

Caen-Ouistreham, Cherbourg, Dieppe, January 31st, 2022

PRESS RELEASE

Review 2021/Outlook 2022

"Ports of Normandy's results for 2021 are proof of the resilience of our port businesses and of the adaptability of our staff and the different operators. COVID, Brexit, economic stop-and-go ... Ports of Normandy has coped with all of them. It is a flexible, responsive and efficient structure with its ear close to the ground, which has confirmed the relevant, coherent and complementarity nature of the investments made by the local authorities that finance it.

In 2022, Ports of Normandy will invest almost €58m, the priority being to reinforce its position as leader in the cross-Channel market at the western end of the Strait and to become one of the key players in the development of MREs in France. On a more general level, I expect Ports of Normandy to create jobs and generate added value for our region, Normandy," declared Hervé Morin, President of the Normandy Regional Council and of Ports of Normandy.

REVIEW 2021 saw port activity pick up again even though it continues to be disrupted by COVID

1. BUSINESS

After a 2020 severely impacted by COVID, in 2021 Ports of Normandy posted enough growth in its business - except for passenger traffic - to allow it to return to a level close to that prior to the public health crisis:

- +31% for port calls to reach 3,000 calls, the same number as in 2019
- +8.68% in tonnage to reach 6,256,600 T, again a figure close to that of 2019
- +4.09% for passengers, back up to 553,824 pax, but still a very long way from the 2 million passengers recorded in 2019

However, these encouraging figures mask some contrasting realities across the different sectors.

Passengers

The passenger business remains dramatically low (in spite of an increase in passengers to Ireland compared to 2020) due to the travel restrictions and constraints imposed by the governments in reaction to the public health crisis, severely penalising the revenues of the ferry companies and port operators for the second year running.

The prospect of the introduction in 2022 of the EES (Entry Exit System) designed to tighten controls on entry into the Schengen area is another source of concern due to the negative impact it could have on the management of port calls and the customer experience.

Cruises

The cruise business, after being frozen for 18 months, picked up significantly in the third quarter of 2021 (20 calls, 42,000 pax). 2022 is set to confirm this trend with some sixty calls scheduled for Cherbourg and about a dozen for Caen, which would be a new record for both ports.

Cross-Channel freight

The freight business has returned to a level of activity close to that of 2019. However, this result hides a much more varied picture, particularly for the dominant freight sector, cross-Channel (5,365,347 T, or 85% of the total tonnage for the year). Although it is true that cross-Channel freight traffic has increased (+23% in HGVs and +11.54% in tonnage), the UK and Ireland figures are following opposite trends.

Indeed, in line with the downward trend in the market, trade with the UK fell 17% in terms of HGV numbers (about 120,000 HGVs). There are several explanations for this: overstocking at the end of 2020 in anticipation of Brexit effects, followed soon after by COVID slamming the brakes on the movements of lorries and drivers, all of this coinciding with the administrative complexities linked to Brexit.

Conversely, 2021 saw traffic between Ireland and the port of Cherbourg literally explode: +198%, or some 100,000 HGVs, that is to say almost as many as the total flows between our three ports and the United Kingdom. Capitalising on its historic links and its longstanding shipping operators, Cherbourg benefited from the disruption to the traditional Landbridge route, which became longer and more risky (controls) with Brexit, to garner a large part of those flows.

The introduction of full customs procedures in the UK in 2022 is expected to confirm, at least in part, the trend consisting of transferring traffic to direct sea routes.

Conventional freight

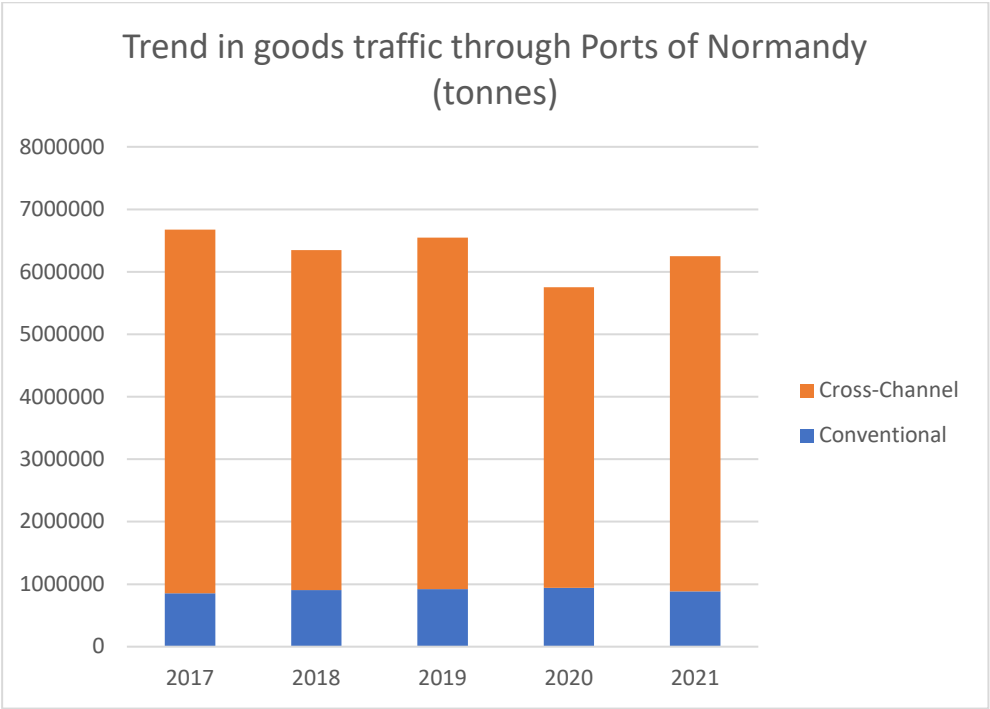
The momentum has held up in the conventional sectors, but is being hampered (-6% or 885,000 T) by a shrinking agri-food business (-150,000 T of cereals, fertiliser, animal feed, etc.). This disappointing performance nevertheless masks sustained momentum in some other sectors:

- +12.19% (395,000 T) in construction materials, driven especially by the timber trade
- +55% (4,000 T) in "hazardous" materials (explosives and nuclear)
- + 313% (84,000 T) in Industrial packages & other

Focus on MRE/NRE*

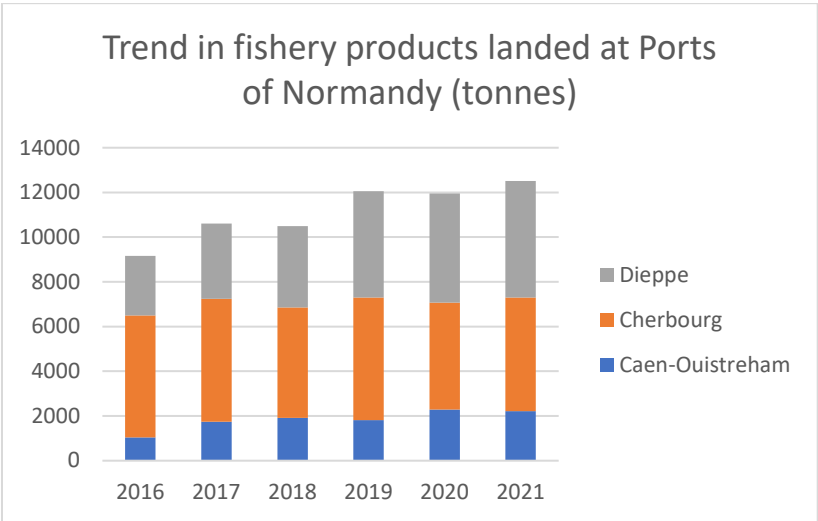
Now that the phase of adapting the port infrastructure to accommodate these new industrial sectors is finished, they are now generating traffic. The gamble has paid off for Ports of Normandy with +97% (72,000 T) on NREs. On closer examination, although the onshore wind power and biomass traffic has remained stable, the big event in 2021 was the launch of the RME business at Cherbourg. This will gain momentum in 2022, when construction work starts on the Courseulles and Fécamp wind farms, in addition to Saint-Brieuc.

* MRE: Marine Renewable Energies/NRE: New Renewable Energies



2. FISHING

With over 12,500 T of fishery products landed, the Dieppe and Cherbourg fish auction markets and the Ouistreham landing point posted a 4.65% increase in tonnage, driven by scallops in Dieppe (+14%) and fish at Cherbourg and Ouistreham. In spite of the bigger landings, the average price went up, especially in the second half of the year.



3. PLEASURE CRAFT

Like the passenger business, the number of visiting pleasure craft was up 23% to reach 5,000 units. However, this remains well below the pre-Covid figure, which was close to 7,500 boats. This drop is explained essentially by the absence of foreign craft, British ones in particular.

In spite of this partial recovery in business, the number of overnight stays is not following the same trend, with an 8% fall (28,000 overnight stays), which means the average length of stay in the marinas has fallen to five days.

4. BOAT REPAIRS

With over 300 dry dockings in 2021, Ports of Normandy registered a significant increase (21.5%). This growth is linked to a return to normal activity at Dieppe after a 2020 disrupted by technical difficulties, and growth in the activity at Cherbourg buoyed by the boating activity. At the end of 2021, after much discussion with our partners in the ship and boat repair sector, Ports of Normandy decided to expand its offer of services on the Cherbourg service yard by offering keel blocking for vessels lifted by the Travelift and occupying the service yard. The *syndicat* has acquired the necessary boat cradles, jack stands and keel blocks, and the staff are geared up to provide a complete dry docking service for users of the yard.

TRAFFIC FIGURES IN BRIEF 2021

- Cross-channel: -3.87% pax / +11.53% (tonnage) / +23% HGVs
- Conventional: -5.93%
- Cruises: 20 calls, 42,000 pax
- Fishing:
 - Cherbourg: + 6,14 % in tonnage
 - Dieppe: + 6,75 % in tonnage
- Ship repairs:
 - + 33.91 % at Cherbourg
 - + 11.02 % at Dieppe
- Marina visitors:
 - + 27.02 % boats at Cherbourg / + 19.42% overnight stays
 - - 1.47 % boats at Caen-Ouistreham / - 28.44 % overnight stays
 - + 25.74% boats at Dieppe / + 4.31 % overnight stays
- MRE/NRE: + 97% in tonnage / 72,000 T / Number of calls x 2

OUTLOOK Ports of Normandy continues to invest massively

Between 2007 and 2021, Ports of Normandy invested €410m with three main objectives in mind:

- To rehabilitate the infrastructure and facilities transferred by the State
- To reinforce our structural sectors (cross-Channel and commercial) to use the facilities to their full potential and accompany the growth in trade
- To prepare for the future, especially the industrial side (and MREs more specifically)

Ports of Normandy also wants to go further, hence its multi-annual investment plan (PPI) which covers all three of its ports. This means another €58m will be invested as of 2022 to meet the following objectives:

To reinforce our position as cross-Channel leader at the western end of the Strait

After demonstrating that its ports were "Brexit ready", Ports of Normandy now wishes to push on and work, among other things, on the issue of air pollution (see EDF partnership on the objectification of emissions, dispersion modelling and electric propulsion solutions for ferries and passenger liners), by developing the rail motorway service at Cherbourg, by continuing to improve the ferry terminal at Cherbourg (linkspans and other facilities), by reinforcing our promotional presence in Ireland, by commencing the studies on the extension of the Dieppe terminal, by examining the possibilities for extending the cross-Channel ferry terminal at Ouistreham, among other things.

To become one of the key players in the development of MREs in France

In 2021, the port facilities at Cherbourg proved their performance and demonstrated that they could meet the needs of industrial customers (preparation of the Saint-Brieuc wind farm). Occupancy of the hard standings is intensifying (preparation of the Saint-Brieuc and Courseulles wind farms and preparation and assembly for the Fécamp farm), but Ports of Normandy already has plans to do more:

- By making Cherbourg the hub for the Fécamp and Barfleur wind farms and by capturing new opportunities for other French and/or foreign wind farm projects for the period 2025-2028. EDF has entrusted Ports of Normandy with the role of contracting authority for the construction, at the port of Cherbourg, of the Fécamp offshore wind farm hub. Construction work will begin in spring 2022.
- By supporting LMWP as it ramps up to full production.
- By finalising the work in the outer harbour at Ouistreham linked to the maintenance base for the Courseulles wind farm (consolidation of the embankments, dredging of the outer harbour, construction of pontoons for the maintenance base, but also for fishing vessels and pleasure craft).
- By preparing to host the maintenance base for the Dieppe-Le Tréport wind farm.
- By creating a turbine blade storage area for LM Wind Power/GE. Budget: €5m. Works from April to autumn.

To create jobs and generate added value for our region

Pleasure traffic

In this fast-changing field, proactive and coordinated action is required to ensure a successful transition towards new practices and the non-renewal of the fleet by the next generations. The marinas need to be completely "re-programmed" to offer services and not just berths. In 2022, Ports of Normandy will make a start:

- 3 public service delegations (DSPs) concerning the marinas are due to expire at the end of 2023. 2022 will therefore be devoted to finding solutions for managing the marina activity by drawing on the conclusions of the "port of the future" study initiated by Normandie Maritime, Caen-Normandie CCI and Port Chantereyne.
- In Caen, the Bassin St Pierre has not been dredged for decades. The state of the bottom of the dock is compromising the boating activity and port calls by racing boats. The dredging operation should therefore be able to go ahead by the end of 2022/beginning of 2023, once the permits are granted after the public enquiry in the autumn. The budget is €3m, co-financed by Ports of Normandy, the city and the marina concession holder.
- In Dieppe, the swell attenuator is dilapidated. The piles are corroded and some have broken off. A consultation is in progress for the construction of a new attenuator. The works are expected to be carried out at the end of the year, at a cost of €2.8m.

Boat building and repairs

- Dieppe: plan to improve services and dry docking facilities
- Cherbourg: reinforcement of the dry dock (to bring it into line with environmental standards, and study on the rehabilitation of the structural components of the dock) and reorganisation of the service yard to improve the service provided and safety (fluid distribution bollards, securing accesses, premises and toilets, etc.).

Value creation from real estate assets

Ports of Normandy is looking into the possibilities for creating value from its real estate assets, whilst ensuring that they generate extra port business:

- Cherbourg: extension of Grand Large Yachting following a call for expressions of interest launched by Ports of Normandy (20 extra jobs announced), rehabilitation of hangars 8 and 10 and development of the Collignon logistics and industrial park.
- Dieppe: the Avril group's new factory on the old SAIPOL site is expected to be inaugurated and create more jobs in 2022.

Cruise traffic

2022 will be another record year with some sixty calls scheduled at Cherbourg and a dozen at Caen.

To give Normandy a port organisation that is flexible, responsive and efficient, in touch with the realities on the ground

As the owner of roads and civil engineering structures, Ports of Normandy is a major player in urban spatial planning and has a duty to maintain, modernise and ensure the reliability of its facilities. This double objective will translate in 2022 into the following projects:

- Caen: public enquiry on the forthcoming replacement (2023) of the Colombelles bridge (€20m); repair of structural elements and re-painting of the complete structure after removal of asbestos from the La Fonderie bridge (€800K); retrofitting of the Montalivet dam so that migratory species can pass it and ensure its watertightness (€2.5m, works planned for end 2022/beginning 2023); diagnosis of Bénouville bridge in order to plan the major renovation operations on its operating mechanisms.
- Dieppe: launch of the restoration, in the autumn, of the Colbert bridge (€13m); maintenance work on the Amiral Rolland footbridge (rehabilitation of the electrical cabinets and automatic controls + dry docking of the downstream gate to remove silt and replace equipment). As for the Ango bridge: study on the replacement of the bridge's road surface. Finally, 2022 will see the completion of the works at Quai de Norvège. The wharf has been reinforced. The remaining work concerns the reinforcement, with rigid inclusions, of the hard standings to support the 120 T crane, and resurfacing. (€4.3m. Works spring-summer 2022).
- Cherbourg: alterations to the guide system of the Michel Legrand footbridge and anticorrosion treatment (after 6 years in use the bridge's central and lateral guidance devices need to be upgraded to secure their long-term future operation); resurfacing of the Cité de la Mer car park; moving of the Boulevard Maritime for the rail motorway project. Launch of the study on the renovation of the swing bridge electrical installations to define and plan the phased replacements of these installations in order to minimise the impact on maritime and road traffic.

To ensure the investments made by the Ports of Normandy authority are relevant, coherent and complementary

One of the core missions of Ports of Normandy is to create added value in the local area. This takes the form, among other things, of a very sustained investment plan representing €58m in 2022, €58.5m in 2023 and over €25 in 2024, i.e. a total of almost €142m over 3 years, thereby raising its average annual investment effort from €31.5m to €47.3m. The main development goals of this investment plan are:

- Thanks to an updated public service delegation model: to reinvest the ports' profits in the infrastructure required to maintain and develop them; and to examine investment projects, not forgetting to take the impact on the surrounding areas into account when assessing the likely return on investment. It is with this approach in mind that, on 1 January 2019, the Dieppe port operating company (*Régie d'exploitation*) was created, followed on 1 January 2022, by the SPL Cherbourg Port, a "local public company".

- To work to help the cross-Channel shipping operators recover from the recent crisis
- To keep improving the "passenger experience" in Normandy, through better services and facilities for cross-Channel and cruise operators, as well as pleasure craft visitors.
- To develop a "network effect" by undertaking joint promotional activities involving Ports of Normandy, HAROPA, the local authorities and the Normandy development agency.
- To keep strengthening our relationship with Ireland.
- To work to help maintain a viable fishing industry in Normandy, by improving the equilibrium between different activities in the post-Brexit economy, in particular by promoting local products and attracting processing industries.
- To anticipate the fundamental shifts that are coming in the pleasure boating sector, with a younger population of pleasure craft owners who will expect new services.
- To consolidate our boat repair amenities to make them more attractive.

ABOUT PORTS OF NORMANDY

Owner and administrator of the ports of Caen-Ouistreham, Cherbourg, and Dieppe, "Ports of Normandy" comprises:

6,000 direct, indirect and induced jobs (INSEE Study 2016) / €410M invested in Normandy (2007-2020) / 100 ha dedicated to Marine Renewable Energies and 2 forthcoming maintenance sites / 2 million cross-Channel passengers per year / 7 million tonnes of goods per year / Close to 60 cruise ship visits per year and more than 150,000 cruise passengers / 3,200 marina berths, a dry stack marina and 33,600 overnight stays / 1/3 of all fish (tonnage) landed in Normandy / comprehensive ship repair provision.

Ports of Normandy, an alliance between Normandy Council, the departments of Calvados, Manche and Seine-Maritime and the agglomeration communities of Caen-la-Mer, Le Cotentin and Dieppe-Maritime, at the service of economic development in the region. Learn more about "Ports de Normandie" at portsdenormandie.fr

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