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Company update
27 March 2020

Current operational status to preserve liquidity

- **On 18 March 2020 Hurtigruten temporarily suspended operations**
 - Coastal segment: 9 out of 11 ships have stopped all operations on the Norwegian coast until 19 April
 - MS Richard With and MS Vesterålen transport cargo, necessary equipment and max 150 local transport passengers between Bodø and Kirkenes
 - The Norwegian Government maintains the full payment under the agreement (paid monthly)
 - Expedition segment: all international expedition sailings cancelled until 28 April
 - MS Roald Amundsen – transport to Vancouver (ETA 31 April), yard stay until 17 May for warranty work on propulsion pod
 - MS Fridtjof Nansen – alongside Bergen
 - MS Midnatsol – transport to Norway until 14 April, in operation in Coastal route after warm lay-up
 - MS Fram – transport to Norway until 15 April, in yard for docking, with first commercial sailing in mid June. Refurb project postponed
 - MS Spitsbergen – alongside in Ålesund, in docking in early April, planned operation in Expedition from 6 May
 - Only a minimum required crew onboard the ships in warm lay-up in order to be able to set the ships back in full operation on 4-5 days notice for vessels in Coastal segment and approx. two weeks for the Expedition vessels
- There have been no confirmed or suspected cases of Covid-19 on any Hurtigruten ships and all our cruise guests has now been taken off our ships

A company-wide set of proactive measures have been initiated

I *A flexible re-booking policy*

- On 18 March a flexible re-booking policy was initiated to give our passengers comfort to sail with Hurtigruten later in 2020 or 2021
- Very positive signs so far with only MNOK40 refund claims and MNOK 54 in 2021 bookings during last week

II *Non-critical investments are postponed*

- All non-critical projects are put on hold until further notice due to the corona virus, only critical maintenance work on ships are being conducted
- Timing of the refurbishment of MS Fram, MS Midnatsol and MS Trollfjord under consideration

III *Warm lay-up of vessels of 14 out of 16 ships*

- 14 out of 16 ships will be temporarily warm-stacked
- As a result of this almost all of crew members are temporarily laid off
- Temporary leave regulations in Norway enables Hurtigruten to cut payroll costs two days after issuing temporary leave notice to affected employees

IV *Temporary lay-offs on land-based operations*

- Termination, pausing or renegotiation of consultant contracts, full stop of new hires
- Pause all non-essential traveling, non-committed marketing spend, centrally and across local markets
- Significant amount of employees has been temporary laid off
- The temporary leave regulations for crew members also apply for land-based employees in Norway

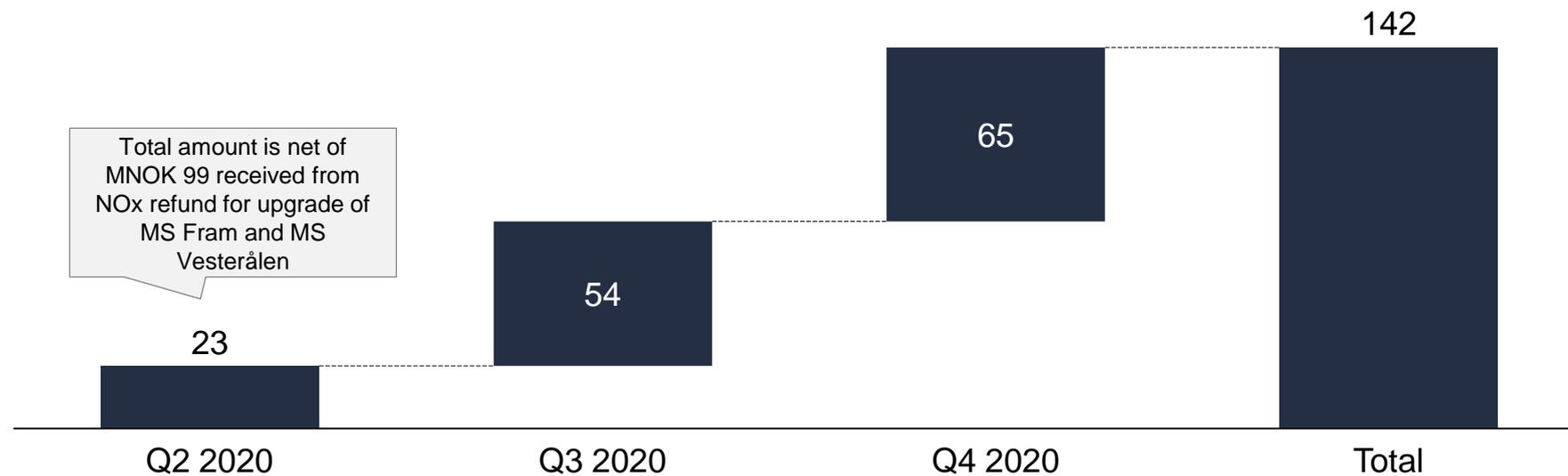
Booking update

- **Flexible guest solutions have resulted in solid re-bookings**
 - Guests who have their voyages cancelled because of the temporary suspension of operations are offered a Hurtigruten Future Cruise Voucher in the amount of 125% of amounts paid (including fees). They will also get a 10% discount on any future Hurtigruten cruise - Expedition or Norwegian Coastal - from 1 July 2020 to 31 December 2021, with a flexible rebooking date
 - Even though they are not affected by the temporary suspension of operations, guests booked on voyages through 30 September 2020 are offered rebooking, without any rebooking fee, to any future Hurtigruten cruise - Expedition or Norwegian Coastal - for departures between 1 July 2020 and 31 December 2021
- The flexible rebooking policy has generated a solid net inflow of 2021 bookings: the last 7 days (19 March to 26 March) we have received bookings for 2021 sailings of MNOK 54, whereof MNOK45 are re-bookings while new bookings amounts to MNOK 9
- As of today we have received refund claims of approx. MNOK 40

All major investment projects put on hold

- Without compromising our Safety Always First Policy, we will postpone and reduce scope of non critical repair and maintenance
- Postponing the refurbishment of MS Fram
- Postponing all other non critical capex spending

Capex forecast Q2- Q4 2020 (MNOK)



Revenue, operational, financial items during warm stack period

- Hurtigruten maintains a strong liquidity position of approx. NOK1.4bn where most of the cash is held in EUR
- Through the Government contract we receive MNOK 70-80 monthly in 2020 also during the period when vessels are in warm lay-up
- On the coastal vessels in warm lay-up there are currently 6-9 crew members on board
- Monthly cruise operating expenses of MNOK 69 per month (~65% reduction vs normal operations)
 - 14 ships in warm lay-up: MNOK55 (assuming all Expedition ships in warm-lay up)
 - MS Richard With and MS Vesterålen: MNOK14 with crew of ~25 per ship
- After the cost initiatives SG&A constitutes in the range of MNOK 35-40 per month (~60% reduction vs. normal operations)
- **Monthly operating income based on current operations are approx. MNOK 70 per month**
- **Monthly opex. after cost cutting initiatives are MNOK 105-120 per month**

- Debt service
 - Monthly BB charter of ~MNOK 16 in total for MS Spitsbergen, MS Richard With and MS Nordlys
 - Settlement of TLB and RCF interest payment of MNOK ~145 in late August and ~MNOK14 in mid-September, respectively
 - Settlement of Explorer 2 bond interest payment of MNOK ~55 in late August

Overview of selected Government support actions

- Changes in Travel Guarantee Scheme
 - A scheme will be introduced where the travel organizers can offer customers a credit/voucher instead of paying back immediately. The customers will not lose the money they have paid
 - The Government proposes to extend the reimbursement deadline - the length of the time period of 3 months
- The Government Bond Fund has been reinstated to increase liquidity and access to capital in the Norwegian bond market, where larger companies typically raise their funding. The Fund will provide up to NOK 50 billion, to be invested in bonds issued by Norwegian companies. Investment criteria for Statens Obligasjonsfond:
 - 50% can be allocated to high yield
 - Up to 50% participating in any transaction
 - Credit rating above CCC+
 - The mandate does not say explicitly whether the credit assessment/credit rating should be done based on fact before Covid19, or after