



**Annual General Meeting  
President & CEO's Remarks  
RJ Steenstra  
June 10, 2024**

***Check Against Delivery***

Thank you, Sandra, and good morning everyone.

It is my pleasure to welcome all of you here today as we provide a review of 2023 in terms of operational and financial performance, and offer insight into 2024 and the months ahead. This meeting is intended to complement the 2023 Annual Report that was published on May 9, 2024, and which includes the Management Discussion & Analysis as well as detailed audited financial statements. The Annual Report is available on our website.

As the report confirms, 2023 was a successful year for PortsToronto by all measures. PortsToronto reported operating revenue of \$76.4 million in 2023, an increase of \$11 million over 2022. PortsToronto had a net income from operations in 2023 of 37.2 million, versus 30.4 million in 2022, an improvement of 22.4 per cent year-over-year.

Billy Bishop Toronto City Airport had a strong year, with operating income recorded at \$30 million, up from \$24 million in 2022, and higher than the \$22.1 million recorded in 2019.

The Port of Toronto also had a successful year reporting operating income of approximately \$4 million in 2023, down from \$6.2 million recorded in 2022. This decrease is mainly due to a drop in Port rental revenues and in part to a reduction in steel imports compared with 2022. It is also a reflection of the labour strike that took place in 2023 that disrupted shipping for a time.

The Outer Harbour Marina continued to experience strong results in 2023, with operating income of \$3.1 million in 2023 on revenues of \$6.7 million.

Our fourth business unit, Property and Other, including investments, reported operating income of \$7.4 million in 2023, up from \$4.0 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 2023 versus 2022, due to higher interest rates.

PortsToronto's financial success is an important measure as it enables investment back into the community and city in which we operate. This happens in three ways:

First, it enables significant payments to various levels of governments including \$1.2 million in Payments in Lieu of Taxes (PILTs) to the City of Toronto, as well as \$2.3 million in property taxes. The amounts accrued and paid to the federal government and to the City of Toronto together totalled \$7.0 million for 2023, and \$6.6 million for 2022, representing 9.2% and 10.1% of PortsToronto's Operating Revenue in fiscal years 2023 and 2022, respectively.

Second, it enables investment in our community. This includes support of organizations and not-for-profits along the waterfront and beyond including Waterfront Neighbourhood Community Centre, Toronto Waterfront Festival, The Bentway and Daily Bread Food Bank.

Finally, financial success enables investment in environmental enhancements and protections including everything from large capital expenses such as converting vehicles and vessels to electric power and infrastructure such as noise barriers; to powering all of our operations with 100 per cent renewable energy through BullfrogPower.

In order to support the ongoing success and direct business activities that will ensure our success, PortsToronto spent much of 2023 developing a new vision and values system for the organization to ensure consistency in approach and performance across all of our business units. Our new vision is simply: “Transportation Reimagined.” This vision represents our commitment to revolutionizing the way transportation is conceived and experienced. This succinct statement underscores PortsToronto’s deep commitment to pushing boundaries, embracing innovation, and challenging norms in marine and air transportation.

In addition to establishing a new vision, PortsToronto identified and confirmed a new set of values. Company values are the fundamental beliefs and principles that guide an organization. They define its identity, how important decisions are made, and what drives it toward success.

I would like to show you a short video that illustrates this vision and value system.

*(Video Plays)*

The second component of our strategic framework was the development of a new business plan with goals, objectives and key metrics to ensure PortsToronto continues to achieve and succeed across all of our business units.

The impact of this planning was evidenced in 2023 and continues to have a positive impact on 2024 with the achievement of many of our key priorities.

For example, Billy Bishop Toronto City Airport increased its passenger numbers to 2 million up from 1.7 million in 2022, an increase of 17.6%. The airport was also pleased to confirm that in late 2025 it will open a US Preclearance facility that will enable its passengers to clear customs on home soil, greatly improving the convenience for transborder travel using the latest in technology and service. US Preclearance will have the added value of enabling our airlines to access more destinations in the US which will mean greater choice for passengers and greater economic impact.

In fact, with the introduction of preclearance in 2025, Billy Bishop Airport has the potential to more than double its contribution to Toronto and Ontario’s economy. In fact, a 2024 study by York Aviation indicated that the implementation of preclearance will potentially generate \$5.3 billion in net wider economic impact and create 32,000 net jobs across the economy.

It is impossible to deny that Billy Bishop Toronto City Airport is a valuable asset for the City of Toronto. The airport drives the economy by supporting tourism and trade and creating jobs; it facilitates healthcare through partners like Ornge; and it connects the city to the world. This is well understood by the residents of Toronto as evidenced in a 2024 public opinion poll of more than 2,000 Torontonians who agreed that the airport is:

- 77% of respondents agree that Billy Bishop Airport is a valuable asset for Toronto and is an important gateway that supports business and tourism;
- 78% of respondents agree that it makes sense for Toronto to have an airport downtown and 72% of respondents agree that Billy Bishop Airport is a good use of land;
- Nearly 80% of respondents support the addition of new connections from Billy Bishop Airport across Canada and the United States.

But one of the results we are most pleased with is that among those respondents who have travelled through Billy Bishop Airport, 98% have a favourable opinion.

*(Pause)*

I will now turn to the marine Port of Toronto which also plays a significant role in driving the economy and is essential in the movement of goods and people.

In 2023, the Port of Toronto moved more than 2.3 million metric tonnes of cargo and welcomed a record 45 passenger cruise ships and nearly 18,000 visitors to its Cruise Ship Terminal in 2023. Another strong year in marine imports and cruise ship activity highlights the important role the Port plays in Toronto's economy by enabling the movement of goods and people, which in turn drives tourism and trade for the region.

An independent report published in 2023 and entitled *Economic Impacts of Marine Shipping in the Port of Toronto* confirms that marine cargo handled at the Port of Toronto generated more than \$463 million in economic activity and almost 2,000 jobs in Ontario. Although this study focused exclusively on the cargo component of the Port of Toronto's operation and does not reflect the Port's full diversity of uses, which includes its Cruise Ship Terminal and Marine Terminals, it still confirms the importance of the port.

*(Pause)*

Looking to 2024 and the months ahead, PortsToronto will continue to work with our community, partners and stakeholders to support our economy and community within a sustainable development framework. PortsToronto also has many key priorities to support our vision of "Transportation Reimagined," including ensuring a strong future for Billy Bishop Toronto City Airport by concluding a successful renewal of the Tripartite Agreement, commencing work on Runway End Safety Areas (RESA) for the airport and completing an update on the airport Master Plan. On the Port side we will be completing the Land Use Plan for the Port and continuing important infrastructure repair and restoration on assets such as owned dock walls and the Ship Channel Bridge.

In addition, we will continue our important sustainability journey, which has featured such important innovations as the conversion of the Marilyn Bell ferry to 100 per cent electric, the award-winning Trash Trapping Program, and the effort to make Billy Bishop Toronto City Airport cleaner, greener and quieter. We are also looking forward to celebrating Billy Bishop Toronto City Airport's 85th anniversary which is taking place this year, underscoring this airport's long and rich history on the Toronto waterfront.

PortsToronto recently hosted an event as part of the City of Toronto's Doors Open event that spotlighted our anniversary and saw thousands of residents coming to the airport to learn more about our operations. I'd like to show you some of the highlights.

*(Video Plays)*

I would like to close by thanking PortsToronto's employees, who 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 is well positioned to continue to make a positive impact.

In particular, I would like to welcome our new Board Chair, Sandra Pupatello, who will lead our Board at a time of renewal and opportunity for this organization as we continue to serve our city, and work with our partners to enhance economic development opportunities for the Toronto region and beyond.

I would also 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 I also want to thank our First Nation partners Mississaugas of the Credit First Nation for their involvement in our organization.

There are many reasons to be enthusiastic about the year ahead, and I look forward to continuing PortsToronto's journey toward our vision of "Transportation Reimagined." PortsToronto has more than a century of stewardship specific to Toronto's remarkable waterfront, and is uniquely positioned to be a catalyst to economic growth, innovation and connectivity. All of our businesses have an important role to play in the economic future of Toronto as drivers of trade and tourism, and I am proud to lead this organization as it takes its place at the forefront of city building and innovation.

With that, I would now like to invite Alan Paul, Senior Vice President and Chief Financial Officer of PortsToronto, to present our 2023 financial results. But before I do that I would like to take a moment to recognize Alan who in a few short weeks will retire from PortsToronto after 38 years of distinguished service. Over the years Alan has worked his way up in this organization, achieving the role of Senior Vice President and Chief Financial Officer. He has been a tremendous asset to our organizations and will be sorely missed. Alan, congratulations on your retirement... I will now invite you to the stage.

*(Welcome Alan to stage)*

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