

Corporate Issuer CIK: 1714368

"Today, thanks to the hard work and unwavering commitment of our team, and through partnership with our landlords, we have slowly begun the rebuilding process of reopening stores as passenger volume increases. In doing so, we have taken extraordinary steps to ensure our stores are supplied with ample PPE and that enhanced health and safety measures are in place as we begin to warmly welcome back our team members and customers," said Mr. Fordyce. "While we are pleased to see that passenger volume is gradually increasing from the record low levels experienced in April, we are still witnessing passenger volumes through the second week of June that are approximately 85% below last year, and business conditions remain extremely challenging. Our ongoing actions to reduce expenses and manage cash flow are critical in navigating this crisis and positioning Hudson for a full recovery and successful long-term growth."

Mr. Fordyce continued, "While our business recovery is paramount, our strategy remains intact as we serve as the all-encompassing travel partner and continue to grow our four key pillars: travel convenience, specialty retail, duty free, and food and beverage. To adapt to new traveler expectations, we are further evolving our digital footprint with contactless shopping environments, and providing 24x7 access to health and safety supplies through the roll out of PPE vending machines. We have also signed an agreement with Luxottica to introduce Sunglass Hut shop-in-shops in our travel convenience stores."

- _____ - Hudson is rolling out PPE Vending Machines in 27 airports across North America, featuring proprietary health and safety offerings as well as electronic essentials, offering a convenient and seamless shopping experience for travelers.
- _____ - Partnering with Luxottica Group, a leader in premium eyewear, Hudson will open Sunglass Hut shop-in-shops within its travel convenience stores, featuring the Ray-Ban and Oakley brands for both luxury shoppers and impulse buyers alike.

~~Mr. Fordyce continued, "While the effects of this global health crisis are unprecedented, the Company and our management team have overcome significant business downturns in the past. Thanks to the ongoing support of our team members, customers, business partners and landlords, we are in the early stages of our road to recovery and remain confident in the long-term strength of our business model and the resiliency of the travel retail industry."~~

The effects of COVID-19 resulted in the following significant financial statement impacts during the first quarter:

- Recorded \$3.3 million of rent waivers for March as a result of rent payment waivers received from numerous landlords. As discussions continue with landlords, rent relief waivers are expected to increase significantly in the second quarter due to the timing of waivers that have been granted. ~~waivers expected~~
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Additionally, the Company successfully extended existing contracts as follows:

- Charleston International Airport – five year extension
- Des Moines International Airport – four year extension
- Myrtle Beach International Airport – five year extension
- Atlantic City International Airport – ten year extension

Hudson will host a conference call to review its first quarter 2020 financial performance today, June 17, at 4:30 p.m. ET. Participants can pre-register for the conference by navigating to <http://dpreregister.com/10144666>.

The conference call also will be available in listen-only mode via our investor relations website: <https://investors.hudsongroup.com/>. To participate in the live call, interested parties may dial 1-833-255-2832 (toll free) or 1-412-902-6725. A web replay will be available at <https://services.choruscall.com/links/hson200617.html>

CASH FLOWS FROM OPERATING ACTIVITIES

ADJUSTMENTS FOR

Depreciation, amortization and impairment						144.6	88.6
Loss (gain) on sale of non-current assets						0.9	0.1
Incs	4	<i>f</i>		<i>f</i>	s		

Income tax expense (benefit)	(18.9)	(5.4)
Finance income	(1.0)	(1.1)
Finance expenses	22.3	21.9
Foreign exchange gain (loss)	-	(0.3)
Depreciation, amortization and impairment	144.6	88.6
Charge related to capitalized right of use assets ⁽¹⁾	(74.1)	(74.0)
Other operational charges ⁽²⁾	0.4	8.0

Represents lease payments that would have been expensed, but for the adoption of IFRS 16 related to capitalized right of use assets and payments received for capitalized sublease receivables.

For the quarter ended March 31, 2020, other operational charges consisted of \$1.4 million of one-time items and other charges that are not reflective of our ongoing financial and business performance, offset by \$1.0 million of other operational income. For the quarter ended March 31, 2019, other operational charges consisted of \$7.6 million of executive separation expense and \$0.4 million of other non-recurring items.

The amounts presented differ from the information reported in the interim consolidated financial statements for the period ended March 31, 2019 due to correction of an error identified in the accounting adopted on transition to IFRS 16 Leases. For details please refer to the Company's interim consolidated financial statements for the nine months ended September 30, 2019 (note 2.2).
