



CONDOR HOUSE
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Deputy Kirsten Morel
Government of Jersey
Morier House
Halkett Place
St Helier
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14 October 2024

Dear Kirsten

I am writing further to your letter to Russell Kew of 11th October. Please note that Russell has retired and so I am responding on behalf of the Board of Directors of Condor (the "**Board**") in my capacity as CEO.

We are surprised by your concerns regarding the recent quote in the media in relation to Condor's ongoing commitment to working collaboratively with stakeholders on the continued delivery of services to the Channel Islands. We have sought to engage with you on several occasions regarding the Islands' requirements with respect to the potential transition of services including by way of our letters of dated 30 July and 11 September.

We have also written to our shareholders and our lenders as alluded to in our letter of 11 September and further referenced in your letter of 23 September and we acknowledge your willingness to engage in an "all parties" meeting once the position of these stakeholders is understood. However, without any visibility of the outcome of the ongoing tender process or information as to the nature of any interim service requirements, it is very difficult for shareholders and lenders to assess the support that Condor needs at this time.

Condor has served the Islands for over 60 years and we remain fully committed to our customers and other stakeholders. Our new owner, Brittany Ferries, is similarly committed. We have been fully supportive of the tender process and we have welcomed the clarity that this process has provided with respect to the Islands' requirements for future service provision. We have engaged proactively with the tender process and we have met each deadline in the process with proposals that deliver the requirements of the tender with immediate and uninterrupted effect under our new Brittany Ferries ownership.

However, we are frustrated that the Islands have persistently failed to meet their own deadlines without any explanation or notice to bidders. The market consultation questionnaire regarding provision of ferry services in the Channel Islands was issued in January 2024 and anticipated the launch of the tender process in Q1 2024 with a contract award in early Q3 2024. The original Invitation to Tender was then not issued until 13 May and included a stated date for announcing the intention to award ("**ITA**") on 2 September. We delivered our bid on 8 July in accordance with the timetable. The procurement process was amended on 13 August with the ITA pushed to 9 September. This date passed without any announcement and we were invited to attend meetings



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with officials from the Islands during the week commencing 16 September. We appreciated the constructive nature of these meetings and following the issue of a further Invitation to Tender, we submitted a full resubmission on 1 October. The revised timetable from the Islands set a date for the ITA of 11 October. Once again, that date has passed without any formal communication.

These continuing delays create inevitable uncertainty both for our business and for our people. As a Board, we are seeking to mitigate the effects of this uncertainty on a daily basis but you will be aware that this is now having a tangible effect both on customers and businesses on the Islands.

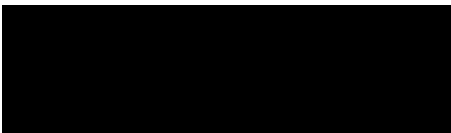
We cannot take forward bookings beyond 31 March which is already having a knock-on impact to the wider hospitality and other industries on the Islands and we cannot know what any interim or transitional services are needed until the outcome of the tender process is known (and the requirements of a new operator, if any, are understood). The continued engagement with one of our competitors to run berthing trials with vessels that are plainly unsuitable and/or unavailable further exacerbates these issues. You are, of course, at liberty to invite such trials but our shareholders and lenders are equally free to draw conclusions from these engagements in the absence of any visibility on the wider tender process.

You are correct, of course, that our existing Operating Contract with Jersey anticipates the provision of services through to March 2025. You will also appreciate that this contract required the parties together to agree a protocol for the wind down of services with a 3 year run off period in the event that Jersey did not wish to negotiate terms with Condor for the ongoing provision of services beyond this date. With no such agreement in place when the current tender process was launched and no visibility on the Islands' decision with respect to that tender process, the Islands are faced with a potential cliff edge cessation of service which is already materially impacting both individual and business customers and which has put significant strain on our business model.

We would encourage the Islands to urgently conclude the tender process in order that the people and businesses of the Islands have the clarity and forward booking service availability they require.

We will continue to seek collaborative engagement with all stakeholders with regard continuity of service for islanders and business customers but we can only do so within the constraints of the ongoing uncertainty of the tender process. We look forward to an imminent decision from the Islands and further engagement with you and other stakeholders thereafter whatever the outcome.

Yours sincerely



Christophe Mathieu
CEO

cc: 
States of Guernsey