



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	918 500 812
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	HX FINANCE II AS
Forretningsadresse:	Langkaia 1 0150 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Morselskap i konsern:	Nei
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Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	James McArthur
Dato for fastsettelse av årsregnskapet:	30.04.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 26.09.2025



Resultatregnskap

Beløp i: EUR	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Operating income	4,11	50 000 000	50 000 000
Sum inntekter		50 000 000	50 000 000
Kostnader			
Depreciation and amortisation expenses	4	8 840 000	10 440 000
Other operating expenses		-22 000	-65 000
Sum kostnader		8 818 000	10 375 000
Driftsresultat		41 182 000	39 625 000
Finansinntekter og finanskostnader			
Finance income	10	3 833 000	292 000
Sum finansinntekter		3 833 000	292 000
Financial expense	10	11 258 000	12 089 000
Sum finanskostnader		11 258 000	12 089 000
Netto finans		-7 425 000	-11 797 000
Ordinært resultat før skattekostnad		33 757 000	27 828 000
Income tax expense	5	0	0
Ordinært resultat etter skattekostnad		33 757 000	27 828 000
Årsresultat		33 757 000	27 828 000
Overføringer og disponeringer			
To/from other equity		33 757 000	27 828 000
Sum overføringer og disponeringer		33 757 000	27 828 000



Balanse

Beløp i: EUR	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Ships	4	346 609 000	355 449 000
Sum varige driftsmidler		346 609 000	355 449 000
Sum anleggsmidler		346 609 000	355 449 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		15 000	
Konsernfordringer	11,13	147 581 000	119 968 000
Sum fordringer		147 596 000	119 968 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	7,13	3 726 000	2 711 000
Sum bankinnskudd, kontanter og lignende		3 726 000	2 711 000
Sum omløpsmidler		151 322 000	122 679 000
SUM EIENDELER		497 931 000	478 128 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	8	3 000	3 000
Overkurs		105 000 000	105 000 000
Sum innskutt egenkapital		105 003 000	105 003 000
Opptjent egenkapital			



Balanse

Beløp i: EUR	Note	2023	2022
Retained earnings		102 849 000	69 093 000
Sum opptjent egenkapital		102 849 000	69 093 000
Sum egenkapital		207 852 000	174 096 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	6,13	253 839 000	282 768 000
Sum annen langsiktig gjeld		253 839 000	282 768 000
Sum langsiktig gjeld		253 839 000	282 768 000
Kortsiktig gjeld			
Current interest-bearing liabilities	6,13	33 393 000	18 572 000
Leverandørgjeld	11	-1 000	27 000
Income tax payable	5		
Kortsiktig konserngjeld	11,13	2 840 000	2 657 000
Other currents liabilities		8 000	8 000
Sum kortsiktig gjeld		36 240 000	21 264 000
Sum gjeld		290 079 000	304 032 000
SUM EGENKAPITAL OG GJELD		497 931 000	478 128 000



Skatteetaten

Vår dato 17.04.2020	Din/Deres dato 27.03.2020	Saksbehandler Nazish Fatima Mohammad
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 901 51 930
Org.nr 974761076	Vår referanse 2020/5305321	Postadresse Postboks 9200 Grønland 0134 OSLO

Explorer II AS
Langkaia 1
0150 Oslo
V/ Karoline Ulshagen Grinde

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk - Explorer II AS (org.nr. 918 500 812)

Vi viser til Explorer II AS' søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden siteres:

"Selskapets ultimate morselskap i Norge er Silk Topco AS («Topco»). Topco eies igjen med mer enn 80%, igjennom et mellomliggende holdingselskap, av det engelske private equity-selskapet TDR Capital LLP. De øvrige aksjonærene i Topco er to norske, profesjonelle investorer med en samlet eierandel på ca 16%, samt ansatte i konsernledelsen. Selskapet har følgende også en begrenset eierkrets.

Flere andre selskap i konsernet avlegger årsregnskap og årsberetning på engelsk. Dette gjelder Topco og Hurtigruten AS.

Selskapet er utsteder av en obligasjon som skal noteres på Oslo Børs. Investorene og långiverne er typisk internasjonale selskaper eller utenlandske personer. Det er krav om periodisk rapportering på engelsk. Det vil innebære betydelig merarbeid og kostnader å utarbeide regnskaper på norsk i tillegg til engelsk.

Eierne i konsernet er profesjonelle investorer som selv rapporterer på engelsk.



Selskapet driver i en internasjonal bransje. Arbeidsspråket er engelsk.

Selskapet er derfor av den oppfatning av at arbeidet og kostnadene med å avgi årsregnskap og årsberetning på to språk ikke står i samsvar med behov og nytteverdi som et norsk årsregnskap og en årsberetning har for selskapet og dets interessenter."

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at investorene og långiverne er typisk internasjonale selskaper eller utenlandske personer. Morselskapet har også fått dispensasjon for kravet om årsregnskap på norsk, og arbeidsspråket er engelsk i hele konsernet. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.



Med hilsen

Inger Mette Dahler
Underdirektør
Innsats, Storbedrift
Skatteetaten

Nazish Fatima Mohammad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



To the General Meeting of Explorer II AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Explorer II AS (the Company), which comprise the statement of financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement 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, and 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 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 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 7 years from the election by the general meeting of the shareholders on 18 May 2017 for the accounting year 2017.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors (management) is 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 appears to be materially misstated. We are required to report if there is a material misstatement in the

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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



Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Explorer II AS, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Annual Report Explorer II AS 2023.xhtml, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 30 April 2024

PricewaterhouseCoopers AS

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



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Lund, Stig Arild	BANKID	2024-04-30 07:36

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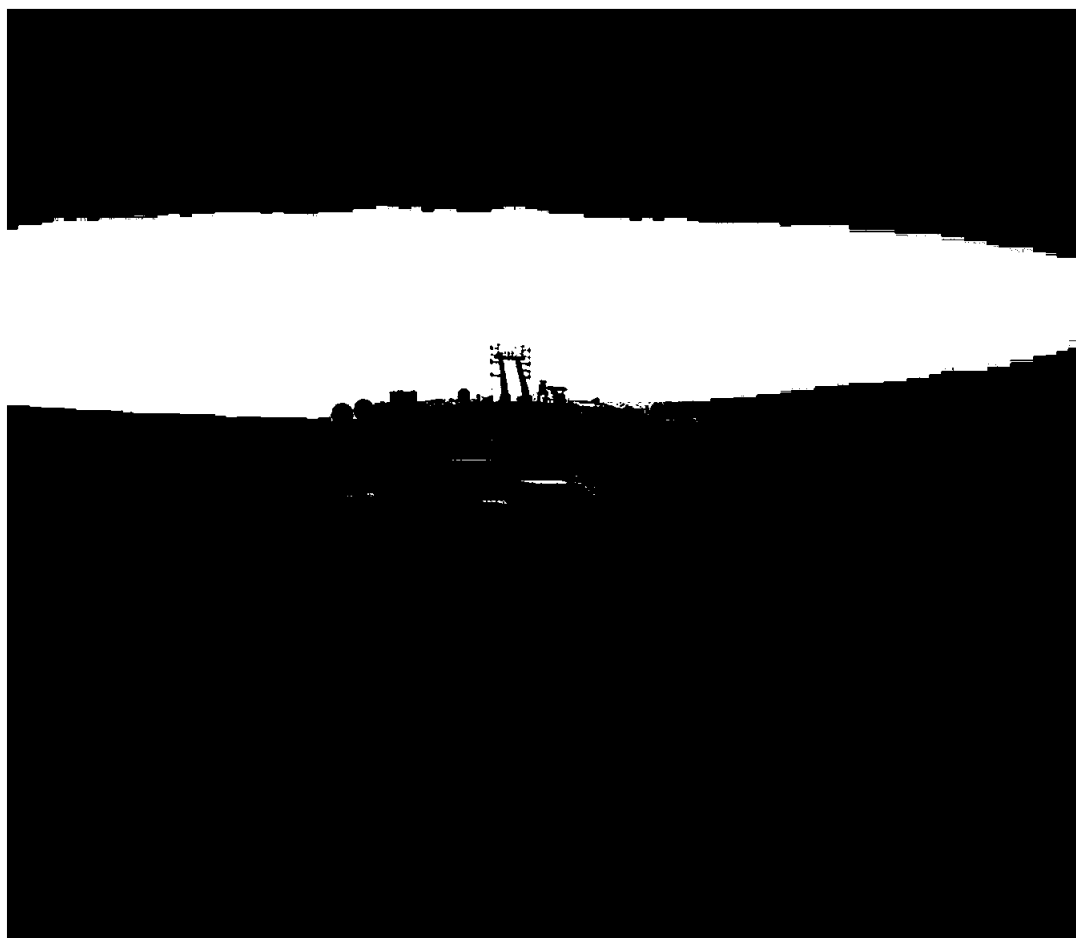
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ANNUAL REPORT 2023



Explorer II AS

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Business register number: NO 918 500 812 VAT





DIRECTORS' REPORT 2023

Explorer II AS

Explorer II - Part of the Hurtigruten Group

Hurtigruten Group is a truly global company with strong Norwegian heritage with the ambition to attract adventure travellers from all over the world and introduce them to unique and inspirational destinations through its 2 distinct businesses: Hurtigruten and HX Hurtigruten Expeditions. The two businesses are leaders in adventure travel and expedition cruising, a niche with substantial global growth potential.

Explorer II AS operates within the HX Hurtigruten Expeditions business and is a ship-owning company located in Oslo. Its purpose is to invest in, and lease out under bareboat charter agreements, specialised cruise vessels for the operation in HX Hurtigruten Expeditions. At 31 December 2023 Explorer II AS owned the two hybrid-powered expedition ships MS Roald Amundsen and MS Fridtjof Nansen. MS Roald Amundsen was delivered from the Kleven yard in June 2019 and started its operation in July 2019. In December 2019 the sister ship, MS Fridtjof Nansen, was delivered and started its operations in Q1 2020. The ships are state-of-the-art expedition vessels designed to meet guests' expectations as well as strict environmental and safety standards. The ships operate in destinations such as the Northwest Passage, Alaska, South and Central America, in addition to Antarctica and Arctic destinations in Europe. MS Roald Amundsen and MS Fridtjof Nansen have an ice-reinforced hull, a total length of 140 metres and are able to carry 530 guests. The hybrid technology engines reduce fuel consumption substantially and permit periods of emission-free sailing. The investment in new technology has been partly funded by Enova, a Norwegian government enterprise responsible for the promotion of environmentally-friendly production and consumption of energy, and as such lives up to Hurtigruten Group's vision to be the leading expedition travel company by offering authentic and accessible experiences around the world to travellers who wish to explore and travel in a sustainable way.

The two vessels owned by Explorer II are operated by Hurtigruten Expedition Cruises AS, a sister company within the Hurtigruten Group.

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 has substantial exposure to fluctuations in the world economy, which also applies to Explorer II AS.

As the travel industry was emerging from the pandemic, Hurtigruten Group experienced significant growth in 2023 compared to 2022. 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. Hurtigruten's offers match this increasing global trend well.

Financial review

The financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

Profit and loss statement

Total operating revenues for Explorer II AS were EUR 50 million in 2023 (2022: EUR 50 million), related to bareboat charters of MS Roald Amundsen and MS Fridtjof Nansen. The Company has limited business activity except for the fixed bareboat lease agreements with the sister company Hurtigruten Expedition Cruises AS.

Net financial expenses amounted to EUR 7.4 million (2022: EUR 11.8 million) mainly due to interest expenses of EUR 9.9 million. During 2023, the Company did not have any research and development activities, and thus no costs related to this. The profit for the year was EUR 33.8 million. The Board of Directors propose to transfer this to other equity.



Cash flow

Net cash flow from operating activities amounted to EUR 26.1 million (2022: EUR 34.2 million).

There were no cash flows from investing activities in 2023 or 2022. Net cash outflow from financing activities was EUR 25.1 million and is related to interest payments and repayment of the bond loan.

As of 31 December 2023, the Company had a cash position of EUR 3.7 million.

Financial position

The carrying value of the two ships was EUR 346.6 million at 31 December 2023 (2022: EUR 355.4 million). The Company's equity at 31 December 2023 was EUR 207.8 million (2022: EUR 174.1 million). The bareboat lease agreements for MS Roald Amundsen and MS Fridtjof Nansen are for a period of 5 years, and the profitability in the lease agreements is deemed satisfactory to ensure a sound financial position going forward.

Share capital and shareholders

As at 31 December 2023, Explorer II AS had one shareholder and a total paid in equity of EUR 105.003 million spread over 300 shares with a nominal value of NOK 101 (EUR 10) each and a share premium of EUR 105.0 million.

Going concern

In the opinion of the Board of Directors, the financial statements provide a true and fair view of the financial performance during 2023, and the financial position at 31 December 2023. The Board confirms that the financial statements have been prepared based on the going concern assumption in accordance with the Norwegian Accounting Act, and that it is appropriate to make that assumption.

Key risk and uncertainty factors

Overall view on objectives and strategy

The Company is exposed to financial risks in different areas. The goal is to reduce the financial risks as much as possible. The Company's current strategy does not include the use of financial instruments. This is, however, assessed by the Board of Directors on a regular basis.

Currency risk

Explorer II AS has limited currency risk as both financing and revenue are in the Company's functional currency EUR.

Price risk

The Company has limited price risk as the revenue is fixed through long term bareboat charter agreements. The only risk is connected to the price level on renewal.

Interest-rate risk

Loans subject to a variable interest rate present a risk to the Company's overall cash flow, while fixed interest rates expose the company to fair-value interest rate risk. Currently, the Company's long-term debt is at a fixed rate of 3.375%.

Credit risk and liquidity risk

The Company has some credit risk, given that its source of income comes from one party, that is Hurtigruten Expedition Cruises AS (a group company). Because of this, Hurtigruten Group's overall risk of operations have to be considered.

The Company is part of the Group's risk management strategy which includes liquidity management. 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 Finance function has the overall responsibility for managing the Group's liquidity risk. Rolling liquidity forecasts are prepared so as to ensure that the Group has sufficient liquidity reserves to satisfy the Group's obligations and financial loan covenants for all the subsidiaries in the Group.



Research and development activities

The company conducts no research and development activities other than adaptation of Information and Communications Technology.

Environmental, social and governance (ESG)

The Company is part of a pioneering expedition travel group. At present, the company's ESG strategy, data collecting, and targets are executed at Group level.

When operating in the travel sector, the Group's ships visit many destinations, both near and far. This gives Hurtigruten a front row seat when it comes to seeing the urgency of protecting its most fragile regions. It is why Hurtigruten Group have adopted the highest ESG standards and aim to be transparent in its work in this area. ESG principles offer guidance across all areas of operations and throughout the Group's value chain, creating benefits for guests, employees and wider stakeholders. In 2023, Hurtigruten Group was achieved the highest ESG ranking of any cruise company by the sustainability ratings agency Morningstar Sustainalytics.

The Group has chosen to focus on four main pillars when it comes to defining our material topics and reporting structure.

The Group's 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.

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

To learn more about how Hurtigruten Group works with and performs against the ESG pillars please refer to the Hurtigruten Group's Annual report for 2023 (published on the same date as this report).

Human rights and decent working conditions

Explorer II AS has no employees and the management is employed through other Hurtigruten Group companies. The Norwegian Transparency Act entered into force on 1 July 2022. The Act shall promote enterprises' respect for fundamental human rights and decent working conditions. An account of Hurtigruten Group's due diligence assessments will be published on www.hurtigruten.com/group by 30 June 2024.

Corporate Governance

The Board has the overarching responsibility for managing the Company. The Board monitors and ensures that the company's internal control procedures are satisfactory. In addition, the company has for 2023 been monitored through the Audit Committee of Hurtigruten Group AS (Hurtigruten Newco AS from February 2024).

With no employees the Board is responsible for everyday business. The board members and chair of the board are elected by the general meeting. The Board's composition is designed both to represent the interests of the shareholder and meet the Company's need for expertise, capacity, and balanced decision-making. The board did not receive any remuneration from Explorer II AS in 2023.

The Company's financial reporting complies with the laws and regulations applicable to companies with bonds listed on the Oslo Stock Exchange. The Board of Directors reviews the Company's financial position monthly and reviews the financial statements at the end of every quarter. At least once per year, the Board assesses the Company's risk profile by reference to strategic, operational, and transactional factors.

Hurtigruten Group has implemented an enterprise risk framework with policies, guidelines and tools to facilitate risk management across the organisation. The 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 reports to the Chief Financial Officer. The Board of Directors



has approved the risk management framework and periodically reviews the Company's key risks.

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.

Outlook

The Company relies on bareboat charter revenue from the sister company Hurtigruten Expedition Cruises AS, a company within the Hurtigruten Group. At the date of this report, the Hurtigruten Group 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 in 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. Strong booking figures for 2024 confirms this positive outlook.

The Company emphasises 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

Board of Directors of Explorer II AS

James Stewart McArthur
Chairman

Hedda Felin
Board member



Financial Statements 2023

Explorer II AS

Income Statement

<i>(in EUR 1 000)</i>	<i>Note</i>	2023	2022
Operating income	4,11	50 000	50 000
Depreciation	4	(8 840)	(10 440)
Operating costs		22	65
Operating profit/(loss)		41 182	39 625
Finance income	10	3 833	292
Finance expenses	10	(11 258)	(12 089)
Finance expenses - net		(7 426)	(11 797)
Profit/(loss) before income tax		33 756	27 828
Income tax expense	5	-	-
Profit/(loss) for the year		33 756	27 828

Statement of Comprehensive Income

<i>(in EUR 1 000)</i>	<i>Note</i>	2023	2022
Profit/(loss) for the year		33 756	27 828
Other comprehensive income:		-	-
Total comprehensive income for the year		33 756	27 828
Total comprehensive income for the year attributable to owners of the parent		33 756	27 828
Total comprehensive income for the year		33 756	27 828



Statement of Financial Position

<i>(in EUR 1 000)</i>	<i>Note</i>	2023	2022
ASSETS			
Ships	4	346 609	355 449
Total non-current assets		346 609	355 449
Receivables from group companies	11, 13	147 581	119 968
Other short-term receivables		15	-
Cash and cash equivalents	7, 13	3 726	2 711
Total current assets		151 322	122 679
Total assets		497 931	478 128
EQUITY			
Share capital	8	3	3
Share premium		105 000	105 000
Retained earnings		102 849	69 093
Total equity		207 852	174 096
LIABILITIES			
Non-current interest-bearing liabilities	6, 13	253 839	282 768
Liabilities to group companies	11, 13	-	-
Total non-current liabilities		253 839	282 768
Current interest-bearing liabilities	6, 13	33 393	18 572
Accounts payable	11	(1)	27
Income tax payable	5	-	-
Liabilities to group companies	11, 13	2 840	2 657
Other current liabilities		8	8
Total current liabilities		36 240	21 264
Total equity and liabilities		497 931	478 128

Oslo, 30 April 2024

Board of Directors of Explorer II AS


James Stewart McArthur
Chairman


Hedda Felin
Board member



Statement of Changes in Equity

<i>(in EUR 1 000)</i>	<i>Note</i>	Share capital including treasury shares	Share premium	Retained earnings	Total Equity
Balance at 1 January 2022		3	105 000	41 265	146 268
Profit/(loss) for the year				27 828	27 828
Total comprehensive income		-		27 828	27 828
Balance at 31 December 2022		3	105 000	69 093	174 096
Balance at 1 January 2023		3	105 000	69 093	174 096
Profit/(loss) for the year				33 756	33 756
Total comprehensive income				33 756	33 756
Balance at 31 December 2023		3	105 000	102 849	207 852



Cash Flow Statement

<i>(in EUR 1 000)</i>	<i>Note</i>	2023	2022
Cash flows from operating activities			
Profit/(loss) before income tax		33 756	27 828
Adjustments for:			
Depreciation	4	8 840	10 440
Finance expenses - net	10	7 426	11 797
Other adjustments		(63)	(121)
Change in working capital:			
Trade and other receivables	11	(27 618)	(11 266)
Trade and other payables	11	3 791	(4 482)
Taxes paid	5	8	(0)
Net cash inflows from operating activities		26 140	34 195
Cash flows from investing activities			
Purchase of property, plant, equipment (PPE)	4	(0)	10
Net change in restricted cash	7	-	-
Net cash (outflow) from investing activities		(0)	10
Cash flows from financing activities			
Issuance of new shares	8		
Proceeds from borrowings	6	-	-
Repayment of borrowings	6	(15 000)	-
Paid interest and fees	10	(10 125)	(5 065)
Net borrowings from other group companies	11	-	(28 975)
Net cash (outflow) from financing activities		(25 125)	(34 041)
Net (decrease)/increase in cash		1 015	164
Cash and cash equivalents at 1 January		2 711	2 547
Cash and cash equivalents at the end of year		3 726	2 711
Of which restricted cash	7	-	-



Notes to the annual financial statements

Note 1 General information

Explorer II AS is 100% owned by Hurtigruten Expedition Fleet AS. The ultimate parent company is Silk Topco AS, headquartered at Langkaia 1 in Oslo. The Group's consolidated financial statements can be downloaded from the following website: www.hurtigruten.no

The purpose of Explorer II AS is the ownership of two expedition vessels MS Roald Amundsen and MS Fridtjof Nansen which are both leased to Hurtigruten Expedition Cruises AS via bareboat charter. Both vessels were delivered in 2019.

The financial statements of Explorer II AS for the year ended 31 December 2023 were authorised for issue by the Board of Directors on 29 April 2024.

Note 2 Significant accounting principles

The following policies have been consistently applied to all periods presented unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU. Balance sheet items are current if they fall due within 12 months and non-current if not.

A) Translation of foreign currencies

(i) Functional and presentation currency

The financial statements are measured in Euro (EUR) as the revenues and financing of the Company are denoted in EUR.

(ii) Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Realised and unrealised foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of exchange rates of monetary assets and liabilities are recognised in the income statement.

B) Revenue recognition

The Company's revenues consist of intra group revenues from bareboat leasing agreements with Hurtigruten Cruise AS. Revenues from the agreement are recognised on a straight-line basis over the lease term and classified as operating revenues in the income statement.

C) Property, plant and equipment

Property, plant and equipment consist of the two owned cruise vessels. These are recognised at acquisition cost less accumulated depreciation and any recognised impairment losses.

Expenditures are only capitalised if it is probable that the future economic benefits associated with the item will flow to the Company. Such expenditures could include major refits and cost of replacement assets. Repairs and maintenance which are considered as a regular part of the daily operation of the ships are handled by the lessee.



D) Financial assets - Classification and measurement

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

F) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits.

G) Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They fall due within 12 months.

H) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequently, borrowings 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 expected period of the borrowings as part of effective interest.

I) Current and deferred income taxes

The Company is 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 taxation. Financial results are not exempt from taxation. Taxable profit is calculated on the basis of financial income after deduction of a portion of financial expenses. The portion is calculated as financial assets in percent of total assets. Financial losses can be carried forward against positive financial income in future years. Tonnage tax payable is based on the net tonnage of vessels. Tonnage tax is classified as an operating expense.

Taxation under the tonnage tax regime demands compliance with strict requirements. Voluntary or compulsory exit from the regime will result in ordinary taxation of the Company's operating results.

Note 3 Critical accounting judgments and key sources of estimation uncertainty

Estimates and judgments are reviewed on an ongoing basis and are based on management's experience, consultations with experts, trend analyses and several other factors. They may include forecast future events that are deemed probable under current circumstances.

3.1 Key accounting estimates and assumptions

The management makes estimates and assumptions about the future. Thus, by their very nature, the accounting estimates that are made because of the above processes will rarely fully correspond with the outcome.

Estimates and assumptions that have a significant risk of causing a material adjustment to the book values of assets and liabilities within the next financial year are outlined below.

Ships

Useful economic lifetime

The level of depreciation depends on the estimated economic lifetime of the different major parts of the ships. These estimated lifetimes are based on management's experience with the Company's vessel, as well as similar vessels in the Group. The estimates are reviewed at regular intervals. A change in the estimate will affect depreciation in future periods.



Impairment of ships

Tangible assets with a defined economic life are tested for impairment if indicators are identified that would suggest that the carrying amount of the assets exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and an asset's value in use. The impairment test requires management assumptions and estimates.

The estimated value in use is determined using the present value of projected cash flows for the cash-generating units. These calculations require the use of estimates for cash flows, the required rate of return for the period and the growth factor of the cash flows.

The management does not apply a general growth factor beyond expected inflation for cash flows when testing 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.

Fair value less cost of disposal is determined as the amount that would be obtained from a sale of the asset in a regular market, less any costs to sell. Fair values for the Company's ships are based on a third-party valuation report from an independent ship broker.



Note 4 Property, plant and equipment

<i>(in EUR 1 000)</i>	Ships
Acquisition cost	
As at 1 January 2022	389 186
Additions	(10)
Disposals	-
As at 31 December 2022	389 176
As at 1 January 2022	389 176
Additions	-
Disposals	-
As at 31 December 2022	389 176
Accumulated depreciation and impairment	
As at 1 January 2022	(23 287)
Depreciation	(10 440)
As at 31 December 2022	(33 727)
As at 1 January 2023	(33 727)
Depreciation	(8 840)
As at 31 December 2023	(42 567)
Book value 31 December 2022	355 449
Book value 31 December 2023	346 609
Useful economic lifetime	20 - 40 years

Lease agreements

Explorer II AS has entered into a bareboat lease agreement with Hurtigruten Expedition Cruises AS for the lease of the vessels MS Fridtjof Nansen and MS Roald Amundsen. The table below summarizes the future nominal contractual lease payments:

<i>(in EUR 1 000)</i>	2023	2022
Within 1 year	50 000	50 000
Between 1 and 2 years	7 123	50 000
Between 2 and 3 years	-	7 123
Between 3 and 5 years	-	-
Later than 5 years	-	-

Impairment

Tangible assets with a defined economic life are tested for impairment if indicators are identified that would suggest that the carrying amount of the assets exceed the recoverable amount. The Company performs a quarterly assessment to determine if any such indicators exist. It also assesses whether previously recognised impairments can be reversed. An impairment loss is recognised if the carrying amount exceeds recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and the asset's value in use.



Impairment tests performed in 2023

The Company assessed the carrying values of the ships for impairment at the end of the year. The estimated ship values, based on a third-party valuation report from an independent ship broker, are higher than the carrying amounts of the ships. No impairment has been recognized in the financial statements as of 31 December 2023.

Note 5 INCOME TAX

<i>(in EUR 1 000)</i>	2023	2022
Income tax payable, current year	-	-
Change in deferred tax, current year	-	-
Total income tax expense	-	-
Tonnage tax payable related to the shipping company tax schemes	8	8
Total tonnage tax	8	8

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

<i>(in EUR 1 000)</i>	2023	2022
Profit/(loss) before tax from operations	33 756	27 828
Tax rate	22 %	22 %
Expected income taxes at statutory tax rate in Norway	7 426	6 122
Non-taxable income (-)	-	-
Gifts, representation and other non-deductable expenses (+)	3 571	4 225
Effect from change in valuation allowance, tax losses	922	731
Currency translation in tax return	(2 608)	(2 434)
Shipping company tax schemes - NO Tax Act only (+/-)	(9 311)	(8 643)
Income tax expense	-	-

All of the borrowings in the Company are nominated in EUR, giving no revaluation effect in the financial profit and loss statement. However, the tax papers are filed in NOK, which gives high revaluation effects in the P&L in NOK for borrowings. This creates a material difference in profit/(loss) before taxes in EUR compared to NOK.



Note 6 INTEREST-BEARING LIABILITIES

NOMINAL AND FAIR VALUE OF INTEREST-BEARING LIABILITIES

Nominal value at
31 December 2023

<i>(in EUR 1 000)</i>	Nominal value	Unamortised transaction costs	Book value	Fair value
Borrowings	285 000	(1 161)	283 839	261 431
Accrued interest	3 393	-	3 393	3 393
Total interest-bearing liabilities	288 393	(1 161)	287 232	264 824

31 December 2022

<i>(in EUR 1 000)</i>	Nominal value	Unamortized transaction costs	Book value	Fair value
Borrowings	300 000	(2 232)	297 768	282 000
Accrued interest	3 572	-	3 572	3 572
Total interest-bearing liabilities	303 572	(2 232)	301 340	285 572

From 2023 we have changed the presentation of accrued interest from other short-term liabilities to current interest-bearing liabilities in the financial statement. The comparative numbers for 2022 have been changed accordingly.

On 10 July 2020 the company listed on Oslo Stock Exchange a EUR 300 million 5-year senior secured bond with a coupon of 3.375%. The bond is secured against the two vessels MS Roald Amundsen and MS Fridtjof Nansen.

MOVEMENT IN BORROWINGS

Movement in borrowings

<i>(in EUR 1 000)</i>	2023	2022
Total borrowings 1 January	297 768	325 893
Cash flows		
New financing		
Repayments	(15 000)	(28 975)
Non-cash flow		
Reclassification	-	(221)
Amortisation of borrowing fee	1 071	1 071
Total borrowings 31 December	283 839	297 768
<i>Of which Non-Current liabilities</i>	<i>253 839</i>	<i>282 768</i>
<i>Of which current liabilities</i>	<i>30 000</i>	<i>15 000</i>

BOOK VALUE OF PLEDGED BORROWINGS

Book value of pledged assets

<i>(in EUR 1 000)</i>	2023	2022
Book value of pledged assets	346 609	355 449

The pledged borrowings are secured with the Company's assets.



MATURITY PROFILE OF NOMINAL BORROWINGS

Maturity profile of nominal borrowings

<i>(in EUR 1 000)</i>	2023	2022
Less than one year	30 000	15 000
Between 1 and 2 years	255 000	30 000
Between 3 and 5 years	-	255 000
More than 5 years	-	-
Total	285 000	300 000

BORROWINGS SPECIFIED BY CURRENCY

<i>(in 1 000)</i>	2023	2022
EUR	285 000	300 000

COVENANTS

EUR 285 million bond:

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. During Q1 23 a EUR 11 million revolving credit facility was made available to Explorer II AS from Hurtigruten Group AS. The Facility is available for utilisation by Explorer II AS on a revolving basis. As of year-end the facility was undrawn. The facility is included in the definition of Free Liquidity under the Minimum Liquidity covenant of Explorer II AS.

Note 7 Cash and cash equivalents

<i>(in EUR 1 000)</i>	2023	2022
Cash and cash equivalents	3 726	2 711
Restricted bank deposits	-	-
Cash and cash equivalents in the cash flow statement	3 726	2 711

Note 8 Paid-in equity

<i>(in EUR unless otherwise indicated)</i>	Number of ordinary shares	Nominal value (NOK)	Nominal value of ordinary shares (EUR 1,000)	Share premium and other paid-in capital (EUR 1,000)	Total
As of 1 January 2023	300	101	3	105 000	105 003
Changes current year	-	-	-	-	-
As of 31 December 2023	300	101	3	105 000	105 003

All ordinary shares have equal rights.

Shareholder as of 31 December 2023	Number of shares	Shareholding (%)
Hurtigruten Expedition Fleet AS	300	100



Note 9 Auditor's remuneration

Auditor remuneration <i>(in EUR 1 000)</i>	2023	2022
Statutory audit	13	16
Other assurance services	-	-
Total	13	16

VAT is not included in the fees specified above.

Explorer II AS had no employees in 2023 or 2022. The company's executives receive their salaries and other remuneration from other Hurtigruten Group entities.

Note 10 Financial income and expenses

<i>(in EUR 1 000)</i>	2023	2022
Interest income on current bank deposits and cash pool	3 833	143
Foreign exchange gains	-	149
Finance income	3 833	292
Other Financial cost	39	
Interest expenses borrowings	9 947	10 133
Amortisation of borrowing fees	1 071	1 136
Interest to group companies	-	441
Foreign exchange losses	201	380
Finances expenses	11 258	12 089
Finance expenses – net	(7 426)	(11 797)



Note 11 Related party transactions

TRANSACTIONS WITH GROUP COMPANIES

<i>(in EUR 1 000)</i>	2023	2022
Operating revenues		
Bareboat lease to Hurtigruten Expedition Cruises AS	50 000	50 000
Total	50 000	50 000
Purchase of services		
Hurtigruten Global Services AS	2	2
Total	2	2
Interest expenses		
Interest expenses to Hurtigruten Global Sales AS	-	441
Total	-	441

INTRAGROUP BALANCES

<i>(in EUR 1 000)</i>	2023	2022
Current assets		
Current receivables from Hurtigruten Global Sales AS	11	11
Current receivables from Hurtigruten Expedition Cruises AS	32 598	2 112
Current receivables from cash pool (Hurtigruten Group AS)	114 972	117 845
Total	147 581	119 968
Current liabilities		
Payables to Hurtigruten Gloabal Services AS	221	121
Payables to Hurtigruten Coastal AS	-	9
Payables to Hurtigruten Expediton Cruises AS	2 594	1 644
Payables to Hurtigruten Sjø AS	25	663
Payables to Hurtigruten Global Sales AS	-	221
Total	2 840	2 658

Explorer II AS has assessed the expected credit loss on group receivables to be very low and has not made any provisions for loss. The entity has reasonable and supportable information that there is no increase in credit loss risk compared to prior periods:

- 1) The counterparty has never defaulted on its obligations
- 2) Information available for financial reporting purposes shows that the counterparty's Group has just refinanced based on closely, independently examined forecasts. There is new additional liquidity of €185m.
- 3) The counterparty is part of the same Group and thus part of the liquidity management strategy which required the cash to be used elsewhere in the Group and not in Explorer II AS.



Note 12 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.

MARKET RISK

a) Currency risk

Explorer II AS has limited currency risk as both financing and revenue are in the Company's functional currency EUR.

b) Price risk

The Company has limited price risk as the revenue is fixed through long-term bareboat charter agreements. The only risk is connected to the price level on renewal.

c) Interest rate risk

Loans subject fixed interest rates expose the Company to fair-value interest rate risk. Currently the Company's long-term debt is at a fixed rate of 3.375%.

Credit and liquidity risk

The Company has some counterparty credit risk as income comes from one counterparty - Hurtigruten Expedition Cruises AS (a Group company). While the Group's profitability was lower than expected in recent years due to the covid-19 pandemic there is little risk of the counterparty defaulting.

Hurtigruten Group announced on 23 February 2024 to successfully complete a comprehensive Recapitalisation Transaction that provides sufficient liquidity for all Group companies (further information can be found in the Group's consolidated financial statements, note 30 Subsequent events).

At the date of this report, the company is actively looking to refinance the original EUR 300 million Explorer II bond which will mature in February 2025. Current bond outstanding is EUR 270 million as of April 2024, following a EUR 15 million downpayment in February 2024.

The table below provides an indicative debt repayment schedule in nominal values over the coming 5-year period. See also note 6 for further details on borrowings.

<i>(in EUR 1 000)</i>	Less than one year	Between one and two years	Between three and five years	More than five years
Trade Payables	(1)	-	-	-
Interes bearing liabilites	39 365 625	259 303 125	-	-
Other liabilities	2 837	-	-	-
Total inmpact on liquidity	39 368 461	259 303 125	-	-



Note 13 Financial Assets and Liabilities

The following principles has been used for subsequent measurement of financial assets and liabilities

Balance at 31 December 2023

<i>(in EUR 1 000)</i>	Amortised cost	Total carrying value	Fair value
Assets as per balance sheet			
Trade receivables and other receivables (note 11)	147 586	147 586	147 586
Cash and cash equivalents (note 7)	3 726	3 726	3 726
Total	151 312	151 312	151 312
Liabilities as per balance sheet			
Interest bearing debt (note 6)	(283 839)	(283 839)	(261 431)
Trade and other liabilities (note 11)	(6 230)	(6 230)	(6 230)
Total	(290 069)	(290 069)	(267 660)

Difference between carrying value and fair value for the non-current interest-bearing debt in 2023 is related to the bond. The fair value of the bond is calculated from trading prices on Oslo Stock Exchange from the last trading day before year end. The carrying amount for short term receivables and payables has been assessed and does not differ materially from fair value.

Balance at 31 December 2022

<i>(in EUR 1 000)</i>	Amortised cost	Total carrying value	Fair value
Assets as per balance sheet			
Trade receivables and other receivables (note 11)	119 968	119 968	119 968
Cash and cash equivalents (note 7)	2 711	2 711	2 711
Total	122 679	122 679	122 679
Liabilities as per balance sheet			
Interest bearing debt (note 6)	(297 768)	(297 768)	(282 000)
Trade and other liabilities (note 11)	(6 237)	(6 237)	(6 237)
Total	(304 005)	(304 005)	(288 237)

CLASSIFICATION BY IFRS FAIR VALUE HIERARCHY

- Level 1: inputs are quoted prices in active markets for identical assets or liabilities.

- Level 2: inputs, other than quoted prices included within level 1, are observable for the asset or liability, either directly or indirectly. This is primarily relevant for the Company's derivatives, where the price normally is set by the counterparty (bank).

- Level 3: inputs are unobservable inputs for the asset or liability.

The Company's cash and cash equivalents are classified within level 1. There were no transfers between the levels in 2023 or 2022.

Note 14 Events after balance sheet date

Hurtigruten Group successfully completed a comprehensive recapitalisation transaction on 23 February 2024. For more information, please refer to note 12 under the "credit and liquidity risk" section.



RESPONSIBILITY STATEMENT

The Board of Directors and the Chief Executive Officer (CEO) have reviewed and approved the Directors' report and the financial statements for Explorer II AS ("Company") for the 2023 calendar year and as of December 31, 2023.

The financial statements for the Company have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

We confirm to the best of our knowledge that:

- The financial statements for the Company for the year ended 31 December 2023 have been prepared in accordance with applicable accounting standards.
- The financial statements give a true and fair view of the assets, liabilities, financial position and results as of December 31, 2023 for the Company.
- The Directors' report gives a true and fair review of the development, performance and financial position of the Company and includes a description of the principal risks and uncertainties the Company faces.

The Board of Directors of Explorer II AS
Oslo, 30 April 2024


James Stewart McArthur
Chairman


Hedda Felin
Board member