs. The maturity profile of these facilities was extended to provide additional support for the business.

AUDITORS REPORT

To the General Meeting of Hurtigruten Group AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Hurtigruten Group AS, which comprise:

- the financial statements of the parent company Hurtigruten Group AS (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of income and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Hurtigruten Group AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the statement of income, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Oslo, 30 April 2024
PricewaterhouseCoopers AS

Stig Lund
State Authorised Public Accountant
(This document is signed electronically)

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DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

The Group prepares and reports its consolidated financial statements in accordance with IFRS® Accounting Standards as adopted by the European Union (EU) and additional requirements of the Norwegian Accounting Act.

In addition, the Group presents some Alternative Performance Measures (APMs) to enhance the stakeholders understanding of the Group's performance. These measures do not have any standardised definition in the IFRS standards and are therefore not necessarily comparable to the calculation of similar measures used by other companies.

The APMs are reported in addition to but are not substitutes for the Group's consolidated financial statements, prepared in accordance with IFRS. The APMs also provide measures commonly reported and widely used by investors, lenders, and other stakeholders as an indicator of the Group's performance. The APMs are used in forecasting future periods, including assessing the Group's ability to incur and service debt including covenant compliance. APMs are defined consistently over time and are based on the Group's consolidated financial statements (IFRS)

EBITDA is a measure of earnings before interest, taxes, depreciation, amortization, impairments and share of profit or loss from associated companies. The measure is useful for evaluating operating profitability and enables comparison to competitors.

EBITDA margin is EBITDA divided by total operating revenue and other income. This measure enables comparability of profitability relative to operating revenue and other income.

Normalised adjusted EBITDA is a measure of earnings before net other gains and losses, net financial items, income tax expenses, depreciation, amortisation, impairment and share of profit or loss from associated companies and adjusted for items which are deemed extraordinary, unusual or non-recurring. A measure of underlying long-term operating profitability excluding effects of volatile operating expenses related to fuel derivatives, effects of non-cash balance sheet currency revaluation and extraordinary or non-recurring items.

EBIT is a measure of earnings before net financial items, income tax expense and share of profit or loss from associated companies. This measure enables comparability of profitability regardless of capital structure or tax situation.

Reconciliation of Alternative Performance Measures (APM)

(EUR 1 000)	**2023**	**2022**
Operating profit/(loss) to EBITDA		
Operating profit/(loss)	(69 810)	(108 550)
Less Depreciation, amortisation and impairment	(74 716)	(73 357)
EBITDA	**4 906**	**(35 194)**
EBITDA to EBITDA excluding other gains/(losses)		
EBITDA	4 906	(35 194)
Less Net other gains/(losses)	3 212	7 689
EBITDA excluding other gains/(losses)	**1 693**	**(42 882)**
EBITDA excluding other gains/(losses) to normalised adjusted EBITDA		
EBITDA excluding other gains/(losses)	1 693	(42 882)
Less Net non-recurring expenses	(31 006)	(89 098)
Normalised adjusted EBITDA	**32 700**	**46 216**

ESG APPENDICES

Photo: Genna Roland/Hurtigruten

APPENDIX A: OUR REPORTING APPROACH

ABOUT THIS REPORT

Practical information about this report

This is Hurtigruten Group's first integrated annual report and presents the ESG performance of Hurtigruten Group for the 2023 calendar year. Transparency is one of our ESG values. To that end, we believe it is important to be completely open with our stakeholders about our impacts, and we also hope this provides opportunities for further inspiration and change. That's why we go far to be one the most transparent players in our industry, and we hope to see more companies do the same.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) standards. In addition, we have added disclosures from the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) Cruise Line Standards. To learn more, you can find all the standards we report against in the indexes in Appendices F1, F2 and F3. The report is presented for Hurtigruten Group, but also includes specific data and information for all companies within the Group, specifically: HX Hurtigruten Expeditions, Hurtigruten and Hurtigruten Svalbard. In addition, you will find data and information about our non-profit arm, Hurtigruten Foundation.

MATERIALITY ASSESSMENT

CSRD Preperation

We are currently working with on our Double Materiality Assessment to prepare next's year reporting inline with the European Sustainability Reporting Standards (ESRS). This Double Materiality Assessment will be presented in the 2024 annual report.

Stakeholder Engagement

Our materiality assessment was performed in the autumn of 2021. It is based on the GRI Standards and has been approved by our Board of Directors. We are basing this report on the same material topics. To read the full overview of how we did our materiality assessment, please view Materiality Assessment 2021 located under Reports and Policies on our website.

Material topics

Our materiality assessment identified eight material topics, falling under the umbrella of environment, social and governance. These topics represent the most relevant and material topics for Hurtigruten Group's business model and should reflect what is of the highest importance both to our stakeholders and to us as a business.

Our material topics:

- Emissions
- Impact on nature
- Great place to work
- Diversity & Inclusion
- Health & Safety
- Community impact
- Responsible business
- Data Privacy & Security

Our topic guide – a systematic approach using four ESG pillars

We love structure and want all our readers to quickly be able to dive into these important topics without being an expert or having to read the entire report from end to end. We have created a systematic approach to how this information is presented, which we call our topic guide. Each topic guide should give you the high-level must-knows.

Last year we used our eight material topics as structure, and this year we have created a new framework for how we communicate ESG. This framework is based on our material topics but strives to highlight what is most important to us. These topics are emissions, nature, people and community. Each of these pillars has its own chapter where we provide information and answer the following questions for each topic:

1) Why is it important for us?
2) What is/are our target/s?
3) How is it managed within Hurtigruten Group?
4) How did we perform in 2023?

Got feedback? Get in touch!

We aspire to be the most sustainable travel operator in the world, pushing the industry's boundaries for ESG. We believe transparency and accountability are key principles in achieving this ambition, and we strive to continuously listen, learn, and improve. What's more, we gladly welcome feedback from our stakeholders on our report.

For feedback, questions or comments to this report please contact:

Rikke H. Jørgensen
VP Sustainability, Hurtigruten
rikke.joergensen@hurtigruten.com

APPENDIX B:
ESG GOVERNANCE IN HURTIGRUTEN GROUP

We want ESG to be an integrated part of all processes and decisions in Hurtigruten Group. Our approach is to have group-wide involvement and the placing of ownership within each of our business units to initiate and drive programmes supporting our ESG targets. We believe each of our business units is best tasked with prioritising and executing its own ESG objectives.

Our Board of Directors is the highest governing body for ESG. It approves our strategy, risk model and targets, and monitors achievement. The group Executive Teams is accountable for implementation, and they have endowed the Strategy Teams with the responsibility of the ESG work. We believe this is the right home to ensure ESG is integrated into all processes and decision making within the Group.

Board of Directors Approves ESG targets and monitors that they are achieved. Approves material topics and annual ESG report.	Chair: Trygve Hegnar Chair of the Board of Directors Hurtigruten Group AS
Executive Management Team Accountable for implementation of the ESG strategy, targets and reporting.	Chair: Daniel Skjeldam Chief Executive Officer Hurtigruten Group AS
ESG Committee Review and advise on ESG strategy, targets and reporting. Appointed by EMT. Represents all companies in group.	Representatives from all business units in Hurtigruten Group AS
Group Strategy & Transformation SVP Group Strategy & Transformation (Reports to Group CEO) VP ESG	Responsible for group ESG strategy, reporting, targets and coordination.

Business Units
Business Units responsible for driving and initiating ESG objectives and initiatives.

HX Hurtigruten Expeditions
CEO
VP Sustainability & Industry Relations

Hurtigruten
CEO
Head of Sustainability & Public Affairs

Hurtigruten Svalbard
CEO

HX Hurtigruten Expeditions Sustainability Team
Oversee and prioritize the sustainability efforts in HX Hurtigruten Expeditions, and report status on a monthly basis to the management team.

Hurtigruten Sustainability Team
Oversee and prioritize the sustainability efforts in Hurtigruten, and report status on a monthly basis to the management team.

In addition, we have local sustainability Squads in selected local office(s).

APPENDIX C: PARTNERSHIPS

We believe collaboration is the way to move boundaries, so we are proud of the partnerships that help us deliver new, sustainable solutions. Across operations we work with local food suppliers, excursion providers, agents, ports and communities. Here you can see some highlighted selected partnerships and memberships.

SOME HIGHLIGHTED PARTNERS:

- UN Global Compact Norway
- Science Based Target initiative
- International Association of Antarctica Tour Operators (IAATO)
- Association of Arctic Expedition Cruise Operators (AECO)
- SINTEF
- DNV
- Norwegian Ship Owner's Association

Polar Collective
Hold Norge Rent
DNT
Visit Svalbard
Volvo Penta
Norsk Reiseliv
Oceanize
BRIM
EVOY
WISTA Norway

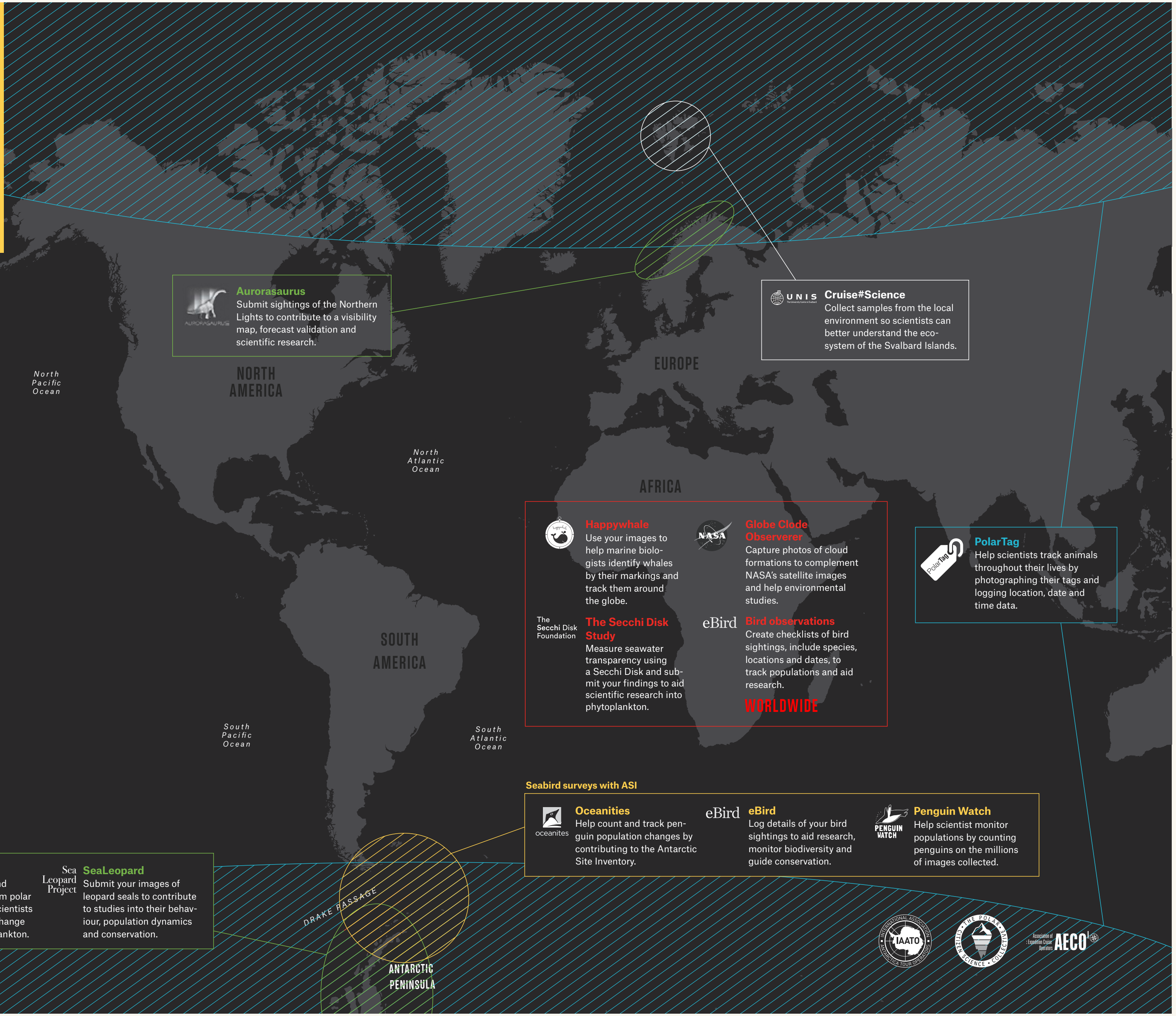
- Norwegian Institute for Water Research (NIVA)
- ORCA
- The University Centre in Svalbard (UNIS)
- Fjord Phyto at Vernet Lab (Scripps Institution of Oceanography)
- California Ocean Alliance
- Institute for Marine and Antarctic Studies/University of Tasmania (IMAS/UTAS)
- Institute of Marine Research (IMR)
- Western Washington University
- Universidad de Los Andes
- Penguin Watch (Oxford University)
- Oceanites

Science

Support real time research and collect data from across the planet while on your expedition cruise and contribute to important scientific research. These are our collaborators and are the Citizen Science Projects we support.

Collaborators:

- Western Washington University
- Shripps Institution of Oceanography
- University of Oxford
- The University of the Andes
- University of California Santa Cruz
- The University Centre in Svalbard
- Institute of Marine Research
- The Arctic University of Norway
- The Norwegian Institute for Water Research
- ORCA
- Institute for Marine and Antarctic Studies (IMAS)
- University of Tasmania



Aurorasaurus
Submit sightings of the Northern Lights to contribute to a visibility map, forecast validation and scientific research.

Cruise#Science
Collect samples from the local environment so scientists can better understand the eco-system of the Svalbard Islands.

Happywhale
Use your images to help marine biologists identify whales by their markings and track them around the globe.

Globe Clode Observerer
Capture photos of cloud formations to complement NASA's satellite images and help environmental studies.

The Secchi Disk Study
Measure seawater transparency using a Secchi Disk and submit your findings to aid scientific research into phytoplankton.

Bird observations
Create checklists of bird sightings, include species, locations and dates, to track populations and aid research.

WORLDWIDE

PolarTag
Help scientists track animals throughout their lives by photographing their tags and logging location, date and time data.

Seabird surveys with ASI

Oceanities
Help count and track penguin population changes by contributing to the Antarctic Site Inventory.

eBird
Log details of your bird sightings to aid research, monitor biodiversity and guide conservation.

Penguin Watch
Help scientist monitor populations by counting penguins on the millions of images collected.

Fjord Phyto
Collect samples and important data from polar regions to assist scientists studying climate change impact on phytoplankton.

SeaLeopard
Submit your images of leopard seals to contribute to studies into their behaviour, population dynamics and conservation.

APPENDIX D:
HURTIGRUTEN GROUP ESG RISK MANAGEMENT PROGRAMME

Risk Management in Hurtigruten Group

Hurtigruten Group is committed to proactive and effective risk management to mitigate any adverse effects on our operations and waters we sail in, and to identify and explore business opportunities. The Group's risk framework and the role of the Board of Directions are explained in more detail in the Risk Management section of our Annual report.

In this section we elaborate on our ESG Risk program, including top identified risks and associated mitigation plans per ESG pillar for the Group.

		TOP RISKS	MITIGATION
Emissions	**1.**	Inability to reduce emissions (both our own and in the supply chain) by the amount and within the timeline needed due to immature technology, new regulations or economic factors, will have a negative impact on the environment.	Emissions reductions and continuous monitoring and reporting across business units to track progress towards targets and mapping the effect of initiatives. Improved tracking and stronger collaboration with our supply chain to understand, track and reduce emissions.
	2.	Limited visibility of future environmental and climate regulations, with uncertain operational and economic impact make long term planning challenging.	We believe in collaboration and dialogue with the regulators, and work with organisations across the industry to be an active stakeholder supporting development of the right regulations.
	3.	The nature of our business represents operational risks that can result in unplanned emissions to the environment.	We are committed to the prevention of injury and ill health and to continuous improvement of our Health and Safety management systems and performance.
Nature	**1.**	More extreme weather may lead to operational disruption and changes both short and long term.	Procedures ensuring safe operations in bad weather. We cannot directly control long-term risk development, but our most important mitigation is our efforts to reach zero emissions.
	2.	The nature of our business represents operational risks that may result in unplanned spills to the environment.	We are committed to the prevention of negative impact to both people and the environment, and to continuous improvement of our HSE management systems and performance.
	3.	Limited data to support our intuition about potential impacts on nature.	We have implemented a quantitative approach to track endangered species in the areas we operate and marine protected areas.
People	**1.**	Discrimination and harassment, especially based on gender, has an unfortunate legacy in the maritime industry. Inability to sufficiently improve gender balance in senior leadership positions at sea and on land may prevent us from succeeding with our mission.	Our Code of Conduct and DEI policy state how we work to stop all forms of discrimination and harassment. A whistle blower mechanism is in place to uncover any unwarranted behaviours and breaches of our policies. Our Board approved gender targets guide focus and prioritisation in all business units.
	2.	Working at sea involves inherent operational risk which may result in incidents impacting both guests and crew.	We are committed to the prevention of injury and ill health and to the continuous improvement of our HSE management systems and performance.
	3.	Our increasingly global footprint also increases our exposure to human rights risks in the supply chain.	As a global company we can have a positive social and economic impact on both local and global businesses. We see our procurement standards and policies as a strategic enabler for this work.
Community	**1.**	Our license to operate in local communities is at risk if we don't deliver on our strategy to support social and economic value creation in the communities we visit.	Our goal is to maximise the number of people positively impacted by our business. We track the share of local purchasing and local suppliers in different regions.
	2.	The loss of local communities due to social and economic factors.	We support local projects across destinations through Hurtigruten Foundation.
	3.	Corruption risk related to donated funds from Hurtigruten Foundation to grassroot projects in local communities.	Hurtigruten Foundation has a thorough selection, evaluation and reporting process.

APPENDIX E: PERFORMANCE DATA

HURTIGRUTEN GROUP

HURTIGRUTEN GROUP

KPI	UNIT	2018	2021	2022	2023	COMMENT
EMISSIONS						
Fleet Scope 1,2 and 3						
Scope 1 (Direct CO_2 Emissions)	mt	241 506	135 015	232 920	231 720	Emission factors used for calculation: EU MRV, Norwegian Ministry of Climate and Environment.
Scope 1 (Direct CO_2 Emissions) per guest*APCN	mt	0.13	0.13	0.13	0.12	Guest is measured as APCN (available passenger cruise night).
Scope 2 (Indirect CO_2 Emissions)	mt	-	4 056	3 573	3 401	Emissions factors for shore power (electricity): Ministry of Transport, for purchased electricity; Hurtigruten Svalbard: Rasmus Bøckman Project Leader Longyearbyen, Multiconsult.
Sum of Scope 1 & 2 Emissions	mt	-	139 071	236 493	235 121	
SOx Emissions	mt	-	-	43	44	
NOx Emissions	mt	-	-	4 593	2 359	
Scope 3 Emissions	mt	-	-	127 804	165 309	The Scope 3 emissions have been estimated on a spend-based approach in line with the Greenhouse Gas Protocol. Spends have been matched with Exiobase emission factors using the Ignite Procurement platform. Categories 1 (purchased goods and services), 2 (capital goods), 4 (upstream transportation and distribution), and 6 (business travel) were covered, while purchases of fuel and electricity, as well as taxes and internal transactions, were all excluded.
Electricity						
Number of ships	#	-	-	14	14	
Hybrid electric ships	#	-	-	4	5	MS Fridtjof Nansen, MS Roald Amundsen, MS Otto Sverdrup, MS Richard With, MS Kong Harald
Ships with shore power connectivity	#	-	-	14	13	All our ships have shore power connectivity.
Eletric tour boats	#	-	-	2	2	Kvitbjørn, MS Bard.
Electric snowmobiles	#	-	8	8	8	Only includes snowmobiles in Svalbard.
Electric buses used for excursions	#	-	1	0	5	
Solar panel installations	#	-	2	2	4	
Solar panels	#	-	139	139	788	Individual panels.
Solar panels – Energy produced by solar panels	KWh	-		17 400	42 634	

HURTIGRUTEN GROUP

KPI	UNIT	2018	2021	2022	2023	COMMENT
Energy Consumption						
Scope 1 Energy Consumption fleet	GJ	-	1 997 296	3 103 050	3 130 288	Conversion factor used for MGO and Biofuel GJ/MT from the Norwegian Ministry of Transportation.
Scope 2 Energy Consumption fleet	GJ	-	80 501	3195	0	Shore power numbers for 2022 are lower due to more time spent at sea after restart post-Covid.
Scope 1&2 Energy Consumption fleet	GJ	-	2 077 797	3 106 244	3 130 289	The increase is due to more vessels in operation in 2022 post-Covid.
Energy Consumption fleet heavy fuel oil	%	-	0	0	0	We banned heavy fuel oil in our fleet more than ten years ago.
Energy Consumption fleet biofuels	%	-	10	0.3	1%	
NATURE						
Water Management						
Water Consumption	m3	-	-	293 642	301 165	
Water bunkered	m3	-	-	154 039	142 447	Water is mainly bunkered in Norway where there is an abundance of water.
Water production	m3	-	-	125 170	157 828	Our expedition vessels, plus MS Trollfjord, are equipped with desalination systems to produce fresh water from seawater.
Water consumption pr guest (APCN)	m3	-	-	0.17	0.15	* per APCN/GN (available passenger cruise night/guest night). Average is calculated using the average cruise night for HRN and HRX and the guest night for the hotels of HRS.
Total waste produced	kg	-	-	4 200 470.6	3 661 482	
Total waste produced pr guest (APCN)	kg	-	-	2.4	1.8	
Food waste per guest – edible	kg	-	-	0.341	0.169	* Total amount of edible food waste per guest as average of HRN, HRX, HRS.
Spills to the environment	#	-	-	6	4	Smaller spills to sea, all reported to the autorities
Number of ships recycled	#	-	0	0	0	
Litter collected shoreside during ship operation	kg	-	-	2350	3251	Litter collected during hikes, beach clean ups by the crew and/or guests during a sailing.
Science & Education						
Guests participated in Citizen Science Projects	%	-	15	60	88	Average percentage of guests.
Citizen Science Projects offered to guests [# of submissions]	# (#)	-	10 (NR)	13 (>15500)	20 [23677]	NR = not reported , The number of submissions is an "at least" value
Science Collaboration Projects supported	#	-	6	18	31	Number of science projects we have supported in a year excluding citizen science projects (reported seperately) and excluding science projects supported by the Hurtigruten Foundation.
Scientific Collaboration Cruise Nights	#	-	-	938	1887	Actual number of nights a scientific collaborator was onboard per calendar year.
External scientific publication & representations	#	-	-	14	72	External scientific representations comprise, amongst others, i) contributions to webinars, ii) presentations, iii) posters, iv) participation in conferences and travel shows, v) interviews, vi) discussion panels. External scientific publications comprise, amongst others, a) public annual reports, b) peer reviewed papers, c) thesis, d) web publication.

HURTIGRUTEN GROUP

KPI	UNIT	2018	2021	2022	2023	COMMENT
MPAs						
MPAs that vessels sailed through (RBCS classed MPAs) – Global	#	-	-	19	15	Vessels sailed through Marine Protected Area Zones based on the "Regulated Based Classification System Marine Protection". Note that only 287 zones are assessed on RBCS while 16 330 are not yet assessed.
MPAs that vessels sailed through (RBCS classed MPAs) – Artic	#	-	-	0	5	
MPAs that vessels sailed through (RBCS classed MPAs) – Atlantic	#	-	-	7	3	
MPAs that vessels sailed through (RBCS classed MPAs) – Pacific	#	-	-	11	2	
MPAs that vessels sailed through (RBCS classed MPAs) – Southern	#	-	-	1	5	
Biodiversity						
Supported species per assessed IUCN Red list category: Total	#	-	-	64	≥ 627	Numbers from projects supported by HRF and/or HX in 2023. Numbers are "at least" values. Species are supported by reporting their presence or specific projects. Duplicate species have been removed from the Group total resulting in unique supported species reported.
Supported species per assessed IUCN Red list category: Critically Endagerend	#	-	-	2	≥ 9	
Supported species per assessed IUCN Red list category: Endagered	#	-	-	4	≥ 13	
Supported species per assessed IUCN Red list category: Vulnerable	#	-	-	8	≥ 21	
Supported species per assessed IUCN Red list category: Near Threatened	#	-	-	3	≥ 24	
Supported species per assessed IUCN Red list category: Least Concern	#	-	-	43	≥ 559	
Supported species per assessed IUCN Red list category: Data Deficient	#	-	-	1	≥ 3	
Green Stay savings						
Water saved	LTR	-	-	1 480 168	2 119 637	
Washing detergent saved	LTR	-	-	5 147	7 363	
Electricity saved	kWh	-	-	4 634	6 618	
PEOPLE						
Employees						
Total number of employees (FTE's)	#	2 514	2 730	3 276	3 534	
Total number of thrid party workers	#	-	-	-	901	
Employees working on ships	#	1 717	1 810	2 195	2 392	

HURTIGRUTEN GROUP

KPI	UNIT	2018	2021	2022	2023	COMMENT
Employees working at our land-based offices	#	797	920	1 072	1 142	
Ratio working sea	%	-	66/34	67/33	68	
Women on ships	%	-	30	30	30	
Women in Hurtigruten Group/BU	%	43	39	38	38	
eNPS	#	0	-8	8	4	
Turnover	%	9.8	29.7	21.6	5	
Maritime Apprentices/Cadet	#	178	110	134	154	Number of trainees represents the HRN and HX fleet.
Completed online/digital training sessions	#		4 472 (a)	5 007	5 138	All business units; (a) numbers were updated for 2021 from 15 000 to 4 472 to ensure alignment with 2022 following a system improvement. Furthermore, the training approach has been updated towards shorter and more concise training sessions.
Average online/digital training per employee	Hours		4.2 (a)	3.6	3	All business units; (a) numbers were updated for 2021 from 5.5 to 4.2 to ensure alignment with 2022 following a system improvement. Furthermore, the training approach has been updated towards shorter and more concise training sessions.
Employees entitled to parental leave	%		77	76	83	For all employees entitled to parental leave, local regulations apply and determine the length of the leave.
Employees covered by a collective bargaining agreement	%		43	67	72	
Ratio of our highest paid individual to average salary in company	#		9.8	11.7	13.7	
Diversity & Inclusion						
Average age (in years)	#	39	38	39	39	
Nationalities	#	44	61	78	71	
Gender Pay Gap: Land-based employees	%	83	87	84	81	Measured as women's average salary as a percentage of men's, mainly ascribed to more men in senior land-based positions. Correction done for 2022 to align methodology with rest of years reported.
Gender Pay Gap: Seafaring employees	%	N/A	N/A	N/A	N/A	There is no gender pay gap for seafarers in the same role, as all salary is based on CBA.
Women in Executive Ledership Team (ELT)	%	38	50	37.5	33	Group Executive Leadership Team.
Women in senior leadership level	%	34	32	35	40	Measured as women in employee category senior leadership.
Women as Captains	%	0	4	3	3	
Women as senior officers/leadership onboard	%	-	12	13	13	Master, Chief Officer, Hotel Manager, Chief Engineer, 2nd Engineer, Expedition Leader NIS.
Age Distribution: Under 30 years	%	-	24	24	26	
Age Distribution: 30–50 years	%	-	54	58	58	
Age Distribution: Above 50 years	%	-	15	18	16	

HURTIGRUTEN GROUP

KPI	UNIT	2018	2021	2022	2023	COMMENT
Age Distribution: Age note defined	%	-	6.5	0.3	0	
Age Distribution: Youngest employee	#	-	-	18	15	
Age Distribution: Oldest employee	#	-	-	74	82	
Health and safety						
LTIF	#	2.22	1.43	2.31	3.82	Lost Time Incident Frequency, calculated based on a 24-hour exposure period;
Incidents reported to NMA	#	0	15	9	16	
Sick leave	%	-	7.0	8.3	7.5	Sickleave is only presented based on Hurtigruten
Port state control dententions	#		0	0	0	
Port statecontrol deficiencies (average per inspection)	#		4.6	1.4	1.4	Definition is adapted to 'average per inspection' and 2021 value reported as per adapted definition.
COMMUNITY						
Support						
Number of projects supported through the Hurtigruten Foundation (in countries)	#	6 (4)	16 (11)	30 (12)	71(16)	These are projects as part of the conservation programme as well as any additional non-conservational projects.
Raised funds for Hurtigruten Foundation	Euro	-	-	365 511	830 682	
Donations to supported projects	Euro	44 000	116 000	180 000	378 085	
People positively impacted	#		7 500	62 211	252 566	
Number of conservation programmes supported	#			12	17	Contains only science/nature conservation projects.
Tons of plastic litter collected by supported projects	Kg			8 845	1 160	
Number of locations cleaned by supported projects	#			5	1	
Number of communities supported	#			13	44	
Nr of local passengers	#			114 184	105 775	
Nr of cargo freight	mt			58 872	46 392	
Green stay						
Green Stays percentage	%		15.0 (a)	18.6	22	(a) Average Q4 percentage as this was not available during the pandemic and was not measured in 2018.
Local value creation						
Percent spending from local suppliers (F&B)	%		19	41	57	Share of spending in food & beverage category (F&B) from local suppliers, local is defined as produced in same country and delivered onboard. In 2021 and 2022 we only defined small local producers as local for Hurtigruten, this methodology is updated in 2023 hence the massive increase.
Number of ports we purchase F&B locally from	#		15	31	46	

HURTIGRUTEN GROUP

KPI	UNIT	2018	2021	2022	2023	COMMENT
RUNNING A RESPONSIBLE BUSINESS						
Responsible business						
Board Diversity	%	0	0	25	20	Expressed as percent women in Board. There has been a change to the BoD after the reporting date.
Corruption risk	#	2	0	0	5	Number of calls at ports that are the 20 lowest ranking in Transparency International's Corruption Perception Index. Increased exposure to corruption risk reflects deployment to West Africa and corresponding number of port calls in Guinea Bissau.
Fines	#	-	-	2	1	
Facilitation payments	#	-	0	0	0	Number of incidents where bribes have been requested.
Completed Code of Conduct e-learning	#	-	-	189	1 184	
Completed Code of Conduct e-learning	%	-	-	6	35	
Privacy related complaints from external parties sent to the Data Protection Officer	#	-	16	4	6	Mainly cases where customers have asked to be deleted from marketing registers, but we fail to follow up and delete.
Data breaches reported to regulatory bodies	#	-	1	2	3	(a) In 2021, only data privacy complaints from externals to regulatory bodies were included in this overview. From 2022, we have redefined this measure to also include self-reported data privacy breaches to regulatory bodies. The number for 2021 is therefore adjusted from 0 to 1 to include one self-reported data privacy breach.
Internally recorded data privacy breaches	#		16	14	20	Metric includes all types of data privacy breaches related to all types of data subjects. (In 2021 this metric was limited to leaks or loss of customer data. 2021 data is therefore adjusted to reflect the new definition.) There is an ambition to increase the number of internally recorded breaches as we believe there is a significant number of unreported cases.
Data privacy training	min/ empl	-	2	14	16	Training time spent on our online GDPR training course for employees. A revised data privacy training course was launched in 2022, hence the increase in time spent on training in 2022 and 2023.

PERFORMANCE DATA
HURTIGRUTEN

HURTIGRUTEN						
KPI	**UNIT**	**2018**	**2021**	**2022**	**2023**	**COMMENT**
EMISSIONS						
Fleet Scope 1,2, and 3						
Scope 1 (Direct CO2 Emissions)	mt	212 286	107 145	131 325	130 302	Emission factors used for calculation: EU MRV, Norwegian Ministry of Climate and Environment.
Scope 2 (Indirect CO2 Emissions)	mt	-	286	36	55	Emissions factors for shore power (electricity): Ministry of Transport, for purchased electricity; Hurtigruten Svalbard: Rasmus Bøckman Project Leader Longyearbyen, Multiconsult.
Sum of Scope 1 & 2 Emissions	mt	-	107 431	131 361	130 357	
SOx Emissions	mt	-	-	18	31	
NOx Emissions	mt	3 873	2 303	2 046	1 103	
Electricity						
Number of ships	#	-	7	8	8	
Hybrid electric ships	#	-	0	1	2	MS Fridtjof Nansen, MS Roald Amundsen, MS Otto Sverdrup, MS Richard With, MS Kong Harald
Ships with shore power connectivity	#	-	-	8	8	All our ships have shore power connectivity.
Electric buses used for excursions	#	-	1	0	1	
Energy Consumption						
Scope 1 Energy Consumption fleet	GJ	-	1 625 889.7	1 749 084	1 791 504	Conversion factor used for MGO and Biofuel GJ/MT from the Norwegian Ministry of Transportation.
Scope 2 Energy Consumption fleet	GJ	-	13 739	2 798	0	Shore power numbers for 2022 are lower due to more time spent at sea after restart post-Covid.
Scope 1&2 Energy Consumption fleet	GJ	-	1 639 628.7	1 751 882	1 791 504	The increase is due to more vessels in operation in 2022 post-Covid.
Energy Consumption fleet heavy fuel oil	%	-	0	0	0	We banned heavy fuel oil in our fleet more than ten years ago.
Energy Consumption fleet biofuels	%	-	12	0	1.6%	
NATURE						
Water Management						
Water Consumption	m3	-	-	133 489	133 974	
Water bunkered	m3	-	-	133 489	133 956	Water is only bunkered in Norway where there is an abundance of water. Only exception is when in dock outside Norway.

HURTIGRUTEN

KPI	UNIT	2018	2021	2022	2023	COMMENT
Water production	m3	-	-	n.a.	18 508	MS Trollfjord is equipped with desalination systems to produce fresh water from seawater.
Water consumption pr guest (APCN)	m3	-	-	0.13	0.12	Per available passenger cruise night
Waste Performance						
Total waste produced	kg	-	-	990 906	1 037 256	
Food waste per guest – edible	kg	-	0.110	0.073	0.065	Total amount of edible food waste per guest
Spills to the environment	#	-	4	6	3	Smaller spills to sea, all reported to the autorities
Number of ships recycled	#	-			0	
Green Stay savings						
Water saved	LTR				1 120 688	
Washing detergent saved	LTR				1 678	
Electricity saved	kWh				5 431	

PEOPLE

KPI	UNIT	2018	2021	2022	2023	COMMENT
Employees						
Total number of employees (FTE's)	#	-	951	1 174	1 380	
Total number of thrid party workers	#	-			21	
Employees working on ships	#	-	893	1 096	1 303	
Employees working at our land-based offices	#	-	58	69	77	
Ratio working sea	%	-	94/6	93/6	94/6	
Women on ships	%	-	36	37	36	
Women in Hurtigruten	%	-	37	37	36	
Maritime Apprentices / Cadet	#	-	110	133	142	Number of trainees / maritime apprentices represents the HRN fleet.
Diversity & Inclusion						
Average age (in years)	#	-	-	38	38	
Nationalities	#	-	-	37	40	
Women in Executive Ledership Team (ELT)	%	n/a	n/a	n/a	50	Hurtigruten Executive Leadership Team
Women in senior leadership level	%	-	-	50	42	Measured as women in employee category senior leadership
Women as Captains	%	-	6	6	4	

HURTIGRUTEN

KPI	UNIT	2018	2021	2022	2023	COMMENT
Women as senior officers/leadership onboard	%		6	6	11	
Age Distribution: Youngest employee	#	-	-	-	18	
Age Distribution: Oldest employee	#	-	-	-	74	
Health and safety						
LTIF	#	-	1.74	2.38	5	Lost Time Incident Frequency, calculated based on a 24-hour exposure period;
Incidents reported to NMA	#	-	15	8	15	Definition is based on the NMA definition of Marine Casualties which includes serious injuries and loss, material damage or grounding/collision of the vessel.
COMMUNITY						
Support						
Raised funds for Hurtigruten Foundation	Euro	-	-	-	178 919	
Nr of local passengers	#	n/a	-	114 184	105 775	
Nr of cargo freight	mt	n/a	60 000	58 872	46 392	
Green stay						
Green Stays percentage	%	-	-	17.2	20.5	
Local value creation						
Local vendors	#		230	370	495	Local vendors = Norwegian vendors
Percent spending from local suppliers (F&B)	%		35	43	71	Share of spending in food & beverage category (F&B) from local suppliers, local is defined as produced in same country and delivered onboard. In 2021 and 2022 we only defined small local producers as local for Hurtigruten, this methodology is updated in 2023 hence the increase.
Number of ports we purchase F&B locally from	#				14	
RUNNING A RESPONSIBLE BUSINESS						
Responsible business						
Board Diversity	%				38	Expressed as percent women in Board

PERFORMANCE DATA
HX HURTIGRUTEN EXPEDITIONS

HX HURTIGRUTEN EXPEDITIONS						
KPI	**UNIT**	**2018**	**2021**	**2022**	**2023**	**COMMENT**
EMISSIONS						
Fleet Scope 1.2. and 3						
Scope 1 (Direct CO2 Emissions)	mt	28 856	27 710	101 354	100 519	Emission factors used for calculation: EU MRV. Norwegian Ministry of Climate and Environment.
Scope 2 (Indirect CO2 Emissions)	mt	-	1391	8	1	Emissions factors for shore power (electricity): Ministry of Transport. for purchased electricity; Hurtigruten Svalbard: Rasmus Bøckman Project Leader Longyearbyen. Multiconsult.
Sum of Scope 1 & 2 Emissions	mt	-	29 101	101 363	100 520	
SOx Emissions	mt	-	-	25	13	
NOx Emissions	mt	-	-	2 547	1 256	
Electricity						
Number of ships	#	-	7	6	6	
Hybrid electric ships	#	-	3	3	3	MS Fridtjof Nansen. MS Roald Amundsen. MS Otto Sverdrup
Ships with shore power connectivity	#	-	-	6	5	
Energy Consumption						
Scope 1 Energy Consumption fleet	GJ	-	371 406	1 353 966	1 338 784	Conversion factor used for MGO and Biofuel GJ/MT from the Norwegian Ministry of Transportation.
Scope 2 Energy Consumption fleet	GJ	-	66 762	396	0	Shore power numbers for 2022 are lower due to more time spent at sea after restart post-Covid.
Scope 1&2 Energy Consumption fleet	GJ	-	438 168	1 354 362	1 338 784	The increase is due to more vessels in operation in 2022 post-Covid.
Energy Consumption fleet heavy fuel oil	%	-	0	0	0	We banned heavy fuel oil in our fleet more than ten years ago.
Energy Consumption fleet biofuels	%	-	1	1	0	
NATURE						
Water Management						
Water Consumption	m3	-	-	145 722	147 811	
Water bunkered	m3	-	-	20 550	8 491	Water is mainly bunkered in Norway where there is an abundance of water.
Water production	m3	-	-	125 170	139 320	Our expedition vessels are equipped with desalination systems to produce fresh water from seawater.
Water consumption pr guest (APCN)	m3	-	-	0.22	0.18	Per available passenger cruise night

HX HURTIGRUTEN EXPEDITIONS

KPI	UNIT	2018	2021	2022	2023	COMMENT
Waste Performance						
Total waste produced	kg	-	-	3 082 740	2 481 209	
Food waste per guest – edible	kg	-	-	0.821	0.643	Total amount of edible food waste per guest
Spills to the environment	#	-	-	0	1	Small spill to sea. all reported to the autorities
Litter collected shoreside during ship operation	kg				3 051	Litter collected during hikes. beach clean ups by the crew and/or guests during a sailing.
Science & Education						
Guests participated in Citizen Science Projects	%		15	60	88	Average percentage of guests.
Citizen Science Projects offered to guests [# of submissions]	# (#)				20 [23677]	NR = not reported . The number of submissions is an "at least" value
Science Collaboration Projects supported	#				31	Number of science projects we have supported in a year excluding citizen science projects (reported seperately) and excluding science projects supported by the Hurtigruten Foundation.
Scientific Collaboration Cruise Nights	#				1 887	Actual number of nights a scientific collaborator was onboard per calendar year.
External scientific publication & representations	#				72	External scientific representations comprise. amongst others. i) contributions to webinars. ii) presentations. iii) posters. iv) participation in conferences and travel shows. v) interviews. vi) discussion panels. External scientific publications comprise. amongst others. a) public annual reports. b) peer reviewed papers. c) thesis. d) web publication.
Green Stay savings						
Water saved	LTR				998 948	
Washing detergent saved	LTR				5 685	
Electricity saved	kWh				1 186	
PEOPLE						
Employees						
Total number of employees (FTE's)	#		982	1 202	1 155	
Employees working on ships	#		917	1 094	1 089	
Employees working at our land-based offices	#		65	108	66	
Ratio working sea	%		93/7	91/9	94/6	
Women on ships	%		24	23	23	
Women in HX Hurtigruten Expeditions	%		25	26	24	
Maritime Apprentices / Cadet	#	-	-	-	11	Number of trainees represents the HX fleet.
Diversity & Inclusion						

HX HURTIGRUTEN EXPEDITIONS

KPI	UNIT	2018	2021	2022	2023	COMMENT
Average age (in years)	#	-	-	40	39	
Nationalities	#	-	-	59	56	
Women in Executive Ledership Team (ELT)	%	n/a	n/a	n/a	14	Executive Leadership Team
Women in senior leadership level (see definition in comment field)	%	-	-	29	41	Measured as women in employee category senior leadership
Women as Captains	%		0	0	0	
Women as senior officers/leadership onboard	%		18	19	21	Master. Chief Officer. Hotel Manager. Chief Engineer. 2nd Engineer. Expedition Leader NIS.
Age Distribution: Youngest employee	#	-	-	-	20	
Age Distribution: Oldest employee	#	-	-	-	82	
Health and safety						
LTIF	#	-	0.41	2.2	3.06	Lost Time Incident Frequency. calculated based on a 24-hour exposure period;
Incidents reported to NMA	#		0	1	1	Definition is based on the NMA definition of Marine Casualties which includes serious injuries and loss. material damage or grounding/collision of the vessel.
Port state control dententions	#				0	
Port statecontrol deficiencies (average per inspection)	#				1.4	Definition is adapted to 'average per inspection' and 2021 value reported as per adapted definition.
COMMUNITY						
Support						
Raised funds for Hurtigruten Foundation	Euro	-	-	-	651 763	
Green stay						
Green Stays percentage	%			20.6	25.8	(a) Average Q4 percentage as this was not available during the pandemic and was not measured in 2018.
Local value creation						
Local vendors globally	#			56	24	
Percent spending from local suppliers (F&B)	%		2	39	37	
Number of ports we purchase F&B locally from	#				32	
RUNNING A RESPONSIBLE BUSINESS						
Responsible business						
Board Diversity	%				50	Expressed as percent women in Board

PERFORMANCE DATA

HURTIGRUTEN DESTINATIONS

HURTIGRUTEN DESTINATIONS						
KPI	UNIT	2018	2021	2022	2023	COMMENT
EMISSIONS						
Fleet Scope 1.2. and 3						
Scope 1 (Direct CO2 Emissions)	mt				899	Emission factors used for calculation: EU MRV. Norwegian Ministry of Climate and Environment.
Scope 2 (Indirect CO2 Emissions)	mt		2 379	3 529	3 345	Emissions factors for shore power (electricity): Ministry of Transport. for purchased electricity; Hurtigruten Svalbard: Rasmus Bøckman Project Leader Longyearbyen. Multiconsult.
Sum of Scope 1 & 2 Emissions	mt		2 379	3 529	4 244	
Electricity						
Eletric tour boats	#			2	2	Kvitbjørn. MS Bard.
Electric snowmobiles	#		8	8	8	Only includes snowmobiles in Svalbard.
Electric buses used for excursions	#		0	1	4	
Solar panel installations	#		2	2	4	
Solar panels	#		139	139	788	Individual panels.
Solar panels – Energy produced by solar panels	KWh		-	17 400	42 634	
NATURE						
Water Management						
Water Consumption	m3			14 431	19 380	
Water consumption pr guest (APCN)	m3			0.188	0.26	Per available passenger guest night
Waste Performance						
Total waste produced	kg			126 825	143 017	
Total waste produced pr guest (APCN)	kg			1.7	1.97	
Food waste per guest – edible	kg			0.13	0.153	* Total amount of edible food waste per guest as average of HRN. HRX. HRS.
Litter collected shoreside during ship operation	kg				200	Litter collected during hikes. beach clean ups by the crew and/or guests during a sailing.

HURTIGRUTEN DESTINATIONS

KPI	UNIT	2018	2021	2022	2023	COMMENT
PEOPLE						
Employees						
Total number of employees (FTE's)	#		136	174	235	
Total number of thrid party workers	#				2	
Employees working at our land-based offices	#		136	166	235	
Women in Hurtigruten Group / BU	%		45	41	52	
Maritime Apprentices / Cadet	#				1	Number of trainees
Diversity & Inclusion						
Average age (in years)	#		34	34	35	
Nationalities	#		25	35	38	
Women in Executive Ledership Team (ELT)	%			0	17	
Women in senior leadership level (see definition in comment field)	%			0	22	Measured as women in employee category senior leadership
Women at manager level	%		39	25	35	Managers and Department Heads.
Age Distribution: Youngest employee	#	-	-	-	15	
Age Distribution: Oldest employee	#	-	-	-	66	
RUNNING A RESPONSIBLE BUSINESS						
Responsible business						
Board Diversity	%				50	Expressed as percent women in Board

PERFORMANCE DATA
HURTIGRUTEN FOUNDATION

KPI	UNIT	2018	2021	2022	2023	COMMENT
HURTIGRUTEN FOUNDATION						
NATURE						
Biodiversity						
Supported species per assessed IUCN Red list category: Total	#	-	-	10	12	
Supported species per assessed IUCN Red list category: Critically Endagerend	#	-	-	2	4	
Supported species per assessed IUCN Red list category: Endagered	#	-	-	0	1	
Supported species per assessed IUCN Red list category: Vulnerable	#	-	-	1	2	
Supported species per assessed IUCN Red list category: Near Threatened	#	-	-	0	0	
Supported species per assessed IUCN Red list category: Least Concern	#	-	-	7	4	
Supported species per assessed IUCN Red list category: Data Deficient	#	-	-	0	1	
Green Stay savings						
Water saved	LTR	-	-	1 480 168	2 119 637.6	
Washing detergent saved	LTR	-	-	5 147	7 363	
Electricity saved	kWh	-	-	4 634	6 618	
COMMUNITY						
Support						
Number of projects supported through the Hurtigruten Foundation (in countries)	#	6 (4)	16 (11)	30 (12)	71 (16)	
Raised funds for Hurtigruten Foundation	Euro	-	-	365 511	830 682	
Donations to supported projects	Euro	44 000	11 6000	18 0000	378 085	In addition, 60241 euro in grants have already been committed for 2024 and 28593 euro for 2025 in multi year grants.
People positively impacted	#		7 500	62 211	252 566	This is self-reported by recipeints of our bi-annual grants. Other grants are not included.
Number of conservation programmes supported	#			12	17	

KPI	UNIT	2018	2021	2022	2023	COMMENT
HURTIGRUTEN FOUNDATION						
Tons of plastic litter collected by supported projects	Kg			8845	1160	Excludes grants given in 2023 for clean-up activities in 2024.
Number of locations cleaned by supported projects	#			5	1	Excludes grants given in 2023 for clean-up activities in 2024.
Number of communities supported	#			13	44	
Green stay						
Green Stays percentage	%		15.0 (a)	18.6	22	(a) Average Q4 percentage as this was not available during the pandemic and was not measured in 2018
RUNNING A RESPONSIBLE BUSINESS						
Responsible business						
Board Diversity	%				50	Expressed as percent women in Board

APPENDIX F:
GRI INDEX (GLOBAL REPORTING INITIATIVE)

GRI STANDARD NUMBER	GRI STANDARD CONTENT	DISCLOSURE NUMBER	DISCLOSURE CONTENT	PAGE NUMBER/OR LINK	REASON FOR OMISSION
GRI 2	General Disclosures	2-1	Organisational details	Hurtigruten Group AS is a privately owned company, headquartered in Oslo and London. Hurtigruten Group and its subsidiaries have operations in Norway, UK, USA, Estonia, Germany, France and Australia.	N/A
GRI 2	General Disclosures	2-2	Entities included in the organisation's sustainability reporting	Appendix A	N/A
GRI 2	General Disclosures	2-3	Reporting period, frequency and contact point	Appendix B	N/A
GRI 2	General Disclosures	2-4	Restatements of information	Remarks are added in respective appendices in the 'Comment' field (Appendix E Performance tables)	N/A
GRI 2	General Disclosures	2-5	External assurance	N/A	N/A
GRI 2	General Disclosures	2-6	Activities, value chain and other business relationships	About the Group, Running a Responsible Business, Appendix C	N/A
GRI 2	General Disclosures	2-7	Employees	People, Running a Responsible Business, Appendix E	N/A
GRI 2	General Disclosures	2-8	Workers who are not employees	People, Running a Responsible Business, Appendix E	N/A
GRI 2	General Disclosures	2-9	Governance structure and composition	Appendix B	N/A
GRI 2	General Disclosures	2-10	Nomination and selection of the highest governance body	The Board of Directors represent the shareowners in Hurtigruten Group.	N/A
GRI 2	General Disclosures	2-11	Chair of the highest governance body	Chair of the Board of Directors is not a senior executive in the organisation.	N/A
GRI 2	General Disclosures	2-12	Role of the highest governance body in overseeing the management of impacts	Appendix B	N/A
GRI 2	General Disclosures	2-13	Delegation of responsibility for managing impacts	Appendix B	N/A
GRI 2	General Disclosures	2-14	Role of the highest governance body in sustainability reporting	Appendix A, B	N/A
GRI 2	General Disclosures	2-15	Conflicts of interest	Appendix I (Political Involvement Policy; Code of Conduct)	N/A
GRI 2	General Disclosures	2-16	Communication of critical concerns	Running a Responsible Business, Appendix H (Whistleblower policy)	N/A
GRI 2	General Disclosures	2-17	Collective knowledge of the highest governance body	Appendix B	N/A
GRI 2	General Disclosures	2-18	Evaluation of the performance of the highest governance body	See note on Remuneration of the Board of Directors and Executive Management.	N/A
GRI 2	General Disclosures	2-19	Remuneration policies	See note on Remuneration of the Board of Directors and Executive Management.	N/A
GRI 2	General Disclosures	2-20	Process to determine remuneration	See note on Remuneration of the Board of Directors and Executive Management.	N/A
GRI 2	General Disclosures	2-21	Annual total compensation ration	Appendix E	N/A

GRI STANDARD NUMBER	GRI STANDARD CONTENT	DISCLOSURE NUMBER	DISCLOSURE CONTENT	PAGE NUMBER/OR LINK	REASON FOR OMISSION
GRI 2	General Disclosures	2-22	Statement on sustainable development strategy	Welcome from CEO	N/A
GRI 2	General Disclosures	2-23	Policy commitments	Hurtigruten Group has a set of policies and procedures which include commitments related to responsible business conduct and/or respect of human rights (Appendix H). Public available policies are presented at: hurtigruten.com/group/sustainability/reports/esg/	N/A
GRI 2	General Disclosures	2-24	Embedding policy commitments	See each "Topic Guide" part in each ESG chapter, as well as description of how we are working with each topic.	N/A
GRI 2	General Disclosures	2-25	Process to remediate negative impacts	Appendix B, Appendix H (Whistleblower mechanism, Hurtigruten Group ESG Committee)	N/A
GRI 2	General Disclosures	2-26	Mechanisms for seeking advice and raising concerns	Running a Responsible Business, Appendix H (Whistleblower policy), We also encourage our Sustainability our Sustainability Advisory Board and ESG Committee to raise any concerns related to ESG directly to our executive management teams.	N/A
GRI 2	General Disclosures	2-27	Compliance with laws and regulations	Running a Responsible Business	N/A
GRI 2	General Disclosures	2-28	Membership associations	About the Group, Appendix C	N/A
GRI 2	General Disclosures	2-29	Approach to stakeholder engagement	Appendix A	N/A
GRI 2	General Disclosures	2-30	Collective bargaining agreements	People, Appendix F	N/A
GRI 3	Material topics 2021	3-1	Process to determine material topics	Appendix A	N/A
GRI 3	Material topics 2021	3-2	List of material topics	Appendix A	N/A
GRI 204	Procurement practices	3-3	Management of material topics	Appendix A	N/A
GRI 204	Procurement practices	204-1	Proportion of spending on local suppliers	Communities, Appendix F	N/A
GRI 303	Water and Effluents 2018	3-3	Management of material topics	Nature, Appendix F	N/A
GRI 303	Water and Effluents 2018	303-1	Interactions with water as a shared resource	Nature, Appendix F	N/A
GRI 303	Water and Effluents 2018	303-2	Management of water discharge-related impacts	Nature, Appendix F	N/A
GRI 303	Water and Effluents 2018	303-3	Water withdrawal	Nature, Appendix F	N/A
GRI 303	Water and Effluents 2018	303-4	Water discharge	Not reported	Ongoing data validation and data tracking improvement.
GRI 303	Water and Effluents 2018	303-5	Water consumption	Nature, Appendix F	N/A
GRI 304	Biodiversity	3-3	Management of material topics	Nature, Appendix F	N/A
GRI 304	Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Nature, Appendix C and F	N/A
GRI 304	Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	Nature, Appendix C and F	N/A
GRI 304	Biodiversity	304-3	Habitats protected or restored	Nature, Appendix C and F	N/A

GRI STANDARD NUMBER	GRI STANDARD CONTENT	DISCLOSURE NUMBER	DISCLOSURE CONTENT	PAGE NUMBER/OR LINK	REASON FOR OMISSION
GRI 304	Biodiversity	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operation	Nature, Appendix C and F	N/A
GRI 305	Emissions 2016	3-3	Management of material topics	Emissions, Appendix F	N/A
GRI 305	Emissions 2016	305-1	Direct (Scope 1) emissions	Emissions, Appendix F	N/A
GRI 305	Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	Emissions, Appendix F	N/A
GRI 305	Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	Emissions, Appendix F	N/A
GRI 305	Emissions 2016	305-4	GHG emissions intensity	Emissions, Appendix F	N/A
GRI 305	Emissions 2016	305-5	Reduction of GHG emissions	Emissions, Appendix F	N/A
GRI 305	Emissions 2016	305-6	Emissions of ozone-depleting substances (ODS)	Appendix F, data tracking improvement ongoing.	N/A
GRI 305	Emissions 2016	305-7	Nitrogen oxides (Nox), sulphur oxides (Sox), and other significant air emissions	Emissions, Appendix F	N/A
GRI 306	Waste 2020	3-3	Management of material topics	Nature	N/A
GRI 306	Waste 2020	306-1	Waste generation and significant waste-related impacts	Nature, Appendix F	N/A
GRI 306	Waste 2020	306-2	Management of significant waste-related impacts	Nature, Appendix F	N/A
GRI 306	Waste 2020	306-3	Waste generated	Nature, Appendix F	N/A
GRI 306	Waste 2020	306-4	Waste diverted from disposal	Not reported	Ongoing data validation and data tracking improvement.
GRI 306	Waste 2020	306-5	Waste directed to disposal	Nature, Appendix F	Ongoing data validation and data tracking improvement.
GRI 308	Supplier Environmental Assessment 2016	3-3	Management of material topics	Running a Responsible Business	N/A
GRI 308	Supplier Environmental Assessment 2016	3-3	The reporting organisation shall report its management approach for supplier environmental assessment using GRI 103: 3-3	Running a Responsible Business	N/A
GRI 308	Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Running a Responsible Business	Ongoing process to get systematic screening in place and measurable.
GRI 308	Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	Not reported	Ongoing process to get systematic screening in place and measurable.
GRI 401	Employment 2016	3-3	Material topics	People	N/A
GRI 401	Employment 2016	401-1	New employee hires and employee turnover	People, Appendix F	N/A

GRI STANDARD NUMBER	GRI STANDARD CONTENT	DISCLOSURE NUMBER	DISCLOSURE CONTENT	PAGE NUMBER/OR LINK	REASON FOR OMISSION
GRI 401	Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	We offer a range of benefits to employees in different employees categories, there are different benefit schemes in each business units: Hurtigruten Group, Hurtigruten Expeditions, Hurtigruten Norway, Hurtigruten Svalbard	N/A
GRI 401	Employment 2016	401-3	Parental leave	People, Appendix F	N/A
GRI 403	Occupational Health and Safety 2016	403-1	Occupational Health and Safety Management System	People, Appendix F	N/A
GRI 403	Occupational Health and Safety 2016	403-2	Hazard identification, risk assessment, and incident investigation	People, Appendix F	N/A
GRI 403	Occupational Health and Safety 2016	403-3	Occupational Health services	People, Appendix F	N/A
GRI 403	Occupational Health and Safety 2016	403-4	Worker participation, consultation and communication on occupational health and safety	People, Appendix F	N/A
GRI 403	Occupational Health and Safety 2016	403-5	Worker training on occupational health and safety	People, Appendix F	N/A
GRI 403	Occupational Health and Safety 2016	403-6	Promotion of worker health	People, Appendix F	N/A
GRI 403	Occupational Health and Safety 2016	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People, Appendix F	N/A
GRI 403	Occupational Health and Safety 2016	403-8	Workers covered by an occupational health and safety management system	People, Appendix F	N/A
GRI 403	Occupational Health and Safety 2016	403-9	Work-related injuries	People, Appendix F	Not fully answered in line with GRI requirements.
GRI 403	Occupational Health and Safety 2016	403-10	Work-related ill health	Not reported	Not measured.
GRI 404	Training and education 2016	3-3	Material topics	People, Appendix F	N/A
GRI 404	Training and education 2016	404-1	Average hours of training per year per employee	People, Appendix F	N/A
GRI 404	Training and education 2016	404-2	Programmes for upgrading employee skills and transition assistance programmes	People, Appendix F	N/A
GRI 404	Training and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Not reported	Ongoing process to get systematic screening in place and measurable.
GRI 405	Diversity and Equal Opportunity 2016	3-3	Material topics	People, Appendix F	N/A
GRI 405	Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	People, Appendix F	N/A
GRI 405	Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	People, Appendix F	N/A
GRI 418	Customer Privacy 2016	3-3	Material topics	Running a Responsible Business, Appendix F	N/A
GRI 418	Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Running a Responsible Business, Appendix F	N/A

APPENDIX F:
SASB CRUISE INDEX (SUSTAINABILITY ACCOUNTING STANDARDS BOARD)

TOPIC	CODE	ACCOUNTING METRIC	PAGE NUMBER OR LINK
Greenhouse Gas Emissions	TR-CL-110a.1	Gross global Scope 1 emissions	Emissions, Appendix F
Greenhouse Gas Emissions	TR-CL-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Targets & Ambitions, Emissions, Appendix F
Greenhouse Gas Emissions	TR-CL-110a.3	(1) Total energy consumed	Appendix F
Greenhouse Gas Emissions	TR-CL-110a.3	(2) percentage heavy fuel oil	Appendix F
Greenhouse Gas Emissions	TR-CL-110a.3	(4) percentage renewable	Appendix F
Air Quality	TR-CL-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, and (3) particulate matter (PM10)	Appendix F
Discharge Management & Ecological Impacts	TR-CL-160a.1	Total amount of ship waste discharged to the environment; percentage treated prior to discharge	Nature, Appendix F
Discharge Management & Ecological Impacts	TR-CL-160a.3	Cruise duration in marine protected areas or areas of protected conservation status	Appendix F, We started reporting if we pass through marine protected areas following the RBCS (Regulation based classification system https://mpatlas.org/rbcs/). The duration is not reported.
Discharge Management & Ecological Impacts	TR-CL-160a.4	Number of notices of violations received for dumping	Appendix F
Labor Practices	TR-CL-310a.4	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Appendix F
Employee Health & Safety	TR-CL-320a.1	Seafarer lost time incident rate (LTIR)	Appendix F
Accident Management	TR-CL-540a.2	Number of port state control (1) deficiencies and (2) detentions	Appendix F
Accident Management	TR-CL-540a.3	Number of marine casualties, percentage classified as very serious	Appendix F, all marine casualties are reported as per NMA (Norwegian Marine Authority) definition. Percentage of 'very serious' is not detailed out.

APPENDIX F:
TCFD INDEX (TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES)

TCFD NUMBER	TCFD	COMMENT
	Governance	
1	Describe the Board's oversight of climate-related risks and opportunities.	The board comprehensively reviews all climate-related risks and opportunities on an annual basis as part of the ESG report-development process. Additionally, the board reviews the status of major climate-related projects and emerging regulations on a quarterly basis. These updates ensure the board are aware of all potential risk (and opportunity) categories outlined by the TCFD – physical, regulatory, market, technology and reputational – and this ensures maximum oversight given rapidly changing operating conditions.
2	Describe management's role in assessing and managing climate-related risks and opportunities.	The executive team reviews climate-related risks and opportunities at least quarterly as a part of a broader risk management review. These are also reviewed more regularly as part of daily operations with monthly reporting of key ESG metrics: carbon emissions per available passenger night, women in senior leadership, waste per passenger and local spend on food and beverage. In 2023, climate-related risks and opportunities were assessed for projects including: • Overall operations, carried out by ERM, an external consultancy • HRN: Hybridization of Kong Harald; launch of Iconic sailings • HX: Operation of our new West Africa itinerary in HX and development of itineraries for the 2025/2026 season • Svalbard: Installation of solar panels We also began carrying out a double-materiality assessment (DMA) as required for ESRS reporting, which will be covered in more detail in our 2024 Annual report. Hurtigruten Group is committed to proactive and effective risk management to mitigate adverse effects on our operations and to identify and explore business opportunities. In our annual report, the Group's risk framework and the role of the Board of Directors is explained under the section Risk Management in Hurtigruten Group.
	Strategy	
3	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Please see the full overview of risks in the Hurtigruten ESG Risk Programme (appendix). We have identified three key climate-related opportunities: • Short term: In many instances, investing in reducing emissions also represents an increase in the cost competitiveness of our business. For example, reducing the amount of fuel we use directly impacts our bottom line through reduced fuel consumption as well as our EU ETS carbon credit purchase requirement • Medium term: There is a huge opportunity in continuing to reduce our emissions as it affects how our guests perceive us and how likely they are to choose us over our competitors. • Medium/Long term: Ensuring we are part of the conversation in the nascent reporting and target-setting forums to push for maximum ambition for both our industry and adjacent industries.
4	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Please see the full overview in the Hurtigruten ESG Risk Programme (appendix).

TCFD NUMBER	TCFD	COMMENT
5	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	As an organization, we have consistently supported the latest targets arising from the detail of the Paris Agreement, aimed at keeping warming below 1.5C. Our stated aim is to become the world's most sustainable travel operator in the world and to achieve this, it is one of our strategic priorities to achieve decarbonization as quickly as possible. For example, we aim to be carbon neutral by 2040. There are three routes to emissions reductions for our industry: investment in technological upgrades of our current assets (e.g. hybridization), operational improvements (reducing speed and distance travelled) and alternative energy sources (i.e. biofuels). Perhaps the best example of our commitment to this is our Sea Zero project which aims to build an operational zero-emissions ship by 2030. Additionally, our strategy involves directly engaging in conversations within and across industries to push for higher ambition and delivery in decarbonization. As such, we are aware of planned changes to legislation as early as possible.
	Risk management	
6	Describe the organisation's processes for identifying and assessing climate-related risks.	This is an integrated part of strategy and review process. We have a dedicated ESG committee which – alongside our VP of Risk Management – analyses and reviews risks on a quarterly basis and reports this to the Executive Leadership team. The Board reviews the risks in detail on an annual basis. In the ESG Risk Programme we have disclosed the top risks per thematic category.
7	Describe the organisation's processes for managing climate-related risks.	As previously described, through the oversight of management and the board, risks are identified and assessed regularly. For each major risk identified we outline scenarios and mitigating actions which could be taken. These are regularly reviewed by the VP of Risk Management.
8	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Climate-related risks are included in our general risk reporting based upon both the likelihood and the potential impact to company operations. As described above, risks are regularly reviewed so the overall risk management strategy is adaptive to changing circumstances and risk profiles.
	Metrices and targets	
9	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Hurtigruten Group uses CO_2 equivalents to measure our GHG emissions from Scope 1,2 and 3 emissions. Additionally, we measure SOx and NOx emissions and, where possible, other particulate pollutants. Our risk framework includes categories for probability and different consequence types.
10	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	All emission data (Scope 1,2 and 3) is located in performance tables in Appendix E.
11	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	All targets are mentioned under Our Targets and Ambitions, and specifically in the Emissions chapter and our Emission Reduction Plan (add link). We have committed to science-based targets and are currently in the process of preparing our targets for validation. Our key targets are: • Net-Zero scope 1,2 and 3 emissions by 2050 • Carbon neutral Scope 1 by 2040 • First emission free ship on the Norwegian Coast by 2030

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APPENDIX F:
UN SDG INDEX (UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS)

SDG GOAL NUMBER	SDG GOAL	TARGET NUMBER	TARGET	PAGE NUMBER OR LINK
5	Achieve gender equality and empower all women and girls			People, Appendix F
		5.01	End all forms of discrimination against all women and girls everywhere	People, Appendix F
		5.05	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	People, Appendix F
10	Reduce inequality within and among countries			People, Appendix F
		10.01	By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average	People, Appendix F
		10.02	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	People, Appendix F
		10.03	Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	People, Appendix F
		10.04	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	People, Appendix F
11	Make cities and human settlements inclusive, safe, resilient and sustainable			Nature, Community, Running a Responsible Business
		11.02	By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	Community, Running a Responsible Business
		11.04	Strengthen efforts to protect and safeguard the world's cultural and natural heritage	Community, Running a Responsible Business
		11.06	By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	Nature, Community, Running a Responsible Business
		11.a	Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning	Community, Running a Responsible Business

SDG GOAL NUMBER	SDG GOAL	TARGET NUMBER	TARGET	PAGE NUMBER OR LINK
12	Ensure sustainable consumption and production patterns			Nature, Community
		12.03	By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses	Nature, Community
		12.04	By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	Nature, Community
		12.05	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Nature, Community
		12.06	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Nature, Community
		12.08	By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	Nature, Community
		12.b	Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products	ESG Introduction, Community
13	Take urgent action to combat climate change and its impacts			ESG Introduction, Nature, Community
		13.03	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	ESG Introduction, Nature, Community

SDG GOAL NUMBER	SDG GOAL	TARGET NUMBER	TARGET	PAGE NUMBER OR LINK
14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas and marine resources for sustainable development			Emission, Nature, Community
		14.01	By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	Nature, Community
		14.02	By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans	Nature, Community
		14.03	Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels	Nature, Community
		14.07	By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism	Nature, Community
		14.a	Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries	About the Group, Running a reponsisble business
		14.c	Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in United Nations Convention on the Law of the Sea, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in paragraph 158 of "The future we want"	About the Group, Nature

SDG GOAL NUMBER	SDG GOAL	TARGET NUMBER	TARGET	PAGE NUMBER OR LINK
15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss			Nature, Community, About the Group
		15.04	By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development	Nature, Community, About the Group
		15.05	Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species	Nature, Community, About the Group
		15.07	Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products	Nature, Community, About the Group
		15.a	Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems	Nature, Community, About the Group
		15.b	Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation	Nature, Community, About the Group
17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development			Nature, Community, About the Group
		17.03	Mobilize additional financial resources for developing countries from multiple sources	Nature, Community, About the Group
		17.06	Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism	Nature, Community, About the Group
		17.16	Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	Nature, Community, About the Group
		17.17	Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	Nature, Community, About the Group

APPENDIX G: HURTIGRUTEN GROUP GREEN BOND REPORT 2023

Under the Green Bond Framework, Hurtigruten Group AS issued green bonds with a total nominal value of 50 million Euros in February 2022.

An amount equal to the net proceeds of the Green Bonds has financed, in whole or in part, investments undertaken by Hurtigruten Group or its subsidiaries that promote the transition towards a low-carbon and environmentally sustainable society ('Green Projects') under the Green Project Category 'Upgrade of existing sea and coastal vessels'. The Green Project category is mapped to the SDGs reflected by the IMO, SDG 13 Reduce our emissions, and target a carbon-free future.

GREEN PROJECTS FINANCED BY GREEN BOND PROCEEDS

Environmental refurbishment of the coastal vessels MS Richard With, MS Kong Harald, and MS Nordlys

Hurtigruten fleet is undergoing one of Europe's largest environmental vessel upgrades. This was launched in Q1 2022 and is expected to be finalized in Q1 2025 and cover all seven ships operating under the coastal contract.

Three out of the seven coastal vessels, MS Richard With, MS Kong Harald, and MS Nordlys, will undergo, or has already undergone, a full-fledged transformation to battery-hybrid power, meaning installation of new low-emission engines equipped with NOx reducing Selective catalytic reduction systems (SCR) and battery packs. The main engines combined with SCR system will achieve an IMO Tier III (the highest level) Engine International Air Pollution Prevention certificate. The ships will also undergo hull optimalizations, renewal of exhaust boilers and extended use of frequency converts. Together all measures are estimated to result in approximately 20% fuel reduction from 2018 level (kg/nm and grams in grams of fuel per deadweight).

In addition a new sewage and greywater treatment system is installed, certified to meet the purified water discharge requirements in accordance with IMO Res. MEPC.227 (64) (except par. 4.2), and MARPOL Annex IV as amended, Reg. 9.1.1. This will give the ships the opportunity to operate with zero emission to sea.

The retrofitting activities reduce fuel consumption of the vessels by 20.13%–22.38% expressed in grams of fuel per deadweight and tons per nautical mile, as demonstrated by CFD and other engineering calculations. The projects also cut CO_2 emissions by 20.13%–22.38% and NOx emissions by 78.2%–85.1%1.

Financing and refinancing

New financing is defined as Green Projects under construction or Green Projects taken into operation less than 12 months prior to the approval by Hurtigruten Group's Green Bond Committee. Refinancing is defined as financing for Green Projects taken into operation more than 12 months prior to the Green Bond Committee's approval. The environmental refurbishment of the three vessels MS Richard With, MS Kong Harald and MS Nordlys were all described in the Green Bond framework under the Green Project Category "Upgrade of existing sea and coastal vessels"

The environmental refurbishment of MS Richard With was completed in 2022 with a total investment cost of 36.2 million Euros, which was financed through the proceeds from the Green Bond.

The environmental refurbishment of MS Kong Harald was completed in 2023 with a total investment of 39.1 million Euros of which 12.5 million Euros was financed by the proceeds from the Green Bond.

The environmental refurbishment of MS Nordlys will take place in Q4 2024 and Q1 2025. As of 31.12.23 Hurtigruten Group had invested a total of 8.0 million Euros of which 1.3 million Euros has been financed by the proceeds from the Green Bond.

On 23 February 2024 the green bonds were amended and reinstated into senior secured bonds in principal amount of EUR 50 million (plus accrued interest and any consent fees) issued by Hurtigruten Newco AS.

ISSUED GREEN BONDS - FACTS

Issue date:
25 February 2022

Tenor: **5 years**

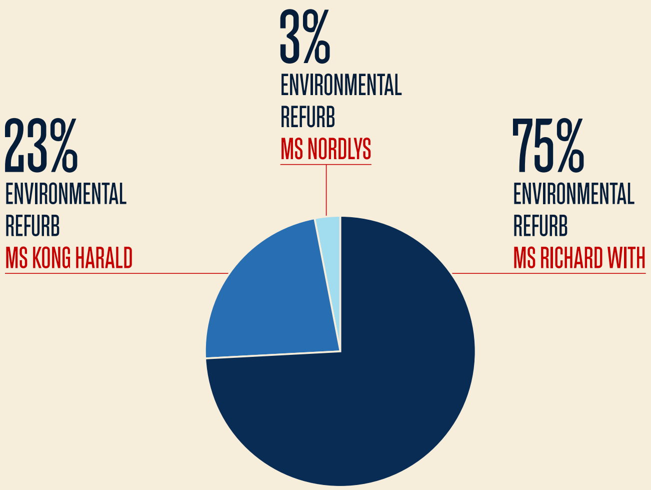
Nominal amount:
50 000 000 Euros

Maturity date:
25 February 2027

Coupon rate: **11%**

ISIN: **NO0012436270**

The total proceeds of 50 million Euros have been allocated by the Green Bond Committee to the eligible projects presented in the table to the right.



GREEN PROJECTS FINANCED UNDER THE GREEN BOND FRAMEWORK

ICMA Green Bond Principles Category: Clean Transportation
EU Taxonomy Reference: 6.12 – Retrofitting of sea and coastal freight and passenger water transport
Sustainability performance goal: 13) Reduce our emissions, and target a carbon-free future
Green project category: Upgrade of existing sea and coastal vessels

PROJECT	DESCRIPTION	TOTAL INVESTMENT EUR AS OF 31.12.23	GREEN BOND AMOUNTS ALLOCATED TO PROJECT EUR	FINANCING/ REFINANCING	TOTAL ENVIRONMENTAL SUSTAINABILITY IMPACT FOR INVESTMENT
Hybridisation of coastal vessel MS Richard With (2022)	A full-fledged transformation to battery-hybrid power, meaning installation of new low-emission engines equipped with SCR and battery packs, reblading propeller and hull optimalization.	36 253 166	36 253 166	Financing	**Documented** (The reduction is calculated against a 2018 pre-pandemic baseline for fuel consumption per vessel) Reduction in fuel consumption: **20.13%** Reduction in CO_2 emissions: **20.13%** Reduction in NOx emissions: **85.1%**
Hybridisation of coastal vessel MS Kong Harald (2023)	A full-fledged transformation to battery-hybrid power, meaning installation of new low-emission engines equipped with SCR and battery packs, reblading propeller and hull optimalization.	39 079 483	12 461 074	Financing	**Documented** (The reduction is calculated against a 2018 pre-pandemic baseline for fuel consumption per vessel) Reduction in fuel consumption: **22.38%** Reduction in CO_2 emissions: **22.38%** Reduction in NOx emissions: **78.19%** Reduction on KH was significant higher than RW. The reason is that KH had higher reduction potential than RW, due to hull. SCR-system was re-configured in Feb- 24 and will reduce NOx emissions more.
Hybridisation of coastal vessel MS Nordlys (2024/2025)	A full-fledged transformation to battery-hybrid power, meaning installation of new low-emission engines equipped with SCR and battery packs, reblading propeller and hull optimalization.	8 029 874	1 285 760	Financing	**Expected** based on Richard With Reduction in fuel consumption: **20.13%** Reduction in CO_2 emissions: **20.13%** Reduction in NOx emissions: **85.1%**
	Total	**83 362 523**	**50 000 000**		

APPENDIX H:
STATEMENT ON EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

As a non-financial company Hurtigruten Group reports on revenue (turnover), capital expenditure and operating expenses that are associated with Taxonomy-eligible and Taxonomy-aligned economic activities, in accordance with regulation EU (2020/852) and the supplementing delegated acts.

The regulation applies because Hurtigruten Group's publicly traded Green Bond means that the Group is considered a public-interest entity.

2023 is the first year of reporting.

IDENTIFYING ELIGIBLE ACTIVITIES

Hurtigruten Group has identified three Taxonomy-eligible activities:

Sea and coastal water passenger transport (activity 6.11)

The provision of sea and coastal water transport by Hurtigruten Group is an eligible and transitional activity according to the EU Taxonomy. The Group has 16 ships, which are all included in the scope of the taxonomy.

To make a substantial contribution to climate change mitigation, the Group's vessels must either be zero emission (at tailpipe) or hybrid/dual fuel vessels would have to derive at least 25% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power. Otherwise, vessels can qualify by attaining a specific EEDI rating.

Hotels, holiday, camping grounds and similar accommodation (activity 16.2.1)

Operation of accommodation facilities is an eligible and transitional activity according to the EU Taxonomy. Hurtigruten Group provides accommodation as part of the Destinations segment in Svalbard. Any onboard accommodation is covered under activity 6.11.

To make a substantial contribution to protection and restoration of biodiversity and ecosystems – the only objective currently published for accommodation facilities – the Group must have a specific contractual agreement with a conservation group. Contributions must be at least 1% of annual turnover of the accommodation establishment. Further detailed criteria include an action plan for conservation, a sustainable supply chain, and an established environmental management system.

Retrofitting of sea and coastal freight and passenger water transport (activity 6.12)

Retrofitting Hurtigruten vessels is an eligible and transitional activity according to the EU Taxonomy. This activity is only relevant to the Group's capital expenditure where the Group buys Taxonomy-eligible input to improve ships.

To make a substantial contribution to climate change mitigation, the Group must implement adaptation solutions that substantially reduce physical climate risks.

DETERMINING WHETHER ELIGIBLE ACTIVITIES ARE ALIGNED WITH THE EU TAXONOMY CRITERIA

Sea and coastal water passenger transport (activity 6.11)

13 out of 14 ships in the Group are fitted with shore power connectivity, but very few harbours are currently equipped with the technology to provide this or have the right connectivity for our ships. For instance, on the traditional Hurtigruten route along the Norwegian coast, there are only 3 out of 34 ports that support this while on the Group's expedition routes only 1 harbour in Iceland is compatible. Another obstacle to attaining alignment in this area is the fact that power provided by ports often comes from non-renewable sources.

Further, the Group has 5 ships that are hybrid powered vessels (2 of which is purpose built and 3 of which have been retrofitted the last year). Currently less than 25% of their energy is derived from zero emissions fuels.

The Group's ships were built before EEDI became standard, and hence do not have a rating.

Thus, the Group's transport activities are not aligned with the EU Taxonomy criteria.

Hotels, holiday, camping grounds and similar accommodation (activity 16.2.1)

While the Group makes significant efforts to conserve the unique environment in

Svalbard, this is not done by contributing to an outside conservation group.

Thus, the Group's accommodation activities are not aligned with the EU Taxonomy criteria.

Retrofitting of sea and coastal freight and passenger water transport (activity 6.12)

Hurtigruten Group assessed the physical climate risks that are material to is activities, in line with the regulation's requirements. The specific and most impactful risks identified in the assessment were sea level rise and more extreme weather.

The Group's investment in fuel efficiency and hybridization directly reduces the company's carbon footprint and works towards mitigating the likelihood of the physical risks occurring.

The adaptations do not adversely affect others' adaptation efforts, rely on green infrastructure as much as possible, are consistent with local adaptation strategies, and are monitored against pre-defined indicators.

In addition to the technical screening criteria discussed above, the Group must also meet the following 'Do No Significant Harm' (DNSH) criteria for each activity.

Any ship in Hurtigruten Group's fleet operates in accordance with, and often exceeds, the standards set by the IMO MARPOL Convention. This cover requirements related to waste management (including discharges), sulphur and nitrogen oxide emissions (meeting criteria of no more 0.5% in mass and minimum Tier II NOx requirements) and minimisation of antifouling paint toxicity. Also, our ships follow the IMO's Convention on Ballast Water and Sediments (BWM) and Biofouling guidelines.

Hurtigruten Group mitigates risks related to water quality and water stress (see Water Management Programme, Water Risk Management Policy and ESG Report section on Nature), supports the transition to a circular economy (see Effluent Management, Waste Management and Shipbreaking Policies) and prevents pollution (see Waste Management and Biodiversity Policies).

In addition to all the above, Hurtigruten Group only considers activities under activity 6.12 to be aligned if they relate to the purchase of retrofitting services that the supplier itself considers to be a Taxonomy-aligned output.

Compliance with criteria for minimum safeguards

The group's activities are carried out in compliance with the minimum safeguard criteria. Please refer to the following section for Hurtigruten Group's process on:

- Human Rights commitment and our framework for Human Rights Due Diligence: People chapter
- Bribery and Corruption: See chapter Running a Responsible Business and our Anti-Corruption Policy
- Taxation: See note 14 to the Financial Statements

MEASURING PERFORMANCE

Hurtigruten Group's activities are linked to the boundaries of the reporting entity as defined by IFRS and described in the Group financial statements, See the Group's consolidation principles in note 2 to the Financial Statements. In combination, the below indicators are intended by the taxonomy to express the company's activities that qualify as environmentally sustainable.

Revenue (turnover)

Revenue represents Hurtigruten Group's total revenue from contracts with customers as specified in note 7 to the Financial Statements. This amount excludes any other gains/(losses) as specified in note 12 of the Financial Statements as well as any financial items as specified in note 13 of the Financial Statements. These are considered not eligible activities under the taxonomy.

Revenue associated with eligible activities comprises the following elements from external revenues:

- Revenue from coastal and sea transport sales
- Revenue from accommodation service sales

The output from these activities is partly sold directly to consumers, partly sold to other businesses, and partly sold to the Norwegian government. Any intercompany sales are eliminated as part of the consolidation. No adjustments are made to the prices agreed with customers.

Capital expenditure

CapEx comprises additions to property, ship and equipment, represented by the gross amount of purchase, development or lease as specified in note 15 to the Financial Statements. It also includes the gross amount of purchase or development of intangible assets as specified in note 16 to the Financial Statements. Further, any lease capitalized is included with the addition (or reduction) required by IFRS. Short-term leases and small asset leases as well as variable lease payments are not recognized as fixed assets and are thus not included in this indicator. Any goodwill recognized in a business combination is not included in the indicator. Further, financial investments, including capital injections in associated companies and joint ventures, are excluded from the metric.

Additions to property, ship and equipment and to intangible assets for eligible activities include both sustaining investments in existing ships engaged in eligible activities and expansions within such activities.

Operating expenditure

Operating expenditure comprises all expenses included in the sub-total Operating profit/(loss) in the income statement. The regulation requires us to report on expenses that represent direct non-capitalized costs that relate to the following functions:

- research and development
- building renovation measures
- short-term lease
- maintenance and repair, and

any other direct expenditures relating to the day-to-day servicing of assets of property, ship and equipment that are necessary to ensure the continued and effective functioning of such assets.

Research and development costs cover projects that do not meet the specific criteria for capitalization as intangible assets. Expenses include such items as use of research facilities, research staff expenses and advisory fees.

In 2023, research and development costs include costs relating to the SeaZero project which aims to produce our first zero emissions (at tailpipe) ship by 2030, the world's most energy efficient ship. A key project for the Group that is led by one of the largest research institutes in Europe, SINTEF.

CAPEX related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions has been included. This specifically relates to the purchase of retrofitting of ships. Upgrading our fleet is a core component of our emission reduction plan, and this includes retrofitting into hybrid powered and installation of SCR systems to reduce NOx emissions.

No OPEX related to the purchase of aligned output has been included in the numerator of the KPI.

Eligible activities:

- Sea and coastal water passenger transport (activity 6.11)
- Hotels, holiday, camping grounds and similar accommodation (activity 16.2.1)
- Retrofitting of sea and coastal freight and passenger water transport (activity 6.12)

Aligned activities:

- Sea and coastal water passenger transport (activity 6.11) – R&D spend on SeaZero only
- Retrofitting of sea and coastal freight and passenger water transport (activity 6.12) – purchase of Taxonomy-aligned output from Kongsberg only.

REVENUE

0 OUT OF 655 579 000 = 0%

OPEX

123 000 OUT OF 23 599 000 = 1%

CAPEX

9 981 000 OUT OF 78 489 000 = 13%

PROPORTION OF REVENUE

from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total turnover, 2023 (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)
		€'000	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			100%																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%	0%	0%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Sea and coastal passenger water transport		621 621	95%																
Accommodation		33 958	5%																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		655 579	100%																
Total (A.1+A.2)		655 579	100%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		0	0%																
TOTAL (A+B)		655 579	100%																

* Taxonomy-aligned turnover of the activity/Total Taxonomy eligible turnover of the activity.
** Taxonomy-aligned turnover of the activity/Total turnover of the Group

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PROPORTION OF CAPEX

from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial Contribution Criteria: Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total turnover, 2023 (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)
		€'000	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			100%																
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																			
Retrofitting of sea and coastal freight and passenger water transport (CapEx B)		9 981	13%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	13%		T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**9 981**	**13%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**13%**	**0%**	**13%**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Retrofitting of sea and coastal freight and passenger water transport		68 062	87%																
Sea and coastal passenger water transport		447	1%																
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**68 508**	**87%**																
Total (A.1+A.2)		**78 508**	**100%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		0	0%																
TOTAL (A+B)		**78 489**	**100%**																

* Taxonomy-aligned turnover of the activity/Total Taxonomy eligible turnover of the activity.
** Taxonomy-aligned turnover of the activity/Total turnover of the Group

PROPORTION OF OPEX

from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total turnover, 2023 (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)
		€'000	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			100%																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Sea and coastal passenger water transport		123	1%	1%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	1%		T
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**123**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**1%**	**0%**	**1%**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Sea and coastal passenger water transport		23 047	98%																
Accommodation		428	2%																
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**23 475**	**99%**																
Total (A.1+A.2)		**23 599**	**100%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0	0%																
TOTAL (A+B)		**23 599**	**100%**																

* Taxonomy-aligned turnover of the activity/Total Taxonomy eligible turnover of the activity.
** Taxonomy-aligned turnover of the activity/Total turnover of the Group

APPENDIX I: POLICY INDEX

NAME OF POLICY/PROGRAMME	ADDITIONAL INFO	PAGE NUMBER OR LINK
Hurtigruten Group Diversity, equity and inclusion policy (DEI) Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Code of Conduct	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Human Rights Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Privacy Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Supplier Code of Conduct	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Whistleblowing policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group GHG Emission Reduction Programme	Available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Political Involvement Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Remuneration Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Deforestation Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Anti-Corruption Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Freedom of Association Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Enterprise Risk Management Policy	Internal policy, available upon request	
Hurtigruten Group Climate Risk Position Statement	Available online	hurtigruten.com/group/sustainability/reports/esg/
Environmental Policy	Internal policy, available upon request	
Environmental Management System	Internal policy, available upon request	
Biodiversity Programme	Internal policy, available upon request	
Solid Waste Management	Internal policy, available upon request	
Effluent Management	Internal policy, available upon request	
Water Risk Management	Internal policy, available upon request	
Water Management Programme	Internal policy, available upon request	
Ship Breaking Programme	Internal policy, available upon request	
Product and Service Safety Programme	Internal policy, available upon request	
Hurtigruten Group Climate Risk Position Statement	Available online	hurtigruten.com/group/sustainability/reports/esg/

NAME OF POLICY/PROGRAMME	ADDITIONAL INFO	PAGE NUMBER OR LINK
Environmental Policy	Internal policy, available upon request	
Environmental Management System	Internal policy, available upon request	
Biodiversity Programme	Internal policy, available upon request	
Solid Waste Management	Internal policy, available upon request	
Effluent Management	Internal policy, available upon request	
Water Risk Management	Internal policy, available upon request	
Water Management Programme	Internal policy, available upon request	
Ship Breaking Programme	Internal policy, available upon request	
Product and Service Safety Programme	Internal policy, available upon request	

APPENDIX J: GLOSSARY

Here we list the commonly used terms relating to Emissions, Nature, People and Community that you'll find throughout this report.

TERM	EXPLANATION
AECO	Association of Arctic Expedition Cruise Operators.
Biodiversity	The variety of plant and animal life in the world or at a particular destination.
Biofuels	Non-fossil fuels manufactured using organic material, the burning of which is carbon neutral.
Carbon intensity	The average amount of Scope 1 CO_2 emissions that can be attributable on a per-guest basis.
Carbon neutral	Meaning an activity that is neutral to the atmosphere as GHGs are both added and removed in equal measure e.g., using biofuels.
Carbon offsetting	Emission reduction or removal resulting from an action outside the organisation's boundaries used to counterbalance the organisation's residual emissions.
CO_2	Carbon Dioxide, one of the main greenhouse gases and primarily produced by burning fossil fuels such as coal and oil.
DEI	Diversity, Equity and Inclusion. An organisational framework that aims to promote the fair treatment of people regardless of identifying factors such as ethnicity, gender and sexual orientation.
Emission reduction	A quantified decrease in GHG emissions especially related to or arising from an activity between two points in time or relative to a baseline.

TERM	EXPLANATION
eNPS	Employee Net Promoter Score. A scoring system designed to measure the level of employee satisfaction within an organisation.
ESG	Environment, Social and Governance. A set of standards measuring an organisation's impact on the environment and society, and showing how transparent and accountable it is.
GHG	Greenhouse Gases. Those gases, such as Carbon Dioxide (CO_2), which contribute to global warming.
Green Stay	Onboard programme whereby guests can opt to skip a day or more of cabin cleaning, saving water, detergent and energy. Money saved is gifted to Hurtigruten Foundation to fund projects.
Heavy fuel oil	Also known as bunker fuel, a type of highly-polluting bituminous liquid commonly used to power ships.
Hurtigruten's Green Bond	A bond issued to fund investments in emissions reduction.
Hybrid powered ships	Ships outfitted with battery packs to augment propulsion in combination with conventional engine power.
IAATO	The International Association of Antarctica Tour Operators.
LTIF	Lost Time Incident Frequency. A measure of the frequency of incidents that cause lost time – a key safety performance metric.

TERM	EXPLANATION
Net Zero	A condition in which human-caused residual GHG emissions are balanced by human-led removals over a specified period and within specified boundaries.
NOx	Nitrogen oxide emissions. A group of gases that are mainly formed during the combustion of fossil fuels.
Scope 1 emissions	Direct GHG emissions that are owned and controlled by an organisation.
Scope 2 emissions	Indirect GHG emissions associated with electricity, steam, heat or other secondary energy sources that can be attributed to an organisation.
Scope 3 emissions	Indirect GHG emissions that are a result of activities or assets not owned or controlled by the reporting organisation, but that appear in the organisation's value chain.
Shore power connectivity	The ability to connect ships to shore-based electrical power while in port.
SOx	Sulphur oxide emissions. Polluting gases the enter the atmosphere primarily from burning some fossil fuels, especially marine fuels; can cause acid rain.
Sustainability	The integration of environmental health, social equity and economic vitality in order to create thriving, healthy, diverse and resilient communities for this generation and generations to come (UCLA definition).