



Business & Strategic Plan 2024 – 2027

December 1, 2023

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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 Mandate:

- 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 & 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 39th 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 continue to grow. With its experience, reputation, and people behind it, the Centre will continue to strive towards ensuring the success of its clients' events.

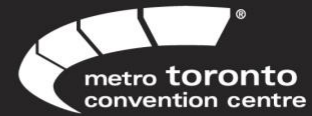
Vision and Values

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

We Help Our Customers Create Successful Events



Friendly

We will service every customer and employee 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 each other equitably, regardless of background and perspective. 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 and celebration of our diversity.



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 Service Keys:

Safe

S

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

A

Simple as a smile

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

Flexible

F

Let's work together

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

Efficient

E

Smooth and timely

Providing a seamless (and efficient) customer experience.

Strategic Directions

In October 2024, MTCC will celebrate its 40th anniversary – a major milestone and a good opportunity to celebrate MTCC’s success over the years achieving its mandate and exceeding its goals to promote economic growth in the region and serve its stakeholders and the community-at-large.

But at 40 years, the Convention Centre is also feeling the effects of age. We are operating at near facility capacity, and our strategic focus for the future will be to maintain industry leading customer service levels in the face of global competition, changing preferences among event planners and convention-goers, and the evolving nature of the convention business. Customers are asking for more, yet they want to pay less. Convention centres everywhere are seeking new and creative ways to attract business to their facilities, and to provide incentives to have clients come back.

At the same time, no two conventions are the same. We must be nimble and flexible to adapt to shifting circumstances and changing customer needs.

MTCC has a good reputation for standing out against its competition. Among the many initiatives we have in place, we continue increasing incentives to attract prospects and we have revised our approaches on sales and marketing structure to maximize revenue generation opportunities. We are carefully restructuring our approach to talent management, to ensure we attract the best employees and guide their development as they grow and take on more senior positions in the Centre.

Throughout the report we detail many of the measures we are adopting to achieve our goals.

The right infrastructure to deliver the right experience

The Metro Toronto Convention Centre will continue to make systematic changes and recognize the associated costs of ensuring that our facility meets the needs of our clients and convention-goers. As the building ages and insurance costs continue to rise, we are faced with replacing end-of-life components. This, however, provides an opportunity for investment not only to maintain the existing offering, but to modernize the Centre and improve on existing facilities. We believe that developing our infrastructure program strategically provides us key competitive advantages.

As we modernize the building and facilities, we are very conscious of the opportunity we have to continue to be a leader in sustainability. In the convention industry, MTCC is already considered a trailblazer in setting best practices for North American centres. Moving forward, additional resources will be dedicated to diversity, equity, inclusion and belonging.

Along with the physical plant, it is essential to ensure that the technology infrastructure is not only up to date, but also built to anticipate future needs. As technology infrastructure continues to be a core tenet of our service and experience, it is imperative that we upgrade on an ongoing basis and at a steady pace. Upgrading data networks and leveraging technological advancements will be necessary to meet growing needs.

Specifically, we will continue to enhance the quality and resiliency of our wired and wireless networks, we will increase customer service levels and operational efficiency by leveraging technologies such as smart building technologies, building automation technology and operational equipment automation, and we will improve the customer experience by leveraging increasing data assets to better service our clients, our guests and our staff.

Our culinary offering remains a competitive advantage

Our ongoing commitment to advancing the food & beverage program is essential for upholding our advantaged position in the marketplace. We continue to invest in mobile cooking and serving solutions, which allow us to design unique culinary experiences that engage our clients and guests. We aim to further enhance our in-house creations, highlighting our culinary expertise, while prioritizing stringent cost and quality management.

The right organization and the right people

Our People are the Centre. It is more than a motto, it is a philosophy, and it requires that we manage our talent carefully. We have prided ourselves on our ability to retain good employees, but like all hospitality businesses during the pandemic, we lost good people. Before the pandemic, our turnover rate was 8%. At the pandemic’s height, when we suspended operations, we lost nearly one-third of our employees to turnover.

Emerging from the pandemic, the turnover rate has returned to more acceptable levels, but there remains a shortage of experienced staff in the marketplace.

Our challenge is being able to compete for the best talent. For many years, MTCC has faced compensation controls that inhibit our ability to compete for talent in the Greater Toronto Area and significantly reduce the candidate pool available to us. In order to be successful and remain competitive, MTCC's focus must be on ensuring it is equipped with appropriate resources and competitive compensation to retain and attract qualified candidates who are best aligned with our organizational needs. To this effect, our strategic focus will be to rectify the disparity in compensation and benefits to ensure that MTCC remains a top employer.

We are also carefully reviewing our organizational structure to be as effective and nimble as we can be.

As part of our Sales, Marketing, and Communications Plan, we have taken several steps to compete more effectively for business.

- We have integrated Catering Sales from the F&B Department into the Sales Division – a restructuring that allows for better resource allocation and enhances cross-selling opportunities.
- We are evolving the role of Senior Sellers to have them focus more on Relationship Management – a transition that will see their primary responsibility going forward become one of cultivating and maintaining strong relationships with our top accounts, with a goal of fostering long-term partnerships and ensuring retention of key accounts.
- Mid-Level Sellers will target and manage small to mid-size events. These segments offer high volume potential while requiring comparatively less intense business development efforts.

As we rebuild our teams, it is critical to focus on succession planning and skills development. Our Mid-level managers will be mentored and trained by our Senior Sellers. Each mid-level manager will be designated as a 'partner' working with a Senior Seller with a specific set of clients or prospects (i.e., US, International, Canadian Association or Corporate).

By nurturing mid-level managers in this way, we aim to equip them with the skills and insights required to transition seamlessly into more responsible roles. This approach ensures that we always have capable

leaders who understand client requirements and can step into key positions as necessary.

This strategic redeployment plan aims to optimize our resources, enhance client relationships and fortify our succession pipeline. By aligning our teams with their respective strengths and market dynamics, we anticipate improved sales performance and long-term sustainability.

Maintaining strong partnerships

The final strategic direction of importance is strengthening the relationships we have with other industry partners to achieve shared goals.

Our collaboration with Destination Toronto, along with the hotel community, remains pivotal to our business strategy in an increasingly competitive marketplace. One of the most effective aspects of this relationship is the Convention Development Fund, which allows us to offer important incentives to prospective clients organizing citywide conventions.

Also crucial is the relationship we have with our hotel partners that provide accommodation for the attendees at citywide conventions. Elsewhere in this document, we describe the challenges we face regarding securing hotel room blocks. Strategically, we know we must find ways to meet our clients' requirements for enough hotel rooms to accommodate their attendees, otherwise citywide convention bookings may not recover to pre-pandemic levels.

Finally, we wish to acknowledge the great value of our Leaders Circle Program to identify new international prospects and attract new international conventions to the Centre. The Leaders Circle brings together Canada's thought leaders, innovators, and researchers, and has played a role in securing several international citywide congresses for future years. The program promotes knowledge exchange, elevates Toronto's global reputation, and encourages sustainable innovation.

This year, in acknowledgment of our program's achievements, we celebrated our successes at our annual Recognition Gala, an event recognizing the many Ambassadors who have advocated for Toronto in their respective fields and influenced event placements in our city. The last Gala was in 2019, before the onset of the pandemic. As the international market has always been an important segment of our business, the Leaders Circle will be a growing area of focus for our sales and marketing team.

Office of the Auditor General – Value-for money Audit

The Office of the Auditor General (AG) is in the process of completing their value-for-money audit. The final report will be issued in December 2023. We look forward to collaborating with our Ministry and industry stakeholders to ensure a seamless and successful implementation of the AG's recommendations.

Mandate Letter / Letter of Direction

The Ministry of Tourism, Culture and Sport has provided the government's 2024/2025 priorities for the Centre. We will collaborate with our shareholder to ensure we achieve our goals and objectives.

Business Outlook

The Metro Toronto Convention Centre continues to hold a strong position in the Canadian marketplace and remains a leader in the Canadian marketplace for large domestic and international conventions.

Fiscal 2022/23 delivered strong financial results, affording us the opportunity to begin investing again in a number of critical capital projects that had been deferred during the pandemic. We aim to generate \$530 million in Economic Impact for the region and the province in the upcoming year.

Looking ahead to Fiscal 2024/25, the outlook remains strong in terms of number of events, occupancy, and Economic Impact. Our business strategy includes hosting a total of 330 events in 2024/25, with an occupancy rate targeted at 54%. Through all markets, we currently have confirmed conventions that will bring 43,000 delegates in Q1, with subsequent quarters forecasting 23,700, 8,500 and 27,400 delegates, respectively.

Beyond 2025, the Centre believes the business landscape will continue to be positive, although several uncertainties remain.

Areas of uncertainty

For one, we are seeing the end of the effect of pent-up demand: The backlog of events that had to be rescheduled because of the pandemic has now worked its way through the system.

Second, the signs that market conditions will soften are becoming more evident, causing planners to be more cautious in making commitments for the future.

Third, we are finding that many of the larger U.S. based corporations and associations are choosing to stay in their own country as U.S based convention facilities seek to win back business by offering lucrative incentives within their cities and states. We cannot be sure how long this trend will continue. In addition, many U.S.-based convention planners see staying closer to home as a way to mitigate any risks associated with out-of-country travel and border restrictions.

Finally, prices for accommodation and air travel are at record highs which affects our ability to secure international events. Indeed, at current levels of demand and the high rates they command, our hotel partners are less willing to commit blocks of rooms for

future events, making it challenging for MTCC and Destination Toronto to secure adequate volumes of rooms for U.S. based convention attendees. To accommodate larger city-wide conventions, MTCC often needs to partner with up to a dozen or more hotels to meet the event planners' needs.

This is important, because attracting the larger citywide conventions is a key success factor for MTCC to deliver the desired level of Economic Impact.

Citywide conventions: a key success factor

We are, therefore, very pleased that we are on track to host 20 citywide conventions in the coming year. This includes eight conventions from the United States booked with our partner at Destination Toronto and two from the international market identified through our Leaders Circle program. A question remains, however, about attendance. Among other things, lower attendance has an effect on our variable revenues such as Food & Beverage and ancillary event services. It is unclear whether attendance will be affected by higher travel costs – both for airlines and accommodation – along with lingering concerns international delegates may have about travelling outside their country. That said, we estimate that each citywide event will draw more than 5,000 attendees, on average – which adds up to more than 100,000 visitors to the City of Toronto.

Of these 20 citywide conventions, seven are projected to attract more than 7,000 attendees each. The anticipated economic impact of these events alone is more than \$67 million. Our fiscal year will commence with a strong first quarter, during which more than 60% of the expected delegates will be hosted, followed by about 25% in the second quarter. The remainder of the business is booked for the second half of the year. To address the lower attendance in Q3 and Q4, we will continue to seek out Canadian corporate business which has shorter lead times.

Partners in planning

Our international partnerships and ability to attract clients from diverse markets are evident in our consistent success in securing bookings. Our collaboration with Destination Toronto, along with the City of Toronto, remains a pivotal aspect of our

business strategy in an increasingly competitive marketplace.

In particular, we recognize the importance of the Convention Development Fund as a way to maintain our competitiveness in attracting citywide business. As of September 2023, our bids on 11 new citywide opportunities for future years have been developed with support from the Fund.

Still, Convention Development Fund applications are down significantly (as much as 50%) and the closing rate has deteriorated as well. Importantly, contracts with U.S. event organizers remain below pre-pandemic levels.

The Sales and Marketing team remains committed to navigating the challenges ahead with resilience and pragmatism while continuing to strive for success in fiscal year 2024/25 and beyond.

The Centre is on a trajectory to address the challenges it faces with systems in place for each concern faced. Although we have identified several areas where we will need to improve to achieve success, we are on track. We have actionable plans in place that are already in progress. We are confident, based on past performance, that we will be able to navigate the competitive business landscape and remain an appealing and attractive place for clients to bring their business. In this way, we will continue to drive economic growth in the region, and support job creation and revenue growth, both directly and indirectly.

Overview of Current and Future Programs and Activities

Facility Rental

For fiscal 2024/25, we have 20 citywide conventions booked at the Centre, the second highest number of conventions hosted in our history.

While citywide conventions are the largest contributors to economic impact, occupancy, and revenue, we have had to regret opportunities over the next 18 months due to the lack of appropriate space, date availability, and hotel capacity. Short-term demand has increased for smaller meetings and citywide conventions are booking further out. The two-year pause in securing citywide conventions due to travel restrictions and border closures affected our business development and concerns remain for 2025 and 2026. We are, however, seeing significant demand for citywide events to take place for 2027.

The Sales team remains diligent in taking a strategic approach to balance our economic impact and maximize profitability to deliver the best yield for our remaining space in 2024/25. We are forecasting to host 330 events, 15 more than this fiscal year, with facility occupancy remaining flat at 54%.

Food & Beverage

Globally, nationally, and locally, the Centre's Food & Beverage program has earned a reputation for consistently delivering innovative and contemporary experiences in a large volume environment. Significant contributors to this recognition are our in-house meat aging, our pasta program and our world-class pastry shop. Although business levels are becoming more stable and predictable, the instability of pricing and availability in our supply chain will continue well into next year, complicating matters for customers with budget constraints.

Our main bakery supplier has recently moved away from commercial offerings, focusing instead exclusively on retail. This offers us the strategic opportunity to explore the potential development of our own bread bakery, commissary kitchen and equipment to make our own dumplings. Additionally, we are looking to replace some aging equipment with more modern solutions to enhance our ability to adapt and maintain our world class service. As a leader in the industry, such initiatives should help us continue on our path of brand differentiation and help offset risks due to some supplier challenges. 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 developments 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. We will enhance our data network and increase our service resiliency to ensure successful client events.

Our ongoing collaboration with technology partners aims to optimize investments in software platforms, with a dual focus on enhancing building operations and elevating the client experience. These software platforms are critical to our service offering and serve as the foundation upon which we are constructing digital transformation initiatives for our event operations. Numerous systems within MTCC house a wealth of data, and we are committed to leveraging this data in novel and imaginative ways. In the future, we intend to integrate several of these systems, including our event management platform, employee time and attendance platform, and inventory management system, to empower stronger analytics, facilitate improved management decisions, and offer valuable business insights. Our aim is to use this knowledge to create innovative software solutions that enhance both employee experiences and the overall quality of client service.

In response to the significant changes in working environments and the continual evolution of technology, the dynamics of the workplace have undergone a transformation. Employers are now expected to provide heightened flexibility, while employees are expected to maintain increasing levels of connectivity. Our capacity to meet these demands effectively is a pivotal component of our strategy for employee recruitment and retention, particularly in a fiercely competitive talent market.

These factors underscore the importance of our ability to offer robust and flexible working arrangements,

underpinned by technology solutions that facilitate accessibility from any location and foster collaboration among employees. As we look ahead, we remain dedicated to evolving our technology platforms and office environments to adapt to the evolving workplace landscape and enhance 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 three parties continue to meet, evaluate, and routinely submit bids on future opportunities.

As the industry recovers, the CDF must evolve to support citywide conventions from prospects who are increasingly demanding more financial support in exchange for hosting their events in Toronto. From January through September 2023, the fund was used to support 15 citywide bids for future years.

The hotel community continues to operate at near capacity, with record setting occupancy and ADR (Average Daily Rate). This has reduced the committable hotel rooms available to support CDF bids. While hotels readily commit rooms during their periods of need, the supply is not available when hotel demand is forecast to be strong. Moreover, overall hotel inventory continues to decline.

Complicating matters, having incurred significant penalties imposed by hotels during the pandemic, event planners are now less willing to sign attrition clauses. This unwillingness to sign attrition clauses, along with reduced committable hotel rooms, resulted in a 50% reduction in hotel participation in the CDF in 2023. Consequently, MTCC and Destination Toronto will be required to contribute more significantly to the CDF.

Finally, the City has cut Destination Toronto's (DT) budget by over 10%, putting at risk DT's ability to maintain, much less grow, contributions into the fund.

The fund will remain solvent for the next year but must then be reconstructed as outlined in our risk section.

Revitalization

Prior to the pandemic, MTCC completed initial work evaluating the 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 2023.

The data is extensive and identifies MTCC's ranking within North America. Given Toronto's position as the fourth largest city in North America and its desirability as a travel destination, MTCC is not meeting its full potential. The analysis projects significant future economic benefits to Toronto and Ontario, should a 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 MTCC's unrealized potential as an economic engine of the city and province. Provincial, Municipal and Federal support will be explored to further this initiative.

Parking

While facility parking operations have been affected by numerous factors, including increased congestion in the downtown core, the parking operation continues to operate successfully. We have returned to normal occupancy levels in fiscal 2023/24. This is based on several factors including increased office occupancy levels and return to normal levels of tourism, especially by local and regional drive-in visitors. The trend towards single-occupancy vehicle usage also continues. Increased construction around the city has caused major concerns and complaints about congestion in the area. Recent allocations of paid duty officers in the downtown core has eased gridlock somewhat, however it remains difficult to exit both the North and South garages. We continue to petition the City for improved traffic signalling and more 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 compensate employees competitively in comparison to other employers in the private and public sector. The current labour market is very challenging, particularly in hospitality, and many hotels and event venues are competing for the same talent with much higher wages and benefits. In fiscal 2024/25, two major collective bargaining agreements will be up for renewal: one with LiUNA Local 506, the other with LiUNA Local 3000.

Insurance

Management has negotiated the renewal of the corporate insurance policies which expired on August 15, 2023. All coverages have been extended for one year. MTCC experienced a 4.7% overall increase due to inflationary factors reflected on the statement of values submitted and revenues reported, as well as an increase in total insured values from \$400 million to \$534 million. MTCC also added Malicious Acts insurance coverage in September 2023 for an additional premium. MTCC will undergo an organization-wide asset valuation appraisal in order to determine and validate appropriate Total Insured Values (TIV).

Event Technology Strategy

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.

Events have evolved to combine virtual components with a more robust in-person experience. These hybrid events put increased demand on our data network because reliably streaming video and audio content on the internet requires high-speed connections and enhanced quality of service. A highly functioning and reliable network is a critical factor in the success of the events we host.

Other factors placing increasing demands on our data network include smart building technologies, building automation systems, and automated operational equipment found in areas such as the kitchen and cleaning services. Emerging technologies, such as virtual/augmented realities and the Internet of Things project to put further load on our networking services going forward and need to be factored into future planning as well.

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. When conducting upgrades, this interdependency makes it important to consider how any changes made to one service, will affect another. Wireless network access provides connectivity for mobile devices and applications with less stringent data needs, such as web browsing and mobile applications. In recent years we've focused on ensuring our networking equipment offers increased bandwidth and cutting-edge technologies such as Wi-Fi 6. Going forward we will focus on increasing network resiliency to ensure this critical component of the MTCC offering can properly service our events and operations.

MTCC Technology Strategy

Indeed, technology must continue to grow as a critical success factor for convention centre events and operations. Data network services will be an underlying requirement for most of this technology. Additionally, the amount of data available concerning our events and operations continue to grow and we will look to leverage these assets.

- We will continue to enhance the quality and resiliency of our wired and wireless networks to maintain levels of service that ensure customer success and operational needs.
- We will increase customer service levels and operational efficiency by leveraging technologies such as smart building technologies, building automation technology and operational equipment automation.
- We will improve the customer experience by leveraging increasing data assets to better service our clients, our guests and our staff.

Market Segment Overview

MTCC's success in fiscal 2024/25 will be lead by the following reasons:

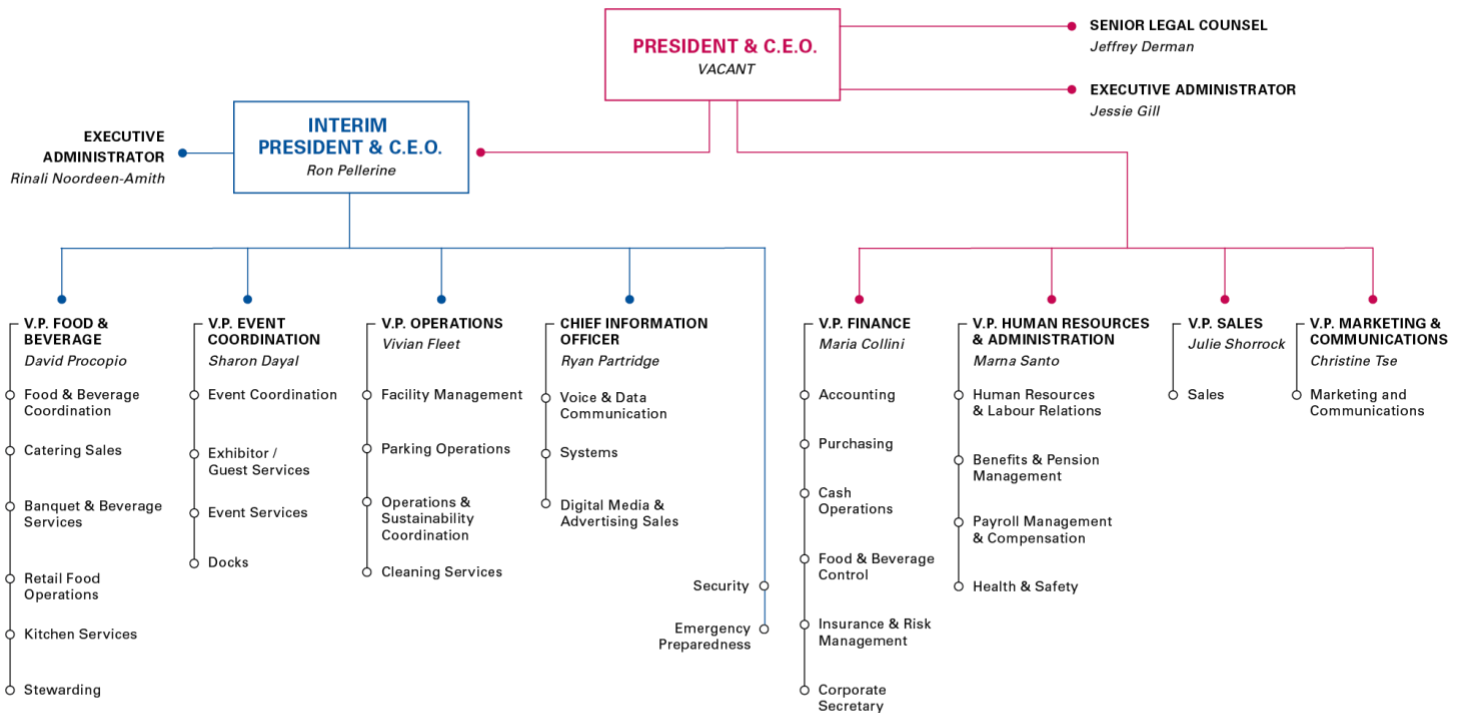
- The facility will host 20 citywide conventions;
- Half of these conventions are from the US (eight) and International (two) markets;
- The 20 conventions are expected to attract over 100,000 attendees; and
- The total number of events we will host is forecast at 330. Facility occupancy, which is generally in the mid to high 50% range, is estimated 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 continued economic uncertainty and lack of available space in our peak periods. Most of our pick-up business will be sourced during our shoulder months and from the local and Canadian markets.

Our local annual public and tradeshow markets have returned to pre-pandemic levels, with similar space being contracted. Events are struggling financially based on the increased pricing of all products and services needed to produce these events.

Organizational Chart

Metro Toronto Convention Centre Organizational Chart



Corporate Goals and Strategies

We will focus on the seven 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 provide an update on their progress and accomplishments.

Goal #1: Customer Service

Goal / Output	<p>Our goal is to achieve an overall satisfaction rating over 97% from our clients on the customer evaluation survey, with an approximate response rate of 37%.</p> <p>Achieve an overall satisfaction rating over 93% from our exhibitors on our exhibitor services evaluation survey, with an approximate response rate of 18%.</p>
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 increase communication with our clients to identify gaps in our guest experience journey and to accommodate current climate requirements and challenges.
Performance Measures	<p>On a monthly basis, we will evaluate our customer and exhibitor surveys to measure our goals.</p>

Goal #2: Occupancy

Goal/Output	<p>Prior to the pandemic, MTCC approached a 60% occupancy rate for the facility. Budgeting occupancy goals for the coming year is complex. More than half of our annual clients have not produced their first event post-pandemic. Many clients are using less space in 2022/23 and remain uncertain on how much space to contract for next year. That said, we do have 20 citywide conventions booked which will positively affect occupancy. We are forecasting our occupancy to be similar to FY 2023/24 at 54%.</p>
Strategies	<p>Growing 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 use the most space, and generate increased economic impact and revenues. Furthermore, maintaining a diversified sales approach of booking all sizes of business, with the goal of filling vacancies between larger city-wide events, is also essential to growing our occupancy numbers.</p>
Performance Measures / Outcomes	<p>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.</p>

Goal #3: Financial

With a recession predicted, our goal is to manage business operations efficiently while sustaining economic impact and fiscal levels.

We will 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 2024/25 fiscal budget:

Goal / Output

- Gross revenue of \$70.0 million;
- Net revenue of \$41.6 million;
- Net operating income of \$15.0 million;
- Sustaining capital budget of \$9.1 million;
- Distribution payment of \$2.5 million; and
- Economic benefit of \$530 million.

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 Governance report to MTCS; and
- Compliance Report to the Board of Directors.

Description	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Forecast 2023/24	Budget 2024/25	Forecast 2025/26	Forecast 2026/27
Economic Benefit (millions)	\$482	N/A	\$35	\$396	\$540	\$530	\$481	\$510
Gross Revenue (millions)	\$75.2	\$13.3	\$37.5	\$60.7	\$70.9	\$70.0	\$66.6	\$70.9
Net revenue Margin %	60.8%	43.3%	74%	62.8%	60.0%	59.3%	59.0%	59.2%
Net Operating Income (Loss) (millions)	\$24.0	-\$12.0	\$13.1	\$18.9	\$17.6	\$15.0	\$13.6	\$16.1
Net Operating Income (Loss) %	31.9%	-\$90.5	34.8%	31.2%	24.8%	21.4%	20.5%	22.7%
Capital Expenditure (millions)	\$3.8	\$1.0	\$0.2	\$3.1	\$13.0	\$9.1	\$8.4	\$6.5
Distribution Payment (millions)	\$9.0	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5

Goal #4: Human Capital

Goal / Output

Focus on renewing and rebuilding our strong culture through increasing engagement, talent retention and strong recruitment efforts. As the talent pool continues to become more limited, compounded by MTCC's compensation restraints, creative strategies that promote retention and engagement to position MTCC as an attractive employer, remain critical. The end goal is to establish an engaged workforce that will increase productivity while improving workplace morale and deterring employees from seeking alternative employment elsewhere.

Strategies

- Promote MTCC's brand through LinkedIn, corporate website, social media, Indigenous and Francophone communities, and with new Canadians and Ontario youth.
- Develop internal talent to provide and encourage talent mobility.
- Tap into non-traditional sources of talent (i.e., candidates without a historically required degree or diploma or candidates who are more junior) and broadening the list of accepted credentials and certifications.
- Uphold diversity, equity and inclusion by recommending compensation and benefit improvements where required and providing resources to support and promote a healthy workplace environment, both physically and mentally.
- Ensure diverse employee groups have a voice, are heard, and are included.
- Rethink our compensation philosophy and practices to ensure competitive and equitable remuneration across all departments.
- Continue to improve the employee experience to support employees' mental and physical health, through flexible work models where appropriate, and expand our traditional thinking to look for other opportunities that encourage work-life balance.
- Gather routine feedback from employees through surveys, meetings, and one-on-one communication to help ensure engagement and keep connections current.
- Increase collaboration and enhance organizational culture through MTCC's newly launched employee recognition program.
- Align the training and development program with succession plans and internal growth opportunities.
- Leverage technology to enable and promote new ways of working and making work processes more efficient using less resources, thus improving overall workplace well-being outcomes.

Performance Measures / Outcomes

- Measure success levels through MTCC's various recruitment platforms.
- Assess usage and reach levels achieved via social media.
- Implement recommended changes stemming from fiscal 2023/24 compensation review to ensure competitiveness and equity.
- Analyze employee recognition statistics to monitor and drive usage and engagement.
- 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 Corporation through our performance management 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 divert from landfills at least 90% of the waste produced in our facility in fiscal 2024/25.</p> <p>In keeping with our robust Corporate Social Responsibility program (CSR), we endeavour to host or organize four events over the course of the year to engage employees, reduce environmental footprint, and support the local community.</p> <p>We will work to develop our program to fit into the Environmental, Social, Governance Framework (ESG).</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.• Organize a variety of CSR events to benefit the environment, the community, and the company. These events include food drives, charity fundraisers, neighbourhood garden plantings, and educational workshops.• Work to develop a strategic plan for developing the program under the ESG framework, including client engagement, DEIB and baseline assessments.
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 and/or the environment.• Marketing and Operations to strategically align and streamline program beneficiaries for the fiscal year.• Create marketing and communication opportunities to promote MTCC's positive results and social impacts to the community and convention industry at large.• Produce related ESG and DEIB reports and strategic plan for future endeavours.

Goal #6: Technology, Leadership and Innovation

Goal / Output	We will maintain our industry leadership position through innovative uses of automated equipment, building automation, data, and 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.• Ensure the employee experience balances Alternative Work Arrangement Policy with Provincial work-from-office mandates to ensure customer service delivery 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.• Investigate people-counting software, weapon detection and floorplan plotting software in an attempt to reduce labour, create efficiencies and promote safe operations.• Explore kitchen and facility operations automation to reduce energy consumption.• Drive lower operational costs and reduce energy loads through increased building automation and smart building technologies.• Create revenue streams from data assets involving crowd movement, heat mapping and event analytics.• 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.• 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 & Beverage

Goal / Output	To ensure financial stability of the Food & Beverage operation through heightened focus on revenue opportunities, operational cost engineering, enhanced labour productivity strategies, and tactical product and service development. Return department margins to pre-pandemic levels.
Strategies	<ul style="list-style-type: none">• 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.• Development of additional in-house food & beverage programs to showcase our continued culinary innovation and world class service.• Work with staffing agency partners to ensure sufficient labour support and seamless guest experience. Conduct labour gap analysis with a focus on talent training and recruitment plans.
Performance Measures / Outcomes	<ul style="list-style-type: none">• 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.

The following assumptions have been used in formulating the budget for fiscal 2024/25:

- Inflation rate is forecasted at 3.8% in 2023 and 2.3% in 2024; *
- US exchange rate – CDN currency is forecasted to be \$0.72 in 2023 and \$0.76 during 2024**; and
- Economic growth – GDP for 2023 is forecasted at –0.6% and for 2024 at –0.9%. *

* Source: RBC Macroeconomic Outlook September 13, 2023

**Source: RBC Financial Market Forecasts September 2023

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 2024/25.

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

- Fiscal 2023/24 projected number of events: 330;
- Fiscal 2023/24 projected occupancy rate: 54%; and
- Historical pick-up rate taking into consideration business already on the booking calendar.

The revenue and expenses for fiscal 2024/25 are estimated based on the 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 statement

Performance Measurement Statistics

Seven 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 assets of the Corporation, revenue opportunities and supplementary revenue for other departments are directly linked to the rental of the facility.
2. Quarterly analysis of Key Performance Indicators, and Comparative Analysis Reporting. Actual Financial results are benchmarked against historical data.
3. 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.
4. 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 from bringing conventions, public events, and trade shows to the City of Toronto. MTCC currently uses the provincial TREIM model to measure economic impact.
5. 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.
6. 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.
7. 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 compliance with required protocols and new directives received from the Treasury Board/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.

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 \$109.5 million since 2003 compared to the minimum required commitment of \$50.0 million.

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

- \$2.5 million on March 31, 2024
- \$2.5 million on March 31, 2025; and
- \$2.5 million on March 31, 2026.

Highlights Fiscal 2024/25 Operating Budget

Gross revenue \$70.0 million	or	-1.3% compared to 2023/24 forecast
Net revenue \$41.6 million	or	-2.3% compared to 2023/24 forecast
Net operating income \$15.0 million	or	-14.9% compared to 2023/24 forecast
Depreciation \$11.4 million	or	+5.1% compared to 2023/24 forecast
Net income \$3.6 million	or	-47.0% compared to 2023/24 forecast

Food & Beverage

Our fiscal year 2024/25 food & beverage portfolio represents the next phase of our ongoing success. Following a strong fiscal year prior, operating cost have started to align with historical trends, and staffing in F&B departments has stabilized; however there is still more work to be done in the culinary and stewarding departments. Although revenues are slightly below last fiscal, due to mix of events we remain confident overall profitability will remain consistent. Food quality and exceptional service delivery remain paramount, with the assumption that revenues and profitability would eventually normalize.

As we look ahead, innovation is on the horizon, with plans to bring some services in-house, such as our bread program and dim sum, plans for which were interrupted during the pandemic. Our unwavering commitment to sourcing local ingredients, VQA wines, and supporting provincial artisanal producers remains at the core of our culinary program, distinguishing us in international, national and local markets. Additionally, our food donation program continues to make a positive impact on individuals and communities in need, underscoring our dedication to both business excellence and social responsibility. Maintaining these vital programs and services is essential to upholding our competitive edge and ensuring superior performance across all markets.

Convention Market

In the convention market, we continue to see a mix of US and international conventions, albeit with fewer attendees and tighter organizational budgets than in the previous fiscal year. This reduction in both attendance and budgets has led to a significant decrease in revenue within this market. Additionally, the fiscal year 2022/23 saw a continuous uptick in the costs of key ingredients, prompting necessary menu price adjustments to accommodate these increased

expenses. We will diligently monitor ingredient costs, seeking opportunities to mitigate these rises while maintaining competitive pricing within our market segment. The fiscal year 2024/25 will call for innovative solutions as our clients seek ways to re-imagine their event offerings and maximize the value of their food & beverage budgets in these evolving conditions.

Social Market

Within the social market, our convention centre has the privilege of hosting a diverse range of events, including the city's signature fundraisers, political forums, and corporate holiday gatherings. Historically, this market contributed 18-20% of our overall revenues. The market rebounded in the previous fiscal year after dropping off during the pandemic, as we hosted about 75% of the events we would have historically.

Our long-standing clients continue to place their trust in the Centre's ability to provide high-quality, contemporary products. While many of our clients faced challenges in their fundraising initiatives, they continue to engage in these activities. We anticipate that the social market will maintain its 2023/24 levels in event load.

Retail Food Operations

Retail Food Operations is a valuable option for events facing budgetary constraints. We have recently entered into a new agreement with a Retail Food Operations provider. This agreement presents promising capital improvement opportunities that aim to enhance our service to clients while assisting the operator in reducing costs, enabling them to add more value to our public events. Over the past fiscal we have seen events return to their historical levels, and we anticipate that revenues will continue to climb in 2024/25.

Facility Rental

Our booking calendar is once again quite full, with 20 citywide conventions scheduled for this year, marking the second-highest number in our history. In the month of March, which is the last month of our fiscal year,

these conventions are forecasted to attract over 100,000 delegates to Toronto. Of the 20 conventions, 10 are based outside of Canada, making a substantial contribution to our economic impact.

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 50%, with conventions, trade shows, public, and social events accounting for the most significant percentage of revenue.

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 17% of revenue comes from monthly clients, including 204 reserved spaces, and 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 enough garage spaces to produce an overall increase in 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 have a positive impact on our occupancy rate as clients look for alternative parking locations.

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

may decrease in the future, it is not expected to 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 to our garages and user experience.

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 in the vicinity of only 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, we will require updates soon to outdated machines at entry and exit points, as well as program software.

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.

Commissions

MTCC's commission revenue is derived from our exclusive and official suppliers who provide services to MTCC clients. These major contractors supply audiovisual, computer rental, electrical, production, and decoration services for clients. Our contractors are also responsible for staff and equipment as they relate to their respective services.

All contractors are expected to meet MTCC standards in terms of product quality and service excellence. Showtech Power and Lighting, Check Mates, and Access Cash General Partnership are the only contractors considered as exclusive suppliers. Showtech Power and Lighting representatives require regular access to MTCC's electrical infrastructure and therefore must comply with the facility's operations and safety policies. GES, Encore, Corporate Nursing Services, and Executek Security Services are designated as official suppliers.

The majority of exclusive and official suppliers maintain offices and inventory within the building to facilitate client access to their services.

Our sales initiatives promote these suppliers to achieve greater client satisfaction and ensure each event is a seamless experience.

The main sources of commission revenue are generated from our audiovisual, electrical, production, and decorating partners.

Electrical and Mechanical Show Services:

As of June 1, 2023, Showtech (GES Canada Ltd.) is the exclusive supplier for electrical and Mechanical Show services.

Production and Staging Services

As of June 1, 2023, Showtech (GES Canada Ltd.) is the exclusive supplier for production and staging services.

Audiovisual

As of March 1, 2023, Encore Global Events is our in-house preferred provider for Audio-Visual, Simultaneous Interpretation, and Computer Equipment Rental services.

We continuously strive to ensure that our audiovisual partner invest in state-of-the-art equipment, and that they exceed our clients' expectations.

Other Contracted Services

All other service providers – such as decorating, nursing, coat check, and security – are forecast to generate 13% of the total commission revenue.

At the time of preparing the plan we were in the process of negotiating our contracted security and decorating event services. We expect the contracts to be finalized by November 30, 2023, and March 31, 2024, respectively.

Telecommunications

The Telecommunications department is responsible for the wired network services, wireless network services and telephone service for client events and MTCC staff. The primary sources of revenue for this department are wired and wireless data network services. Telecommunications revenue is heavily dependent on the convention and trade show markets,

which, in traditional years, account for 60% to 70% of MTCC's communications revenue.

Based on the facility rental outlook for the citywide events, convention and trade show markets, as well as the lack of tentpole events such as Sibos and HITEC, we are expecting little growth in revenues for 2024/25 compared to the previous year.

Digital Media & Advertising Sales

Our digital media inventory consists of 110 digital signs (e.g., 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 clients choose to 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 2024/25 we expect revenues from this segment to be comparable to the previous year. This is despite an anticipated reduction in the number of citywide events, conventions and trade shows which generate the bulk of the revenue in this area. This ability to maintain revenues despite fewer expected business opportunities speaks to the growth we've been able to generate in the program. We will continue to work with key clients to promote the value of sponsorship and advertising revenue for their events and increase the 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 2024/25 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 tearing down event equipment in meeting rooms which includes chairs, tables, stages, and more. In most cases, they operate 24 hours a day, seven days a week. The Event Services team collaborates closely with Event Coordination, Catering, and our clients to coordinate room set-ups efficiently.

They also manage an inventory of equipment available for rent. The primary source of Event Services' revenues is from conventions, followed by corporate meetings, and social market events.

Based on the facility rental outlook and food & beverage forecast for fiscal 2024/25, we expect our revenues to surpass revenues achieved in fiscal 2023/24, but still slightly below the level of record-breaking years 2018/19.

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 36.6% and 38.5% 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 79%, the majority of which is fixed in nature, and consists of Accounting, Security, Docks, Purchasing,

and Human Resource department wages. Administrative expenses are 21%, 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 12 full-time workers (five building operators, six 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 annual operating budget is \$6.0 million in fixed and variable expenses.

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 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 should take place over the next three to five years – later than initially expected due to limited access to capital funds previously. Once funds are secured, the next phase would incorporate the following:

- South Building escalators (circa 1997): 17 units. Replacement of more heavily 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.

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 19 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

Sales and Marketing

The total sales and marketing expense budget for this year will be approximately \$5 million. This includes wages and benefits, business development, marketing, and communication activities. In addition, \$1.5 million has been allocated toward a contribution to the Convention Development Fund (CDF).

We are aiming to host 330 events this fiscal year.

Our comprehensive sales and marketing plan in the latter section of this business plan outlines our strategies to achieve these goals.

Financial Trend

	Actual Mar-21	Actual Mar-22	Actual Mar-23	Forecast Mar-24	Budget Mar-25	Forecast Mar-26	Forecast Mar-27
GROSS REVENUE	\$ 13,252,171	\$ 37,527,354	\$ 60,732,279	\$ 70,943,100	\$ 70,012,000	\$ 66,573,100	\$ 70,893,100
Revenue Growth %	-82.4%	183.2%	61.8%	16.8%	-1.3%	-4.9%	6.5%
OPERATING EXPENSES	\$ 25,249,896	\$ 24,456,289	\$ 41,783,523	\$ 53,358,000	\$ 55,038,500	\$ 52,924,800	\$ 54,817,200
Operating Expenses %	190.5%	65.2%	68.8%	75.2%	78.6%	59.0%	59.2%
NET OPERATING INCOME (LOSS)	\$(11,997,725)	\$ 13,071,065	\$ 18,948,756	\$ 17,585,100	\$ 14,973,500	\$ 13,648,300	\$ 16,075,900
Net Operating Income (Loss) %	-90.5%	34.8%	31.2%	24.8%	21.4%	20.5%	22.7%
Depreciation	10,570,404	10,261,753	10,539,201	10,844,000	11,400,000	11,700,000	12,000,000
NET INCOME (LOSS)	\$(22,568,129)	\$ 2,809,312	\$ 8,409,555	\$ 6,741,100	\$ 3,573,500	\$ 1,948,300	\$ 4,075,900
Net Income (Loss) %	-170.3%	7.5%	13.8%	9.5%	5.1%	2.9%	5.7%

Marketing and Communications

Marketing Overview

We had a remarkable, record-breaking year hosting 23 citywide conventions (the most in a year) in 2023/24. As we welcome the 20 citywide conventions this year, we will also celebrate MTCC's 40th anniversary in October. This milestone is reason to celebrate, and another communications opportunity to promote our successes and key messages to our stakeholders.

The year was filled with marketing activity, and we were back to full staff complement. This enabled the team to get back to organizing customer events, curate more digital video assets and reinstate marketing programs that required finance or human resources.

US and International markets will continue to be high-priority segments of our business to secure future conventions beyond 2026 that meet our mandate and

generate economic impact. Focus will be placed on ensuring cohesive sales and marketing strategies with our Convention and Visitors Bureau, Destination Toronto. We will take an active approach in identifying, securing, and participating in critical partnerships that enhance opportunities to win more business.

One of the key marketing activities this year is to expand the Leaders Circle program. We hosted a very successful Ambassador celebration last year, which signaled the priority we place on re-connecting with members in the program. As well, the Grant program made way for communication opportunities for storytelling and content marketing. Continuing the momentum from last year, Management will stay focused on the bid opportunities identified in 2024, to secure international business for future years.

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 overall business community on our local impact to the and contribution to Toronto's financial success.

Stakeholder	Key Messages
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Customers

Position MTCC as the most experienced convention centre in Canada, and reinforce our corporate vision, "We Help our Customers Create Successful Events". Event Organizers can trust us as partners to deliver a world class successful event. We will achieve this through:

- Continued regular e-newsletters;
- Continued social media campaigns and activations;
- Videos tailored to customers promoting our best-in-class facility and services.
- Messaging alignment with our CVB, Destination Toronto to attract US and International convention organizers.

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 on 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 success of our City and Province. We look forward to continuing to generate significant economic impact for Toronto and Ontario. 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;
 - Supporting appropriate community initiatives, (e.g., Toronto District School Board, Habitat for Humanity, Red Door Toronto, etc.); and
 - Share our ESG, DEIB and Sustainability initiatives that impact the local community (for example, charitable donations and food deliveries).
-

Metro Toronto Convention Centre
255 Front Street West, Toronto, Ontario M5V 2W6
T: (416) 585-8000 | info@mtccc.com
www.mtccc.com