



**INTERIM  
FINANCIAL  
STATEMENTS**

June 30, 2025



Administration  
de pilotage  
des Laurentides

Laurentian  
Pilotage  
Authority

## **Management Discussion and Analysis**

### **Financial Results**

For the year to date ended June 30, 2025, the Laurentian Pilotage Authority (“the Authority”) reported total revenues of \$58.1 million, compared with \$54.1 million for the same period in 2024. This variance is primarily attributable to an average 4% increase in pilotage charges, in agreement with industry, as well as the composition of marine traffic during the period.

The total number of assignments increased by 8.5%, from 9,457 to 10,262. Changes in assignment volumes by vessel type compared with the prior year were as follows:

- Bulk carriers: +14%
- Tankers: +8%
- Containers: –4%
- General cargo: +28%
- Roll-on/roll-off (RoRo): no change
- Passenger vessels: –8%
- Other: –3%

Contracted pilot fees totaled \$44.1 million, up 6.1% from \$41.6 million, reflecting the higher number of assignments. Costs related to pilot boat services increased by 10.8%, also in line with the greater volume of activity.

Administrative expenses increased by \$0.5 million (7.7%) compared to the prior year, primarily due to higher Pilotage Act administration fees and increased cost of professional services.

The Authority recorded a net loss of \$0.3 million for the period, compared with a net loss of \$0.6 million for the same period in 2024.

### **Pilotage Charges**

The Authority is mandated to assess and set the pilotage charges payable by its clients. These charges must be fair and reasonable, while enabling the Authority to be financially self-sufficient and to replace its capital assets.

At the end of 2024, the Authority submitted a notice of revision of pilotage charges for 2025, in accordance with its established methodology. A tariff revision schedule has been in place since 2021 to ensure that new rates come into effect at the beginning of each calendar year, thus avoiding revenue recognition discrepancies.

### **Pilotage Services**

Pilotage services for the three compulsory pilotage districts under the jurisdiction of the Authority are provided by contract pilots who are not employees. The Authority negotiates separate service agreements

with the pilot corporations.

The *Pilotage Act* does not permit competition, which significantly influences the negotiation dynamics between the Authority and the pilot corporations, who hold monopolistic positions. In case of dispute during negotiations, the Act provides a dispute resolution mechanism to ensure the business relationship continues without disrupting pilotage services or clients' commercial operations.

Pilotage service contracts generally represent approximately 77% of the Authority's total annual expenditures. The outcome of these contractual negotiations has a significant impact on the Authority's current and future financial position, as well as its ability to comply with the *Pilotage Act*, which requires pilotage charges to be fair and reasonable while ensuring financial self-sufficiency.

Pilotage services also include pilot boarding operations, which are largely subcontracted, except for those performed at the Les Escoumins pilot station. Annually, these pilot boat services represent approximately 11% of the Authority's total expenditures.

### **Marine Traffic**

Marine traffic on the St. Lawrence River and the Saguenay River varies significantly by season. In the first quarter, traffic is generally at its lowest because the St. Lawrence Seaway is closed during the winter months due to ice conditions, meaning that ocean-going vessels can only navigate as far as the Port of Montreal. Ice and severe winter weather may further limit vessel movements.

In the second quarter, marine traffic gradually resumes, reaching its peak in the fourth quarter with the arrival of both domestic and international cruise ships. Just before winter and the seasonal closure of the Seaway, bulk carriers typically depart loaded with grain, legumes, salt, sugar, ore, aluminum, and steel.

Traffic fluctuations are a key consideration in forecasting the Authority's cash flows to meet its financial obligations, along with vessel size and transit times. Despite rigorous analysis and forecasts, the Authority cannot predict or influence traffic volumes. External factors impacting traffic beyond the Authority's control include:

- Provincial, national, North American, and global economic conditions
- Weather conditions
- The value of the Canadian dollar
- Inflation, interest rates, import/export taxes
- Competition from other modes of transportation

## Administrative Expenses

Administrative expenses account for approximately 12% of the Authority's total annual expenditures. The largest portion of these costs relates to salaries and employee benefits, amortization, and professional and specialized services.

## Summary of Financial Performance

in thousands \$	6 months ended June 30, 2025	6 months ended June 30, 2024	Favorable (unfavorable) Variance	%	Commentary
<b>Revenues</b>					
Pilotage charges	50 095	46 825	3 270	+7.0%	Increase mainly attributable to the average 4% tariff increase and higher activity levels.
Pilot boat revenue	7 865	7 098	767	+10.8%	Increase primarily due to the higher number of pilot transfers.
Other revenues	158	179	(21)	-11.3%	
<b>Total revenues</b>	<b>58 118</b>	<b>54 102</b>	<b>4 016</b>	<b>+7.4%</b>	
<b>Operating costs</b>					
Contracted pilot fees	44 132	41 608	(2 524)	-6.1%	The variation is mainly attributable to the increase in the number of contractual pilot assignments, with costs directly tied to activity levels.
Pilot boat service	6 765	6 107	(658)	-10.8%	The variation is mainly attributable to the increase in the number of pilot transfers.
<b>Total operating costs</b>	<b>50 897</b>	<b>47 715</b>	<b>(3 182)</b>	<b>-6.7%</b>	
<b>Administrative costs</b>	<b>7 534</b>	<b>6 996</b>	<b>(538)</b>	<b>-7.7%</b>	Primarily due to higher costs related to the <i>Pilotage Act</i> administration fees and increased professional services costs.
<b>Comprehensive loss</b>	<b>(313)</b>	<b>(609)</b>	<b>296</b>	<b>48.5%</b>	

## Risk Management

The Authority believes that risk management is a fundamental component of overall corporate governance. Risks are grouped into six distinct categories: occupational health and safety, environmental, operational, information technology, financial, and reputational. Each risk is assessed based on its likelihood of occurrence and potential impact, and is accompanied by concrete mitigation measures. Senior management reports regularly to the Audit Committee on the monitoring and management of the risks to which the Authority is exposed.

## **LAURENTIAN PILOTAGE AUTHORITY**

999 de Maisonneuve Boulevard West, Suite 1410  
Montreal (Quebec) H3A 3L4

### **UNAUDITED FINANCIAL STATEMENTS**

Quarterly results  
Six months ended June 30, 2025

#### Statement of Management Responsibility

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

Based on our knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation, as at the date of and for the periods presented in the quarterly financial statements.



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M. Marc-Yves Bertin  
Chief Executive Officer  
Montreal, Canada  
August 27, 2025



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M. Antony Sebastiampillai, CPA  
Chief Finance and Administration Officer  
Montreal, Canada  
August 27, 2025

# LAURENTIAN PILOTAGE AUTHORITY

## STATEMENT OF FINANCIAL POSITION

### Unaudited

In Canadian dollars

	June 30, 2025		December 31, 2024	
<b>ASSETS</b>				
Cash and cash equivalents	7 724 558	\$	9 116 191	\$
Accounts receivable and other receivables	14 699 190		16 023 128	
Prepaid expenses	477 915		489 044	
<b>Current</b>	<b>22 901 663</b>		<b>25 628 363</b>	
Property and equipment	18 721 674		19 513 454	
Intangible assets	1 769 735		2 259 700	
Right-of-Use Asset	937 205		1 017 308	
<b>Total</b>	<b>44 330 277</b>	<b>\$</b>	<b>48 418 825</b>	<b>\$</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	15 038 747	\$	18 764 279	\$
Lease Obligation	202 268		193 850	
<b>Current</b>	<b>15 241 015</b>		<b>18 958 129</b>	
Employee benefits	593 139		546 551	
Lease Obligation	1 145 083		1 249 731	
<b>Total liabilities</b>	<b>16 979 237</b>	<b>\$</b>	<b>20 754 411</b>	<b>\$</b>
Retained earnings	27 351 040		27 664 414	
<b>EQUITY</b>	<b>27 351 040</b>	<b>\$</b>	<b>27 664 414</b>	<b>\$</b>
<b>Total liabilities and equity</b>	<b>44 330 277</b>	<b>\$</b>	<b>48 418 825</b>	<b>\$</b>

**LAURENTIAN PILOTAGE AUTHORITY**

**STATEMENT OF COMPREHENSIVE INCOME**

**Unaudited**

**In Canadian dollars**

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Pilot charges	27 059 609 \$	24 957 410 \$	50 095 021 \$	46 824 643 \$
Pilot boat revenue	3 907 534	3 203 384	7 864 621	7 098 223
Other revenues	56 279	95 864	158 643	178 886
<b>Revenues</b>	<b>31 023 422</b>	<b>28 256 658</b>	<b>58 118 285</b>	<b>54 101 752</b>
Contract pilots' fees	23 363 244	21 475 593	44 132 223	41 608 417
Pilot boat service- Outsourced	2 318 152	1 830 555	5 296 570	4 773 294
Employee salaries and benefits - others	1 939 309	1 855 685	3 947 443	3 682 660
Depreciation and amortization	615 807	830 513	1 224 883	1 392 669
Employee salaries and benefits - Boarding services	633 410	504 885	1 098 791	927 700
Professional and special services	391 460	233 225	838 589	665 668
<i>Pilotage Act</i> administration fees	315 804	244 014	732 141	431 978
Pilot boat and shuttle maintenance and operating costs	210 764	185 506	369 244	405 229
Utilities, material and supplies	152 498	121 254	305 085	247 388
Rental fees	108 227	98 430	213 883	193 336
Maintenance	36 441	31 309	82 647	63 603
Transportation, travel and hospitality	42 495	75 125	79 581	127 429
Communications	20 452	21 183	41 260	41 148
Insurance	15 904	16 289	32 246	33 264
Financial charges	14 504	16 139	28 683	32 616
Other expenses	22 894	27 014	8 390	50 322
Loss on asset disposal	-	33 791	-	34 085
<b>Expenses</b>	<b>30 201 365</b>	<b>27 600 510</b>	<b>58 431 659</b>	<b>54 710 806</b>
<b>Comprehensive loss</b>	<b>822 057 \$</b>	<b>656 148 \$</b>	<b>313 374 \$</b>	<b>609 054 \$</b>

# LAURENTIAN PILOTAGE AUTHORITY

## STATEMENT OF CHANGES IN EQUITY

### Unaudited

In Canadian dollars

	Three months ended June 30,				Six months ended June 30,			
	2025		2024		2025		2024	
Retained earnings, beginning of the period	26 528 983	\$	25 375 795	\$	27 664 414	\$	26 640 997	\$
Comprehensive income (loss) for the period	822 057		656 148		(313 374)		(609 054)	
Retained earnings, end of the period	27 351 040		26 031 943		27 351 040		26 031 943	



# LAURENTIAN PILOTAGE AUTHORITY

## STATEMENT OF CASH FLOW

### Unaudited

In Canadian dollars

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Comprehensive income (loss) for the period	822 057 \$	656 148 \$	(313 374) \$	(609 054) \$
Adjustment to determine net cash flows generated by (used for) the operating activities:				
Depreciation and amortization	615 807	830 513	1 224 883	1 392 669
Interest on lease obligation	12 576	14 325	25 453	29 077
Change in long-term portion of employee benefits	4 754	11 300	46 588	32 536
Loss on asset disposals	-	33 791	-	34 087
Interest Income	(53 206)	(66 547)	(121 918)	(136 355)
<b>Net change in working capital items:</b>				
Change in accounts receivable and other receivables	(1 545 784)	(982 527)	1 323 938	1 177 435
Change in prepaid expenses	29 352	107 169	11 129	42 007
Change in accounts payable and accrued liabilities	(74 049)	684 425	(3 725 532)	(1 463 092)
<b>Cash flows from operating activities</b>	<b>(188 493)</b>	<b>1 288 597</b>	<b>(1 528 833) \$</b>	<b>499 310 \$</b>
Acquisition of property and equipment	-	-	(22 442) \$	(4 336) \$
Acquisition of intangible assets	-	(627 104)	-	(749 228)
Government assistance received	159 408	-	159 408	
Interest received	53 206	66 547	121 917	136 355
<b>Cash flows from investing activities</b>	<b>212 613</b>	<b>(560 557)</b>	<b>258 883 \$</b>	<b>(617 209) \$</b>
Repayment of lease obligation	(48 266)	(46 517)	(96 230) \$	(92 610) \$
Interest paid on lease obligation	(12 576)	(14 325)	(25 453)	(29 077)
<b>Cash flows from financing activities</b>	<b>(60 842)</b>	<b>(60 842)</b>	<b>(121 683) \$</b>	<b>(121 687) \$</b>
<b>Cash and Cash Equivalents</b>				
Net increase (decrease) in cash	(36 722)	667 198	(1 391 633) \$	(239 586) \$
Balance, beginning of period	7 761 280	4,859 142	9 116 191	5 765 926
<b>Balance, end of period</b>	<b>7 724 558</b>	<b>5 526 340</b>	<b>7 724 558 \$</b>	<b>5 526 340 \$</b>

## LAURENTIAN PILOTAGE AUTHORITY

### NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

#### 1. Authority and objectives

The Laurentian Pilotage Authority (the “Authority”) was established in 1972 in Canada under the *Pilotage Act*. Its mission is to establish, operate, maintain and administer, for the safety of navigation, an effective pilotage service within certain designated Canadian waters in and around the Province of Québec. In accordance with the Canada Marine Act assented on June 11, 1998, that modified the *Pilotage Act*, the Authority no longer uses parliamentary appropriations.

The Authority is a Crown corporation listed under Part I of Schedule III to the Financial Administration Act. In July 2015, the Authority received a directive (C.P. 2015-1114) pursuant to section 89 of the Financial Administration Act to harmonize its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations and to report on the implementation of this directive in its next Corporate plan. The Authority has been complying with the instruction since 2016.

The Authority is not an agent of the Crown and is exempt from income tax.

The *Pilotage Act* regulates the approval process for the establishment and revision of pilotage charges. The Authority may, by resolution, determine the charges applicable for the provision of services involving compulsory pilotage. The Act provides that the pilotage charges must be fair and reasonable and allow the Authority to operate on a self-sustaining financial basis. Thus, the required pilotage charges are intended to create a reasonable financial reserve that allows the Authority to meet its current and future financial requirements related to the provision of compulsory pilotage services, among other things, the renewal of its property and equipment and intangible assets.

Under the *Pilotage Act*, the Authority must pay the Minister of Transport the amount specified by the Minister to cover the costs associated with the administration of the Act, including the development of regulations and the enforcement of the act.

## **2. Basis of Preparation**

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). The current financial statements do not include all of the financial statement disclosures required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Authority for the year ended December 31, 2024.

The Authority's Audit Committee has recommended to the Board of Directors the approval of these interim financial statements for issue on August 27, 2025.

The Authority's cost structure is largely composed of variable costs based on its revenues, which reduces potential unfavorable economic impact in the event of reduced revenues

## **3. Informations significatives sur les méthodes comptables**

The June 30, 2025 interim financial statements of the Laurentian Pilotage Authority have been prepared in accordance with accounting policies outlined in Note 3 of its audited annual financial statements as of December 31, 2024.