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Norwegian Cruise Line Holdings Charts a Path towards Net Zero Greenhouse Gas Emissions with New Short- and Near-Term Targets

Targets GHG Intensity Reduction of 10% by 2026 and 25% by 2030 compared to 2019

Revamps Climate Action Strategy with Focus on Efficiency, Innovation and Collaboration

MIAMI, April 24, 2023 (GLOBE NEWSWIRE) -- Norwegian Cruise Line Holdings Ltd. (NYSE: NCLH) (the "Company"), a leading global cruise company which operates Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises, today launched its revamped climate action strategy along with short- and near-term greenhouse gas ("GHG") targets to support the Company's ambitious pursuit of net zero by 2050. These actions underscore the Company's robust commitment to decarbonization as part of its global sustainability program, Sail & Sustain.

Key components of the Company's new interim GHG reduction targets include:

- Reduce GHG intensity by 10% by 2026 and 25% by 2030, compared to a 2019 baseline with intensity measured on a per Capacity Day¹ basis.
- The targets cover the Company's emissions from its fleet of ships, islands and facilities (Scopes 1 & 2) as well as upstream fuel- and energy-related activities, including well-to-tank emissions (portion of Scope 3). As such, the targets will capture the full well-to-wake emissions impact of the Company's fuel consumption.
- Interim targets provide a roadmap to support the Company's existing net zero by 2050 ambition. The scope of this commitment expands to the Company's entire greenhouse gas footprint, including its vast network of suppliers and partners across its value chain.

"We are proud to further refine and strengthen our climate action strategy and commitments including by setting milestone GHG intensity reduction targets which will guide us on our ambitious pursuit of net zero by 2050," said Harry Sommer, president and chief executive officer-elect of Norwegian Cruise Line Holdings Ltd. "Every aspect of our business from shoreside to shipboard is responsible for doing their part to design, deliver and demonstrate results for decarbonization and our Board of Directors has reinforced this expectation by establishing shared accountability and tying incentives for our entire management team to this critical effort. We also recently took an important step forward on our pursuit of net zero by announcing the modification of two of our future Prima Class newbuilds to accommodate the use of green methanol in the future."

Sommer continued, "We are also activating and mobilizing our full network of team members, ports and destinations, suppliers and partners, and guests to act now and join us

on this transformative journey, further amplifying the efforts we could achieve on our own.”

The Company’s revamped climate action strategy is centered around three pillars: Efficiency, Innovation and Collaboration.

Efficiency

The Company is focused on optimizing efficiency for its existing fleet which can have an immediate impact to onboard power consumption and GHG emissions as well as generate fuel savings. This includes both ongoing investments in systems and technologies, such as HVAC system upgrades and waste heat recovery systems, as well as operational enhancements, such as smart itinerary and voyage planning and optimization of hotel operations. Operational changes require data, education and accountability, therefore the Company is also building and investing in internal systems and processes to enable its team members, and even guests, to operate its ships with optimal efficiency.

Innovation

The Company is innovating for long-term solutions and technologies, including those that support the ability to operate on green fuels. Since 2022, the Company has successfully completed tests of biofuel blends on multiple ships, in which a blend of approximately 30% biofuel and 70% marine gas oil has been used. The Company believes biodiesel is a viable transition fuel that can support the decarbonization journey as long-term solutions are tested and scaled. Longer-term, the Company views green methanol as a promising solution and recently announced the modification of the final two Prima Class ships, expected to be delivered in 2027 and 2028, to accommodate the use of green methanol as an alternative fuel source in the future. While additional modifications will be needed in the future to fully enable the use of methanol in addition to traditional marine fuel on these ships, this reinforces the Company’s commitment to decarbonization. The use of green methanol would result in a drastic reduction in emissions, including an up to 95% reduction in CO₂, and its properties enable the continued use of conventional fuel storage and bunkering with fewer modifications compared to other emerging fuels in the market at this time. However, the production of green methanol is still in the early stages and will require continued investments to sufficiently scale for distribution and consumption globally.

Collaboration

The pathway to net zero will be complex and will require significant collaboration across the Company’s network of stakeholders including suppliers, communities, governments and NGOs to collectively partner and find solutions to combat climate change. The Company is continuously exploring partnerships to champion efforts surrounding the development of green fuels along with the global infrastructure to produce, store and distribute these fuels. The Company also views cross-sector collaboration as a catalyst for effective and accelerated change and is an active member in industry associations, such as the Methanol Institute, and regional forums. For example, the Company is a first mover partner of the [Pacific Northwest to Alaska Green Corridor](#), a collaborative effort between ports, governments and cruise operators in the region, to explore a maritime green corridor aimed at accelerating the deployment of zero GHG emission ships and operations between Alaska, British Columbia, and Washington. In addition, the Company continues to actively partner with key ports to accelerate the use of shore power technology which allows cruise ships to connect to onshore electrical power grids to supply much of the power needed while docked. While the land-based infrastructure expansion is underway, the Company is also equipping

its ships with the technology needed to plug-in, targeting to have approximately 70% of its fleet equipped by 2025.

“We are encouraged to see the significant progress and momentum across sectors to decarbonize, but fundamental challenges continue to exist for the cruise industry to fully decarbonize by 2050,” said Jessica John, vice president of ESG, Investor Relations and Corporate Communications of Norwegian Cruise Line Holdings Ltd. “Rather than waiting for these challenges to dissolve, our strategy is about acting now to implement solutions for efficiency today, innovate for future solutions and collaborate with our stakeholders along the way. Underpinning this strategy is good governance and effective risk management as we work to advance our climate action efforts and build our Company’s resilience.”

To learn more, watch a video highlighting the Company’s climate action strategy and targets [here](#) and visit our website [here](#) for more information.

About Norwegian Cruise Line Holdings Ltd.

Norwegian Cruise Line Holdings Ltd. (NYSE: NCLH) is a leading global cruise company which operates the Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises brands. With a combined fleet of 29 ships with over 60,000 berths, these brands offer itineraries to approximately 500 destinations worldwide. The Company has eight additional ships scheduled for delivery through 2028, comprising over 20,000 berths.

About Sail & Sustain

Sail & Sustain is Norwegian Cruise Line Holdings’ global sustainability program centered around its commitment to drive a positive impact on society and the environment while delivering on its vision to be the vacation of choice for everyone around the world. This program is structured around five pillars developed through cross-functional collaboration with key internal and external stakeholders. The pillars include: Reducing Environmental Impact, Sailing Safely, Empowering People, Strengthening our Communities and Operating with Integrity and Accountability.

Cautionary Statement Concerning Forward-Looking Statements

Some of the statements, goals and targets contained in this release are “forward-looking statements” within the meaning of the U.S. federal securities laws intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained, or incorporated by reference, in this release, including, without limitation, those regarding our business strategy, financial position, results of operations, plans, prospects, objectives of management for future operations (including those regarding expected fleet additions and plans, goals or targets for our sustainability program and decarbonization efforts) are forward-looking statements. Many, but not all, of these statements can be found by looking for words like “expect,” “anticipate,” “goal,” “project,” “plan,” “believe,” “seek,” “will,” “may,” “target,” “estimate,” “intend,” “future” and similar words. Forward-looking statements do not guarantee future performance and may involve risks, uncertainties and other factors which could cause our actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in those forward-looking statements. Examples of these risks, uncertainties and other factors include, but are not limited to the impact of: adverse general economic factors, such as fluctuating or increasing levels of interest rates, inflation, unemployment, underemployment and the volatility of fuel prices,

declines in the securities and real estate markets, and perceptions of these conditions that decrease the level of disposable income of consumers or consumer confidence; the spread of epidemics, pandemics and viral outbreaks, including the COVID-19 pandemic, and their effect on the ability or desire of people to travel (including on cruises), which is expected to continue to adversely impact our results, operations, outlook, plans, goals, growth, reputation, cash flows, liquidity, demand for voyages and share price; implementing precautions in coordination with regulators and global public health authorities to protect the health, safety and security of guests, crew and the communities we visit and to comply with regulatory restrictions related to the pandemic; our indebtedness and restrictions in the agreements governing our indebtedness that require us to maintain minimum levels of liquidity and be in compliance with maintenance covenants and otherwise limit our flexibility in operating our business, including the significant portion of assets that are collateral under these agreements; our ability to work with lenders and others or otherwise pursue options to defer, renegotiate, refinance or restructure our existing debt profile, near-term debt amortization, newbuild related payments and other obligations and to work with credit card processors to satisfy current or potential future demands for collateral on cash advanced from customers relating to future cruises; our need for additional financing or financing to optimize our balance sheet, which may not be available on favorable terms, or at all, and our outstanding exchangeable notes and any future financing which may be dilutive to existing shareholders; the unavailability of ports of call; future increases in the price of, or major changes, disruptions or reduction in, commercial airline services; changes involving the tax and environmental regulatory regimes in which we operate, including new regulations aimed at reducing greenhouse gas emissions; the accuracy of any appraisals of our assets as a result of the impact of the COVID-19 pandemic or otherwise; our success in controlling operating expenses and capital expenditures; trends in, or changes to, future bookings and our ability to take future reservations and receive deposits related thereto; adverse events impacting the security of travel, or customer perceptions of the security of travel, such as terrorist acts, armed conflict, such as Russia's invasion of Ukraine, and threats thereof, acts of piracy, and other international events; adverse incidents involving cruise ships; breaches in data security or other disturbances to our information technology and other networks or our actual or perceived failure to comply with requirements regarding data privacy and protection; changes in fuel prices and the type of fuel we are permitted to use and/or other cruise operating costs; mechanical malfunctions and repairs, delays in our shipbuilding program, maintenance and refurbishments and the consolidation of qualified shipyard facilities; the risks and increased costs associated with operating internationally; our inability to recruit or retain qualified personnel or the loss of key personnel or employee relations issues; our inability to obtain adequate insurance coverage; pending or threatened litigation, investigations and enforcement actions; volatility and disruptions in the global credit and financial markets, which may adversely affect our ability to borrow and could increase our counterparty credit risks, including those under our credit facilities, derivatives, contingent obligations, insurance contracts and new ship progress payment guarantees; any further impairment of our trademarks, trade names or goodwill; our reliance on third parties to provide hotel management services for certain ships and certain other services; fluctuations in foreign currency exchange rates; our expansion into new markets and investments in new markets and land-based destination projects; overcapacity in key markets or globally; and other factors set forth under "Risk Factors" in our most recently filed Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. It is not possible to predict or identify all such risks. There may be additional risks that we consider immaterial or which are unknown. The above examples are not exhaustive and new risks emerge from time to time. Such forward-looking statements are based on our current beliefs, assumptions, expectations, estimates and projections regarding our present and future business strategies and the environment in which we expect to operate in the future. These

forward-looking statements speak only as of the date made. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in our expectations with regard thereto or any change of events, conditions or circumstances on which any such statement was based, except as required by law.

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¹ Capacity Days is defined as Berths available for sale multiplied by the number of cruise days for the period for ships in service.



Source: Norwegian Cruise Line Holdings Ltd.