

## **Acquisition of cruise vessels and fleet optimization**

Wholly owned subsidiaries of Bonheur ASA have today entered into agreements with HAL Nederland NV (part of the Carnival Corporation Group) for the acquisition of two cruise vessels to be operated by Fred. Olsen Cruise Lines Ltd., UK, which is also a wholly owned subsidiary of Bonheur.

The vessels, which will be renamed MS Bolette and MS Borealis, were built in 2000 and 1997 and weigh GT 62,735 and GT 61,849, respectively. They each have a capacity of approx. 1,400 available lower berths. This acquisition forms part of an optimization of the Fred. Olsen Cruise Lines' fleet composition and with a high yielding cabin mix and large public spaces, these vessels will enhance Fred. Olsen Cruise Lines' earnings capabilities once operations can safely resume. Delivery is expected to take place in the UK during September 2020.

Considering divestment of two vessels within the current fleet, such optimization of Fred. Olsen Cruise Lines' fleet composition will imply Bonheur itself contributing approx. GBP 7 million in financing to Fred. Olsen Cruise Lines. The remaining financing requirements, which shall also cover any re-branding costs, layup costs and pre-operating costs will i.a. be covered by a seller credit of GBP 22.3 million and operating cash flow in relation to the restart of cruise operations.

The seller credit will have a 5 years tenor with 3 years of zero amortization and subsequent annual instalments of GBP 7.43 million at a 2.5% fixed interest cost, an interest rate which reflects the negotiated parameters of the transaction.

As to when to resume cruise operations, Fred. Olsen Cruise Lines will continue to take advice and follow guidelines from relevant authorities, including the UK Government and Public Health England as well as overseas policies. A decision on safely resuming cruising will correspondingly be taken in close harmonization with such institutions.

By optimizing its fleet and operations, Fred. Olsen Cruise Lines is positioning itself to emerge from the current cruise pause in a stronger and more resilient position.