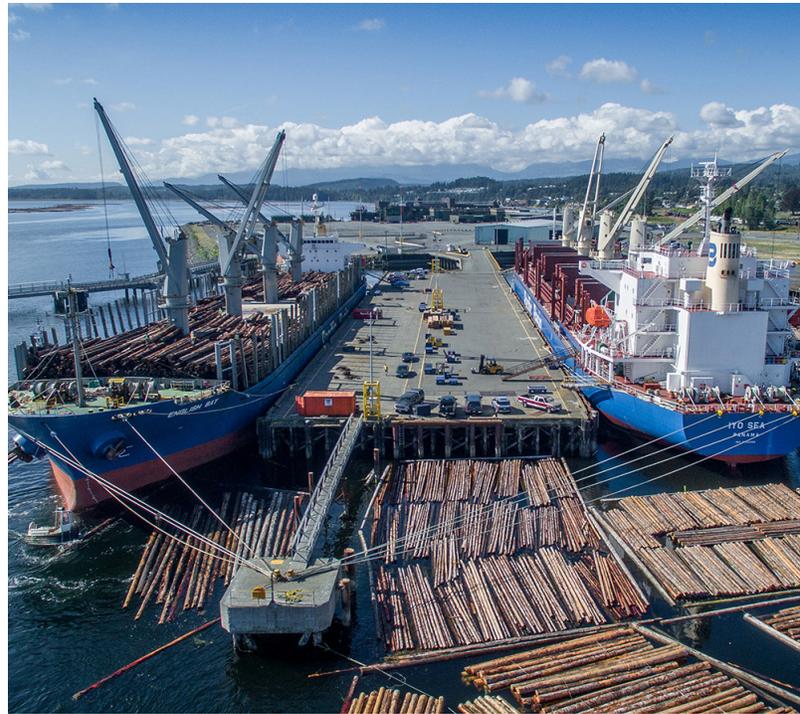
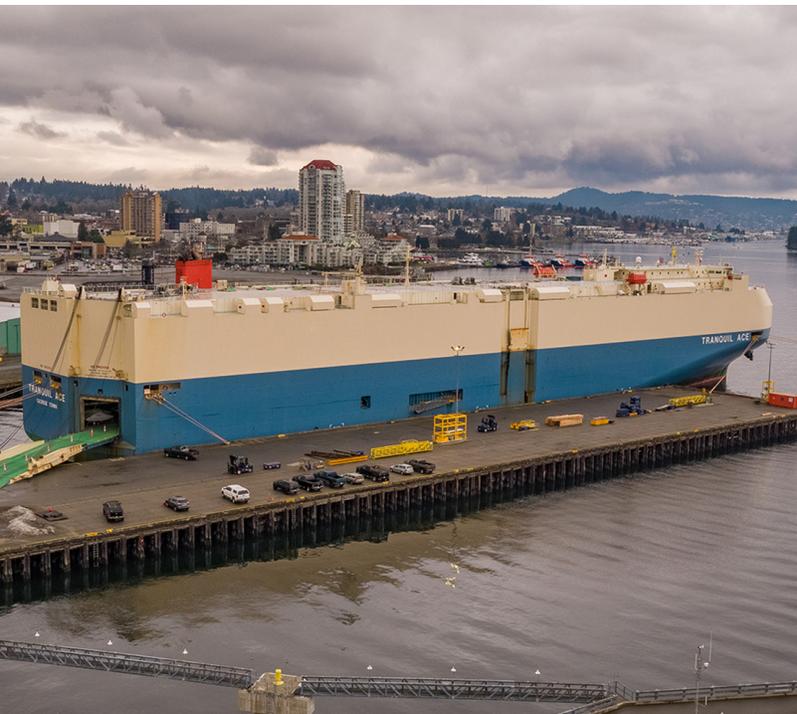


2020 ANNUAL REPORT





Local Benefits, Global Reach

Partnerships, Opportunities And Community Support



**Donna
Hais**
Board Chair

The Port of Nanaimo is embarking on an exciting path and despite the global pandemic impacting our day-to-day operations, the Board of Directors have not lost sight of our vision to be the Vancouver Island Port connecting the Island to the world via the Salish Sea.

After many months of meaningful discussions, the Port finished 2020 on a high note with the signing of a new relationship protocol agreement with the Snuneymuxw First Nation. The Port is excited to be moving forward together with a new perspective, mutual respect and understanding.

Behind the scenes work continued throughout the year on the Duke Point terminal expansion. Announced in early 2021, the Port was successful in attracting an additional \$15 million in Provincial funding through BC's Economic Recovery Plan in addition to the Federal contribution of \$46.2 million through the National Trade Corridors Fund and private investment from our valued partner and terminal operator DP World. The Board and staff are proud to see this \$105 million project moving forward.

The successful negotiation of a 50 year lease agreement with DP World moved the Port closer to achieving our long term vision of developing the terminal into a first class shipping facility that provides local benefits and global reach.

Highlights of the year included the commencement of construction of the Western Canada Marine Response Corporation (WCMRC) marine oil spill response base at the Nanaimo Assembly Wharves and the welcoming of a new tenant Global Remediation Technology (GRT) to Duke Point.

We also continued working with Conqora Capital Partners in their efforts to bring a passenger only ferry service to Nanaimo from downtown Vancouver, signed a new

relationship agreement with the Regional District of Nanaimo and welcomed two new Directors to the Board appointed by the Federal Government.

While many of our annual events and festivals in and around the Harbour were cancelled due to the pandemic, the Port continued our commitment to supporting the communities in the region by donating \$15,000 to the Vancouver Island University. \$5,000 was allocated for scholarships for students enrolled in the Motorcycle and Marine Technician Program and the Fisheries and Aquaculture Technician Program, awarded to students with top performance, Indigenous students, and students with a demonstrated financial need.

In addition, the Port made our 3rd donation of \$10,000 towards our \$50,000 commitment to the Imagine VIU campaign and the completion of the Dyno Lab and the Boat Work Bay in the new Motorcycle and Marine Shop of the Heavy Mechanical and Motorcycle Marine Building on the Nanaimo campus.

The third annual Port Connect was held virtually in November in partnership with GT Hiring Solutions and Work-BC and was successful in achieving our goal of connecting regional marine based employers and port users with potential employees. The virtual event drew 1,200 views and a high level of engagement from the viewers.

On behalf of the Board, I would like to express our sincere gratitude to our tenants, partners, port users, businesses and the community at large. We thank you for persevering during these challenging times. Your efforts and sacrifices help make the community stronger, and they are very much appreciated!



Adversity, Resilience & Success: 2020 A Challenging But Rewarding Year

The challenges associated with the global pandemic persisted throughout the whole of 2020, but thanks to the conscientious and dedicated efforts of the Board of Directors and staff, the Port of Nanaimo was successful in accomplishing multiple projects and initiatives.

Resilience in the wake of adversity was a theme for 2020 and the results of our efforts are reflected in the audited year end financial results contained in this report. While it was necessary to reassess our financial projections and expectations mid way through the year, not unlike many of our tenants, partners and port users, the Port was successful in identifying, pursuing and solidifying new partnerships and opportunities despite the challenging times.

Although the COVID regional restrictions and the US Border closure had a direct negative impact on our operations, the Port was successful in continuing to enable the movement of cargo and people to and from Vancouver Island, facilitating local, regional and national socioeconomic objectives.

The financial effects of the COVID pandemic on the heels of an industry dispute in late 2019 reduced Port revenues by 20% year over year, which directly relates to a 60% decrease in overall operating profits. Overall, the Port's cargo volumes were down 26% for 2020 over the previous year. The Port has not received any government subsidies during this difficult period and has effectively managed its resources and staffing levels during a turbulent transition phase.

The Duke Point terminal expansion plan also moved forward with the signing of a 50 year lease with our terminal operator DP World. The signing of the lease triggers the process for construction by DP World and the Port enabled by the funding assistance from the Federal and Provincial governments. The construction should be completed in the next two to three years and provides for the growth of the Port of Nanaimo.

Among the many successes achieved throughout the year, the signing of the Port's new relationship protocol agreement with Snuneymuxw First Nation was a very proud moment, marking the beginning of a new path forward working together with mutual respect and understanding.

As we move forward to economic recovery, the team remains focused on our strategic priorities



Ian Marr
President
& CEO

The commencement of construction of the WCMRC marine oil spill response base and the addition of GRT to our Duke Point facilities demonstrate the Port's ongoing commitment to our vision and mandate.

Both of these companies employ practices that are aligned with the Port of Nanaimo's strategic direction and display values such as environmental stewardship, integrity, and innovation in the work they do minimizing the potential impact that economic activity may have on our surroundings.

Transport Canada's Port Modernization Review is ongoing. Working collaboratively with the Association of Canadian Port Authorities, 21 recommendations were put forward addressing the global competitiveness of the Canadian Port system in International Trade.

Areas covered included; Indigenous engagement, financial flexibility, land acquisition and disposal, governance, data transparency and environmental sustainability. The release of a final report is anticipated towards the end of 2021.

Our people are our greatest resource here at the Port of Nanaimo. As we move forward to economic recovery, the team remains focused on our strategic priorities and our role in the community.

We are looking forward to the future with an eye to continuing the momentum we have gained over the past year.



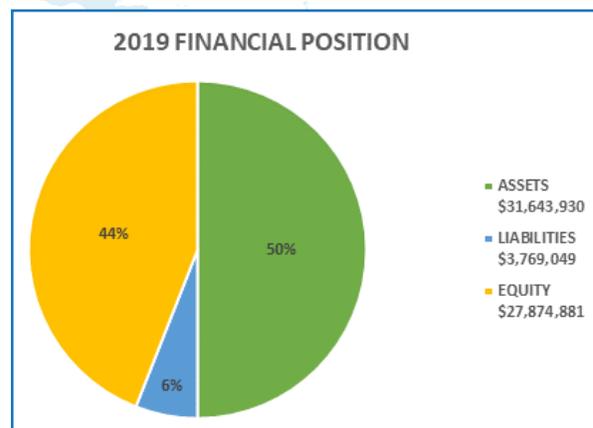
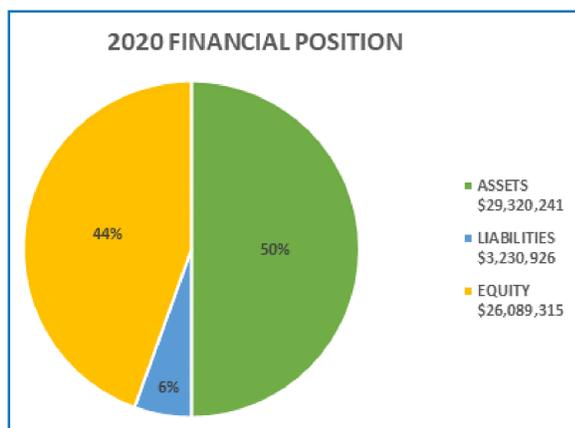


Port of Nanaimo

Statement of Financial Position

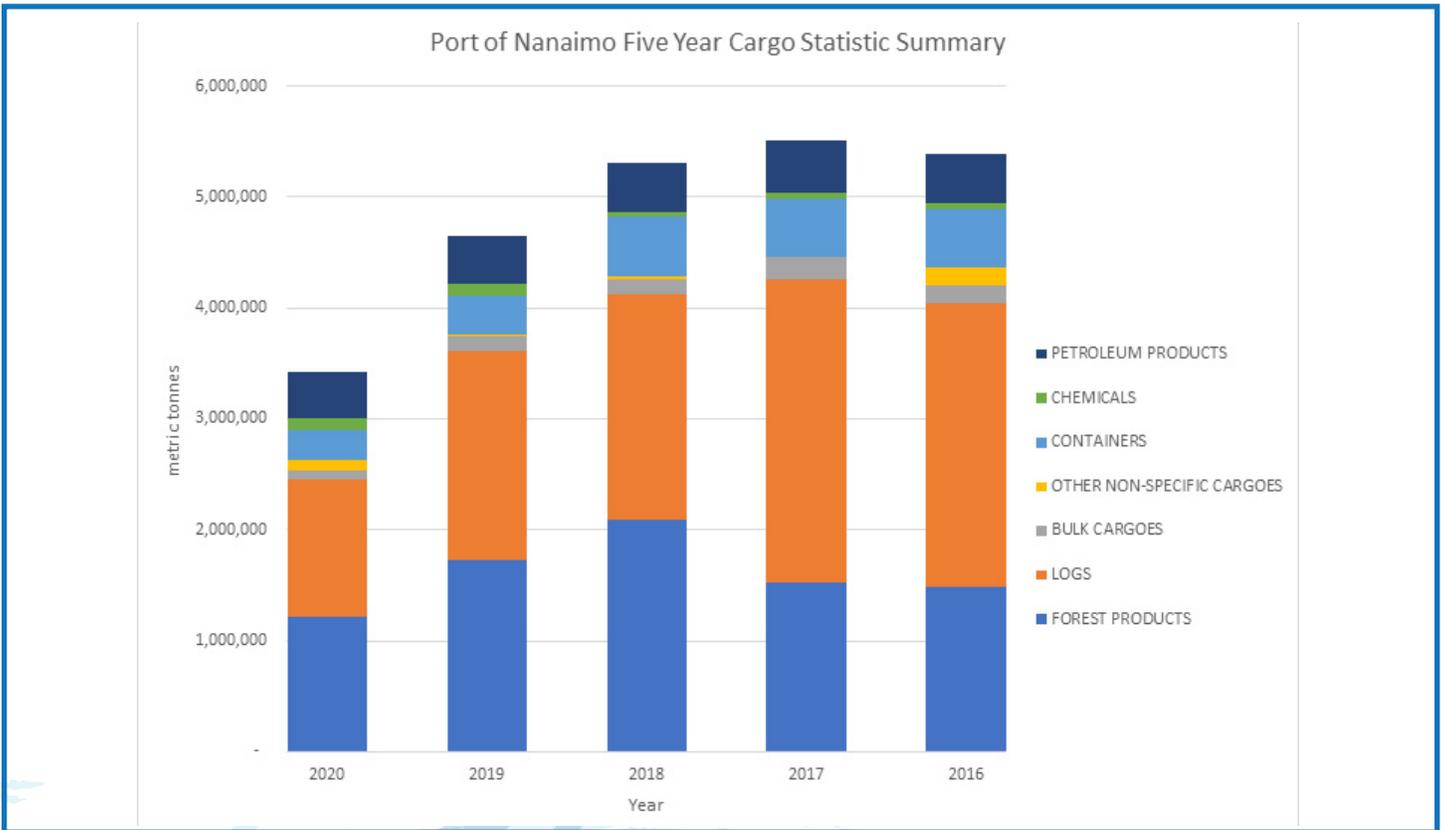
As at December 31, 2020

	2020	2019
Assets		
Current		
Cash	284,020	528,031
Accounts receivable	595,779	982,762
Inventory	14,201	11,357
Prepaid expenses	509,014	413,854
Harbour development fund (Note 5)	1,000,000	1,000,000
	2,403,014	2,936,004
Non-current		
Property and equipment (Note 6)	26,917,227	28,707,926
Total assets	29,320,241	31,643,930
Liabilities		
Current		
Trade and other payables	1,118,265	1,400,262
Deferred revenue	458,234	317,919
Deferred pension liability (Note 7)	541,400	142,300
Current portion of long-term debt (Note 8)	309,526	782,234
	2,427,425	2,642,715
Non-current		
Long-term debt (Note 8)	803,501	1,126,334
Total liabilities	3,230,926	3,769,049
Equity		
Contributed capital		
	24,991,262	24,991,262
Retained earnings		
	2,182,053	3,679,719
Reserve for harbour development (Note 5)		
	1,000,000	1,000,000
Accumulated other comprehensive loss (Note 7)		
	(2,084,000)	(1,796,100)
Total equity	26,089,315	27,874,881
Total equity and liabilities	29,320,241	31,643,930

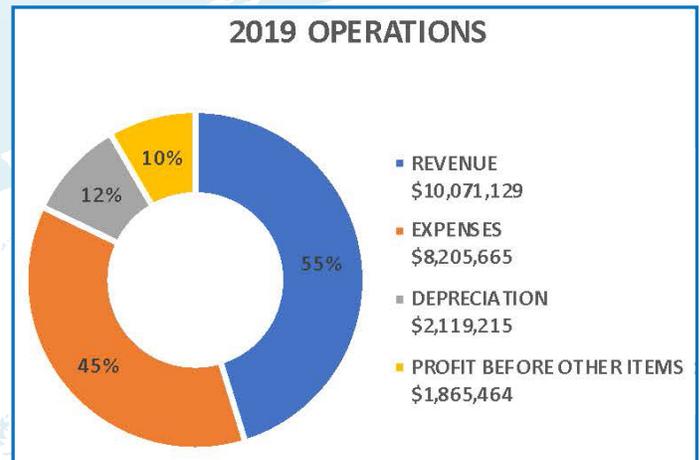
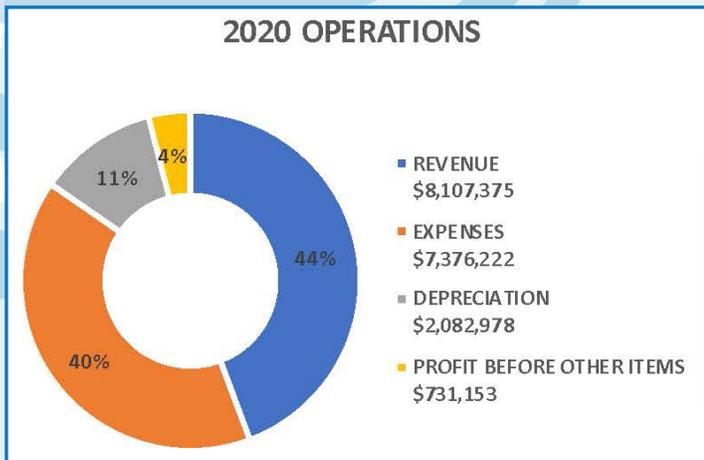


Port of Nanaimo

Five Year Cargo Statistic Summary



A full set of audited year end financial statements are available on the Port's website at: www.npa.ca





BOARD OF DIRECTORS



**Donna
Hais**
Board Chair



**Captain
Fred Denning**
Vice Chair



**Dr. Michelle
Corfield**
Director



**Douglas
White III**
Director



**Jeet
Manhas**
Director



**Shiva
Dean**
Director



**Barbara
Coe**
Director



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