

YEAR IN REVIEW
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2021

John C. Munro
HAMILTON
INTERNATIONAL AIRPORT

John C. Munro Hamilton International Airport
9300 Airport Road, Suite 2206
Mount Hope, Ontario L0R 1W0
flyhamilton.ca

A member of
VANTAGE
AIRPORT GROUP

 @flyyhm  flyyhm  facebook.com/HamiltonInternationalAirport



Photo: Entrance to John C. Munro Hamilton International Airport

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LETTER FROM CHAIRMAN OF THE BOARD & PRESIDENT AND CEO

Many of us entered 2021 feeling a sense of hope and optimism that with increased knowledge, the widespread rollout of vaccinations, and overall better preparation for the unique obstacles ahead, the world would finally turn a corner on the COVID-19 pandemic and it would recede into the background. While society did take a step or two towards the return to normalcy, pandemic-related challenges continued and what came to be instead was a new level of uncertainty and a wave of disruptions. As the pandemic lingered on, evolving federal government guidelines, restrictions, and mandates related to air travel continued to challenge the recovery of the passenger sector at Hamilton International while in parallel, the ongoing growth in cargo and goods movement, spurred a greater demand on the transportation and logistics sector.

Despite an encouraging comeback in summer travel amid a drop in COVID-19 cases, increased vaccination rates, and a temporary easing of restrictions, passenger traffic at Hamilton International continued to plunge in 2021. Just ahead of the winter season, Transport Canada announced that international flights carrying passengers would be permitted to land and disembark at Hamilton International once again as Transport Canada lifted its Notice to Airmen (NOTAM) restrictions imposed in response to the COVID-19 pandemic. Overall, in 2021, 250,019 total passengers travelled to/from Hamilton International representing a 24% decrease compared to the previous year and a stark 74% decrease compared to 2019, bringing passenger traffic to levels that haven't been seen at the Airport in over 20 years.

As society attempted to adapt to this new normal alongside the continuing impacts from the COVID-19 pandemic, cargo activity at Hamilton International reached new heights. In 2021, 766 million kilograms in total cargo aircraft billable weight was facilitated through Hamilton International, representing a 16% increase compared to the previous year and a whopping 44% increase compared to 2019. This steady growth can be attributed to the accelerated shift towards e-commerce in addition to increased demand for a variety of essential medical supplies needed during the COVID-19 crisis. To support the significant growth of goods movement activity, Hamilton International introduced a dedicated staging area for transport trucks to expand queue capacity while awaiting access to the loading docks at the Cargo Centre ahead of the holiday shopping season. Activity in November and December continued to significantly contribute to the Airport's annual results with these critical peak months of increased trade and retail activity outperforming 2020 levels by over 26%.

Alongside the steady growth in goods movement at the Airport, Hamilton International was proud to see over 300,000 square feet of new land developments officially join its evolving skyline with the completion of two significant construction projects aimed at increasing capacity at the Airport. At the beginning of February, the Mohawk College Centre for Aviation Technology virtually celebrated the grand opening of its 75,000 square foot complex built in partnership with KF Aerospace to bring all of its students enrolled in Aviation Technology Programs under one roof at its multi-purpose facility. In September, DHL Express officially opened the doors to its new 238,000 square foot gateway facility located at Hamilton International, relocating from the existing facility that it had been

operating out of since 2008. Similarly, construction of Amazon's fulfillment centre located adjacent to Hamilton International is nearing completion and is anticipated to open its doors in early 2022.

All in all, 2021 was a memorable year full of challenges, opportunities, and moments worth celebrating at Hamilton International and with great pride, we commend our valued partners for their resilience and unwavering commitment through another pandemic year. While the road to the recovery will be long and winding, we know that air travel will return, but it will be in phases, and the timing will depend largely on passenger confidence. Hamilton International continues to examine each step in the travel journey through the air terminal building to ensure that travellers will enjoy the same comfortable and convenient experience but with additional and elevated health and safety measures in place to keep our Airport safe and clean for all stakeholders. Similarly, Hamilton International remains committed to supporting the significant growth of goods movement activity at the Airport, as demands on the air cargo sector continue to increase, predominantly fueled by the surge in e-commerce.

Hamilton International continues to be a key driver of economic activity in the City of Hamilton and is proud to be responsible for a total of 4,720 jobs and an impressive \$1.5 billion in economic activity, as demonstrated by its most recent Economic Impact Study which assessed the Airport's passenger and cargo volumes in 2021 along with capital spending activity. As an economic engine, an international gateway for affordable travel, and Canada's largest overnight express cargo airport, Hamilton International will continue to play a critical role as our region starts to recover from the ravages of the COVID-19 pandemic. With the gradual easing of travel restrictions sparking optimism and an upsurge in passenger confidence, along with the steady growth of goods movement, land development, maintenance, repair and overhaul operations, and fixed-based operator business units, Hamilton International is optimistic to see an uptick in 2022 while seizing new growth opportunities that will deliver meaningful benefits to the City of Hamilton and propel the Airport closer to recovery.

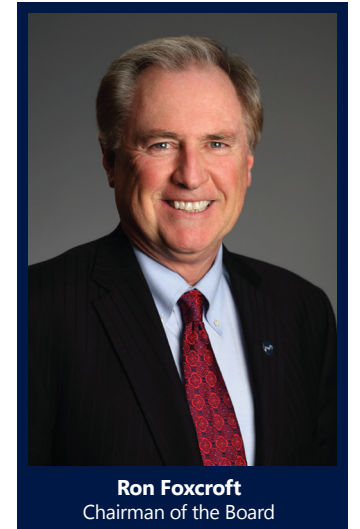
Sincerely,



Ron Foxcroft
Chairman of the Board



Cathie Puckering
President and CEO



ABOUT VANTAGE AIRPORT GROUP

Hamilton International is owned by the City of Hamilton and managed under an agreement by TradePort International Corporation, a wholly owned subsidiary of Vantage Airport Group – an industry leading investor, developer, and manager of airport assets. This allows Hamilton International to incorporate best-in-class practices from around the world into its operations.

We Know Airports

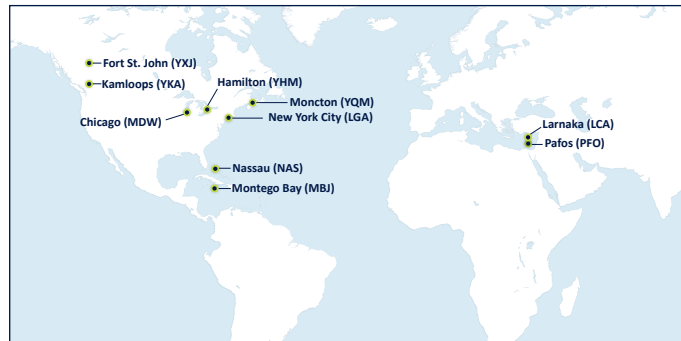
For more than 25 years, Vantage Airport Group has invested in, developed and managed airports around the world – making them more efficient, profitable, sustainable and connected to the communities they serve. Vantage’s current network is composed of ten airports, in locations ranging from large capital cities and tourist destinations to smaller destinations across the U.S., Canada, the Caribbean, and Europe.

We Make Airports Better

Throughout its history, Vantage has worked with more than 30 airports worldwide. Whether that is improving airport operations and developing customized commercial programs, leading large-scale infrastructure developments, or helping an airport grow its air services, Vantage creates customized solutions that deliver results.

We’re Airport People

Guided by the principles of People, Place, and Performance, Vantage’s integrated global team of talented airport professionals draws on industry best practices to build and operate world-class airports that deliver an exceptional experience to passengers, airlines, stakeholders and the local community.



CORPORATE GOALS & GOVERNANCE

Mission

As an international gateway in Southern Ontario facilitating the efficient movement of people and goods, we are an economic engine and a responsible community partner.

Vision

Recognized by the world as the best global gateway in Canada for affordable travel and goods movement.

Values

Safety and Security. Taking immediate action to ensure we achieve the highest standards.

Quality and Operational Excellence. Constantly striving to exceed expectations by providing high quality airport services and infrastructure.

Respect and Integrity. Embracing a culture of integrity and accountability for our actions.

Improvement and Innovation. Committing to grow our business through continuous learning to achieve cost leadership and to deliver winning results.

Teamwork and Recognition. Creating a positive experience every day by being friendly, having fun and recognizing achievements.

Governance

John C. Munro Hamilton International Airport’s Board of Directors is a team of professionals connected to the local community or aviation industry. The Board of Directors meet at least four times a year providing governance for the Airport.

Ron Foxcroft
Chairman of the Board

Edward Minich
Audit Committee Chair

Peter Tong
Director

Stewart Steeves
Director

Hon. Stan Keyes
Director

Frank Scremin
Director



Photo: Cathie Puckering, President and CEO of Hamilton International, with The Honourable Omar Alghabra, Minister of Transport of Canada

2021 HIGHLIGHTS

 **250,019**
passengers flying to and from
Hamilton International



\$5.7m

in funding awarded from the
Government of Canada to
support COVID-19 recovery
and other initiatives

766m kg
in total landed cargo
aircraft billable weight



\$83.3m
Investment in infrastructure made
by TradePort and its partners in 2021




4,720+
total jobs created
through Airport activity
at Hamilton International¹

~90%
of passengers
reported a positive
Airport experience²



\$40,000+

of in-kind support and sponsorships to
community partners and events

TradePort International Corporation
celebrated its

25th anniversary



¹ Source: Hamilton International Economic Impact Study, ICF (Commissioned in 2021)

² Source: 2021 Customer Satisfaction Survey results

AIRPORT OPERATIONS

Government of Canada Funding to Support COVID-19 Recovery

In August, the Minister of Transport, the Honourable Omar Alghabra, and the Minister of Labour and Member of Parliament for Hamilton West—Ancaster—Dundas, the Honourable Filomena Tassi, announced more than \$5 million in sector funding to help Hamilton International mitigate the financial impacts brought on by the widespread and prolonged effects of the COVID-19 pandemic. This Government of Canada funding will move the Airport closer to recovery by supporting continued airport operations and essential air services as well as important transportation infrastructure projects to enhance airport safety, including the replacement of an aircraft rescue firefighting vehicle and airfield rehabilitation.

Field Electrical Centre (FEC)

The FEC is the distribution hub for electrical power to the entire airfield at Hamilton International. It provides reliable power to all airfield lighting systems as well as a number of NAV CANADA facilities such as the Air Traffic Control Tower, the radar, and navigational aid equipment like the Instrument Landing System. A brand-new, state-of-the-art facility was constructed at a cost of \$3.1 million and was commissioned in October 2021. The new facility will provide the reliability required to ensure safe operations and compliance with all the Canadian Aviation Regulations.

CHOOSE COMFOR+

Restoring confidence in the health and safety of air travel will be a critical component to a robust recovery as travellers comfortably return to the skies from Hamilton International. In 2021, the Airport launched its *Choose Comfort* campaign to demonstrate the Airport's commitment to prioritizing the health and safety of all passengers, business partners, and employees. The campaign also features the unique benefits of travelling from Hamilton International highlighting the short distance from the curb to the boarding gate, its small size and ease of maneuverability, as well as the 'Sense of Place' and Hamilton-Proud elements incorporated throughout the terminal building.



Photo: New, state-of-the-art Field Electrical Centre being installed at Hamilton International



No. 005

**THE REAL VOYAGE OF DISCOVERY CONSISTS
NOT IN SEEKING NEW LANDSCAPES,
BUT IN SEEKING NEW EYES.**

MARCEL PROUST

Photo: Departures Lounge at Hamilton International (photo captured before COVID-19 pandemic)

PASSENGER OPERATIONS

In 2021, 250,019 total passengers travelled to/from Hamilton International representing a 24% decrease compared to the previous year and a stark 74% decrease compared to 2019 when the Airport nearly eclipsed one-million passengers.

As COVID-19 vaccination levels continued to steadily increase and travel restrictions gradually lifted across the country, there was a renewed sense of optimism for the recovery of passenger traffic as many travellers began to return to the skies to reconnect with the people and places they love or embark on a new adventure. Hamilton International's robust Summer Program offered travellers an array of beautiful domestic destinations from coast to coast, including British Columbia, Alberta, Manitoba and Nova Scotia, operated by Swoop and WestJet, including brand-new seasonal service between Hamilton and Kelowna operated by Swoop, connecting Canada's two most famous wine regions between the east and west.

All scheduled international and transborder service to and from Hamilton International remained suspended for most of the year until the federal government made an important announcement in support of Canada's airport recovery. On November 30, the Government of Canada eased the restrictions on international flight arrivals by removing the Airport from the existing NOTAM put in place by Transport Canada during the pandemic. This permitted international flights carrying passengers to land and disembark at Hamilton International once again, just in time for the return of flights to popular sunny destinations in the United States, Mexico, and the Caribbean with services operated by Swoop and the Airport's seasonal airline partners, Air Transat and Sunwing.

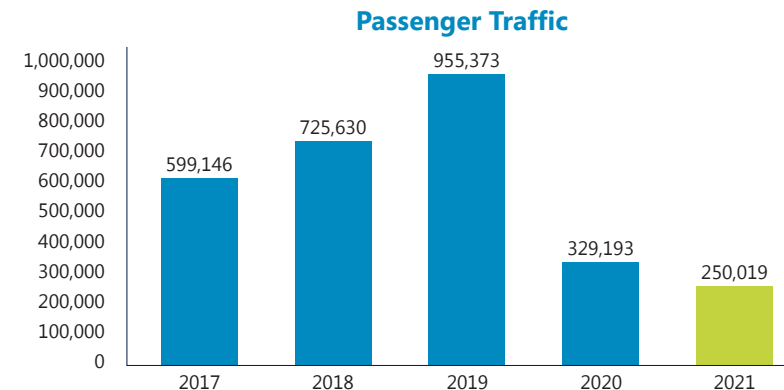




Photo: Two Amazon-owned B767-300 aircraft (operated by Cargojet) on the apron at Hamilton International

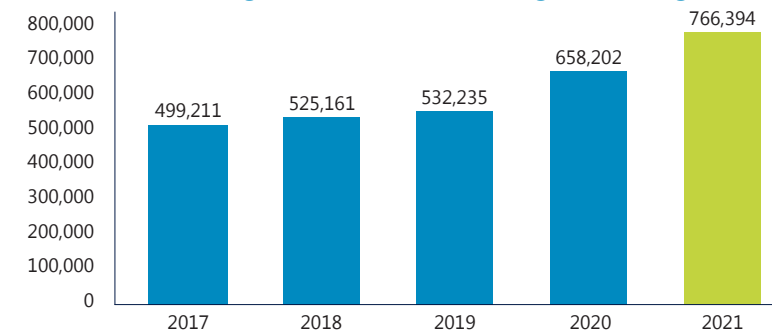
CARGO OPERATIONS

Hamilton International is the largest domestic overnight express cargo airport in Canada. As a gateway for facilitating goods movements across the country and around the globe, the Airport offers safe and secure facilities for its 24/7 operation while partnering with key cargo companies including Cargojet, DHL Express, UPS, Canada Post, Purolator, and Amazon to support global trade and keep the supply chain moving efficiently.

The movement of goods at Hamilton International reached new heights in 2021 with 766 million kilograms in total cargo aircraft billable weight being facilitated through Hamilton International, representing a 16% increase compared to the previous year and a whopping 44% increase compared to 2019. This steady growth can be attributed to the accelerated shift towards e-commerce as more businesses and consumers alike pivoted to online selling and shopping amid everchanging public health measures in addition to increased demand for a variety of essential medical supplies needed during the COVID-19 crisis.

In 2021, Cargojet expanded upon its existing commercial relationship with Amazon as it began operating two Amazon-owned B767-300 aircraft, developing the Amazon Air network within Canada to support the rapid growth of e-commerce by leveraging its robust network and time sensitive overnight air cargo services. In addition to Amazon Air officially joining Hamilton International's growing roster of cargo carriers, the Airport also saw significant growth in ad-hoc cargo activity, a 102% increase compared to 2019, primarily driven by Voyageur Airways operating for Purolator, Kallita Charters operating for DHL, and Volga-Dnepr Airlines operating on behalf of various clients.

Cargo Aircraft Billable Weight (000s kg)





LAND DEVELOPMENT

Mohawk College Centre for Aviation Technology

Experiential learning at Hamilton International officially took off as the Mohawk College Centre for Aviation Technology officially celebrated the grand opening of its 75,000 square foot complex built in partnership with KF Aerospace on February 9. Previously, students in Mohawk College's Aviation Technician – Maintenance, Aircraft Structure, and Avionics Maintenance programs were trained at four different college locations, with a total limit of 175 student seats available. This expansion allows Mohawk College to double its student enrollment capacity, bringing all of its Aviation students under one roof. The three-storey training facility provides students with modern labs, shops, training aids, classrooms, and access to nearly 20 aircraft in a purpose-built hangar.

DHL Express Hamilton Gateway Facility

On September 28, DHL Express officially opened the doors to its new, state-of-the-art gateway facility located at Hamilton International, relocating from the existing facility that it had been operating out of since 2008. The 238,000 square foot facility is four times the size of the previous one and features a fully-automated sort system with the capacity to process 28,000 packages per hour. The Hamilton Gateway is also DHL's largest gateway in Canada by volume, quadrupling its handling capacity to support the expected increase in shipping demands. During peak season, DHL Express previously employed 225 people at its Hamilton facility with the expansion bringing approximately 150 more jobs to the area, some of those in the package sorting hub and others as part of the company's delivery team.

Amazon Fulfillment Centre (YHM1)

Amazon's new fulfillment centre, YHM1, located in Mount Hope adjacent to Hamilton International is anticipated to open its doors in early 2022. The impressive four-level facility totalling 2.4 million square feet represents one of the largest local investments in terms of square footage in the City of Hamilton's history. Working alongside Amazon robotics, employees at this location will pick, pack and ship small items such as books, electronics and toys to customers.

Photo: Grand opening of the DHL Express Hamilton Gateway Facility



ENVIRONMENTAL MANAGEMENT

Environmental Vision

Hamilton International is committed to protecting the environment and to safeguarding the health of its employees, business partners and the public. Hamilton International continues to review best practices with similar airports to further reduce consumption and greenhouse gas emissions through the Canadian Airports Council (CAC) – Environmental Committee.

Glycol Management – Flow Rate Reduction

One of the main components of Hamilton International's Environmental Management Plan is the management and monitoring of glycol use. Hamilton International worked in collaboration with the City of Hamilton to reduce the flow rate to the City's sanitary system from 26 litres per second (L/s) down to 15 L/s or less. Phase 1 of the project was completed in 2021, which included the replacement of the single pump system with the installation of a new two pump system with continuous flow.

Airports Council International (ACI) – Airport Carbon Accreditation

In 2021, Hamilton International began the process to pursue an ACI Carbon Accreditation – an institutionally endorsed program which independently assesses and recognizes the efforts of airports to manage and reduce CO² emissions. This aligns Hamilton International with the efforts of airports globally towards achieving a reduced carbon footprint. This accreditation is a long-term plan that will see Hamilton International identify how its operations impact the environment and how its carbon footprint can be reduced by introducing new technologies and business practices.

Tree Planting

As part of the Airport's commitment to protecting the environment, investing in its community, and integrating a 'Sense of Place' into its activities, Hamilton International employees volunteered to take part in a tree planting initiative at the Binbrook Conservation Area on October 22. The Airport partnered with Trees for Hamilton, a local charitable organization, for this initiative which resulted in 30 native trees being planted at the conservation area. This successful initiative has inspired the team to ensure this new activity becomes an annual tradition to help build on Hamilton International's important sustainability plan and commitment to being a responsible community partner.

Photo: Hamilton International employees planting trees at Binbrook Conservation Area in partnership with Trees for Hamilton



Photo: Hamilton International employees wrapping gifts at the CityKidz Toy Store

GIVING BACK

Hamilton International is a responsible community partner and economic engine that continues to support its neighbours, passengers, and business partners to better serve the City of Hamilton and the surrounding region.

Direct Benefit to the City

Hamilton International is committed to continually investing in operations and infrastructure to support Airport growth. Since 1996, TradePort and its business partners have invested \$411.1 million, which has generated \$28.5 million in additional property tax revenue for the City of Hamilton.

Growing the Economy

Hamilton International continues to be a key driver of economic activity in the Hamilton Census Metropolitan Area and broader Ontario region as demonstrated by its most recent Economic Impact Study. ICF International Incorporated was commissioned to assess the Airport's 2021 passenger and cargo volumes along with capital spending activity and draw comparisons to the previous study conducted in 2018 (using 2017 inputs).

2021 Economic Impact Study Results:

Category	Employment	Labour Income	Value Added	Industry Activity
Passenger Activity (2021)	1,190	\$83.4m	\$130.3m	\$393.0m
Cargo Operations (2021)	2,770	\$205.5m	\$329.3m	\$1.0b
Capital Spending (2021)	760	\$50.8m	\$77.1m	\$154.3m
TOTAL	4,720	\$339.7m	\$536.7m	\$1.5b
INCREASE OVER 2017	+1,220 (+35%)	+\$93.9m (+38%)	+\$149.1m (+38%)	+\$385.7m (+33%)

As a result, Hamilton International and its business partners are proud to contribute \$536.7 million in gross domestic product (GDP), produce an economic output of \$1.5 billion, and create over 4,720 jobs for Hamilton and the surrounding region.*

Community Investment

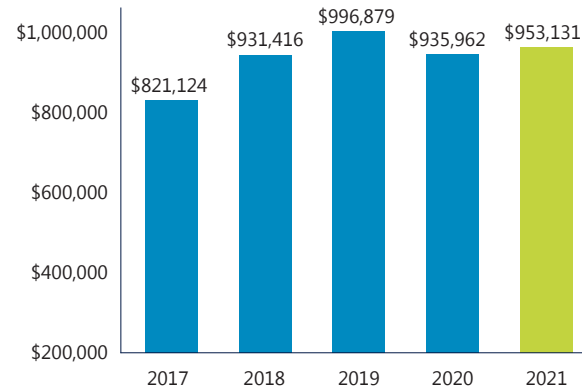
Hamilton International was proud to contribute over \$40,000 of in-kind resources and support to various community partners and initiatives in 2021 including: CityKidz, Liberty for Youth, YWCA Hamilton, United Way Halton & Hamilton, Trees for Hamilton, and Hope Air.

*Source: 2021 Hamilton International Economic Impact Study, ICF International Corporation

FINANCIAL HIGHLIGHTS

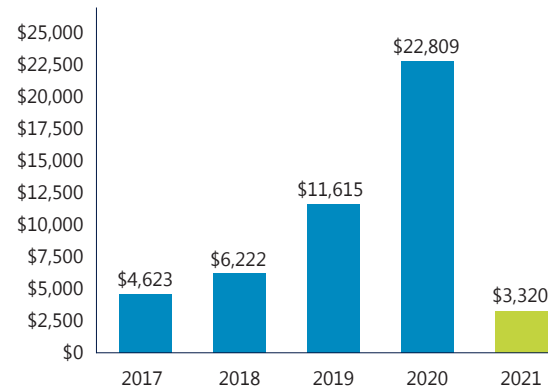
Growth in cargo operations, along with the continued focus on safety, security and compliance with regulations were key drivers in 2021 for the Airport in reaching its performance targets. Financial results continue to be positive, with revenues exceeding operating expenses by over **\$7.9 million**. The Airport continues to reinvest in infrastructure through its sustaining and expansionary capital program to update, maintain, and expand capacity for future growth.

Payments to the City



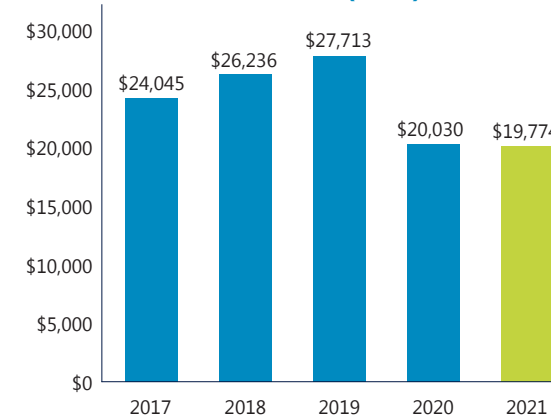
Under the operating lease agreement with the City of Hamilton, TradePort is required to pay rent based on a formula of revenue and operating income for each fiscal year. For the year ending December 31, 2021, rent to the City, assessment tax and other fees was **\$953,131**.

Capital Investment (000s)



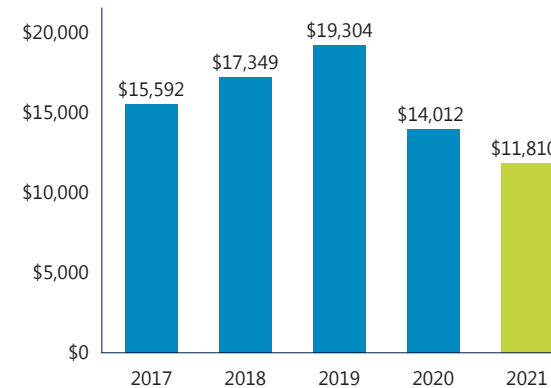
\$3.3 million was invested in both sustaining and expansionary capital Investments in 2021 included: Phase II of the FEC replacement, Canada Border Services Agency (CBSA) office improvements, a sanitary pump upgrade, as well as planning and design work related to taxiway rehabilitation projects scheduled for 2022.

Revenue (000s)



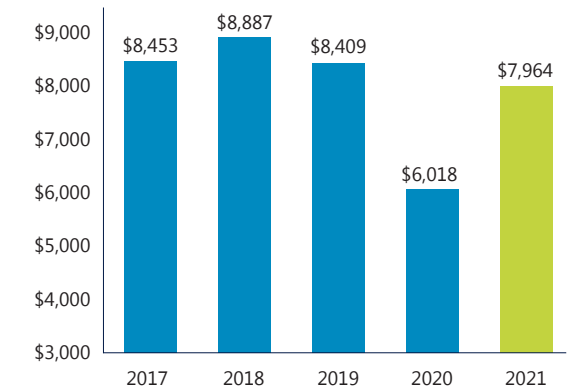
The Airport's three main revenue sources are passenger operations, cargo operations and commercial property rents. Revenues were 1.3% lower in 2021 due to the reduction of passenger traffic as a result of the COVID-19 pandemic.

Expenses (000s)



Expenses consist of amounts incurred in the normal course of operations and include amortization, interest cost associated with long-term debt and income tax. Expenses were **\$11.8 million** in 2021, a decrease of 16% over 2020.

Revenue Over Expenses (000s)



Total revenues over expenses increased by 32%, or **\$1.9 million** over 2020.