



PortsToronto Annual General Meeting

CFO's Remarks

Alan Paul

July 16, 2020

Check Against Delivery

Thank you. Good morning ladies and gentlemen.

The 2019 Audited Financial Statements for PortsToronto, have been posted on the PortsToronto Website since June 11, 2020 under our Financial Accountability section. We also posted the Notice for today's Annual General Meeting on the website on June 11, 2020, as well as made announcements in local newspapers, which is in compliance with the Canada Marine Act.

Also posted on the website is the 2019 Management Discussion & Analysis Report or MD&A. This document explains in more detail the facts behind the numbers in the Audited Financials 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 ("IFRS"). The accounting policies set out in Note 2 of the 2019 Audited Financial Statements have been applied in preparing the financial statements for the year ended December 31, 2019, and the comparative information for the year ended December 31, 2018.

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.

By reporting in accordance with IFRS, these Statements are in similar format and content to the other 16 Port Authorities in Canada.

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 Question and Answer session following the presentation phase of today's meeting, where we will be pleased to answer any questions you may have on the Financial Statements.

But at this point I would like to discuss the financial performance of PortsToronto over the last several years.

In 2019, PortsToronto marked its twelfth consecutive year of profitability. All of the business units were profitable on an operating basis, as shown on page 41, Note 16 and this contributed to another strong year for PortsToronto.

There was a very small increase in Net Income in 2019 remaining at \$3.5 million, when rounded, demonstrating the consistency that PortsToronto has achieved in its financial performance over the past several of years. The chart for 2015 to 2019 demonstrates that level of consistency.

In 2019 PortsToronto once again made substantial contributions for public benefit by paying \$3.0 million in Federal Gross Revenue Charge, and in addition \$3.1 million in Payments in Lieu of Taxes and \$2.5 million in Property Taxes, both to the City of Toronto; a grand total of \$8.6 million out of the \$61.0 million in revenue for the year. As a percentage, this represents 14% of PortsToronto's total revenue being directed to government.

As you have heard from the Chair and CEO PortsToronto is managing through some difficult times with the COVID-19 global pandemic and the impact on our business operations. PortsToronto entered COVID-19 in a very strong financial position and it is expected that once there is a return to more normal business operations, the organization will come out of COVID-19 in good shape.

That concludes my brief remarks on the Audited Financial Statements and the current financial situation. As I said there will be an opportunity to ask questions in a few minutes.

I do have one more piece of business to take care of at this stage. In accordance with our obligations under the Canada Marine Act, I would like to address the appointment of Auditor for PortsToronto.

I can report that the Board of the PortsToronto has re-appointed Deloitte LLP as Auditor for the audit of the fiscal year ending December 31, 2020.

Mr. Lilian Cheung of Deloitte is on the call with us today.

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

Thank you.