

John C. Munro

HAMILTON
INTERNATIONAL AIRPORT



YEAR IN REVIEW



Photo: Entrance to John C. Munro Hamilton International Airport
John C. Munro Hamilton International Airport 2020 Year in Review

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LETTER FROM CHAIRMAN OF THE BOARD & PRESIDENT AND CEO

Following three years of unprecedented growth, John C. Munro Hamilton International Airport was on track to have its fourth consecutive year of record-breaking performance in 2020. The Airport started the year off with its busiest January and February in its history, however; in mid-March, the pandemic began to unfold as COVID-19 cases surged around the globe.

Health and safety remained the Airport's top priority. To protect travellers, employees, and business partners, Hamilton International responded quickly by reinforcing its cleaning and sanitizing protocols and implementing several policies in accordance with public health guidelines. This included increased frequency of cleaning and disinfecting in high-traffic areas and treating surfaces with an anti-microbial shield, introducing policies for mandatory face masks and restricted terminal access, as well as the installation of additional signage, physical distancing floor markers and acrylic protective barriers at check-in counters and boarding gates. The pandemic also altered how we interact with one another and operate safely in the workplace. While following health and safety measures to encourage physical distancing and minimize contact and interaction, many employees continued to perform essential functions on-site, while others were transitioned to work remotely.

Passenger service at Hamilton International was severely impacted as a series of global lockdowns, government travel restrictions and quarantine requirements were imposed to encourage the population to stay at home and contain the virus. All scheduled international and transborder service from the Airport was suspended, while several domestic routes continued to operate on a reduced schedule for essential travel purposes. As we closed out the year, 329,193 total passengers travelled to/from Hamilton International in 2020 representing a 66% decrease compared to the previous year.

However, with challenges come opportunities. While facing the unprecedented impacts of the global pandemic, cargo activity at Hamilton International, Canada's largest overnight express cargo airport, continued to soar with increased demand for a variety of essential medical supplies, personal protective equipment (PPE) and vaccines needed during the COVID-19 crisis. In addition, growth in e-commerce sales was also apparent as most of the population remained at home and gravitated to new online shopping habits. In 2020, 658 million kilograms in total cargo aircraft billable weight was moved through Hamilton International, representing a 24% increase compared to the previous year.

Hopeful for blue skies ahead, Hamilton International remained focused on the completion of many significant construction projects aimed to expand the capacity at the Airport. In October, the Airport completed the second phase of its multi-year Airfield Rehabilitation and Modernization project. The total project cost is \$38.89 million with \$18.54 million funded by Transport Canada's National Trade Corridor Fund (NTCF). Other key developments being celebrated in 2021 include the opening of the KF Aerospace and Mohawk College Centre for Aviation Technology, and nearing completion, the new 230,000 square foot gateway facility at DHL Express as well as the 855,000 square foot Amazon fulfillment centre located adjacent to the Airport. These infrastructure developments will enable Hamilton International and its partners to meet the region's projected demand and support future growth in the goods movement, passenger air travel and aerospace sectors.

Hamilton International remains focused on health, safety, recovery, and growth while navigating the widespread and prolonged impacts of the global pandemic. Even though we are better prepared for the uncertainty that still exists ahead, we acknowledge that 2021 will present its own unique set of challenges as our industry grapples with devastating and widespread effects. The Airport will continue to focus on rebuilding its passenger airline activity, the growing cargo sector and goods movement, maintenance, repair and overhaul (MRO) operations, fixed-based operator (FBO) business units and partnerships with local academia to ensure that Hamilton International is poised to emerge from the COVID-19 crisis and support a robust economic recovery for our region in the months and years to come.

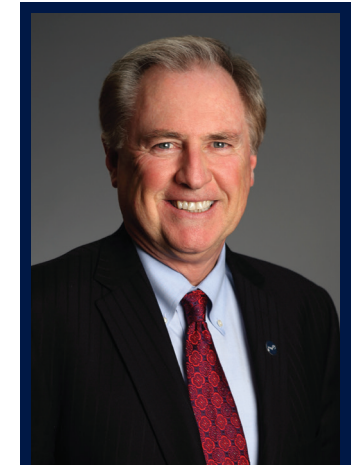
Sincerely,



Ron Foxcroft
Chairman of the Board



Cathie Puckering
President and CEO



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

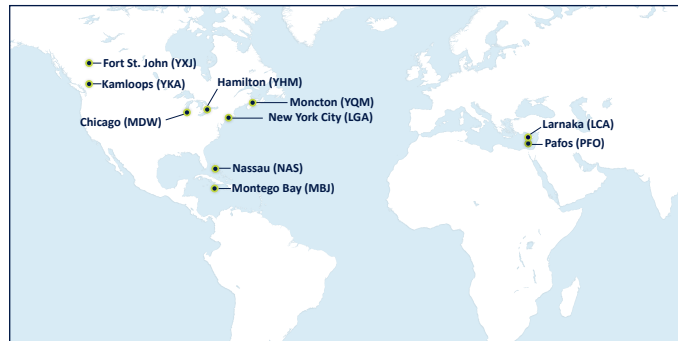
For more than 25 years, Vantage Airport Group has invested in, developed and managed airports around the world – making them more efficient, profitable, sustainable and connected to the communities they serve. Vantage’s current network is composed of ten airports, in locations ranging from large capital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

Stewart Steeves

Director

Edward Minich

Audit Committee Chair

Hon. Stan Keyes

Director

George Casey

Director

Stephen Martin

Director



Photo: Construction progress at the DHL Express Gateway Facility

2020 HIGHLIGHTS



329,193
passengers flying to and from
Hamilton International



658m kg
in total landed cargo
aircraft billable weight



\$20.5m
capital investment in
**Airfield
Rehabilitation &
Modernization**²



\$84.1m
investment in infrastructure made by
TradePort and its partners in 2020¹



**OVER
3,400**
total jobs created
through airport activity
at Hamilton International³



**OVER
90%**
of passengers
reported a positive
Airport experience⁴



**CONTRIBUTED OVER
\$252,000**
of in-kind support and sponsorships to
community partners and events



Hamilton International
**CELEBRATED
80 years**
of business

¹ These investments have supported the City's economic development target for adding seven million square feet of new Industrial/Commercial space between 2016 and 2020.
² Phase 2 complete, funded by TradePort International Corporation and Transport Canada's NTCF.
³ Source: Hamilton International Economic Impact Study, ICF (Commissioned in 2018).
⁴ Source: 2019 Customer Satisfaction Survey results.



AIRPORT OPERATIONS

Health and Safety

Health and safety is the top priority at Hamilton International. In response to the COVID-19 pandemic, the Airport reinforced its cleaning and sanitizing protocols and implemented several policies to limit the spread of viruses and protect travellers, business partners and employees.

Hamilton International supported public health practices with additional measures including increased frequency of cleaning and disinfecting in high-traffic areas, treating high-traffic surfaces with an anti-microbial shield, introducing policies for mandatory face masks, limited terminal access to travellers and employees on duty only and designated terminal access points, as well as the installation of additional signage, physical distancing floor markers and acrylic protective barriers at check-in counters and boarding gates.

Hamilton International continued to use the dedicated COVID-19 web page on its website (www.flyhamilton.ca/covid-19) and social media channels to share information including the health and safety measures in place, important government updates and travel tips to further address the “new normal” of travelling through airports for the foreseeable future.

Runway Rehabilitation and Modernization

In October, the second phase of Hamilton International’s multi-year Airfield Rehabilitation and Modernization project officially concluded for 2020 with construction being completed ahead of schedule and under budget. Highlights from this year’s progress included the rehabilitation of Runway 12-30, Taxiway Charlie and Golf with over 105,000 tonnes of asphalt, improved airfield lighting and the construction of Runway End Safety Areas.

The total cost for the five year project is \$38.89 million and Transport Canada’s NTCF will contribute a total of \$18.54 million with the balance funded by the airport operator, TradePort International Corporation, as part of its capital investment plan.

Photo: Runway 12-30



Photo: Floor markers at check-in to encourage proper physical distancing
Source: The Hamilton Spectator

PASSENGER OPERATIONS

Following three years of unprecedented growth, Hamilton International Airport began 2020 with its busiest January and February months to date and was on track to have its fourth consecutive year of record-breaking performance. Then, the COVID-19 pandemic was declared on March 11 and gave way to an unparalleled year as passenger air travel was devastated globally and a new normal was forged for our People, our Place and our Performance.

As reported cases of COVID-19 began to rapidly increase around the globe, so too did the travel restrictions put in place to encourage people to stay at home and limit the spread. In response to the COVID-19 outbreak, all scheduled international and transborder service from Hamilton International was suspended while several domestic routes continued to operate on a reduced schedule for essential travel purposes. Swoop continued to operate service to Abbotsford, Edmonton and Halifax while WestJet continued to offer service to Calgary.

In 2020, 329,193 total passengers travelled to/from Hamilton International, representing a 66% decrease compared to the previous year. As the new year gets underway and the government continues to address the devastating impacts facing the aviation industry, the Airport remains committed to supporting its commercial air carrier partners and restoring its passenger activity levels to effectively position Hamilton International to emerge from the COVID-19 crisis.

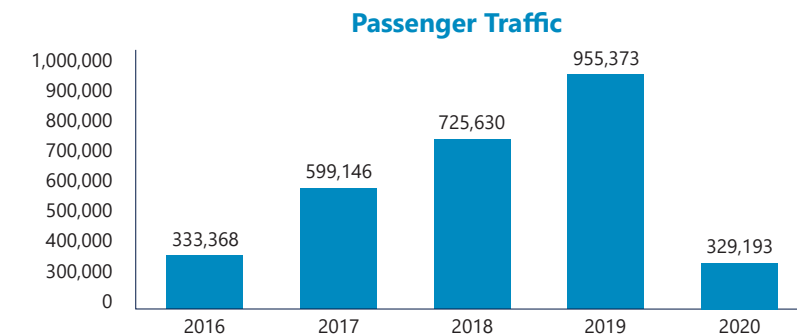




Photo: UPS delivering cargo at Hamilton International Airport
Source: Nicholas Chute

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.

While facing the unprecedented impacts of the global pandemic, cargo activity at Hamilton International continued to soar with increased demand for a variety of essential medical supplies and PPE needed during the COVID-19 crisis. Hamilton International financially supported various Government of Canada flight missions to transport PPE and medical supplies to Canada from abroad through Cargojet. In addition, e-commerce sales surged as most of the population remained at home and gravitated to new online shopping habits. In 2020, the Airport and its cargo partners experienced 24% growth compared to the previous year with 658,202,000 kilograms in total cargo aircraft billable weight facilitated through the Airport.

Notably, December 13 marked a truly historic milestone in Canada's fight against COVID-19 as the country's first shipment of Pfizer vaccines touched down at Hamilton International aboard UPS, with coordinated efforts to process the shipment with the Canada Border Services Agency. The Premier of Ontario, Doug Ford, in addition to the Honourable Anita Anand, Minister of Public Services and Procurement, and Cathie Puckering, President and CEO of Hamilton International Airport, were on-site to welcome the important and monumental flight from Louisville, Kentucky.

Cargo Aircraft Billable Weight (000s kg)

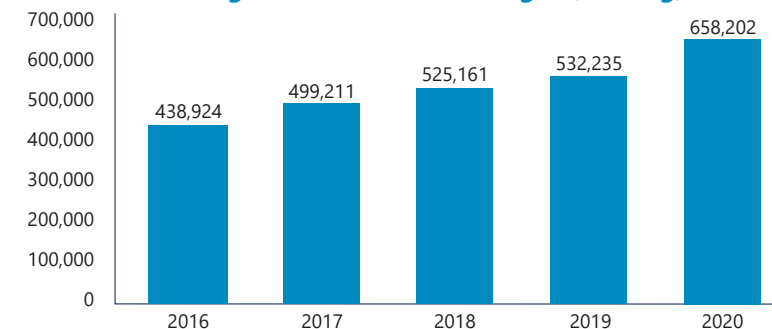




Photo: Inside the state-of-the-art hangar at the Mohawk College Centre for Aviation Technology built in cooperation with KF Aerospace
Source: Mohawk College

LAND DEVELOPMENT

Throughout the course of 2020, Hamilton International remained focused on driving economic growth, job creation and financial investment as progress continued on schedule for various infrastructure projects and land developments designed to meet the region's projected demand and expand the capacity to support future growth in the goods movement, passenger air travel and aerospace sectors including MRO operations.

Mohawk College Centre for Aviation Technology

The Mohawk College Centre for Aviation Technology is a component of KF Aerospace's \$55 million investment into Hamilton, featuring a purpose-built hangar, classrooms, labs, and specialized shops. The impressive modern learning space is welcoming students and faculty for Mohawk's Aircraft Maintenance and Engineering programs in 2021.

DHL Express Gateway Facility

DHL Express made significant progress on the construction of its strategic \$110 million gateway facility at Hamilton International and with 24-hour landing capability, the new facility will meet the growing demands in handling capacity. The 230,000 square foot sort facility is set to open in May 2021 and will be DHL's largest in Canada and four times the size of its current sort facility at the Airport. Once completed, the new DHL gateway facility will have the capacity to process 15,000 packages per hour.

Amazon Fulfillment Centre

Amazon commenced construction of its state-of-the-art 855,000 square foot fulfillment centre in Hamilton adjacent to the Airport. The fulfillment centre will feature Amazon's innovative robotics technology and is expected to open in late 2021, creating more than 1,500 new full-time jobs.



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.

Sustainable Hamilton and Burlington (SHB)

As a member of Sustainable Hamilton and Burlington (SHB) since 2017, Hamilton International is committed to a collaborative approach to manage the Airport's carbon footprint. In 2020, the Airport joined SHB's new Sustainability Leadership Program to better understand the Airport's utility usage as well as waste and recycling management between 2017 and 2019 to establish a baseline level moving forward. Hamilton International is on track to reduce its emissions Intensity Value by 20% by 2027 with a cumulative reduction of 7.7% to date.

Glycol Management

One of the main components of Hamilton International's Environmental Management Plan is the management and monitoring of glycol use. These de-icing/anti-icing solutions are sprayed on aircraft to remove or prevent accumulation of snow and/or ice and is essential for the safe operation of aircraft during the winter season. Hamilton International continues to focus on improvements in stormwater and the management of used glycol solutions applied to aircraft during the winter season.

Key Environmental Initiatives

Hamilton International continues to integrate environmental management measures both inside and outside of the terminal building using light-emitting diode (LED) retrofitted lighting, lighting sensors and energy-efficient heating, ventilation and air conditioning units. In 2020, the Airport implemented advanced LED lighting technology on the airfield as part of its Runway Rehabilitation and Modernization project to improve reliability, promote efficiency and reduce greenhouse gas emissions.

Photo: Aerial image of Hamilton International Airport



Photo: Cargojet delivering PPE and essential medical supplies at Hamilton International Airport
Source: Cargojet/Twitter

COMMUNITY INVESTMENT

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 \$327.8 million, which has generated \$26.2 million in additional property tax revenue for the City of Hamilton. Collectively, these Airport investments have supported the City's economic development plans, helping it surpass its target for adding seven million square feet of new Industrial/Commercial space between 2016 and 2020.

Growing the Economy

Through Airport activity, Hamilton International and its business partners contribute \$385.7 million in gross domestic product (GDP), produce an economic output of \$1.2 billion, and create over 3,400 jobs for Hamilton and the surrounding region*.

Hamilton International Airport along with the Hamilton Oshawa Port Authority and the City's Economic Development department worked tirelessly and collaboratively over the past two years to achieve a Foreign Trade Zone (FTZ) designation. In November 2020, Minister Joly, Minister Tassi and MP Bratina announced Hamilton's designation as the third FTZ Point in Ontario and one of 14 in Canada. This designation strengthens Hamilton's position as a strategic location for international trade and will simplify access to an array of government resources, programs and incentives for businesses who rely on the multi-modal connections via air, port, rail and road that the City has to offer.

Community Investment

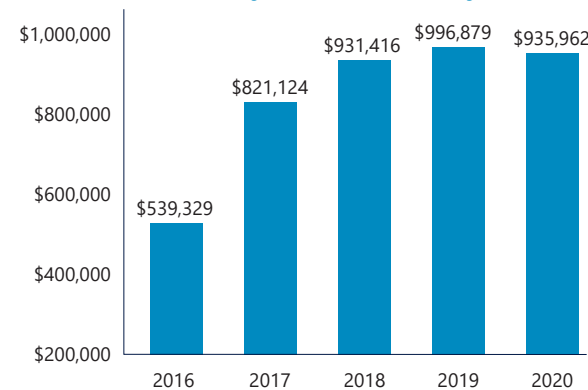
Hamilton International was proud to contribute over \$252,000 of in-kind resources and support to various community partners and initiatives in 2020 including: Government of Canada flight missions to transport PPE and medical supplies to Canada on Cargojet, CityKidz, Liberty for Youth, Hamilton Chamber of Commerce, Ward 11 Halloween Scavenger Hunt, Binbrook Santa Claus Parade and CKNW Kids' Fund's Pink Shirt Day.

*Source: Hamilton International Economic Impact Study, ICF (Commissioned in 2018)

FINANCIAL HIGHLIGHTS

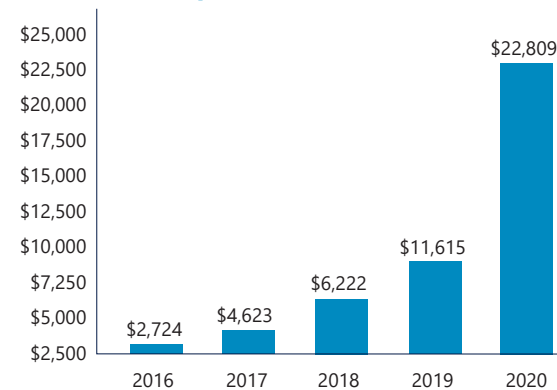
Growth in cargo operations, along with the continued focus on safety, security and compliance with regulations were key drivers in 2020 for the Airport in reaching its performance targets. Financial results continue to be **positive**, with revenues exceeding operating expenses by over **\$6.0 million**. The Airport continues to reinvest in infrastructure through its sustaining and expansionary capital program to update, maintain and expand capacity for future growth. Capital investment in 2020 totaled **\$22.8 million**.

Payments to the City



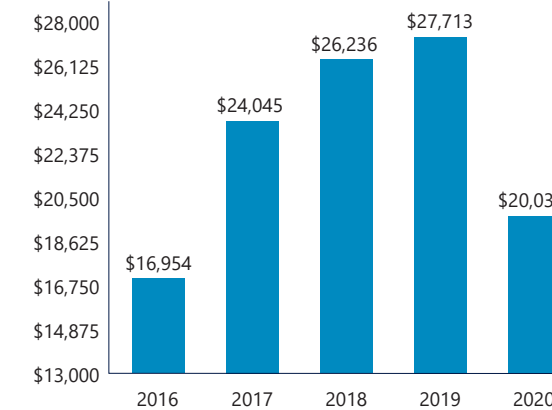
Under the operating lease agreement with the City of Hamilton, TradePort is required to pay rent based on a formula of revenue and operating income for each fiscal year. For the year ending December 31, 2020, rent to the City, assessment tax and other fees was **\$935,962**.

Capital Investment (000s)



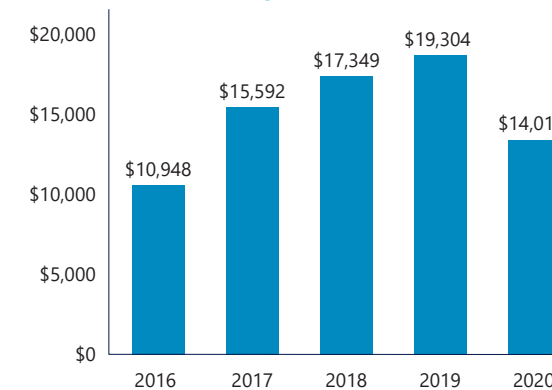
\$22.8 million was invested in both sustaining and expansionary capital. Investments in 2020 include the Airfield Rehabilitation and Modernization Project, Phase 1 of the Field Electrical Centre replacement, and the relocation of East Cargo Road.

Revenue (000s)



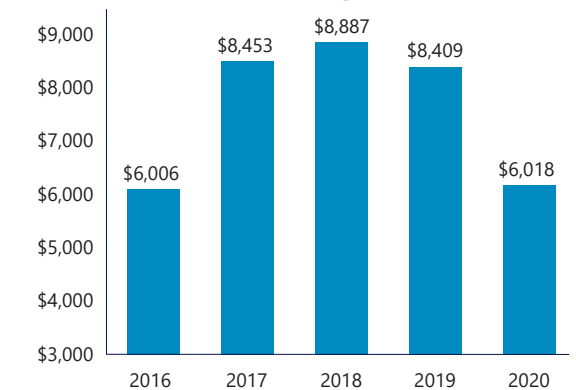
The Airport's three main revenue sources are passenger operations, cargo operations and commercial property rents. Revenues declined 28% to prior year due to the impacts of the pandemic.

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 **\$14.0 million** in 2020, a decrease of 27% over 2019. To reduce the impacts of the pandemic, TradePort quickly enacted guidelines to ensure that only safety, regulatory and essential operating expenses were being incurred.

Revenue Over Expenses (000s)



Total revenues over expenses decreased by 28%, or **\$2.4 million** over 2019 due to the COVID-19 pandemic.

IN CELEBRATION OF FRANCESCO ANTONIO (TONY) BATTAGLIA

This edition of the Year in Review is dedicated to our founder, Tony Battaglia, who peacefully passed away on January 19, 2021.

Many of us had the opportunity to work with Tony and know that he was a wonderful person, full of good will, compassion, integrity, and enthusiasm. His family came first while the Airport was very high on his list of priorities. He was a successful businessman and community leader, he brought passion, a keen mind and hard work to everything he tackled. He was kind to all and one of our greatest supporters.

In 1995, as CEO of TradePort International Corporation, Tony envisioned amazing opportunities for the Airport's future. He is the reason for many of our successes over the past 25 years. In addition to building passenger activity, he established a vision for the Airport to be a "Port of Trade" facilitating air cargo – a vision that continues to guide us each day as we strive to be the best global gateway in Canada for affordable travel and goods movement.



Photo: Tony Battaglia, founder of TradePort International Corporation

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A member of
VANTAGE
AIRPORT GROUP

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