



An Agency of the Government of Ontario



Business & Strategic Plan 2023 – 2026

December 5, 2022

Mandate	1
Vision and Values	1
Strategic Directions	4
Business Outlook.....	5
Overview of Current and Future Programs and Activities	7
Event Technology Strategy	10
Market Segment Overview	12
Organizational Chart	13
Corporate Goals and Strategies	14
Operating Budget Summary.....	21
Marketing and Communications.....	36
Appendices	40

Mandate

The Corporation is governed by the Metropolitan Toronto Convention Centre Corporation Act and is owned by the Province of Ontario. The Metro Toronto Convention Centre (MTCC) is a Provincial Agency and an Operational Enterprise with a mandate, as provided in the Act, to operate, maintain, and manage an international class convention centre facility in the City of Toronto in a manner that will promote and develop tourism and industry in Ontario.

In 1984, when MTCC first opened, the Board of Directors of the Corporation established goals consistent with the policy objectives of the Government of Ontario, which are also part of the MTCC Act:

- To position MTCC as a world-class convention centre;
- To attract incremental visitors to Canada, Ontario, and Toronto;
- To provide a showcase for conventions, trade shows, public shows, meetings, and food and beverage needs; and
- To operate on a cost recovery commercial (profitable) basis over the long term.

The objectives are consistent with the Ministry of Tourism, Culture, and Sport's goal of generating positive economic impact, through increased visitation to Ontario.

The objectives are intended to guide management in strategic and operational planning; they form the basis for this plan and are reflected in the Memorandum of Understanding with the Province.

MTCC operates within the accountability framework of the Province of Ontario as set out in the Agencies & Appointments Directive.

The objectives of the Corporation are to operate and manage an international class convention centre in the City of Toronto as a self-funded organization in a manner that will promote and develop tourism and industry in Ontario. Our primary goal remains to be the premier gathering place for conventions, trade/public shows, and corporate meetings. In addition to maintaining our current business, our goal is to develop new business to both grow our corporate revenues and profit margins and drive additional economic benefit to the Province and City of Toronto.

For nearly 40 years, the Corporation has been successful in attracting hundreds of thousands of convention delegates to Toronto. As MTCC concludes its 38th year of business, the experience it has accumulated over the years, and the reputation it has acquired as one of Canada's leading convention facilities, continues to grow. With its experience, reputation, and people behind it, the Centre will continue to strive towards ensuring the success of its clients' events.

Vision and Values

In addition to our corporate mandate, the organization has developed a vision and a set of values to guide us in our planning and day-to-day operations. They reflect the fact that, first and foremost, we are a customer service driven organization.

The MTCC has developed the following vision statement. It represents MTCC's Success Equation, which reflects our culture, values, and philosophy.

We Help Our Customers Create Successful Events

Our Values

Friendly

We will service every customer and staff with a smile and a positive attitude.

Responsive

We will demonstrate a "See & Do" attitude by taking the initiative to handle any task in a timely and efficient manner.

Fair

We will treat others as we wish to be treated.
We will say what we do and do what we say.

Proud

We will take ownership in our work.
Our drive for excellence will be achieved through our contagious enthusiasm.

Dedicated

We will Go-the-Extra-Mile to exceed customer expectations and help them achieve a successful event.

Professional

We will understand and be respectful of our customers' needs and consistently deliver our services at the highest standards.

Our Vision

**We Help Our
Customers Create
Successful Events**



Our Service



Safe

Nothing trumps safety

A culture ingrained with the pursuit of safety, based on best practice protocols, leading to an environment where all feel safe.

Attentive

Simple as a smile

Consistently providing exemplary customer service by exhibiting and creating a welcoming, respectful and friendly environment.

Flexible

Let's work together

Understanding the needs of our customers in order to innovate and adapt to make it easier to do business.

Efficient

Smooth and timely

Providing a seamless (and efficient) customer experience.



Strategic Directions

The Metro Toronto Convention Centre continues to recover along with the industry and remains open for business.

As Toronto and the rest of the country edged closer to experiencing more normal levels of business activity in fiscal 2022/2023, we harboured cautious optimism that the convention business would recover soon. Instead, the business bounced back more quickly and stronger than we had hoped, and we now expect our business to achieve pre-pandemic levels sooner than anticipated.

Indeed, the 21 citywide conventions we have on the books for fiscal 2023/2024 represent our highest number of confirmed contracts ever, and we are confident that we will continue to attract our fair share of large convention business in the coming years.

Yet, there can be no doubt that the pandemic has had an impact on our future business in various ways.

Our strategic focus in fiscal 2023/2024 and beyond will be to respond to these changes and ensure that MTCC remains a top competitor for convention business in North America, and an engine of economic development for Toronto, Ontario, and Canada.

Strategically, that requires us to focus on developing our talent pool. Like all employers, we face significant human resources challenges as a result of the pandemic, which reshaped our workforce in significant ways. Notably, many of our most senior and experienced employees decided that the temporary closure of our facility was the right moment to opt for retirement and, like most employers in the hospitality industry, we now face challenges recruiting the next generation of employees.

Similarly, as all employers adjust their business practices in light of the pandemic – such as changing rules on workplace attendance or changing business travel policies – we must ensure our convention offerings remain relevant to the evolving needs of the industry.

Key competitive advantages are the world-class customer service through the organization and the quality of MTCC's food and beverage (F&B) capabilities. We must continue to find ways to not only retain this strength, but to leverage our reputation for stellar customer service and F&B to attract more profitable business to the Centre.

We must also remain competitive in the quality of our technology infrastructure. Strategically, our technology has become a core feature of our services and will require ongoing investment in order to maintain leading edge technology for our customers.

Finally, we must make strategic decisions about our facility in the years ahead. While we are pleased to report a steady ten-year increase in the number of events we host, there is a finite limit to the size and quality of events we can accommodate. There is also an optimal mix of events for the space we have available. As we explore how we might revitalize the property, we recognize a unique opportunity to adapt our space to future trends. The decisions we make will directly impact capital deployment, including investments in F&B, technology, Audio Visual (AV) delivery, utility delivery, including retail food and – ultimately – the customer experience, with an end goal of continuing to help our customers create successful events.

Business Outlook

Our business outlook for the next three years continues to recover, and so we expect we will fulfill our mandate throughout this time. What's more, as the recovery appears more rapid than expected, we expect we will exceed our budget for fiscal 2022/2023.

The actual results for future years will be influenced by several independent factors, notably the economic outlook and the competitive landscape. Normally, given the long lead times associated with convention planning, our business tends to lag economic activity. For example, the convention business may continue to be strong for some time following the onset of an economic downturn and may be slower to recover once economic growth resumes.

Despite the pause of economic activity during the pandemic and current forecasts for slow growth, we expect demand for meeting space to recover steadily for the next two to three years. As the pandemic caused meeting planners to suspend activities for nearly two years, we are now experiencing continued interest in future space rentals, a level of pent-up demand we attribute to planners striving to re-book events that had been previously postponed. At the same time, we are seeing increasing competition for convention spending from all our peers in the convention business.

MTCC benefits from having developed a strong brand over the years, with a reputation for a centralized location, flexible space, industry leading technology offerings, excellent food and beverage, and exceptional customer service. Despite this, securing accommodation for convention-goers is becoming more challenging. Our hotel partners are experiencing a strong rebound in demand for rooms and, as such, are making fewer blocks of rooms available for events. Concurrently, the habits of travelers are changing, and more convention-goers are opting to find their own accommodations, rather than accepting rooms offered by the organizer. We anticipate discussions in the coming year about restructuring the Convention Development Fund to make best use of this asset.

The positive business outlook and renewed demand in this post-pandemic period will, naturally, be positive for MTCC revenues; however, we also face a significant increase in costs. Prices for many tourism-related goods and services are high and on the rise. In particular, food prices are rising more quickly than most

consumer items. Workers are in short supply and employee turnover is at record levels, putting upward pressure on wages that is difficult to manage with provincial restrictions. For MTCC, a shortage of experienced staff could impact both customer service and our ability to accept incremental business. Recruiting, training and retaining our workforce are top priorities, and our challenge will be finding creative ways to do more with less.

An important part of the solution is the creative use of technology. We are deploying the latest software to improve our online employee portals, providing easy access to information, and encouraging greater work participation. This complements our plan to enhance overall employee/employer communications with better social media platforms and remote technologies. We are also introducing better recognition programs, delivered on a new platform ("Achievers") to encourage employee engagement.

Also affecting our business outlook is the prospect of increased costs to maintain a building that is nearly 40 years old, including:

- Electrical plant components, fire life safety, and service equipment, all of which are reaching end-of-life and must be replaced;
- Insurance costs, which have risen since the Centre experienced water damage in fiscal 2018/2019; and,
- Significant and ongoing expenses to upgrade our leading-edge technology infrastructure. Clients have become more reliant on technology than ever before, both to provide connectivity to attendees and to supply analytics about their experience. We are expanding the reliability and capabilities of our data networks to meet these growing needs and will leverage technological advancements to ensure future success.

MTCC's downtown location and proximity to hotels, attractions, dining, and entertainment (the hospitality district) are major competitive advantages. However, the location also poses challenges for event organizers during setup and breakdown. MTCC's marshalling yard facilities are a vital component of cost containment, our service offering and having secured adequate space near the city core was a top priority. We have identified a suitable property which we are currently leasing, and

we hope to finalize an agreement to purchase the property soon.

MTCC has enjoyed a long period of strong financial performance with continued growth in economic throughput. Generating strong corporate revenues, coupled with effective management of corporate expenditures, translated year-after-year into positive bottom-line results that enabled the Corporation to maintain the facility, provide a payment to the Government of Ontario, and generate a positive economic benefit of more than \$500 million annually to the Province of Ontario and the City of Toronto. Through our direct and indirect economic impact, we created approximately 5,200 jobs annually and generated annual taxes of approximately \$150 million.

We are forecasting it will take less than 12 months before we are able to achieve our mandate. While we recognize the Centre will need to manage the lagging effects of the pandemic, we are confident we will achieve a full recovery, given the current business outlook for the next three years.

Overview of Current and Future Programs and Activities

Facility Rental

For fiscal 2023/2024, we have 21 citywide conventions booked at the Centre, the highest number of conventions hosted in our history. Total facility rental revenue for the upcoming year is forecasted at \$16.7 million.

As citywide conventions are the largest contributors to economic impact, we are pleased to report the demand for future convention space is returning to pre-pandemic levels. We are also once again experiencing excess demand for the trade/public show exhibition space and smaller meetings. As was the case pre-pandemic, we must regret opportunities due to a lack of appropriate space, dates, and hotel capacity.

Our Sales team remains diligent in taking a strategic and revenue-focused approach to best yield maximum profitability from our remaining space for fiscal 2023/2024. We forecast 350 events at the Centre, with facility occupancy at 54%.

Food & Beverage

Globally, nationally, and locally, the Centre's Food and Beverage program has earned a reputation for consistently delivering innovative and contemporary experiences in a large volume environment. A significant contributor to this esteem is our in-house meat aging and world-class pastry shop. The addition of our in-house pasta program will continue to elevate the client and guest experience. This coming year, however, will provide challenges to all areas of the operation due to:

- Additional safety protocols,
- Inconsistent attendance,
- Supply chain shortages,
- Increased commodity prices,
- Talent productivity and retention, a result of competition within the current market,
- Additional staff training, and
- Customer budget constraints.

Our main bakery supplier has recently moved away from commercial offerings, focusing on retail exclusively. This offers us a strategic opportunity and we are actively exploring the potential development of

our own bread bakery and equipment to make our own dumplings. As a leader in the industry, these initiatives could help us continue our path of differentiating our brand, and offset risks due to some supplier challenges. In this unique environment, creative dining solutions have been designed to provide clients with options to support them in planning successful events. These include distinctive floorplan models, alternative service styles, and re-engineered menu options. These are just some examples of how we continue to adapt to the changing industry climate. We are confident that our strategic approach to these services will ensure our leading position in the marketplace.

Technology

Technology requirements continue to grow and are a critical success factor for all clients entering the Centre. Evolving user trends, increased attendee engagement, and the emergence of hybrid events have placed additional demand on our technology infrastructure. The functionality and reliability of our data network services are critical to sustaining leading-edge technology and therefore exceeding customer expectations.

The emerging Wi-Fi 6 standard will soon become the expected level of wireless network service as more consumer devices are released supporting this new technology. To properly serve our clients and our operational needs, we are preparing to migrate from Wi-Fi 5 to Wi-Fi 6 in fiscal 2023/2024. This capital expenditure will require significant investment in new equipment, software, and department competency.

We continue to strategize with our technology partners to optimize investments in software platforms, enabling us to improve building operations and enhance the client experience. These software platforms are critical to our service and provide the base upon which we are building digital transformation initiatives for our event operations. Various systems within MTCC contain a wealth of data that we will bring together in new and innovative ways. Moving forward, we will integrate several of these systems, including event management platform, employee time and attendance platform and inventory management system to build stronger analytics, enable better management decisions, and provide business insights. Leveraging this information, we will also build new software offerings that improve

our employee experience and strengthen our client service and experience.

Regarding remote working, environments have changed significantly, and technology continues to evolve. The dynamic of the workplace has shifted as employers are expected to provide increased flexibility on any given day. Likewise, employees are expected to be increasingly connected. The ability to meet these demands is a key factor in our employee recruiting and retention strategy as we operate in a highly competitive talent market.

These factors highlight the importance of our ability to offer robust and flexible working scenarios, built on technology solutions that enable access from anywhere while fostering employee collaboration. We continue to evolve our technology platforms and office environments to accommodate the changing workplace and employee productivity.

Convention Development Fund

MTCC continues to participate in a tri-party model that supports the Convention Development Fund (CDF). While funding dynamics have changed over the years, the committee continues to meet, evaluate, and submit bids monthly.

As the industry recovers, the CDF will continue to evolve to support citywide convention bids. From January through September 2022, the fund was used to support 15 citywide bids for future years. This is an increase from 9 for the same period last year.

The fund will remain solvent for the next two years, at such time it will be reconstituted by the partners.

Revitalization

Prior to the pandemic, MTCC completed initial work supporting the evaluation of potential of a large-scale revitalization of the facility. A feasibility study, an economic impact study, a design and engineering study, customer advisory board meetings, and several stakeholder meetings were successfully completed between 2018 and 2020.

The data is extensive and identifies MTCC's ranking within North America – a ranking that currently falls far short of its potential given Toronto's position as the 4th largest city in North American and its desirability as a travel destination. The analysis projects significant future economic benefits to Toronto and Ontario,

should revitalization be pursued. The Board and Management continue to believe that a reimagining of the Centre is crucial for the MTCC - not only to remain competitive in North America but to unlock the MTCC's unrealized potential as an economic engine of the city and province. Provincial, Municipal and Federal support will be required to further this initiative.

Parking

Facility parking operations have been affected by numerous factors, including increased congestion in the downtown core and a change in behaviour related to social distancing.

While evolving, we expect to return to normal occupancy levels in fiscal 2023/2024. This is based on several factors including increased office occupancy levels and increased tourism, especially by local and regional drive-in visitors. The trend towards single-occupancy vehicle usage also continues to grow. Consequently, congestion continues to be the major complaint. Lack of paid duty officers and an increase in construction in the downtown core contributes to gridlock, making it difficult to exit both the North and South garages. We continue to petition the city for improved traffic signalling and increased paid duty officers for consistent traffic management.

Human Capital

We take pride in our brand, "Our People are the Centre." Our people are the critical element in our customer service culture. Management needs to continue to ensure that we attract and retain the best talent possible. In an extremely competitive labour market, it is crucial that MTCC compensates employees competitively. In fiscal 2024/2025, two major collective bargaining agreements will be up for renewal: one with LiUNA Local 506, the other with LiUNA Local 3000. Management will continue to seek ways to ensure our policies and procedures remain progressive and competitive within the hospitality industry, where we recruit and attract talent while adhering to government restrictions. We will work with our Unions and look for opportunities to add value and flexibility for our employees to retain MTCC as an employer of choice.

Insurance

Management has negotiated the renewal of the corporate insurance policies which expired on August 14, 2022. All coverages have been extended for one

year. Due to inflationary factors reflected on the statement of values submitted, and revenues reported, MTCC experienced significant premium increases for most policies. MTCC also experienced a \$90,000 surcharge in premium due to faulty sprinkler heads in the South Building, which must be 100% repaired by March 31, 2023. As well, due to the 100% proposed increase in premium for cyber security insurance, management has decided to maintain cyber security coverage at \$5M. Management continues to explore solutions to reduce annual premium growth while maintaining, or increasing insurance policy coverage.

Event Technology Strategy

This industry leading strategy defines our immediate and long-term plans for technology adaptation that directly influences the success of events. This differs from technology used to manage MTCC business operations, although some degree of overlap occurs.

One continuing trend in venue management is the growing requirement for high performing data network services. Some of the factors that contribute to this growth are long established, while others are relatively new.

The past few years have seen an increased virtual component at many events. Now, event managers are looking to maintain those broad audiences they captured during the pandemic, while combining virtual with a more robust in-person experience. These hybrid events put increased demand on our data network due to high-speed connections and quality of service required to reliably stream video and audio content on the internet.

Other factors expected to increase demand on our data network are emerging technologies, such as virtual/augmented realities and the Internet of Things. These technologies are not yet commonplace but need to be factored into our data network planning.

Network access at MTCC is managed through our in-house resources and can be obtained through either wired or wireless network connections. Wired network access provides reliable high-speed data service for the most demanding of applications, such as application servers and video streaming. MTCC's wired network also forms the underlying backbone of MTCC's wireless system by connecting the many wireless access points with controlling equipment throughout both buildings. This interdependency makes it important to consider the effects any changes made to one service, which would affect another, when conducting upgrades.

Wireless network access provides connectivity for mobile devices and applications with less stringent data needs, such as web browsing and mobile applications. Our current Wi-Fi network implements the Wi-Fi 5 (802.11 ac) standard introduced in 2013. Cellular data services are also available to MTCC visitors through networks provided by standard telecommunications providers. These services are

provided by Bell, Telus, Rogers, and Freedom to subscribers with mobile data plans.

Wi-Fi 6

The promise of Wi-Fi 6 offers many advantages to both MTCC and its clients. Wi-Fi 6 offers MTCC the following advantages over traditional Wi-Fi technologies:

- **Increased bandwidth** – This offers nearly triple the data transfer speeds of traditional Wi-Fi. The additional bandwidth will be important in the future as 5G cellular service will eventually exceed traditional Wi-Fi speeds and could potentially be a viable option for data services traditionally served by MTCC networks for a fee. Wi-Fi 6 will allow our wireless services to maintain an advantage over emerging cellular services, offering protection to our wireless revenue streams.
- **Increased density** - This allows us to service a larger number of customers in the same small area. Increased capacity is important in areas such as dense meeting rooms where traditional Wi-Fi technology sometimes struggles to keep up with the increasing number of Wi-Fi devices used by our attendees, staff, and low-T network devices.
- **Stronger security** – Wi-Fi 6 implementations use updated security protocols, offering enhanced security for devices and data in transition.
- **Backwards compatibility for previous Wi-Fi standards** – This enables reliable service for devices that were released before widespread adoption of the new standard.

As mobile devices that support Wi-Fi 6 technology are increasingly released to market, the new standard will become dominant and be the expected level at which our wireless services will need to perform to meet our customer needs. To maintain high quality service and protect the financial viability of our wireless data services, it is important for MTCC to maintain a contemporary Wi-Fi network by implementing this new technology in a timely fashion. The capital expenditure required to upgrade the wireless services to Wi-Fi 6 compliant hardware and software will be significant.

MTCC Technology Strategy

Indeed, technology must continue to grow as a critical success factor for convention centre events. Data network services will be an underlying requirement for most of this technology. As such, both Wi-Fi 6 and 5G cellular data services will have an influence on our service offerings, which will need to be factored into our future network strategies.

- We will continue to enhance our wired network to maintain levels of service that ensure customer success and operational needs; and
- We are currently purchasing the necessary Wi-Fi 6 network infrastructure equipment required to accommodate contemporary wireless service needs. In fiscal 2023/2024, we will begin testing and implementation of this equipment.

Market Segment Overview

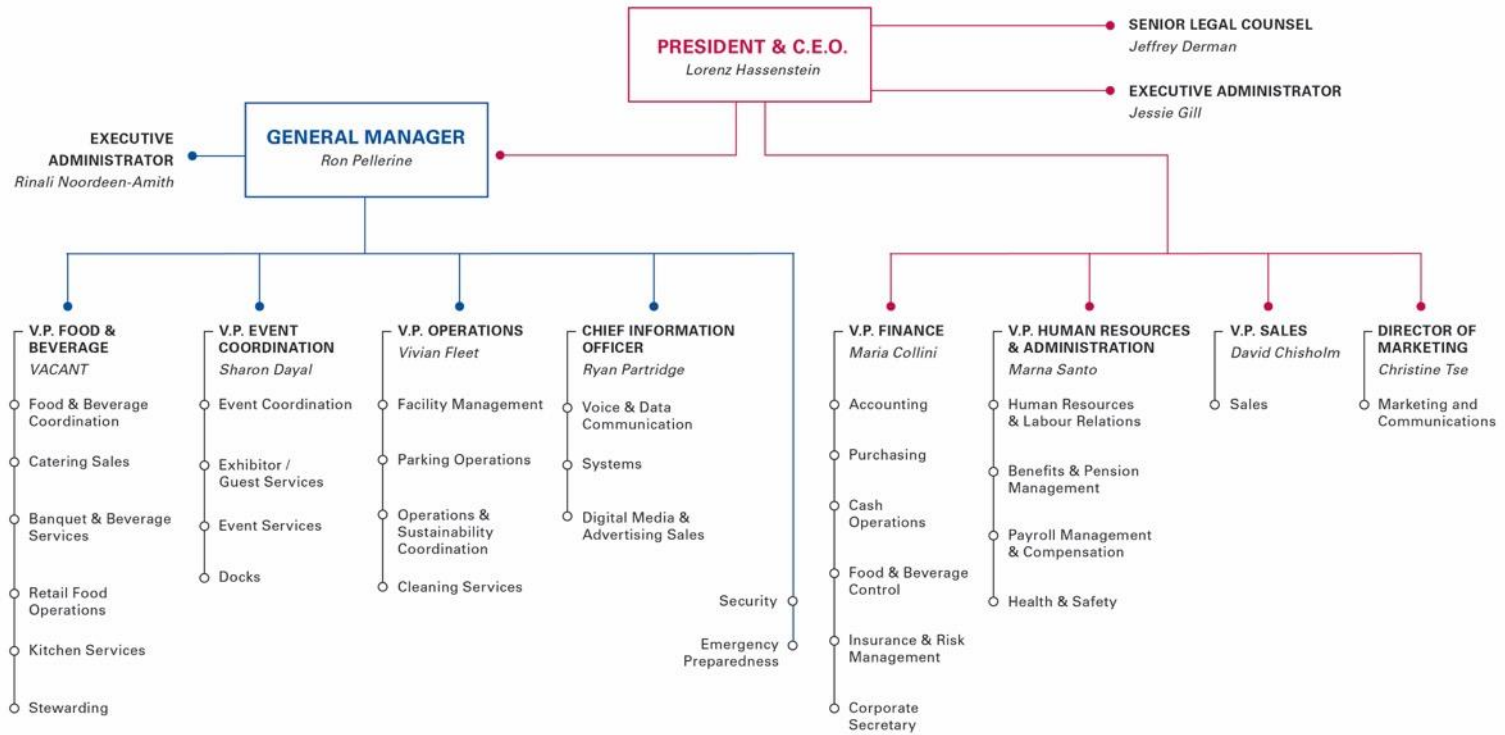
MTCC's recovery in fiscal 2023/2024 will be lead for the following reasons:

- The facility will host 21 citywide conventions in the highest on record;
- Two-thirds of these conventions are from the US (nine) and International (five) markets;
- Five of the 21 events are expected to attract 6,000 or more attendees; and
- The total number of events we will host is budgeted at 350. Management forecasts hosting 35 conventions in this fiscal year. Facility occupancy, which is generally in the mid to high 50% range, is budgeted to be 54%.

As we start a new sales year, our challenge will be to determine how much business we can “pick-up” in the year, given the economic uncertainty and lack of available space on the facility calendar. Most of our pick-up business will come from the local and Canadian markets by way of small to mid-size corporate meetings, theatre, and special events.

Our local annual public and tradeshow markets have essentially returned to pre-pandemic levels, with similar space being contracted. Show organizers remain concerned about the audience size attracted as the industry saw a 30 to 35% decline in attendance figures this past year.

Metro Toronto Convention Centre Organizational Chart



Corporate Goals and Strategies

We will focus on the six strategic corporate goals outlined in this section. Management has identified specific strategies to achieve these goals and has outlined performance measurement tracking procedures. Executives and department managers review financial goals monthly while all other corporate goals are reviewed quarterly.

Each executive is held accountable for achieving corporate goals and the results are reflected in their individual job performance review, conducted annually. In addition, all departments meet with the President & CEO to update him on their progress and accomplishments.

Goal #1: Customer Service

Goal / Output	Our goal is to achieve a 90% or greater customer satisfaction rate.
Strategies	<p>MTCC's approach is to increase customer service standards, marketing, and communication delivery.</p> <ul style="list-style-type: none"> We have established operating standards for each department, and we will monitor our results to ensure our standards are achieved. If client service failures occur, we will improve processes and/or identify specific training needs individuals may require. Our monthly customer service reports and day-to-day client feedback will be used to identify areas that require attention. We will amend the Safe Events Guide, ONWARDS, as local public health protocols evolve. Increase communication with our clients to identify gaps in our guest experience journey to accommodate current climate requirements and challenges.
Performance Measures / Outcomes	<p>On a monthly basis, we will analyze evaluation survey results with the aim to:</p> <ul style="list-style-type: none"> Achieve an overall satisfaction rating of 98% from our clients on the customer evaluation survey, with a response rate of 37%. Achieve an overall satisfaction rating of 93% from our exhibitors, with an 18% response rate on our exhibitor services evaluation survey.

Goal #2: Occupancy

Goal/Output

Prior to the pandemic, MTCC approached a 60% occupancy rate for the facility. Budgeting occupancy goals for this year is complex. More than half of our annual clients have not produced their first event post-pandemic. Many clients are utilizing less space in 2022/2023 and remain uncertain on how much space to contract for next year. That said, we do have 21 citywide conventions booked which will positively affect occupancy. Our goal for fiscal 2023/2024 is to reach an overall facility occupancy of 54%.

Strategies

Growing our occupancy is directly related to increasing the amount of exhibit space we can sell. We will continue to focus on booking large conventions and trade and consumer shows, which tend to utilize the most space, Furthermore, maintaining a diversified sales approach to booking all sizes of business, with a goal of filling the vacancies between larger events, is also essential to growing our occupancy numbers.

Performance Measures / Outcomes

The space used by each event is reported monthly and calculated by dividing the overall amount of saleable space available by the amount of space actually sold.

Goal #3: Financial

Our goal is to manage business operations efficiently while sustaining long-term growth.

We aim to generate a profit margin consistent with our historical trend. In addition, we will strive to maintain our facility to the highest standard by sustaining capital improvements on an ongoing basis funded from operations.

We expect to generate the following financial results as indicated in the 2023/2024 fiscal budget:

Goal / Output

- Gross revenue of \$64.2 million;
- Net revenue of \$35.7 million;
- Net operating income of \$12.9 million;
- Sustaining capital budget of \$2.5 million;
- Distribution payment of \$2.5 million; and
- Economic benefit of \$540 million.

We will achieve our mandate of generating an economic benefit for the Province and the City of Toronto. We will monitor the trend of financial key performance indicators to ensure financial results are in line with the budget and management's expectations.

Strategies

Manage in accordance with financial targets (revenue and expenses).

Meet the requirements of accountability measures established by the Agencies and Appointments Directive (AAD).

Performance Measures / Outcomes

Monitor progress using monthly financial statements and timely completion of key AAD requirements, which include the following:

- Annual report;
- Business and Strategic plan;
- External audit;
- Financial reporting;
- Agency Quarterly report to MTCS; and
- Compliance Report to the Board of Directors

Description	Actual 2020/21	Actual 2021/22	Forecast 2022/23	Budget 2023/24	Forecast 2024/25	Forecast 2025/26
Economic Benefit (millions)	N/A	\$35	\$380	\$540	N/A	N/A
Gross Revenue (millions)	\$13.3	\$37.5	\$53.1	\$64.2	\$65.5	\$66.8
Net Revenue Margin %	43.3%	74.0%	57.8%	55.6%	56.9%	57.3%
Net Operating Income (loss) (millions)	\$(12.0)	\$13.1	\$12.0	\$12.9	\$14.3	\$15.1
Net Operating Income (loss) %	(90.5)%	34.8%	22.7%	20.1%	21.9%	22.6%
Capital Expenditure (millions)	\$1.0	\$0.2	\$3.3	\$2.5	\$6.5	\$21.5
Distribution Payment (millions)	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5

Goal #4: Human Capital

Goal / Output	<p>Remaining a recognized leader in our industry. Protecting our strong culture through talent, retention and recruiting efforts. As the talent pool continues to become more limited and competitive, strategies that position MTCC as an employer of choice remains critical.</p>
Strategies	<ul style="list-style-type: none"> • Promote MTCC’s brand as an employer through LinkedIn, our website, social media, Indigenous and Francophone communities, and with new Canadians and Ontario youth. • Provide resources to support and promote a healthy workplace environment, both physically and mentally. • Expand our diversity and inclusion initiatives through partnerships, manager training, and the implementation of our Employee Inclusion Council to ensure all employees have a voice and feel included. • Gather consistent feedback from employees through surveys, meetings, and one-on-one communication to help ensure engagement and keep connections current. • Restructure and modernize MTCC’s employee recognition program, increasing our HR Brand awareness by communicating the opportunities and benefits of working at the MTCC to attract and retain top talent. • Align the training and development program with succession plans and internal growth opportunities. • Leverage technology to streamline the recruitment and onboarding process. • Ensure competitive and equitable remuneration across all departments
Performance Measures / Outcomes	<ul style="list-style-type: none"> • Measure success levels through MTCC’s various recruitment platforms. • Assess usage and reach levels achieved via social media. • Conduct a compensation review to ensure competitiveness and equity. • Track our health and safety incidents with the goal of zero lost time accidents and closely monitor our return-to-work program to ensure timely offers of modified work are being executed. • Identify potential gaps or high-risk areas to develop proactive retention plans that mitigate the impact of losing key personnel. • Monitor performance to ensure consistency and accountability across the board through our Annual Performance Review process, Incentive Pay Program, and progressive discipline procedure. • Analyze results from employee surveys to ensure high levels of engagement and determine where to focus our efforts. Results will be reviewed to identify patterns and trends using the baseline employee engagement metric of 85% satisfaction.

Goal #5: Corporate Social Responsibility

Goal / Output	<p>We will strive to obtain a 90% diversion of waste produced in the facility from landfill in fiscal 2023/2024.</p> <p>In keeping with our robust Corporate Social Responsibility program (CSR), we endeavour to host or organize four CSR events over the course of the year.</p>
Strategies	<ul style="list-style-type: none">• Continue to investigate new opportunities for recycling and reusing materials. Engage and educate employees, clients, and exhibitors to increase participation in the diversion program.• Continue to engage clients and exhibitors to contribute to the donation program in order to remove useful items from the disposal stream while helping to support local organizations. This program includes both food donations and in-kind donations from events.• Organize a variety of both internal and external CSR events to benefit the environment, the community, and the company. These events include food drives, charity fundraisers, neighbourhood garden plantings, and educational workshops.
Performance Measures / Outcomes	<ul style="list-style-type: none">• Conduct monthly visual audits of waste and recycling collected throughout the facility to identify all possible recycling streams and ensure an efficient capture rate of recyclable material.• Engage in a minimum of four events to benefit the community or the environment.• Marketing and Operations to strategically align and streamline program beneficiaries for the fiscal year.• Create communication opportunities to promote MTCC's positive results and social impacts to the local community.

Goal #6: Industry Leadership and Innovation

Goal / Output	We will maintain our industry leadership position through innovative uses of information technology.
Strategies	<ul style="list-style-type: none">• Drive operations delivery through digital transformation of traditional offerings and processes.• Enhance our data network capabilities to accommodate next generation events requiring a high degree of technical capabilities.• Redevelop the employee experience to accommodate the new realities of a hybrid workplace with a focus on enhancing the company culture and collaboration. Broaden our digital media offerings to provide a more dynamic experience and engage new client segments.• Provide guidance and thought leadership within the hospitality and tourism sectors.
Performance Measures / Outcomes	<ul style="list-style-type: none">• Reengineer our manual or paper based operational processes and transactions to digital-only using new applications and automation.• Upgrade our wireless network to next generation Wi-Fi 6 capabilities• Provide hybrid office and mobile workforce technology options that recognize the new and emerging standards of workplace expectations.• Develop turnkey rich content opportunities for events including integrated social media feeds and exhibitor meeting booking.• Participate on association boards and conference panels discussing strategies for overcoming industry challenges and developing new opportunities within the hospitality and tourism industries.

Goal #7: Food and Beverage

Goal / Output

To ensure financial stability of the Food and Beverage operation through heightened focus on revenue opportunities, operational cost engineering, enhanced labour productivity strategies, and tactical product and service development. Return department margins gradually to pre-pandemic levels.

Strategies

- Increased frequency of dialogue with existing clients and communication with business prospects.
 - Menu engineering to reflect commodity price increases, competition analysis, labour challenges, and client requirements.
 - Leverage all supplier relationships and purchasing power through supply chain partners.
 - Rigorous analysis of popularity and profitability reporting.
 - Continued adaptation of services/styles to accommodate current safety requirements and challenges.
 - Labour gap analysis with a focus on talent training and recruitment plans.
-

Performance Measures / Outcomes

- Mitigated loss of annual business.
 - New business acquisitions.
 - Annual revenue/profit achieved.
 - Positive guest feedback of new programs and services.
 - Maintaining the culinary program's global reputation as an industry leader.
-

Operating Budget Summary

Business Assumptions

The forecasts and projections presented here are based on several estimates and assumptions that are inherently subject to business and economic conditions. Actual results achieved may vary from those shown here.

The following assumptions have been used in formulating the budget for fiscal 2023/2024:

- 2023 inflation rate is forecasted at 2.6%; *
- US exchange rate – CDN currency is forecasted to average between \$0.70 and \$0.72 USD during 2023; and *
- Economic growth – GDP for 2022 is forecasted at 3.3%. *

* Source: TD, Canadian Quarterly Economic Forecast, September 27, 2022.

Management's yearly budgetary review of the MTCC event calendar, estimated pick-up business, cost structure, and market conditions have formed the basis of the revenue and expense projections for fiscal 2023/2024.

The following assumptions and estimates have been used based on MTCC's event calendar:

- Fiscal 2023/2024 projected number of events: 350;
- Fiscal 2023/2024 projected occupancy rate: 54%; and
- Historical pick-up rate taking into consideration business already on the booking calendar.

The revenue and expenses for fiscal 2023/2024 are estimated based on the future outlook of business. The profitability projections for the two forecasted years are based on best estimates.

MTCC's financial results have been presented based on Public Sector Accounting Standards (PSAS).

The reporting format used in the Business and Strategic Plan is consistent with the prior year to ensure that the financial results can be compared to historical information. In addition, this format is functional from an operational standpoint and effectively communicates the state of our business.

MTCC is required to report financial information to the Ministry of Finance so its operating results are included in the province's summary of financial statements.

Performance Measurement Statistics

Six indicators allow management to monitor the financial performance of the Corporation. To be effective, management must analyze these indicators on a regular basis.

1. Monthly monitoring of current, forecasted, and historical occupancy rates, together with the average rate per square foot. Taking into consideration the facility is the primary asset of the Corporation, revenue opportunities and supplementary revenue for other departments are directly linked to the rental of the facility.
2. Ensure funding for capital improvements is generated from operating activities. Management is responsible for prioritizing work projects, obtaining approval from the Board of Directors and releasing funds at the beginning of each quarter contained in the new fiscal budget. Management also examines the projects monthly to ensure progress.
3. Monitor the number of convention delegates and public/trade show attendees as these variables are the basis for economic benefit calculations. This indicator establishes the amount of economic benefit the MTCC generates as a result of bringing conventions, public events, and trade shows to the City of Toronto. MTCC currently uses the provincial TREIM model to measure economic impact.
4. Evaluate operational processes and procedures to ensure efficiency and the optimal allocation of available resources. Management reviews detailed reports comparing monthly actual performance to the planned results and is able to adjust and establish courses of action in order to achieve greater efficiencies, as well as budget expectations.
5. Monitor and manage cash flow to uphold management's commitment to making annual distribution payments to our shareholder (the Government of Ontario). Free cash flow is calculated by subtracting capital project expenditures in the year from net operating income generated from operations. All departments also proactively manage overhead expenses to yield greater profitability.
6. Ensure the Corporate Procurement Policy and the Travel and Hospitality Policy are in accordance with current directives issued by the Treasury Board/Management Board of Cabinet. All expenditures are monitored in an effort to contain costs and ensure compliance with the respective policies and directives.

Risk Management

The risk framework focuses on identifying and responding to corporate risks MTCC faces, including the implementation of programs and controls to prevent, detect, and deter fraud. Management identifies the major corporate risks that could impact the Corporation and puts in place appropriate mitigation strategies to effectively manage these risks.

The maintenance of an effective internal control system is essential to:

- The reliability and integrity of the financial statements;
- Increasing the effectiveness and efficiencies of operations;
- The safeguarding of assets; and
- Ensuring compliance with laws and regulations.

Specifically, the goal of MTCC's risk management process is to identify potential events that may impact the organization and then manage the identified risks within reasonable limits.

As part of the risk management process, MTCC conducts both an annual external audit and an internal audit of procedures that focus on safeguarding the Corporation's assets. In particular, the external audit is conducted with a high level of transaction sampling to detect potential or actual fraud and mismanagement. External auditors submit their findings to the Finance and Audit Committee, along with suggestions for improvements to existing processes.

Internal controls are based on an ongoing process whereby a team of colleagues is assigned to periodically review various aspects of the operations. The objective is to evaluate and identify the likelihood of the risks being realized and to manage them effectively. Some examples of risk management programs include:

- Insurance adequacy testing;
- Credit extension policy review;
- Budgetary control procedure scanning;
- Business continuity assessment;
- Emergency preparedness planning;
- Asset management policy audits;
- Health and safety policy inspections;
- Human resources planning;
- Network management software; and
- South Area Facilities and Entertainment Group (S.A.F.E.) exercises.

MTCC periodically updates its travel, hospitality, and procurement policies to ensure it complies with the required protocol and new directives received from the Management Board of Cabinet.

In addition, management regularly reviews the list of all service providers to ensure proper policies and procedures are followed. The effectiveness of our control system is evident as MTCC has consistently received an unqualified auditor's report without any material adjustments identified.

Projected Cash Flow and Distribution Payment

Based on the projected operational results outlined in the Business and Strategic Plan, the MTCC will generate sufficient cash flow to meet its operational obligations, finance sustaining capital improvement projects, and meet its commitment to the shareholder by way of distribution payment.

The corporation has no debt, and therefore forecasted operational profits will gradually increase cash surpluses. Cash surpluses will be required to self-finance the replacement of aging equipment and the purchase of the Marshalling yard.

MTCC will maintain \$2.5 million cash reserve for insurance deductible until lower deductibles can be achieved.

The amount of distribution payment will be made at the discretion of the Board of Directors of the Corporation from retained earnings after considering the financial requirements necessary to operate the business and

reinvest in the facility. With the conversion of debt to equity in March 2003, the Ministry of Finance and MTCC established the Distribution Payment Policy. The MTCC agreed to make a minimum payment to the Province of Ontario annually in the amount of \$2.5 million.

Due to historically strong financial results, the MTCC has made distribution payments of \$107 million since 2003 compared to the minimum required commitment of \$47.5 million.

Management is recommending to the Board of Directors distribution payments as follows:

- \$2.5 million on March 31, 2023
- \$2.5 million on March 31, 2024; and
- \$2.5 million on March 31, 2025.

Highlights Fiscal 2023/2024 Operating Budget

Gross revenue \$64.2 million or +20.9% compared to 2022/2023 forecast

Net revenue \$35.7 million or +16.3% compared to 2022/2023 forecast

Net operating income \$12.9 million or + 7.5% compared to 2022/2023 forecast

Depreciation \$11.5 million or +7.7% compared to 2022/2023 forecast

Net income \$1.4 million or +5.2% compared to 2022/2023 forecast

Food and Beverage

The fiscal 2023/2024 food and beverage portfolio of products and services has been built to attract new business in international, national, and local markets. The Centre's culinary program is distinctive as it strongly focuses on the procurement of local ingredients, VQA wines, and provincial artisan producers. Dishes are designed in-house and from scratch, supported by an exceptional service program. We continue to lead our industry through the innovative efforts of our food donation program which supports many individuals and communities in need.

As these programs and services truly differentiate us between other centres and destinations, it is imperative they are maintained to ensure superior yield in all markets.

Convention Market

Although we are seeing the return of US and International conventions, we are still encountering reduced attendee numbers and decreased organizational budgets. As such, revenue for this market has been reduced significantly. Also affecting this market is the continued rise in key ingredient costs in fiscal 2022/2023, menu prices were increased to reflect the added expense. We will continue to monitor ingredient costs and look for opportunities to offset the increases while ensuring we remain competitively priced within the market segment. Fiscal 2023/2024 will require innovative solutions for this market, as many clients look to rebuild their events and for creative ways to stretch their food and beverage budgets.

Social Market

Unique to a convention centre environment, the Centre hosts many of the city's signature fundraisers, political forums, and corporate holiday events. Traditionally, this market represents 18-20% of overall revenues; however, fiscal 2023/2024 is scheduled to deliver nearly 30% of the total food and beverage revenue.

Our clients are loyal and trust in the Centre's ability to deliver quality and contemporary products and services, especially during these unique and unprecedented times. Many of these events have experienced a void in their fundraising initiatives and are anxious to re-engage in these activities. We anticipate the social market to return to a more normalized percentage of overall revenues as more

events continue to move towards normal date patterns, attendance, and frequency.

Retail Food Operations

Retail Food Operations during times of economic decline have historically provided an alternate solution for events challenged with reduced budgets. Although we have seen some of this materialize, many events cannot support the number of attendees required to deliver an appropriate financial model for our third-party supplier. As events return to historical levels, we expect revenues to begin to normalize.

Facility Rental

The lifting of all travel and capacity restrictions has created massive demand for convention and tradeshow space. We are scheduled to host 21 citywide conventions this year, the most in our history. These conventions are forecasted to attract over 100,000 delegates to Toronto. Of the 21 conventions, 14 are based outside of Canada, thus generating significant economic impact.

We have over \$15.3 million in facility rental revenue confirmed and are budgeting \$16.8 million for the entirety of the year.

Parking

MTCC operates two parking garages: the North Building garage with 1,200 spaces and the South Building garage with 500 spaces.

Traditionally, events taking place at MTCC represent the main source of parking revenue at approximately 55%. Conventions, trade shows, public, and social events account for the most significant percentage of revenue, at approximately 50%. The remaining 5% comes from smaller meetings, theatre events, set-up workers, employees, and tenant parking.

External transient traffic from local area events and attractions accounts for approximately one third of our revenue. This includes payments from those visiting Ripley's Aquarium, the Scotiabank Arena, Rogers Centre, CN Tower, Steam Whistle Brewery, and The Rec Room. The remaining 11% of revenue comes from monthly clients, including 134 reserved spaces at a premium price, as well as miscellaneous non-reserved clients and the potential for 50 to 75 dedicated for hotel valet parking.

The number of local surface parking spaces adjacent to MTCC has significantly decreased over the past decade due to new building developments. While new buildings have created garage spaces resulting in an overall increase to area inventory, they are subject to the demands of their own internal tenants and as such do not necessarily have a negative impact on our revenue. In fact, the closure of some lots, such as one in Harbourfront in the upcoming years, could prove to positively impact our occupancy as clients look for alternative parking locations.

As well, an increase in single occupancy vehicle usage, and a move away from public transport, has been observed as a result of the pandemic. While this trend

may decrease in the future, it is expected to not return to pre-pandemic levels for some time.

One of the largest factors affecting occupancy, particularly in the North garage, is increased congestion in the downtown core. Construction lane closures and pedestrian traffic, as well as special events and changes to TTC routes, all negatively impact access and user experience to our garages.

To help improve occupancy, management has added improved signage at the entry to increase visibility. The use of paid duty police officers continues to be an important part of improving client experience while entering and exiting our garages. The South Building garage occupancy has remained strong with its ideal location near Lakeshore Boulevard, the highway, and close proximity to local area attractions.

Our non-cash transactions have increased to 90% on average, with cashier handling of cash now only in the vicinity of 10% per month. Our goal is to shift from in-booth transactions to pay-on-foot or credit card transactions at the columns, to provide efficient movement of traffic and minimize line-ups in any one area. Given this, outdated machines at entry and exit points, as well as program software, will require updates soon.

We currently have four electric vehicle (EV) charging stations in our garages. Three are in the North garage and one is in the South garage. With increased electric cars, we expect to add additional stations in future years to provide our clients with added value service.

Management has budgeted \$11.7 million in revenue for 2023/24.

Communications

The primary sources of revenue for communications are wired and wireless data network communications services. Communications revenue is heavily dependent on the convention and trade show markets, which, in traditional years, accounts for 60 to 70% of the communications revenue.

Based on the anticipated level of business in fiscal 2023/2024, particularly with the return of citywide conventions, we expect strong revenues compared to the previous year where events struggled to recover from the pandemic shutdown.

Digital Media & Advertising Sales

Our digital media inventory consists of 110 digital signs (for example, digital walls, meeting rooms, general purpose, and exterior marquee signs). In addition to providing event directory and meeting room session information, these signs are used by events for branding and advertising opportunities, as well as to create engaging attendee experiences.

In a traditional year, about 50 events integrate digital media with their event. These are primarily conventions and public shows (notably, the Canadian International Auto Show and Fan Expo Canada).

In fiscal 2023/2024 we expect revenues to improve compared to the previous year. This is due to both an increase in the number of conventions we anticipate hosting, as well as the expectation that our clients will have established stronger sponsorship programs after struggling to reinstate them during reopening.

With our Sales and Marketing departments, we are working with key clients to promote the value of sponsorship and advertising revenue for their events. One of our desired outcomes from this is an increased use of our digital media advertising opportunities.

Systems

The Systems department manages the technology and data needs of the MTCC staff. This includes the applications used to facilitate MTCC services, such as our event management software and digital communications systems, as well as the devices used to access these applications (for example, laptops, tablets, and mobile phones).

In fiscal 2023/2024 we will focus on increasing business opportunities and optimizing processes through digital transformation. We will also continue to evolve our cyber security posture to maintain a secure environment for MTCC people and data.

Event Services

The Event Services department is responsible for setting up, refreshing, and taking down event equipment in meeting rooms (for example, chairs, tables, stages, etc.). In most cases, they operate 24 hours a day, seven days a week. The Event Services team works closely with Event Coordination, Catering Coordination, and our clients on the logistics of room set-ups.

They also manage an inventory of equipment used for rentals. The main source of Event Services' revenues is from conventions followed by corporate, meeting, and social market events.

Based on the facility rental outlook and food and beverage forecast for fiscal 2023/2024, we expect our revenues to be higher than revenues achieved in fiscal 2022/2023. While the industry continues to recover, we expect our revenues to remain below fiscal 2019/2020 levels.

Overview of General Expenses by Cost Centres

General expenses are categorized by the following cost centres:

- General and Administration;
- Sales and Marketing;
- Engineering;
- Energy;
- Cleaning Services;
- Technology Services;
- Insurance; and
- Other expenses.

Total general expenses range between 34 and 35.5% of gross revenue.

The following is an overview of the major cost centres:

General and Administration Expenses

The General and Administration budget primarily consists of administrative, general payroll, and benefit expenses. General payroll and benefit expenses are 80%, the majority of which is fixed in nature, and consists of Accounting, Security, Docks, Purchasing, and Human Resource department wages. Administrative expenses are 20%, and they include legal, consulting fees, disability (WSIB) benefits, bank charges, credit card commissions, employee development and programs, corporate travel-related costs, and bad debts.

Engineering

Facility Services

The Facility Services Department is responsible for repairs and maintenance of the 2.4 million sq. ft. facility. It has 10 full-time workers (five building operators, four assistant building operators, and one painter) to perform essential work on a 24-hour, seven-days-a-week basis. Additionally, service and maintenance contractors are also engaged to provide specialized support with the ongoing upkeep of the infrastructure and significant assets of our operation.

The major components of other expenses budgeted for 2023/2024 are detailed as follows:

- Legal expenses, projected at \$100 thousand, relate largely to employee relations and sales contract negotiations. Consulting expenses, budgeted at \$144 thousand, pertain to employee benefits and pension management. As a WSIB Schedule 2 Employer, the MTCC is required to fund all WSIB claims. Management continues to work with a third-party provider, Oncidium Health Group, to manage the disability claims and return-to-work process in an efficient and effective manner. A budget of \$107.5 thousand for ongoing long-term claim costs has been allocated.
- Bank charges are projected at \$48 thousand. These charges consist of fees for payroll services and other miscellaneous financial services provided by MTCC's bank.
- Credit card commissions are associated with corporate revenue and are budgeted at \$336 thousand.
- Employee development and program expenses are determined by the regulatory requirements and other career development program initiatives to support the MTCC's succession planning. The budget for this expense is \$165 thousand.
- The Human Resources Information System (HRIS) provides efficient processing and communication of employee information and key information resources for management decisions. The budget allocation for 2023/2024 is \$140 thousand.

The annual operating budget is approximately \$5.88 million in fixed and variable expenses. The major expense items in this budget include:

- Salary, hourly wages, and benefits, which represent \$2.0 million or 33% of the budget;

- Contract services and suppliers, such as elevator/escalator maintenance, garbage disposal, equipment repairs, mechanical and plumbing, and electrical and refrigeration, which represent \$2.55 million or 44% of the overall engineering budget. Due to a shortage of skilled elevator and escalator mechanics and the high demand for these services, our annual maintenance cost has significantly increased since June 2022 from \$35k per month to \$56k per month; and
- Common area charges from Oxford Properties of \$1.4 million or 23% of the overall budget.

Aging Equipment

With the North Building approaching 40 years of age, an ever-increasing amount of equipment is reaching end of life. The building itself must also be examined in the near future to determine if major renovations are to be conducted or if a larger facility reconstruction is required.

Management continues to proactively address major repairs/replacements of our critical escalators and elevators. Previously, all North Building escalators were replaced at approximately 22 years of service, and we have been upgrading elevators on an as-needed basis. The next phase of this activity could take place over the next three to five years, longer than initially expected due to current limited access to capital funds. Once funds are secured, the next phase would incorporate the following:

- South Building escalators (circa 1997), 17 units. Replacement of heavier used units (bridge to street levels) and refurbishment of remaining units;
- Repairs/upgrades to freight elevators for safe and stable operations; and
- Upgrades to passenger elevators as needed for safe and reliable operations, and to improve the fit and finish elements.

The estimated cost for this project is between \$8 million and \$9 million.

Energy Cost

The total budgeted amount for energy is \$2.8 million, with a breakdown of:

- 74.4% in electricity costs;
- 7.9% in chilled water and steam heating costs;
- 6.2% in natural gas costs; and
- 11.5% in water and sewage costs.

Our North Building landlord, Oxford Properties, will continue to purchase electricity for the complex on-the-spot market.

Management has received advice from our energy consultants, Energy Profile Ltd., and based on their recommendations have forecasted the unit cost to be \$0.12 per kWh for fiscal 2023/2024.

The charge on natural gas is expected to be \$0.329 per m³ for 2023/24.

As mandated by the City of Toronto, water and sewage costs are expected to be \$4.331 per m³ in 2023/24.

In the South Building, we obtain our electricity supply from Toronto Hydro, and gas supply from Enbridge Gas. Based on the advice we received from our energy consultants, we have applied \$0.12 per kWh rate for budget purposes.

Enwave Energy supplies our heating and cooling needs for the South Building. With the current negotiated service agreement in place for both chilled water and steam heating, MTCC will continue to benefit by receiving favourable rates in these areas, which are rates given only to Enwave's most preferred customers.

For the 2023/24 winter season, a rate of \$0.0104 per pound of steam is expected. We are also expecting to receive a steam capacity charge of \$7,928 per month. Our cooling charge is yet to be confirmed; however, it is estimated to increase by 2% to \$0.050 per ton-hour.

Management will continue to closely monitor our energy consumption and curtail our consumption where possible.

Cleaning Services

The Cleaning Services department is responsible for the overall cleaning and sanitation of the facility, as well as managing the waste disposal and recycling program. The department has 20 full-time employees who perform routine facility cleaning, exclusive event cleaning services, and help support our sustainability program. Cleaning Services generate revenues from cleaning our client's events, which is broken down into two categories:

- Booth/feature cleaning
- Bulk trash removal

This coming year, Cleaning Services has budgeted revenues of \$716 thousand for Booth/feature cleaning and \$554 thousand for bulk trash removal.

Sales and Marketing

The budget for this department includes salaries, benefits, advertising/promotion, communications, and business development. The total budget for this year will be \$3 million. It currently does not make allowance for our annual contribution to the Convention Development Fund (CDF).

Our business has rebounded faster than anticipated coming out of the pandemic, as evidenced by our results this current fiscal year. This was primarily led by the demand from the Canadian corporate and association markets, as well as trade and consumer show clients. Our continued growth for next year will be buoyed by hosting several large US and International conventions. Our success in winning citywide convention business for future years, more specifically from the US and International markets, will continue to drive growth in building occupancy, economic impact, and overall revenues.

Our collaboration with the sales team at Destination Toronto and our strong sales acumen, targeted research, and programming such as the Leaders Circle will create opportunities to remain competitive in citywide markets. It is also imperative that we have a healthy and sustainable CDF.

The Marketing and Communications Plan that later follows illustrates how we will work diligently to continue re-building to grow our business through several key sales and marketing initiatives.

Financial Trend

	Actual Mar-20	Actual Mar-21	Actual Mar-22	Forecast Mar-23	Budget Mar-24	Forecast Mar-25	Forecast Mar-26
GROSS REVENUE	\$ 75,230,417	\$ 13,252,171	\$ 37,527,354	\$ 59,376,100	\$ 64,152,200	\$ 65,475,800	\$ 66,828,600
Revenue Growth	-0.3%	-82.4%	183.2%	58.2%	8.0%	2.1%	2.1%
OPERATING EXPENSES	\$ 51,217,284	\$ 25,249,896	\$ 24,456,289	\$ 40,508,700	\$ 51,225,900	\$ 51,158,500	\$ 51,758,100
Operating Expenses %	68.1%	190.5%	65.2%	68.2%	79.9%	78.1%	77.4%
NET OPERATING INCOME (LOSS)	\$ 24,013,133	\$ (11,997,725)	\$ 13,071,065	\$ 18,867,400	\$ 12,926,300	\$ 14,317,300	\$ 15,070,500
Net Operating Income (Loss) %	31.9%	-90.5%	34.8%	31.8%	20.1%	21.9%	22.6%
Depreciation	10,577,837	10,570,404	10,261,753	10,658,200	11,523,000	11,200,000	11,400,000
NET INCOME (LOSS)	\$ 13,435,296	\$ (22,568,129)	\$ 2,809,312	\$ 8,209,200	\$ 1,403,300	\$ 3,117,300	\$ 3,670,500
	17.9%	-170.3%	7.5%	13.8%	2.2%	4.8%	5.5%

Proforma Balance Sheet

ASSETS	Actual As at March 31, 2021	Actual As at March 31, 2022	Forecast As at March 31, 2023	Budget As at March 31, 2024	Forecast As at March 31, 2025	Forecast As at March 31, 2026
CURRENT:						
Cash	\$ 1,295,551	\$ 6,657,556	\$ 7,456,800	\$ 8,696,900	\$ 11,856,000	\$ 17,048,400
Emergency Stabilization Fund	2,760,093	508,189				
Cash reserve for Marshalling Yard purchase		1,750,000	7,450,000	13,450,000	15,000,000	
Restricted cash for insurance deductible		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Customer Deposits	15,577,876	15,734,699	20,000,000	20,000,000	21,000,000	21,000,000
Accounts Receivable	4,167,270	665,101	1,000,000	850,000	900,000	1,000,000
Inventories	344,232	567,192	700,000	700,000	750,000	770,000
Prepaid Expenses & Other Assets	720,944	681,304	800,000	900,000	800,000	900,000
TOTAL CURRENT ASSETS	\$ 24,829,966	\$ 29,064,041	\$ 39,906,800	\$ 47,036,900	\$ 52,086,000	\$ 43,218,400
OTHER ASSETS						
Capital Assets	\$382,169,847	\$382,382,825	\$385,678,200	\$388,226,200	\$394,726,200	\$416,226,200
Accumulated Depreciation	-201,943,637	-212,391,789	-223,272,800	-234,980,800	-246,365,800	-257,950,800
Employee Future Benefits	-2,040,600	-965,200	-1,560,200	-1,320,100	-1,080,000	-980,000
TOTAL ASSETS	\$203,015,576	\$198,089,877	\$200,752,000	\$198,962,200	\$200,086,400	\$200,513,800
LIABILITIES						
CURRENT:						
Accounts Payable & Accrued Liabilities	\$ 2,797,593	\$ 4,610,192	\$ 5,500,000	\$ 6,000,000	\$ 6,500,000	\$ 6,750,000
Capital Contribution	39,724,442	38,731,331	37,738,200	36,745,100	35,752,000	34,758,900
Deferred revenue (Emergency Stabilization Fund)	6,745,093	533,769				
Deferred revenue (Customer Deposits)	15,577,876	15,734,699	20,000,000	20,000,000	21,000,000	21,000,000
TOTAL LIABILITIES	\$ 64,845,004	\$ 59,609,991	\$ 63,238,200	\$ 62,745,100	\$ 63,252,000	\$ 62,508,900
EQUITIES						
Surplus	\$122,387,997	\$ 99,819,868	\$102,629,200	\$103,963,100	\$105,366,400	\$108,483,700
Distribution	-104,500,000	-107,000,000	-109,500,000	-112,000,000	-114,500,000	-117,000,000
Contributed Surplus	142,850,704	142,850,706	142,850,700	142,850,700	142,850,700	142,850,700
Current Operating Gain	-22,568,129	2,809,312	1,333,900	1,403,300	3,117,300	3,670,500
TOTAL EQUITIES	\$138,170,572	\$138,479,886	\$137,313,800	\$136,217,100	\$136,834,400	\$138,004,900
TOTAL EQUITIES AND LIABILITIES	\$203,015,576	\$198,089,877	\$200,552,000	\$198,962,200	\$200,086,400	\$200,513,800

Statement of Changes in Financial Position

	Actual March 31, 2021	Actual March 31, 2022	Forecast March 31, 2023	Budget March 31, 2024	Forecast March 31, 2025	Forecast March 31, 2026
Net inflow / outflow of cash related to the following activities operating						
Surplus of revenue over expenses	\$-22,568,129	\$ 2,809,312	\$ 1,333,900	\$ 1,403,300	\$ 3,117,300	\$ 3,670,500
Add charge to operations not requiring a current cash payment						
Depreciation (including depreciation charged to Parking)	10,760,533	10,448,152	10,880,900	11,708,000	11,385,000	11,585,000
	\$-11,807,596	\$ 13,257,464	\$ 12,214,800	\$ 13,111,300	\$ 14,502,300	\$ 15,255,500
Changes in non-cash working balances related to operations:						
Accounts receivable	-1,217,214	3,502,169	-334,900	150,000	-50,000	-100,000
Inventories	475,100	-222,928	-132,800	0	-50,000	-20,000
Prepaid expenses	244,163	39,640	-118,700	-100,000	100,000	-100,000
Employee future benefits	195,800	-1,075,400	595,100	-240,100	-240,100	-100,000
Accounts payable and accrued liabilities	1,473,374	-4,398,775	356,100	500,000	500,000	250,000
Deferred contribution related to tangible capital assets	-993,111	-993,111	-993,100	-993,100	-993,100	-993,100
	\$-11,629,484	\$ 10,109,059	\$ 11,586,500	\$ 12,428,100	\$ 13,769,100	\$ 14,192,400
Financing Distribution payments						
2020/2021	-2,500,000					
2021/2022		-2,500,000				
2022/2023			-2,500,000			
2023/2024				-2,500,000		
2024/2025					-2,500,000	
2025/2026						-2,500,000
Investments						
Additions to Sustaining Capital Assets	-39,305	-212,978	-2,995,400	-977,000	-3,850,000	-5,750,000
Special Projects					-1,900,000	-15,000,000
Oxford Properties Capital Projects	-7,853		-300,000	-1,571,000	-750,000	-750,000
Modifications						
Cash reserve - Prior Year Approved Budget	-982,776					
Increase / decrease in cash	\$-15,159,400	\$7,396,081	\$ 5,791,100	\$ 7,380,100	\$ 4,769,100	\$ -9,807,600
Cash at the beginning of the year	19,179,064	4,019,664	11,415,700	17,206,800	24,586,900	29,356,000
Cash at end of the year	\$ 4,019,664	\$ 11,415,745	\$ 17,206,800	\$ 24,586,900	\$ 29,356,000	\$ 19,548,400



An Agency of the Government of Ontario

Marketing and Communications

Marketing Overview

We had an exceptional year of hosting events and saw an immense demand to reconvene. We witnessed the high demand for in-person events across the industry and welcomed back conventions, corporate meetings, and many trade and consumer shows. In addition, the need for events with a virtual component has diminished.

Last fiscal year, our marketing activities and communication initiatives were focused on refining, preparing, and anticipating the need for getting back to business. The significant work and planning behind creating our safety resources was critical for our clients and ONWARD, our enhanced safe events guide, and was very well received. It was imperative to demonstrate our assured ability to host safe events, to instill confidence with our clients, and to reaffirm our strong brand as the most experienced convention centre in Canada.

We completely redesigned our corporate website last year as well, a significant project which laid the foundation for strategic marketing initiatives that benefit our clients and their exhibitors and attendees. The site was developed conscientiously with research that generates lead generation, visitor data, and other valuable information. The latest technology in design and web tools were integrated, and the website now offers clients, prospects, and staff to efficiently conduct virtual tours and sites. Overall, significant additions were included to this website build, which included a new online ordering system, as well as new floorplans and tours for planners in both English and French. As well, the site is fully accessible for those with disabilities.

We also honed our social media and communication strategies to increase engagement and ensure key messages are relayed to stakeholder audiences, when needed. In addition, we re-engaged with key industry associations through both partnership and sponsorship. In essence, the enhancements made to our digital and social (i.e. website, social media channels, etc.) platforms will serve as a strong foundation for some of the inbound marketing strategies this year.

US and International markets will continue to be high-priority segments of our business to secure future conventions beyond 2024 that meet our mandate and generate economic impact. Inbound marketing and content marketing tactics will generate interest for potential clients throughout the sales process.

Our domestic trade and consumer show business will also remain a priority to help achieve our occupancy goals. This niche marketing approach will require a hyper-focused strategy with acute client-based marketing tactics. In addition, short-term marketing campaigns will be activated at appropriate times of the year for infill periods (July, November – January) to achieve our pick-up goal this fiscal year.

The overall marketing plan and strategy are aligned to drive success in achieving and exceeding our corporate goals in facility and ancillary revenue, client service, occupancy, and sustainability.

Communications Overview

Stakeholder Audiences



Customers

Ensuring we keep in regular contact with our clients and continue to build brand resonance and retention.



Industry and Business Groups

Keeping the convention and meetings industry at large informed of our developments, successes, and initiatives.



Community

Engaging residents and businesses on our local impact to the community and contribution to Toronto’s financial success.

Stakeholder	Key Messages
-------------	--------------

Clients

Reinforce MTCC as the most experienced convention centre in Canada. Planners can trust us as partners to deliver a world class safe and successful event. We will achieve this through:

- Continued regular e-newsletters;
- Continued social media campaigns and activations;
- Tailored news and interest stories; and
- Aligned and supported destination messaging with Destination Toronto.

Industry and Business Groups

MTCC is an important asset and contributor to the local economy. We look forward to continuing to support the success of business events sectors, and our impact to the success of the region. We will achieve this by:

- Keeping involved with industry associations to share MTCC developments and successes;
- Identifying opportunities for strategic collaboration and impact; and
- Capitalizing on opportunities in industry media and at industry events.

Stakeholder

Key Messages

Community

MTCC plays a key role in the economic recovery of our city and province. We look forward to helping rebuild our economy and continuing to generate significant economic impact for Toronto and Ontario. In a typical year, MTCC generates half a billion dollars for our region in economic impact. Our community-focused initiatives include:

- Sharing our positive economic and social impact with the community, with a focus on why it matters;
 - Leveraging social media to amplify our messages to community stakeholder and residents;
 - Partnering with cultural and academic institutions in creative ways;
 - Supporting appropriate community initiatives, (for example, Toronto District School Board, Habitat for Humanity, Red Door Toronto, etc.); and
 - Share our sustainability initiatives that support the local community (for example, charitable donations and food deliveries).
-



An Agency of the Government of Ontario

Appendices

Construction Projects in the Area



1.5 Development Key Plan

Status of Development

Pre-Application

1. 101 Spadina Ave.

Submitted

1. 367 King St. W.
2. 14 Duncan St.
3. 156-160 John St.
4. 126 John St.
5. 315-325 Front St. W.
6. 145 Wellington St. W.
7. 301 Front St. W.
8. 277 Wellington St. W.
9. 212-220 King St. W.
10. 240 Adelaide St. W.
11. 355 Adelaide St. W.

Decision (Approved/Refused)

1. 24 Mercer St.
2. 388 King St. W.
3. 171 Front St. W.
4. 260-322 King St. W.
5. 411 King St. W.
6. 263 Adelaide St. W.
7. 86 John St.
8. 150-158 Pearl St.
9. 217 Adelaide St. W.
10. 400-420 King St. W.
11. 301-319 King St. W.

Appealed

1. 400 Front St. W.
2. 122 Peter St.
3. 100 Simcoe St.
4. 49 Spadina Ave.

Under Construction

1. 283 Adelaide St. W.
2. 330 Richmond St. W.
3. 57 Spadina Ave.
4. 19 Duncan St.
5. 15 Mercer St.
6. 357 King St. W.
7. 160 Front St. W.
8. 23 Spadina Ave.
9. 8-30 Widmer St.
10. 327 King St. W.
11. 102-118 Peter St.
12. 40 Widmer St.
13. 99 Blue Jays Wy.

Completed (2009-2021)

1. 16 York St.
2. 224 King St. W.
3. 134 Peter St.
4. 11 Charlotte St.
5. 25 Lower Simcoe St.
6. 21 Widmer St.
7. 295 Adelaide St. W.
8. 292 Bremner Blvd.
9. 18 York St.
10. 60 John St.
11. 352 Front St. W.
12. 180 University Ave.
13. 183 Wellington St. W.
14. 155 Wellington St. W.
15. 350 King St. W.
16. 24 Charlotte St.
17. 373 King St. W.
18. 306 Richmond St. W.
19. 181 Richmond St. W.
20. 117 Peter St.
21. 56 Blue Jays Wy.
22. 290 Adelaide St. W.
23. 81-87 Peter St.
24. 355 King St. W.
25. 16 York St.