



# Q4 2023 Earnings Presentation

8<sup>th</sup> March 2024



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# Presenting Team



**Daniel Skjeldam**  
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Hurtigruten Group



# Business Update



# Key Highlights

## Q4 Financial Update

- Total revenue in Q4 23 was EUR 146 million for Hurtigruten Group (the “Group”), compared to EUR 135 million in Q4 22 driven by a 28% revenue increase at Hurtigruten partly offset by a 5% decline in revenue at HX Hurtigruten Expeditions.
- EBITDA in Q4 23 of negative EUR 34.3 million compared to negative EUR 32.7 million in Q4 22 driven by lower vessel contribution from HX Hurtigruten Expeditions and higher SG&A expenses, partially offset by an increase in revenue in Hurtigruten.
- Normalised adjusted EBITDA was negative EUR 17 million adjusted for hedge effect of bunker and one-off SG&A cost relating to ongoing advisor costs for various workstreams including refinancing costs and separations of the businesses (EUR 17 million).
- Operational cash flow for Hurtigruten Group in the quarter was negative EUR 10 million driven by negative EBITDA partially offset by working capital inflow.

## Group Initiatives Update

- Executing on action plan for turn around and commercial delivery in HX Hurtigruten Expedition with focus on brand strategy, B2B channel via commission models and deployment optimization.
- Executing on the second phase of reorganization plan and operational and legal ringfencing of the two businesses *HX Hurtigruten Expeditions* and *Hurtigruten*.
- In December 2023 the Group unveiled the next phase of Hurtigruten and HX Hurtigruten Expeditions new brand identities - HX and Hurtigruten - with refreshed sales and marketing strategy, dedicated sales teams and stronger focus on B2B channel.
- The Groups' ESG focus remains strong. In March-24 Hurtigruten was recognised by Norwegian consumers as the most sustainable brand in the industry (travel and tourism) by Sustainable Brand Index for 2024.

## Holistic Capital Structure Transaction

- On 23 Feb 24 the Group successfully implemented the earlier announced comprehensive recapitalisation transaction with its senior lenders, its shareholders, and senior unsecured note holders.
- The transaction provides the Group with material new liquidity of EUR185 million, lower cash-paying debt, extended maturities to 2027 and a more sustainable and simplified capital structure (7 to 4 debt instruments and improved equity position).
- The transaction further supports and provides the necessary pathway to implementing the operational separation of the businesses, Hurtigruten, the iconic coastal cruise business and HX Hurtigruten Expeditions, the world's leading expedition fleet.

# Business Transformation Status Update

**Update on key focus areas to deliver the full financial potential of Hurtigruten and HX Hurtigruten Expeditions**

## Focus Areas

1 Complete the reorganization of Hurtigruten Group and separation of the two operating companies

2 Drive pre booked revenue towards medium-term target of +80% in HX Hurtigruten Expeditions and Hurtigruten

3 Strict cost control while delivering separation

4 Deliver successful ramp up of the fully commercial Signature Voyages including successful introduction of Otto Sverdrup in Hurtigruten

5 Continued delivery of the Capital Management Plan

## Q4 Update

Executing plan for full operational and legal ringfencing of the business units and launch of a refreshed sales and marketing strategy with stronger focus on key B2B relationships and premium-end markets.

2024 revenue on the books as of 29 Feb 6% higher than same time last year. Good booking momentum for 2025 departures with the 90 day average bookings up 9% respectively on the same time prior year.

Continued cost focus and streamlining of SG&A. Normalised SG&A adjusted for one-offs of EUR 38.9 million in Q4 23.

Successful launch of the Signature Voyages including introduction of Otto Sverdrup increases yield and creates a new platform for attractive growth in the high-end segment for Hurtigruten (Otto Sverdrup average yield booked for 2024 departures 430 EUR/PCN 10 % above Coastal Express).

Recapitalization transaction announced in Dec-23 and completed in Feb-24. Strong position to explore refinancing options for the SSNs due in 2025.

## Status



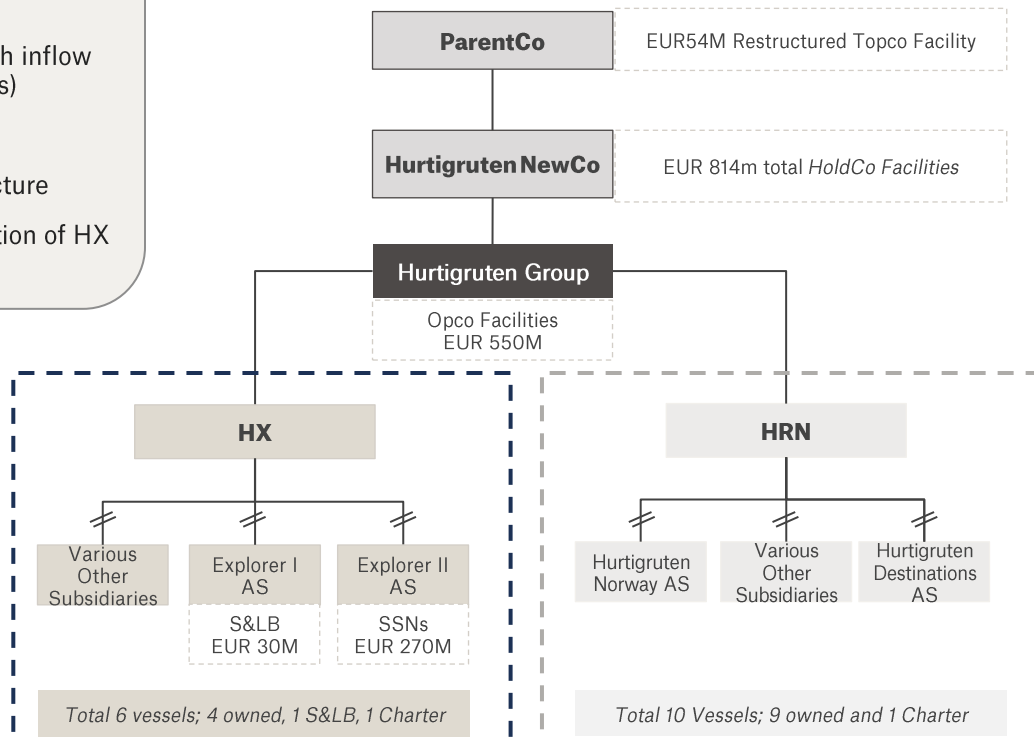
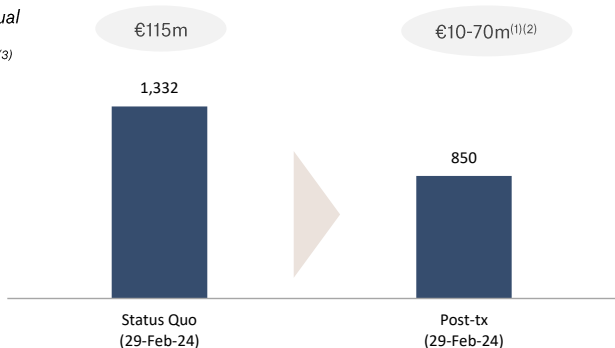
# Successful implementation of recapitalisation transaction

The transaction supports the Group with;

1. Material new liquidity effect of total EUR 185 million; cash inflow of EUR99 million at closing in February 2024 (before fees)
2. Lower cash paying debt
3. Extended maturities and a more sustainable capital structure
4. Necessary pathway to implement the operational separation of HX and HRN

## Opco Debt (EURm)

PF Annual Cash Interest<sup>(3)</sup>



(1) Low end of the estimated range assumes 100% PIK election on reinstated cash paying debt. (2) Includes reinstated cash paying debt, new money debt, Spitsbergen outstanding lease and existing SSNs. (3) Based on estimated pro-forma NTM cash interest.





## Get ready to explore

- **The category king of expedition cruises**, taking adventure travellers to unique and inspirational destinations off the beaten path. **Currently offering sailings to 40+ countries across 5 continents**, from Antarctica and Greenland to Galapagos and Cape Verde
- **Operates 6 expedition vessels**, three of which are battery-powered hybrid-electric cruise vessels





# HX Hurtigruten Expeditions – Pre-Covid 3x capacity growth, 2x PCN growth, focus on 2 year EBITDA turn around plan built around brand, distribution and deployment

## Operating Performance

Key metrics	Q1 23		Q2 23		Q3 23		Q4 23		YTD 23		Q4 23		YTD 23
	▲Q1 22 (%)		▲Q2 22 (%)		▲Q3 22 (%)		▲Q4 22 (%)		▲YTD 22 (%)				
Capacity (APCNs)	185 670	65 %	189 458	25 %	221 504	-3 %	221 908	7 %	818 540	17 %	221 908	818 540	
Occupancy (PCN/APCN)	69 %	11pp	52 %	-7pp	54 %	-8pp	58 %	1pp	58 %	-3pp	58 %	58 %	
Gross Yield* (EUR/PCN)	675	22 %	589	-6 %	627	-5 %	532	-12 %	606	-1 %	570	617	
Total Revenues reported (EUR millions)	87	113 %	58	-1 %	75	-19 %	68	-5 %	288	9 %	73	298	
Total vessel expenses (EUR millions)	62	37 %	55	-1 %	58	-12 %	66	2 %	240	4 %	66	237	
Vessel contribution margin	29 %	40pp	5 %	0pp	23 %	-6pp	4 %	7pp	16 %	7pp	10 %	20 %	
SG&A (EUR millions)	24	37 %	21	-10 %	22	-14 %	28	9 %	96	4 %	20	85	
Reported EBITDA (EUR millions)	1	104 %	-19	-27 %	-3	-1153 %	-26	-37 %	-47	11 %	-12	-24	

Adjusted/Normalised\*\*

\*Gross yield is calculated as total revenue divided by PCN

\*\*Q4 23 Revenues and EBITDA adjusted for VAT catch-up from 22 and Q1-Q3 23, one-off SGA costs and other normalisations and YTD 23 revenues and EBITDA adjusted for VAT catch-up from 22, one-off SGA costs and other normalisations

- YTD 23 revenues +9 % compared to YTD 22. Q4 23 revenues, gross yield and EBITDA impacted negatively by a EUR 4.8 million VAT settlement mainly affecting Otto Sverdrup. Adjusted figures are shown in right part of table above.
- Q4 23 Gross yield at 532 EUR/PCN for Q4 23 (adjusted 570 EUR/PCN). HX fleet yield expected to increase in 2024 with MS Otto Sverdrup transferring to HRN.
- Continued strong performance on vessel operating expenses for Q4 23, +2 % compared to Q4 22 despite 7 % increase in capacity.
- Increased SG&A cost driven by one-off cost related to recapitalization transaction and split of the businesses (EUR 8.5 million). Normalized SG&A cost amounted to EUR 20 million.
- Normalized adjusted EBITDA amounted to negative EUR 12 million for Q4 2023 and negative EUR 23 million for the full year.

## Objectives

Rebranding

Reshape distribution

Strengthen yield (800+ EUR/PCN)

Refocused deployment

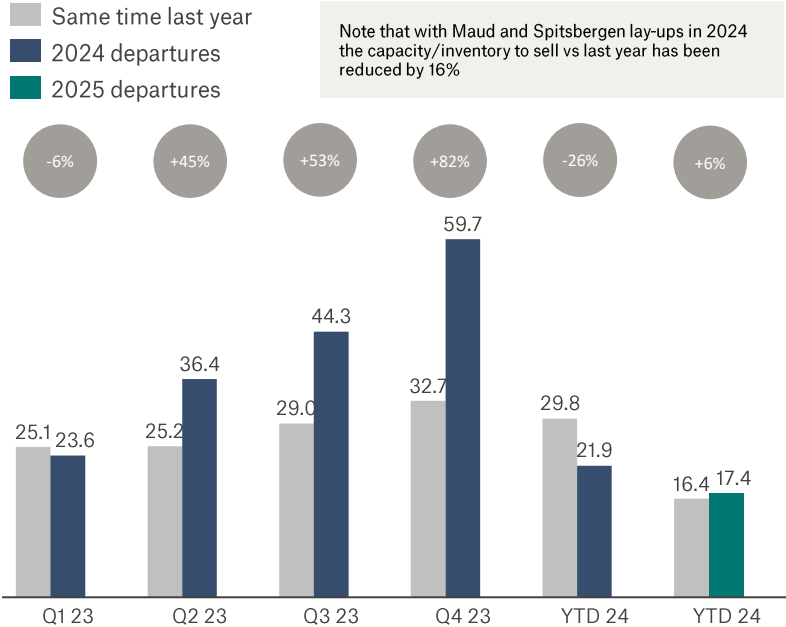
Cost efficiency

## Actions

- Commercial split of HX into standalone business
  - Build HX brand and pricing power
- New commission model for B2B partners
  - New sales incentives model for separated HX Sales teams
  - Increased focus on growth markets including the UK, US and APAC
- Pricing optimization based on voyage, cabin and vessel momentum
  - Optimized source market mix and deployment towards higher yielding destinations
- New analytics and expedition expertise to support planning
  - New deployment plan and enhanced shore excursions
  - Improve pre and post voyage offering
  - Develop dedicated flight strategy
- Vessel operational cost review and reduction
  - Implementation of efficiency program

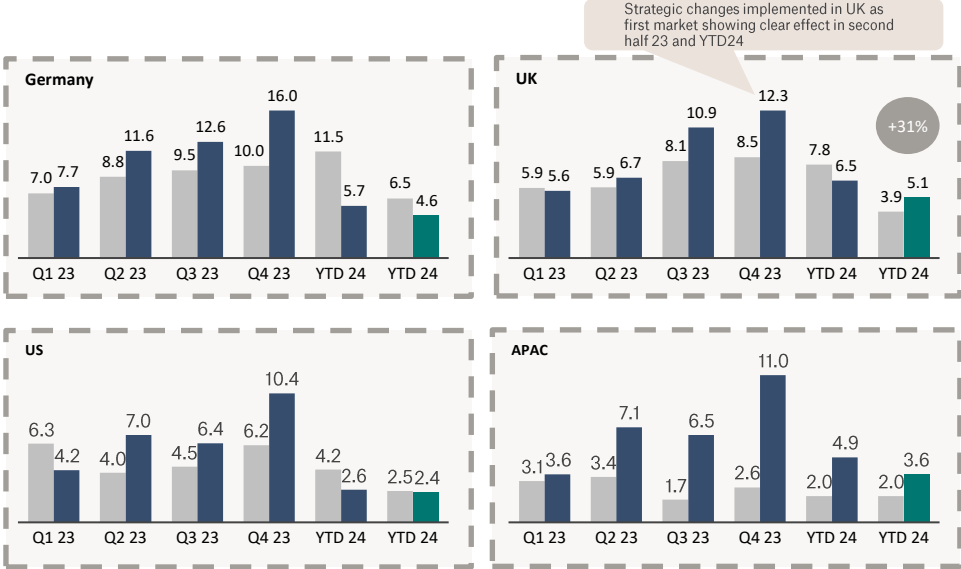
# HX Hurtigruten Expeditions - Booking momentum building across key markets, showing effect of strategic changes

Growth in booking intake compared to same time last year....



...with strong growth across most key regions

Booking figures show effect of strategic changes



\*Numbers as per 29.02.2024 from booking system included ticket revenue, flights, presold excursions and other presold revenue. Numbers are excluding MS Otto Sverdrup for both 2022, 2023 and 2024 bookings.



## The Original since 1893

- Eight vessels sailing north and south along the scenic Norwegian coast, allowing travelers to experience the pristine Norwegian nature and culture in a comfortable and responsible manner
- Take part in a voyage that also serves local communities along the Norwegian coast, transporting goods and passengers between 34 ports from 60° to 71° North.



# Hurtigruten - Occupancy and yield growth compared to same quarter last year, year-to-date also increased from last year

## Operating Performance

Adjusted/Normalised\*\*

Key metrics	Q1 23	▲Q1 22 (%)	Q2 23	▲Q2 22 (%)	Q3 23	▲Q3 22 (%)	Q4 23	▲Q4 22 (%)	YTD 23	▲YTD 22 (%)	Q4 23	YTD 23
Capacity (APCNs)	243 648	1 %	260 418	1 %	309 672	15 %	288 346	19 %	1 102 084	9 %	288 346	1 102 084
Occupancy (PCN/APCN)	65 %	19pp	70 %	1pp	70 %	-2pp	59 %	5pp	66 %	6pp	59 %	66 %
Gross Yield* (EUR/PCN)	324	17 %	383	5 %	416	5 %	349	6 %	375	5 %	349	375
Total Revenues reported (EUR millions)	68	48 %	86	5 %	108	16 %	74	28 %	336	20 %	74	338
Total vessel expenses (EUR millions)	48	16 %	52	-5 %	60	1 %	57	18 %	217	6 %	57	210
Vessel contribution margin	30 %	20pp	39 %	7pp	44 %	8pp	24 %	7pp	35 %	8pp	24 %	35 %
SG&A (EUR millions)	19	33 %	15	-15 %	16	-6 %	25	31 %	75	9 %	18	66
Reported EBITDA (EUR millions)	2	127 %	17	36 %	35	127 %	-7	31 %	46	311 %	-1	61

\*Gross yield is calculated as total revenue less contractual revenue less goods revenue, divided by PCN

- Total revenues up 28% for Q4 2023 compared to Q4 2022. Gross yield increased by 6% from same quarter last year.
- Increased SG&A cost in Q4 2023 driven by one-off cost related to recapitalization transaction and split of the businesses (EUR 6.6 million). Normalized SG&A cost amounted to EUR 18 million.
- Normalized adjusted EBITDA amounted to negative EUR 1 million for Q4 2023 and positive EUR 61 million for the full year.

## Objectives

### Occupancy Growth:

Ensure year-on-year growth in overall occupancy going forward

### Capacity Growth:

Secure a successful ramp up of Signature Voyages as well as successful introduction of Hamburg route

### Yield Growth:

Ambition to increase overall yield the following years

### Efficiency Optimization:

Continued strong cost control and execute efficiency initiatives

## Actions

1

- Focused commercialization of the winter / northern light experience
- Reinvalidate B2B sales through multiple levers
- Drive growth in key source markets in DACH, UK, US and APAC

2

- Build on successful launch of the new the Svalbard and the North Cape Express
- Integrate MS Otto Sverdrup as a second fully commercial vessel in Jan-24

3

- Original voyages: improve product positioning, distribution and onboard spend
- Signature voyages: focus on high-end travelers and new source markets

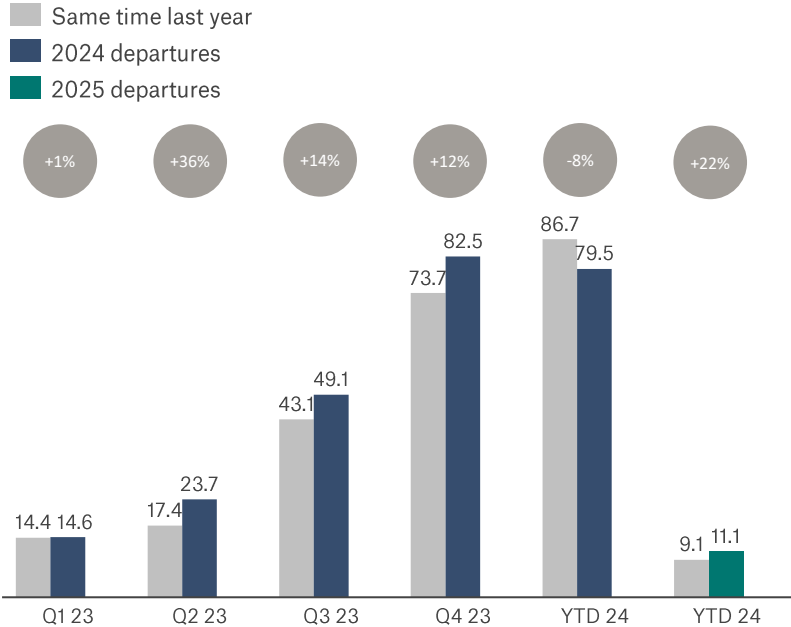
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- Continue stringent cost control of Vessel Contribution elements
- Extract SG&A efficiency potential from automation and improved processes

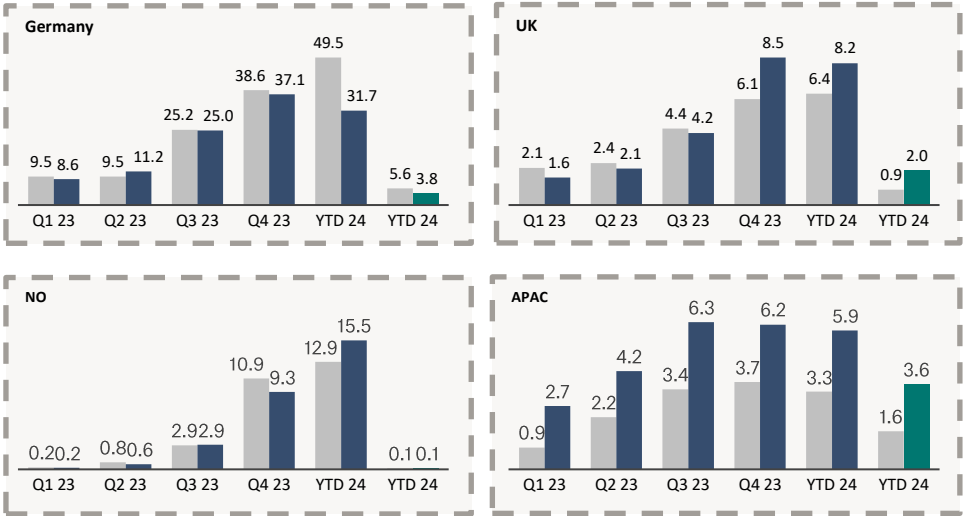


# Hurtigruten - continued strong booking momentum with solid growth in several markets

Strong growth in booking intake compared to same time last year ...



...with building momentum in most key markets



\*Numbers as per 29.02.2024 from booking system included ticket revenue, flights, presold excursions and other presold revenue. Numbers including MS Otto Sverdrup and MS Nordstjernen for both 2022, 2023 and 2024 bookings.



## The adventure starts here

- With three year-round hotels and a broad excursion offering, Hurtigruten Destinations is the **unchallenged destination owner in the Svalbard archipelago**
- The archipelago has been developed from remote mining communities into a top-tier adventure destination, and has experienced **stable yield and occupancy growth** over the past 20 years



# Hurtigruten Destinations – slightly ahead of 2022 despite fewer visitors in Longyearbyen, adjusted for currency effects

## Operating Performance

Key metrics	Q1 23	▲Q1 22 (%)	Q2 23	▲Q2 22 (%)	Q3 23	▲Q3 22 (%)	Q4 23	▲Q4 22 (%)	YTD 23	▲YTD 22 (%)
Capacity (ARNs)	21 764	12%	26 572	22%	24 584	5%	19 872	12%	92 792	12%
Occupancy (RN/ARN)	55%	-3pp	52%	-22pp	55%	-6pp	30%	-5pp	49%	-9pp
Gross Yield (EUR/RN)	230	28%	238	11%	210	4%	146	-1%	217	12%
Total Revenues reported (EUR millions)	8	-4%	11	-5%	12	26%	3	-16%	34	3%
Total expenses (EUR millions)	5	14%	6	13%	6	16%	3	18%	19	15%
Contribution margin	36%	-10pp	45%	-9pp	52%	5pp	19%	-23pp	43%	-6pp
SG&A (EUR millions)	1	-20%	1	-33%	1	0%	1	-21%	5	-20%
Reported EBITDA (EUR millions)	2	-29%	4	-13%	5	55%	-0	-233%	10	-2%

Due to the significant fluctuations in the currency exchange rate between the Norwegian Krone and the Euro, there will be a difference in the figures for 2023 compared to those of 2022. Hurtigruten Svalbard conducts its business transactions in NOK as its corporate currency. During the Q4 22, the exchange rate was EUR/NOK 10.6, whereas during Q4 23, it was EUR/NOK 11.6.

- Total revenues up 3% for the full year of 2023 compared to 2022, driven by a 12% increase in gross yield, but 9% drop in occupancy. The decrease in occupancy is mainly due to lower group bookings.
- Increased costs during this period are driven by full-year operation of the restaurant Huset, coupled with high inflation. Additionally, more individual travelers have led to higher expenses in terms of commissions and other related charges.

## Objectives

Occupancy target for hotels of approx. 65% all year round by 2025

Commercial delivery on topline

Brand and marketing

Cost control

## Actions

1

- With three year-round hotels, high quality food & beverage offering and broad excursion offering

2

- New Sales Director in place by EOY
- Deliver on sales and distribution strategy

3

- Execution on marketing activities for upcoming seasons
- Established a new brand strategy for Svalbard

4

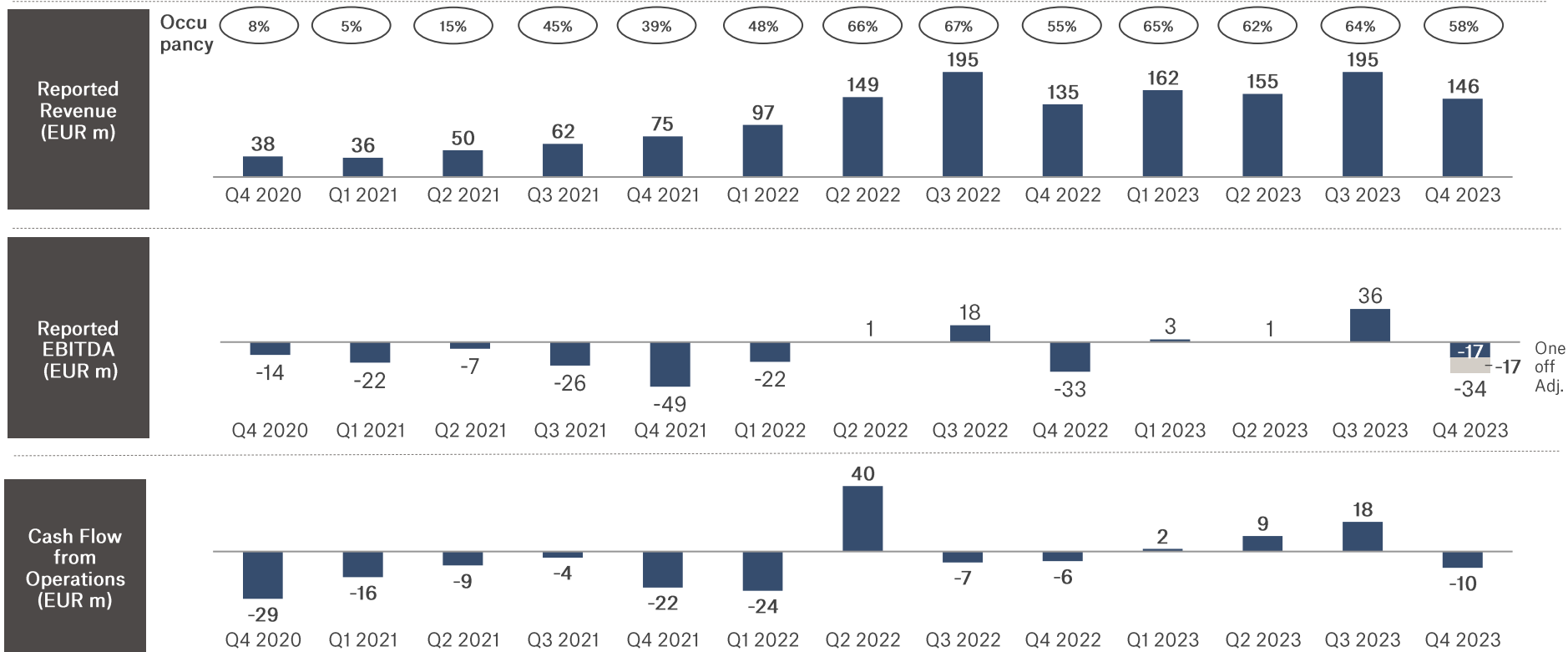
- Continued focus on cost of operations

# Q4 2023 Group Financial Update





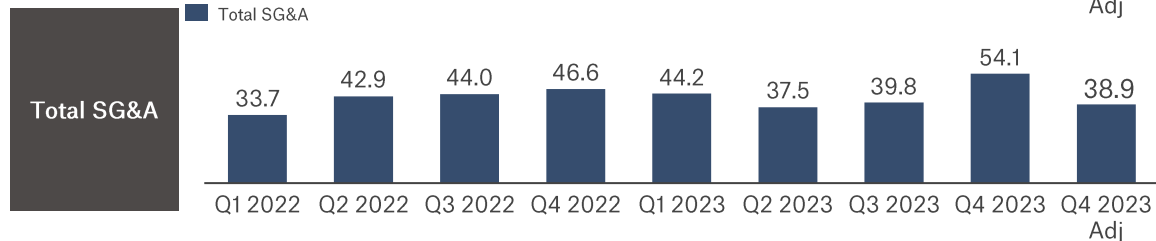
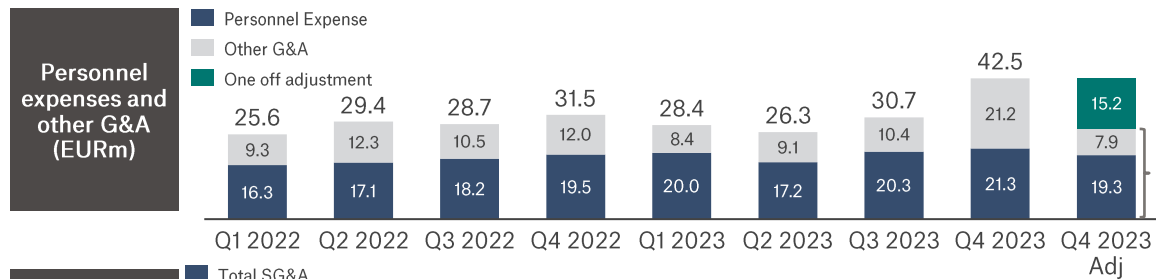
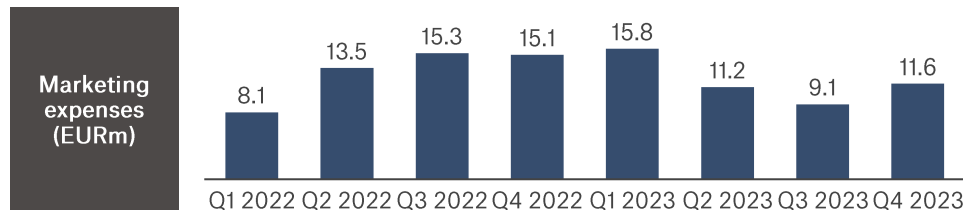
# Positive revenue, but negative EBITDA and cash flow from operations



Note: All numbers presented are based on Hurtigruten Group AS on a consolidated basis as of quarter end. Numbers may not add to annuals due to rounding.

# SG&A expenses development from Q1 2022 through Q4 2023

## SG&A



## Commentary

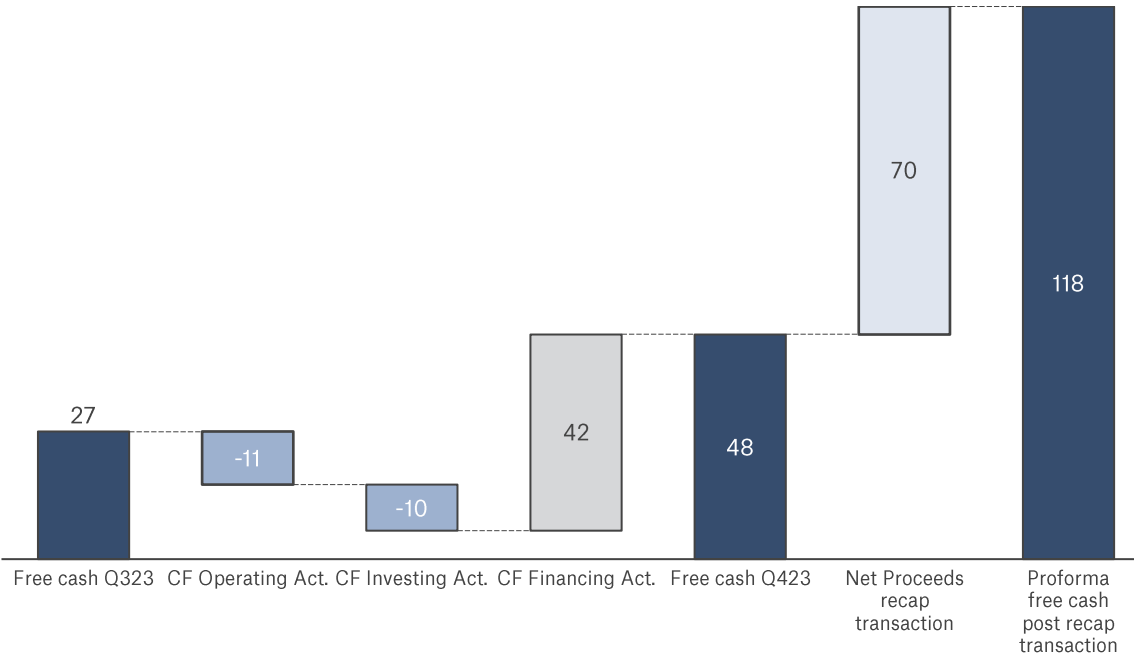
- Marketing expenses were EUR 11.6 million in Q4 and EUR 47.7 million for the full year of 2023 compared to EUR 52 million in 2022.
- Personnel and other G&A was EUR 42.5 million in Q4. Adjusted for one-off cost related to legal and professional fees for the separation of the two businesses and accrued internal cost, the personnel and other G&A was EUR 27 million (-11% vs Q3).
- Further cost savings are expected to be realized over the course of 2024 however separation costs will be incurred up to Q4 2024.

# Free liquidity of EUR 48 million as of end of Q4 2023

Change in free liquidity (excl. restricted cash) – Q3 2023 to Q4 2023

Commentary

EURm



- As of end of Q4 2023 Hurtigruten Group had EUR 48 million of available free liquidity.
- Cash flow from operations of negative EUR 10 million driven by negative EBITDA, partially offset by working capital inflow.
- Capex amounted to EUR 10 million in the quarter mainly related to environmental upgrade program and scheduled dockings.
- Net cash inflow from financing activities of EUR 42 million in the quarter. Debt amortisation, repayment of RW and NL leases and interest, offset by proceeds from EUR 74 million interim facility and EUR 25 million of funding from shareholders drawn.
- Pro forma for the recapitalisation transaction group free cash balance of EUR 118 million.

# Overview of the interest-bearing debt pre and post recapitalization transaction

## Pre transaction

Instrument	TLB 1	TLB 2	EUR 200m notes	Senior secured bond	Green Bond	IFA	MS Spitsbergen S&LB
Issuer/Lessee	HRG AS	HRG AS	HRG AS	Explorer II AS	HRG AS	HRG AS	Explorer I AS
Ranking	1 <sup>st</sup> Lien Senior Secured	1 <sup>st</sup> Lien Senior Secured	1 <sup>st</sup> Lien Senior Secured	1 <sup>st</sup> Lien Senior Secured	Senior Unsecured	Senior Secured	n.a.
Outstanding amount	EUR 85m	EUR 655m	EUR 206m	EUR 285m	EUR 50m	EUR 74m	EUR 31m
Maturity	Feb 2026	Feb 2027	Feb 2028	Feb 2025	Feb 2025	Feb 2024	Jun 2028
Interest	Floating	Floating	Fixed	Fixed	Fixed	Floating PIK	Fixed
Amortization	Revolving	Bullet	Bullet	15m S/A starting Aug 23	Bullet	Bullet	Monthly charter hire

## Post transaction

Instrument	Super Senior Opco Facility	Senior Opco Facility	Senior secured bond	MS Spitsbergen S&LB
Issuer/Lessee	HRG AS	HRG AS	Explorer II AS	Explorer I AS
Ranking	1 <sup>st</sup> Lien Super Senior Secured	1 <sup>st</sup> Lien Senior Secured	1 <sup>st</sup> Lien Senior Secured	n.a.
Outstanding amount	EUR 205m	EUR 345m	EUR 270m	EUR 30m
Maturity	Jun 2027	Sep 2027	Feb 2025	Jun 2028
Interest	Floating	Floating	Fixed	Fixed
Amortization	Bullet	Bullet	15m S/A starting Aug 23	Monthly charter hire

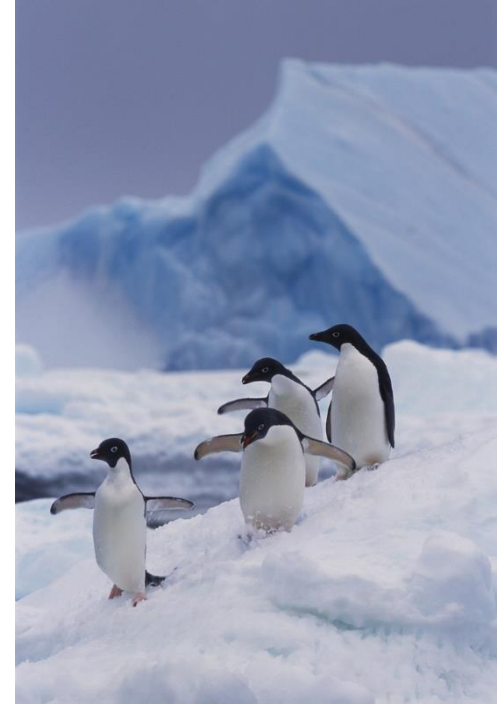


# Q4 2023 Summary



# Q4 2023 Summary - Continued improvement - focus on building occupancy to support earnings recovery and growth

- 1) Revenue for the Q4 2023 period was EUR 146 million, which was EUR 10 million above Q4 2022 resulting from an improved performance in Hurtigruten (+28%) offsetting a decline in revenue at HX Hurtigruten Expedition (-5%).
- 2) EBITDA in Q4 2023 was negative EUR 34.3 million, compared to negative EUR 32.7m in Q4 2022, driven by lower vessel contribution for HX Hurtigruten Expeditions and higher SG&A expenses, partially offset by an increase in revenue in Hurtigruten. Normalised EBITDA adjusted for bunker hedge effect and SG&A one-off cost was negative EUR 17 million.
- 3) Executing on action plan for turn around and commercial delivery in HX Hurtigruten Expedition with focus on brand strategy, B2B channel via commission models and deployment optimization.
- 4) As of 27 February 2024, Hurtigruten Group had EUR 456 million in pre-booked revenue for 2024 an increase of 6 % compared to same time prior year. Pre-booking for 2025 is showing good momentum during the key sales window with the 90 day average bookings up 9 % respectively on the same time prior year.
- 5) The Group successfully implemented a comprehensive recapitalisation transaction providing the Group with material new liquidity, a more sustainable capital structure and the necessary pathway to implementing the operational separation of the businesses.



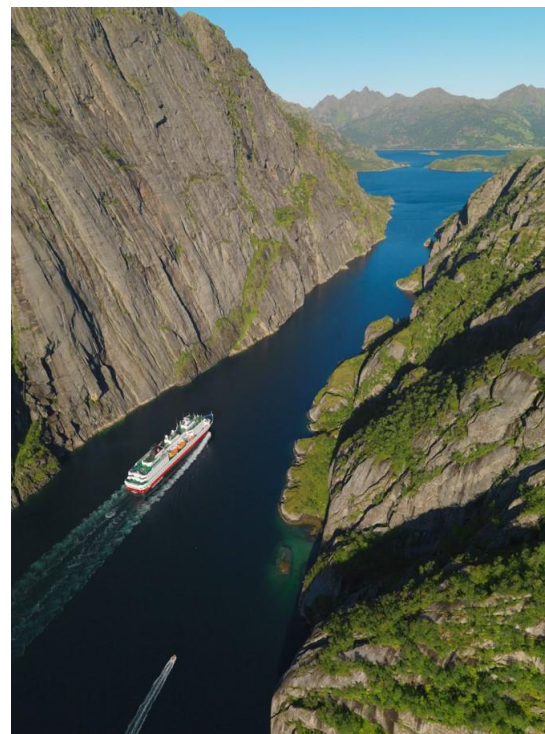
# Appendix





# Hurtigruten Group - Historical key financials

EURt				
P&L items	2020	2021	2022	2023
Revenue	268 765	222 688	576 518	657 857
<i>Growth</i>		(17,1%)	158,9%	14,1%
Contribution <sup>1</sup>	79 829	23 966	123 785	178 446
<i>Contribution %</i>	29,7 %	10,8 %	21,5 %	27,1 %
EBITDA	(17 880)	(104 314)	(35 194)	7 183
<i>EBITDA margin</i>	(6,7%)	(46,8%)	(6,1%)	1,1%
Normalised adj. EBITDA <sup>2</sup>	(2 704)	(107 332)	46 216	41 201
<i>Normalised adj. EBITDA margin</i>	(1,0%)	(48,2%)	8,0%	6,3%
EBIT	(94 831)	(196 875)	(108 550)	(67 532)
<i>EBIT margin</i>	(35,3%)	(88,4%)	(18,8%)	(10,3%)
Net interest and other financial costs (excl PIK)	(63 790)	(66 335)	(102 805)	(114 493)
PIK interest to shareholders	-	(12 075)	(27 366)	(61 811)
Net currency gains / losses	(4 995)	1 306	152	1 176
Net income	(160 544)	(282 195)	(209 412)	(242 660)
Net income margin	(59,7%)	(126,7%)	(36,3%)	(36,9%)
<b>BS items</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Cash <sup>3</sup>	72 037	57 115	29 958	50 327
Total current assets	118 754	129 510	136 355	179 733
Total assets	1 362 597	1 353 942	1 372 020	1 438 530
Total equity	(102 172)	(351 957)	(561 861)	(804 888)
Equity ratio	(7,5%)	(26,0%)	(41,0%)	(56,0%)
Total current liabilities	208 346	253 109	529 793	537 258
NIBD <sup>4</sup>	1 170 839	1 212 815	1 306 867	1 303 191
<b>CF items</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Change in NWC	(40 612)	67 350	27 204	15 773
Operating cash flow	(58 387)	(42 307)	(10 068)	20 913
Capex excl Nox refund	(105 348)	(39 564)	(106 059)	(89 012)
Nox refund			16 199	17 192



Note: All numbers presented are based on Hurtigruten Group AS on a consolidated basis. All numbers are reported numbers unless stated.

- Contribution is defined as EBITDA contribution before SG&A, specifically calculated as revenue – total direct costs – total cruise operating expenses.
- Normalized adjusted EBITDA is calculated as Reported EBITDA excluding other gains and losses adjusted for cost and revenue items which is deemed extraordinary, exceptional, unusual or non-recurring. SG&A is not allocated to the business segments Hurtigruten Norway, Hurtigruten Expeditions and Hurtigruten Destinations, and these costs are reported within the "Group Functions, Other and Eliminations" segment.
- Total cash including restricted cash,
- Excluding IFRS 16 debt of EUR 15.8 million at year-end 2020, EUR 74 million at year-end 2021, EUR 67 million at year-end 2022 and EUR 67 million in 2023, and subordinated Shareholder Loans of EUR 75 million in 2021, EUR 95 million in 2022, and EUR 182.5 million in 2023.

# Hurtigruten Group Cashflow

EURt	2021	2022	2023
<b>Operating Cash flow</b>	<b>(42,307)</b>	<b>(10,068)</b>	<b>20,913</b>
Of which change in working capital	67,350	27,204	15,773
<b>Cash flow from investments</b>	<b>(3,233)</b>	<b>(89,860)</b>	<b>(71,820)</b>
Of which CAPEX excl NOX refund	17,338	(106,059)	(89,012)
NOX refund		16,199	17,192
<b>Cash flow from Financing</b>	<b>28,816</b>	<b>77,114</b>	<b>73,531</b>
Of which change in debt	20,792	60,742	11,904
Borrowings from other group companies	75,000	95,000	182,500
Of which paid interest and transaction costs	(60,915)	(68,917)	(111,809)
<b>Net cash flow</b>	<b>(16,724)</b>	<b>(22,814)</b>	<b>22,624</b>

Note: All numbers presented are based on Hurtigruten Group AS on a consolidated basis. Change in working capital calculated as Inventories + Receivables – Pre bookings and Payables.



# HX Hurtigruten Expeditions - Key financials

EURm	2020	2021	2022	2023
PCNs - 000	90	59	410	474
APCNs - 000	124	158	699	819
Occupancy - % <sup>1</sup>	72,7 %	37,7 %	58,6 %	58,0 %
<b>Total Revenues reported</b>	<b>54</b>	<b>30</b>	<b>264</b>	<b>288</b>
Direct Costs	16	8	68	88
Cruise Operating Costs	49	60	163	153
of which: Fuel costs	8	8	40	33
<b>Reported Vessel Contribution<sup>2</sup></b>	<b>-11</b>	<b>-38</b>	<b>33</b>	<b>47</b>
Gross margin <sup>3</sup>	70 %	73 %	74 %	69 %
Vessel contribution margin	-20,4 %	-125,8 %	12,4 %	16,4 %
<b>Norm. Vessel contribution<sup>4</sup></b>	<b>-9</b>	<b>-38</b>	<b>77</b>	<b>56</b>
Norm. Vessel contribution margin	-16,7 %	-126,0 %	24,5 %	19,1 %
SG&A			85	96
<b>Reported EBITDA</b>			<b>-53</b>	<b>-47</b>
EBITDA margin			-17,1%	-16,3%
<b>Norm. EBITDA</b>			<b>-4</b>	<b>-28</b> <sup>5</sup>
Norm. EBITDA margin			-1,4%	-9,4%



1) Occupancy rate is calculated based on APCN (available capacity) not adjusted for Covid-19 Capacity limits.

2) Vessel contribution is defined as EBITDA contribution before SG&A, specifically calculated as revenue - total direct costs - total cruise operating expenses

3) Gross margin equals (total reported revenues - total direct cost) / total reported revenues

4) Due to the Covid-19 pandemic no normalization were made in the period Q1 2020 - Q4 2021.

5) Differs from Normalised adjusted EBITDA on slide 8 as not adjusted for the VAT settlement effect

# Hurtigruten - Key financials

EURm	2020	2021	2022	2023
PCNs - 000	333	258	609	724
APCNs - 000	729	867	1 011	1 102
Occupancy - % <sup>1</sup>	45,7 %	29,7 %	60,3 %	65,7 %
<b>Total Revenues reported</b>	<b>172</b>	<b>146</b>	<b>279</b>	<b>336</b>
Of which: Contractual Revenue	79	72	59	62
Direct Costs	22	18	58	74
Cruise Operating Costs	95	106	146	143
of which: Fuel costs	22	35	53	46
<b>Reported Vessel Contribution<sup>2</sup></b>	<b>54</b>	<b>23</b>	<b>75</b>	<b>119</b>
Gross margin <sup>3</sup>	87 %	88 %	79 %	78 %
Vessel contribution margin	31,7 %	15,5 %	26,8 %	35,4 %
<b>Norm. Vessel contribution<sup>4</sup></b>	<b>56</b>	<b>23</b>	<b>98</b>	<b>127</b>
Norm. Vessel contribution margin	30,9 %	15,8 %	33,2 %	37,7 %
SG&A			64	75
<b>Reported EBITDA</b>			<b>11</b>	<b>46</b>
EBITDA margin			3,8 %	13,7 %
<b>Norm. EBITDA</b>			<b>40</b>	<b>61</b>
Norm. EBITDA margin			13,7 %	18,1 %



1) Occupancy rate is calculated based on APCN (available capacity) including any laid-up period.

2) Vessel contribution is defined as EBITDA contribution before SG&A, specifically calculated as revenue – total direct costs – total cruise operating expenses

3) Gross margin equals (total reported revenues - total direct cost) / total reported revenues

4) Due to the Covid-19 pandemic no normalization were made in the period Q1 2020 – Q4 2021.

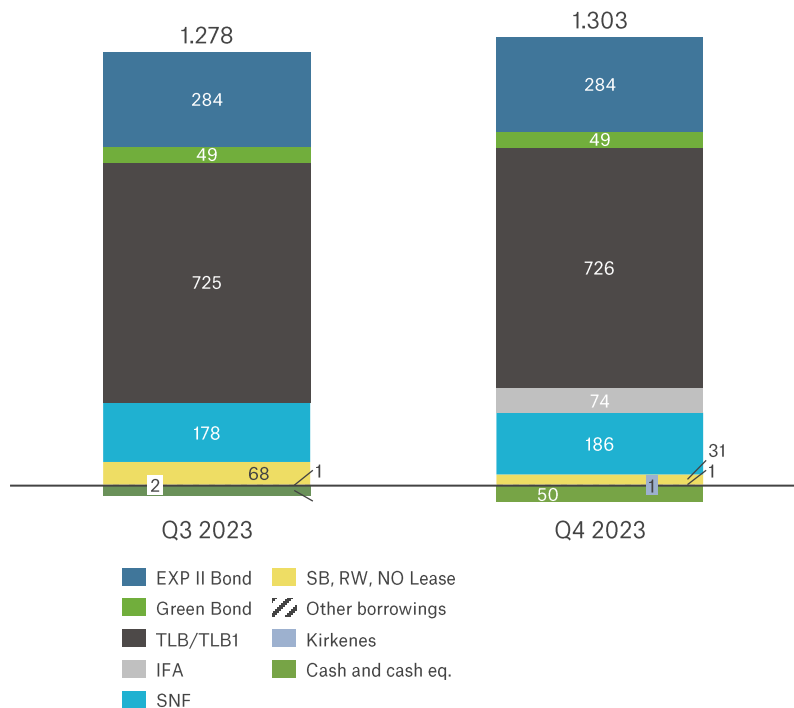
# Normalisation items - Q4 2023

EURt	HRN	HX	Total
Realised value of bunker fuel derivatives	1 023	886	1 909
One off SG&A costs	3 736	5 160	8 896
<b>Total adjustments reported</b>	<b>4 759</b>	<b>6 046</b>	<b>10 805</b>
Additional one-off adjustments related to legal and professional fees for the separation of the two business segments, accrued internal cost and other provisions	2 863	3 361	6 223
<b>Total Normalised Adjustments</b>	<b>7 622</b>	<b>9 406</b>	<b>17 029</b>

- Q4 2023 normalizations consist of mainly the following items:
  - i. Hedge effect of bunker fuel expenses as the bunker fuel costs reflect the spot price of bunker fuel at the time of purchase
  - ii. One-off SG&A costs relating to ongoing advisor costs for various workstreams including split of the businesses

# Net debt as of Q4 2023 at EUR 1.30 billion

NIBD (EURm)<sup>1</sup>



Overview of the interest-bearing debt<sup>2</sup>

Instrument	TLB1	TLB	NFA	Senior secured bond	Green Bond	IFA	MS Spitsbergen S&LB
Issuer/Lessee	HRG AS	HRG AS	HRG AS	Explorer II AS	HRG AS	HRG AS	Explorer I AS
Ranking	1 <sup>st</sup> Lien Senior Secured	1 <sup>st</sup> Lien Senior Secured	1 <sup>st</sup> Lien Senior Secured	1 <sup>st</sup> Lien Senior Secured	Senior Unsecured	Senior Secured	n.a.
Outstanding amount	EUR 85m	EUR 655m	EUR 200m	EUR 285m	EUR 50m	EUR 74M	EUR 32m
Maturity	Feb 2026	Feb 2027	Feb 2028	Feb 2025	Feb 2025	Feb 2024	Jun 2028
Interest	Floating	Floating	Floating	Fixed	Fixed	Floating PIK	Fixed
Amortization	Bullet	Bullet	Bullet	15m S/A starting Aug 23	Bullet	Bullet	Monthly charter hire

Note: All numbers presented are book value and based on Hurtigruten Group AS on a consolidated basis.

1) Excluding IFRS 16 debt of EUR 67.2 million and EUR 395 million subordinated Shareholder Loans as of 31 December 2023.

2) 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 HRG. Guarantees and letter of credit issued are mainly in connection to travel guarantee schemes.

# Definitions

- **Passenger cruise nights (“PCNs”)**, measurement of guest volume, representing the number of guests onboard the ships and the length of their stay.
- **Available passenger cruise nights (“APCNs”)**, which is a measurement of capacity and represents the aggregate number of available berths on each of the ships (assuming double occupancy per cabin), multiplied by the number of operating days for sale for the relevant ship for the period.
- **Occupancy rate**, PCNs for the relevant period as a percentage of APCNs for the period.
- **Gross revenues**, ticket revenues, revenues from flights, hotels, transportation, food, beverage, shop and excursions as well as other passenger revenues, including car transportation, travel insurance and retained deposits in cases of cancellations.
- **Net revenues**, Gross ticket revenues less commissions and costs of goods for flights, hotels, transportation, food, beverage, shop and excursions as well as other passenger services, including travel insurance.
- **Gross revenues per PCN**, Gross ticket revenues divided by PCNs.
- **Net revenues per PCN**, which represents Net ticket revenues divided by PCNs.





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