



MSC CRUISES RETURNS TO SERVICE IN THE MEDITERRANEAN THANKS TO INDUSTRY-LEADING HEALTH AND SAFETY PROTOCOL

COMPANY RELEASES HALF-YEAR 2020 RESULTS TOGETHER WITH OUTLOOK AND UPDATES ON MEASURES ADOPTED TO SAFEGUARD LIQUIDITY

Geneva, Switzerland, 22 October 2020 – MSC Cruises returned into service with its flagship MSC Grandiosa and MSC Magnifica starting from 16 August and 19 October 2020 respectively, offering guests full cruise holidays with the opportunity to also discover different destinations in the Mediterranean, during seven- and ten-night cruises. The two MSC Cruises ships are the first to implement the Company's new operating health and safety protocol. The protocol has been approved by the relevant national authorities from the countries that the ships are calling along their Eastern and Western Mediterranean itineraries: Italy, Greece and Malta.

MSC Cruises' health and safety protocol

MSC Cruises' new health and safety operating protocol has been designed to protect the health and safety of guests, crew as well as the local communities that the Company's ships visit and has since been called a new standard for the overall industry. Its main pillars are: universal testing of all guests and crew prior to embarkation; "social bubble" for protected visits ashore at each destination; and an innovative onboard contact tracing mechanism.

Moreover, the Seven Core Elements of a common health and safety protocol to support the resumption of the overall industry as put forward by CLIA, the Cruise Lines International Association, are inspired by the Nine Pillars on which MSC Cruises' own protocol is based (see appendix for more details on MSC Cruises' Nine Pillars).

MSC Cruises has designed this new protocol in collaboration with a Blue-Ribbon panel, made of international scientific and virologic group of experts, so to ensure that the protocol meets and exceeds guidelines provided by key international and regional regulatory and technical bodies, as well as regulations set forth by the governments in the countries in which MSC Cruises ships operate. Additionally, RINA, an independent maritime certification corporation, has verified that the protocol meets the European Maritime Safety Agency (EMSA) guidance, which incorporates additional health standards including those from the EU Healthy Gateways Joint Action.

MSC Cruises has reengineered every aspect of the guest's journey, from the moment of booking to embarkation, life on board and the return back home, whilst preserving the uniqueness of the guest experience.

Feedback from the thousands of guests who have so far sailed with an MSC Cruises ship returned to service, has been extremely positive, with many calling their experience one of the safest holiday options available as well as praising the company's willingness to go above and beyond the guidelines set forth by national as well as regional authorities.

MSC Cruises returns to service in the Mediterranean

MSC Grandiosa, the Company's flagship, is offering seven-night cruises in the Western Mediterranean calling at the Italian ports of Genoa, Civitavecchia/Rome, Naples, Palermo and Valetta. *MSC Magnifica*, offers ten-night cruises in the Western and Eastern Mediterranean departing from Genoa and calling



Livorno (Italy) for visits to Florence and Pisa, Messina (Italy) in Sicily, Valletta in Malta, Piraeus for Athens, Katakolon for Olympia and Civitavecchia for Rome, before returning to Genoa.

For this initial phase of the restart of operations, the two MSC Cruises ships operating for the current season, are initially only welcoming guests who are residents in Schengen countries. Additionally, their itineraries have been designed according to the accessibility of the ports, reducing where possible, the need for guests to use of public transports or flights and have been planned in conjunction with the authorities.

MSC Cruises Group – Half-Year 2020 unaudited results and outlook

MSC Cruises Group reported for the six months ended 30 June 2020:

- Total Revenues of Eur 652M, compared to Eur 1'510M for the same period prior-year
- Net comprehensive loss of Eur 501M, compared to Eur 144M Net comprehensive profit for the same period prior-year
- Total equity is Eur 4'044M, compared to Eur 4'545M at 31 December 2019
- Cash and cash equivalents are Eur 478M, compared to Eur 183M at 31 December 2019

As part of the global containment effort for the COVID-19 pandemic, MSC Cruises implemented a voluntary suspension of its fleet operations effective 15 March 2020. This measure has been taken to protect, above all, the health and safety of its staff and guests. The company has kept ships halted in warm lay-up in the regions where the same were used to operate so to ensure a quick resumption of operations in case of relief of restrictions, in the meanwhile implemented by the various national authorities, as it has already been the case for MSC Grandiosa and MSC Magnifica.

The operating results of the company have been impacted by the temporary suspension of the operations.

As a consequence of COVID-19 pandemic, while the Company cannot estimate the impact on its business, financial condition or near- or longer-term financial or operational results with certainty, it expects to report a consolidated net loss at the year ending 31 December 2020.

Cumulative advance bookings for the year 2021 are in line with the Company expectations considering the gradual resumption of the cruise operations.

MSC Cruises Group – liquidity position and financial measures

As of June 30, 2020, MSC Cruises Group reported liquidity of Eur 478M, consisting of cash and cash equivalents. The company has used, amended and entered into various financing and investment arrangements:

- Utilization of existing 3-year revolving facility for a total amount of Eur 600M, drawn by the end of March 2020
- Utilization of factoring and other credit facilities for approx. Eur 100M, drawn by the end of February 2020
- Deferral of approximately Eur 500M of debt repayments through a debt holiday initiative (Debt Holiday) offered to the cruise industry by various public export credit agencies including



the ones guaranteeing the company's ship financings. The Debt Holiday provides interim debt service relief through 31 March 2021 by creation of separate tranches of loans under the facilities with repayments made over the following four years and financial covenant relief through 31 December 2020

- Postponement of payments to shipyards for vessels under construction, allowing MSC Cruises to avoid any capex payment during the year 2020 and 2021, while not significantly altering the new vessels delivery dates
- Execution of a 2.5-year term-loan for a total amount of Eur 200M, available from October 2020

The company has also undertaken multiple proactive cost reduction and cash conservation measures to mitigate the financial and operational impacts of the COVID-19 pandemic, through the reduction of capital expenditures and operating expenses, including food, fuel, insurance, port charges and reduced crew manning of vessels during the suspension, resulting in lower crew payroll expenses.

The company is actively evaluating other liquidity measures with different counterparties which may be implemented as needed.

The combination of existing and expected financial measures, provide full comfort to MSC Cruises in overcoming any future consequence from the Covid-19 pandemic. Should the Covid-19 pandemic continue to have an impact on travelling and, particularly, cruise holidays, MSC Cruises will continue to work finding solutions to safeguard its liquidity and protect its business continuity.



Information about MSC Cruises bonds:

Name	MSC CRUISES 17-23
ISIN	CH0370943562
Maturity date	14.07.2023
Name	MSC CRUISES 16-21
ISIN	CH0341725890
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NOTE:

Information in this press release may involve guidance, expectations, beliefs, plans, intentions or strategies regarding the future. These forward-looking statements involve risks and uncertainties. All forward-looking statements included in this release are based on information available to MSC Cruises as of the date of this press release and can be affected by a number of factors. We assume no duty to update any such forward-looking statements.

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities.

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APPENDIX

THE 9 PILLARS OF MSC CRUISES' HEALTH AND SAFETY PROTOCOL

The below are the 9 Pillars that form part of MSC Cruises health and safety protocol.

1. **Passenger Testing:** Conduct 100% testing of passengers for COVID-19 prior to embarkation; Conduct additional screening (e.g. temperature checks, health declaration, medical review if necessary) or other risk mitigation prior to embarkation;
2. **Crew Testing:** Conduct 100% testing of all crew, with a requirement for negative results:
 - a. Prior to departure from home; and
 - b. Prior to embarkation on the ship; and
 - c. Upon conclusion of a minimum 7-day quarantine; and
 - d. Test periodically, at an appropriate frequency (at least monthly)
3. **Masks:** Require wearing of masks by all passengers and crew onboard and during excursions whenever physical distancing cannot be maintained; Require crew to wear face masks at all times when working in food and beverage service areas;
4. **Physical Distancing:** Align physical distancing measures with shoreside health authority requirements; maintain physical distancing in terminals, onboard ships, on private islands and during shore excursions;
 - a. Achieve physical distancing onboard through one or more measures, including: reduced passenger capacity, use of venue restrictions, directional controls for movement of passengers, dedicated cabin capacity allocated for isolation and other operational measures;
5. **Ventilation:** Implement air management strategies to mitigate risk through increasing fresh air into ventilation systems and, where feasible, using enhanced filters and other technologies to maximize system effectiveness;
6. **Medical and Public Health:**
 - a. Employ enhanced shipboard communications and procedures to promote illness reporting;
 - b. Conduct health evaluations, including internal shipboard telemedicine, of suspect cases in their cabins
 - c. Implement isolation procedures for confirmed cases in pre-designated, reserved cabins;
 - d. Implement response protocols to quickly identify and quarantine close contacts and to medically assess and appropriately manage them consistent with the advice of leading health authorities;
 - e. Utilize risk-based response plans based on each ship's ability to manage various levels of onboard COVID-19 cases and close contacts;
 - f. The medical priority will be to disembark confirmed COVID-19 cases as soon as safely and reasonably possible. Make arrangements with port partners and in any destinations visited for various disembarkation scenarios of COVID-19 cases;
 - g. Make arrangements in advance with private providers for transportation, shoreside quarantine and medical facilities if infectious illness exceeds onboard management capability;
 - h. Conduct screening and testing of disembarking passengers who are close contacts of COVID-19 cases;



7. **Shore Excursions:** For destinations other than private islands, only permit shore excursions authorized by the cruise line based on provider protocols that are equivalent to those of the cruise line; deny re-boarding to passengers that fail to abide by shore excursion protocols
8. **Crew embarkation** – Crew are subject to three COVID tests prior to boarding as well as quarantine onboard of 14 days before being released to interact with guests
9. **Risk based screening** – Adding additional measures to screen passengers based on where they originated from.