



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	914 148 324
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	HURTIGRUTEN GROUP AS
Forretningsadresse:	Langkaia 1 0150 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Nimerta Jossan Hegge
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, 31.08.2025



Resultatregnskap

Beløp i: EUR	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Operating cost	11,3	10 453 000	2 895 000
Net Other gains/(losses)		-600 000	-10 281 000
Sum kostnader		9 853 000	-7 386 000
Driftsresultat		-9 853 000	7 386 000
Finansinntekter og finanskostnader			
Financial income	4	42 639 000	12 061 000
Sum finansinntekter		42 639 000	12 061 000
Financial expenses	4	189 686 000	88 603 000
Net foreign exchange gains/(losses)	4	12 582 000	5 343 000
Sum finanskostnader		202 268 000	93 946 000
Netto finans		-159 629 000	-81 885 000
Ordinært resultat før skattekostnad		-169 482 000	-74 499 000
Income tax	5	0	-11 407 000
Ordinært resultat etter skattekostnad		-169 482 000	-63 092 000
Årsresultat		-169 482 000	-63 092 000
Overføringer og disponeringer			
Udekket tap		-169 482 000	-63 092 000
Sum overføringer og disponeringer		-169 482 000	-63 092 000



Balanse

Beløp i: EUR	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	38 863 000	38 907 000
Sum immaterielle eiendeler		38 863 000	38 907 000
Finansielle anleggsmidler			
Investering i datterselskap	6	841 283 000	841 283 000
Lån til foretak i samme konsern	7	540 270 000	499 282 000
Non-current financial assets		0	2 230 000
Sum finansielle anleggsmidler		1 381 553 000	1 342 795 000
Sum anleggsmidler		1 420 416 000	1 381 702 000
Omløpsmidler			
Varer			
Fordringer			
other current receivables		38 000	-2 000
current receivable, related parties cash pool	8	179 268 000	43 886 000
Konsernfordringer	7	14 499 000	5 485 000
Sum fordringer		193 805 000	49 369 000
Investeringer			
Derivative financial instruments		678 000	2 773 000
Sum investeringer		678 000	2 773 000
Bankinnskudd, kontanter og lignende			
Cash and Cash equivalents	8	35 606 000	17 621 000
Sum bankinnskudd, kontanter og lignende		35 606 000	17 621 000
Sum omløpsmidler		230 089 000	69 763 000
SUM EIENDELER		1 650 505 000	1 451 465 000



Balanse

Beløp i: EUR	Note	2023	2022
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	9	9 000	9 000
Overkurs	9	185 196 000	185 196 000
Sum innskutt egenkapital		185 205 000	185 205 000
Opptjent egenkapital			
Other reserves	9	-3 076 000	-3 076 000
Retained earnings	9	-411 515 000	-241 990 000
Sum opptjent egenkapital		-414 591 000	-245 066 000
Sum egenkapital	9	-229 386 000	-59 861 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	987 921 000	783 845 000
Langsiktig konserngjeld	7,10	324 899 000	160 477 000
Sum annen langsiktig gjeld		1 312 820 000	944 322 000
Sum langsiktig gjeld		1 312 820 000	944 322 000
Kortsiktig gjeld			
Current interest-bearing liabilities	10	36 101 000	191 116 000
Leverandørgjeld		3 837 000	1 397 000
Kortsiktig konserngjeld	7	125 324 000	28 645 000
Annen kortsiktig gjeld		0	0
Current liabilities, related parties, cash pool	8	399 451 000	345 838 000
Trade and other payables, related parties	7	2 358 000	8 000
Sum kortsiktig gjeld		567 071 000	567 004 000
Sum gjeld		1 879 891 000	1 511 326 000
SUM EGENKAPITAL OG GJELD		1 650 505 000	1 451 465 000



Konsernets resultatregnskap

Beløp i: EUR	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Operating revenues	6	655 579 000	567 908 000
Other operating income	6	0	8 610 000
Sum inntekter		655 579 000	576 518 000
Kostnader			
Direct cost of goods and services	7	173 994 000	136 919 000
Saleries and personnel costs	8,9,24	191 797 000	176 802 000
Depreciation and impairment	14,15, 16	74 716 000	73 357 000
Other operating costs	10	288 094 000	305 679 000
Net other gains/(losses)	11	-3 212 000	-7 689 000
Sum kostnader		725 389 000	685 068 000
Driftsresultat		-69 810 000	-108 550 000
Finansinntekter og finanskostnader			
Financial income	12	3 782 000	1 696 000
Sum finansinntekter		3 782 000	1 696 000
Financial expenses	12	222 401 000	113 766 000
Net foreign exchange gains/(losses)	12	-2 014 000	-152 000
Share of net income from associated companies	17	-2 327 000	-650 000
Sum finanskostnader		218 060 000	112 964 000
Netto finans		-214 278 000	-111 268 000
Ordinært resultat før skattekostnad		-284 088 000	-219 818 000
Income tax	13	14 316 000	-10 407 000
Ordinært resultat etter skattekostnad		-298 404 000	-209 411 000
Årsresultat		-298 404 000	-209 411 000
Remeasurment postemployment benefits, net of tax	25	303 000	351 000
Currency translation differences, net of tax		25 000	-844 000



Konsernets resultatregnskap

Beløp i: EUR	Note	2023	2022
Sum resultatkomponenter for IFRS-foretak		328 000	-493 000
Totalresultat		-298 076 000	-209 904 000
Overføringer og disponeringer			
retained earnings		-298 076 000	-209 905 000
Sum overføringer og disponeringer		-298 076 000	-209 905 000



Konsernets balanse

Beløp i: EUR	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	15	257 822 000	264 439 000
Utsatt skattefordel	13	603 000	817 000
Sum immaterielle eiendeler		258 425 000	265 256 000
Varige driftsmidler			
Property, plant and equipment	14	910 641 000	900 462 000
Sum varige driftsmidler		910 641 000	900 462 000
Finansielle anleggsmidler			
Investering i datterselskap	17	23 814 000	21 715 000
Investering i annet foretak i samme konsern	17	206 000	2 539 000
Right-of-use assets	14,16	41 636 000	43 966 000
Other non-current financial assets	18	2 497 000	1 728 000
Sum finansielle anleggsmidler		68 153 000	69 948 000
Sum anleggsmidler		1 237 219 000	1 235 666 000
Omløpsmidler			
Varer			
Inventories	19	17 271 000	18 189 000
Sum varer		17 271 000	18 189 000
Fordringer			
Trade receivables	20	28 900 000	19 995 000
Other current receivables	20	45 667 000	34 232 000
Current derivative financial instruments	18	678 000	2 773 000
Prepayments	20	36 856 000	31 207 000
Sum fordringer		112 101 000	88 207 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	21	50 327 000	29 958 000
Sum bankinnskudd, kontanter og lignende		50 327 000	29 958 000



Konsernets balanse

Beløp i: EUR	Note	2023	2022
Sum omløpsmidler		179 699 000	136 354 000
SUM EIENDELER		1 416 918 000	1 372 020 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	22	9 000	9 000
Share premium and other paid in capital	22	185 196 000	185 196 000
Sum innskutt egenkapital		185 205 000	185 205 000
Opptjent egenkapital			
Other equity		-4 495 000	-4 922 000
Retained earnings		-1 040 742 000	-742 174 000
Sum opptjent egenkapital		-1 045 237 000	-747 096 000
Minoritetsinteresser		95 000	30 000
Sum egenkapital		-859 937 000	-561 861 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	25	1 653 000	1 827 000
Utsatt skatt	13	11 213 000	21 000
Provisions for other liabilities and charges	26	0	91 000
Sum avsetninger for forpliktelser		12 866 000	1 939 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	23,18	1 595 675 000	1 315 231 000
Other non-current liabilities		222 000	49 000
Non-current Lease liabilities	13	55 389 000	58 797 000
Sum annen langsiktig gjeld		1 651 286 000	1 374 077 000
Sum langsiktig gjeld		1 664 152 000	1 376 016 000
Kortsiktig gjeld			
Current interest-bearing liabilities	23	269 628 000	251 471 000



Konsernets balanse

Beløp i: EUR	Note	2023	2022
Leverandørgjeld	26	151 584 000	131 098 000
Current income tax liabilities	13	3 351 000	428 000
Current lease liabilities	6	170 808 000	158 866 000
Deposits from customers, current	16	11 832 000	11 992 000
Provisions for other liabilities and other charges	26	5 500 000	4 010 000
Sum kortsiktig gjeld		612 703 000	557 865 000
Sum gjeld		2 276 855 000	1 933 881 000
SUM EGENKAPITAL OG GJELD		1 416 918 000	1 372 020 000



ANNUAL & ESG REPORT 2023

HURTIGRUTEN GROUP



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↑ Senja, Norway

Photo: Marco-Bottigelli, Getty Images

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DEAR FELLOW TRAVELLERS

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

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

The pandemic hit the travel industry hard, and the industry has had challenging years also in the wake of the pandemic. In Hurtigruten Group, we have used these years to reshape the Group into two standalone companies. This process started in March 2021, when the fleet was separated into

one dedicated to Hurtigruten and one to HX Hurtigruten Expeditions. The ongoing strategic effort to develop Hurtigruten, with HQ in Oslo and HX Hurtigruten Expeditions, with the HQ in London, into standalone and autonomous entities has taken significant steps during 2023.

Rebranding to HX and Hurtigruten

During the second quarter of 2023 we initiated the separation of group functions, with particular emphasis on outlining the commercial and marketing teams for each unit. In September, we announced a

rebranding of Hurtigruten Expeditions to HX, and Hurtigruten Norway to continue with its iconic name but simplifying it to just Hurtigruten.

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



↑ Daniel Steildam
Chief Executive Officer,
Hurtigruten Group

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strong organizational focus in each entity and increasing brand awareness across key markets will strengthen the positioning of Hurtigruten and HX Hurtigruten Expeditions and drive demand for our products and itineraries.

On the right track

Our effort for a more sustainable travel industry stands out as a core value for us, and we continue to push boundaries as leaders in our industry. Among the achievements this year was transforming Hurtigruten's MS Kong Harald to a battery hybrid ship, as part of the environmental upgrade program of the fleet. This will cut CO2 emissions by 25%, and NOx emissions by 80% – setting in motion one of Europe's most ambitious environmental fleet upgrades.

It is great to see that we are on the right track when it comes to emissions in 2023. With 10% reduction in CO2 per guest in Hurtigruten and 17% reduction in CO2 per guest in HX Hurtigruten Expeditions.

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

130 years with Hurtigruten

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

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

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

All the best,
Daniel Skjeldam
Chief Executive Officer, Hurtigruten Group



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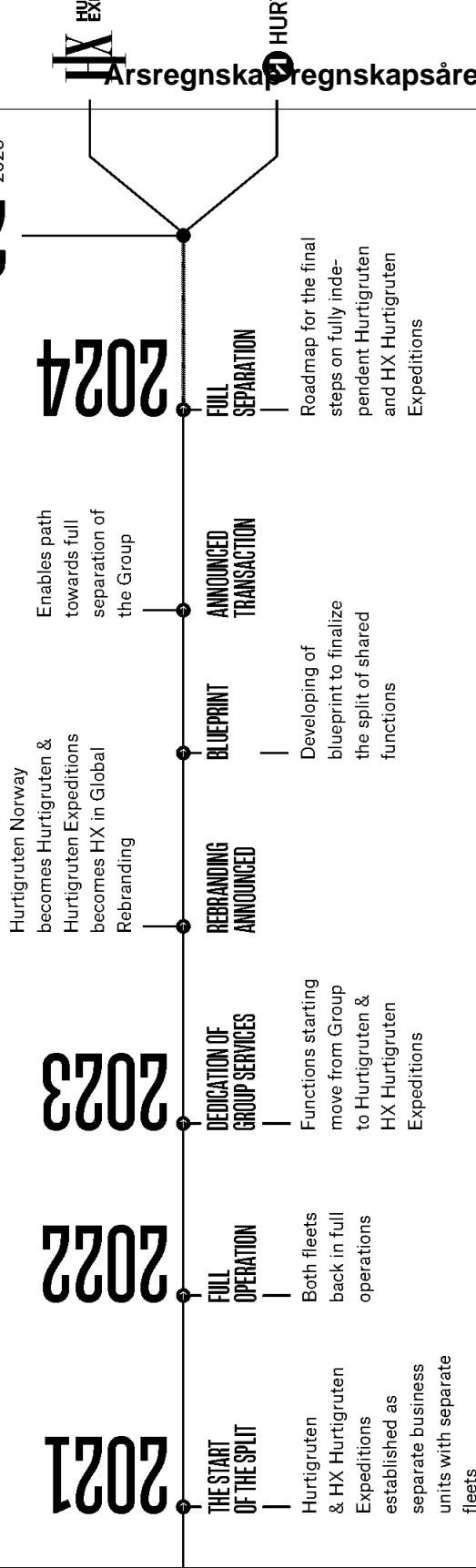
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THE SPLIT

On our journey from a group
to independent companies

2025
Full separation
of Hurtigruten &
HX Hurtigruten
Expeditions from
2025



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HX Hurtigruten Expeditions

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

Photo: Yuri Cheufour

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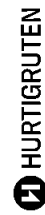
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HURTIGRUTEN GROUP

HURTIGRUTEN

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



HURTIGRUTEN

FOUNDED
1893

34 PORTS

8 CRUISE SHIPS

HURTIGRUTEN DESTINATIONS

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



SVÅLBARD

FOUNDED
1989

3 HOTELS

200 LAND-BASED ADVENTURES

HURTIGRUTEN FOUNDATION

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



HURTIGRUTEN
FOUNDATION

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

FOUNDED
2015

140 PROJECTS

HX HURTIGRUTEN EXPEDITIONS

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



HURTIGRUTEN
EXPEDITIONS

FOUNDED
1896

150 ITINERARIES

HURTIGRUTEN GROUP

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

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

The Group has two distinct business segments:

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

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

Bringing out the split

To further develop and clarify the distinction between the brands a rebranding of Hurti-

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

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

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

Started back in 2021

The division started with the separation of our fleet in 2021, marking the initial step towards independent operations. In 2023, the Group continued this journey and took significant steps that reinforced the devel-



opment of Hurtigruten and HX Hurtigruten Expeditions as independent companies. In 2023 we initiated the separation of group functions, with particular emphasis on outlining the commercial teams for each company.

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

With this process, the two businesses are positioning in line with their proud legacy and branding with world brands through organizational capabilities.

The Group and HX Hurtigruten are headquartered in London, and Hurtigruten is headquartered in Oslo. The Group's business offices and operations are in Hamar, London, Paris, Seattle, Melbourne, Hong Kong, Shanghai, Longyearbyen, Kirkenes (where Hurtigruten's most significant operations are situated) serving the most emerging markets.

Closer to nature with minimal environmental footprint

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

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

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

Hurtigruten's voyages lets the guest immerse in the everyday life along the rugged Norwegian coasts visiting small villages, admiring beautiful landscapes and experiencing the Norwegian culture and wildlife through a wide range of excursions,

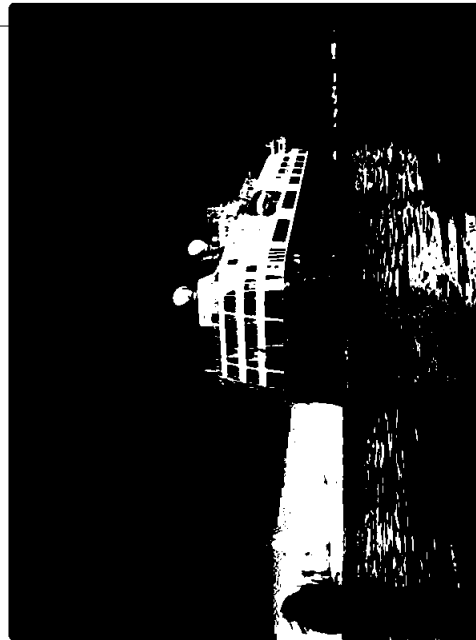
including the northernmost settlement in the world on the Archipelago of Svalbard to experience the Arctic frontier like no other place on earth.

Unique destinations around the world

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

Our commitment to ESG

All operations are done with our ESG ethos in mind. We want to champion responsible and sustainable travel and are constantly striving to leave a positive impact across the value chain, from vendors to the destinations where we operate. Our ESG ambition is to be the most sustainable

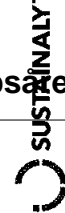


MS built exp
HX Hurt
pictured
Photo: Hu

travel operator in the world, and to keep pushing the industry's boundaries for ESG. To achieve this, we will continue to work towards having the greenest fleet in the world, educating our guests on climate change and the ecosystems we visit, pushing for local value creation and helping sustain coastal communities, and – last but not least – being a great place to work.

This commitment to ESG is demonstrated through our hybridization investments in which we are converting 3 Hurtigruten ships to battery-powered hybrid propulsion with the aim of reducing CO2 emissions by around 25% and NOx emissions by more than 80%.

Arstret
WORLD'S BEST ESG R
CRUISE COMPANY
In 2023 Hurtigruten G
best ESG ranking for a
line on ESG rating from
Sustainability and only
"low ESG risk". Read n



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RUTEN

Hurtigruten sails the most beautiful voyage route, often referred to as the "most beautiful voyage in the world", which operates along the Norwegian Coastal Express route along the Norwegian coastline to The North Pole. Hurtigruten is a unique combination of local and international tourism, and international tourism since the very first day in 1891, more than 130 years ago.

Årsregnskap regnskapsåret 2023 for 914148324

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

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HIGHLIGHTS 2023

TOTAL REVENUES
334.9
MILL EURO

1 380
EMPLOYEES

770 000
CRUISE NIGHTS



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

Hedda Felin, CEO
Hurtigruten

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

Introduced Signature sailings

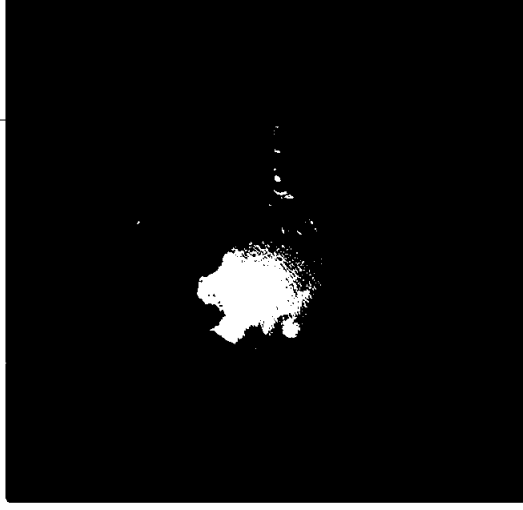
Hurtigruten expanded the offer beyond the original coastal express in 2023 with the Signature products Svalbard Line and North Cape Line, a more premium product built to showcase the best Norway has to offer while preserving our historical heritage along the coast with experiences close to nature, local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

Norway's Coastal Kitchen

Hurtigruten has integrated the Norwegian food culture in the onboard culinary concept Norway's Coastal Kitchen. In the peak seasons, 80% of the ingredients in the restaurants come from more than 50 local suppliers along the coast. Sourcing food locally is not just about fresh, farm-

→ MS Nordkapp in the narrow and distinctive fjord Trollfjorden.

Photo: Trym Ivar Bergamo



In 2023, Hurtigruten entered a partnership agreement with Arctic the official Greenlag coastal ship service since 1974, with the expanding their offering globally with the expansion of airports

With the year of our 130th anniversary behind us in 2023, Hurtigruten is developing and strengthening their brand with the ambition to be a travel operator for the Norwegian and Arctic region, contributing to sustainable travel experiences

and-fjord-to-table flavors. It is also about achieving the lowest footprint possible and making sure there is minimal food waste.

Unique activities and experiences

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

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7 SHIPS OPERATED UNDER STATE CONTRACT

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

Photo: Hurtigruten



MS KONG HARALD UPGRADED TO HYBRID

In 2023, MS Kong Harald was upgraded to a hybrid ship as part of one of the largest environmental upgrades in the history of European shipping. In 2022 the company initiated this program with large-scale investments in batteries and state-of-the-art technology that will reduce CO₂ emissions by 25% and NOx emissions by 80%. By 2025 three out of seven ships in the coastal fleet will be converted to hybrid ships and 7 out of 7 ships will be fitted with SCR systems (cutting NOx).

Foto: Nature Picture Library / Alamy Stock Photo

SEA ZERO KICKED OFF

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

Photo: Hurtigruten



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HURTIGRUTEN EXPEDITIONS

HX Hurtigruten Expedition is the world's largest expedition cruise line, with a focus on sustainability and exploration. The company's core, building on the tradition of the Hurtigruten line, dates back to its first cruise in 1896.

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

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HIGHLIGHTS 2023

TOTAL REVENUES
**287.3 MILL
EURO**

1 155
EMPLOYEES

481 000
CRUISE NIGHTS

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

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

On the right track

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

Scientific and research programs

HX Hurtigruten Expeditions offers an outstanding scientific program in the expedition segment, 2023 being a record year for our scientific and research



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

programs. With more than 1 880 cruise nights donated, supporting over 30 projects and facilitating in excess of 8 000 citizen science data submissions HX Hurtigruten Expeditions is consistently increasing the positive impact of the sailings and broadening its guest experience through the Science and Education programme.

Unique destinations worldwide

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

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

Daniel Skjeldam, CEO
HX Hurtigruten Expeditions

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we have learned from the first season in West Africa.

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

A strong foundation

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



📌 The Galapagos is one of the world's best-preserved archipelagos and offers a rich wildlife.

Photo: Andres Mesias

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SCIENCE AND EDUCATION PROGRAMME

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



Photo: Espen Mills



A MEETING OF HYBRID SISTER SHIPS

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

Photo: Hurtigruten



SHORE POWER CONNECTION

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

Photo: Hurtigruten

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HURTIGRUTEN DESTINATIONS

Hurtigruten Destinations are through operations are through the Radisson Blu Polar Funken Lodge and the Miners' Cabins, as well as adventure tourism. The archipelago of Svalbard is one of the northernmost settlements in the world and one of the most unique destinations in the world.

 Svalbard
Photo: Shutterstock

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HIGHLIGHTS 2023

TOTAL REVENUES
34.0 MILL
EURO

235 EMPLOYEES

71 612 GUEST NIGHTS



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

Ingeborg Flåmes, CEO
Hurtigruten Destinations

From a base in Longyearbyen, Hurtigruten Destinations offers active arctic experiences on snow-covered and snow-free terrain with an extensive portfolio of activities and excursions. These include day trips on skis, dog sledding, snowmobile trips, boat or hiking excursions and longer expeditions in the archipelago. Hurtigruten Destinations' operations – originating back in 1896 – are the largest and most diversified on Svalbard.

Top modern hotel experience

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

Lease agreement with SNSK

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



1 Experience the fantastic wild Svalbard at Hurtigruten Svalbard
Photo: Arild Danielsen

Arsregnskap 2023

meticulously curated bakery serves delectable treats but at the highest standards of quality.

Initiative for a lower footprint

Hurtigruten Svalbard has implemented a series of green initiatives that reduce the company's responsibility to the environment. This includes the installation of solar panels at the Rasmussen's room step towards harnessing renewable resources and reducing the carbon footprint by incorporating two hybrid as eco-friendly modes of transport such as electric snowmobiles.

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

MS Nordstjernen – 80 degrees north

In 2023, Hurtigruten Svalbard has embarked on an exciting venture with the introduction of MS Nordstjernen cruises, charting a course from Longyearbyen to the remarkable 80 degrees north. This addition has proven to be a splendid enhancement to the already impressive array of offerings by Hurtigruten Svalbard, enriching the expedition experience for travelers seeking unparalleled adventures in the Arctic. Moreover, in a dedication to ensuring excellence for both the guests and the local community of Longyearbyen, Hurtigruten Svalbard has

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MILESTONES 2023

↓ FROM LONGYEARBYEN TO 80 DEGREES NORTH

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

Photo: Halvor Mykleby



INSTALLATION OF SOLAR PANELS

The installation of solar panels on Radisson's roof is a significant step in harnessing renewable energy and reducing our carbon footprint.

Photo: Hurtigruten



REDUCED FOOTPRINT

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

Photo: Hurtigruten



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HURTIGRUTEN FOUNDATION

Hurtigruten Foundation is a non-profit foundation established as a joint venture with our guest operators. Our goal is to have a positive impact on the environment, wildlife and local communities. The Hurtigruten Group is committed to the administrative costs of the Foundation so that all activities go directly to the rescue dogs and organizations that support them.

➔ The rescue dogs in Lofoten are an important partner for the Hurtigruten Foundation.

Photo: Hurtigruten

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HIGHLIGHTS 2023

140 ONGOING PROJECTS

12 NEW PROJECTS

25 SUPPORTING PARTNERS

100% DIRECTLY TO PROJECTS



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

Henrik Lundé, Managing Director
Hurtigruten Foundation

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

Record-breaking contribution from the guests

In the foundation we focus on preserving endangered wildlife, battling plastic waste and marine litter and supporting local communities in the areas where we operate. A few highlights that our grants have

contributed to are the protection over 1 000 sea turtle nests from poachers on Boa Vista, restoring an area of more than 2 000 m² of kelp forest in Northern Norway, collecting more than 10 tons of plastic waste and marine litter on Svalbard, releasing almost 4 000 endangered hawksbill sea turtle hatchlings in Panama, creating a reserve for the critically endangered Galapagos Petrel, scientific research measuring the impacts of climate change on Antarctic baleen whales, and the construction of the North Cape Steps in Honningsvåg.



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

Teach clear
Svalbard, Norw
Photo: Stefan Dal

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➔ Experience whales
in fantastic Antarctica.
Photo: Karsten Bidstrup

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OUR APPROACH TO ESG

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

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

This is Hurtrigruten Groups integrated ESG report. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. The GRI Standards are the world's most widely used sustainability reporting standard. The report presents the environmental, social and governance (ESG) performance of Hurtrigruten Group

Our four pillars are:

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

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

● **PEOPLE:** We celebrate differences and aim to be the most inclusive travel company in the world.

→ **COMMUNITY:** We aim to maximise our positive impact and create value for local communities.

We are pushing for firmer global regulations to ensure all travel operators abide by rules designed to protect the special places where we all operate. We were involved in establishing the Association of Arctic Expedition Cruise Operators (AECO) and chair the executive committees for both AECO and the International Association of Antarctica Tour Operators (IAATO). We are

for the 2023 financial year. In the ESG Appendix all performance data, materiality assessment and more is located.

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



WHEN WE TAKE 'SUSTAINABILITY' WHAT DO WE MEAN?

For us, it is a belief that international travel can be a good ... when it is carried out responsibly.

By building networks, we connect people and reject the idea of a global operation for the communities for the communities we visit. We are not just a company, we are a part of the world's history, and we are proud to be a part of it. We are a company that is committed to the world's future and we are proud to be a part of it.

Our commitment to sustainability is not just a word, it is a way of life. We are committed to the world's future and we are proud to be a part of it. We are a company that is committed to the world's future and we are proud to be a part of it.

also a member of the UN Global Compact Norway, meaning we collaborate with a broader group of stakeholders on issues surrounding sustainable development, and work with global research institutes and universities as part of our Science & Education Program.

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

Our commitment to sustainability is not just a word, it is a way of life. We are committed to the world's future and we are proud to be a part of it. We are a company that is committed to the world's future and we are proud to be a part of it.



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TARGETS & AMBITIONS

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



EMISSIONS

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

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



PEOPLE

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

- Employee Net Promoter Score above 30 by 2025
- 40% women in leadership by 2030
- 0 marine casualties
- 35% fewer lost time incidents by 2030
- Lost time incident frequency rate below 0.5 by 2030



NATURE

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

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



COMMUNITY

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

- From 2024
- Maximise the number of people positively impacted
 - Maximise the number of people positively impacted

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PERFORMANCE HIGHLIGHTS

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



EMISSIONS

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



PEOPLE

- 40% women in senior leadership shoreside
- 13% women in senior leadership seaside
- Cadets in training increased to 154 across all countries
- Health and safety training hours increased by 10%



NATURE

- 12,8% reduction in total waste produced
- 9,3% reduced water consumption per passenger
- More than 3 tonnes marine litter cleaned from beaches
- More than 1 800 cruise nights donated to researchers
- 51% reduction in edible food waste per passenger



COMMUNITY

- 57% spending from local suppliers
- Record contributions to the Foundation, with EUR 830 682. 127% increase on 2022.
- More than 16 000 hours of volunteer work on the N
- The foundation supported 100 projects across 10 countries
- More than 16 000 hours of volunteer work on the N

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↓ MS Nordnorge in Hjerundfjorden, Norway, one of the most beautiful fjords in the world.
Photo: Fabrice Mulochau

SSIONS

Curbing greenhouse emissions is crucial to the extent of – and the inevitable impacts of – global warming. We know that the shipping industry has worked to reduce its impact on the climate, but we have set out ways to make a real difference by taking concrete, measurable



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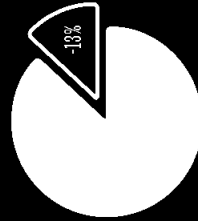


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CO₂ EMISSIONS PER GUEST
SCOPE 1 MEASURED AS APCN
(AVAILABLE PASSENGER CRUISE NIGHTS)



↓ 13%
COMPARED TO 2022

115
KG CO₂
IN 2023

↓ 12%
COMPARED TO 2018

SOLAR PANEL INSTALLATIONS IN SWALBARD

139
SOLAR
PANELS
IN 2022

788
SOLAR
PANELS
IN 2023

17 400
KWH

42 634
KWH

THE FLEET



5
HYBRID POWERED
CRUISE SHIPS IN 2023

+1
IN 2023
MS KONG HARALD

13
OF 14 SHIPS
WITH SHORE
POWER CONNECTIVITY

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

TOPIC GUIDE: EMISSIONS

Why is this material?

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

How is it managed?

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

What is our target?

Net Zero 1, 2 and 3 emissions by 2050, and carbon neutral operations by 2040. Our first Net Zero ship will be sailing in the North Atlantic by 2030.

How did we perform?

Scope emissions per guest fell across the Group in 2023 compared to 2022 and our baseline year. Efficiency measures and the deployment of new technology took effect. For example, we saw a fall of 9% in Scope 1 emissions since 2022, while H1 emissions fell by 18% over the same period.

To review all our emissions data, please see [Appendix E](#).

* Calculated using Available Passenger



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PROGRESS IN 2023

We recognise our ships and operations contribute to global warming, so we have set ambitious targets to reduce emissions. We can already see that the measures we have taken to meet our targets are having an effect. Compared to 2022, our overall GHG emissions that can be directly attributable to our operations – known as Scope 1 emissions – fell by 12% per guest (based on available passenger cruise nights – APCN). Compared to 2018 our absolute Scope 1 CO₂ emissions have been reduced by 4%.

For Hurtigruten, Scope 1 emissions per guest dropped by 9% in 2023 compared to the year before, and by 10% compared with 2018. The clear gains in CO₂ emissions reductions have been helped by the conversion to hybrid propulsion of an additional ship within the fleet. There has also been a sharp reduction in NO_x emissions due to the installation of selective catalytic reduction (SCR) systems on seven ships, with a 49% fall in 2023 compared with 2022.

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

packs, and connecting to shore power on Reykjavik sailings. NO_x and SO_x emissions were both almost halved in absolute terms since 2022.

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

KEY INITIATIVES & NEW PROJECTS - 2023 HIGHLIGHTS

Hurtigruten's Sea Zero Project

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

HX emissions reduction initiatives

Cutting emissions from our ships has been a key focus for HX in 2023. Fuel economy has been improved year-on-year, and by



4 Regningspr
of the Hurtigruten
Photo: Art D Design

optimising routes and cutting sailing speeds greater efficiencies have been achieved. Furthermore, increased use of the diesel additive AdBlue when sailing in certain areas has significantly reduced nitrogen oxide emissions. Concrete results include a 51% cut in NO_x and a 47% cut in SO_x emissions.

Additional hybrid vessel for Hurtigruten

Hurtigruten's coastal vessel MS Kong Harald received a green upgrade in 2023, with the installation of a hybrid propulsion system. Along with large battery packs and new engines, this means the ship's CO₂

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

HX shore power in Iceland

In September 2023, HX became the first cruise company to establish a shore power connection in Iceland. MS Maud connected to Iceland's national grid at Faxagardur terminal in Reykjavik, plugging into the country's 85% renewable-generated energy. Shore power connections allow for a reduction in the use of diesel, and contribute to

improving local air quality, while reducing CO2 emissions. The connection marks the Group's first international shoreside connection.

Solar power investments in Svalbard

During the summer season in 2023, Hurtigruten Svalbard was instrumental in mounting 650 solar panels on the roof of

the Radisson Blu hotel and Pol Longyearbyen. These solar panels produce approximately 140 000 electricity in addition to the facilities already established by Svalbard which produce 43 000. Hurtigruten Svalbard, this will 8% of total energy consumption.

More electric vehicles for Hurtigruten Svalbard

Hurtigruten Svalbard has acquired electric-powered Mercedes e-vehicles for logistics use between bus stops in Longyearbyen area. This replaces diesel vehicles which had been used in the past and is charged using solar power. The cells installed on the Polar Express, in addition, four electric minibuses for guest transportation, and a charging station, and a combination of wind power.



SHORE POWER IN REYKJAVIK

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

Photo: Eivind Senneset

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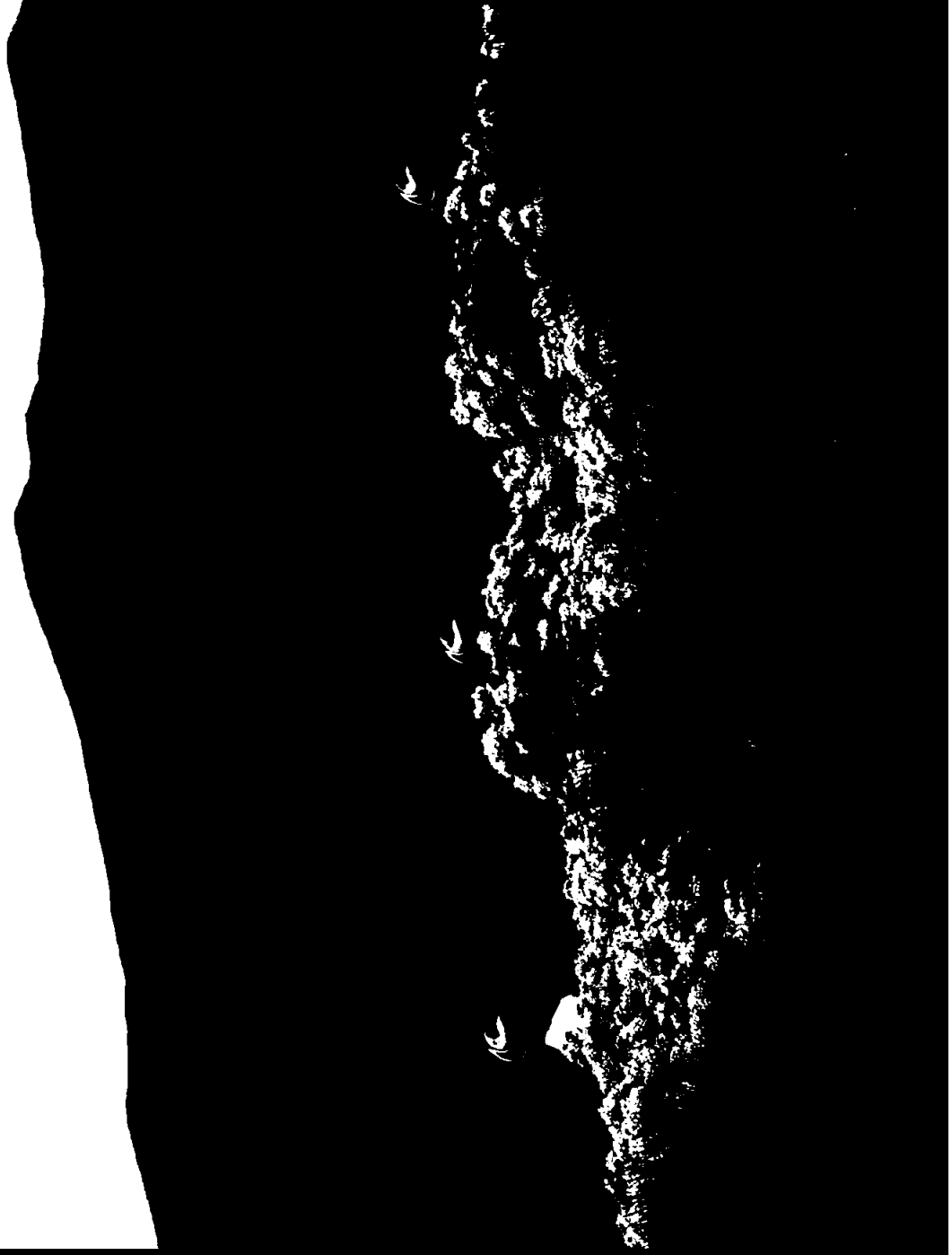


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NATURE

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



Each of our actions impact on the nature. We must tip the balance in favour of those actions that promote healthy ecosystems and lessen the burden on nature.



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RECORD YEAR FOR HX SCIENCE PROGRAMME

1887

CRUISE NIGHTS DONATED TO RESEARCHERS

+101%

COMPARED TO 2022

WASTE AND WATER USE REDUCTION

↓ 13%

DROP IN TOTAL WASTE PRODUCED ACROSS GROUP

↓ 19%

REDUCED WATER USE PER PASSENGER (APGN)

> 2

MILLION LITERS OF WATER SAVED THROUGH OUR GREEN STAY PROGRAMME

+43%

FROM 2022

FOOD WASTE DOWN

↓ 51%

DROP IN EDIBLE FOOD WASTE PER GUEST

169

GRAMS PER GUEST IN 2023

MORE MARINE LITTER COLLECTED

> 3

METRIC TONNES OF WASTE REMOVED FROM BEACHES

+38%

FROM 2022

TOPIC GUIDE: NATURE

Why is this material?

Tourism puts pressure on natural and the ecosystems we rely on, committed to playing our part in environment, reduce waste, at marine pollution.

How is it managed?

Our impact on nature is not at by an individual within the cor parts of the organisation are r for- and are involved in- starti projects that enable us to incre positive impact. Policies and g out clear paths for how we wo we minimise our impact on na

What is our target?

By 2030 we aim to use or re of the waste we produce on b and in our land-based operati

How did we perform?

2023 saw the implementatio terms for measuring the waste as well as ongoing initiatives our impact. These yielded pos with a notable reduction in ov food and freshwater bunkere

To review all our nature data p [Appendix E](#).



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PROGRESS IN 2023

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

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

Science initiatives

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

conducting research – jumped by 101% to reach a total of 1 887.

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

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

Collecting marine litter

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



skap registrert på søret 2023 for 914148324



SCIENCE & EDUCATION

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

Photo: Espen Mills

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KEY INITIATIVES & NEW PROJECTS - 2023 HIGHLIGHTS

Record year for the HX Science & Education Program

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

Hurtrigruten introduces sustainable seaweed products

Sustainably sourced seaweed can be one of the lowest environmental impact products. There are extensive kelp forests along the Norwegian coast which act as an important

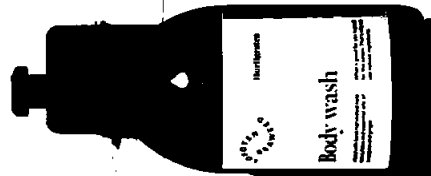
carbon sink, and in 2023 Hurtrigruten introduced a range of novel products using this abundant and renewable resource. From guest shampoo sets that use chemical-free soap from the Lofoten Seaweed company to "Blue Food" concepts that incorporate seaweed into menus, Hurtrigruten is also partnering with Lyngen Seaweed to grow sugar kelp for further inclusion in onboard food offerings. By using sustainable seaweed in this way, Hurtrigruten is creating value for local harvesting companies and contributing to the long-term protection of Norway's kelp forests.

Wastewater systems on all Hurtrigruten and HX ships

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

HX upcycles mooring ropes in inventive way

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



LOFOTEN SEAWEED BY HURTIGRUTEN

There are extensive kelp forests along the Norwegian coast and sustainably sourced seaweed can be one of the lowest environmental impact products. Hurtrigruten introduced a range of novel products using this abundant and renewable resource from Lofoten Seaweed.

Photo: Hurtrigruten

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

HX hotel initiatives reduce onboard waste

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

Hurtigruten's Save Water campaign

Progress continued to be made on Hurtigruten's campaign to reduce the amount of fresh water used on its ships. The Save

Water initiative aims to educate guests on water usage, partly through the Green Stay initiative. As a result, many guests reduced the amount of water they used, and the average water consumption reduced by 8% across all guests as a result.

Environmental management systems

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

SCIENCE SEA DAY

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

Photo: Tommy Simonsen



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PLE

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



↑ Expedition team member in Antarctica.
Photo: Karste Bidstrup

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EMPLOYEES

TOTAL NUMBER OF EMPLOYEES

3 534



62% MEN



38% WOMEN



68% OF EMPLOYEES ARE SHIP BASED



13% WOMEN

71% NATIONALITIES



32% OF EMPLOYEES ARE LAND BASED



40% WOMEN

39 AVERAGE AGE

TOPIC GUIDE: PEOPLE

Why is this material?

People are at the heart of Hurtig Gruppen. Our employees deliver world-class service for our guests. As a global employer, we have a responsibility to uphold human rights across all our operations and to ensure our employees are treated with respect and dignity.

What is our target?

Employee Net Promoter Score of 70, 40% of women in senior leadership roles, zero female officers by 2030, zero lost time incidents by 2030, and a Lost Time Incident Frequency of 0.5 by 2030.

How is it managed?

Our CEO has overall responsibility for people and is supported by the HR function and all business units. The HR function is managed through the head of HR in each company, who is the owner of HR policies, guidelines and routines, and is responsible for ensuring the job satisfaction of all employees.

How did we perform?

Investing in people was a primary focus in 2023, with new surveys, performance reviews, and training. We are proud to see an increase in the percentage of females in senior positions, currently at 38%.

To review all our people data, please refer to [Appendix E](#).



PROGRESS IN 2023

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

Within Hurtigruten Group we have over 3.5 thousand employees representing 71 different nationalities. They are the cornerstone of our business and as such we are committed to ensuring their employment is a fulfilling and rewarding experience. Operating in the marine sector, it is natural that the health and safety of employees remains our foremost priority.

People numbers

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

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

Collective bargaining agreements and parental leave

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

KEY INITIATIVES & NEW PROJECTS -2023 HIGHLIGHTS

Health and Safety

Health and Safety is fundamental to a sea-faring organisation operating in some of the most extreme environments on earth. The CEO in each company has the overall responsibility for the safety in all our operations, and we are committed to the prevention of injury and illness for our sea-based employees, as well as the continuous improvement of our Health and Safety management systems and performance. HX and Hurtigruten have externally audited safety management systems in compliance with

the ISM code. The latest external audits for HX were in 2023, and for Hurtigruten in 2021. This covers operational guidelines to employees on board and on shore, safety training procedures, emergency preparedness programmes, and environmental management systems as explained in the Nature chapter. Our safety policies foster a safety culture built around stop work authority and a no-blame attitude toward reporting deficiencies, and these safety policies cover all employees. Accidents and serious incidents are not tolerated – including serious personal injuries and the loss of human life – and everyone's contributions count toward the company target.



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

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

Continued investment in our people

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

- **HX Explorer Workshops.** Almost 50% of all HX employees have attended the HX Explorer Workshops, in which the values, spirit and history of the company are presented, as well as learnings about our products.
- **Hurtigruten Culture Survey and extended People Survey.** This is a detailed, annual employee survey used as a mechanism to get employee feedback and understand satisfaction levels. 70% responded to the 2023 survey, which is

a great result. In addition, Hurtigruten conducted a Culture Survey as a people engagement mechanism to understand what the most material topics are for employees.

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

Tools for employee engagement

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

Maritime apprentices at Hurtigruten and HX

Investing in future generations to work for us at sea is important to both Hurtigruten and HX. There is a strong maritime apprenticeship programme at Hurtigruten, which



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

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PROTECTING HUMAN RIGHTS

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

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

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



GUEST EXCURSIONS

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

Photo: STEFANDALL

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

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

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

Diversity and Inclusion (D&I)

Hurtigruten Group believes that an inclusive workplace is fundamental in securing the engagement and wellbeing of our employees. We aspire to be an employer of

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

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

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

Whistleblower policy and channel

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

To visit our whistleblower channel, [click here.](#)

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ITY

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



← In small boats, guests get close to nature and all that it can offer.

Photo: Andrea Klausner

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RECORD CONTRIBUTION FROM OUR GUESTS
TO SUPPORT LOCAL COMMUNITIES



830 682

EUR DONATED TO
THE FOUNDATION

COMPARED
TO 2022
+127%

PROJECTS

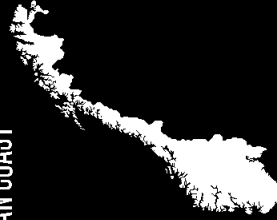


THE FOUNDATION
HAS SUPPORTED
71 PROJECTS

+137% COMPARED
TO 2022

16 DIFFERENT
COUNTRIES

HURTIGRUTEN - LIFELINE ON THE NORWEGIAN COAST



46 392 TONNES OF FREIGHT
TRANSPORTED

105 775 LOCAL
PASSENGERS

LOCAL SUPPLIERS



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

TOPIC GUIDE: COMMUNITY

Why is this material?

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

What is our target?

To maximise the number of projects positively impacted and end-to-end supported.

How is it managed?

Our impact on the communities is very important to us and it is a priority for all parts of the organisation. The Hurtigruten Foundation works with the guests of tomorrow to create experiences as the interests of the community.

How did we perform?

Our network of local food suppliers continues to grow, with 71% of our beverage menu items being sourced by Hurtigruten in 2023. Direct engagement with local communities has gone from strength to strength. We have contributed a record amount to the Hurtigruten Foundation, with 830,682 euros for local communities.

To review all our community contributions, see [Appendix E](#).



PROGRESS IN 2023

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

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

Increasing local value creation via our operations

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

Additionally, we source food and beverages locally, employ local guides and build partnerships. By creating a local network

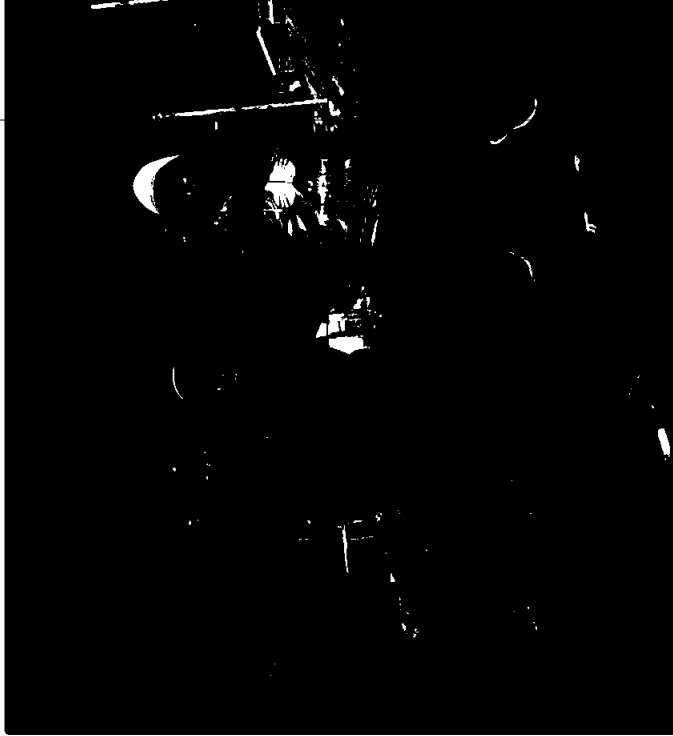
of food and beverage suppliers, we are able to have a direct impact wherever we sail. In Norway, we are a lifeline for many coastal communities, delivering freight, transporting passengers and connecting regions.

In 2023, 80% of the food served on Hurtigruten ships was sourced locally, and 46.000 tonnes of freight was shipped within Norway using our vessels. We define 'local' as being produced in the same country in which it is delivered on board.

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

Increasing our positive impact through Hurtigruten Foundation

Hurtigruten Foundation is a collaboration between Hurtigruten Group, guests, partners and private donors, with an aim to strengthen local communities, protect endangered species, and back environmental initiatives. Last year was the most successful yet for the Foundation, with a record 830.000 euros raised from our guests. This money is given to projects around the world, with 71 grants in 16 countries being issued in 2023.



GREENLAND'S NEXT GENERATION

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

Photo: Camille Seaman

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KEY INITIATIVES & NEW PROJECTS - 2023 HIGHLIGHTS

Hurtigruten – a lifeline on the Norwegian coast

Hurtigruten has been an integral part of coastal life for over 130 years. Operating between 34 ports along the rugged coastline, our ships have been a lifeline for many communities for well over a century. In

2023, Hurtigruten transported over 46 000 tonnes of goods and more than 105 000 local passengers along the coast, proving the service is part of Norway's infrastructure and offering a more sustainable alternative to road transport.

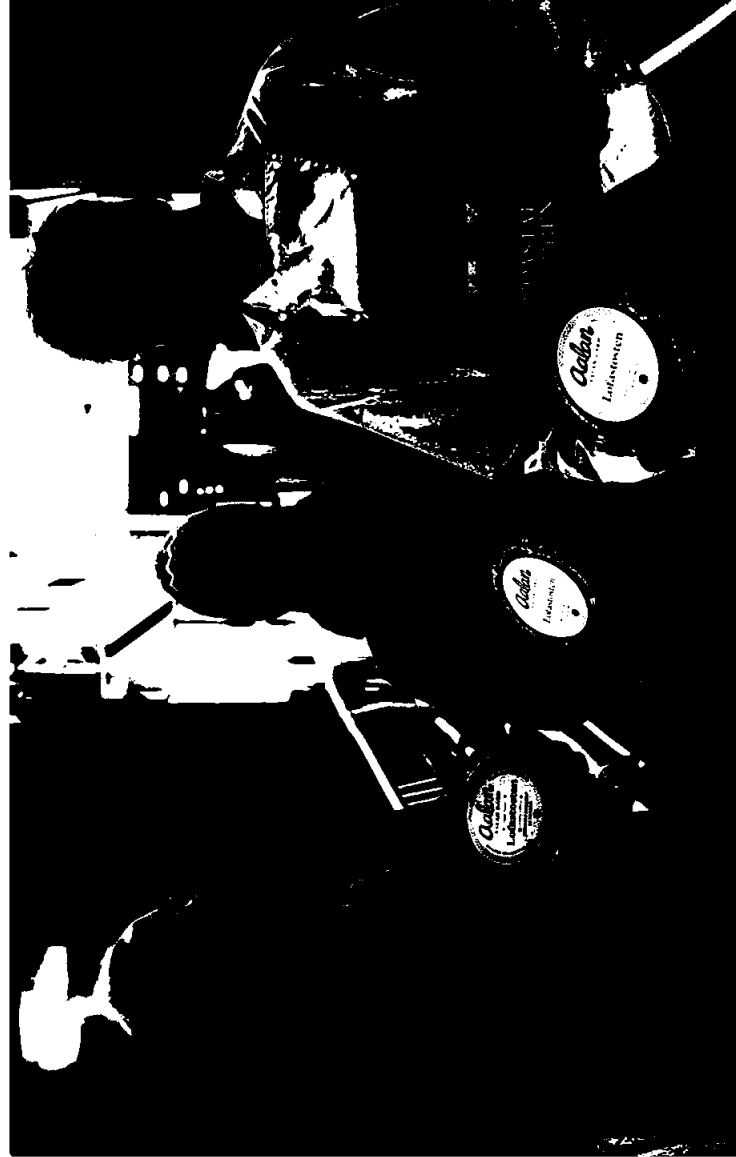
Launch of the Svalbard Express

Marking 130 years of coastal sailing, Hurtigruten in 2023 launched the Svalbard

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

Record HX Green Stay trial to more Hurtigruten Four community grants

2023 saw an increase in the number of guests opting to take part in the Stay initiative. More than 11 in 100 nights on HX ships opted into the initiative, which translated to record donations to the Hurtigruten Foundation there. The initiative is helping to bring attention to social and environmental issues around the world. New projects in 2023 included grants for Kviteseid Sermersoq (Greenland) to restore the Ittoqqortoormiit Museum, Malindi (Kenya) to supply needed supplies to two schools, and Expedition Engagement Network (Greenland) helps local Arctic communities with sustainable tourism.



LOCAL PRODUCERS

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

Photo: Hurtigruten

Investing in Greenland's next generation

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

Local food and beverages helping local businesses

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

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

Community engagement in West Africa

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

WEST AFRICA

2023 marked HX's first sailing – primarily the Bissagos Islands in Bissau. Alongside these sailings, Hurtigruten Foundation were accommodation for local schools.

Photo: Credit: Nature Picture Library /



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RUNNING A RESPONSIBLE BUSINESS

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

Hurtigruten Group's progressive and ongoing split into divergent companies has had no effect on our commitment to protecting human rights, avoiding malpractice relating to corruption exposure, or respecting the data of our employees, customers and suppliers. In 2023, 35% of employees conducted Code of Conduct training – up from 6% the previous year. We are continuing to implement robust staff

training programmes relating to codes of conduct and GDPR, ensuring due diligence checks are carried out on our value chain and that our business is run responsibly. We are proud to see a strong increase in the share of local suppliers in the food and beverage category, with Hurtigruten sourcing almost half of all supplies locally in 2023. This is in line with our strategy of local value

creation and working closely with local communities to ensure more sustainable tourism for future generations.

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



MS Roald Amundsen
the man it is named after,
ship features hybrid and environmental
technology that reduces fuel
shows the world that hybrid
ships is possible
Photo: Karsten B. Strup

regnskapsåret 2023 for 914148324

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

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

KEY HAPPENINGS AND NEW PROJECTS

Best ESG ranking for a cruise company in 2023

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

Hurtigruten Svalbard earns environmental certification

Hurtigruten Svalbard has been ISO certified in accordance with the standards ISO 9001:2015 and ISO 14001:2015. This is

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

Corruption Risk Index

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

Executive compensation framework and ESG

We have made the important decision to include ESG in our compensation framework for our executives. This decision is a milestone for our company, reflecting

our owners' dedication to ESG and our Executive Team's motivation. It is also an important mechanism for securing the strategic focus of our company regarding ESG-related topics.

Procurement as a strategic enabler for ESG

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

Proactive Human Rights Due Diligence in the value chain

As a leading cruise company we recognise our responsibility to ensure that our operations, both at sea and on land, respect and promote human rights. From 2022 and into 2023 we have intensified our

work with human rights due diligence in the supply chain. We have established a risk-based framework for assessing human rights and decent work conditions breaches in our direct operations. In 2023 our Board approved a new governance structure in this area of operations. In addition, we launched a Human Rights Coordinator role in HX to monitor the important work done by the team. To learn more about our work over the last two years, please see our annual report published in June 2023 and first published in our updated report on the latter part of 2023 and first published in our 2023 report.

Data & Privacy

Guests and employees trust us with their personal data, and we take our responsibility to protect it seriously. In 2022 we launched a revised GDPR policy and staff awareness training. We continue to actively push for all employees to complete the training. A large increase in time spent on training compared to 2021 was observed. At the end of 2023, 99% of employees completed the training, which is an improvement from the previous year. Of our employees, almost three quarters completed the training by engaging in the training. As we continue to promote the training in particular to our on-board employees, we expect this number to continue to increase in 2024.

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→ The destinations we visit are rich in wildlife
Photo: Bertolazzi-Monica, Getty Images



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MARKET DEVELOPMENT

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

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

The Hurtigruten Group has carried out several strategic measures in the split of the companies Hurtigruten and HX Hurtigruten Expeditions through 2023 to ensure that they will better achieve their goals and develop in their unique direction and offer. This will position the business and shape them to continue its efforts to

make real, active and nature-based travel products more easily accessible and build sales channels better customized to their products and customer segments. Clearly differentiating their unique and authentic product in the global cruise and tourism market will be essential.

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

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

power ships in the coastal fleet, continuing with its third ship in 2024.

DIGITAL

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

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

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

A Hurtigruten website based on the same technology architecture has also been

developed and is being rolled out to markets.

The Hurtigruten Guest App is our own-operated Expeditions most of the Hurtigruten fleet, the experience for both guests on board the vessels. The app guests with details about the journey, managing the daily sojourns, the expeditions and providing opportunities for the guests.

FINANCIAL REVIEW

Consolidated statement of income

The Group's activity continued through 2023 as the global COVID-19 pandemic subsided. In June the Hurtigruten fleet was back in operation and there was a positive development in future bookings and travel patterns. Operating revenue increased to EUR 567.9 million in 2022 to EUR 620.0 million in 2023. The increase is primarily driven by higher passenger volume.

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

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172%. The agreement applies to 7 ships on the Bergen–Kirkenes route for the period 1 January 2021 through 31 December 2030.

Direct cost of goods and services increased by 271% from EUR 136.9 million in 2022 to EUR 174.0 million in 2023. The increase is related to the increase in passenger volume combined with higher cost for flights, hotel and transportation services that are part of the pre- and post-cruise activities.

Total salaries and personnel costs were EUR 191.8 million in 2023 which is 8.5% up from EUR 176.8 million in 2022. Other operating expenses decreased from EUR 305.7 million in 2022 to EUR 288.1 million in 2023. The decrease in other operating expenses is mainly driven by a reduction in fuel expenses.

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

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

The Group's operating loss was EUR 69.8 million in 2023 up from a loss of EUR 108.6 million in 2022, an improvement of EUR 38.7 million driven by increase in revenues. The Group's net loss before taxes was EUR 284.1 million in 2023, an increase of EUR

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

Consolidated statement of financial position

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

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

Total non-current liabilities amounted to EUR 1 664.2 million as of 31 December 2023, an increase of EUR 288.1 million from EUR 1 376.0 million at year-end 2022. The increase is mainly due to the completed refinancing in April 2023 of the EUR 176.5 million June 2023 maturities and the 2-year extension of the TLB and RCF, which were

to mature in 2025 and 2024 respectively. Total shareholder funding increased with EUR 182.5 million in 2023.

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

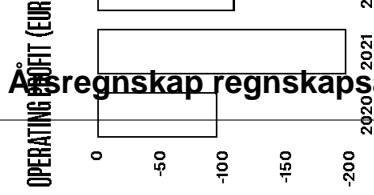
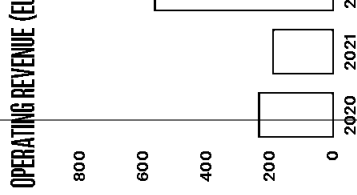
The reported equity at 31 December 2023 was negative EUR 859.9 million compared to negative EUR 561.9 million at year-end 2022. The change is due to the net loss in 2023. The equity ratio was negative 60.7% at the end of 2023 compared to negative 41.0% at the end of 2022.

See [note 30](#) for information about events after the reporting period.

Consolidated statement of cash flows

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

The net cash inflow from operating activities was EUR 216 million in 2023, compared to net outflow of EUR 10.1 million in 2022. The improvement in cash flow from operating activities is explained by an improved EBITDA in 2023 compared to 2022.



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

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

Parent company financial statements

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

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

The equity ratio for the parent company was negative 16.4% on 31 December 2023,

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

RISK MANAGEMENT

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

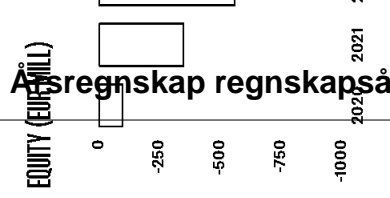
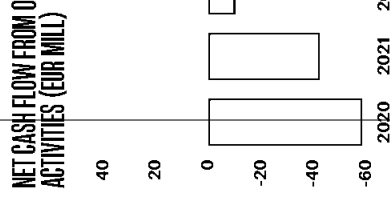
The Group has implemented an enterprise risk framework with policies, guidelines and tools to facilitate risk management across the organization. Our framework is inspired by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM framework and the ISO 31000 risk management guideline. The Group risk management function is reporting to the Chief Financial Officer. The Group CFO function is responsible, in consultation with the Group CEO, for conducting ongoing tactical risk management in line with the approved strategy, including exposure analyses and reporting. Hurtigruten Group

is currently in the process of separating its two business areas Hurtigruten and HX Hurtigruten Expeditions. As of 1 February 2024, the Group risk management function is split in two. VP Legal & Risk Management in HX is reporting to the CFO of HX while VP Risk Management in Hurtigruten is reporting to VP Legal with a dotted line to the CFO of Hurtigruten. The Board of Directors has approved the risk management framework and periodically reviews the company's key risks.

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

Strategic risk

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



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

Regulatory and political risks

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

Reputational risk

The success of Hurtigruten Group depends on our reputation and the continued strength of our brand. A loss of reputation may lead to decreased demand for our services. Delays or cancellation of our services or re-routing of customers to other ports of call may adversely affect our reputation and customer loyalty. An incident involving environmental contamination could also harm Hurtigruten Group's reputation and business. Allegations of improper payments made to authorities at state-controlled enterprises or others in the jurisdictions we operate, whether or not substantiated, could harm the Group's reputation. This also includes funds that are received to or

donated from Hurtigruten Foundations. Any such allegation, were it to be substantiated, may give rise to penalties, fines or contract disputes, any of which could adversely affect our business, financial condition and results of operations.

Sustainability risk

Our industry primarily impacts climate change through emissions from vessels, especially CO₂, SO_x and NO_x. In addition, other pollutants such as particulate matter and black carbon may contribute to global warming. The effects of climate change on wildlife habitats, especially in the Arctic and Antarctic regions, pose a considerable long-term risk to the environment. For further details about our ESG risk exposure, please see the ESG section of this report.

Hurtigruten Group is also exposed to sustainability risk in the supply chain. In the past few years, working conditions at shipyards have received increased attention. The Norwegian Transparency Act implemented in July 2022 requires companies to carry out due diligence activities to identify risks, negative consequences and ensure they are operating responsibly, respecting both human rights and decent working conditions. The Group's account of due diligence in accordance with the Norwegian Transparency Act is available on our websites.

Operational risk

Hurtigruten Group is naturally exposed to operational risk. This includes risks that could impact our operations directly such

as the impact of severe weather conditions, major ship incidents, virus outbreak or cyber-attack, but also risks associated with our administrative operations such as non-compliance with regulatory requirements, breach of data privacy regulations or inability to recruit and retain qualified personnel.

Onboard health risk

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

Cyber security risk

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

Data privacy risk

Failure to comply with data protection laws could damage Hurtigruten's customer relationships and in litigation and potential fines. It is subject to frequently changing regulations not necessarily aligned with the various jurisdictions and countries in which we operate. Evolving technologies such as AI, may also have implications for these regulations and increase the risk. The Group's failure to adequately implement processes to changing regulatory requirements in legal liability or impact on the Group's reputation in the which could have material adverse on the Group's business, financial performance and results of operations.

Competence risk

Hurtigruten Group depends on key personnel. Inability to recruit qualified personnel or the loss of key personnel could adversely affect results and our ability to deliver on strategic goals. Navigating along the Norwegian coast without using pilotage services is a privilege granted to Hurtigruten Group by the Norwegian Pilotage Exemption Certificate, and retaining experienced crew as well as other skilled personnel on our ships. The Group is also dependent on skilled employees or running operations on Svalbard and other functions of the land-side organization.

Supply and demand risk

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

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

Financial and macroeconomic risk

Hurtigruten Group is exposed to a variety of financial risks, including market risk (e.g. fuel, currency, price, fair-value interest rate and variable interest rate risks), tax risk, credit risk, liquidity risk and refinancing risk. Interest rate movements and the overall condition of the credit market play a role in

Hurtigruten Group's ability to refinance its debt obligations. It is an overarching goal to increase predictability for our operations and to minimize the impact of fluctuations in macro conditions on our results and financial position. For further assessments of financial risks, see [note 4](#) – Financial risk.

The risk of a continued cost-of-living crisis remains for 2024. The World Economic Forum highlights inflation and economic downturn amongst their top 10 short-term global risks. Continued high inflation, and thereby falling levels of real income could reduce the demand for cruises and adventure travel. Although a "softer landing" appears to be prevailing for now, the near-term outlook remains highly uncertain. A broad and sustained downturn in demand, combined with interest rates remaining at relatively high levels for a longer period may impact both consumers and indebted enterprises and could lead to a recession in the global economy. The Russian invasion of Ukraine in late February 2022 has brought increased geopolitical risks to global markets and business operations. The conflict has adversely affected global and regional economic conditions and triggered volatility in energy prices. Escalation of this conflict or other events and conditions around the world may impact the ability or desire of people to travel. Despite the impact on global demand, there are indications that Hurtigruten Group's customer base may be less adversely affected by a recession than other segments of the population.

ENVIRONMENT

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

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

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

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

ORGANISATION

For Hurtigruten Group 2023 has been a year of significant organizational change. In June we completed the landside organization of Hurtigruten and Hurtigruten Expeditions – a function and country – to serve separate businesses.

Hurtigruten Destinations has operated as an independent unit with from 2023 being included under Hurtigruten.

The drivers for the change of functions into the business HX Hurtigruten Expeditions business efficiency, we need focused and prioritized more evolving the organization, built separation of the fleet, and ream as a cross functional team and these roles into the businesses. Group were able to build capacity the expedition space at the same as increasing the sales and of the business in Norway by them take supporting functions house, which increased their evolving to two fully separate Hurtigruten and HX Hurtigruten

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

This separation enabled both organizations to move forward at pace and operate as independent businesses.

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

For Hurtigruten Group the education of seafarers is seen as a vital component of business continuity. Maintaining a strong maritime community is important for our global industry. As one of Norway's largest maritime employers and apprenticeship companies, Hurtigruten is proud to create jobs and maritime competence for the future. Our crew members in Hurtigruten are mainly recruited from along the

Norwegian coast and the various ports at which our ships call. Hurtigruten had 142 apprentices on its ships in 2023.

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

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

Directors and Officers Liability Insurance

Directors and Officers Liability Insurance Hurtigruten Group AS (through Silk Holdings S.a.r.l.) has purchased and maintains a Directors and Officers Liability Insurance on behalf of the members of the Board of

Directors and the CEO. The insurance also covers managing directors and directors of controlled subsidiaries. The insurance policy is issued by reputable insurers with an appropriate rating.

WORKING ENVIRONMENT

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

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

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

We work diligently to proactively reduce the total sick leave throughout the organization. Our rolling turnover numbers for 2023 is

5%, which is a reduction since Overall Group level total sick on 7,5% (only Norway) at the e

Hurtigruten Group will continue diligently on retention and attr strategies to maintain our preferred employer. We already results from the ongoing initiative Diversity & Inclusion and our Value Proposition in both Norway internationally.

The Board of Directors considering environment in the Group and will continue to maintain on working conditions and safety. The Group executes quarterly surveys to monitor changes in employee engagement. Employee engagement followed up through structure that is reflected in concrete action quarterly Objectives and Key both Group and Business units. Hurtigruten Group believes workspace and have implemented Hybrid Office policy enabling to continue to utilize digital opportunities that we learned during the pandemic. The inclusion digital tools for information sharing has had a positive effect working environment in the co

GOING CONCERN

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

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

of group equity before future cash flow potential is taken into consideration.

The recapitalisation transaction involved:

1. injection of liquidity of EUR 185 million (on a net basis) through a combination of near-term interest waivers and a new super senior secured opco facility in a principal amount of EUR 205 million, the interim financing provided to the Company in a principal amount of EUR 74 million in December 2023;
2. restructuring of the Group's existing senior facilities into a new senior secured opco facility of EUR 345 million (the "New Senior Facility") and a new secured PIK holdco facility of around EUR 670 million (the "New Holdco Facility");
3. restructuring of the existing senior unsecured bonds in a principal amount of EUR 50 million originally issued by the Company such that these were converted into senior secured bonds issued by Hurtigruten Newco AS, the parent company of the Company (the "Reinstated SUNs"). The repayment of the Reinstated SUNs is subject to a payment waterfall such that 60% of the Reinstated SUNs rank pari passu with the New Holdco Facility and certain other restructured shareholder facilities, while the remaining 40% are subordinated to them; and

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

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

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

Based on the Group's outlook and plans for the next 12 months (in particular given the completion of the recapitalisation transaction outlined above), the Board of Directors, on the assumption that the Group is able to successfully refinance the EUR 300 million Explorer II bond, have a reasonable expectation that the Group has adequate liquidity for the 12-month period from the date of this report, and (ii) given the benefits of the

recapitalisation transaction and of its lenders and shareholder resources to continue operations for foreseeable future. The Board also believe there are strategic options available, if required, to ensure the concern of the Hurtigruten Group for foreseeable future.

As a result, and in accordance with the Norwegian Accounting Act, the Board confirms that the financial statements have been prepared in accordance with the going concern assumption, and it is appropriate to make this assumption.

OUTLOOK

At the date of this report, the company and the broader industry are facing fairly operating conditions for years of turmoil. Operational pandemic is largely behind the industry has taken necessary precautionary measures in war of aggression on Ukraine.

The probability of a soft landing in global economy has greatly improved. Global inflation has come down over the past 18 months. This has led to improved consumer confidence

and a more positive outlook for the global economy.

Nevertheless, there are factors that may provide headwinds in 2024 and beyond. Although energy costs have come down since 2023, the current situation in the Middle East may lead to further geopolitical unrest and may trigger a jump in oil prices. Across the world, there are also other geopolitical risks in both the western and the eastern hemisphere that 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. Hurtigruten Group has taken several steps to mitigate such risks, steps that have been recognized by rating agencies. Still, climate change will continue to be on top of the global agenda for many years and will unfortunately continue to affect all global businesses going forward.

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

development reflecting the resurgence of desire and demand for travel.

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

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

Oslo, 30 April 2024

The Board of Directors of
Hurtigruten Group AS

Trygve Hegnar
Chairman

Petter Anker Stordalen
Board member

Kennet Jarl Andersen
Board member

Daniel Skjeldam
CEO



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

Trygve Hegnar
Chairman

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➔ Penguins are one of Antarctica's more iconic residents, and a large proportion of them living on this frozen continent.
Photo: David-Merron, Getty Images

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CONSOLIDATED FINANCIAL STATEMENTS 2023

STATEMENT OF INCOME

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

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CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR 1 000)	31.12.2023	31.12.2022	note	(EUR 1 000)	31.12.2023	31.12.2022	note
Assets				Equity and liabilities			
Property, ship and equipment	14	910 641	14	Equity			
Right-of-use assets	14, 16	41 636	14, 16	Share capital	9	185 196	9
Intangible assets	15	257 822	15	Additional paid-in capital	22	(4 495)	22
Investments in associates	17	23 814	17	Other equity	22	(1 040 743)	22
Deferred income tax asset	13	603	13	Retained earnings		(860 032)	
Investments in other companies	17	206	17	Non-controlling interests	95	(859 937)	95
Other non-current financial assets	18	2 497	18	Total equity attributable to owners of the parent			
Total non-current assets		1 237 219		Total equity			
Inventories	19	17 271	19	Liabilities			
Trade receivables	20	28 900	20	Non-current interest-bearing liabilities	23, 18	1 595 675	23, 18
Other current receivables	20	45 666	20	Non-current lease liabilities	16	55 389	16
Prepayments	20	36 856	20	Deferred income tax liabilities	13	11 213	13
Current derivative financial instruments	18	678	18	Retirement benefit obligations	25	1 653	25
Cash and cash equivalents	21	50 327	21	Provisions for other liabilities and charges	26	0	26
Total current assets		179 699		Other non-current liabilities	222	222	
Total assets		1 416 918		Total non-current liabilities			
				Trade and other payables	26	51 584	26
				Deposits from customers	6	70 808	6
				Current income tax liabilities	13	3 351	13
				Current interest-bearing liabilities	23	69 628	23
				Current lease liabilities	16	11 832	16
				Provision for other liabilities and charges	26	5 500	26
				Total current liabilities			
				Total equity and liabilities			
						1 416 918	

Oslo, 30 April 2024

The Board of Directors of Hurtigruten Group AS

Trygve Hegnar
Chairman

Petter Anker Stordalen
Board member

Kennet Jarl Andersen
Board member

Daniel Skjeldam
CEO

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

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CONSOLIDATED STATEMENT OF CASH FLOW

(EUR 1 000)	note	2023	2022	note	(EUR 1 000)
Cash flows from operating activities					
Net income before tax		(284 087)	(219 819)		252 930
Income tax paid	13	(864)	(1 427)	23	182 500
Adjustments for					
Depreciation, amortisation and impairment losses	14, 15, 16	74 716	73 357		(241 026)
Other gains/(losses) net	11	(82)	5 268	16	(9 064)
Net foreign exchange gains/(losses)		(4 749)	(2 686)		(111 809)
Net gains/(losses) derivatives		2 097	(2 774)		73 531
Net financial expenses	12	2 18 619	112 083		22 614
Share of net income from associated companies		(2 327)	(650)		29 958
Difference between expensed pension and payments		(478)	(623)		
Change in working capital					
Inventories		677	813		(2 245)
Trade and other receivables		(24 187)	(14 158)		50 327
Trade and other payables		34 416	57 358		2 362
Change in deposits from customers and deferred revenue		11 870	(11 884)		
Change related to travel guarantees		(4 008)	(4 925)		
Net cash inflow from operational activities		21 612	(10 068)		
Cash flows from investing activities					
Payments for property, ship and equipment	14	(73 661)	(83 167)		
Payments for intangible assets	15	(1 606)	(6 807)		
Proceeds from sale of tangible assets		148	114		
Proceeds from sale of financial assets		1 843	-		
Dividends received		746	-		
Net cash (outflow) from investing activities		(72 529)	(89 860)		
Cash flows from financing activities					
Proceeds from borrowings					252 930
Proceeds from shareholder loan					182 500
Repayment of borrowings					(241 026)
Payment of principal portion of lease liabilities					(9 064)
Interest, placement fee and other financial expenses paid	12, 23				(111 809)
Net cash inflow from financing activities					73 531
Net increase in cash and cash equivalents					22 614
Cash and cash equivalents at the beginning of the financial year	21				29 958
Effects of exchange rate changes on cash and cash equivalents					(2 245)
Cash and cash equivalents at the end of year					50 327
Of which restricted cash	21				2 362

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NOTE 1 GENERAL INFORMATION

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

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

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

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

NOTE 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

Basis of preparation

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

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

The presentation currency of Hurtigruten Group is Euro, which is the functional currency of the parent company Hurtigruten Group AS. Unless otherwise noted, all amounts in the con-

solidated financial statements are denominated in EUR 1 000. The subtotals and some of the tables in the notes may not equal to the sum of the amounts shown in financial statements due to rounding. Certain amounts in the comparable years are reclassified to conform to current year presentation.

Consolidation

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

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

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

Foreign currency translation

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

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

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

Currency gains (losses) related to operating activities, i.e. receivables, payables, and other operating purposes including current intragroup balances, are recognised as other gains/(losses).

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

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

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

Statement of cash flows

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

Changes in accounting policies and disclosures

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

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

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

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates - amendments to IAS 8
- International Tax Reform - Pillar Two Model Rules - amendments to IAS 12.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - amendments to IAS 12

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

New standards and interpretations not yet adopted

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

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

NOTE 3

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

All estimates and related underlying assumptions are reviewed on an ongoing basis. Accounting estimates are recognised in the period in which the estimate is revised. A revision affects only that period, or in the period of the revision and future periods, and does not affect both current and future periods.

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

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Estimated impairment of goodwill and trademark

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

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

Ships

Useful economic lifetime

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

Estimated impairment of ships

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

Environmental upgrade to the fleet

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

Deferred income tax assets

Deferred tax assets are recognised to the extent that it is probable that the tax assets will be realised. Significant judgement is required to determine the amount that can be recognised. The recognition of deferred income tax assets depends mainly on the utilisation of tax loss

carry forwards against future taxable income in the Group. The assessment is made by management's estimates of future taxable profits in the Group and includes an assessment of the Group's future strategy, economic developments in the markets in which the Group operates and tax planning strategies. In preparing the financial statements, management found the future taxable income to be sufficient to utilise the recognised deferred tax assets. Please refer to [note 13](#) for more information on deferred income tax assets in the balance sheet.

Uncertain tax positions, legal proceedings, claims and regulatory enforcement

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

Where a reasonable estimate can be made, management accrues for costs related to unfavourable outcomes and adds a financial statement disclosure for unfavourable outcomes that are possible, but unlikely. Unanticipated events or changes in these factors may cause the Group to accrue for a matter that has not been previously accrued for, because it is considered probable, or a reasonable estimate could not be made or in a case or cases where an amount accrued for a matter in previous reporting periods. Details regarding disputes are described in [note 4](#) and [13](#).

Leases

When determining lease terms, the Group's management assesses extension options and termination rights. Only if there is reasonable certainty that these rights will be exercised, the Group amends its lease accounting. Guidelines for this assessment have been developed to ensure consistency of assumptions across different markets. The estimated assets and liabilities, the Group uses the incremental borrowing rate (IBR) following methodology to determine the discount rate used for calculating the present value of lease obligations. Refer to [notes 14](#), [16](#) and [23](#) for more details.

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NOTE 4 FINANCIAL RISK MANAGEMENT

4.1 FINANCIAL RISK FACTORS

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

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

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

Currency risk

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

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

The table below shows the translation effects to the Group's consolidated net profit before taxes and equity from simulated changes in the exchange rates against EUR (presentation

currency for the Group). The calculation assumes that the EUR depreciates by 5% against the relevant currencies based on the exchange rates as of 31 December 2023. With an appreciation of the EUR, the impact would be opposite.

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

Price risk

In 2023 the Group's total bunker cost was EUR 76.7 million which is 10% of Group operating revenues, and the Group is therefore exposed to fluctuations in the price of fuel. To reduce the risk related to fluctuations in the fuel price the Group has implemented a fuel hedging policy where the key principle is to obtain visibility on price.

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

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

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Interest rate risk

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

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

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

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

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

Change in interest rate level with +100 basis points – EUR loans

10.1

Credit Risk

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

The Group uses measures like prepayment guarantees to reduce the credit risk of investments.

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

Liquidity risk

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

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4.2 CAPITAL MANAGEMENT

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

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

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

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NOTE 5 SEGMENT INFORMATION

ACCOUNTING POLICY

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

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

01.01-31.12 2023
(EUR 1 000)

	Hurtigruten	HX Hurtigruten Expeditions	Hurtigruten Destinations	Group functions, other and eliminations
Operating revenue	272 870	287 310	33 958	(57)
Revenue from government contract	61 993	-	-	-
Other operating income	-	-	-	-
Total revenue and other income	334 863	287 310	33 958	(57)
Direct cost of goods and services	(73 590)	(87 866)	(11 267)	(1 221)
Salaries and personnel costs	(91 714)	(90 861)	(9 217)	(1 099)
Sales and marketing costs	(19 435)	(27 169)	(1 099)	(1 099)
Other operating costs	(107 027)	(129 515)	(3 670)	(1 099)
Net other gains/(losses)	1 860	964	73	3 897
EBITDA	44 956	(47 137)	8 780	(1 629)
- Net other gains/(losses)	(1 860)	(964)	(73)	(3 897)
- Net non-recurring expenses	14 170	16 836		
Normalised adjusted EBITDA	57 266	(31 265)	8 707	(2 000)
EBITDA	44 956	(47 137)	8 780	(1 629)
Depreciation, amortisation and impairment losses	(37 486)	(17 004)	(6 537)	(13 650)
Operating profit/(loss) (EBIT)	7 470	(64 142)	2 243	(15 379)

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01.01-31.12 2022
(EUR 1 000)

	Hurtigruten	HX Hurtigruten Expeditions	Hurtigruten Destinations	Group functions, other and eliminations
Operating revenue	219 622	256 376	30 606	1 925
Revenue from government contract	59 378	-	-	-
Other operating income	-	7 655	9	946
Total revenue and other income	279 000	264 031	30 616	2 871
Direct cost of goods and services	(58 298)	(68 238)	(9 919)	(464)
Salaries and personnel costs	(84 082)	(83 965)	(8 755)	(0)
Sales and marketing costs	(20 332)	(30 918)	(777)	(0)
Other operating costs	(109 877)	(140 287)	(3 328)	(159)
Net other gains/(losses)	4 789	6 611	65	(3 776)
EBITDA	11 200	(52 765)	7 901	(1 529)
- Net other gains/(losses)	(4 789)	(6 611)	(65)	3 776
- Net non-recurring expenses	34 031	55 067	-	0
Normalised adjusted EBITDA	40 442	(4 309)	7 836	2 247
EBITDA	11 200	(52 765)	7 901	(1 529)
Depreciation, amortisation and impairment losses	(36 100)	(22 722)	(4 849)	(9 656)
Operating profit/(loss) (EBIT)	(24 900)	(75 487)	3 052	(11 213)

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

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NOTE 6 OPERATING REVENUE AND OTHER INCOME

ACCOUNTING POLICY

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

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

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

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

Revenue from onboard sales

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

Contractual revenue

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

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

Cost of sales

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

Guarantees

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

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

Government grants

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

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

The Group has received government grants related to Covid-19 relief packages in 2020 and 2021. The grants were recognized as other operating income over the periods the production revenue occurred.

The Group receives grants related to trainee schemes consisting of net salary subsidised as reduction of the personnel expenses.

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Revenue by Category

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

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

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

Reconciliation of movement in deposits from customers

(EUR 1 000)	2023
Deposits from customers, opening balance	158 866
Net new sales	555 657
Recognised in revenue	(544 620)
Currency translation effects	40
Other deferred revenue	865
Deposits from customers, closing balance	170 808

(EUR 1 000)	2023
During the first twelve months	136 809
During the second year	33 999
Total deposits from customers	170 808

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

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

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Revenue by category and geographical segments

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

2023 (EUR 1 000)	Ticket revenue	Flights, hotels and transportation	Presold food, beverages, shop and excursions	Contractual revenue	Other operating revenue
Nordic market/Onboard sales/Destination segment	31 111	(10 134)	23 666	61 993	57 492
Germany	119 883	45 885	31 898	-	5 891
France	19 956	5 408	7 163	-	1 802
United Kingdom	49 979	13 965	18 584	-	1 778
Rest of Europe	29 854	4 490	9 397	-	445
United States and Canada	49 076	8 994	15 089	-	3 100
Asia/Pacific	33 273	4 435	10 601	-	505
Total operating revenue	333 132	73 045	116 397	61 993	71 015

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2022 (EUR 1 000)	Ticket revenue	Flights, hotels and transportation	Presold food, beverages, shop and excursions	Contractual revenue	Other operating revenue
Nordic market/Onboard sales/Destination segment	28 262	2 204	8 510	59 378	57 015
Germany	118 265	24 979	40 329	-	6 161
France	14 619	3 733	3 367	-	2 913
United Kingdom	47 107	10 794	14 374	-	5 551
Rest of Europe	26 324	2 035	8 298	-	3 341
United States and Canada	41 821	6 396	11 727	-	1 775
Asia/Pacific	11 474	1 069	3 617	-	2 551
Total operating revenue	287 872	51 210	90 221	59 378	79 275

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NOTE 7 DIRECT COSTS OF GOODS AND SERVICES

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

NOTE 8 SALARIES AND PERSONNEL EXPENSES

(EUR 1 000)	2023	2022
Wages and salaries	157 824	157 824
Payroll tax	11 342	11 342
Pension costs (note 25)	11 209	11 209
Other benefits	11 423	11 423
Total salaries and personnel costs	191 797	191 797

Average number of full-time equivalents

2 089

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

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

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NOTE 9 MANAGEMENT AND AUDITORS' REMUNERATION

Total compensation year 2023

Board of directors

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

Executive management

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

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

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

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

²⁾ Left the post in June 2023.

³⁾ In post from May 2023.

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

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

A performance-based bonus scheme was introduced for the Group's management. The bonus payments are established applying pre-determined targets and parameters of which relate to the Group's overall performance and others to results within management spheres of responsibility. The maximum bonus for an individual management member for FY 2023 were not fulfilled. The CEO has a separate performance-related bonus scheme as described above.

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Total compensation year 2022

Board of directors

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

Executive management (restated)

(EUR 1 000)	Position	Salary	Pension cost	Other ¹⁾	Total remuneration
	Daniel Skjeldam	711	98	1 185	1 994
	Torleif Ernsten	291	41	280	612
	Asta Lassen	200	41	340	581
	Hedda Felin	230	32	67	329
	Ole-Marius Moe-Helgesen	218	27	118	363
	Steven Taylor ²⁾	347	24	1	373
	Simon Little ³⁾	63	4	1	68
Total		2 060	267	1 992	4 319

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

²⁾ Joined 10 January 2022.

³⁾ Joined 1 October 2022.

Auditor remuneration

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

VAT is not included in the fees specified above.

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NOTE 10 OTHER OPERATING EXPENSES

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

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

NOTE 11 NET OTHER GAINS AND LOSSES

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

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

NOTE 12 NET FINANCIAL ITEMS

(EUR 1 000)	2023	2022
Interest income	1 363	1 363
Dividends	563	563
Other financial income	1 855	1 855
Financial income	3 782	3 782
Interest on debt and borrowings	(214 940)	(214 940)
Interest on lease liabilities	(3 683)	(3 683)
Other financial expenses	(3 778)	(3 778)
Financial expenses	(222 401)	(222 401)
Net foreign exchange gains/(losses)	2 014	2 014
Net financial items	1 616 605	1 616 605

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

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

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NOTE 13 INCOME TAXES

ACCOUNTING POLICY

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

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

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

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

Several of the Group's subsidiaries are vessel owning companies, which are subject to taxation under the Norwegian tonnage tax regime pursuant to chapter 8 of the Taxation Act. Under the tonnage tax regime, profits from qualifying operations are exempt from taxes, whilst financial results are

not exempt from taxation. Under the tonnage tax regime, taxable profit is calculated on the financial income after deduction of a portion of financial expenses. The portion deducted as financial assets in percent of total assets. The tax regime allows for financial losses forward against positive financial income in later years. Tonnage tax is payable based on tonnage of vessels and classified as an operating expense.

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

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

Income tax recognised in profit and loss

(EUR 1 000)

Current taxes

Deferred taxes

Total income taxes

2023

(3 262)

(11 054)

(14 316)

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

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Reconciliation of income tax (expense)/benefit

(EUR 1 000)	2023	2022
Net income before tax	(284 088)	(219 819)
Expected income taxes 22% of profit before tax	62 540	48 374
Tax effect on taxable income within the tonnage tax scheme in Norway	(14 613)	(30 631)
Tax effect non-deductible expenses and non-taxable income and translation differences ¹⁾	(27 205)	(5 604)
Effect from difference in tax rate from nominal tax rate in Norway	(52)	(111)
Effect from change in tax rate and tax provisions from previous years	122	7
Tax effects of changes in unrecognised deferred tax assets	(35 635)	(1 770)
Tax effects share of profit (loss) from equity accounted companies	527	143
Total income (taxes) benefit	(14 316)	10 407
Effective tax rate	-5.0%	4.7%
¹⁾ Most of the borrowings in the Group are denominated in EUR. This will not have any translation effects in the reported accounts in the specific subsidiaries. However, the Norwegian tax papers are filed in NOK and will show revaluation effects in the taxable profit and loss statement in NOK in the specific subsidiaries. This creates a translation difference in profit/(loss) before taxes in EUR compared to NOK in the consolidated accounts.		

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

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

Deferred tax assets and deferred tax liabilities

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

(EUR 1 000)	31.12.2023
Retirement benefit obligations	720
Other current and non-current items	1 077
Tax loss carry forward	70 387
Deferred tax asset	83 924
Unrecognised deferred tax for tax loss carried forward	(47 739)
Unrecognised deferred tax interest cost subjected to limitations	(11 740)
Deferred tax assets recognised	24 445
Netting	(23 842)
Net deferred tax assets recognised	603
Property, ship and equipment and intangible assets	826
Taxable gain and loss account (Norway only)	31 867
Other current and non-current items	2 213
Derivatives	149
Deferred tax liabilities	35 055
Netting	(23 842)
Net deferred tax liabilities	11 213
Carrying value of deferred tax asset	603
Carrying value of deferred tax liability	11 213
Net deferred tax asset/(liability)	(10 610)

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Movements in net deferred tax assets and deferred tax liabilities

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

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

Tax losses carried forward

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

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

The majority of tax losses can be carried forward indefinitely.

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NOTE 14 PROPERTY, SHIP AND EQUIPMENT

ACCOUNTING POLICY

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

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

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

maintenance. Ongoing maintenance for all ship types is expensed in the P&L continuous period in which the work is performed.

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

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

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

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Movements in property, ship and equipment 2023

(EUR 1 000)	Land and buildings	Ships	Prepayments ships and assets under construction	Other property, plant and equipment	Right of use asset
Acquisition cost					
As at 1 January 2023	3 534	1 323 221	49 119	24 229	84 435
Additions	38	49 410	16 287	2 727	8 328
Additions through investments in subsidiaries	-	-	-	-	-
Transfers and reclassifications	3	27 197	(28 601)	1 400	-
Remeasurement right of use assets	-	-	-	-	1 564
Disposals	(50)	-	(180)	(632)	-
Currency translation differences	(83)	-	(48)	(757)	(2 844)
As at 31 December 2023	3 444	1 399 827	36 578	26 967	91 483
Accumulated depreciation and impairment					
As at 1 January 2023	(1 201)	(483 796)	-	(14 645)	(40 469)
Additions through investments in subsidiaries	-	-	-	-	-
Depreciation	(198)	(53 731)	-	(2 657)	(8 913)
Disposals	-	-	-	804	-
Impairment losses	(494)	-	(708)	-	(1 199)
Transfers and reclassifications	25	-	-	(25)	-
Currency translation differences	(109)	-	(16)	575	666
As at 31 December 2023	(1 977)	(537 528)	(724)	(15 947)	(49 800)
Book value 31 December 2023	1 467	862 300	35 854	11 020	41 683

Useful economic lifetime

25-40 years

20-40 years

N/A

5-10 years

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Movements in property, ship and equipment 2022

(EUR 1 000)	Land and buildings	Ships	Prepayments ships and Assets under construction	Other property, plant and equipment	Right of use asset
Acquisition cost					
As at 1 January 2022	3 360	1 255 381	39 805	21 411	77 182
Additions	13	38 672	45 575	2 420	3 064
Remeasurement right of use assets	-	-	-	-	6 731
Disposals	346	29 167	(36 240)	1 164	-
Currency translation differences	(185)	(0)	(20)	(765)	(2 543)
As at 31 December 2022	3 534	1 323 221	49 119	24 229	84 435
Accumulated depreciation and impairment					
As at 1 January 2022	(1 636)	(433 897)	-	(12 948)	(31 593)
Additions through investments in subsidiaries	-	-	-	-	-
Depreciation	(197)	(54 845)	-	(2 275)	(9 520)
Disposals	572	4 946	-	-	678
Currency translation differences	60	(0)	-	578	-
As at 31 December 2022	(1 201)	(483 796)	-	(14 645)	(40 435)
Book value 31 December 2022	2 333	839 424	49 119	9 585	43 999

Useful economic lifetime

25-40 years

20-40 years

N/A

5-10 years

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

Impairment

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

Reference to [note 16](#) regarding impairment of right-of-use assets in 2023

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NOTE 15 INTANGIBLE ASSETS

ACCOUNTING POLICY

Goodwill

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

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

Goodwill is not amortised but is tested annually for impairment.

Trademarks

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

Other intangible assets

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

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

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

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and impairment losses. Amortisation of the asset begins when

development is complete and the asset is available for use. It is amortised over the period expected to generate future benefit. Other development expenditures that do not meet the criteria for recognition are expensed as they are incurred.

Software-as-a-Service (SaaS) arrangements

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

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

Impairment of non-financial assets excluding goodwill

At each reporting date, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the carrying amount of the asset is estimated to determine the extent of the impairment loss, if any. Where the carrying amount exceeds the recoverable amount of an individual asset, the impairment loss is recognised in the carrying amount of the cash-generating unit to which the asset belongs.

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount. The increase cannot

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does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Impairment of goodwill and trademarks

Goodwill and intangible assets that have an indefinite useful life such as trademarks are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances are evaluated to be impairment indicators. Other assets are tested for impairment

whenever events or changes in circumstances indicate that the carrying amount may exceed its recoverable amount. An impairment loss is recognised as the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal, and value in use. For the purposes of assessing assets for impairment, cash-generating assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets, other than goodwill, that have historically been impaired and for which there is evidence of a possible reversal of the impairment at the end of each reporting period, are tested for impairment at that time.

Movements in intangible assets 2023

(EUR 1 000)	Goodwill	Trademark	Intangible assets under construction	Other intangible assets	Total
Acquisition cost					
As at 1 January 2023	199 035	45 621	3 000	72 289	319 945
Additions	-	-	241	1 458	1 699
Transfer from assets under construction	-	-	(2 681)	2 681	-
Currency translation differences	(116)	-	(285)	(3 725)	(4 126)
As at 31 December 2023	198 919	45 621	274	72 704	317 518
Accumulated depreciation and impairment					
As at 1 January 2023	(1 365)	-	-	(54 141)	(55 506)
Amortisation	-	-	-	(5 896)	(5 896)
Impairment losses	-	-	-	(957)	(957)
Currency translation differences	88	-	-	2 575	2 663
As at 31 December 2023	(1 277)	-	-	(58 420)	(59 697)
Book value 31 December 2023	197 643	45 621	274	14 284	257 822
Useful economic lifetime	Indefinite	Indefinite	N/A	3-10 years	

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Movements in intangible assets 2022

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

Book value 31 December 2022 197 670 45 621 3 000 18 148 264 439

Useful economic lifetime

Indefinite

Indefinite

N/A

3–10 years

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

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

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

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Annual impairment tests

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

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

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

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

Assumptions applied when calculating the recoverable amount

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

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

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

Sensitivities

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

Impairment in 2023 and 2022

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

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NOTE 16 LEASES

ACCOUNTING POLICY

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

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

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

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

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

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

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

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

Right-of-use assets

(EUR 1 000)	Ships	Buildings	Office- and other machinery
2023			
Balance at 1 January	12 543	30 293	1 130
New contracts	3 362	3 880	1 086
Remeasurement or amendments	(2 893)	4 150	308
Depreciation	(2 970)	(4 585)	(1 361)
Impairment	-	(1 159)	-
Currency translation differences	(483)	(1 658)	(7)
Balance at 31 December	9 559	30 921	1 156
2022			
Balance at 1 January	10 919	31 977	2 694
New contracts	-	2 847	217
Remeasurement or amendments	5 443	1 262	26
Depreciation	(3 340)	(4 376)	(1 804)
Currency translation differences	(479)	(1 416)	(3)
Balance at 31 December	12 543	30 293	1 130

Impairment of right-of-use assets in 2023 is related to vacated office space in Utsira in Norway.

Reference to [note 14](#) for movements in right-of-use assets.

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	2023	2022
Amounts recognised in the consolidated statement of income		
(EUR 1 000)		
Depreciation right-of-use assets	(8 915)	(8 915)
Interest on lease liabilities	(3 683)	(3 683)
Total	(12 598)	(12 598)
Amounts recognised in the consolidated statement of cash flows		
(EUR 1 000)		
Net cash outflow for leases	(9 064)	(9 064)

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

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

Reference to note 23 for movements in the lease liabilities.

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NOTE 17 INVESTMENTS IN ASSOCIATES

ACCOUNTING POLICY

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

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

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

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

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

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

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

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

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NOTE 18 FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

Classification of financial assets

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

1) Financial assets measured at amortised cost

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

2) Financial assets measured at fair value through other comprehensive income

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

3) Financial assets measured at fair value through profit or loss

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

Recognition and measurement

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

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

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

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

Offsetting of financial assets and liabilities

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

Impairment of financial assets

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

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

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Derivatives and hedging

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

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

Carrying amount of financial assets and liabilities 2023

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

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Carrying amount of financial assets and liabilities 2022

As of 31 December 2022 (EUR 1 000)	note	Financial liabilities at amortised cost	Financial instruments at fair value through profit and loss	Financial instruments at fair value through OCI	Derivatives used for hedging	Non-financial assets and liabilities
Non-current assets						
Other non-current financial assets	20	919				808
Investments accounted for using equity method	17					21 715
Investments in other companies			309	2 230		
Current assets						
Trade receivables	20	19 995				
Other receivables and prepaid expenses	20	34 232				
Derivatives					2 773	
Cash and cash equivalents	21	29 841	117			31 207
Non-current liabilities						
Interest-bearing liabilities	23	1 374 028				1 987
Current liabilities						
Interest-bearing liabilities	23	263 463				
Trade payables	26	61 104				
Other payables and provisions	26	50 172				24 200
Accrued revenue and deposit from customers	6	5 872				152 997
Net financial assets and liabilities		(1 669 651)	426	2 230	2 773	

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Classification by IFRS fair value hierarchy

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

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

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

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

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

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

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

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

Specification of investments in other companies

(EUR 1 000)	Ownership share	2023
Myklebust Verft Invest AS	15.9%	206
Other minor investments		206
Total		206

Credit quality of financial assets

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

(EUR 1 000)	note	2023
Counterparties without external credit ratings:		74 565
Total trade receivables and other receivables	20	74 565
Bank deposit – Rating AA (S&P)		49 336
Cash on hand		874
Total cash and short-term bank deposits	21	50 210

Money market fund (SICAV-France)		117
Total market based investments		117

Classification of derivatives – Assets

Rating A (S&P)		678
Total derivative assets	18	678

A hedging instrument is classified as non-current if the majority of the instrument's cash flows are expected to be received or paid at a date later than 12 months from the balance sheet date.

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NOTE 19 INVENTORIES

ACCOUNTING POLICY

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

The inventories comprise the following types of goods:

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

NOTE 20 TRADE RECEIVABLES, PREPAYMENTS AND OTHER CURRENT RECEIVABLES

ACCOUNTING POLICY

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

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

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

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

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

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Carrying value of trade receivables, prepayments and other current receivables

(EUR 1 000)	2023	2022
Trade receivables	31 354	20 563
Less provision for impairment of trade receivables	(2 454)	(568)
Trade receivables	28 900	19 995
Prepaid expenses	34 767	29 651
Prepaid income tax	2 089	1 556
Total prepayments	36 856	31 207

Current receivables related to travel bonds	18 502	14 202
Other miscellaneous receivables	15 930	11 412
Other current receivables, group companies	6 600	1 678
Net wages claims	3 742	5 809
Public duties receivable	891	1 131
Total other receivables	45 666	34 232

Total current trade and other receivables

Non-current receivables, group companies	119	116
Other non-current financial assets	2 378	1 612
Total other non-current financial assets	2 497	1 728

For specification of receivables from related parties, please see [note 27](#).

Ageing of overdue trade receivables

(EUR 1 000)	2023
Up to three months	19 081
Three to six months	621
Over six months	884
Total ageing of overdue trade receivables	20 586

Movements in the provision for impairment of trade receivables

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

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

Trade receivables primarily comprise sales to external agents through invoicing. routines to ensure that trade credit and prepayment of expenses are not extended and vendors that have a satisfactory credit rating. Individual risk exposure limits on internal and external assessments of credit ratings.

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NOTE 21 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

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

(EUR 1 000)	note	2023	2022
Cash at bank and on hand	18	50 210	29 841
Market-based investments ¹⁾	18	117	117
Cash and cash equivalents in the balance sheet		50 327	29 958

Of which restricted bank deposits²⁾

¹⁾ Funds owned by a foreign subsidiary.

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

2 362

2 785

NOTE 22 SHARE CAPITAL

Share capital

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

All ordinary shares have equal rights.

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Shareholder information as at 31 December 2023

Shareholder information as at 31 December 2022

	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)
Silk Midco AS	30	100.0%	30	100.0%
Shares in the ultimate parent Silk Topco AS held by elected officers in Hurtigruten as of 31 December 2023				
Board of Directors				
Trygve Hegnar, Chair, through Persicopus AS		4.9%		
Petter Anker Stordalen, Director, through Strawberry Equities AS		11.6%		
Jonathan Barlow Rosen, Director		0.0%		
Linda Zhang, Director		0.0%		
Dean Merritt, Director		0.0%		
Management				
Daniel A. Skjeldam, CEO, through Hornsund Invest AS		0.9%		
Asta Lassesen, CEO Hurtigruten Expeditions, through A. Y. Invest AS		0.4%		
Torleif Ernstsen, CFO ^{*)} , through Rypestrand Sjøbad AS		0.1%		
Ole-Marius Moe-Helgesen, CDO, through HMM Consulting AS		0.04%		
Hedda Felin, CEO Hurtigruten Norway, through Felinvest AS		0.04%		
^{*)} Left the position in June 2023				

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

Dividend per share

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

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NOTE 23 INTEREST-BEARING LIABILITIES

ACCOUNTING POLICY

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

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

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

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Classification of interest-bearing liabilities

(EUR 1 000)

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

(EUR 1 000)

Secured		
Bonds	30 000	30 000
Term loans	4 029	4 029
Sale leaseback debt facilities	845	845
Other interest-bearing liabilities	74 468	74 468
Other current interest-bearing liabilities	(2 979)	(2 979)
Transaction cost at amortised cost - (secured)	41 627	41 627
Accrued interest external financing	147 990	147 990
Total secured current interest-bearing liabilities	147 990	147 990
Unsecured		
Shareholder loan, current	70 686	70 686
Accrued interest shareholder loan	50 951	50 951
Total unsecured current interest-bearing liabilities	121 637	121 637
Total current interest-bearing liabilities	269 628	269 628
Current lease liabilities	11 832	11 832
Total outstanding interest-bearing liabilities including lease liabilities	281 460	281 460

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Movements in interest-bearing liabilities

(EUR 1 000)	2023	2022
Total interest-bearing liabilities	1 637 491	1 443 724
Cash flows		
New financing	435 430	170 000
Repayments	(241 026)	(14 259)
Lease payments	(9 064)	(9 711)
Interest and financial cost paid	(111 809)	(68 917)

Non-cash flows

Financial expenses recognised in profit or loss	216 516	110 589
New lease contracts or modified/remeasured contracts	9 866	9 823
Currency translation effects	(4 881)	(3 758)
Total	1 932 524	1 637 491

Maturity of interest-bearing liabilities as of 31 December 2023

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

Maturity of interest-bearing liabilities as of 31 December 2022

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

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

Listed bonds

Senior secured bond

The EUR 300 million Explorer II bond was listed on the Oslo Stock Exchange with ISIN 0010874548 on 10 July 2020. The senior secured listed bonds hold mortgage over MS Roald Amundsen and MS Fridtjof Nansen, bear a fixed coupon of 3.375% and February 2025. From and including August 2023 the bonds have semi-annual ar EUR 15 million (EUR 30 million per annum).

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

Green bond

The EUR 50 million green bond was listed on the Oslo Stock Exchange with ISIN 0012436270 on 18 July 2022. The listed bonds are unsecured and bear a fixed coupon and mature in February 2025. Net proceeds from the bond were used to finance of 3 ships in the Hurtigruten fleet to battery-hybrid power. Certain amendments to the bond terms as part of the recapitalisation transaction announced in December separate note on subsequent events for further details.

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

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

Other interest-bearing liabilities

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

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

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

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

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

Sale and leaseback debt facilities

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

Interim Facility

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

Other interest-bearing liabilities

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

Lease liabilities

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

Pledges

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

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

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

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

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

(EUR 1 000)

2023

Interest-bearing liabilities secured by mortgage

Senior secured Bond	85 000
Term loans	46 133
Sale leaseback debt facilities	30 771
Revolving credit facilities	-
Total interest-bearing liabilities secured by mortgage	161 904

Book value of assets pledge as security

98 857

Total assets pledged as security

98 857

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Covenants

Senior secured bond

Minimum Free Liquidity covenant

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

Green bond

Minimum Free Liquidity covenant

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

Term Loan B, Term Loan B1 and Notes Facility

Minimum Available Liquidity covenant

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

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

Consolidated Net Leverage Ratio

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

Reference to [note 30](#) Subsequent events.

NOTE 24

SHARE-BASED PAYMENT

ACCOUNTING POLICY

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

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

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NOTE 25 EMPLOYEE RETIREMENT BENEFIT PLANS

ACCOUNTING POLICY

Defined benefit schemes

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

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

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

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

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

Defined contribution schemes

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

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

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

	Norway	Germany
2023		
(EUR 1 000)		
Present value of obligations	1 653	3 703
Fair value of plan assets	-	5 300
Net pension obligations/(assets)	1 653	(1 598)
2022		
(EUR 1 000)		
Present value of obligations	1 827	4 166
Fair value of plan assets	(0)	4 974
Net pension obligations/(assets)	1 827	(808)

The Contractual Early Retirement (AFP) Scheme Act adopted by the Norwegian Government in 2010 entailed the derecognition and recognition in the income statement of provisions for the old contractual early retirement scheme. Provisions were set aside to cover

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underfunding of the old contractual early retirement scheme. The new AFP early retirement scheme is based on a tri-parties collaboration between employer, employee organisations and the government. The government covers one-third of the pension expenses for the early retirement scheme, while affiliated enterprises cover the remaining two-thirds. The scheme is recognised as a defined benefit multi-entity plan in the financial statements. This means that each individual company shall account for its proportional share of the scheme's pension obligations, plan assets and pension costs. Until reliable and consistent information is available for allocation, the new contractual early retirement scheme will be accounted for as a defined contribution plan. This is consistent with the Ministry of Finance's conclusion concerning the new AFP early retirement plan published in connection with the presentation of the Norwegian State Budget on 14 October 2013.

The pension costs recognised in the income statement are:

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

Risks, asset management and sensitivity

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

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

A basic intention of asset management of plans organised through pension insurance companies is to secure the non-current obligations by delivering a competitive annual return

at least equal to the guaranteed interest rate. The plan assets in the German plan are invested in a listed fund that is managed by a professional asset manager. The fund is a multi-asset strategy with a conservative risk profile. The composition of the fund is changed to accommodate optimal returns and risk management. Consequently, investments are exposed to market risk. While the company management cannot control the fund's investments, it may at any time elect to exit fund investments.

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

Financial assumptions

(EUR 1 000)	2023
Norway	
Discount rate	3.10%
Expected annual wage adjustment	3.50%
Expected annual pension adjustment	1.80%
Expected annual National Insurance basic amount (G) adjustment	3.25%
Table book used for estimating liabilities	IR013 BE
Table book used for estimating disabilities	IR02
Germany	
Discount rate	3.20%
Expected annual wage adjustment	N/A
Expected annual pension adjustment	2.25%
Expected annual National Insurance basic amount (G) adjustment	N/A
Average expected years of service until retirement age	16 Years

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Change in the defined benefit pension obligations during the year

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

Change in the fair value of the plan assets

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

Specification of net plan assets/obligations

(EUR 1 000)	2023
Present value of funded pension obligation	3 703
Present value of unfunded pension obligations	1 653
Total pension obligation at 31 December	5 356
Estimated fair value of plan assets at 31 December	5 300
Net pension obligations at 31 December	55

Expected maturity date of pension schemes as of 31 December 2023

(EUR 1 000)	< 1 year	1–2 years	2–5 years	>5 years
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Defined benefit pension	639	1 028	1 883	6 683
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Table of the historical present values of pension obligations and assets

(EUR 1 000)	2023
Present value of defined benefit pension obligations	5 356
Fair value of plan assets	5 300
Deficit/(surplus)	55

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NOTE 26 TRADE PAYABLES, OTHER CURRENT LIABILITIES AND PROVISIONS

	2023	2022
Trade payables	47 969	61 086
Trade payables related parties ¹⁾	116	19
Public duties payable	8 551	6 156
Other current liabilities	43 448	21 214
Current payables to related parties ¹⁾	2 256	(114)
Accrued expenses	49 245	42 736
Total other current liabilities²⁾	151 584	131 098

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

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

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

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

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Provision classification in the balance sheet as of 31 December

(EUR 1 000)

	2023	2022
Non-current liabilities	-	91
Current liabilities	5 500	4 012

Bonuses

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

Management incentive plans

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

NOTE 27 RELATED PARTY TRANSACTIONS

Transactions with related parties are carried out with terms and conditions that are favourable than those available, or which might reasonably be expected to be available, in similar transactions between independent parties. Related parties are defined as management personnel in the company, shareholders, and associates. Associates include Green Dog Svalbard AS, and Empresa Turistica Internacional C.A. (see [note 26](#)).

The Group conducted the following transactions with related parties:

Transactions with associates (EUR 1 000)	2023
Operating revenues	32
Sale of services to Green Dog Svalbard	
Operating costs	763
Purchase of services from Green Dog Svalbard AS	21 227
Purchase of services from Empresa Turistica Internacional C.A.	
Balances with Green Dog Svalbard AS at year-end	818
Current receivables	8 001
Non-current receivables	(6 732)
Current liabilities	2 087
Net balances with related parties as of 31 December	

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Current receivables from other group companies at year-end
(EUR 1 000)

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

Current payables to other group companies at year-end
(EUR 1 000)

Silk Topco AS	2 519
Silk Midco AS	16 794
KVE Holding AS	1
Kirberg Shipping AS	1
Namdalen Wilderness Lodge	(2)
Total	19 312

Non-current receivables from other group companies at year-end
(EUR 1 000)

	2023	2022
Silk Topco AS	13	14
Silk Midco AS	28	26
KVE Holding AS	-	-
Kirberg Shipping AS	78	76
Total	119	116

Non-current payables to other group companies at year-end
(EUR 1 000)

Silk Topco AS	50 686
Silk Midco AS	324 899
Totals	375 585

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NOTE 28 INVESTMENT IN SUBSIDIARIES

	Registered office	Ownership/ voting share	Registered office	Registered office
Owned directly by Hurtigruten Group AS				
Hurtigruten Expeditions AS	Oslo, Norway	100%	Oslo, Norway	London, UK
Hurtigruten Expeditions Group Ltd	London, UK	100%	London, UK	London, UK
Hurtigruten Norway AS	Tromsø, Norway	100%	Tromsø, Norway	Tromsø, Norway
Hurtigruten Global Sales AS	Oslo, Norway	100%	Oslo, Norway	Tromsø, Norway
Hurtigruten Global Services AS	Oslo, Norway	100%	Oslo, Norway	Tromsø, Norway
Hurtigruten Destinations AS	Oslo, Norway	100%	Oslo, Norway	Tromsø, Norway
Hurtigruten Investments AS	Oslo, Norway	100%	Oslo, Norway	Tromsø, Norway
Hurtigruten AS	Oslo, Norway	100%	Oslo, Norway	Tallinn, Estonia
				Hamburg, Germany
				Seattle, USA
				London, UK
Owned by subsidiaries of Hurtigruten Group AS				
Hurtigruten Offshore Excursions AS	Oslo, Norway	100%	Oslo, Norway	London, UK
Hurtigruten Expedition Fleet AS	Oslo, Norway	100%	Oslo, Norway	Paris, France
Hurtigruten Explorer AS	Oslo, Norway	100%	Oslo, Norway	Melbourne, Australia
Explorer I AS	Oslo, Norway	100%	Oslo, Norway	London, UK
Explorer II AS	Oslo, Norway	100%	Oslo, Norway	Hong Kong
Hurtigruten Expedition Crew AS	Oslo, Norway	100%	Oslo, Norway	Kirkenes, Norway
Hurtigruten Expedition Cruises AS	Oslo, Norway	100%	Oslo, Norway	Longyearbyen, Svalbard, Norway
Hurtigruten Expedition Technical Services GmbH	Hamburg, Germany	50%	Hamburg, Germany	Kirkenes, Norway
Hurtigruten Expeditions Hotel Support GmbH	Hamburg, Germany	100%	Hamburg, Germany	Jarfjord, Norway
Hurtigruten Expeditions Ltd	London, UK	100%	London, UK	

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NOTE 29 CONTINGENT LIABILITIES AND OTHER COMMITMENTS

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

Guarantees

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

Membership of the NOx Fund

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

The Environmental Agreement for 2011–2017 was signed on 14 December 2010 by 15 industry organisations and the Ministry of the Environment and was approved by EFTA's Monitoring Body (ESA) on 19 May 2011. The Fund has reported that the targets for 2011–2016 were

met. On 24 May 2017, an extension to the NOx Agreement for the period 2018–2022 was signed between the business organisations and the Norwegian Authorities. The agreement was approved by ESA on 2 February 2018. A second extension for the years 2022–2025 was signed in May 2022. This agreement is not yet approved by ESA.

Coastal service agreement with the ministry of transportation regarding emissions

As part of the requirements in the Norwegian coastal contract with the Norwegian Transport and Communications, the maximum level of CO₂ emission is set to a total of 103 000 tonnes CO₂ equivalents per year during the contract period from January to December 2030. To meet this requirement three vessels in the coastal fleet will be upgraded with new low emission engines and battery-hybrid power solutions. The first vessel was upgraded one ship in 2022, one in 2023, and will complete the upgrade program last ship in Q1 2025. This will significantly reduce the emission of CO₂ equivalent during the contract period.

Legal items

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

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NOTE 30 SUBSEQUENT EVENTS

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

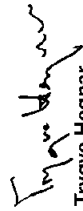
1. injection of liquidity of EUR 185 million (on a net basis) through a combination of near-term interest waivers and a new super senior secured opco facility in a principal amount of EUR 205 million, part of which was used to repay in full the interim financing provided to the Company in a principal amount of EUR 74 million in December 2023;
2. restructuring of the Group's existing senior facilities into a new senior secured opco facility of EUR 345 million (the "New Senior Facility") and a new secured PIK holdco facility of around EUR 670 million (the "New Holdco Facility");
3. restructuring of the existing senior unsecured bonds in a principal amount of EUR 50 million originally issued by the Company such that these were converted into senior secured bonds issued by Hurtigruten Newco AS, the parent company of the Company (the "Reinstated SUNs"). The repayment of the Reinstated SUNs is subject to a payment waterfall such that 60% of the Reinstated SUNs rank pari passu with the New Holdco Facility and certain other restructured shareholder facilities, while the remaining 40% are subordinated to them; and
4. shareholder facilities of about EUR 150 million were restructured, all of which are subordinated to the New Senior Facility and approximately EUR 55 million of which are subordinated to the New Holdco Facility and Reinstated SUNs. The maturity profile of these facilities was extended to provide additional support for the business.

RESPONSIBILITY STATEMENT

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

Oslo, 30 April 2024

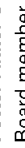
The Board of Directors of Hurtigruten Group AS


Trygve Hegnar

Chairman


Petter Anker Stordalen

Board member


Kennet Jarl Andersen

Board member


Daniel Skjeldam

CEO

PARENT COMPANY FINANCIAL STATEMENTS 2023

STATEMENT OF INCOME

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

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STATEMENT OF FINANCIAL POSITION

(EUR 1 000)

(EUR 1 000)

(EUR 1 000)

note

31.12.2023

Assets

Non-current assets

Deferred income tax asset	5	38 863	38 907
Investments in subsidiaries	6	841 283	841 283
Other non-current receivables, related parties	7	540 270	499 283
Investments in other companies		-	2 230
Total non-current assets		1 420 416	1 381 703

Current assets

Other current receivables		38	(2)
Current receivables, related parties cash pool	8	179 268	43 886
Other current receivables, related parties	7	14 499	5 485
Current derivative financial instruments		678	2 773
Cash and cash equivalents	8	35 606	17 621
Total current assets		230 089	69 762

Total assets

1 650 505

1 451 465

Equity and liabilities

Equity attribute to owners of the parent

Share capital	9	185 196
Additional paid-in capital		(3 076)
Other equity		(411 516)
Retained earnings		(229 386)
Total equity	9	(229 386)

Liabilities

Non-current liabilities

Non-current interest-bearing liabilities	10	987 921
Non-current interest-bearing liabilities, related parties	7, 10	324 899
Total non-current liabilities		1 312 820

Current liabilities

Trade and other payables		3 837
Trade and other payables, related parties	7	2 358
Current liabilities related parties, Cash pool	8	399 451
Current interest-bearing liabilities	10	36 101
Current interest-bearing, related parties	7	225 325
Total current liabilities		667 071

Total equity and liabilities

1 650 505

Oslo, 30 April 2024

The Board of Directors of Hurtigruten Group AS

Trygve Hegnar
Chairman

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Board member

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Board member

Daniel Skjeldam
CEO

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STATEMENT OF CASH FLOW

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

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NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION AND ACCOUNTING PRINCIPLES

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

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

Basis of preparation

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

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

Use of estimates

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

Foreign currency translation

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

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

Investment in subsidiaries and associated companies

Investment in subsidiaries and associated companies are recorded in accordance with the method, less any impairment losses. An impairment loss is recognised in the profit and loss as it occurs and reversed in later periods if the reason for the impairment no longer present.

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

Classification principles

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

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

Income taxes

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

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

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

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

Accounts receivables and other receivables

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

Derivatives and hedging

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

Statement of cash flow

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

NOTE 2 FINANCIAL RISK MANAGEMENT

The company is covered by the Group risk management strategy. Further information is found in the Group consolidated financial statements, [note 4](#).

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NOTE 3 OTHER OPERATING EXPENSES

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

Auditors' remuneration

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

VAT is not included in the fees specified above.

NOTE 4 NET FINANCIAL ITEMS

(EUR 1 000)	2023
Interest income, related parties	42 582
Interest from cash pool	-
Other financial income	57
Financial income	42 639
Interest expenses, related parties	(33 340)
Interest expenses	(153 858)
Other financial expenses	(2 488)
Financial expenses	(189 686)
Foreign exchange gains	56 157
Foreign exchange losses	(68 739)
Net foreign exchange gains/(losses)	(12 582)
Net financial items	(159 629)

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NOTE 5 INCOME TAXES

Income tax recognised in profit or loss
(EUR 1 000)

	2023	2022
Current taxes	140	-
Deferred taxes	(140)	(11 407)
Total income taxes	(0)	(11 407)

Reconciliation of income tax (expense)/benefit

(EUR 1 000)

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

Effective tax rate

(0)

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

Deferred tax assets and deferred tax liabilities
(EUR 1 000)

	31.12.2023
Tax loss carry forward	57 838
Deferred tax asset	57 838
Unrecognised deferred tax for tax loss carried forward	(16 584)
Deferred tax assets recognised	41 254
Netting	(2 391)
Net Deferred tax assets recognised	38 863

Group contribution

-

Other current and non-current items

2 242

Derivatives

149

Deferred tax liabilities

2 391

Netting

(2 391)

Net Deferred tax liabilities

0

Carrying value of deferred tax asset

38 863

Carrying value of deferred tax liability

-

Net deferred tax asset/(liability)

38 863

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

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Movements in net deferred tax assets and deferred tax liabilities

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

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

**NOTE 6
INVESTMENTS IN SUBSIDIARIES**

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

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

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NOTE 7 RELATED PARTY TRANSACTIONS

Transactions with Group companies

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

Balances with companies in the same group and related parties

Non-current receivables (EUR 1 000)	2023
MS Richard With AS	43 320
MS Nordlys AS	20 139
Hurtigruten Expeditions Technical Services GmbH	50
Hurtigruten Investements AS	23 869
Hurtigruten Expeditions AS	151 763
Hurtigruten Norway AS	301 129
Total non-current receivables	540 270
Current receivables (EUR 1 000)	2023
Hurtigruten Coastal Crew AS	17
Hurtigruten Ltd	542
Silk Topco AS	4 912
Hurtigruten Coastal Fleet AS	606
Explorer 1 AS	663
MS Richard With AS	172
MS Nordlys AS	274
Hurtigruten Offshore Excursions AS	28
Hurtigruten Expeditions AS	32
Hurtigruten Expedition Cruises AS	3 036
Hurtigruten Expedition Crew AS	18
Kleven Prosjekt 401 AS	19
HRG NewCo Holding AS	13
Hurtigruten Global Sales AS	4 150
Hurtigruten Norway	-
Other	17
Total trade and other current receivables	14 499

Arsregnskap regnskapsåret 2023 for 914148324

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NOTE 8 CASH, CASH POOL AND CASH EQUIVALENTS

The company holds the following balances categorised as cash and cash equivalents (EUR 1 000)

Cash and bank deposits in cash pool
Adjustment to prior year reported cash ¹⁾

Total cash and cash equivalents

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

Cash pool – receivables

(EUR 1 000)	2023
Hurtigruten Norway AS	6 950
Hurtigruten Coastal AS (H. Cruise AS)	13 319
Hurtigruten Coastal Fleet AS	18 446
Hurtigruten Expeditions AS	17 915
Hurtigruten Expedition Crew AS	23 418
Hurtigruten Expeditions Hotel Support GmbH	231
Hurtigruten Expedition Cruises AS	90 740
Hurtigruten Offshore Excursions AS EUR	530
Hurtigruten Expedition Fleet AS EUR	-
Hurtigruten Investments AS (EUR)	6 410
Sollia Gjesteg rd Holding AS (Arctic Secret Holding AS)	449
Hurtigruten Barents AS	39
Hurtigruten Destinations AS (Onshore Operations AS)	711
Sollia Gjesteg rd AS	110
Total receivables – cash pool	279 268

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

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

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

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NOTE 9 SHARE CAPITAL

Attributable to shareholders of Hurtigruten Group AS

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

Shareholders

Silk Midco AS

Number of shares

30

All shares carry the same rights in the Company.

Cash pool – payables

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

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NOTE 10 INTEREST-BEARING LIABILITIES

Classification of interest-bearing liabilities

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

Listed bonds

Green bond

The EUR 50 million green bond was listed on the Oslo Stock Exchange with ISIN 0012436270 on 18 July 2022. The listed bonds are unsecured and bear a fixed coupon and mature in February 2025. Net proceeds from the bond were used to finance of 3 ships in the Hurtigruten fleet to battery-hybrid power. Certain amendments to the bond terms as part of the recapitalisation transaction announced in December 2022 are detailed in [note 13](#). Subsequent events for further details.

Other interest-bearing liabilities

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

On 13 April 23 the Group completed certain amendments to the terms of the Term Loan B (TLB) EUR 655 million and the EUR 85 million Revolving Credit Facility (RCF) under the senior facilities agreement originally dated 9 February 2018 (the "SFA"). The maturity of the RCF and TLB were extended from February 2024 and February 2025 to February 2027 and February 2028 respectively. The margin under the TLB was increased to 6.5% from 6.0% and the annual margin step-ups from November 2024 (and in certain circumstances step-downs). The margin under the RCF was increased to 6.25% with the additional annual margin step-ups from November 2024 (and in certain circumstances step-downs). The RCF was converted into a separate term loan (TLB1). As part of the addition, the RCF was converted into a separate term loan (TLB1). As part of the ultimate shareholders of the Group provided an additional EUR 800 million of TLB and TLB1 loans hold the same security package including mortgage over 9 rank pari-passu.

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

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

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Other interest-bearing liabilities

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

Pledges

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

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

NOTE 11 SALARIES AND PERSONNEL EXPENSES

(EUR 1 000)	2023	2022
Wages and salaries	427	1 381
Payroll tax	234	301
Pension costs	30	10
Other benefits	597	651
Total salaries and personnel expenses	1 288	2 344

Average number of full-time equivalents

1

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

Employee retirement benefit plans

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

Board of directors

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

NOTE 12 GOING CONCERN

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

In the opinion of the Board of Directors, the underlying fair value of Hurtigruten Group and brands is significantly higher than the book value and the recapitalisation transaction completed in February 2024 has improved the fair value equity position by a combined EUR 70 million and a subordination of loan of EUR 720 million (book equity as of 31 December 2023 amounted to EUR 859 million negative). As of 31 December 2023, Hurtigruten Group had an available free liquidity position of EUR 48 million. On 23 February 2024, the Group successfully implemented a comprehensive recapitalisation transaction with its shareholders, and senior unsecured note holders. This transaction supports a payment in equity value of EUR 70 million via novation and equitization of selected intangible assets. In addition, the outstanding loans to parent entity, Hurtigruten Group, are now to a total of EUR 720 million will be subordinated to any other loans in the Group. Therefore, the amount of EUR 720 million should also be included as equity when calculating the actual value of group equity before future cash flow potential is taken into account.

The recapitalisation transaction involved:

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

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

2. restructuring of the Group's existing senior facilities into a new senior secured opco facility of EUR 345 million (the "New Senior Facility") and a new secured PIK holdco facility of around EUR 670 million (the "New Holdco Facility");
3. restructuring of the existing senior unsecured bonds in a principal amount of EUR 50 million originally issued by the Company such that these were converted into senior secured bonds issued by Hurtigruten Newco AS, the parent company of the Company (the "Reinstated SUNs"). The repayment of the Reinstated SUNs is subject to a payment waterfall such that 60% of the Reinstated SUNs rank pari passu with the New Holdco Facility and certain other restructured shareholder facilities, while the remaining 40% are subordinated to them; and
4. shareholder facilities of about EUR 150 million were restructured, all of which are subordinated to the New Senior Facility and approximately EUR 55 million of which are subordinated to the New Holdco Facility and Reinstated SUNs. The maturity profile of these facilities was extended to provide additional support for the business.

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

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

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

As a result, and in accordance with the Norwegian Accounting Act, the Board of firms that the financial statements have been prepared in accordance with the assumption, and that it is appropriate to make this assumption.

NOTE 13 SUBSEQUENT EVENTS

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

1. injection of liquidity of EUR 185 million (on a net basis) through a combination of interest waivers and a new super senior secured opco facility in a principal amount of 205 million, part of which was used to repay in full the interim financing provided to the Company in a principal amount of EUR 74 million in December 2023;
2. restructuring of the Group's existing senior facilities into a new senior secured PIK holdco of EUR 345 million (the "New Senior Facility") and a new secured PIK holdco around EUR 670 million (the "New Holdco Facility");
3. restructuring of the existing senior unsecured bonds in a principal amount of 50 million originally issued by the Company such that these were converted into bonds issued by Hurtigruten Newco AS, the parent company of the Company (the "Reinstated SUNs"). The repayment of the Reinstated SUNs is subject to a payment waterfall such that 60% of the Reinstated SUNs rank pari passu with the New Holdco Facility and certain other restructured shareholder facilities, while the remaining 40% are subordinated to them; and
4. shareholder facilities of about EUR 150 million were restructured, all of which are subordinated to the New Senior Facility and approximately EUR 55 million of which are subordinated to the New Holdco Facility and Reinstated SUNs. The maturity profile of these facilities was extended to provide additional support for the business.

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AUDITORS REPORT



To the General Meeting of Hurtigruten Group AS

Independent Auditor's Report

Opinion

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

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

In our opinion

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities are defined in the [International Standards on Auditing \(ISAs\)](#) section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and does not constitute the consolidated financial statements. We do not provide any assurance on 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. However, we do not provide any assurance on the Board of Directors' report and the other information accompanying the financial statements otherwise than to the extent that they appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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T: 02316, org. no. 987 006 713 MVA, www.pwc.no
Statistiske sentrale revisor, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report is consistent with the financial statements and contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Oslo, 30 April 2024

PricewaterhouseCoopers AS

Slig Lund

State Authorised Public Accountant

(This document is signed electronically)

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DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

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

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

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

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

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

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

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

Reconciliation of Alternative Performance Measures (APM)

(EUR 1 000)	2023
Operating profit/(loss) to EBITDA	
Operating profit/(loss)	(69 810)
Less Depreciation, amortisation and impairment	(74 716)
EBITDA	4 906
EBITDA to EBITDA excluding other gains/(losses)	
EBITDA	4 906
Less Net other gains/(losses)	3 212
EBITDA excluding other gains/(losses)	1 693
EBITDA excluding other gains/(losses) to normalised adjusted EBITDA	
EBITDA excluding other gains/(losses)	1 693
Less Net non-recurring expenses	(31 006)
Normalised adjusted EBITDA	32 700

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Photo: Gerina Roland/Hurtigruten

ESG APPENDICES

APPENDIX A: OUR REPORTING APPROACH

ABOUT THIS REPORT

Practical information about this report

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

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

and Hurtigruten Svalbard. In addition, you will find data and information about our non-profit arm, Hurtigruten Foundation.

MATERIALITY ASSESSMENT

CSRD Preparation

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

Stakeholder Engagement

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

Material topics

Our materiality assessment identified eight material topics, falling under the umbrella of environment, social and governance. These topics represent the most relevant

and material topics for Hurtigruten Group's business model and should reflect what is of the highest importance both to our stakeholders and to us as a business.

Our material topics:

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

Our topic guide – a systematic approach using four ESG pillars

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

Last year we used our eight material topics as structure, and this year we have created a new framework for how we communicate ESG. This framework is based on our

material topics but strives to be most important to us. These emissions, nature, people and Each of these pillars has its own where we provide information the following questions for each

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

Got feedback? Get in touch

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

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

Rikke H. Jørgensen
VP Sustainability, Hurtigruten
rikkejorgensen@hurtigruten

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APPENDIX B: ESG GOVERNANCE IN HURTIGRUTEN GROUP

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

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

Board of Directors
Approves ESG targets and monitors that they are achieved. Approves material topics and annual ESG report.

Chair: Trygve Hegnar
Chair of the Board of Directors Hurtigruten Group AS

Executive Management Team
Accountable for implementation of the ESG strategy, targets and reporting.

Chair: Daniel Skjeldam
Chief Executive Officer Hurtigruten Group AS

ESG Committee
Review and advise on ESG strategy, targets and reporting. Appointed by EMT. Represents all companies in group.

Representatives from all business units in Hurtigruten Group AS

Group Strategy & Transformation
SVP Group Strategy & Transformation (Reports to Group CEO) VP ESG

Responsible for group ESG strategy reporting and coordination.

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

HX Hurtigruten Expeditions
CEO
VP Sustainability & Industry Relations

Hurtigruten Svalbard
CEO

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

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

In addition, we have local sustainability Squads in selected local offices.

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APPENDIX G: PARTNERSHIPS

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

SOME HIGHLIGHTED PARTNERS:

UN Global Compact Norway



Global Compact Network Norway



Science Based Target initiative



International Association of Antarctica Tour Operators (IAATO)



Association of Arctic Expedition Cruise Operators (AECO)



SINTEF



DNV



Norwegian Ship Owner's Association

Polar Collective
Hold Norge Rent
DNT
Visit Svalbard

Volvo Penta
Norsk Reiseliv
Oceanize
BRIM

EVOY
WISTA Norway

Norwegian Institute for Water Research (NIVA)



ORCA



The University Centre in Svalbard (UNIS)



Fjord Phyto at Vernet Lab (Scripps Institution of Oceanography)



California Ocean Alliance



Institute for Marine and Antarctic Studies/University of Tasmania (IMAS/UTAS)



Institute of Marine Research (IMR)



Western Washington University



Universidad de Los Andes



Penguin Watch (Oxford University)



Oceanites



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Science

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

Collaborators:

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



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

North Atlantic Ocean

UNIS Citizen Science
Collect samples from the local environment so scientists can better understand the ecosystem of the Svalbard Islands.



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

NASA

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



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

The Pew Foundation

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

eBird

Sealbird surveys with ASI



Help count and track ram-quin population changes by contributing to the Antarctic Seal Inventory.

Oceanites

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

eBird

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

Penguin Watch

Help scientists monitor populations by collecting images on the millions of images collected.

Antarctic Peninsula

Field Photo: Collect samples and important data from polar regions to assist scientists studying climate change impact on phytoplankton.

Get a Project: Submit your images of leopard seals to contribute to studies into their behaviour, population dynamics and conservation.

South Atlantic Ocean

South Atlantic Ocean



Antarctic Peninsula

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APPENDIX D: HURTIGRUTEN GROUP ESG RISK MANAGEMENT PROGRAMME

Risk Management in

Hurtigruten Group

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

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

	TOP RISKS	MITIGATION
Emissions	<ol style="list-style-type: none">Inability to reduce emissions (both our own and in the supply chain) by the amount and within the timeline needed due to immature technology, new regulations or economic factors, will have a negative impact on the environment.Limited visibility of future environmental and climate regulations, with uncertain operational and economic impact make long term planning challenging.The nature of our business represents operational risks that can result in unplanned emissions to the environment.	<p>Emissions reductions and continuous monitoring and reporting units to track progress towards targets and mapping the effect of our operations. Improved tracking and stronger collaboration with our supply chain to track and reduce emissions.</p> <p>We believe in collaboration and dialogue with the regulators, and organisations across the industry to be an active stakeholder in the development of the right regulations.</p> <p>We are committed to the prevention of injury and ill health and improvement of our Health and Safety management systems at all levels.</p> <p>Procedures ensuring safe operations in bad weather. We cannot control the weather, but our most important mitigation measure is to reach zero emissions.</p> <p>We are committed to the prevention of negative impact to both the environment, and to continuous improvement of our HSE management and performance.</p> <p>We have implemented a quantitative approach to track and manage areas we operate and marine protected areas.</p>
Nature	<ol style="list-style-type: none">More extreme weather may lead to operational disruption and changes both short and long term.The nature of our business represents operational risks that may result in unplanned spills to the environment.Limited data to support our intuition about potential impacts on nature.	<p>Our Code of Conduct and DEI policy state how we work to stop discrimination and harassment. A whistle blowing mechanism is in place to report any unwarranted behaviours and breaches of our policies. Our HSE management system includes gender targets guide focus and prioritisation in all business units.</p> <p>We are committed to the prevention of injury and ill health and improvement of our HSE management systems at all levels.</p> <p>As a global company we can have a positive social and economic impact on local and global businesses. We see our procurement standards as a strategic enabler for this work.</p>
People	<ol style="list-style-type: none">Discrimination and harassment, especially based on gender, has an unfortunate legacy in the maritime industry. Inability to sufficiently improve gender balance in senior leadership positions at sea and on land may prevent us from succeeding with our mission.Working at sea involves inherent operational risk which may result in incidents impacting both guests and crew.Our increasingly global footprint also increases our exposure to human rights risks in the supply chain.	<p>Our goal is to maximise the number of people positively impacted by our operations. We track the share of local purchasing and local suppliers in different markets.</p> <p>We support local projects across destinations through Hurtigruten Foundation. Hurtigruten Foundation has a thorough selection, evaluation and monitoring process.</p>
Community	<ol style="list-style-type: none">Our license to operate in local communities is at risk if we don't deliver on our strategy to support social and economic value creation in the communities we visit.The loss of local communities due to social and economic factors.Corruption risk related to donated funds from Hurtigruten Foundation to grassroots projects in local communities.	

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APPENDIX E: PERFORMANCE DATA HURTIGRUTEN GROUP

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KPI

EMISSIONS

Fleet Scope 1,2 and 3

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

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KPI	UNIT	2018	2021	2022	2023	COMMENT
Energy Consumption						
Scope 1 Energy Consumption fleet	GJ	-	1 997 296	3 103 050	3 130 288	Conversion factor used for MGO and Biofuel GJ/MT from the Norwegian Ministry of Energy is lower due to more time spent at sea after restrictions.
Scope 2 Energy Consumption fleet	GJ	-	80 501	3195	0	Shore power numbers for 2022 are lower due to more time spent at sea after restrictions.
Scope 1&2 Energy Consumption fleet	GJ	-	2 077 797	3 106 244	3 130 289	The increase is due to more vessels in operation in 2022, post-Covid.
Energy Consumption fleet heavy fuel oil	%	-	0	0	0	We banned heavy fuel oil in our fleet more than ten years ago.
Energy Consumption fleet biofuels	%	-	10	0.3	1%	

NATURE

Water Management

Water Consumption	m3	-	-	293 642	301 165	
Water bunkered	m3	-	-	154 039	142 447	Water is mainly bunkered in Norway where there is an abundance of water.
Water production	m3	-	-	125 170	157 828	Our expedition vessels, plus MS Trollfjord, are equipped with desalination system from seawater.
Water consumption pr guest (APCN)	m3	-	-	0.17	0.15	* per APCN/GN (available passenger cruise night/guest night). Average is calculated for HRN and HRX and the guest night for the hotels of the cruise.
Total waste produced	kg	-	-	4 200 470.6	3 661 482	
Total waste produced pr guest (APCN)	kg	-	-	2.4	1.8	
Food waste per guest - edible	kg	-	-	0.341	0.169	* Total amount of edible food waste per guest as average of HRN, HRX and HRS.
Spills to the environment	#	-	-	6	4	Smaller spills to sea, all reported to the authorities
Number of ships recycled	#	-	0	0	0	
Litter collected shoreside during ship operation	kg	-	-	2350	3251	Litter collected during hikes, beach clean ups by the crew and/or guests during a cruise.

Science & Education

Guests participated in Citizen Science Projects	%	-	15	60	88	Average percentage of guests.
Citizen Science Projects offered to guests (# of submissions)	# (#)	-	10 (NR)	13 (>15500)	20 (23677)	NR = not reported. The number of submissions is an "at least" value.
Science Collaboration Projects supported	#	-	6	18	31	Number of science projects we have supported in a year, excluding science projects supported by the Hurtigruten Foundation separately and excluding science projects supported by the Hurtigruten Foundation.
Scientific Collaboration Cruise Nights	#	-	-	938	1887	Actual number of nights a scientific collaborator was onboard per calendar year.
External scientific publication & representations	#	-	-	14	72	External scientific representations comprise, amongst others, i) contributions to workshops, ii) participation in conferences and travel shows, iii) posters, iv) peer-reviewed scientific publications, v) public annual reports, vi) peer-reviewed scientific publications, vii) web publication.

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KPI	UNIT	2018	2021	2022	2023	COMMENT
MPAs						
MPAs that vessels sailed through (RBCS classed MPAs) – Global	#	-	-	19	15	Vessels sailed through Marine Protected Area Zones based on the "Regulated Baseline Marine Protection". Note that only 287 zones are assessed on RBCS while 16 330
MPAs that vessels sailed through (RBCS classed MPAs) – Arctic	#	-	-	0	5	
MPAs that vessels sailed through (RBCS classed MPAs) – Atlantic	#	-	-	7	3	
MPAs that vessels sailed through (RBCS classed MPAs) – Pacific	#	-	-	11	2	
MPAs that vessels sailed through (RBCS classed MPAs) – Southern	#	-	-	1	5	
Biodiversity						
Supported species per assessed IUCN Red list category: Total	#	-	-	64	≥ 627	Numbers from projects supported by HRF and/or HX in 2023. Numbers are at least supported by reporting their presence or specific projects. Duplicate species have Group total resulting in unique supported species reported.
Supported species per assessed IUCN Red list category: Critically Endangered	#	-	-	2	≥ 9	
Supported species per assessed IUCN Red list category: Endangered	#	-	-	4	≥ 13	
Supported species per assessed IUCN Red list category: Vulnerable	#	-	-	8	≥ 21	
Supported species per assessed IUCN Red list category: Near Threatened	#	-	-	3	≥ 24	
Supported species per assessed IUCN Red list category: Least Concern	#	-	-	43	≥ 559	
Supported species per assessed IUCN Red list category: Data Deficient	#	-	-	1	≥ 3	
Green Stay savings						
Water saved	LTR	-	-	1 480 168	2 119 637	
Washing detergent saved	LTR	-	-	5 147	7 363	
Electricity saved	kWh	-	-	4 634	6 618	

PEOPLE

Employees

Total number of employees (FTEs)	#	2 514	2 730	3 276	3 534
Total number of third party workers	#	-	-	-	901
Employees working on ships	#	1 717	1 810	2 195	2 392

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KPI	UNIT	2018	2021	2022	2023	COMMENT
Employees working at our land-based offices	#	797	920	1 072	1 142	
Ratio working sea	%	-	66/34	67/33	68	
Women on ships	%	-	30	30	30	
Women in Hurtigruten Group/BU	%	43	39	38	38	
eNPS	#	0	-8	8	4	
Turnover	%	9.8	29.7	21.6	5	
Maritime Apprentices/Cadet	#	178	110	134	154	Number of trainees represents the HRN and HX fleet.
Completed online/digital training sessions	#		4 472 (a)	5 007	5 138	All business units; (a) numbers were updated for 2021 from 15 000 to 4 472 to ensure a more concise training sessions. Furthermore, the training approach has been updated following a system improvement.
Average online/digital training per employee	Hours		4.2 (a)	3.6	3	All business units; (a) numbers were updated for 2021 from 5.5 to 4.2 to ensure a more concise training sessions. Furthermore, the training approach has been updated following a system improvement.
Employees entitled to parental leave	%		77	76	83	For all employees entitled to parental leave, local regulations apply to determine the percentage of employees entitled to parental leave.
Employees covered by a collective bargaining agreement	%		43	67	72	
Ratio of our highest paid individual to average salary in company	#		9.8	11.7	13.7	
Diversity & Inclusion						
Average age (in years)	#	39	38	39	39	
Nationalities	#	44	61	78	71	
Gender Pay Gap: Land-based employees	%	83	87	84	81	Measured as women's average salary as a percentage of men's, measured based on the same methodology as last year. Correction done for 2022 to align methodology with last year's based positions. There is no gender pay gap for seafarers in the same role, as all salaries based on the same methodology.
Gender Pay Gap: Seafaring employees	%	N/A	N/A	N/A	N/A	
Women in Executive Leadership Team (ELT)	%	38	50	37.5	33	Group Executive Leadership Team.
Women in senior leadership level	%	34	32	35	40	Measured as women in employee category senior leadership.
Women as Captains	%	0	4	3	3	
Women as senior officers/leadership on board	%	-	12	13	13	Master, Chief Officer, Hotel Manager, Chief Engineer, 2nd Engineer, Expedition Leader
Age Distribution: Under 30 years	%	-	24	24	26	
Age Distribution: 30-50 years	%	-	54	58	58	
Age Distribution: Above 50 years	%	-	15	18	16	

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KPI	UNIT	2018	2021	2022	2023	COMMENT
Age Distribution: Age note defined	%	-	6.5	0.3	0	
Age Distribution: Youngest employee	#	-	-	18	15	
Age Distribution: Oldest employee	#	-	-	74	82	
Health and safety						
LTIF	#	2.22	1.43	2.31	3.82	Lost Time Incident Frequency, calculated based on a 24-hour exposure period;
Incidents reported to NMA	#	0	15	9	16	
Sick leave	%	-	7.0	8.3	7.5	Sickleave is only presented based on Hurtigruten
Port state control detentions	#	-	0	0	0	
Port state control deficiencies (average per inspection)	#	-	4.6	1.4	1.4	Definition is adapted to 'average per inspection' and 2021 value reported as per a

COMMUNITY

Support

Number of projects supported through the Hurtigruten Foundation (in countries)	#	6 (4)	16 (11)	30 (12)	71 (16)	These are projects as part of the conservation programme as well as any additional projects.
Raised funds for Hurtigruten Foundation	Euro	-	-	365 511	830 682	
Donations to supported projects	Euro	44 000	116 000	180 000	378 085	
People positively impacted	#	-	7 500	62 211	252 566	
Number of conservation programmes supported	#	-	-	12	17	Contains only science/nature conservation projects.
Tons of plastic litter collected by supported projects	Kg	-	-	8 845	1 160	
Number of locations cleaned by supported projects	#	-	-	5	1	
Number of communities supported	#	-	-	13	44	
Nr of local passengers	#	-	-	114 184	105 775	
Nr of cargo freight	mt	-	-	58 872	46 392	
Green stay						
Green Stays percentage	%	-	15.0 (a)	18.6	22	(a) Average Q4 percentage as this was not available during the pandemic and was
Local value creation						
Percent spending from local suppliers (F&B)	%	-	19	41	57	Share of spending in food & beverage category (F&B) from local suppliers, local is same country and delivered onboard. In 2021 and 2022 we only defined small local suppliers. In 2023 we updated the methodology to include all local suppliers. In Hurtigruten, this methodology is updated in 2023 hence the massive increase.
Number of ports we purchase F&B locally from	#	-	15	31	46	

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KPI UNIT 2018 2021 2022 2023 COMMENT

RUNNING A RESPONSIBLE BUSINESS

Responsible business

Board Diversity	%	0	0	25	20	Expressed as percent women in Board. There has been a change to the BoD after
Corruption risk	#	2	0	0	5	Number of calls at ports that are the 20 lowest ranking in Transparency International Index. Increased exposure to corruption risk reflects deployment to West Africa and port calls in Guinea Bissau.
Fines	#	-	-	2	1	
Facilitation payments	#	-	0	0	0	Number of incidents where bribes have been requested.
Completed Code of Conduct e-learning	#	-	-	189	1 184	
Completed Code of Conduct e-learning	%	-	-	6	35	
Privacy related complaints from external parties sent to the Data Protection Officer	#	-	16	4	6	Mainly cases where customers have asked to be deleted from marketing registers and delete.
Data breaches reported to regulatory bodies	#	-	1	2	3	(a) In 2021, only data privacy complaints from externals to regulatory bodies were reported. From 2022, we have redefined this measure to also include self-reported data privacy breaches. The number for 2021 is therefore adjusted from 0 to 1 to include one self-breach.
Internally recorded data privacy breaches	#	-	16	14	20	Metric includes all types of data privacy breaches related to all types of data subjects. It was limited to leaks or loss of customer data. 2021 data is therefore adjusted to reflect internal breaches as well as external breaches as well as significant number of unreported cases.
Data privacy training	min/ empl	-	2	14	16	Training time spent on our online GDPR training course for employees. A revised course was launched in 2022, hence the increase in time spent on training in 2022 and 2023.

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KPI	UNIT	2021	2022	2023	COMMENT
Water production	m3	-	n.a.	18 508	MS Trollfjord is equipped with desalination systems to produce fresh water from sea
Water consumption pr guest (APCN)	m3	-	0.13	0.12	Per available passenger cruise night
Waste Performance					
Total waste produced	kg	-	990 906	1 037 256	
Food waste per guest – edible	kg	0.110	0.073	0.065	Total amount of edible food waste per guest
Spills to the environment	#	4	6	3	Smaller spills to sea, all reported to the authorities
Number of ships recycled	#	-	-	0	
Green Stay savings					
Water saved	LTR	-	-	1 120 688	
Washing detergent saved	LTR	-	-	1 678	
Electricity saved	kWh	-	-	5 431	

PEOPLE

Employees

Total number of employees (FTEs)	#	951	1 174	1 380	
Total number of third party workers	#	-	-	21	
Employees working on ships	#	893	1 096	1 303	
Employees working at our land-based offices	#	58	69	77	
Ratio working sea	%	94/6	93/6	94/6	
Women on ships	%	36	37	36	
Women in Hurtigruten	%	37	37	36	
Maritime Apprentices / Cadet	#	110	133	142	Number of trainees / maritime apprentices represents the HRN fleet

Diversity & Inclusion

Average age (in years)	#	-	38	38	
Nationalities	#	-	37	40	
Women in Executive Leadership Team (ELT)	%	n/a	n/a	50	Hurtigruten Executive Leadership Team
Women in senior leadership level	%	-	50	42	Measured as women in employee category senior leadership
Women as Captains	%	6	6	4	

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KPI	UNIT	2018	2021	2022	2023	COMMENT
Women as senior officers/leadership onboard	%	-	6	6	11	
Age Distribution: Youngest employee	#	-	-	-	18	
Age Distribution: Oldest employee	#	-	-	-	74	
Health and safety						
LTIF	#	-	1,74	2,38	5	Lost Time Incident Frequency, calculated based on a 24-hour exposure period;
Incidents reported to NMA	#	-	15	8	15	Definition is based on the NMA definition of Marine Casualties which includes severe material damage or grounding/collision of the vessel.

COMMUNITY

Support

Raised funds for Hurtigruten Foundation	Euro	-	-	-	178 919	
Nr of local passengers	#	n/a	-	114 184	105 775	
Nr of cargo freight	mt	n/a	60 000	58 872	46 392	

Green stay

Green Stays percentage	%	-	-	17,2	20,5	
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Local value creation

Local vendors	#	-	230	370	495	Local vendors = Norwegian vendors
Percent spending from local suppliers (F&B)	%	-	35	43	71	Share of spending in food & beverage category (F&B) from local suppliers, local is same country and delivered onboard. In 2021 and 2022 we only delivered small local suppliers. In 2023 we updated our methodology to include small local suppliers. In 2023, this methodology is updated in 2023 hence the increase.
Number of ports we purchase F&B locally from	#	-	-	-	14	

RUNNING A RESPONSIBLE BUSINESS

Responsible business

Board Diversity	%	-	-	-	38	Expressed as percent women in Board
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PERFORMANCE DATA

HX HURTIGRUTEN EXPEDITIONS

HX HURTIGRUTEN EXPEDITIONS

KPI UNIT 2018 2021 2022 2023 COMMENT

EMISSIONS

Fleet Scope 1,2, and 3

Scope 1 (Direct CO2 Emissions)	mt	28 856	27 710	101 354	100 519	Emission factors used for calculation: EU MRV, Norwegian Ministry of Climate and Environment, and EU MRV. Norwegian Ministry of Climate and Environment.
Scope 2 (Indirect CO2 Emissions)	mt	-	1391	8	1	Emission factors for shore power (electricity): Ministry of Transport, for purchases in Svalbard: Rasmus Bøckman Project Leader Longyearbyen, Multiconsult.
Sum of Scope 1 & 2 Emissions	mt	-	29 101	101 363	100 520	
SOx Emissions	mt	-	-	25	13	
NOx Emissions	mt	-	-	2 547	1 256	

Electricity

Number of ships	#	-	7	6	6	
Hybrid electric ships	#	-	3	3	3	MS Fridtjof Nansen, MS Roald Amundsen, MS Otto Sverdrup
Ships with shore power connectivity	#	-	-	6	5	

Energy Consumption

Scope 1 Energy Consumption fleet	GJ	-	371 406	1 353 966	1 338 784	Conversion factor used for MGO and Biofuel GJ/MT from the Norwegian Ministry of Energy.
Scope 2 Energy Consumption fleet	GJ	-	66 762	396	0	Shore power numbers for 2022 are lower due to more time spent at sea after rest periods.
Scope 1&2 Energy Consumption fleet	GJ	-	438 168	1 354 362	1 338 784	The increase is due to more vessels in operation in 2022, post-Covid.
Energy Consumption fleet heavy fuel oil	%	-	0	0	0	We banned heavy fuel oil in our fleet more than ten years ago.
Energy Consumption fleet biofuels	%	-	1	1	0	

WATER

Water Management

Water Consumption	m3	-	-	145 722	147 811	
Water bunkered	m3	-	-	20 550	8 491	Water is mainly bunkered in Norway where there is an abundance of water.
Water production	m3	-	-	125 170	139 320	Our expedition vessels are equipped with desalination systems to produce fresh water.
Water consumption pr guest (APCN)	m3	-	-	0.22	0.18	Per available passenger cruise night

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HX HURTIGRUTEN EXPEDITIONS

KPI	UNIT	2018	2021	2022	2023	COMMENT
Waste Performance						
Total waste produced	kg	-	-	3 082 740	2 481 209	
Food waste per guest - edible	kg	-	-	0.821	0.643	Total amount of edible food waste per guest
Spills to the environment	#	-	-	0	1	Small spill to sea, all reported to the authorities
Litter collected shoreside during ship operation	kg	-	-	-	3 051	Litter collected during hikes, beach clean ups by the crew and/or guests during a
Science & Education						
Guests participated in Citizen Science Projects	%	-	15	60	88	Average percentage of guests.
Citizen Science Projects offered to guests [# of submissions]	# (#)	-	-	-	20 [23677]	NR = not reported. The number of submissions is an "at least" value
Science Collaboration Projects supported	#	-	-	-	31	Number of science projects we have supported in a year excluding citizen science (separately) and excluding science projects supported by the Hurtigruten Foundation
Scientific Collaboration Cruise Nights	#	-	-	-	1 887	Actual number of nights a scientific collaborator was onboard per calendar year.
External scientific publication & representations	#	-	-	-	72	External scientific representations comprise, amongst others, i) contributions to workshops, ii) participation in conferences and travel shows, iii) posters, iv) scientific publications comprise, amongst others, a) public annual reports, b) peer-reviewed articles, c) scientific publications, d) web publication.
Green Stay savings						
Water saved	LTR	-	-	-	998 948	
Washing detergent saved	LTR	-	-	-	5 685	
Electricity saved	kWh	-	-	-	1 186	
PEOPLE						
Employees						
Total number of employees (FTEs)	#	-	982	1 202	1 155	
Employees working on ships	#	-	917	1 094	1 089	
Employees working at our land-based offices	#	-	65	108	66	
Ratio working sea	%	-	93/7	91/9	94/6	
Women on ships	%	-	24	23	23	
Women in HX Hurtigruten Expeditions	%	-	25	26	24	
Maritime Apprentices / Cadet	#	-	-	-	11	Number of trainees represents the HX fleet.
Diversity & Inclusion						

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HX HURTIGRUTEN EXPEDITIONS

KPI	UNIT	2018	2021	2022	2023	COMMENT
Average age (in years)	#	-	-	40	39	
Nationalities	#	-	-	59	56	
Women in Executive Leadership Team (ELT)	%	n/a	n/a	n/a	14	Executive Leadership Team
Women in senior leadership level (see definition in comment field)	%	-	-	29	41	Measured as women in employee category senior leadership
Women as Captains	%	-	0	0	0	
Women as senior officers/leadership onboard	%	-	18	19	21	Master, Chief Officer, Hotel Manager, Chief Engineer, 2nd Engineer, Expedition Leader
Age Distribution: Youngest employee	#	-	-	-	20	
Age Distribution: Oldest employee	#	-	-	-	82	
Health and safety						
LTIF	#	-	0.41	2.2	3.06	Lost Time Incident Frequency, calculated based on a 24-hour exposure period;
Incidents reported to NMA	#	-	0	1	1	Definition is based on the NMA definition of Marine Casualties which includes severe material damage or grounding/collision of the vessel.
Port state control detentions	#	-	-	-	0	
Port state control deficiencies (average per inspection)	#	-	-	-	1.4	Definition is adapted to 'average per inspection' and 2021 value reported as per

COMMUNITY

Support

Raised funds for Hurtigruten Foundation

Euro

651 763

Green stay

Green Stays percentage

%

20.6

25.8

(a) Average Q4 percentage as this was not available during the period and was

Local value creation

Local vendors globally

#

56

24

Percent spending from local suppliers (F&B)

%

2

39

37

Number of ports we purchase F&B locally from

#

32

RUNNING A RESPONSIBLE BUSINESS

Responsible business

Board Diversity

%

50

Expressed as percent women in Board

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PERFORMANCE DATA

HURTIGRUTEN DESTINATIONS

HURTIGRUTEN DESTINATIONS

KPI UNIT 2018 2021 2022 2023 COMMENT

EMISSIONS

Fleet Scope 1.2. and 3

Scope 1 (Direct CO2 Emissions)	mt			899	Emission factors used for calculation: EU MRV, Norwegian Ministry of Climate and Environment
Scope 2 (Indirect CO2 Emissions)	mt	2 379	3 529	3 345	Emission factors for shore power (electricity): Ministry of Transport, for purchases in Svalbard: Rasmus Bøckman Project Leader Longyearbyen, Multiconsult.
Sum of Scope 1 & 2 Emissions	mt	2 379	3 529	4 244	

Electricity

Electric tour boats	#		2	2	Kvitbjørn, MS Bard.
Electric snowmobiles	#	8	8	8	Only includes snowmobiles in Svalbard.
Electric buses used for excursions	#	0	1	4	
Solar panel installations	#	2	2	4	
Solar panels	#	139	139	788	Individual panels.
Solar panels – Energy produced by solar panels	KWh	-	17 400	42 634	

NATURE

Water Management

Water Consumption	m3		14 431	19 380	
Water consumption pr guest (APCN)	m3		0.188	0.26	Per available passenger guest night

Waste Performance

Total waste produced	kg		126 825	143 017	
Total waste produced pr guest (APCN)	kg		1.7	1.97	
Food waste per guest – edible	kg		0.13	0.153	* Total amount of edible food waste per guest as average of HRN, HRS, HRS.
Litter collected shoreside during ship operation	kg		200		Litter collected during hikes, beach clean ups by the crew and/or guests during a

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HURTIGRUTEN DESTINATIONS

KPI UNIT 2018 2021 2022 2023 COMMENT

PEOPLE

Employees

Total number of employees (FTEs) # 136 174 235

Total number of third party workers # 2

Employees working at our land-based offices # 136 166 235

Women in Hurtigruten Group / BU % 45 41 52

Maritime Apprentices / Cadet # 1 Number of trainees

Diversity & Inclusion

Average age (in years) # 34 34 35

Nationalities # 25 35 38

Women in Executive Leadership Team (ELT) % 0 0 17

Women in senior leadership level (see definition in comment field) % 0 0 22 Measured as women in employee category senior leadership

Women at manager level % 39 25 35 Managers and Department Heads.

Age Distribution: Youngest employee # - - 15

Age Distribution: Oldest employee # - - 66

RUNNING A RESPONSIBLE BUSINESS

Responsible business

Board Diversity % 50 Expressed as percent women in Board

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HURTIGRUTEN FOUNDATION

HURTIGRUTEN FOUNDATION

KPI UNIT 2018 2021 2022 2023 COMMENT

NATURE

Biodiversity

Supported species per assessed IUCN Red list category: Total	#	-	-	10	12	
Supported species per assessed IUCN Red list category: Critically Endangered	#	-	-	2	4	
Supported species per assessed IUCN Red list category: Endangered	#	-	-	0	1	
Supported species per assessed IUCN Red list category: Vulnerable	#	-	-	1	2	
Supported species per assessed IUCN Red list category: Near Threatened	#	-	-	0	0	
Supported species per assessed IUCN Red list category: Least Concern	#	-	-	7	4	
Supported species per assessed IUCN Red list category: Data Deficient	#	-	-	0	1	

Green Stay savings

Water saved	LTR	-	-	1 480 168	2 119 637,6	
Washing detergent saved	LTR	-	-	5 147	7 363	
Electricity saved	kWh	-	-	4 634	6 618	

COMMUNITY

Support

Number of projects supported through the Hurtigruten Foundation (in countries)	#	6 (4)	16 (11)	30 (12)	71 (16)	
Raised funds for Hurtigruten Foundation	Euro	-	-	365 511	830 682	
Donations to supported projects	Euro	44 000	11 6000	18 0000	378 085	In addition, 60241 euro in grants have already been committed for 2024 and 265000 euro for 2025 year grants.
People positively impacted	#	7 500	62 211	252 566	17	This is self-reported by recipients of our bi-annual grants. Other grants are not included.
Number of conservation programmes supported	#	-	-	-	-	

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HURTIGRUTEN FOUNDATION

KPI	UNIT	2018	2021	2022	2023	COMMENT
Tons of plastic litter collected by supported projects	Kg			8845	1160	Excludes grants given in 2023 for clean-up activities in 2024.
Number of locations cleaned by supported projects	#			5	1	Excludes grants given in 2023 for clean-up activities in 2024.
Number of communities supported	#			13	44	

Green stay

Green Stays percentage	%	15.0 (a)	18.6	22	(a) Average Q4 percentage as this was not available during the pandemic and was
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RUNNING A RESPONSIBLE BUSINESS

Responsible business

Board Diversity	%			50	Expressed as percent women in Board
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APPENDIX F: GRI INDEX (GLOBAL REPORTING INITIATIVE)

GRI STANDARD NUMBER	GRI STANDARD CONTENT	DISCLOSURE NUMBER	DISCLOSURE CONTENT	PAGE NUMBER/ OR LINK
GRI2	General Disclosures	2-1	Organisational details	Hurtigruten Group AS is a privately owned company, headquartered in Oslo and London. Hurtigruten Group and its subsidiaries have operations in Norway, UK, USA, Estonia, Germany, France and Australia.
GRI2	General Disclosures	2-2	Entities included in the organisation's sustainability reporting	Appendix A
GRI2	General Disclosures	2-3	Reporting period, frequency and contact point	Appendix B
GRI2	General Disclosures	2-4	Restatements of information	Remarks are added in respective appendices in the 'Comment' field (Appendix E Performance tables)
GRI2	General Disclosures	2-5	External assurance	N/A
GRI2	General Disclosures	2-6	Activities, value chain and other business relationships	About the Group , Running a Responsible Business , Appendix C
GRI2	General Disclosures	2-7	Employees	People , Running a Responsible Business , Appendix E
GRI2	General Disclosures	2-8	Workers who are not employees	People , Running a Responsible Business , Appendix E
GRI2	General Disclosures	2-9	Governance structure and composition	Appendix B
GRI2	General Disclosures	2-10	Nomination and selection of the highest governance body	The Board of Directors represent the shareowners in Hurtigruten Group.
GRI2	General Disclosures	2-11	Chair of the highest governance body	Chair of the Board of Directors is not a senior executive in the organisation.
GRI2	General Disclosures	2-12	Role of the highest governance body in overseeing the management of impacts	Appendix B
GRI2	General Disclosures	2-13	Delegation of responsibility for managing impacts	Appendix B
GRI2	General Disclosures	2-14	Role of the highest governance body in sustainability reporting	Appendix A , B
GRI2	General Disclosures	2-15	Conflicts of interest	Appendix I (Political Involvement Policy; Code of Conduct)
GRI2	General Disclosures	2-16	Communication of critical concerns	Running a Responsible Business , Appendix H (Whistleblower policy)
GRI2	General Disclosures	2-17	Collective knowledge of the highest governance body	Appendix B
GRI2	General Disclosures	2-18	Evaluation of the performance of the highest governance body	See note on Remuneration of the Board of Directors and Executive Management.
GRI2	General Disclosures	2-19	Remuneration policies	See note on Remuneration of the Board of Directors and Executive Management.
GRI2	General Disclosures	2-20	Process to determine remuneration	See note on Remuneration of the Board of Directors and Executive Management.
GRI2	General Disclosures	2-21	Annual total compensation ration	Appendix E

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GRI STANDARD NUMBER	GRI STANDARD CONTENT	DISCLOSURE NUMBER	DISCLOSURE CONTENT	PAGE NUMBER OR LINK
GRI 2	General Disclosures	2-22	Statement on sustainable development strategy	Welcome from CEO
GRI 2	General Disclosures	2-23	Policy commitments	Hurtigruten Group has a set of policies and procedures which include commitments related to responsible business conduct and/or respect of human rights (Appendix H). Public available policies are presented at: hurtigruten.com/group/sustainability/reports/esg/
GRI 2	General Disclosures	2-24	Embedding policy commitments	See each "Topic Guide" part in each ESG chapter, as well as description of how we are working with each topic.
GRI 2	General Disclosures	2-25	Process to remediate negative impacts	Appendix B, Appendix H (Whistleblower mechanism, Hurtigruten Group ESG Committee)
GRI 2	General Disclosures	2-26	Mechanisms for seeking advice and raising concerns	Running a Responsible Business, Appendix H (Whistleblower policy). We also encourage our Sustainability Advisory Board and ESG Committee to raise any concerns related to ESG directly to our executive management teams.
GRI 2	General Disclosures	2-27	Compliance with laws and regulations	Running a Responsible Business
GRI 2	General Disclosures	2-28	Membership associations	About the Group, Appendix C
GRI 2	General Disclosures	2-29	Approach to stakeholder engagement	Appendix A
GRI 2	General Disclosures	2-30	Collective bargaining agreements	People, Appendix F
GRI 3	Material topics 2021	3-1	Process to determine material topics	Appendix A
GRI 3	Material topics 2021	3-2	List of material topics	Appendix A
GRI 204	Procurement practices	3-3	Management of material topics	Appendix A
GRI 204	Procurement practices	204-1	Proportion of spending on local suppliers	Communities, Appendix F
GRI 303	Water and Effluents 2018	3-3	Management of material topics	Nature, Appendix F
GRI 303	Water and Effluents 2018	303-1	Interactions with water as a shared resource	Nature, Appendix F
GRI 303	Water and Effluents 2018	303-2	Management of water discharge-related impacts	Nature, Appendix F
GRI 303	Water and Effluents 2018	303-3	Water withdrawal	Nature, Appendix F
GRI 303	Water and Effluents 2018	303-4	Water discharge	Not reported
GRI 303	Water and Effluents 2018	303-5	Water consumption	Nature, Appendix F
GRI 304	Biodiversity	3-3	Management of material topics	Nature, Appendix F
GRI 304	Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Nature, Appendix C and F
GRI 304	Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	Nature, Appendix C and F
GRI 304	Biodiversity	304-3	Habitats protected or restored	Nature, Appendix C and F

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GRI STANDARD NUMBER	GRI STANDARD CONTENT	DISCLOSURE NUMBER	DISCLOSURE CONTENT	PAGE NUMBER OR LINK
GRI 304	Biodiversity	304-4	IUCN Red List species and national conservation list species with habitats in a area affected by operation	Nature, Appendix C and Appendix F
GRI 305	Emissions 2016	3-3	Management of material topics	Emissions, Appendix F
GRI 305	Emissions 2016	305-1	Direct (Scope 1) emissions	Emissions, Appendix F
GRI 305	Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	Emissions, Appendix F
GRI 305	Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	Emissions, Appendix F
GRI 305	Emissions 2016	305-4	GHG emissions intensity	Emissions, Appendix F
GRI 305	Emissions 2016	305-5	Reduction of GHG emissions	Emissions, Appendix F
GRI 305	Emissions 2016	305-6	Emissions of ozone-depleting substances (ODS)	Appendix F , data tracking improvement ongoing.
GRI 305	Emissions 2016	305-7	Nitrogen oxides (Nox), sulphur oxides (Sox), and other significant air emissions	Emissions, Appendix F
GRI 306	Waste 2020	3-3	Management of material topics	Nature
GRI 306	Waste 2020	306-1	Waste generation and significant waste-related impacts	Nature, Appendix F
GRI 306	Waste 2020	306-2	Management of significant waste-related impacts	Nature, Appendix F
GRI 306	Waste 2020	306-3	Waste generated	Nature, Appendix F
GRI 306	Waste 2020	306-4	Waste diverted from disposal	Not reported
GRI 306	Waste 2020	306-5	Waste directed to disposal	Nature, Appendix F
GRI 308	Supplier Environmental Assessment 2016	3-3	Management of material topics	Running a Responsible Business
GRI 308	Supplier Environmental Assessment 2016	3-3	The reporting organisation shall report its management approach for supplier environmental assessment using GRI 103: 3-3	Running a Responsible Business
GRI 308	Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Running a Responsible Business
GRI 308	Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	Not reported
GRI 401	Employment 2016	3-3	Material topics	People
GRI 401	Employment 2016	401-1	New employee hires and employee turnover	People, Appendix F

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GRI STANDARD NUMBER	GRI STANDARD CONTENT	DISCLOSURE NUMBER	DISCLOSURE CONTENT	PAGE NUMBER OR LINK
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GRI 401	Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	We offer a range of benefits to employees in different employee categories, there are different benefit schemes in each business units: Hurtigruten Group, Hurtigruten Expeditions, Hurtigruten Norway, Hurtigruten Svalbard
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GRI 401	Employment 2016	401-3	Parental leave	People, Appendix F
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GRI 403	Occupational Health and Safety 2016	403-1	Occupational Health and Safety Management System	People, Appendix F
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GRI 403	Occupational Health and Safety 2016	403-2	Hazard identification, risk assessment, and incident investigation	People, Appendix F
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GRI 403	Occupational Health and Safety 2016	403-3	Occupational Health services	People, Appendix F
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GRI 403	Occupational Health and Safety 2016	403-4	Worker participation, consultation and communication on occupational health and safety	People, Appendix F
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GRI 403	Occupational Health and Safety 2016	403-5	Worker training on occupational health and safety	People, Appendix F
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GRI 403	Occupational Health and Safety 2016	403-6	Promotion of worker health	People, Appendix F
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GRI 403	Occupational Health and Safety 2016	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People, Appendix F
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GRI 403	Occupational Health and Safety 2016	403-8	Workers covered by an occupational health and safety management system	People, Appendix F
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GRI 403	Occupational Health and Safety 2016	403-9	Work-related injuries	People, Appendix F
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GRI 403	Occupational Health and Safety 2016	403-10	Work-related ill health	Not reported
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GRI 404	Training and education 2016	3-3	Material topics	People, Appendix F
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GRI 404	Training and education 2016	404-1	Average hours of training per year per employee	People, Appendix F
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GRI 404	Training and education 2016	404-2	Programmes for upgrading employee skills and transition assistance programmes	People, Appendix F
---------	-----------------------------	-------	---	------------------------------------

GRI 404	Training and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Not reported
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GRI 405	Diversity and Equal Opportunity 2016	3-3	Material topics	People, Appendix F
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GRI 405	Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	People, Appendix F
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GRI 405	Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	People, Appendix F
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GRI 418	Customer Privacy 2016	3-3	Material topics	Running a Responsible Business Appendix F
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GRI 418	Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Running a Responsible Business Appendix F
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APPENDIX F: SASB CRUISE INDEX (SUSTAINABILITY ACCOUNTING STANDARDS BOARD)

TOPIC	CODE	ACCOUNTING METRIC	PAGE NUMBER OR LINK
Greenhouse Gas Emissions	TR-CL-110a.1	Gross global Scope 1 emissions	Emissions, Appendix F
Greenhouse Gas Emissions	TR-CL-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Targets & Ambitions, Emissions, Appendix F
Greenhouse Gas Emissions	TR-CL-110a.3	(1) Total energy consumed	Appendix F
Greenhouse Gas Emissions	TR-CL-110a.3	(2) percentage heavy fuel oil	Appendix F
Greenhouse Gas Emissions	TR-CL-110a.3	(4) percentage renewable	Appendix F
Air Quality	TR-CL-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, and (3) particulate matter (PM10)	Appendix F
Discharge Management & Ecological Impacts	TR-CL-160a.1	Total amount of ship waste discharged to the environment; percentage treated prior to discharge	Nature, Appendix F
Discharge Management & Ecological Impacts	TR-CL-160a.3	Cruise duration in marine protected areas or areas of protected conservation status	Appendix F, We started reporting if we pass through marine protected areas (Regulation based classification system https://mpallas.org.uk/). The d
Discharge Management & Ecological Impacts	TR-CL-160a.4	Number of notices of violations received for dumping	Appendix F
Labor Practices	TR-CL-310a.4	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Appendix F
Employee Health & Safety	TR-CL-320a.1	Seafarer lost time incident rate (LTIR)	Appendix F
Accident Management	TR-CL-540a.2	Number of port state control (1) deficiencies and (2) detentions	Appendix F
Accident Management	TR-CL-540a.3	Number of marine casualties, percentage classified as very serious	Appendix F, all marine casualties are reported as per NMA (Norwegian Marine Casualty Investigation Board). Percentage of very serious is not detailed out.

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APPENDIX F: TCFD INDEX (TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES)

TCFD NUMBER	TCFD	COMMENT
1	Governance Describe the Board's oversight of climate-related risks and opportunities.	The board comprehensively reviews all climate-related risks and opportunities on an annual basis as part of the ESG report-development process. Additionally, the status of major climate-related projects and emerging regulations on a quarterly basis. These updates ensure the board are aware of all potential opportunity categories outlined by the TCFD – physical, regulatory, market, technology and reputational – and this ensures maximum oversight given operating conditions.
2	Describe management's role in assessing and managing climate-related risks and opportunities.	The executive team reviews climate-related risks and opportunities at least quarterly as a part of a broader risk management review. These are also reviewed regularly as part of daily operations with monthly reporting of key ESG metrics: carbon emissions per available passenger night, women in senior leadership and local spend on food and beverage. In 2023, climate-related risks and opportunities were assessed for projects including: <ul style="list-style-type: none">• Overall operations, carried out by ERM, an external consultancy• HRN: Hybridization of Kong Harald; launch of Iconic sailings• HX: Operation of our new West Africa itinerary in HX and development of itineraries for the 2025/2026 season• Svalbard: Installation of solar panels We also began carrying out a double-materiality assessment (DMA) as required for ERSR reporting, which will be covered in more detail in our 2024 Annual Report. We will continue to explore and identify climate-related risks and opportunities. In our annual report, the Group's risk framework and the role of the Board of Directors is explained under the section Risk Management Group.
3	Strategy Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Please see the full overview of risks in the Hurtigruten ESG Risk Programme (appendix). We have identified three key climate-related opportunities: <ul style="list-style-type: none">• Short term: In many instances, investing in reducing emissions also represents an increase in the cost competitiveness of our business. For example, amount of fuel we use directly impacts our bottom line through reduced fuel consumption as well as our EU ETS carbon credit purchase requirements.• Medium term: There is a huge opportunity in continuing to reduce our emissions as it affects how our guests perceive us and how likely they are to book with us.• Medium/Long term: Ensuring we are part of the conversation in the nascent reporting and target-setting forums to push for maximum ambition for and adjacent industries.
4	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.	Please see the full overview in the Hurtigruten ESG Risk Programme (appendix).

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TCFD NUMBER	TCFD	COMMENT
5	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>As an organization, we have consistently supported the latest targets arising from the detail of the Paris Agreement, aimed at keeping warming below 1.5°C and aiming to become the world's most sustainable travel operator in the world and to achieve this, it is one of our strategic priorities to achieve decarbonization as early as possible. For example, we aim to be carbon neutral by 2040.</p> <p>There are three routes to emissions reductions for our industry: investment in technological upgrades of our current assets (e.g. hybridization), operational changes (reducing speed and distance travelled) and alternative energy sources (i.e. biofuels). Perhaps the best example of our commitment to this is our Sea Zebra, which aims to build an operational zero-emissions ship by 2030.</p> <p>Additionally, our strategy involves directly engaging in conversations within and across industries to push for higher ambition and delivery in decarbonization. We are aware of planned changes to legislation as early as possible.</p>
6	Risk management Describe the organisation's processes for identifying and assessing climate-related risks.	<p>This is an integrated part of strategy and review process. We have a dedicated ESG committee which - alongside our VP of Risk Management - analyses risks on a quarterly basis and reports this to the Executive Leadership team. The Board reviews the risks in detail on an annual basis. In the ESG Risk Program, we have disclosed the top risks per thematic category.</p>
7	Describe the organisation's processes for managing climate-related risks.	<p>As previously described, through the oversight of management and the board, risks are identified and assessed regularly. For each major risk identified, we have scenarios and mitigating actions which could be taken. These are regularly reviewed by the VP of Risk Management.</p>
8	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	<p>Climate-related risks are included in our general risk reporting based upon both the likelihood and the potential impact to company operations. As described in our ESG Risk Program, we are regularly reviewed so the overall risk management strategy is adaptive to changing circumstances and risk profiles.</p>
9	Metrics and targets Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>Hurtigruten Group uses CO₂ equivalents to measure our GHG emissions from Scope 1, 2 and 3 emissions. Additionally, we measure Scope 1 and 2 emissions where possible, other particulate pollutants. Our risk framework includes categories for probability and different consequence types.</p>
10	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	<p>All emission data (Scope 1, 2 and 3) is located in performance tables in Appendix E.</p>
11	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	<p>All targets are mentioned under Our Targets and Ambitions, and specifically in the Emissions chapter and our Emission Reduction Plan (see link). We have science-based targets and are currently in the process of preparing our targets for validation.</p> <p>Our key targets are:</p> <ul style="list-style-type: none">• Net-Zero scope 1, 2 and 3 emissions by 2050• Carbon neutral Scope 1 by 2040• First emission free ship on the Norwegian Coast by 2030

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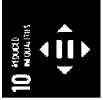

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APPENDIX F: UN SDG INDEX (UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS)

SDG GOAL NUMBER	SDG GOAL	TARGET NUMBER	TARGET	PAGE NUMBER OR LINK
	Achieve gender equality and empower all women and girls	5.01	End all forms of discrimination against all women and girls everywhere	People, Appendix F
		5.05	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	People, Appendix F
	Reduce inequality within and among countries	10.01	By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average	People, Appendix F
		10.02	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	People, Appendix F
		10.03	Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	People, Appendix F
		10.04	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	People, Appendix F
	Make cities and human settlements inclusive, safe, resilient and sustainable	11.02	By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	Nature, Community, Running a Responsible Business
		11.04	Strengthen efforts to protect and safeguard the world's cultural and natural heritage	Community, Running a Responsible Business
		11.06	By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	Nature, Community, Running a Responsible Business
		11.a	Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning	Community, Running a Responsible Business

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SDG GOAL NUMBER



SDG GOAL

Ensure sustainable consumption and production patterns

TARGET NUMBER

TARGET

PAGE NUMBER OR LINK

- 12.03 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses
- 12.04 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
- 12.05 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
- 12.06 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
- 12.08 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature
- 12.b Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products

[Nature, Community](#)
[Nature, Community](#)
[Nature, Community](#)
[Nature, Community](#)
[Nature, Community](#)
[Nature, Community](#)
[ESG Introduction, Community](#)

SDG GOAL NUMBER



SDG GOAL

Take urgent action to combat climate change and its impacts

TARGET NUMBER

TARGET

PAGE NUMBER OR LINK

- 13.03 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

[ESG Introduction, Nature, Community](#)
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SDG GOAL NUMBER



SDG GOAL

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

TARGET NUMBER

TARGET

14.01

By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution

14.02

By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans

14.03

Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels

14.07

By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism

14.a

Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries

14.c

Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in United Nations Convention on the Law of the Sea, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in paragraph 158 of "The future we want"

PAGE NUMBER OR LINK

[Emission, Nature, Community](#)

[Nature, Community](#)

[Nature, Community](#)

[Nature, Community](#)

[Nature, Community](#)

[About the Group, Running a responsible business](#)

[About the Group, Nature](#)

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SDG GOAL NUMBER



SDG GOAL

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

TARGET NUMBER

TARGET

PAGE NUMBER OR LINK

[Nature, Community, About the Group](#)

15.04 By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development

[Nature, Community, About the Group](#)

15.05 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

[Nature, Community, About the Group](#)

15.07 Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products

[Nature, Community, About the Group](#)

15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems

[Nature, Community, About the Group](#)

15.b Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation

[Nature, Community, About the Group](#)



Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

[Nature, Community, About the Group](#)

17.03 Mobilize additional financial resources for developing countries from multiple sources

[Nature, Community, About the Group](#)

17.06 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism

[Nature, Community, About the Group](#)

17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries

[Nature, Community, About the Group](#)

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

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ISSUED GREEN BONDS - FACTS

Issue date:

25 February 2022

Tenor: **5 years**

Nominal amount:

50 000 000 Euros

Maturity date:

25 February 2027

Coupon rate: **11%**

ISIN: **NO0012436270**

The total proceeds of 50 million Euros have been allocated by the Green Bond Committee to the eligible projects presented in the table to the right.

GREEN PROJECTS FINANCED UNDER THE GREEN BOND FRAMEWORK

ICMA Green Bond Principles Category: Clean Transportation

EU Taxonomy Reference: 6.12 – Retrofitting of sea and coastal freight and passenger vessels
Sustainability performance goal: 13) Reduce our emissions, and target a carbon-free future

Green project category: Upgrade of existing sea and coastal vessels

PROJECT	DESCRIPTION	TOTAL INVESTMENT EUR AS OF 31.12.23		GREEN BOND AMOUNTS ALLOCATED TO PROJECT EUR		FINANCING/ REFINANCING
		31.12.23	31.12.23	31.12.23	31.12.23	

Hybridisation of coastal vessel MS Richard With (2022)	A full-fledged transformation to battery-hybrid power, meaning installation of new low-emission engines equipped with SCR and battery packs, reblading propeller and hull optimization.	36 253 166	36 253 166	36 253 166	36 253 166	Financing
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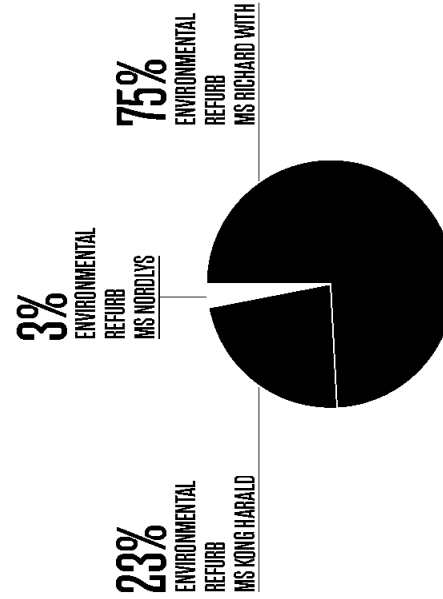
Hybridisation of coastal vessel MS Kong Harald (2023)	A full-fledged transformation to battery-hybrid power, meaning installation of new low-emission engines equipped with SCR and battery packs, reblading propeller and hull optimization.	39 079 483	39 079 483	12 461 074	12 461 074	Financing
---	---	------------	------------	------------	------------	-----------

Hybridisation of coastal vessel MS Nordlys (2024/2025)	A full-fledged transformation to battery-hybrid power, meaning installation of new low-emission engines equipped with SCR and battery packs, reblading propeller and hull optimization.	8 029 874	8 029 874	1 285 760	1 285 760	Financing
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Total

83 362 523

50 000 000



TOTAL ENVIRONMENTAL IMPACT FOR INVESTMENT

Documented (T)
against a 2018 p
fuel consumption
Reduction in fuel
Reduction in CO₂
Reduction in NO_x

Documented (T)
against a 2018 p
fuel consumption
Reduction in fuel
Reduction in CO₂
Reduction in NO_x

Expected
Reduction in fuel
Reduction in CO₂
Reduction in NO_x

Reaction on KPI
the RW. The re
reduction patent
SCR system was
and will reduce N

Expected
Reduction in fuel
Reduction in CO₂
Reduction in NO_x

APPENDIX H: STATEMENT ON EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

As a non-financial company Hurtigruten Group reports on revenue (turnover), capital expenditure and operating expenses that are associated with Taxonomy-eligible and Taxonomy-aligned economic activities, in accordance with regulation EU (2020/852) and the supplementing delegated acts.

The regulation applies because Hurtigruten Group's publicly traded Green Bond means that the Group is considered a public-interest entity.

2023 is the first year of reporting.

IDENTIFYING ELIGIBLE ACTIVITIES

Hurtigruten Group has identified three Taxonomy-eligible activities:

Sea and coastal water passenger transport (activity 6.11)

The provision of sea and coastal water transport by Hurtigruten Group is an eligible and transitional activity according to the EU Taxonomy. The Group has 16 ships, which are all included in the scope of the taxonomy.

To make a substantial contribution to climate change mitigation, the Group's vessels must either be zero emission (at tailpipe) or hybrid/dual fuel vessels would have to derive at least 25% of their energy from zero direct (tailpipe) CO₂ emission fuels or plug-in power. Otherwise, vessels can qualify by attaining a specific EEDI rating.

Hotels, holiday, camping grounds and similar accommodation (activity 16.2.1)

Operation of accommodation facilities is an eligible and transitional activity according to the EU Taxonomy. Hurtigruten Group provides accommodation as part of the Destinations segment in Svalbard. Any onboard accommodation is covered under activity 6.11.

To make a substantial contribution to protection and restoration of biodiversity and ecosystems – the only objective currently published for accommodation facilities – the Group must have a specific contractual agreement with a conservation group. Contributions must be at least 1% of annual turnover of the accommodation establishment. Further detailed criteria include an action plan for conservation, a

sustainable supply chain, and an established environmental management system.

Retrofitting of sea and coastal freight and passenger water transport (activity 6.12)

Retrofitting Hurtigruten vessels is an eligible and transitional activity according to the EU Taxonomy. This activity is only relevant to the Group's capital expenditure where the Group buys Taxonomy-eligible input to improve ships.

To make a substantial contribution to climate change mitigation, the Group must implement adaptation solutions that substantially reduce physical climate risks.

DETERMINING WHETHER ELIGIBLE ACTIVITIES ARE ALIGNED WITH THE EU TAXONOMY CRITERIA

Sea and coastal water passenger transport (activity 6.11)

13 out of 14 ships in the Group are fitted with shore power connectivity, but very few harbours are currently equipped with the technology to

provide this or have the right for our ships. For instance, on the Hurtigruten route along the Norwegian coast, there are only 3 out of 14 ports that support this while on the Groenland routes only 1 harbour in Iceland is available. Another obstacle to attainability in this area is the fact that ports by ports often comes from non-renewable sources.

Further, the Group has 5 ships that are hybrid powered vessels (2 of which are purpose built and 3 that have been retrofitted the last year). Currently, 25% of their energy is derived from emissions fuels.

The Group's ships were built to a higher standard, and hence have a higher rating.

Thus, the Group's ships are aligned with the EU Taxonomy criteria.

Hotels, holiday, camping and similar accommodation (activity 16.2.1)

While the Group makes significant investments to conserve the unique environment

Svalbard, this is not done by contributing to an outside conservation group.

Thus, the Group's accommodation activities are not aligned with the EU Taxonomy criteria.

Retrofitting of sea and coastal freight and passenger water transport (activity 6.12)

Hurtigruten Group assessed the physical climate risks that are material to its activities, in line with the regulation's requirements. The specific and most impactful risks identified in the assessment were sea level rise and more extreme weather.

The Group's investment in fuel efficiency and hybridization directly reduces the company's carbon footprint and works towards mitigating the likelihood of the physical risks occurring.

The adaptations do not adversely affect others' adaptation efforts, rely on green infrastructure as much as possible, are consistent with local adaptation strategies, and are monitored against pre-defined indicators.

In addition to the technical screening criteria discussed above, the Group must also meet the following 'Do No Significant Harm' (DNSH) criteria for each activity.

Any ship in Hurtigruten Group's fleet operates in accordance with, and often exceeds,

the standards set by the IMO MARPOL Convention. This cover requirements related to waste management (including discharges), sulphur and nitrogen oxide emissions (meeting criteria of no more 0.5% in mass and minimum Tier II NOx requirements) and minimisation of antifouling paint toxicity. Also, our ships follow the IMO's Convention on Ballast Water and Sediments (BWM) and Biofouling guidelines.

Hurtigruten Group mitigates risks related to water quality and water stress (see Water Management Programme, Water Risk Management Policy and ESG Report section on Nature), supports the transition to a circular economy (see Effluent Management, Waste Management and Shipbreaking Policies) and prevents pollution (see Waste Management and Biodiversity Policies).

In addition to all the above, Hurtigruten Group only considers activities under activity 6.12 to be aligned if they relate to the purchase of retrofitting services that the supplier itself considers to be a Taxonomy-aligned output.

Compliance with criteria for minimum safeguards

The group's activities are carried out in compliance with the minimum safeguard criteria. Please refer to the following section for Hurtigruten Group's process on:

• Human Rights commitment and our framework for Human Rights Due Diligence: People chapter

• Bribery and Corruption: See chapter Running a Responsible Business and our Anti-Corruption Policy

• Taxation: See [note 14](#) to the Financial Statements

MEASURING PERFORMANCE

Hurtigruten Group's activities are linked to the boundaries of the reporting entity as defined by IFRS and described in the Group financial statements. See the Group's consolidation principles in [note 2](#) to the Financial Statements. In combination, the below indicators are intended by the taxonomy to express the company's activities that qualify as environmentally sustainable.

Revenue (turnover)

Revenue represents Hurtigruten Group's total revenue from contracts with customers as specified in [note 7](#) to the Financial Statements. This amount excludes any other gains/(losses) as specified in [note 12](#) of the Financial Statements as well as any financial items as specified in [note 13](#) of the Financial Statements. These are considered not eligible activities under the taxonomy.

Revenue associated with eligible comprises the following external revenues:

- Revenue from coastal and sales
- Revenue from accommodation sales

The output from these activities sold directly to consumers, passenger other businesses, and partly to Norwegian government. Any sales are eliminated as part of consolidation. No adjustments are made to prices agreed with customers.

Capital expenditure

CapEx comprises additions to ship and equipment representing gross amount of purchase, depreciation as specified in [note 15](#) to Statements. It also includes the amount of purchases for developed intangible assets as specified in the Financial Statements. Further capitalized is included with the reduction) required by IFRS. Small leases and small asset leases variable lease payments are not as fixed assets and are thus not this indicator. Any additional will be a business combination is not the indicator. Further, financial including capital injections in

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companies and joint ventures, are excluded from the metric.

Additions to property, ship and equipment and to intangible assets for eligible activities include both sustaining investments in existing ships engaged in eligible activities and expansions within such activities.

Operating expenditure

Operating expenditure comprises all expenses included in the sub-total Operating profit/(loss) in the income statement. The regulation requires us to report on expenses that represent direct non-capitalized costs that relate to the following functions:

- research and development
- building renovation measures

- short-term lease
- maintenance and repair, and

any other direct expenditures relating to the day-to-day servicing of assets of property, ship and equipment that are necessary to ensure the continued and effective functioning of such assets.

Research and development costs cover projects that do not meet the specific criteria for capitalization as intangible assets. Expenses include such items as use of research facilities, research staff expenses and advisory fees.

In 2023, research and development costs include costs relating to the SeaZero project which aims to produce our first zero emissions (at tailpipe) ship by 2030, the world's

most energy efficient ship. A key project for the Group that is led by one of the largest research institutes in Europe, SINTEF.

CAPEX related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions has been included. This specifically relates to the purchase of retrofitting of ships. Upgrading our fleet is a core component of our emission reduction plan, and this includes retrofitting into hybrid powered and installation of SCR systems to reduce NOx emissions.

No OPEX related to the purchase of aligned output has been included in the numerator of the KPI.

Eligible activities:

- Sea and coastal water passenger port (activity 6.11)
- Hotels, holiday, camping ground, similar accommodation (activity 6.12)
- Retrofitting of sea and coastal passenger water transport

Aligned activities:

- Sea and coastal water passenger transport (activity 6.11) – R&D SeaZero only
- Retrofitting of sea and coastal passenger water transport – purchase of Taxonomy-aligned output from Kongsberg Shiply.

REVENUE

0 OUT OF 655 579 000 = 0%

OPEX

123 000 OUT OF 23 599 000 = 1%

CAPEX

9 981 000 OUT OF 78 482 000 = 12.7%

APPENDIX I: POLICY INDEX

NAME OF POLICY/PROGRAMME	ADDITIONAL INFO	PAGE NUMBER OR LINK
Hurtigruten Group Diversity, equity and inclusion policy (DEI) Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Code of Conduct	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Human Rights Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Privacy Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Supplier Code of Conduct	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Whistleblowing policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group GHG Emission Reduction Programme	Available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Political Involvement Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Remuneration Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Deforestation Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Anti-Corruption Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Freedom of Association Policy	Public policy available online	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Enterprise Risk Management Policy	Internal policy, available upon request	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Climate Risk Position Statement	Available online	hurtigruten.com/group/sustainability/reports/esg/
Environmental Policy	Internal policy, available upon request	hurtigruten.com/group/sustainability/reports/esg/
Environmental Management System	Internal policy, available upon request	hurtigruten.com/group/sustainability/reports/esg/
Biodiversity Programme	Internal policy, available upon request	hurtigruten.com/group/sustainability/reports/esg/
Solid Waste Management	Internal policy, available upon request	hurtigruten.com/group/sustainability/reports/esg/
Effluent Management	Internal policy, available upon request	hurtigruten.com/group/sustainability/reports/esg/
Water Risk Management	Internal policy, available upon request	hurtigruten.com/group/sustainability/reports/esg/
Water Management Programme	Internal policy, available upon request	hurtigruten.com/group/sustainability/reports/esg/
Ship Breaking Programme	Internal policy, available upon request	hurtigruten.com/group/sustainability/reports/esg/
Product and Service Safety Programme	Internal policy, available upon request	hurtigruten.com/group/sustainability/reports/esg/
Hurtigruten Group Climate Risk Position Statement	Available online	hurtigruten.com/group/sustainability/reports/esg/

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ADDITIONAL INFO

NAME OF POLICY/PROGRAMME

Environmental Policy	Internal policy, available upon request
Environmental Management System	Internal policy, available upon request
Biodiversity Programme	Internal policy, available upon request
Solid Waste Management	Internal policy, available upon request
Effluent Management	Internal policy, available upon request
Water Risk Management	Internal policy, available upon request
Water Management Programme	Internal policy, available upon request
Ship Breaking Programme	Internal policy, available upon request
Product and Service Safety Programme	Internal policy, available upon request

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APPENDIX J: GLOSSARY

Here we list the commonly used terms relating to Emissions, Nature, People and Community that you'll find throughout this report.

TERM	EXPLANATION
AECO	Association of Arctic Expedition Cruise Operators.
Biodiversity	The variety of plant and animal life in the world or at a particular destination.
Biofuels	Non-fossil fuels manufactured using organic material, the burning of which is carbon neutral.
Carbon intensity	The average amount of Scope 1 CO ₂ emissions that can be attributable on a per-guest basis.
Carbon neutral	Meaning an activity that is neutral to the atmosphere as GHGs are both added and removed in equal measure e.g. using biofuels.
Carbon offsetting	Emission reduction or removal resulting from an action outside the organisation's boundaries used to counterbalance the organisation's residual emissions.
CO ₂	Carbon Dioxide, one of the main greenhouse gases and primarily produced by burning fossil fuels such as coal and oil.
DEI	Diversity, Equity and Inclusion. An organisational framework that aims to promote the fair treatment of people regardless of identifying factors such as ethnicity, gender and sexual orientation.
Emission reduction	A quantified decrease in GHG emissions especially related to or arising from an activity between two points in time or relative to a baseline.

TERM	EXPLANATION
eNPS	Employee Net Promoter Score. A scoring system designed to measure the level of employee satisfaction within an organisation.
ESG	Environment, Social and Governance. A set of standards measuring an organisation's impact on the environment and society, and showing how transparent and accountable it is.
GHG	Greenhouse Gases. These gases, such as Carbon Dioxide (CO ₂), which contribute to global warming.
Green Stay	Onboard programme whereby guests can opt to skip a day or more of cabin cleaning, saving water, detergent and energy. Money saved is gifted to Hurtigruten Foundation to fund projects.
Heavy fuel oil	Also known as bunker fuel, a type of highly-polluting bituminous liquid commonly used to power ships.
Hurtigruten's Green Bond	A bond issued to fund investments in emissions reduction.
Hybrid powered ships	Ships outfitted with battery packs to augment propulsion in combination with conventional engine power.
IAATO	The International Association of Antarctica Tour Operators.
LTIF	Lost Time Incident Frequency. A measure of the frequency of incidents that cause lost time – a key safety performance metric.

TERM	EXPLANATION
Net Zero	A condition in which human-caused residual emissions are balanced by human-led removals specified period and within specified bound
NOx	Nitrogen oxide emissions. A group of gases mainly formed during the combustion of fossil fuels.
Scope 1 emissions	Direct GHG emissions that are owned and controlled by an organisation.
Scope 2 emissions	Indirect GHG emissions associated with electricity, steam, heat or other secondary energy sources that are purchased and used by an organisation.
Scope 3 emissions	Indirect GHG emissions that are a result of activities that are not owned or controlled by the reporting organisation, but that appear in the organisation's value chain.
Shore power connectivity	The ability to connect ships to shore-based power while in port.
SOx	Sulphur oxide emissions. Polluting gases that contribute to air pollution and acid rain.
Sustainability	The integration of environmental, social and economic vitality in order to create thriving, long-term, resilient communities for this generation and generations to come (UCJ definition).



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 23.11.2015	Vår dato 09.12.2015
Telefon 22078139	Deres referanse Trygve Hegnar	Vår referanse 2015/1111971

HURTIGRUTEN AS
Postboks 6144 Langnes
9291 TROMSØ

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 23. november 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Silk Topco AS	org. nr. 913 811 720
Silk Midco AS	org. nr. 914 172 861
Silk Bidco AS	org. nr. 914 148 324
Hurtigruten AS	org. nr. 914 904 633

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på 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

Hurtigruten AS er eid av Silk Bidco AS som eies 100 prosent av Silk Midco AS som igjen er heleid av Silk Topco AS. Silk Topco AS og Silk Midco AS er holdingselskaper uten øvrig drift utover eie av aksjer og Silk Bidco AS eier aksjene i driftsselskapet Hurtigruten AS.

Silk Topco AS eies med 90 prosent gjennom et holding selskap av det engelske private equity selskapet TDR Capital LLP. De øvrige aksjonærene er to norske profesjonelle aktører med en eierandel på 4,9 prosent hver, samt ansatte i Hurtigrutens konsernledelse som eier 1,8 prosent.

Konsernet er finansiert gjennom et obligasjonslån på 455 millioner euro samt en kortsiktig trekkfasilitet på 65 millioner euro, utstedt av Goldman Sachs. Obligasjonslånet er notert på Luxemburg børs og det er et krav at løpende finansiell rapportering til obligasjonseiere og Goldman Sachs skal skje på engelsk. Obligasjonslånet er utstedt av Silk Bidco AS, dette medfører at konsernet må avgi konsernregnskap i underkonsernet Silk Bidco AS i tillegg til konsernregnskap med den norske konsernspissen Silk Topco AS. Hurtigruten AS har også en stor internasjonal

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse: Se www.skatteetaten.no Org.nr: 996250318 E-post: skatteetaten.no/sendepost	Sentralbord 800 80 000 Telefaks 22 17 08 60
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virksomhet i form av datterselskaper (salg og markedsføring) og kunder i utlandet som medfører at en stor del av selskapets kommunikasjon foregår på engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets 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 m.v., 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 og lokalsamfunnet.

Det er etter Skattedirektoratets 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.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at hovedaksjonær med 90 % av selskapene er et engelsk selskap. Eierkretsen er begrenset. Konsernet har obligasjonslån notert på utenlandsk børs der det er et krav at regnskapene avlegges på engelsk språk. Videre er det vektlagt at konsernet driver virksomhet i en internasjonal bransje der alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.



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Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer