

PRESS RELEASE

MEYER WERFT drives change for a long-term future

- **Family business stands for fast and long-term oriented adaptation to the new market conditions**
- **MEYER Transformation Program stands for systematic improvement and integration of employees from many areas**
- **Personnel adjustments necessary and at the same time an opportunity: 90 percent of employees remain on board even during the crisis, new jobs are created in engineering**
- **New sustainable ship types and other products are key to the future**
- **Strengthening global engineering to safeguard jobs in manufacturing**
- **Successful fight against pandemic at shipyard**

Papenburg, December 29, 2021 – The Corona crisis is significantly changing market conditions for the MEYER Group; complex, environmentally friendly ships in a wide variety of forms are still in demand. "The 226-year history of our company has taught us one thing in particular: our environment is constantly changing, and because we have been quick to adapt and transform to it so far, we still have a bright future today. As a family business, we are well positioned to deal with such change because we can make decisions quickly while taking a long-term view," explains CEO Bernard Meyer. "The challenge every day is to deliver the necessary high performance in the construction of our ships and at the same time systematically drive change," adds Managing Director Jan Meyer.

This is also demonstrated by the year 2021: despite Corona, MEYER WERFT will deliver two large and modern cruise ships, the Odyssey of the Seas (169,000 GT) and the AIDAcosma (183,000 GT), to two American cruise lines. "At the same time, we launched the 'MEYER Transformation' program at all three MEYER locations in 2021 to systematically improve our process and thus increase our competitiveness. Now, every day, employees from the in a wide variety of areas on many improvement projects. I am

proud of this and pleased that we can already see the first successes," adds Managing Director Jan Meyer.

The year 2021 was also characterized by negotiations on the necessary staff reduction, which led to a mutually binding agreement with the Works Council in July 2021. The general conditions and in particular the order situation have not changed since the agreement was confirmed by the works council committees. "Thanks to these changes and other intelligent solutions, we have succeeded in preserving thousands of jobs in the Emsland and East Frisia regions, despite the fact that our workload will almost halve in the coming years with a 40 percent reduction. Through many measures, such as scholarships and retraining, we have managed to ensure that 90 percent of our employees can stay," Jan Meyer continued.

However, the economic results show the harsh effects of the crisis. The German MEYER Group has to report a high loss of around 180 million euros in 2020. "In order to compensate for this loss and to avoid shortfalls in the future as far as possible, we have already made many efforts this year. These special efforts will also be necessary in the coming years. If everyone pulls together on this, we will also make profits again. We must compensate for our losses and be an attractive partner for our financing banks. Apart from that, these profits are necessary to be able to invest in Papenburg and Rostock. We have to strengthen our competitiveness, and everyone has to pitch in," Jan Meyer continues.

New ships with new ideas

"Another key to our change for a long-term future, were and are new orders and as well as recently the addition to our product portfolio," explains Managing Director Thomas Weigend.

Due to the ongoing crisis in the cruise industry, MEYER WERFT has expanded its product portfolio in 2021 with smaller ships and new ship types. Thanks to this diversification, employment at the shipbuilding site can be secured.

With the order from the Japanese shipping company NYK (52,000 GT), MEYER WERFT 2021 has received its first order for a cruise ship since the beginning of the pandemic. The small and exclusive ship with a length of 228.9 meters is scheduled for delivery in 2025. "We received this order thanks to our convincing ship concept, but also because of a tough price offer. However, with the improvements from our MEYER Transformation Program, this ship will be a success," Thomas Weigend is certain.

At the end of July, MEYER WERFT agreed on a letter of intent for the construction of an apartment ship, the M/Y Njord (81,000 GT), which in addition to LNG propulsion will also have a hybrid battery system and will have oceanographic research facilities on board. However, this order is still subject to a funding contingency. "We are focusing on sustainable propulsion and new ideas for ship concepts in all our discussions with shipping companies. Many things are already operational, as shown by the world's largest fuel cell installation on board the Silver Nova. Its construction began in November," says Managing Director Thomas Weigend.

Thanks to an innovative fuel concept with low-emission LNG, a fuel cell system for the entire hotel operation, and batteries, the Silver Nova has the best possible measures to reduce emissions. Already, the newbuilding is 25 percent above the IMO's Energy Efficiency Design Index (EEDI). The 4-megawatt fuel cell system, in addition to the LNG engines, will be the first major installation of its kind in the cruise industry to power the ship and supply the entire hotel operation. This completely eliminates pollutant emissions while the ship is in port. In addition, a battery system increases the overall efficiency of the ship by absorbing peak loads, thus significantly reducing fuel consumption.

A newly developed Micro Auto Gasification System (MAGS) reduces the volume of waste on board, resulting in even lower combustion emissions.

With the presentation of MEYER Yachts at the Monaco Yacht Show, the MEYER Group has announced its entry into another segment. The ONE 50 megayacht concept, powered entirely by fuel cells and batteries, has caused quite a stir and received very positive feedback from the industry. "It goes without saying that we are also fully

committed to innovation and sustainability in megayachts. In addition, we can realize ship sizes in our covered building docks that other shipyards cannot offer," explains Managing Director Bernard Meyer.

Strengthened by MEYER GLOBAL DESIGN & ENGINEERING

In order to utilize production capacity with smaller and new-type ship projects, a significantly higher engineering output is required in relation (per GT). Therefore, MEYER GROUP started to bundle all engineering capabilities internationally in a virtual Global Engineering Organization in 2020 and started to recruit massively in engineering in 2021. "It sounds paradoxical, but it is now part of a complex change with complex products and processes: We are creating over 100 new and additional jobs in engineering while cutting in other parts of the company, and the success of strengthening engineering is at the same time the key to securing manufacturing jobs. Everyone involved here has a huge responsibility to make this change a success. Only with this change can we build a good long-term but different future," comments Weigend.

Covid prevention strategy successful

In the fight against the Corona pandemic, MEYER WERFT has also demonstrated strength of action in the area of preventive care for all employees. Under the leadership of MEYER Port 4, around 165,000 antigen tests and 16,000 PCR tests were carried out in 2021, and more than 155,000 self-tests were issued to employees. This has already led early on to the fact that the infection risk could be minimized and the fourth wave on the shipyard site has almost failed to materialize. In addition, a public test center has been in operation at Gate 5 of MEYER WERFT since mid-December.

The employees of the MEYER Group at the Papenburg site have also shown responsibility and made use of the versatile vaccination offers at the shipyard site. More than 3,000 first and second vaccinations, over 1,700 booster vaccinations (since December) and more than 1,700 vaccinations of employees of partner companies have been carried out by the company doctor, other doctors and vaccination teams of the Emsland district since the summer. In addition, another 900 booster vaccinations were given to participants of the AIDAcosma trial cruise in November and December.

Training and dual studies

Training and dual studies are investments in the future of MEYER WERFT. Especially in times of crisis, the company focuses on further intensification of training and dual studies. Therefore, the new apprenticeship profession of production technologist was introduced this year in combination with a continuous training concept in the field of study in process management. This profession belongs to the new occupational group Industry 4.0 and is thus another clear step towards securing the future.

Two new cruise ships again in 2022

MEYER WERFT will again deliver two cruise ships to international customers in 2022. In spring, the Disney Wish will be completed for Disney Cruise Line, which will bring new highlights to the sea with an elaborate hotel area featuring a variety of state-of-the-art entertainment installations and a novel water slide. This will be followed in the fall by the ARVIA for P&O Cruises, which will be tailor-made for British passengers.