HX Hold Co Ltd

First quarter report 2025 - Unaudited

Published 4 June 2025

HX Hold Co Ltd (the "Company") is the holding company of the HX group (the "Group"). This document reports the consolidated results of the Group for the first quarter of 2025.

Key figures[1)]

(EUR '000)	**Q1 2025**
Operating revenue	67,279
Other revenue	6,135
Total revenue	73,414
EBITDA	(3,277)
Non-recurring expenditure	2,372
Normalised EBITDA	(906)
APCNs	116,144
PCNs	91,401
Occupancy rate	78.7%
Gross yield	772

1) The figures presented in this report are unaudited

PCN and yield (EUR) based on post IFRS 15 adjusted revenues

Operational review

HX has been a leader in environmentally conscious expedition travel since 1896. Our sailings guide curious travellers on mindful adventures to the world's most awe-inspiring places. We are dedicated to delivering transformative travel experiences that inspire, educate, and connect our guests with the natural beauty and diverse cultures of our planet.

Our mission is to be the world's most responsible expedition company. We've led the industry by being the first to eliminate single-use plastics and heavy fuel oils, and our hybrid-powered cruise ships were a world first.

We are already renowned for our commitment to sustainability, scientific research, and educational enrichment and we aim to set new standards in responsible tourism, ensuring that every journey we undertake contributes positively to the environments and communities we visit.

We operate a fleet of four owned expedition vessels, along with another chartered ship. During Q1 MS Spitsbergen was laid up, but our guests still reached three global destinations with guests visiting over ninety unique locations.

The small size of our vessels allows them to reach places inaccessible to larger ships. They are designed with a variety of public areas that offer views for passing landscape and observing wildlife. The award-winning Science Centres host talks by visiting scientists and are the onboard base for a group of hand-picked experts who make up the Expedition Team, all tasked to deliver fascinating talks and lead guests on shore landings, kayaking excursions, expedition boat adventures and much more.
Our teams are available to help them use the onboard scientific equipment and guide them on Citizen Science projects which help ongoing global research.

With a legacy built on nearly 130 years of exploration expertise, HX stands at the forefront of expedition cruising, offering transformative journeys to some of the most remote and awe-inspiring corners of the planet. Our commitment to operational excellence, immersive science-led experiences, and sustainable tourism has not only resonated with our guests but also with the travel trade industry.

In Q1 we are proud to have received accolades that reflect both our consumer/guest appeal and our strong partnerships within the travel agent community. Our dual strength in B2C and B2B channels is underscored by prestigious honours, including:

- **2025 Cruise Line of the Year – Expedition Category**, awarded by the *TravelPulse Readers' Choice Awards 2025* (Canada), a testament to our loyal guest base and the exceptional quality of our onboard experience.
- **2025 Best Expedition Cruise Company**, as voted by travel professionals in the *Travel Weekly Globe Awards*, and
- **Agents' Favourite Expedition Cruise Company (2025)**, awarded by *Travel Gossip* — both of which affirm our deep relationships and trusted reputation among industry partners.
- Recognition from *Cruise Critic's Best in Cruise* Awards, where we were named **Best Expedition Cruise Line**, and also received **Best Science Offerings – Best in the Arctic (Expedition Category)**, celebrating our dedication to enriching, science-forward travel experiences.

On 12 February 2025 the Group successfully refinanced its loan obligations and separated from Hurtigruten Group (Hurtigruten) to form a new stand-alone group.

HX Hold Co Ltd assumed the obligations of the Group's existing senior secured bonds, and new funding was secured through EUR 257.6m in reinstated bonds, EUR 100m in junior secured bonds and a EUR 40m cross-funding facility from Hurtigruten Group AS.

As part of this refinancing, HX Group must comply with a liquidity covenant and must hold at least EUR 17.5m.

In addition to the legal separation from the previous parent Hurtigruten Group AS, the transaction also included release from Hurtigruten Group related guarantees, and the introduction of security and guarantee package ("HX Collateral") covering HX Group assets and entities. The bond maturity was extended by 5 years until 12 February 2030, and the interest rate on reinstated bonds was fixed at 7.0% p.a. The assets pledged as part of the refinancing include first priority pledges of 100% of shares in HX Hold Co and its subsidiaries, ship mortgage deeds for vessels MS Fridtjof Nansen, MS Roald Amundsen, and MS Fram, along with security agreements for trade receivables and related assets.

Following the restructuring, HX Group continues operations as an independent entity with no changes to customer relationships, employment terms, or ongoing commercial obligations. The restructuring improves HX Group's capital structure and financial flexibility.

The Group plans to relist the bond with HX Hold Co as the issuer. This bond will be secured on the Group's assets, including all ships.

Financial review

Profit and loss

Operating revenue in the first quarter of 2025 amounted to EUR 67.3 million. Total revenues for the quarter are EUR 73.4 million. Revenues arise from bookings made on HX expedition cruises.

Direct costs of goods and services for the quarter amounted to EUR 43.1 million leading to a gross margin of 68.2%.

Total operating expenses, including direct costs of goods and services, were EUR 74.3 million in the first quarter.

Thus, the company produced a normalised EBITDA of EUR -0.9 million.

Net financial expenses in the first quarter of 2025 were EUR 1.8 million

Net loss in the first quarter of 2025 was EUR 11.7 million.

Financial position and liquidity

Balance sheet

Non-current assets consist of property ship and equipment, HX's 24.9% stake in Ecuadorian company Empresa Turistica Internacional C.A and other assets where settlement is expected after a year. Carrying value as of 31 March 2025 was EUR 370.0 million.

Current assets consist of cash, trade receivables, travel bond receivables, prepayments, and amounts due from Hurtigruten Group. On 31 March 2025, current receivables amounted to EUR 176.5 million.

The large cash balance is mainly driven by the refinancing in Q1, which also explains the key non-current liabilities: On 12 February 2025, the Group received approximately EUR 140m of new junior funding for HX to support new growth and destination opportunities. This was in addition to the amendment and restatement of the EUR 258 million bond, which resulted in the extension of the maturity to 2030 with semi-annual interest payments of 7.00% p.a. and remains listed on the Oslo Stock Exchange.

The fair value of the HX Hold Co Ltd 7% SSNs listed on the Oslo Stock Exchange was EUR 237.4 million as of 31 March 2025.

Total current liabilities, due within the next 12 months, amounted to EUR 144.8 million, mainly driven by deposits from customers and trade payables.

Additionally, the Group received a cross-funding facility of EUR 40 million from Hurtigruten Group AS. This transaction was completed at arm's length and features a 10-year term and a 5% payment-in-kind interest (PIK).

Cash flow

Net cash outflow from operating activities in the first quarter of 2025 was EUR 18.1 million.

Net cash flow from investment activities was EUR -8.3 million in first quarter of 2025 driven by investment in property, ship and equipment.

Net cash inflow from financing activities was EUR 129.9 million. The change is mainly explained by the cash injection from the 12 February 2025 refinancing.

Cash and cash equivalents were EUR 115.2 million as of 31 March 2025. An additional EUR 14.7 million in restricted cash was recognised in current receivables.

Going concern

These financial statements have been prepared on a going concern basis.

On 28 November 2024, by way of a lock-up agreement, the Hurtigruten group agreed to a comprehensive recapitalisation transaction with a significant majority of the group's stakeholders.

The recapitalisation transaction, which took place on 12 February 2025, involved:

(i) the full legal separation of Hurtigruten Norwegian cruise business (the "**HRN Group**") and the expeditions business (the Group) (the "**Legal Separation**") which is a key step to unlocking the two businesses' growth potential;

(ii) a new money injection in the Group of EUR 140 million comprised on Junior SSN's and cross funding facility from HRN Group;
   a. an amendment and restatement of the EUR 300 million senior secured bonds issued by HX Finance II AS (the "**Existing SSNs**") into bonds issued by the HX Group, with certain other changes of terms including extension of maturity; and

(iii) a refinancing of existing SSN maturities to 2030 and provides enhanced liquidity runway for the Group.

The recapitalisation transaction also (i) addressed the original maturity in February 2025 of the Existing SSNs, and (i) resulted in the majority of share capital in the Group being owned by the new investors.

Following the completion of the recapitalisation transaction outlined above, the board of directors believe that the Group has (i) adequate liquidity for the 12-month period from the date of this report, and (ii) resources to continue operations for the foreseeable future.

Outlook

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

Consumer demand remains variable across some markets based and has shown some sensitivity to recent US tariff announcements however medium-term sentiment is strong.

Nevertheless, there are factors that may provide headwinds in 2025 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 geo-political risks in both the western and the eastern hemisphere that may 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. The Group has taken several steps to mitigate such risks, steps that has been recognised by rating agencies. Still, climate change will continue to be on top of the global agenda for many years and will continue to affect all global businesses going forward.

As of 31 May 2025, the Group had EUR 219.5 million in pre-booked ticket revenue for 2025 departures compared to EUR 200.6 million for 2024 departures as of 31 May 2024 which is a 9% increase. For 2026, we see increased momentum in recent booking trends. As of 31 May 2025 the Group had booked EUR 98.4 million for 2026 departures compared to EUR 73.0 million for 2025 departures as at 31 May 2024, which is a 35% increase.

The Board of Directors expects the financial performance of the Group to continue to improve, supported by the strong booking development reflecting the resurgence of desire and demand for travel.

The Group emphasises that the information included in this report contains certain forward-looking statements that address activities or developments that the Group anticipates will or may occur in the future. The statements are based on assumptions and estimates, and some of them are beyond the Group’s control and therefore subject to risks and uncertainties.

Risks and uncertainties

The Group is subject to a range of risks and uncertainties which may affect its business operations, results and financial condition. An evaluation of the main risks has been performed as part of the overall enterprise risk assessment.

The risk description in the HX Annual Report and Accounts 2024 gives a fair description of principal risks and uncertainties that may affect the Group. An elaboration of our ESG Risk programme with the top identified risks for each of the Group's ESG pillars, including a high-level mitigation plan is included in the 2024 Annual ESG Report. The Group is not aware of any significant new risks or uncertainties or significant changes to those risks or uncertainties, except for those described below.

The Russian invasion of Ukraine in late February 2022 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. As of end of Q1, the Group has not entered into any derivative contracts to hedge fuel consumption for 2025 however continues to monitor this position carefully.

The Group is exposed to liquidity risk through fluctuations in booking revenue and operational and financial expenses. On 12 February 2025, the Group completed a comprehensive recapitalisation transaction with an ad hoc group of its senior lenders and its majority shareholder. Please refer to the section headed "Going Concern" for more details.

The Board of Directors believes that the liquidity resources currently available and the plans that have been put in place are sufficient to ensure the long-term funding of the Group. However, interest rate movements and the overall condition of the credit market may adversely affect the ability to execute on plans for further development and growth.

Interim financial statements

Consolidated statement of income

Unaudited

(EUR '000)	*Note*	**Q1 2025**
Operating revenue	*4*	67,279
Other revenue	*4*	6,135
Total revenue		73,414
Direct cost of goods and services	*5*	(43,121)
Salaries and personnel expenses	*6*	(15,302)
Other operating expenses	*7*	(15,897)
Total operating expenses		(74,319)
Normalised EBITDA[1]		(906)
Depreciation, amortisation and impairment expenses		(6,612)
Non-recurring expenditure[2]		(2,372)
Net income before financial items and tax		(9,889)
Finance income	*8*	855
Finance costs	*8*	(6,969)
Net foreign exchange gains/(losses)	*8*	4,330
Net financial items		(1,783)
Net income before tax		(11,673)
Income taxes		(58)
Net income		(11,731)
Net income attributable to		
Owners of the parent		(11,726)
Non-controlling interest		(4)

[1] This is normalised EBITDA. For further details refer to section "Alternative Performance Measures" at the end of this pack.
[2] For details on non-recurring expenditure refer to section "Alternative Performance Measures" at the end of this pack.

Consolidated statement of financial position

Unaudited

(EUR '000)	*Note*	**Q1 2025**
Property, ship and equipment	*9*	339,722
Right-of-use assets	*9*	459
Intangible assets	*9*	2,400
Investment in associates	*9*	25,500
Deferred income tax assets		24
Other non-current financial assets		1,931
Total non-current assets		370,037
Inventories		7,453
Trade receivables		8,484
Other current receivables		33,139
Prepayments		12,561
Cash and cash equivalents		115,179
Total current assets		176,815
Total assets		546,852
Share capital		1
Share premium		5,650
Other reserves		1,475
Retained earnings		(193)
Equity attributable to equity holders of the parent		**6,933**
Non-controlling interests		210
Total equity		7,143
Non-current interest-bearing liabilities	*11*	422,337
Non-current lease liabilities		83
Deferred income tax liabilities		90
Provisions for other liabilities and charges		3
Other non-current liabilities		50
Total non-current liabilities		422,563
Trade and other payables	*10*	54,020
Current deposits from customers		57,883
Current income tax liabilities		701
Current interest-bearing liabilities	*11*	4,308
Current lease liabilities		236
Total current liabilities		117,147
Total equity and liabilities		546,852

Consolidated statement of changes in equity

Unaudited

Q1 2025:

	Attributable to shareholders of HX Hold Co Ltd						
(EUR '000)	Share capital	Share premium	Retained earnings	Other reserves	Equity attributable to owners of parent	Equity attributable to non-controlling interest	Total
Equity at beginning of the period [1]	**1**	**(0)**	**11,538**	**1,475**	**13,014**	**206**	**13,220**
Net income			(11,731)		(11,731)	4	(11,726)
Capital increase	0	5,650		-	5,650		5,650
Equity at the close of the period	**1**	**5,650**	**(193)**	**1,475**	**6,933**	**210**	**7,143**

[1] Year-end retained earnings were EUR -162.4 million. This figure had to be adjusted by EUR 173.9 million related to write-off of intercompany transactions as part of the step plan of company separation and restructuring. This resulted in a new equity opening balance of EUR 11.5 million.

Consolidated statement of cash flows

Unaudited

(EUR '000)	**Q1 2025**
Net income before tax	(11,673)
Income tax paid	(921)
Depreciation, amortisation and impairment	6,470
Net other gains/(losses)	(2,372)
Net foreign exchange gains/(losses)	4,330
Net financial expenses	(22,461)
Net financial income	19,904
Changes in working capital	
Inventories	(1,154)
Trade and other receivables	42,949
Trade and other payables	(32,485)
Change in deposits from customers and deferred revenue	(20,626)
Other changes	(86)
Net cash inflow/(outflow) from operational activities	**(18,125)**
Cash flows from investing activities	
Payments for property, ship and equipment	(6,236)
Payments for intangible assets	(2,009)
Investments in right of use assets	(123)
Net cash inflow/(outflow) from investing activities	**(8,368)**
Cash flows from financing activities	
Acquisition of subsidiaries, net of cash acquired	139
Net impact of refinancing[1]	130,982
Financing cost on lease liability	(1,203)
Net cash inflow/(outflow) from financing activities	**129,918**
Net increase/(decrease) in cash and cash equivalents	**103,425**
Cash and cash equivalents at the beginning of the financial period	11,754
Cash and cash equivalents at the end of the quarter	**115,179**
Restricted cash classed as receivables	14,682

[1] The net impact of refinancing includes EUR 5.65 million in proceeds from share issue. This amount is part of share premium on the balance sheet.

Notes to the consolidated financial statements

Note 1 Accounting policies

The interim financial report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial report does not include all information which will appear in the annual financial report, which is prepared in accordance with all effective IFRS-standards. This interim report should therefore be read in connection with the HX Annual Report and Accounts 2024 for the Group.

The Annual Report and Accounts 2024 for the Group can be obtained on the Group's website. The accounting policies applied in the interim financial reporting are described in the note of accounting policies in the Annual Report and Accounts 2024.

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

Note 2 Financial risk management

There are potential risks and uncertainties that can affect the operations of Group. The Group's main source of income is from customer bookings. The Group's financing through the issued bonds is at a fixed rate. Any market fluctuations will not affect the financing charge. Information concerning the most important risks and uncertainties is disclosed in the Risks and uncertainties section.

Note 3 Significant judgments

The most significant judgements used in preparing these interim financial statements and the key areas of estimation uncertainty are the same as those applied in the consolidated annual report for 2024.

There is a higher risk relating to accounting estimates due to the separation of the Group from Hurtigruten Group AS in the quarter, with some residual tidy up of intercompany balances possible in future periods. Final reconciliations will be completed in Q2 2025.

The Q1 2025 interim report does not present comparators as these were not considered appropriate. This is because of the following factors:

- HX Group became operational on 1 October 2024 and refinancing separated the Group from Hurtigruten on 12 February 2025.
- HX's business is highly seasonal with itinerary changes.

Note 4 Operating revenue and other income

(EUR '000)	**Q1 2025**
Passenger ticket	67,279
Other operating revenue	6,135
Total operating revenue	**73,414**

Other operating revenue includes EUR 4.7 million related to IFRS 15 revenue adjustments and EUR 1.5 million in cancellation fee revenue.

(EUR '000)	Passenger ticket	Other operating revenue	Total operating revenue
Americas	15,759		15,759
Norway and Germany	16,815		16,815
France	2,042		2,042
UK and APAC	32,663		32,663
Other		6,135	6,135
Total operating revenue	**67,279**	**6,135**	**73,414**

Note 5 Direct costs of goods and services

(EUR '000)	**Q1 2025**
Commissions, transportation and related costs	21,356
Other direct costs of goods and services	21,765
Total direct costs of goods and services	**43,121**

Note 6 Salaries and personnel expenses

(EUR '000)	**Q1 2025**
Wages and salaries	13,799
Payroll tax	1,053
Pension costs	454
Redundancy costs	(4)
Total salaries and personnel costs	**15,302**

Note 7 Other operating expenses

(EUR '000)	**Q1 2025**
Legal & professional fees	2,844
Sales & marketing costs	9,749
IT & communication costs	1,168
Bad & doubtful debts	(0)
Other operating expenses	2,136
Total other operating expenses	**15,897**

Note 8 Net financial items

(EUR '000)	**Q1 2025**
Interest income	(855)
Financial income	**(855)**
Interest on debt and borrowings	6,492
Interest on lease liabilities	372
Interest paid to related parties	105
Financial expenses	**6,969**
Net foreign exchange gains/(losses)	**(4,330)**
Net financial items	**1,783**

Note 9 Impairments

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. Management considers factors such as industry growth, impact of general economic conditions, changes in the technological environment, the group's market share, value and utilisation of vessels and performance compared to previous forecasts in this assessment, among other factors.

As of 31 March 2024, management has not identified any triggers that would require an impairment test of the Group's non-financial assets. The conclusion is also supported by the results of the annual impairment test as of 31 December 2024 with significant headroom for all cash generating units.

Note 10 Trade and other payables

(EUR '000)	**Q1 2025**
Trade payables	1,360
Trade payables affiliated companies	8,435
Total Trade payables	**9,795**
Bonus	3,354
Operating accruals	38,893
Other payables	1,978
Total other payables	**44,225**
Trade and other payables	**54,020**

Note 11 Interest-bearing liabilities

(EUR '000)	**Q1 2025**
Non-current interest-bearing liabilities	
Bond	259,016
Non-current interest-bearing liabilities	163,321
Non-current interest-bearing liabilities to group companies	-
Total	**422,337**
Current interest-bearing debt	
Current interest-bearing liabilities	4,308
Current interest-bearing liabilities to group companies	-
Bond, repayment due within 12 months	-
Total	**4,308**
Total interest-bearing liabilities	**426,645**

The interest-bearing liabilities in the Group are classified as financial liabilities measured at amortised cost.

During Q1 of 2025, the bond which was due to mature in February 2025 was amended and restated to extend its maturity to 2030. At the same time, a new EUR 100 million bond was issued and a cross funding facility to the Hurtigruten group for EUR 40 million was established. Under the terms of the bonds the Group has a Minimum Liquidity covenant of EUR 17.5 million.

Maturity profile in nominal value

The below maturity schedule reflects the minimum cash outflow required to satisfy the interest-bearing liabilities at nominal values.

(EUR '000)	**Q1 2025**
Less than one year	4,300
Year 2 and 3	11,400
Year 4 and 5	13,600
More than 5 years	397,345
Total	**426,645**
Unamortised transaction cost	
Total carrying value in balance sheet	**426,645**

Note 12 Financial assets and liabilities at fair value

The following principles have been applied for the subsequent measurement of financial assets and liabilities:

The Group carries all its assets and liabilities at amortised cost. These include the following interest-bearing liabilities:

1. The HX Hold Co Ltd 7% SSNs (Senior notes) listed on the Oslo Stock Exchange,
2. The HX Hold Co Ltd 12.5% SSNs (Junior notes) issued on 12 February 2025 not currently listed, and
3. The cross-funding facility agreement with Hurtigruten Group AS.

The carrying values for the financial assets and liabilities have been assessed and do not differ materially from fair value, except for the HX Hold Co Ltd 7% SSNs.

Fair value of the bonds as of 31 March 2025 was EUR 237.4 million.

The fair value of the other 2 interest-bearing liabilities is not observable, but given the recency of the transaction, their fair value is deemed to be the amortised cost value.

Note 13 Commitments and contingencies

On 1 April 2025 the lease for the London office at 1st Floor, 210 Pentonville Road was assigned from Hurtigruten UK Ltd to HX Group Ltd. The lease is for 5 years from and including 1 December 2023 and expiring on 30 November 2028.

There are no contingencies to report.

Note 14 Events after the reporting period

There were no significant events after the end of the reporting period.

Alternative performance measures

Measure	Description	Reason for including
EBITDA	EBITDA divided by total operating revenues and other income.	Enables comparability of profitability relative to total operating revenues and other income.
Normalised EBITDA	Earnings before net other gains and losses, net financial items, income tax expense, depreciation, amortisation and impairment, and share of profit/(loss) from associated companies, adjusted with items which is deemed extraordinary, exceptional, unusual or non-recurring.	A measure of underlying long-term operating profitability excluding effects of volatile, operating expenses relating to fuel derivatives, effects of non-cash balance sheet currency revaluation and miscellaneous restructuring cost. st.

Reconciliation of normalised EBITDA

(EUR '000)	**Q1 2025**
Reported EBITDA	(3,277)
Non-recurring expenditure	2,372
Normalised EBITDA	(906)

Non-recurring expenditure includes investment in new IT system infrastructure (EUR 1.3m), costs related to the split from Hurtigruten Group AS (EUR 0.8m) and setup of enhanced HX guest experience team (EUR 0.3m).

Other definitions

Measure	Description
APCN	Available passenger Cruise Nights (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)
PCN	Passenger Cruise night, defined as one occupied berth per night
Occupancy rate	The ratio of passengers (PCN) by available capacity (APCN)
Gross Yield (EUR)	Total pre-booked IFRS 15 adjusted revenue per passenger cruise night (PCN)