



PRESIDENT'S MESSAGE

Knowledge has to be improved, challenged, and increased constantly, or it vanishes.”

— PETER F. DRUCKER

AS 2017 COMES TO AN END, WE LOOK AHEAD TO 2018.

“Time flies when you are having fun” is a saying many of us are familiar with. I have to say that the second full year of operations for our young company has certainly flown by. We had some fun along the way. Fortunately, 2017 gave us some steady growth; a trend that we are excited to share will continue in 2018.

Our long-standing highly anticipated annual corporate office holiday party was held on December 9th, 2017. It was an enormous success and many of our internal and external clients, suppliers and friends came and celebrated with us. Thank you to everyone who worked so hard to make it happen. In addition, we had our second annual board meeting at our office in Miami.

Looking back, it has been an eventful second half of the year. During the summer we had six ships in operation, the OD, SS, OAT, SE, Victory I, and the OED. The OAD was in dry dock and joined the fleet for our Antarctica season in November after her complete overhaul and refurbishment, including the dining room. She looks better than ever. We started operating the OAT during the summer season for Quark Expeditions and continued in December with our new partner Albatros Expeditions, also in Ushuaia for the Antarctica season. We managed a total of seven ships in 2017 as compared to six in 2016. All our clients had strong summer seasons and most of the ships enjoyed record bookings, which in turn helped our overall results for the year.

I am happy to report that our overall guest satisfaction scores have been on or above target. I would like to take this opportunity to thank again each one of you in the corporate office in Miami and onboard all our ships for their support and contribution to those results. Well done! Our hospitality and service culture is the cornerstone of our ongoing strategy to deliver memorable, once-in-a-lifetime experiences to our valuable clients and their guests onboard our ships. Please keep up the fine work; your contributions, on behalf of the company, are greatly appreciated. Our guests certainly noticed and appreciated it on every comment card we received.

Thank you.

I would like also to share with you some positive news and trends about the cruise industry and our market segment from the 2017 CLIA survey:

- 80% of travel agents say their cruise volume has increased in 2017
- Clients are spending more this year on water-based tourism
- Numbers have grown year over year to show a robust and healthy interest in and spending on, cruise-based travel
- A supermajority (81%) of travel agents say their cruise-based sales volume is up this year compared to 73% in 2016
- Value (98% of customers) & Service (96% of customers) are the most important factors in driving cruise guest satisfaction
- 62% of travel agents say their clients are becoming more interested in expedition & adventure travel
- Travelers are looking for something new and outside of the box
- A cruise’s reputation is the most important feature for travel agents
- Other important features: new & modern facilities (82%), technologies & spacious staterooms (76%), free dining (75%), internet access (74%)

Another trend we are seeing on most of our expeditions vessels is an increase in the number of international guests. The top 5 nationalities from 2017 are American (42%), Canadian (17%), Chinese (9%), German (7%), Danish (6%).

In response to this increase, we have a new hiring partner in China, Sinocrew Maritime Services Co., Ltd. We have started to hire Chinese speaking crew for the OAT and OAD. Welcome to the team onboard!

As mentioned in my previous issues, service is the key pillar of our hospitality culture and we need to continuously strive to engage all our new crew members and employees to embrace this philosophy upon joining our company. It is our recipe for success now and in the future.

All in all, we can be very satisfied with 2017 as a year in which we achieved most of our KPI's, enjoyed an improved reputation in the industry, and see that now translating into increased business opportunities moving forward.

The implementation of our new crew questionnaire format worked well. We used “Survey Monkey”, a digital format intended to be sent twice a year (summer and winter seasons). Your participation is greatly appreciated, and we believe this valuable feedback is the “Breakfast of Champions” so please do let us know your thoughts; it is a very helpful tool. We also implemented surveys for our clients and suppliers; information is key to delivering on expectations.

Our quality management approach served as well with the ISO 9001-2015 spring certification. The systems and processes are here to stay, assisting us on our path to continued success. Following the principals of a quality management system is a great tool to have, benefitting all parties involved. In February of 2018, we have our renewal audit for the ISO certification at our Miami office.

Looking ahead to 2018, we will be operating eight ships with the addition of Victory II during the summer. The ship will be refurbished, and we are looking forward to welcoming her to our fleet. Victory Cruise Lines will be embarking on their inaugural cruise to Cuba in May. We are very excited about this new destination and have prepared some special regional cuisine specialties and beverages for the itinerary.

It is time to wish you all a Happy New Year and prosperous 2018. We are a growing family and the future looks bright. Thank you to all for your continued professionalism, support, and dedication. You are what makes our success sustainable.

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