



**PortsToronto Annual General Meeting  
Senior Vice President and CFO Remarks**

**Alan J. Paul**

**June 14, 2021**

**Check Against Delivery**

Thank you. Good morning ladies and gentlemen and welcome to our Annual General Meeting.

I will begin by confirming that the 2020 Audited Financial Statements for PortsToronto, have been posted on the PortsToronto website since Tuesday, May 4, 2021, under our Reports and Publications section. We also posted the Notice for today's Annual General Meeting on the Website on May 4, 2021, as well as placed announcements in local newspapers, which is in compliance with the Canada Marine Act.

Also posted on the website is the 2020 Management Discussion and Analysis Report or MD & A. This document explains in more detail the facts behind the numbers in the Audited Financial Statements and provides some additional information on PortsToronto's financial performance.

The first item I would like to refer you to in the Audited Financials is the Auditor's Report, which is just after the Table of Contents on pages 1 and 2. As you can see in the last paragraph, the Auditor's Report from Deloitte is again an unqualified or "clean" audit opinion.

Please note that PortsToronto presents its financial statements under International Financial Reporting Standards or ("IFRS"). The accounting policies set out in Note 2 of the 2020 Audited Financial Statements have been applied in preparing the financial statements for the year ended December 31, 2020, and the comparative information for the year ended December 31, 2019.

The statements include a Statement of Operations and Comprehensive Income, a Statement of Changes in Equity, a Statement of Financial Position, a Statement of Cash Flows and Notes to the Financial Statements.

Please note that the MD & A Report should be read in conjunction with the Audited Financials and the accompanying notes.

The Audited Financial Statements have been made available for today and as per the Agenda there will be a Q & A session following the presentation portion of the program, where we will be pleased to answer any questions you may have.

But at this point I would like to discuss the financial performance of PortsToronto over the last several years, with particular focus on 2020.

As you have heard from our CEO, 2020 was a very challenging year financially for PortsToronto. The negative impact of the COVID-19 pandemic on PortsToronto, primarily at Billy Bishop Airport, broke a string of twelve consecutive years of profitability.

It was encouraging that all of the business units remained profitable on an operating basis, as shown on page 36, Note 16 of the Audited Financial Statements, however, in taking into account payments-in-lieu of taxes, amortization, interest, and gross revenue tax, there was an overall Net Loss, as well as a Comprehensive Loss recorded in 2020.

As reported by the CEO, Port Operations and the Outer Harbour Marina performed very well in 2020, as did the Property or Real Estate area of the business at PortsToronto. With the temporary suspension of scheduled carrier service in March 2020, Billy Bishop Airport was not able to continue its strong financial performance and saw a drop in revenues of 56% from 2019 to 2020. It was a very difficult situation that was handled professionally by Airport management and staff.

In order to minimize the impacts of the pandemic and protect liquidity, the organization took the appropriate steps to preserve cash and resources. This was accomplished through general cost cutting, the deferral and cancellation of capital projects and staff terminations and layoffs. At the end of 2020 and into 2021, management, working closely with the Board of Directors, continues to monitor PortsToronto's cash reserves and forecasts, in order to continue to protect liquidity.

Despite all of the financial challenges faced in 2020, PortsToronto once again made substantial contributions to the benefit of the public, contributing \$3.2 million in Payments in Lieu of Taxes – or PILTs, as well as paying \$2.5 million in realty taxes, both of those to the City of Toronto. The amounts accrued and paid to the City of Toronto and federal government combined, totalled \$6.7 million for 2020, representing 18.3% of PortsToronto's overall Operating Revenue; up from 14.1% in 2019.

These consistent contributions remain an important part of PortsToronto's ongoing efforts to support the community in which it operates.

At this point in the proceedings, I would like to announce the appointment of Auditor for PortsToronto in accordance with our obligations under the Canada Marine Act.

I can report that the Board of the PortsToronto has appointed Deloitte LLP as Auditor for the audit of the fiscal year ending December 31, 2021. Ms. Lilian Cheung of Deloitte is in attendance on this virtual call with us today.

To conclude, the COVID-19 pandemic clearly had a severe impact on the financial performance of PortsToronto in 2020. The organization has many valuable assets and continues to pursue plans to maximize these assets going forward. Scheduled carrier service at Billy Bishop Airport is anticipated to restart in mid-2021.

It is likely to take some time for the carriers and the Airport to return to 2019 passenger levels, however, PortsToronto will continue to monitor the situation and make business decisions accordingly. The Port, Marina and Property business areas are expected to have a strong 2021 and generate positive results. PortsToronto is optimistic that 2021 will see improvement over 2020 and solid financial performance for the organization.

At this point in time I will turn the meeting back over to Geoff.

Thank you.