



**Annual General Meeting
President & CEO's Remarks
RJ Steenstra
June 8, 2023**

Check Against Delivery

Thank you Amanda and good morning everyone.

It is my pleasure to welcome all of you here today – in person.

For the last three years, this AGM has been held online as a result of the pandemic, and the restrictions pertaining to public meetings and gatherings. However, after a few difficult years, we have emerged from the pandemic and have returned to the activities that we once took for granted – including meetings such as this.

I joined PortsToronto in September 2022, a year that saw the organization return to normal operations and experience recovery and growth in all areas. After several years of uncertainty, PortsToronto recorded strong financial results in 2022, while staying true to our commitment of sustainable operations, engaging with our community, and investing in city-building initiatives.

PortsToronto had a strong year by all measures in 2022. Despite a slower start due to the ongoing impacts of the pandemic on airport operations, PortsToronto's results greatly improved mid-year to drive a positive year financially.

In a moment I will invite Alan Paul, Senior Vice President and Chief Financial Officer, to the lectern to provide more detail on the results and the financial performance of each of our business units. However, I will offer a spoiler to kick off my remarks and confirm that PortsToronto reported operating revenue of \$65.4 million in 2022, an increase of \$25.7 million over 2021 revenue of \$39.7 million. PortsToronto had a net income from operations in 2022 of \$30.4 million, versus \$10.0 million in 2021, an improvement of \$20.4 million year-over-year.

Strong financial performance is important to any organization and is one of the key measures of its success. For PortsToronto our strong financial position is particularly important to our operations given that PortsToronto is mandated to be financially self-sufficient and self-sustaining.

Further, PortsToronto's profitability enables our reinvestment back into infrastructure and the community. As such, our operational activities, infrastructure development projects, environmental initiatives and community investment programs are all entirely dependent on our ability to maintain profitability. So, our success is not only a measure of our performance, but also a measure of the degree to which we can reinvest to the benefit of the city of Toronto.

I would now like to go through each of our business units and some of the highlights for the year.

Although each business unit contributed to the year's strong results, Billy Bishop Airport has traditionally been the largest, contributing approximately 70 per cent of revenues to the organization.

As indicated, the year 2022 got off to a somewhat slower start at the airport as the Omicron strain of the COVID-19 virus impacted travel, affecting both government restrictions and passenger demand. However, towards the middle of the year, travel restrictions were removed and travel demand came roaring back. Billy Bishop Airport was largely spared from much of the air travel challenges faced by other airports as a result of this surging demand, and passengers were attracted to the convenience and reliability that has always been a hallmark of our airport.

Our passenger numbers climbed to 1.7 million by the end of 2022. This is still short of the 2.8 million passengers we regularly welcomed before the pandemic, but we are confident we will return to these numbers. So far, for the first five months of 2023, we are tracking at approximately 75% relative to the same time in 2019.

The Port of Toronto experienced another strong year in 2022 and, for the sixth consecutive year, moved more than 2 million metric tonnes of bulk and general cargo. We welcomed 191 cargo ships bringing sugar, salt, cement, aggregate and steel directly to the heart of the city, reinforcing the Port of Toronto's important role in the national supply chain.

The Port also saw the arrival of another bridge span from Nova Scotia via tug-and-barge for Waterfront Toronto's Port Lands Flood Protection project. And, it was critical in providing berthing for a marine vessel delivering three high-value transformers to the city of Toronto.

We were pleased to see the return of passenger cruise ships to the Port of Toronto in 2022, after two years of suspended operations due to the pandemic. The 2022 season welcomed 41 cruise ships to Toronto, bringing approximately 13,000 passengers to the city to enjoy its attractions, theatre, shopping and restaurants, and contributing to the city's economic recovery.

Although by no means the largest port in Canada, the Port of Toronto plays an important role in the national transportation chain and in supporting the largest economy in Canada. Not to mention the role it plays in our daily lives providing the sugar for our coffee, the salt for our roads, and the raw materials for our booming construction industry. During the past few years, as the pandemic affected supply chains and distribution around the world, we were fortunate to have the port serve as a regular and reliable gateway to receive the materials that Toronto and region required to keep the local economy moving.

It's also important to keep in mind that the port has an important role to play in environmental sustainability, given that the cargo delivered to the Port of Toronto last year took the equivalent of approximately 54,000, 40-tonne trucks off Toronto's roads and highways. Further, ship transport is significantly more fuel efficient than trucks, using one-eighth as much fuel to carry the same amount of cargo.

Moving from vessels large to small, the Outer Harbour Marina experienced another strong year in 2022. Demand for winter storage remained strong in the 2022-2023 winter season, and summer berthing renewals resulted in a 100 per cent occupancy level. Recreational boating continued to be a favoured activity in Toronto with many new boaters coming from neighbouring residential areas of the city.

Finally, our fourth business unit, Property and Other, including investments, reported operating income of \$4.0 million in 2022, up from \$2.9 million the year prior. Property and Other includes the rental of various properties along the waterfront as well as investment income earned on PortsToronto's cash reserves, which increased in 2022 versus 2021, due to higher interest rates.

These strong revenues across all of our business units resulted in significant payments to various levels of governments including Payments in Lieu of Taxes (PILTs) and taxes to the City of Toronto; and the Gross Revenue Charge to the federal government.

These revenues were also used to make meaningful investments in our sustainability plan that included environmental initiatives and community investments.

One of the most significant investments that PortsToronto made in this regard was the conversion of the Marilyn Bell ferry to 100 per cent electric power. The retrofitted ferry was introduced in December 2021, and the full impact of its cleaner, greener and quieter operations came into effect in 2022.

Powered entirely by electricity from clean wind and solar sources provided by Bullfrog Power, the retrofitted Marilyn Bell has eliminated greenhouse gas emissions from the ferry operation, reducing the airport's direct emissions by approximately 530 tonnes per year.

In addition to operating more efficiently and eliminating related air emissions, the retrofitted vessel builds on the airport's award-winning Noise Management Program, and operates far more quietly, dramatically reducing related noise in the surrounding community. This is the first all-electric ferry in Canada and we hope the Marilyn Bell will set the standard for the introduction of similar marine vehicles in the future.

Initiatives such as the Marilyn Bell conversion to electric power, is part of a larger sustainability program that includes our Seabin Trash Trapping Program. In 2022,

PortsToronto further expanded its successful Seabin Program and deployed a record 10 Seabins in 2022, including six new locations on the Toronto waterfront. Data collected through the program's research partnership with the University of Toronto Trash Team confirms that Seabins in the PortsToronto network removed more than 90,000 small pieces of plastic pollution from the Toronto Harbour in 2022, moving the needle toward cleaner water in Lake Ontario.

The ferry conversion and Seabins are featured in our annual Sustainability Reports. The 2022 Billy Bishop Airport Sustainability report was published on April 12; and the 2022 PortsToronto Sustainability Report was published on May 25. Each report provides an overview of our efforts and reports on areas such as Greenhouse-Gas Emissions, energy usage, and waste management.

We also showcase initiatives we are undertaking to reduce our carbon footprint such as building habitat for fish, migratory birds and other wildlife on the Leslie Street Spit, deploying hybrid vehicles for our service fleet, and purchasing 100 per cent of our power needs from renewable sources such as wind and hydro through Bullfrog Power. PortsToronto is one of only a few organizations in Canada to use renewable energy for its entire operations, and the only airport and port authority in Canada to do so.

Community investment is also part of our sustainability program and includes support of many waterfront organizations and partnerships with such organizations as Hope Air, the Waterfront Neighbourhood Centre, Aloha Toronto, Redpath Waterfront Festival, The Bentway and Swim, Drink, Fish.

This partnership extends to First Nation communities including the Mississaugas of the Credit First Nation. In May 2022 this partnership was memorialized with a large-scale granite sculpture that was installed on the island-side dock wall of the Western Gap. *Maanjidowin: The Gathering* was created by First Nations artist David M. General to recognize the Mississaugas of the Credit First Nation and their relationship to the land, air and water on which the airport now operates.

We are immensely proud to have this sculpture at the airport and on the shore of the Western Gap to greet all who come to the airport. It is also the anchor for a dock wall rehabilitation that has seen a seating and gathering space created along the dock wall to encourage the community to come to the airport and take in the breathtaking sights of the Toronto skyline.

Looking to the years ahead, PortsToronto will continue to work with our community, partners and stakeholders to actively participate in the recovery of our economy within a sustainable development framework. PortsToronto is an economic engine for the city and the region, and plays a meaningful role in facilitating trade and tourism that will spur a resurgence.

Billy Bishop Airport has long played a role in this regard by providing a convenient, effective and highly appreciated gateway for residents and visitors alike. As Amanda mentioned, it also supports the healthcare system due to its proximity to world-class hospitals, and partners such as Ornge medevac. It also creates jobs and it attracts talent and global business to our city. It is an undeniable asset to Toronto.

Fortunately, many of the benefits of the airport are recognized by the residents of Toronto. In fact, in a poll conducted by Environics research in 2022, Toronto residents confirmed the affinity and appreciation held for Billy Bishop Airport.

Survey results found that of those Torontonians who have flown through Billy Bishop Airport, 97 per cent had a favourable experience and impression of the airport. And even those Torontonians who haven't used the airport support its operations with 85 per cent of Toronto residents agreeing that Billy Bishop Toronto City Airport is a valuable asset for the entire city.

And we were thrilled to see this support and appreciation reflected in the annual Skytrax World Airport Awards for 2022. Announced just this past March, the awards once again recognized Billy Bishop Airport as among the world's best. With a global benchmark of airport excellence voted on by nearly 14 million passengers worldwide, Billy Bishop Airport ranked eighth in the World's Best Airports (under five million passengers) category, and ninth in the Best Regional Airports (North America) category.

But it's not just Billy Bishop Airport that can get the city back on its feet. Tourists will also come to Toronto this year through our cruise ship business in the port. PortsToronto is expecting a record year with 54 ships arriving that will carry a total of 22,000 passengers. These passengers will spend a few nights in our city and enjoy the food, shopping and attractions that Toronto can offer.

Commercial activity in the port is also shaping up to have another record year, with the port receiving the materials it needs for its food and construction industries. The movement of goods and the movement of people will be integral to economic recovery, and play a key role in the city's ongoing success and growth.

PortsToronto has more than a century of stewardship specific to Toronto's remarkable waterfront, and is uniquely positioned to be a catalyst to an economic resurgence for the region. All of our business have an important role to play in this recovery as drivers of trade and tourism, and I am proud to lead this organization as it reclaims its place at the forefront of city building and innovation.

I would now like to take a moment to thank the team at PortsToronto who have demonstrated resilience, professionalism, leadership and commitment over the past year and are integral to the continued success of our organization. I would also like to

recognize our Board of Directors who have provided counsel and guidance to ensure our organization recovered, after several challenging years, and is well positioned to continue to make a positive impact on the City of Toronto.

I would like to acknowledge our stakeholders and business partners including City of Toronto staff and elected officials; the team at Transport Canada; airport partners such as Porter Airlines, Air Canada, Nieuport and Stolport; city builders such as Waterfront Toronto, Toronto and Region Conservation Authority (TRCA), CreateTO, and WBIA. And our First Nation partners Mississaugas of the Credit First Nation.

I look forward to the year ahead and am enthusiastic and excited about what awaits PortsToronto as it continues to innovate and make important investments in the future of transportation infrastructure for the City of Toronto.

With that, I would now like to invite Alan Paul, Senior Vice President and Chief Financial Officer of PortsToronto, to present our 2022 financial results.