

Reiseliv Holding AS

Interim consolidated financial statements (unaudited)

For the period ended 30 June 2023

Org. nr. 821881862

Reiseliv Holding AS
CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT
(unaudited)
(Amounts in NOK)

	Note	H1 2023	H1 2022
OPERATING REVENUE AND EXPENSES			
Revenue	1	169 700 933	127 173 481
Other operating income	1	6 047 925	8 040 396
Total operating income		175 748 858	135 213 877
Raw materials and consumables used		36 790 519	25 364 308
Employee benefits expense		63 236 839	56 768 364
Depreciation and amortisation expenses	2, 3	23 431 768	25 901 772
Write-down of fixed assets		400 995	-
Other operating expenses		60 890 749	56 279 769
Total operating expenses		184 750 870	164 314 212
OPERATING PROFIT OR LOSS		(9 002 012)	(29 100 335)
FINANCIAL INCOME AND EXPENSES			
Other interests		1 242 765	1 730 719
Other financial income		143 592	145 016
Total financial income		1 386 357	1 875 735
Other interests		28 847 609	20 132 637
Other financial expense		1 555 794	117 783
Total financial expenses		30 403 403	20 250 420
NET FINANCIAL INCOME AND EXPENSES		(29 017 046)	(18 374 685)
ORDINARY RESULT BEFORE TAXES		(38 019 058)	(47 475 020)
Tax on ordinary result		(671 373)	(2 120 642)
ORDINARY RESULT		(37 347 685)	(45 354 379)
TO MINORITY INTERESTS		-	2 114 356
TO MAJORITY INTERESTS		(37 347 685)	(47 468 734)

Reiseliv Holding AS
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AT 30.06.2023
(unaudited)
(Amounts in NOK)

		30 June 2023	31 December 2022
ASSETS	Note		
FIXED ASSETS			
Deferred tax asset		11 657 445	10 986 072
Intangible assets	2	187 818 957	198 396 892
Property, plant and equipment	3	629 703 817	608 136 789
Financial fixed assets			
Investments in shares or units		11 869 344	915 000
Investments in associates		1 000 000	-
Other long-term receivables		2 051 881	2 318 966
Total financial fixed assets		14 921 225	3 233 966
TOTAL FIXED ASSETS		844 101 444	820 753 719
CURRENT ASSETS			
Inventories		4 180 925	3 794 154
Receivables			
Trade receivables	5	20 758 618	18 686 484
Other short-term receivables		81 240 678	80 122 414
Total receivables		101 999 296	98 808 898
Investments			
Other financial instruments		387 259	387 259
Total investments		387 259	387 259
Bank deposits, cash in hand, etc.		32 439 738	31 687 643
TOTAL CURRENT ASSETS		139 007 218	134 677 953
TOTAL ASSETS		983 108 662	955 431 672

Reiseliv Holding AS
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AT 30.06.2023
(unaudited)
(Amounts in NOK)

		30 June 2023	31 December 2022
EQUITY AND LIABILITIES	Note		
EQUITY			
Paid-in equity			
Share capital	6, 7	11 607 076	10 305 698
Share premium reserve	6, 7	480 888 632	415 579 654
Total paid-in equity		492 495 708	425 885 352
Retained earnings			
Uncovered loss	6, 7	(208 448 563)	(170 354 202)
Total retained earnings		(208 448 563)	(170 354 202)
TOTAL EQUITY		284 047 145	255 531 150
LIABILITIES			
NON-CURRENT LIABILITIES			
Other non-currents liabilities			
Bonds	5	389 511 298	387 685 644
Liabilities to financial institutions	5	145 578 916	152 503 830
Other non-current liabilities	5	28 722 500	26 957 264
Total other non-currents liabilities		563 812 714	567 146 738
TOTAL NON-CURRENT LIABILITIES		563 812 714	567 146 738
CURRENT LIABILITIES			
Liabilities to financial institutions		21 372 214	42 610 785
Accounts payable		50 769 574	47 427 443
Income tax payable		(53 796)	-
Public duties payable		2 379 801	4 971 834
Other current liabilities		60 781 010	37 743 722
TOTAL CURRENT LIABILITIES		135 248 803	132 753 784
TOTAL LIABILITIES		699 061 517	699 900 522
TOTAL EQUITY AND LIABILITIES		983 108 662	955 431 672

Tromsø, 31. August 2023

Anne Kjørseth Ekerholt
Chair of the Board

Solrun Hjelleglat
Member of the Board

Espen Stenumgård
Member of the Board

Knut Eirik Dybdal
Member of the Board

Bernt Eivind Østhus
Member of the Board

Kristian Høydal
General Manager

Reiseliv Holding AS

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT AT 30.06.2023

(unaudited)

(Amounts in NOK 1000)

Consolidated cash flow statement

	Note	H1 2023	H1 2022
Cash flow from operations			
Profit before income taxes		(38 019 058)	(47 475 020)
Taxes paid in the period		(53 796)	439 598
Gain/loss from sale of fixed assets		(4 113 476)	-
Depreciation and amortisation expenses	2,3	23 832 763	25 901 772
Change in inventory		(355 114)	(1 171 514)
Change in trade and other receivables	5	(1 837 338)	(13 558 139)
Change in trade creditors		3 147 971	(527 586)
Change in other provisions		(13 157 526)	16 720 125
Items classified as investments/financing activities		1 825 654	1 718 258
Net cash flow from operations		(28 729 920)	(17 952 506)
Cash flow from investments			
Purchase of fixed assets	3	(36 002 014)	(16 637 140)
Purchase of shares and investments in other companies		(1 050 094)	(225 916 204)
Proceeds from repayment of loans from related parties		267 085	-
Proceeds from sale of fixed assets		9 500 000	
Net cash flow from investments		(27 285 023)	(242 553 344)
Cash flow from financing			
Proceeds from long term loans	5, 7	212 403 374	29 303 882
Proceeds from borrowings in subsidiaries		500 000	-
Repayment of long term loans	5	(134 897 766)	(173 758 913)
Net change in bank overdraft		(21 238 571)	-
New equity received (incl.minority interests)		-	11 874 960
Payment of dividend	6	-	(3 600 000)
Net cash flow from financing		56 767 037	(136 180 071)
Exchange gains / (losses) on cash and cash equivalents			
Net change in cash and cash equivalents		752 095	(396 685 921)
Cash and cash equivalents at the beginning of the period		31 687 643	448 874 391
Cash and cash equivalents at the end of the period		32 439 738	52 188 470

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Corporate information

The Reiseliv Holding AS is a limited liability company incorporated and domiciled in Norway. The Company was established in 2019 and the registered office is located at Sjøgata 8, Tromsø, Norway. Reiseliv Holding AS is the mother entity for the Reiseliv Holding AS Group (the Group).

The Reiseliv Holding AS Group, together with its subsidiaries provide various tourist and traveling experience services in Norway.

The consolidated financial statements for the year ended 31 December 2022 are available at <https://www.norwegian.travel/no/investor-relations>

Accounting principles

These consolidated interim financial statements for the first half-year ended 30 June 2023 ('H1') are prepared in accordance with Norwegian Accounting Standard (NRS, Norsk regnskapsstandard) 11 '*Interim Financial Reporting*' ('*Delårsregnskap*'), the Norwegian accounting act and Generally Accepted Accounting Principles in Norway (NGAAP). This interim consolidated financial report contains condensed presentation and note information in accordance with NRS 11. Therefore, it does not include all information and disclosures required by Generally Accepted Accounting Principles in Norway (NGAAP) for a complete set of annual financial statements and should be read in conjunction with the annual report for the year ended 31 December 2022.

These consolidated interim financial statements are unaudited.

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2022, except for income tax (see profit or loss information section below). Because of rounding differences, numbers or percentages may not add up to the sum totals.

All amounts are presented in NOK unless otherwise stated.

Going concern

These interim consolidated financial statements have been prepared based on the going concern assumption. When preparing financial statements, Management has made an assessment of the Group's ability to continue as a going concern, considering all available information about the future and including, but not limited to, 12 months after the end of the reporting period. Based on that analysis Management has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

Significant changes, events and transactions in the current reporting period

In May 2023, the Group completed the acquisition of Artic Train Holding AS. Further information about this transaction has been included in Note 4.

The financial position and the performance of the Group was not particularly affected by any other significant events or transactions during the first half-year of 2023.

Profit and loss information*Income tax expense*

Income tax expense is recognised based on Management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the current quarter is 22 % which is the same as the tax rate used for the comparable period.

Note 1 Operating income

	H1 2023	H1 2022
Sales income	169 700 933	127 173 481
Other operating income	6 047 925	8 040 396
Total	175 748 858	135 213 877
Geographical distribution	H1 2023	H1 2022
Norway	175 748 858	135 213 877
Total	175 748 858	135 213 877
Specification of other operating income	H1 2023	H1 2022
Public grants	(6 274)	3 382 722
Rental income	703 935	817 159
Other operating income	5 350 264	3 840 515
Total	6 047 925	8 040 396

Note 2 Intangible assets

	Total intangible assets
Intangible assets	
Purchase cost 01.01.23	230 696 185
Purchase cost 30.06.23	230 696 185
Accumulated depreciation	42 877 228
Net book value 30.06.23	187 818 957
Depreciation in the period	10 577 932

Note 3 Property, plant and equipment

	Total property, plant and equipment
Property, plant and equipment	
Purchase cost 01.01.23	684 553 080
Other additions	36 299 611
Currency conversion differences	4 128 421
Disposals	(5 606 174)
Purchase cost 30.06.23	719 374 938
Acc. depreciation 30.06.23	77 401 123
Acc. write downs 30.06.23	12 269 998
Net book value 30.06.23	629 703 817
Depreciation in the period	12 853 836
Write downs in the period	400 995

Significant movements during the period

During first half-year 2023, the Group sold one of its ships, MS Aurora Explorer. Additions during the period consists mainly of assets under construction in Kirkenes and Tromsø, Fjellheisen. Further the Group acquired land in Romsdalen. This resulted in a gain of NOK 4,1 million, which has been presented as other operating income.

Note 4 Subsidiaries

On 5 May 2023 the Group acquired 100 % of the shares of Arctic Train Holding AS for NOK 10,9 million. As of 30 June 2023, the preliminary purchase price allocation (PPA) presented the net assets acquired as financial fixed assets. The Group will complete the PPA analysis in the 12 months after the acquisition was completed. The acquisition was executed via a seller's credit that subsequently has been converted to equity via a contribution in kind in the Group in the period, see note 7 for further information.

Note 5 Debtors and liabilities

Trade debtors	30.06.23	31.12.22
Trade debtors at nominal value	17 412 427	18 756 928
Uninvoiced income	4 171 690	804 976
Bad debts provision	(825 499)	(875 421)
Trade debtors in the balance sheet	20 758 618	18 686 483
Debtors which fall due later than one year	30.06.23	31.12.22
Other long term debtors	1 000 000	1 025 041
Total	1 000 000	1 025 041

Long term liabilities fall due later than 5 years

Loan from Innovation Norway	4 339 423	4 386 298
Total	4 339 423	4 386 298

Significant transactions

No significant transactions have occurred in the period with respect to the bonds held by the Group. The Group continues to meet all its covenants, and expects to continue meeting its covenants in the foreseeable future.

During the period, the Group refinanced its borrowings with Sparebank Nordt-Norge, which at 31 December 2022 amounted to NOK 109 million. One of the subsidiaries of the Group, The Norwegian Travel Company AS, early repaid the loan, and a new one was drawn by Reiselv Holding AS. The conditions of the loan are unchanged. This refinancing entailed a repayment of the loan held at 31 December 2022 and a new loan received amounting to NOK 119,8 million.

No significant changes in the bond covenants or the balance sheet value of assets placed as security for its liabilities have occurred during the period.

Note 6 Shareholders' equity

	Share capital	Share premium	Retained earnings (losses)	Minority interest	Total
Equity changes in the year					
Equity 01.01.23	10 305 698	415 579 654	(170 354 202)	-	255 531 150
Profit(loss) for the period	-	-	(37 347 685)	-	(37 347 685)
Currency translation	-	-	(746 676)	-	(746 676)
Capital increase 30 May 2023	187 256	10 716 994	-	-	10 904 250
Capital increase 9 June 2023	1 114 122	54 591 984	-	-	55 706 106
Equity 30.06.23	11 607 076	480 888 632	(208 448 563)	-	284 047 145

See Note 7 for further information on the capital increases made during the period.

Note 7 Share capital and shareholder information

As part of the share purchase of Arctic Train Holding AS, on 30 May 2023 the board of directors of Reiselv Holding AS approved the issuance of 93 628 shares with a nominal value of NOK 2 (total increase of NOK 187 256 in share capital) and share premium of NOK 10 716 994. Out of the total shares issued, 28 088 were common shares and 65 540 preference shares. The equity issue was performed as a contribution in kind of the sellers credit the Group issued as part of the transaction. See further information about this transaction in Note 4.

On 9 June 2023 the board of directors of Reiseliv Holding AS approved an additional capital increase, by setting off a loan towards The Norwegian Travel Company Holding AS. The capital was increased by issuing 557 061 preference C shares to the Norwegian Travel Company Holding AS with a nominal value of NOK 2 (total increase of NOK 1 114 122 in share capital) and share premium of NOK 54 591 984. The share capital was registered on 26 July 2023. These preference C shares are a new type of shares held by the Group, and they give the holders a preference for payments of any proceeds from the the Group, and right for a share return of 8,5% per annum over its subscription price. Upon payment of the share capital and premium, and the share return, these preference C shares can be redeemed by the Reiseliv Holding AS. The holders can decide to convert the preference C shares into preference and common shares based on the fair market value of equity at the conversion/share exchange date (minimum NOK 600 million).

At 30 June 2023, the share capital, both registered and unregistered, amounted to NOK 11 607 076 and consisted of 1 687 443 common shares; 3 559 034 preference shares; and 557 061 preference C shares. Therefore, the total number of shares at period end was 5 803 538. Each share has nominal value of NOK 2 and same voting rights.

Note 8 Related-party transactions

The loan held with NTCH amounting to NOK 55,7 million was converted to equity on 9 June 2023. Further information about this transaction is included in Notes 6 and 7.

Additionally, the Group entered into a short-term loan with one of its related parties amounting to NOK 28 million at 30 June 2023. The short-term loan has been partly repaid in late August 2023.

The loans held with Norwegian Travel Company Holding AS ('NTCH') during the period generated interest expenses amounting to NOK 706 106.

There were no other significant transactions with related parties during the reporting period.

Note 9 Subsequent Events

The Board of Directors and the CEO is not aware of any other events that occurred after the balance sheet date, or any new information regarding existing matters, that could have a material effect on the H1 2023 interim consolidated financial statements for the Group.