

2019

YEAR IN REVIEW

John C. Munro Hamilton International Airport
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flyhamilton.ca

A member of
VANTAGE
AIRPORT GROUP



John C. Munro

HAMILTON
INTERNATIONAL AIRPORT



Photo: Entrance to John C. Munro Hamilton International Airport

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LETTER from Chairman of the Board & President and CEO

John C. Munro Hamilton International Airport celebrated a third consecutive year of unprecedented growth in 2019. Over those three years, Hamilton International has been one of the fastest growing airports in North America. Last year, 955,373 passengers travelled through the Airport representing a 32% growth compared to 2018, 60% compared to 2017 and a remarkable 187% compared to 2016, almost triple the passenger activity from three years ago.

Hamilton International remains Swoop's main crew hub in Eastern Canada and beginning this summer, will launch new seasonal routes from June through October 2020 between Hamilton, Ontario and St. John's, Newfoundland, Moncton, New Brunswick and Charlottetown, Prince Edward Island. These new routes will be a wonderful complement to the current Swoop schedule in Hamilton which includes year-round destinations in Canada, the United States, Mexico and the Caribbean.

WestJet continues to be an important airline partner with six weekly flights between Hamilton and Calgary and will add frequencies during the peak summer season. This service offers a great opportunity for passengers looking to connect to a variety of destinations via WestJet's base in Calgary. Seasonal carriers, Air Transat and Sunwing, continue to offer winter programs with vacation options for customers in the Hamilton region to various destinations in Cuba, the Dominican Republic, Jamaica and Mexico.

Hamilton International remains Canada's largest overnight express cargo airport. An increase of 21% in cargo activity since 2016 is due to a growing e-commerce sector in Ontario fulfilled by the Airport's cargo partners Cargojet, DHL, UPS, Purolator and Canada Post. The growth in e-commerce has spurred the demand for additional cargo facilities and the creation of jobs in this sector. In 2019, DHL Canada broke ground on its new 200,000 square foot facility that represents a \$100 million dollar investment by DHL in Hamilton.

KF Aerospace also commenced construction of its \$30 million expansion of its aircraft maintenance, repair and overhaul facility at Hamilton International in 2019. The centrepiece of the project included KF's first wide-body hangar of

75,000 square feet, significantly expanding KF's ability to support its growing list of domestic and international airline customers. The project also features state-of-the-art shops, classrooms, commissary and hangar space for Mohawk College's Aviation Technician program.

Last year, Hamilton International began the first phase of a \$38.89 million dollar Airfield Rehabilitation and Modernization Project that will improve its two main runways, supporting taxiways and lighting systems over the next four years. The project gained support from Transport Canada and its National Trade Corridor Fund (NTCF), which will contribute \$18.54 million, with the balance invested by Airport operator TradePort International Corporation. The Canadian Air Transport Security Authority (CATSA) also made a significant investment in the Airport with the deployment of a new baggage screening and processing system.

Upon reaching these various milestones in 2019, John C. Munro Hamilton International Airport is well positioned to continue growing as a key economic engine for the city, region and province.

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

Vantage Airport Group is a leading investor, developer and manager of airports around the world. John C. Munro Hamilton International Airport is part of Vantage's global network of 10 airports.

Passionate about people, place and performance, Vantage was one of the first companies to be involved in the global trend of airport investment, development and management.

Since 1994, Vantage has been making airports more efficient, profitable, sustainable and connected to the communities they serve. Vantage has provided its expertise to more than 30 airports in its 26-year history, taking 20 from public to private management.

Together, Vantage airports served more than 58 million passengers in 2019, travelling on 150 different airlines to 375 global destinations.



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

To our passengers, partners and people we value:

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 four times a year providing governance for the Airport. Hamilton International Airport's Executive Team reports directly to the Board of Directors.




Photo: National Trade Corridor Funding Announcement at Hamilton International Airport

2019 HIGHLIGHTS



955,373
passengers flying to and from
Hamilton International

PROVIDED OVER
\$115,000

 of charitable donations, in-kind support and sponsorships to community partners and events



OVER
3,400

total jobs created through airport activity at Hamilton International



OVER
90%

of passengers reported a positive Airport experience

\$41.7 M

investment in infrastructure made by TradePort and its partners in 2019



532,235,000kg

in total landed cargo aircraft billable weight



Photo: Swoop celebrates one million passengers

PASSENGER OPERATIONS

Hamilton International experienced tremendous growth in 2019 with 955,373 passengers travelling through the Airport. This represents a growth of 32% compared to 2018, 60% compared 2017 and an incredible 187% compared 2016.

Hamilton remains Swoop’s crew base hub in Canada and is currently home to year-round destinations in Canada, the United States, Mexico and the Caribbean. In 2020, Swoop will launch new seasonal service from Hamilton to St. John’s, NL, Moncton, NB, and Charlottetown, PEI. These routes will be operational from June to October 2020.

WestJet will continue to offer six weekly flights between Hamilton and its hub in Calgary. WestJet will add frequencies during the peak summer travel period.

Air Transat will continue to offer winter service with flights from Hamilton to Cayo Coco, Cancun, Puerto Plata, Punta Cana and Varadero. These seasonal services operate each year from December to April.

In 2019, Sunwing offered travellers in the Hamilton region more tropical destination options than ever before thanks to six weekly flights, including new destinations of Cayo Coco, Cayo Santa Maria and Cancun. These new services are a great addition to Sunwing’s popular flights from Hamilton to Montego Bay, Punta Cana and Varadero.

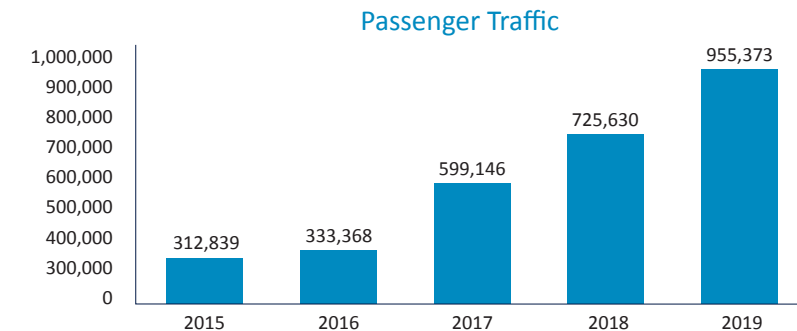




Photo: Ground breaking event for new DHL sort facility at Hamilton International Airport

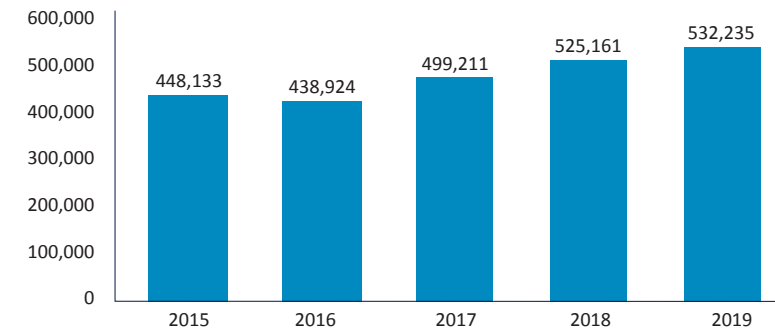
CARGO OPERATIONS

Hamilton International is Canada’s largest overnight express cargo airport and the Airport has experienced a 21% increase since 2016. The growth in the cargo segment has created the demand for additional cargo facilities and jobs at the Airport. This includes DHL’s announcement and ground-breaking of a new 200,000 square foot facility that will be four times the size of the current DHL facility at Hamilton International. This new facility will feature a fully automated sort system with a capacity of processing 15,000 packages per hour. This will be DHL’s largest facility in Canada and represents a \$100 million dollar investment by DHL in Hamilton.

In 2019, KF Aerospace also broke ground on a new 75,000 square foot maintenance repair and overhaul (MRO) facility. This new hangar was completed in late 2019 and represents a \$30 million investment which introduced wide-body aircraft capabilities along with additional full-time jobs for the region over the next four years. KF Aerospace will also provide state-of-the-art shops, classrooms, commissary and hangar space for Mohawk College’s Aviation Technician program.

The steady growth and investment taking place at Hamilton International ensures that the Airport is a global gateway for facilitating goods movement across Canada and around the globe, thanks to solid partnerships with Cargojet, DHL, UPS, Purolator and Canada Post.

Cargo Aircraft Billable Weight (000’s kg)





PASSENGER EXPERIENCE

Hamilton International is constantly striving to exceed the expectations of its passengers, business partners and employees by providing high quality airport services and infrastructure.

Customer Service

The Hamilton International Airport Ambassador Program has continued for 14 consecutive years, offering customer service and assistance throughout the Airport with a warm and cheerful smile. The Airport maintained a satisfaction score of over 90% from passengers in 2019.

Terminal Updates

To enhance the overall passenger experience, Hamilton International enabled a number of passenger facilitation solutions including overflow parking as required; additional check-in counter capacity; improved communication to travellers regarding the screening process; expanded holdroom seating with layout changes and improved stakeholder discussions to ensure optimal staffing during peak travel periods.

Terminal Partners

In 2019, Hamilton International expanded its food and beverage providers to support the demand of the additional passenger traffic at the Airport. On October 1, Detour YHM officially opened through a partnership with Equal Parts Hospitality. This new partnership is a wonderful complement to the existing food and beverage providers Tim Horton's, J&A's Bar and Hamilton International Duty Free and Departures Retail Shop.

Sense of Place

Both landside and airside, Detour YHM locations feature a "Made in Hamilton" approach in featuring several local small businesses such as Detour Coffee Roasters, Collective Arts Brewing and Dear Grain Bakery. Additionally, both units are housed inside modular shipping containers that creatively convey the 'port city' profile of the City of Hamilton.

Photo: Detour YHM landside location



Photo: Aircraft take off during runway rehabilitation

ENVIRONMENTAL MANAGEMENT

Monitoring and minimizing the environmental impact of airport operations is important to Hamilton International Airport.

Environmental Vision

Hamilton International Airport is committed to protecting the environment and to safeguarding the health of its Employees, business partners and the general public.

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. Hamilton International Airport is on track to reduce its emissions Intensity Value by 20% to 10.55 tCO₂e per 1,000 employee hours by the year 2027 with a two-year cumulative reduction of 7.7%.

Key Environmental Initiatives

Hamilton International has completed several initiatives by integrating environmental management measures both inside and outside of the terminal building. Light-Emitting Diode (LED) retrofitted lighting has been installed in the vehicle parking areas and throughout the terminal building. The terminal building also has lighting sensors throughout to ensure lights are turned off in inactive areas. Energy-efficient heating, ventilation and air conditioning (HVAC) units have also been installed.

The earth works from various construction projects, such as the KF Aerospace expansion and the Airfield Modernization and Rehabilitation, are reused to further reduce climate impact. The Airport will also complete an airfield LED retrofitted lighting project by 2021. 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.

OUTSTANDING BUSINESS ACHIEVEMENT AWARDS



Photo: Hamilton International wins the Large Business Category at the Hamilton Chamber of Commerce OBAA's

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 \$243.7 million, which has generated \$24.6 million in additional property tax revenue for the City of Hamilton.

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.*

Community Investment

Hamilton International is proud to support several community organizations and events through donations, sponsorships and gifts in-kind. In 2019, Hamilton International contributed over \$115,000 to various community partners and charities. Some of the community organizations supported by the Airport included:

McMaster Children's Hospital • Epilepsy Canada • Liberty for Youth • Mohawk College • Hamilton Tiger Cats • Collective Arts • Hamilton Chamber of Commerce • United Way Hamilton & Halton • Royal Canadian Legion • Trees for Hamilton • Binbrook Santa Clause Parade • YWCA

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



Photo: Aircraft maintenance repair overhaul facility at KF Aerospace

AIRPORT OPERATIONS

Hamilton International Airport is committed to providing a safe and efficient experience for all passengers, business partners and employees while ensuring minimal environmental impact to the public.

Safety

In 2019, Hamilton International completed in several training activities and exercises. In June, the Airport supported Peel Regional Police in a training exercise and will continue to participate in table-top training exercises with emergency services.

Community

Hamilton International is a responsible community partner and remains focused on seeking opportunities for continuous improvement of the Airport's environmental stewardship, social engagement and contribution to the regional economy. Hamilton International remains committed to its Sustainability Plan and continues to work with Sustainable Hamilton Burlington (SHB).

Efficiency

In 2019 Hamilton International completed the installation of a new Baggage Handling System which has the capability to more than double the baggage handling capacity at the Airport and utilizes more energy efficient systems. This project was installed in partnership with the Canadian Air Transport Security Authority (CATSA) and features automatic tag readers, bag alignment devices and x-ray machines.

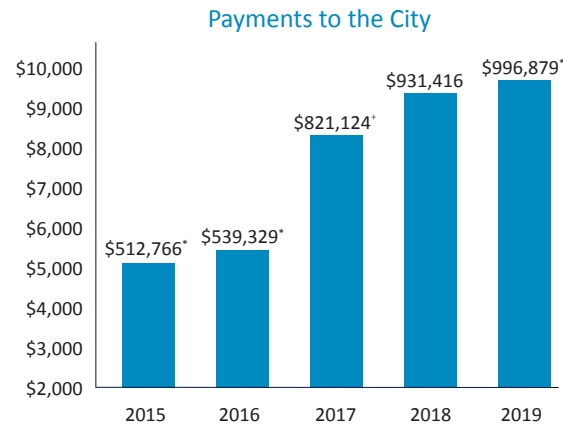
Quality

In June, Hamilton International began an Airfield Rehabilitation and Modernization Project to fully improve its two main runways, supporting taxiways and lighting systems over the next four years. The first phase of this project occurred in the summer/fall of 2019. The total project cost is \$38.89 million, and Transport Canada's National Trade Corridor Fund (NTCF) will contribute \$18.54 million, with the balance funded by airport operator TradePort International Corporation, as part of its capital investment plan.

FINANCIAL HIGHLIGHTS

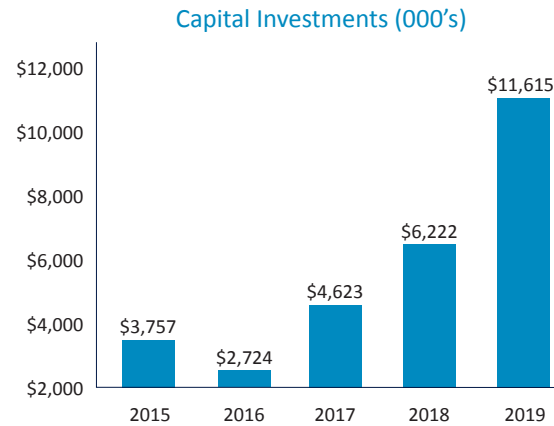
Passenger traffic growth, along with the continued focus on safety, security and compliance with regulations were key drivers in 2019 for the Airport in reaching its performance targets. Financial results continue to be positive, with revenues exceeding operating expenses by over \$8.4 million.

The Airport continues to reinvest in infrastructure through its sustaining and expansionary capital program to update, maintain and grow its onsite facilities.

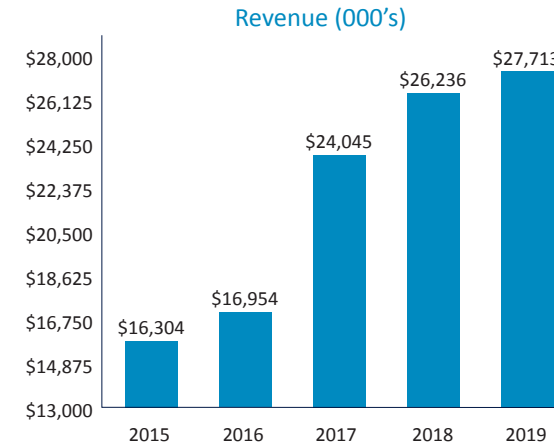


Under the operating lease agreement with the City of Hamilton, TradePort is required to pay rent based on a formula of revenue and operating income for each fiscal year. For the year ending December 31, 2019, rent to the City, assessment tax and other fees was \$996,879; a 7% increase over prior year.

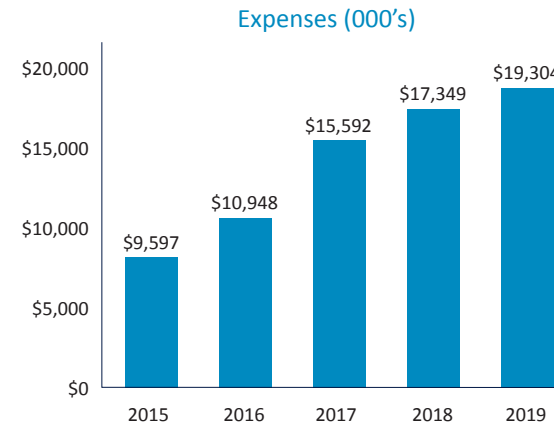
*Inclusive of Rent paid to the City and Assessment Tax Fee
+ Not included in this figure was a one-time additional payment of \$200,000.



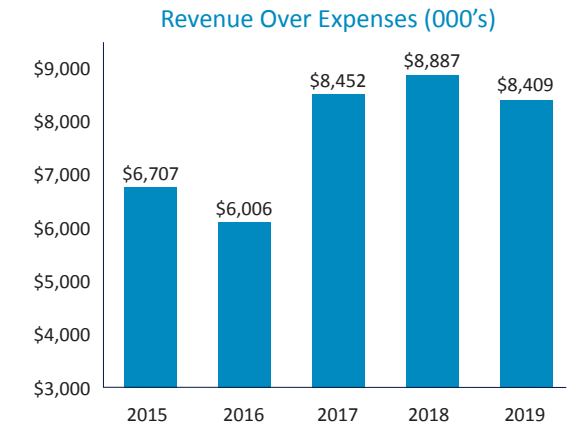
\$11.6 million was invested in both sustaining and expansionary capital. 2019 investments include: Runway 12/30 Rehabilitation, Hold Baggage Screening (HBS) System, East Cargo Road relocation and terminal improvements.



The Airport's three main revenue sources are passenger operations, cargo operations and commercial property rents. Revenues were 6% higher in 2019 due to increased cargo and passenger traffic.



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 \$19.3 million in 2019, an increase of 11% over 2018.



Total revenues over expenses decreased by 5%, or \$478K over 2018's results due to increase in airport operator expenses.