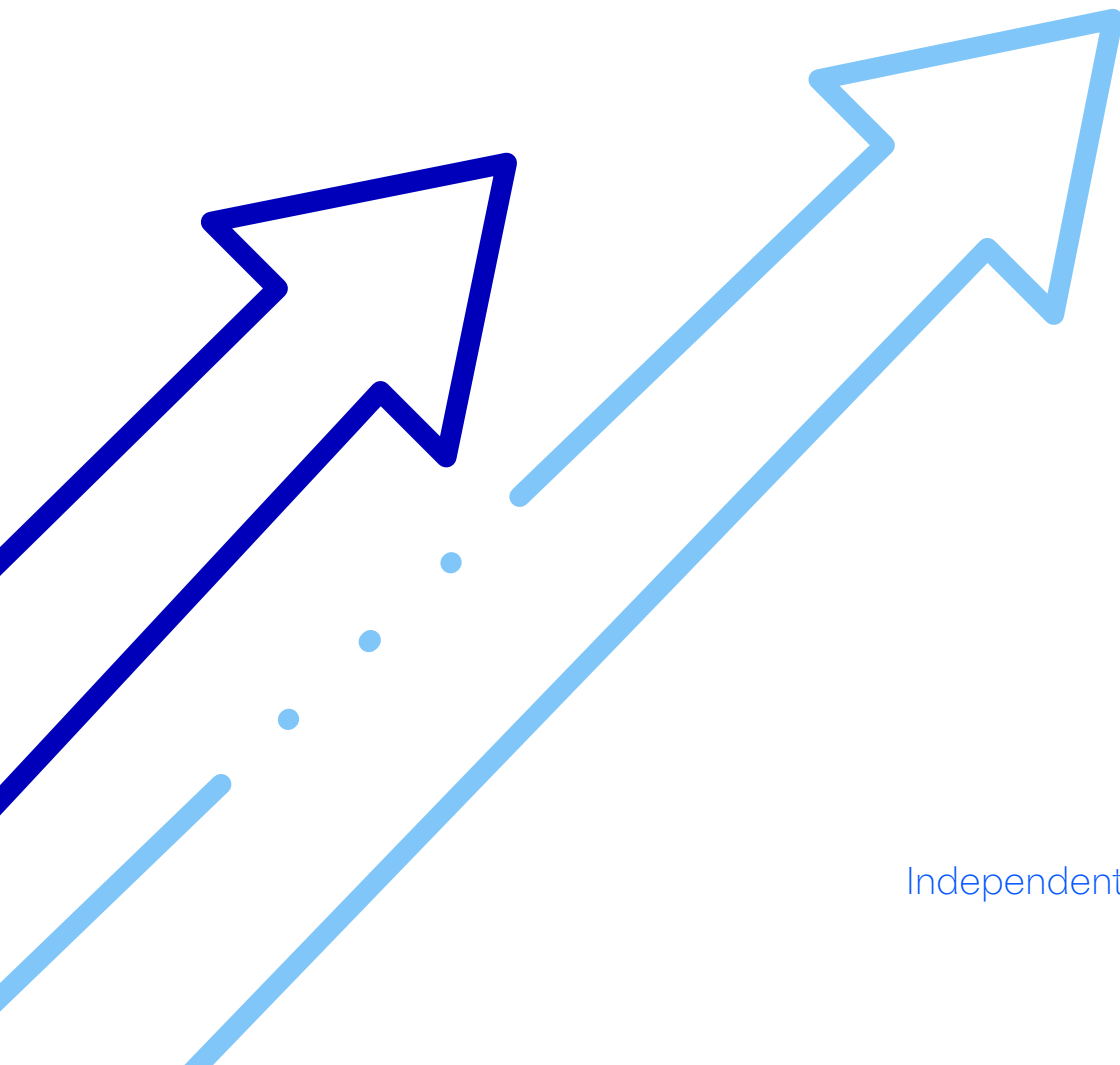


Exceeding expectations

2022 Annual Report



Table of Contents



Message from the President and the Chair
Board Members as of December 31, 2022

Mission, Vision, Values

2022 Highlights

“Le plus petit des grands aéroports”

YQB, at the Heart of Economic Activity

Financial Highlights

Independent Auditor’s Report on Summary Financial Statements

The Board of Directors

Message from the President and the Chair



EXCEEDING EXPECTATIONS

Passengers returning in large numbers. New routes. More restaurant options. Unexpected financial aid. Reduction in estimated losses. Greater operational agility. Consolidated alliances. All combined to make 2022 a year that has exceeded our expectations!

This abundance of good news is the result of more than just good luck. These successes were thanks to a real tour de force by a committed team that worked tirelessly on several fronts at once, with a single objective in mind: to meet the expectations of the people of the greater Québec City area by accelerating the development of their airport, despite a very challenging situation.

MORE ROUTES THAN EVER

Just as the company began spearheading route development when it unveiled its five-year strategic plan in early 2020, a shadow appeared: the entire planet was hit hard by a pandemic.

But our teams kept their eyes on the horizon. They never gave up and never stopped believing in their ambitious goal of making sure YQB reached its fullest potential. A few months later, the company launched a recovery plan with the same objective: to increase air service. While the outlook was certainly bleak at the time, our employees' boldness and determination allowed us to defy the odds. After sustained efforts, YQB ended up with more routes in 2022 than before the global crisis.

With the development of direct routes to Europe, Western Canada, and sun destinations; a stronger presence in our airlines' key hubs; easier access to major Canadian cities; and the announcement of the arrival of new airlines, 2022 was a year in which YQB opened the door to meet the greater Québec City area's expectations.

RESPONSIVE PASSENGERS

Of course, this success largely comes from the passengers who choose Québec City. In fact, while forecasts suggested that the million-passenger mark would be difficult to reach in 2022, some 1.17 million people flew into or out of YQB during the year.

This impressive figure is a reward for our promotional actions and investments throughout the year. Early in the pandemic, YQB acquired state-of-the-art tools to enhance its knowledge of the market and grow its potential. Next, it deployed an action plan to bring back passengers who used to fly out of other airports. This action plan involved tackling several promotional pillars at once to generate results quickly.

In 2022, this intention was translated into an advertising campaign aimed at convincing travellers to choose YQB as the starting point for their next getaway. That campaign was possible in part thanks to the City of Québec. At the start of the year, it joined the effort by announcing a \$500,000 grant for the airport to support its promotion of flights from Québec City through advertising campaigns aimed at the tourism and business markets in the airport's catchment area.

DILIGENT OPERATIONS MANAGEMENT

For many major airports, recovery was still a laborious process in 2022. Needless to say, the pandemic has had an irreversible impact on airlines and has created a new operating environment for everyone in the airport industry. Travellers have also changed the way they travel. Combined with a labour shortage that is severely impacting an already weakened industry, we have faced more than our fair share of risks and challenges!

At YQB, as we saw that the number of seats on sale for the summer of 2022 was increasing exponentially, our teams anticipated the issues and began preparing months in advance. Working closely with airlines, handlers, government agencies, and travel service providers, YQB welcomed a growing number of travellers throughout the year, all while providing a uniquely warm and personal experience.

The YQB team is proud of its ability to keep operations running smoothly despite a potentially chaotic environment, and deservedly so. This success is born from hundreds of hours of work, dozens of contingency plans, countless discussions between numerous stakeholders, the deployment of many additional employees during peak hours, and the implementation of innovative solutions to address a harsh reality: the global shortage of workers. We will be coping with this issue for years to come, calling for all of our teams' vigilance and ingenuity.

ENHANCING THE PASSENGER EXPERIENCE

Every crisis brings its own opportunities. In this case, the temporary dip in passenger traffic at the airport has allowed for major work to be done in the heart of the terminal. The entire nerve centre of the secure area has been transformed.

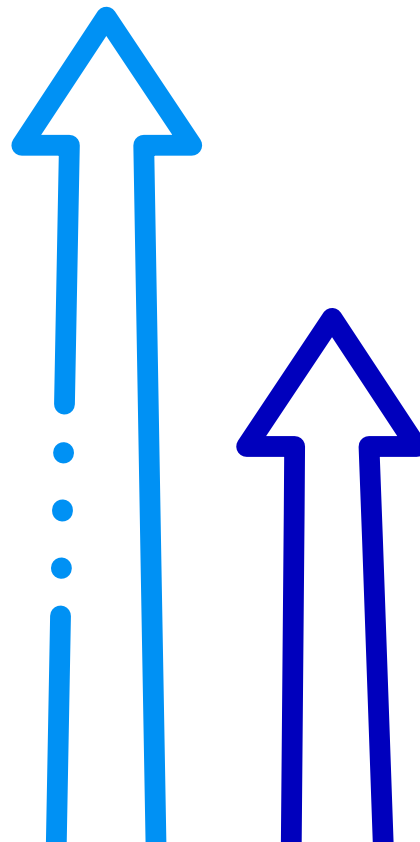
The ultimate goal: Meet the greater Québec City area's expectations by optimizing the airport's commercial options. Mission accomplished! Travellers from here and abroad can now enjoy more dining options than ever as they wait for their flights thanks to the addition of two new concessions that complement YQB's retail selection. Completing these concessions during the pandemic significantly minimized the impact on airport operations and the traveller experience.

MINIMIZING THE DAMAGE CAUSED BY THE PANDEMIC

While YQB had forecasted that COVID-19 would cost \$100 million in losses, the efforts to quickly recover passenger traffic have paid off. In fact, it appears that the return of so many passengers, combined with extremely strict financial management, will have allowed YQB to limit losses to \$12.6 million in 2022. As a result, the company is expected to face only \$80 million in losses by the time it returns to profitability. Of course, YQB is keeping an eye on the situation, but given that it was bracing for the worst, the 2022 results are more than satisfactory. Furthermore, they have allowed YQB to support a fast recovery by freezing airport improvement fees and general aviation fees for 2023—the sixth year in a row it has done so. As for aeronautical charges, they will have increased by only 4%, even though inflation has meant a much higher bill for the organization.

These successes were thanks to a real tour de force by a committed team.

In addition, the Government of Canada announced \$10 million in financial aid to initiate major rehabilitation work on the apron of Runway 29 and aircraft taxiways. This significant support allows us to encourage recovery even more and start this critical work while reducing the organization's debt.



WORKING WITH THE REGION

The airport has a strong relationship with its community, and this is one reason it was able to record gains and make so many positive announcements in 2022.

Every announcement, every flight inauguration, every business opening, and every project has naturally been closely discussed with many partners and stakeholders. From the preliminary stages to the final implementation of an idea, our teams make it their duty to work closely with everyone who's invested in seeing the airport grow and develop as a true driver of economic development.

YQB has also continued its philanthropy with several regional organizations, including an annual fundraising campaign for United Way that is entirely led by our employees.

Finally, we would like to thank all the elected officials, government agencies, chambers of commerce and other economic organizations, airport tenants, airlines, and the more than 2,500 people who work at the airport for their unwavering support, energy, and dedication.

HONOURING OUR PROMISE

In short, YQB will have accomplished many great things in 2022. We could not have dreamed of such a rapid and promising recovery without the strength of our employees. Since the beginning of the pandemic, the airport teams have been sitting down to evaluate all possible avenues for allowing the organization to pull itself out of the crisis as quickly as possible. We have put many measures in place to ensure that passengers choose us as quickly and as often as possible: tightening the budget, ensuring

operational agility, freezing airport fees, investing in advertising, adding destinations, overhauling the commercial options, revising parking fees, and more.

Today, we have everything we need for the next steps. The future of YQB will continue to depend on passenger confidence, a refreshed and optimized experience, strategic development that diversifies sources of revenues, and the ability to stand out with a friendly, personal approach that reflects our signature as “Le plus petit des grands aéroports”.

It is said that expectations exist to be exceeded. Clearly, the YQB team has proven that again this year!

André Boulanger

Chairman of the Board of Directors

Stéphane Poirier

President and CEO



Board members as of December 31, 2022



Board Chair
Ex-officio Member
of All Committees
City of Québec
Board Member since 2019

M.
ANDRÉ
BOULANGER
ICD.D, BASC, MASc



Vice Chair
Ex-officio Member
of All Committees
President, Gouv Ti Et Ca –
It For Boards Inc.
Associate Professor,
Organizational Information
Systems Department,
Université Laval
Coopted
Board Member since 2020

DR
LYNE
BOUCHARD
Ph. D, MBA, ICD.D, CGEIT



Risk management, Security
and Environment Committee
Member
Founder and CEO Flyscan
Systems inc.
Chambre de commerce
et d'industrie de Québec
Board Member since 2020

M.
ERIC
BERGERON
Eng., M.Sc.



Risk management, Security
and Environment Committee
Chair
Associate and co-founder,
Arsenal conseils, Governance
and strategic consulting
City of Lévis
Board Member since 2019

MME
SOPHIE-
EMMANUELLE
CHEBIN
LL.L, MBA., ICD.D



Planning and development
Committee Member
Corporate director
Chambre de commerce
et d'industrie de Québec
Board Member since 2019

MME
DIANE
DERY
ASC



Planning and development
Committee Member
Co-Président of Groupe
Germain Hôtels
City of Québec
Board Member since 2019

M.
JEAN-YVES
GERMAIN



Audit Committee Chair
Senior Vice President, CFO
La Maison Simons
Government of Canada
Board Member since 2019

MME
MARJOLAINE
GIASSON
CPA, MBA, ASC



Nominating, Governance
and Human Resources
Committee Member
General Manager
Groupe Commercial AMT inc.
Vice President, General Manager
Groupe immobilier Tanguay inc.
Vice President
Resort hôtelier Entourage
sur-le-Lac
Chambre de commerce de Lévis
Board Member since 2021

M.
JÉRÔME
JOLICOEUR
Lawyer, LL.M.



Risk management, Security
and Environment Committee
Member
Corporate director
Chambre de commerce
et d'industrie de Québec
Board Member since 2021

MME
MARTHE
LACROIX
FICA, FCAS, ASC



Nominating, Governance and
Human Resources Committee
Member
Co-promoter of the Festivent
Ville de Lévis
Co-founder and Board Chair
of Evenma and Cyrex
President and co-founder,
UEAT Technologies Inc.
City of Lévis
Board Member since 2019

M.
MARTIN
LAFRANCE
MBA



Nominating, Governance and
Human Resources Committee
Chair
General Manager -
Dessercom
Coopted
Board Member since 2018

M.
MAXIME
LAVIOLETTE
MBA



Nominating, Governance and
Human Resources Committee
Member
Partner, Rivard Fournier
Avocats
Government of Québec
Board Member since 2020

M.
PIERRE
RIVARD
ASC, Lawyer



Audit Committee Member
Corporate director
Professor, Accounting and
finance, PUJ Sims Business
Program – CEGEP Champlain
St.Laurence
Government of Canada
Board member since 2018

M.
THOM
SHINNER
CPA



President and CEO - Aéroport
de Québec inc.
Board member since 2019

M.
STÉPHANE
POIRIER
MBA

MISSION

Offer quality, efficient and secure services and infrastructure capable of sustaining growth in air traffic to consolidate our role as a major socioeconomic force in the greater Québec City area

VISION

Make YQB an airport of choice that operates on a human scale and is as ambitious as its region, connected to the needs of its passengers and a source of pride for the entire population



VALUES

Integrity We show a strong sense of ethics and duty, respect our commitments, demonstrate transparency and take responsibility for our decisions and actions.

Efficiency We use our human, material, informational and financial resources judiciously to achieve our organizational objectives.

Collaboration We promote teamwork and synergy within our organization and with all our stakeholders.

Customer care We respond diligently and efficiently to the needs of our passengers, airlines, tenants and vendors.



2022 Highlights



BY THE NUMBERS

PASSENGERS RETURN



1,174,321 travelled through YQB in 2022
passengers

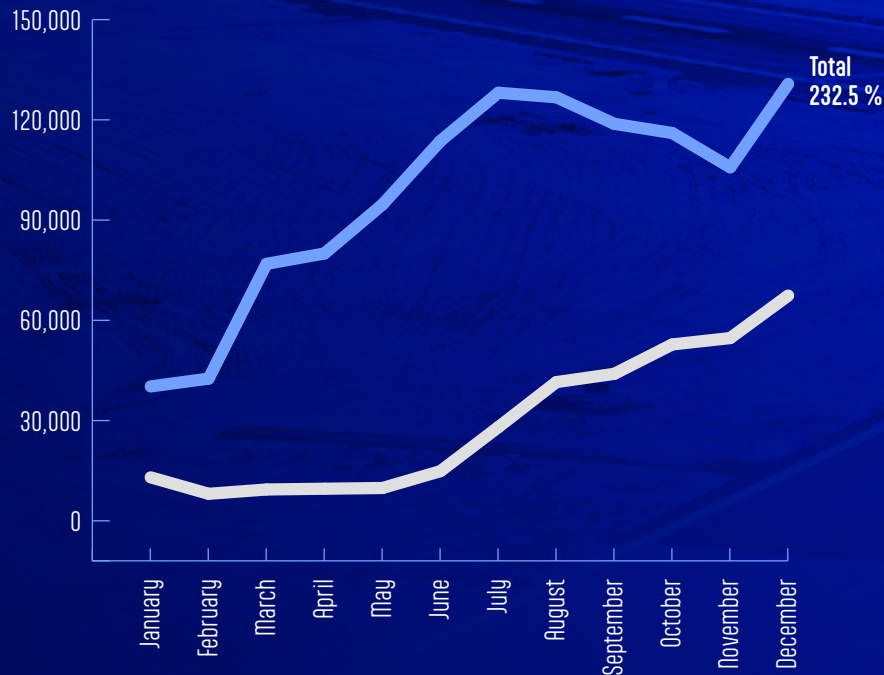
65% of 2019 traffic

821,118 more passengers than in 2021

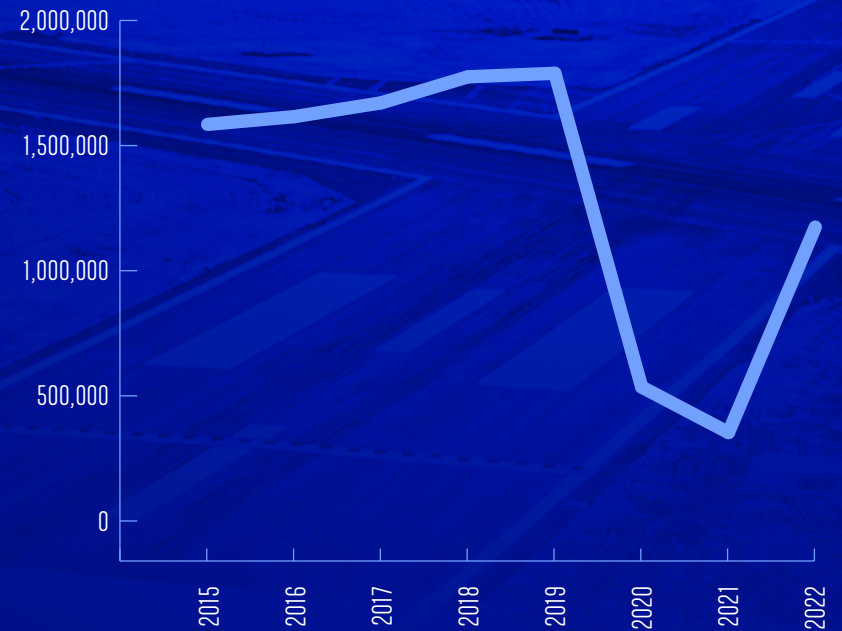
Open 24h/24
7d/7
365d/year

Passengers travelling through YQB by month

2022 — 2021



Passengers travelling through YQB by year



MORE TRAVEL OPTIONS

35 destinations served



More options for passengers

- Frequency of flights increased on several destinations
- Increase in the number of carriers per destination
- Significant increase in the number of destinations served during the summer season
- Total supply of seats for sale greater than before the pandemic

New destinations added in 2021 and 2022:

Samana, London, Rio Hato, Roatán, Vancouver

Destinations that will be offered from 2023:

Ottawa, Edmonton and Halifax

- Destination offered year-round
- Seasonal destination

12 airlines



* Flights with Flair Airlines will start in June 2023.

PRE-PANDEMIC ECONOMIC IMPACT



\$1,14 billion

in economic value
generated by
YQB in Canada



\$490 million

in GDP
generated by
YQB in Québec



**2,480
jobs**

directly related
to YQB
in Québec



Improved Air Service

At the beginning of 2022, Air France set the stage for an exciting series of developments, announcing its arrival in Québec City with three direct weekly flights between Québec City and Paris during the summer season. Air France, a major airline, has boosted its Canadian presence by adding a fourth point of service after Vancouver, Toronto, and Montréal. For a market the size of Québec City, this news illustrates YQB's entrance into the big leagues.

Thanks to a partnership with Destination Québec cité and BLEUFEU, the passengers of the first Air France flight to Québec City were greeted with music. The band HIGH 5 Coverband, stationed at international arrivals, played the greatest hits of headliners from the 2022 Festival d'été de Québec, one of the city's biggest summer events.

As YQB establishes more connections to Europe, Air Transat has been significantly increasing its transatlantic offerings with a weekly seasonal flight to London, the airline's second route to Europe after Paris. The community has welcomed the oft-requested flights to the British capital, especially since direct flights to Europe from the Capitale-Nationale region had been halted since the beginning of the pandemic.

In another big development for summer 2022, Air Canada increased its presence in Québec City and launched new routes to Calgary and Vancouver. Service to Montréal and Toronto, the airline's two hubs in eastern Canada, was also enhanced during the summer season. In addition, Air Canada introduced a new winter flight to Varadero, as well as more frequent connections to Punta Cana and Cancún.

In 2022 YQB also saw U.S. airlines restore service to New York, Philadelphia, and Chicago after a pandemic-induced hiatus. In the fall, they resumed all routes to the South, and Sunwing even introduced new flights to Panama and Honduras.

At the end of the year, YQB also learned that Flair Airlines, a recognized low-cost airline, will be serving YQB starting in summer 2023, with direct service to Halifax and Edmonton.

Thanks to sustained efforts in aviation development and its solid relationships with carriers, YQB convinced airlines to invest in Québec City, re-establish their service, and even expand their offerings. As a result, residents of the greater

Québec City area and the eastern part of the province enjoyed improved seat options out of Québec City, equal to 102% of the 2019 supply. The number of airlines and destinations also increased.

Travellers can now enjoy improved seat options, equal to 102% of the 2019 supply.





1 May 1, 2022 – Air Canada launches its new routes to western Canada with Steeve Lavoie, President and CEO, Chambre de commerce et d'industrie de Québec; Isabelle Lavallée, Director of Communications and Public Relations, Chambre de commerce et d'industrie du Grand Lévis; Robert Mercure, Director of Destination Québec cité; Stéphane Poirier, President and CEO of Québec City Jean Lesage International Airport; David Rheault, Vice-President, Government and Community Relations at Air Canada; Jean-Yves Duclos, Minister of Health and MP for Québec; Carl Viel, President and CEO of Québec International.

2 May 11, 2022 – Air Transat inaugurates the first London-Québec City route with Steeve Lavoie, President and CEO, Chambre de commerce et d'industrie de Québec; Robert Mercure, Director of Destination Québec cité; Marie-Josée Morency, Executive Vice-President and General Manager, Chambre de commerce et d'industrie du Grand Lévis; Joseph Adamo, Chief Sales and Marketing Officer, Transat; Caroline Proulx, Minister of Tourism, Minister Responsible for the Lanaudière Region and Minister Responsible for the Bas-Saint-Laurent Region; Stéphane Poirier, President and CEO of Québec City Jean Lesage International Airport; Chloe Adams, British Consul General in Montréal; Line Lagacé, Vice-President of Business Growth and Foreign Investment, Québec International; P. Michel Bouchard, CEO, Québec City Convention Centre; and several travel industry representatives.

3 May 17, 2022 – Air France inaugurates its new direct route between Paris-Charles de Gaulle and Québec City with Bruno Marchand, Mayor of Québec City; Henri Hourcade, Senior Vice-President France, Air France-KLM; Caroline Proulx, Minister of Tourism, Minister Responsible for the Lanaudière Region and Minister Responsible for the Bas-Saint-Laurent Region; Stéphane Poirier, President and CEO, Québec City Jean Lesage International Airport; Frédéric Sanchez, Consul General of France in Québec City; Gilles Lehouillier, Mayor of Lévis; and several regional partners.

4 November 29, 2022 – Flair Airlines announces its arrival in Québec City and the addition of new routes to Edmonton and Halifax.



“It’s wonderful to welcome new airlines to YQB and offer new destinations to our passengers! This type of project requires meticulous preparation and synergy between all our departments. Through multidisciplinary work and a lot of coordination, we can successfully bring on a new partner by combining our strengths. Nothing must be left to chance.”

Sophie Lambert

Operations Advisor, Project Management Office



An Enhanced Passenger Experience

The YQB teams are working hard to make the Québec City airport as enticing as possible and representative of the region's distinct colours and flavours. During the pandemic, YQB took advantage of the lower traffic to redesign the commercial space and transform the core of the terminal in response to travellers' requests.

Following extensive work in the terminal, the new commercial area officially opened for business in October 2022 and features the Blaxton Aéroport de Québec, Brûlerie Rousseau par Nourcy, and a Québec Winter Carnival exhibition. Thanks to the two new concessions and event area, travellers can enjoy a unique experience as they pass through

the terminal. In addition to savouring the menus of these beloved Québec brands, travellers can delight in learning about the history of the Québec Winter Carnival while waiting for their flight. The exclusive exhibition prepared by the famous winter festival features historical objects, photos of the Carnival's origins, and the evolution of its effigies, advertising posters, and incredible winter activities.

Directly opposite the security checkpoint exit, the new commercial area joins the terminal's existing commercial options, which include a RELAY convenience store, The Loop duty-free shop, and an A&W restaurant.

Styled after an English pub, Blaxton Aéroport de Québec is the first bar and restaurant to serve YQB travellers in nearly 25 years. This new restaurant offers table service, seats over 160 people, and is open daily from morning to night.

In addition to their new coffee shop in the commercial area, the owners of Brûlerie Rousseau par Nourcy reopened the café before the security checkpoint on the terminal's second floor. Guests and travellers alike can now enjoy a variety of hot and cold drinks, sandwiches, salads, snacks, and desserts every day.





October 6, 2022 - Official opening of the new commercial area with participating partners Blaxton Aéroport de Québec, Brûlerie Rousseau par Nourcy, and the Québec Winter Carnival.



“After much preparation and hard work, we opened the new food court last fall. Our passengers can now enjoy the first restaurant with table service at YQB in 25 years, the Blaxton Aéroport de Québec, and the diversified menu of the Brûlerie Rousseau par Nourcy. Thanks to everyone’s close collaboration, this project further improves our passengers’ dining options. It’s a great achievement for our teams and I’m happy to have played a part in it.”

Émilie Delagrave

Coordinator, Commercial Services



Diligent Operations Management

Over the course of the year, the Government of Canada phased out the special border and travel measures it had implemented in response to the COVID-19 pandemic. The relaxed measures were welcomed with relief, renewing activity and driving air traffic.

Air traffic has indeed returned in full force, as activity at YQB has increased significantly since the beginning of the summer season. Our teams saw a nearly 40% increase in the number of passengers travelling through our airport between May and July alone. This traffic growth has continued; YQB welcomed a total of 1.17 million passengers in 2022, an incredible 232.5% jump over 2021.

All teams at the airport, including our own, have shown resilience and agility in accommodating such an explosion in passenger numbers. The strength of our collaboration with government organizations and other partners has been key to avoiding the consequences on airport operations that other Canadian airports have had to face.

Increased terminal traffic also meant more traffic in the airport's parking lots. Whereas before the pandemic, there were more than enough spaces to meet travellers' needs, the parking areas began to rapidly fill up during the fall, foreshadowing a record number of travellers for the holiday season. The YQB teams sprung into action to minimize the potential operational impacts of the lack of passenger parking. After a swift effort to relocate employees, partners, and the CellPARQ lot, the outdoor parking lot gained 650 additional passenger spots.

The customer service team officially returned to the terminal floor in April, monitoring the different stages of the passenger journey and ensuring smooth operations around the clock. In particular, they manage crowds at the check-in counters, security, and customs during peak periods. They also assist travellers with their Canadian customs declaration forms at the Primary Inspection Kiosks (PIK) and provide support for people with reduced mobility.

Lifting of COVID-19 measures

February 15, 2022 - COVID-19 measures eased at the border

April 1, 2022 - Pre-entry COVID-19 screening requirements lifted for vaccinated travellers

April 20, 2022 - Public Health Agency of Canada stops airport COVID-19 screening for international passengers

October 1, 2022 - All COVID-19 border and travel measures (mask-wearing, ArriveCAN disease information, border vaccination requirements, screening, quarantine and isolation, etc.) lifted



"I was thrilled to see so many passengers this summer. There was a big spike last July, but our teams' effective contingency plans and priority management allowed us to minimize the impact on our travellers. I'm proud of the adaptability everyone has shown."

Danny Gauthier

Assistant Manager, Customer Service





Expertly handling the unexpected

July 27, 2022 - Arrival of Pope Francis and his delegation in Québec City

During his visit to Canada, Pope Francis, Bishop of Rome and head of the Catholic Church, landed at the Québec City airport on July 27, 2022, as part of his journey of reconciliation with Indigenous peoples in the Québec City area. Welcoming the Pope required extensive security measures, several months of planning, and ongoing communication between airport staff and the numerous organizations involved in the papal visit.

September 13, 2022 - Emergency exercise

To comply with its Transport Canada obligations and remain prepared for any eventuality, YQB is required to test its emergency measures plan by conducting full-scale emergency exercises every two years. On September 13, dozens of emergency responders and more than 20 extras gathered at the airport to participate in a simulated emergency, an off-site aircraft crash. Through this exercise, YQB and its partners tested their emergency procedures and learned from the interaction between participating security partners.

September 28, 2022 - The Antonov 124 “Be Brave Like Bucha” visits YQB

For the first time since 2007, YQB had the privilege of hosting one of the largest aircraft in the world, the Antonov 124, in September. Due to unforeseen circumstances, this flight and its special cargo—an Airbus 220 wing—landed in Québec City instead of the International Aerocity of Mirabel (YMX), where the Airbus factory is located. Thanks to the exceptional collaboration between the YQB teams and the partners involved, this large-scale operation went off safely and without a hitch.



Providing Safe and High-quality Facilities

Québec City Jean Lesage International Airport (YQB) has continued to improve its infrastructure over the past year through several projects.

Preparing to rebuild Threshold 29 and renovate Taxiways Golf and Hotel

In 2023, the YQB team will begin civil and electrical engineering work at Threshold 29 and on the Golf and Hotel taxiways. This is a major project and the largest runway overhaul since the 2016-2017 renovation. Excavation, drainage, roadway construction, and replacement of lighting systems and navigation aids are also anticipated. During 2022, the project was carefully planned and divided into phases so that airport operations could continue during construction. Work will take place from May to November 2023 and will continue into summer 2024 with funding received from Transport Canada under the Airport Critical Infrastructure Program.

Preparing to modify critical access control systems

Our teams have been preparing for construction to modernize the access control systems in the customs area. A one-way corridor will be installed in 2023 at the current international arrivals exit. This project aims to improve traffic flow and passenger zoning at international arrivals, to reduce the risk of security breaches and intrusions by securing the transition between restricted and non-restricted areas, and to optimize the operational efficiency of airport security. Work on this project will begin in April 2023.

April 2022 - Installation of an indoor service-animal relief area

In an effort to provide airport facilities for persons with disabilities and in accordance with the Accessible Transportation for Persons with Disabilities Regulations, a new service-animal relief area was installed in the passenger waiting area near gate 29. This space, which opened in April 2022, has been decorated and personalized with pictures of YQB employees' dogs.

July 2022 - Construction of new snow disposal site - South

During the summer, YQB teams completed the construction of a snow disposal site, sediment basin, and retention basin, the entrance to which is located on 8th Avenue de l'Aéroport.

This new infrastructure is necessary to meet the operational needs arising from future land development around Apron 3.

September 2022 - Restoration of the water-meter chamber

Restoration work was completed on the water-meter chamber that connects the entire airport site to Québec City's drinking water system. Located at the intersection of Rue Principale and Route de l'Aéroport, the water meter measures the water consumption of industrial, commercial, and institutional buildings. The work was carefully orchestrated to minimize any impact on airport operations and businesses.

October 25, 2022 - Opening of a second baggage-handling room

As we enter the peak season, we have begun operation of a second baggage room in collaboration with Daifuku, Equans, the Canadian Air Transport Security Authority (CATSA), and the airlines, providing carriers and travellers with more space and convenience when checking and handling baggage.

The new BTS (baggage tray system) was designed to meet the demands of the anticipated increase in air traffic over the next 10 to 20 years. The system can handle up to 850 suitcases per hour and reaches a speed of 36 km/h. Individual trays are transported on motorized conveyor belts that enable tracking of each bag. This energy-efficient system is easier for employees to access when they need to dislodge a bag, for example. This new advanced technology with multiple features automates many tasks that previously required human intervention.

November 2022 - Construction of the temporary Non-Passenger Screening for Vehicles (NPS-V) - North

Over the fall, the Projects and Infrastructure Office completed construction of the new temporary Non-Passenger Screening for Vehicles (NPS-V) - North, on Apron 1. The mega-dome facility includes interior amenities and technological equipment to facilitate Canadian Air Transport Security Authority (CATSA) operations in restricted areas.

November 22, 2022 - Airmedic announces construction of new hangar at YQB

Airmedic has announced that it will build a new hangar at Québec City Jean Lesage International Airport on the grounds near Apron 3 and 8th Avenue de l'Aéroport. This new infrastructure will allow Airmedic to increase its operational capacity and service in air and helicopter medical transportation. The hangar will house offices and emergency medical equipment will optimize flight-crew response times. The presence of this Québec-based company on airport grounds perfectly aligns with our efforts to diversify activities and revenue streams on airport property.

December 16, 2022 - Creation and expansion of parking areas

With the dramatic growth of demand for on-site airport parking in the fall of 2022, YQB teams developed plans, produced new signage, and swiftly created new temporary parking spaces for airport site employees and passengers. This resulted in 650 additional spaces available to travellers.



1



2



3



4

Photo credit: Julie Hudon

1 April 2022 - Opening of a new indoor service-animal relief area in the passenger waiting area near gate 29.

2 September 13, 2022 - Large-scale emergency exercise of an off-site aircraft crash.

3 September 28, 2022 - The Antonov 124 "Be Brave Like Bucha" visits YQB.

4 November 22, 2022 - Official groundbreaking ceremony at the site of the future Airmedic hangar, located near Apron 3 and 8th Avenue de l'Aéroport, with Jonatan Julien, Minister Responsible for the Capitale-Nationale Region; Sophie Larochelle, CEO of Airmedic; Stéphane Poirier, President and CEO of Québec City Jean Lesage International Airport and Filip Novakovic, from the office of Federal MP Joël Lightbound (not on the picture).



“Faced with a rapid increase in the occupancy of our parking lots, our teams were proactive and found creative solutions to meet the demand. In just a few weeks, we were able to add nearly 650 additional parking spaces to our site—a true tour de force. All stakeholders were invested in the project. We’re proud to be part of this great committed team.”

Line Renaud

Coordinator, Plans and Technical Data, Planning and Infrastructure

Jean-Marc Coicou

Field Team leader, Outdoor Facilities



Environmentally Responsible Progress

YQB makes an ongoing effort to ensure that its operations are environmentally friendly. The company is committed to preserving the physical, social, and organizational environments in which it operates, in accordance with the principles of sustainable development, ecosystem protection, and continuous performance improvement.

One of the lease requirements between YQB and Transport Canada is an Environment Management System (EMS) based on international standard ISO 14001. The following are key elements covered by the EMS that we have integrated into our practices:

- recycling program for hazardous and non-hazardous waste
- maintenance and inspection program for fuel tanks and oil interceptors on airport property
- environmental compensation measures
- attainment of Level 3 in the Airport Carbon Accreditation program, the global standard for carbon management in the airport industry
- management of waste snow (presence of on-site snow disposal sites), de-icing products, and halocarbons
- vehicle idling prevention program
- environmentally friendly maintenance of ditches and culverts
- advisory committee on soundscape management
- efficient, optimized spill management procedure
- environmental assessment of new projects and efforts to reduce water and energy use for new construction
- wildlife management program
- fleet vehicle management system

Continuous soundscape monitoring and improvement

In order to manage and mitigate noise pollution, Aéroport de Québec Inc. holds a minimum of two meetings per year with its Noise Management Committee. This committee's main objective is to monitor the noise impact of Québec City Jean Lesage International Airport activities. It consists of the following representatives:

- one representative of the Québec Ministry of Transport
- one representative of Transport Canada
- two representatives from NAV CANADA
- three representatives of the city of L'Ancienne-Lorette
- one representative of Québec City
- one representative of the city of Saint-Augustin-de-Desmaures
- two representatives from Aéroport de Québec Inc.

ENERGY-EFFICIENT INFRASTRUCTURE

YQB has set ambitious targets for energy savings as part of the latest expansion and redevelopment of the terminal building. The new infrastructure has been designed to be as energy efficient as possible.

While the surface area of the terminal doubled when the new international section of the terminal opened in 2017, energy consumption barely increased. After a first year of operation, natural gas consumption had halved and electricity consumption had increased by only 14% thanks to its geothermal system and the energy saving measures put in place.

Geothermal energy

Geothermal energy is an energy source for the Québec City airport facilities. It is a clean and renewable belowground energy source used to heat and cool the terminal and the combined services centre. The thermal power plant that

supplies the terminal building includes a 60-well geothermal heat pump, a 190-ton spiral cooling tower, and an underground concrete valve chamber for the manifolds. The combined services centre is equipped with a 30-well geothermal heat pump and each well is 170 meters deep. The use of geothermal energy generates substantial savings, but above all, it prevents us from consuming over 200,000 cubic metres of natural gas annually. It is a proven, sustainable, and environmentally responsible solution.

Automated lighting

A large portion of the terminal is equipped with light sensors, which automatically adjust the brightness of the mechanical lights based on natural lighting. The airport also uses LED lighting, which is more efficient and better suited to 24-hour lighting needs, as is the case in the terminal building. Together, these lighting measures allow YQB to save energy.

Heat recovery

By reclaiming heat from the exhaust air and transferring it to the fresh air entering the terminal, YQB can store not only sensible heat, but also moisture in the air. This results in savings on heating and humidification.

Fresh air intake monitoring

CO₂ detectors installed at strategic points in the terminal reduce the fresh air intake to certain building zones where occupancy varies greatly, such as the arrival and departure halls. Sensors in the detectors modulate the motors of the fresh air handling units to optimize the air exchange process.

The committee members evaluate the components of citizens' complaints to ensure that safe and effective noise mitigation measures are put in place for the benefit of all involved.

In 2022 we worked closely with the members of the Noise Management Committee, including the city of L'Ancienne-Lorette and its residents, to minimize the impact of our activities on our neighbours. Additional committee meetings were held to address issues with activities that could impact the soundscape.

YQB teams have taken the following concrete steps to minimize our impact on the soundscape:

- meeting and discussing with elected officials and citizen groups
- intervening and working with tenants to develop solutions to limit their impact on neighbours
- implementing mitigation measures, including moving and purchasing equipment, as well as measuring noise levels in the neighbourhood adjoining the airport
- working with NAV CANADA to develop and implement a new air corridor called the Sainte-Foy Procedure

The Sainte-Foy Procedure approach

Thanks to the effective collaboration between members of the Noise Management Committee, a new helicopter air corridor was developed and launched. This approach, known as the "Sainte-Foy Procedure", is the air corridor that helicopter pilots must now prioritize when landing or taking off from Québec City Jean Lesage International Airport (YQB). Running along the extension to Runway 11-29, it was designed to minimize the noise from helicopters flying over neighbourhoods in the city of L'Ancienne-Lorette and the resulting impact on residents.





Strengthened Community Alliances

Improving air accessibility requires many different stakeholders to work together. YQB has been collaborating on concrete initiatives with airlines and several key players in the region, including the Québec City government. In 2022 the City supported an effort to promote flights out of Québec City through a \$500,000 grant for advertising campaigns targeting the tourism and business markets within the airport's catchment area.

On another note, an agreement with the city of L'Ancienne-Lorette will now allow the airport to capitalize on the space created by construction of a new snow disposal site on 8th Avenue de l'Aéroport. Truck drivers from the city of L'Ancienne-Lorette can now use this snow disposal site 24/7, making it a win-win partnership that arose from a great collaboration between neighbours.

On November 18, 2022, the Honourable Jean-Yves Duclos, Minister of Health, on behalf of the Honourable Omar Alghabra, Minister of Transport, announced that Québec City Jean Lesage International Airport would receive new funding to major transportation infrastructure projects and help it recover from the pandemic. The \$10 million grant from Canada's Airport Critical Infrastructure program will fund key infrastructure projects to accommodate increased air traffic and allow us to fulfill our role as a hub and driver of socioeconomic development for the greater Québec City area and all of eastern Québec.

On behalf of YQB employees, an internal committee proudly presented a cheque for \$9,330 to Centraide Québec et Chaudière-Appalaches thanks to the generous donations collected during the 2021 campaign. This donation will be used to support a network of over 200 community organizations that in turn help 250,000 vulnerable people, or nearly 1 in 5 people, in our region.

Once again this year, our employees participated in the Fondation Les Amis de Samuel's Opération Marchands de Bonheur (Operation Merchants of Happiness), delivering more than 20 hampers of food throughout the city a few days before Christmas. In total, 150 families of underprivileged students from nearly 15 elementary and high schools in the greater Québec City area received generous Christmas gift baskets just in time for the holiday season.

Members of our team also gathered to help the organization Vide Ta Sacoche to manage inventory and package bags destined for women, youth, the homeless, and vulnerable seniors. The organization works with over 60 associations in 6 regions of Québec.

For the second year in a row, on December 10, 2022, YQB partnered with PAL Airlines for the "Flight to the North Pole" event. The airline organizes this magical event that takes 30 children on a flight to meet Santa. YQB would like to thank all the volunteers and employees who participated from near and far in organizing and putting on this event. Congratulations to PAL Airlines, volunteers, and partners for organizing this magical day! A big thank-you to the event partners, Chocolats Favoris, WKND, Laurier Québec, AvJet/TSAS, LORA films, Brûlerie Rousseau par Nourcy, Ludovica Miniland, Toys "R" Us Laurier Québec, TVA, and Les Mauvais Garçons.

Finally, YQB has continued its philanthropic work with many regional organizations. In total, more than 15 organizations have enjoyed its support. In addition to sponsorship investments, YQB teams have contributed to many fundraisers through their presence at events and participation on numerous juries and organizing committees. The airport also donated several packages to organizations for charity auctions, including VIP access to airport facilities. In 2022 YQB

showed its creativity while pursuing its commitment to community organizations, fully embracing its role as a driver of regional socioeconomic development, despite the challenging financial situation.

In 2022 YQB showed its creativity while pursuing its commitment to community organizations, despite the challenging financial situation.



1

1 November 18, 2022 - Transport Canada announces \$10 million grant from Canada's Airport Critical Infrastructure Program.



2

2 March 24, 2022 - Presentation of a \$9,330 donation to Centraide Québec et Chaudière-Appalaches.



Team Development and Well-being



In 2022 YQB received the Concilivi Seal, which is awarded to organizations committed to work-life balance. The airport aims to follow the best practices in work-life balance (WLB) and continues to work on current work-life balance measures to ensure that they meet the needs of the industry and YQB team members. Employees can maintain a healthy balance between their private and professional lives thanks to measures like schedules that can be either flexible or planned up to a year in advance, banked hours, the option to telecommute, family leave, and access to an Employee and Family Assistance Program (EFAP), telemedicine, and on-site gyms, among others.

Additionally, we relaunched our employee engagement surveys on a new platform. Amélio allows all employees to share their comments and ideas about our corporate culture and work environment. The intention behind this engagement survey is to stay in tune with employees' opinions about their workload, growth opportunities, relationships with managers, and many other topics. Survey responses are entirely anonymous and confidential and help to shape the company culture.

This year, managers received training in management methods for a changing labour market (recruitment, remote team management). YQB also organized co-development groups as a way to encourage managers' progress.



“Le plus petit
des grands
aéroports”



“LE PLUS PETIT DES GRANDS AÉROPORTS”

As part of its recovery plan, in 2022 YQB took many different measures to grow the number of passengers travelling through the airport. The goal was to optimize the airport’s catchment area, with the ultimate goal of improving air service from Québec City and thereby living up to the expectations of greater Québec City area residents. Before the global pandemic, YQB had been losing over one million passengers a year to other airports. That’s no small number, seeing as it welcomed nearly 1.8 million passengers in 2019, the pre-pandemic reference year.

While everyone would like more route options, it is important to recognize that carriers will respond if, and only if, they consider a route viable in a given market. More than ever, it has become essential to reach out to all potential passengers.

As such, an action plan was implemented to optimize our catchment area. The goal was to attract and create loyalty among all passengers in a specific market who used to fly out of other airports. This action plan involved tackling several promotional pillars at once to generate results quickly.

LEAVING NOTHING TO CHANCE

Before deploying any offensive, the organization needed to be extremely familiar with its product and its market. After all, promotion involves significant investments, so nothing could be left to chance. To gather as much relevant data as possible on travellers’ profiles and needs, YQB called on the expertise of partners and used state-of-the-art technology to guide its decisions.

For example, parking is a factor in people’s choice of departing airport. YQB has chosen to make this a draw for potential passengers. To that end, the airport changed its parking rates in 2020 in response to passengers’ requests for competitively priced long-term parking. The fee schedule was completely revised, in collaboration with an agency that specializes in parking fees, and it will continue to change over time based on forecasted demand and the optimal length of stay mix. In 2022, record occupancy and the addition of nearly 650 parking spaces demonstrated the success of the new pricing strategy.

In addition, the pandemic, the expansion of routes to and from Québec City, the improved commercial offering, and recent advertising campaigns have influenced the customer profile. Consequently, in collaboration with a polling firm, our teams have completely revised our techniques for surveying passenger satisfaction. Now, our operations staff can see real-time feedback and ratings from our passengers about their airport experience. In some cases, this allows us to immediately correct a situation once it’s been reported.

Finally, in 2022, YQB worked with a technology partner to analyze changes in passengers’ geographic origins using batches of anonymized geolocation data. The tool allows YQB to understand its market and smartly use its advertising budget by identifying the areas in need of greater investments. It also reveals the medium- and long-term impacts of the organization’s actions.

A BOLD FIRST ADVERTISING CAMPAIGN

Backed by all the knowledge it had acquired on its market in 2022, the airport deployed an advertising campaign aimed at convincing travellers to choose YQB as the starting point for their next getaway. The campaign used a bold tone to promote the advantages of flying out of Québec City. This was a historic first for YQB, as it was the first advertising campaign to focus solely on the airport. It took several months to develop and was designed to drive recovery and advertise the infrastructure and service improvements that have been made in recent years.

The offensive was launched in the markets of Trois-Rivières, the greater Québec City area, Saguenay-Lac-Saint-Jean, Rimouski, Drummondville, and all of eastern Québec. It included numerous billboards and superboards, as well as advertisements in bus shelters, newspapers, and magazines and on buses, radio, TV, and the Internet.

Catchment area

A catchment area is a region where an airport’s potential customers live. In other words, it’s an airport’s market. YQB’s catchment area includes the greater Québec City area, naturally, but also all of northern, eastern, and central Québec.

TEAMING UP TO PROMOTE ROUTES

In addition to its own advertising campaigns, YQB has partnered with airlines to maximize the number of seats sold for flights from Québec City.

By combining the airlines' knowledge of their passengers (socio-demographic profile, purchasing behaviour, etc.) and the airport team's knowledge of its catchment area, the advertising strategies can be refined and made more effective. Investments in airline partners' campaigns increase the impact of their actions in our catchment area tenfold. They also generate awareness of routes from Québec City and therefore increase the number of passengers departing from YQB.

YQB had another advertising first in 2022, with campaigns targeted at travel advisors. These campaigns involved trade media, mailouts, email blasts, and web banners. They proved effective, helping double the number of memberships in the YQB+ program. The YQB+ program is an incentive program, launched in 2021, that aims to increase overall traffic to YQB by informing and inspiring travel agents. The goal is to make them not just partners, but true committed ambassadors.

Targeted advertising for the YQB+ travel agent incentive program



This French-language campaign sought to share YQB's distinctive features, positioning it as an airport that offers the benefits of major international airports (attractive services, modern facilities, popular destinations) with the tranquility of a smaller airport (simplicity, accessibility, friendliness, speed).



Various billboards seen throughout the fall in the markets of Trois-Rivières, the greater Québec City area, Saguenay-Lac-Saint-Jean, Rimouski, Drummondville, and all of eastern Québec.





“Our advertising campaign highlights our services in a simple, yet eye-catching way. YQB has earned its place among world-renowned airports thanks to the quality of its services.”

Wesley Hardy

Coordinator, Airport Services

“Every time I hear an ad on the radio about “Le plus petit des grands aéroports”, I’m proud of working there. I truly believe that the effort and energy our teams bring every day make us an airport of choice.”

Johanne Benoît

Coordinator, Operations and Maintenance

YQB, at the Heart of Economic Activity



Québec City Jean Lesage International Airport (YQB) provides infrastructure that connects Québec City and the communities of eastern Québec to the world. It is an essential service, but also an important socioeconomic lever.

In 2022, InterVISTAS was commissioned to evaluate the economic impact of airport activities at YQB, an exercise that the airport authority intends to repeat on a regular basis to measure the benefits associated with its development.

InterVISTAS calculated that in 2019, the annual operations of YQB and its tenants in supported approximately 2,480 direct jobs or 2,220 direct full-time equivalents. These jobs represent \$170 million in direct wages.

When multiplier effects are considered, airport activities support a total GDP of \$570 million and a total economic output of \$1.14 billion in Canada. These economic impacts are recurrent. Year after year, the airport and its partners generate \$1.14 billion in economic value.

WEALTH CREATION ACROSS THE COUNTRY

Impact	Employment		Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
	Jobs	Full-time equivalents			
In Québec					
Direct	2,480	2,220	\$170	\$290	\$600
Indirect	1,410	1,260	\$80	\$120	\$240
Induced	840	750	\$40	\$80	\$140
Total	4,720	4,230	\$290	\$490	\$980
Rest of Canada (Not Including QC)					
Indirect	420	380	\$30	\$50	\$110
Induced	270	240	\$20	\$30	\$60
Total	690	610	\$40	\$80	\$170
Total in Canada	5,410	4,840	\$330	\$570	\$1,140

*Total may not sum due to rounding

Direct economic impacts

Direct economic impact is a measure of the jobs and economic impacts directly associated with the airport. This also includes employment with all airport tenants and subtenants, as well as employment related to airport operations in off-airport businesses.

Indirect economic impacts

Indirect and induced impacts are multipliers in the economy. They include the activities of businesses that supply goods and services to the airport.

Induced impacts

Induced impacts describe the spending by airport employees and tenants.

¹2019 has been designated as the reference year, to ensure that the data are not skewed by the impact of the global pandemic.





“Being an airport electrician is anything but boring! Every day we face new challenges, so we constantly need to adapt to maintain safe, quality facilities for our partners and passengers. We make sure that all the airport’s electrical systems are functional and in good working order, even in extreme weather. Our playground is like no other!”

We’re very proud of our team’s cohesion and collaboration, which allow us to reach high quality standards. Every day is different as an electrician at YQB. We wouldn’t want to work anywhere else.”

Kévin Jacques et Stephan Lévesque
Electricians, Outdoor Facilities

QUALITY JOBS

Average annual salary in Québec	Average national annual salary	Average annual salary of jobs related to our activities
\$50,100	\$53,500	\$68,500

Average Productivity in Québec	Average Productivity at YQB
\$53 per worked hour	\$62 per worked hour

While the average annual salary is \$50,100 in Québec and \$53,500 nationally, the average annual salary for jobs created by airport operations is \$68,500. It is 39% higher than in Québec and in the Québec City region, and \$15,000 above than the average Canadian salary. These are definitely quality jobs.

This also means that through its activities, the airport is a significant multiplier in terms of employment and salaries in all sectors of the regional and national economy.

Workers in the airport ecosystem are also highly productive. Productivity for employees at YQB is estimated at \$62 per hour worked. In 2019, productivity was \$53 per hour for Québec as a whole, meaning that employees at YQB are 17% more productive than those elsewhere in the province.

INVESTMENTS WITH MULTIPLIER EFFECTS

Economic Impacts Associated with YQB Capital Expenditures, 2019

Impact in Québec	Employment		Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
	Jobs	Full time equivalents			
Direct	460	430	\$40	\$50	\$100
Indirect	300	280	\$20	\$30	\$50
Induced	190	180	\$10	\$20	\$30
Total in Québec	950	890	\$60	\$90	\$190

*Total may not sum due to rounding

In addition to the economic impact of normal operations at YQB, capital expenditures at the airport also have a significant economic impact.

Capital expenditures include those related to construction, equipment, and raw and finished materials. These expenditures also support employment, the GDP, and economic output.

YQB and its tenants spent \$102 million on capital expenditures in 2019. These expenditures supported 890 full-time equivalent jobs in Québec, as well as \$60 million in wages and \$90 million in GDP in the province.

As a result, capital expenditures at the airport generated a total impact of \$190 million.



NEARLY \$100 MILLION IN REVENUE FOR GOVERNMENTS AND THE CITY

Taxpayers	Federal (Millions)	Provincial (Millions)	Municipal (Millions)	Total (Millions)
Passengers	\$8	\$2	\$0	\$10
YQB – employers and employees	\$38	\$43	\$7	\$88
Total	\$46	\$45	\$7	\$98

All levels of government have greatly benefited from the development of the airport and its partners. In 2019, they collected a total of \$98 million in tax revenues related to airport operations and tenants.

- \$46 million for the federal government
- \$45 million for the Québec government
- \$7 million for the municipal government

STRONG POTENTIAL

YQB’s mission is to offer quality, efficient, and secure services and infrastructure capable of sustaining air traffic expansion to consolidate its role as a major driver of socioeconomic growth in the greater Québec City area. The economic impact of the airport’s activities is exponential, making it a strategic infrastructure for the region.

It also allows the organization to establish a baseline. Though the goal is to reach 2019 traffic levels and achieve \$1.14 billion in economic impacts through its activities, it goes without saying that the team is working to improve on these figures in the near future, in the hopes of continuing to deliver results that exceed expectations.



Financial Highlights

2022 FINANCIAL PERFORMANCE

Aéroport de Québec inc. posted a negative overall result of \$12.6 million for the financial year ending December 31, 2022. Revenues were \$57 million, including financial revenues, and operating expenditures were \$69.8 million.

REVENUES

- Revenues derived from airport improvement fees (AIFs) totaled \$17.9 million in 2022, an increase of 269.9% compared to 2021. AIFs are entirely reinvested in airport improvement initiatives, including interest payments on AQI's debt.
- Landing fees and terminal fees generated \$12.2 millions in 2022, an increase of 153.4% compared to 2021.
- Parking, concession, rental, and service revenues were \$21 million, an increase of 106.8% compared to 2021.
- Safety and security revenues were \$3.9 million, an increase of 197.9% compared to 2021.
- Financial income is \$2 million.
- Overall, revenue increased by 153.5%.

EXPENSES

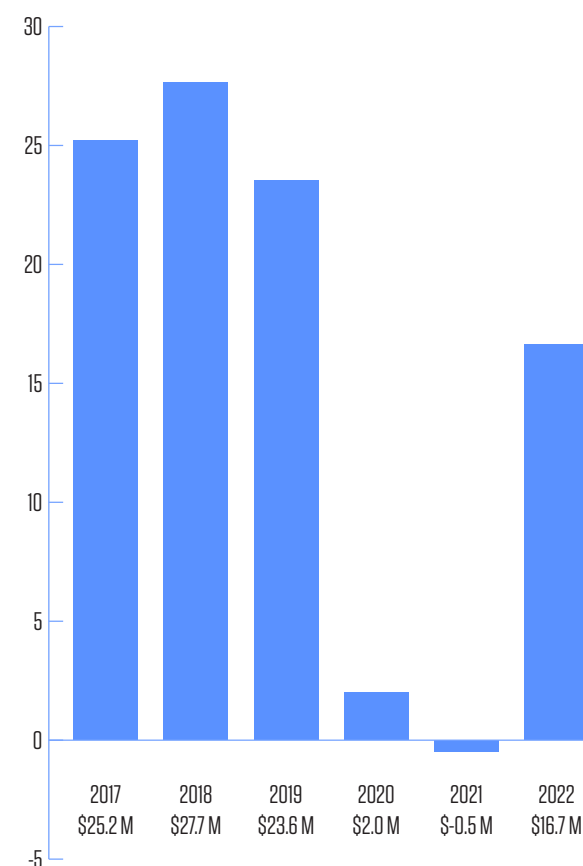
- Salaries and benefits, including Tourism and Hospitality Recovery Program (THRP) deductions, were \$13.9 million.
- The rent paid to Transport Canada was \$3.1 million.
- Aéroport de Québec inc. also procured goods and services worth a total value of \$18.1 million. Of this amount, \$10.4 million went to services and maintenance while \$4.2 million was spent on equipment, supplies and utilities, as well as \$1.7 million for marketing and administration, as well as \$3.5 million in marketing and administration.
- Aéroport de Québec inc. also assumed \$4.9 million related to in lieu of taxes.

EBIDTA

Earnings before interest, taxes, depreciation, and amortization (EBITDA) totalled \$16.7 million in 2022.

Management uses EBITDA as an indicator to assess ongoing operational performance. The Corporation defines EBITDA as the excess of revenues over expenses before financial expenses, taxes and depreciation.

EBIDTA 2017 to 2022



PROJECTED REVENUES AND EXPENSES (2023-2027)

	2023	2024	2025	2026	2027
Revenues	\$74,991	\$84,998	\$90,528	\$94,585	\$97,734
Expenses*	\$66,328	\$70,719	\$74,747	\$78,313	\$81,271

* Expenses do not include depreciation of fixed assets and amortization of deferred revenues related to tangible fixed assets.

The above forecasts were established based on assumptions. Actual results may differ.

2022 INVESTMENTS (in thousands of dollars)

	Forecast	Actual	Reason
Investments	\$19,474	\$10,337	Savings achieved (\$1,845), projects in progress (\$2,941) and certain projects to be completed in 2023 (\$4,351).

AQI's main investments in 2022 were the following:

- New snow disposal site - South;
- Short term parking lot;
- Purchase of two runway brooms and two wheel loaders;
- Temporary Control of non-passenger vehicles - North;
- Terminal expansion - finalization of the new baggage handling room;
- Redevelopment of the VIP Lounge;
- Airport Park development plan and layout (phase 1);
- Implementation of the regulation on accessible transportation for people with disabilities (ATPDR) - Article 11);
- Optimization of the concessions locations;
- Relocation of Bravo and Delta taxiway limitation markings;
- Upgrade of lighting towers at stations 20 to 29.

PLANNED INVESTMENTS (2023-2027)

The following are the main investments under consideration for 2023-2027:

- Rehabilitation of Runway 29 threshold, the Hotel and Golf taxiways;
- Expansion and redevelopment of the domestic flights pier;
- Completion of 9^e Rue de l'Aéroport;
- Construction of the new 8^e Rue de l'Aéroport;
- Construction of the taxi basin;
- Addition of a landing stage to the east of the terminal;
- Increase in the capacity of the VIP lounge;
- Repair of the ramps and expansion joints of the multi-level parking lot;
- Replacement of boarding bridges 28 to 30;
- Implementation of the recovery plan;
- Renovation of aprons (boarding stations);
- Development for RESA (Runway End Safety Area);
- Reconfiguration of the Charlie taxiway;
- Rehabilitation of the taxiway and extension of apron 3;
- Construction Apron 1 - gate 38;
- Runway 06-24 - maintenance work;
- 8^e Avenue de l'Aéroport - rehabilitation and lighting
- 7^e Avenue de l'Aéroport - rehabilitation
- Rehabilitation of the 6^e Avenue de l'Aéroport (between the parking lot exit and 8^e Rue de l'Aéroport);
- Redevelopment of the travellers's parking lot exit;
- Construction of a short-term parking lot.

Independent Auditor's Report on Summary Financial Statements

To the Directors of
Aéroport de Québec inc.

OPINION

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2022, and the summary statements of comprehensive income, changes in net assets and cash flows for the year then ended, and the notes to summary financial statements, are derived from the audited financial statements of Aéroport de Québec inc. for the year ended December 31, 2022.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 2.

SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited financial statements in our report dated February 16, 2023.

MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

Management is responsible for the preparation of the summary financial statements, on the basis described in Note 2.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

*Raymond Chabot Grant Thornton LLP*²

Québec
February 16, 2023

² CPA auditor, permis de comptabilité publique n° A119912

Summary Statement of Comprehensive Income

Year ended December 31, 2022

	2022	2021
	\$	\$
Revenues		
Landing and terminal	12,192,025	4,811,034
Airport improvement fees	17,935,132	4,861,640
Concessions	3,678,081	1,446,769
Rentals	3,824,114	3,519,626
Parking	6,084,521	2,195,398
Services and recoveries	6,510,169	2,738,833
Safety and security	3,904,949	1,310,725
Other income	891,220	246,508
	<u>55,020,211</u>	<u>21,130,533</u>
Expenses		
Employee benefit expenses	13,869,181	9,753,387
Rent	3,141,915	
Goods and services	18,111,631	6,670,042
In lieu of taxes	4,860,264	3,919,478
Amortization of property, plant and equipment	21,811,963	21,912,960
Amortization of deferred revenues relating to property, plant and equipment	(5,283,936)	(5,295,620)
Impairment loss of financial assets	175,418	679,547
Loss on write-off of property, plant and equipment		1,880,824
	<u>56,686,436</u>	<u>39,520,618</u>
	(1,666,225)	(18,390,085)
Operating results		
Finance income	1,979,706	1,357,900
Finance costs	(13,106,168)	(12,548,711)
	<u>(12,792,687)</u>	<u>(29,580,896)</u>
Net income		
Other comprehensive income		
Item that will not be reclassified subsequently to profit or loss		
Revaluation of net defined benefit pension plan liability	240,300	(11,200)
	<u>240,300</u>	<u>(11,200)</u>
Comprehensive income	<u>(12,552,387)</u>	<u>(29,592,096)</u>

The accompanying notes are an integral part of the summary financial statements.

Summary Statement of Changes in Net Assets

Year ended December 31, 2022

	Accumulated revenues	Accumulated other comprehensive income	Total net assets
Balances as at January 1, 2022	\$ 87,762,972	\$ (2,118,600)	\$ 85,644,372
Net income	(12,792,687)		(12,792,687)
Revaluation of net defined benefit pension plan liability		240,300	240,300
Comprehensive income			(12,552,387)
Balances as at December 31, 2022	<u>74,970,285</u>	<u>(1,878,300)</u>	<u>73,091,985</u>
Balances as at January 1, 2021	117,343,868	(2,107,400)	115,236,468
Net income	(29,580,896)		(29,580,896)
Revaluation of net defined benefit pension plan liability		(11,200)	(11,200)
Comprehensive income			(29,592,096)
Balances as at December 31, 2021	<u>87,762,972</u>	<u>(2,118,600)</u>	<u>85,644,372</u>

The accompanying notes are an integral part of the summary financial statements.

Summary Statement of Cash Flows

Year ended December 31, 2022

OPERATING ACTIVITIES

	<u>2022</u> \$	<u>2021</u> \$
Net income	(12,792,687)	(29,580,896)
Non-cash items		
Amortization of property, plant and equipment	21,811,963	21,912,960
Amortization of deferred revenues relating to property, plant and equipment	(5,283,936)	(5,295,620)
Amortization of transaction costs	150,999	122,861
Gain on disposal of property, plant and equipment	(24,690)	(1,400)
Loss on write-off of property, plant and equipment		1,880,824
Loss on write-off of a note receivable		413,461
Net defined benefit pension plan liability	41,100	18,335
Net change in working capital items	<u>2,230,726</u>	<u>(1,553,790)</u>
Cash flows from operating activities	<u>6,133,475</u>	<u>(12,083,265)</u>

INVESTING ACTIVITIES

Term deposits	(51,951,757)	(91,923,303)
Receipt of term deposits	63,795,909	55,275,832
Receipt of notes receivable	116,667	116,667
Acquisition of property, plant and equipment	(12,942,435)	(3,172,984)
Disposal of property, plant and equipment	62,474	1,400
Cash flows from investing activities	<u>(919,142)</u>	<u>(39,702,388)</u>

FINANCING ACTIVITIES

Loans		50,000,000
Repayment of loans	(2,250,000)	(2,250,000)
Transaction costs	(1,445)	(671,966)
Repayment of lease liability	(115,601)	(10,767)
Cash flows from financing activities	<u>(2,367,046)</u>	<u>47,067,267</u>
Net increase (decrease) in cash	2,847,287	(4,718,386)
Cash, beginning of year	<u>4,485,616</u>	<u>9,204,002</u>
Cash, end of year	<u>7,332,903</u>	<u>4,485,616</u>

During the year, the Organization paid a total of \$ 12,994,304 (\$ 12,347,666 in 2021) in interest and received a total of \$ 1,392,531 (\$ 1,513,343 in 2021) in interest.

The accompanying notes are an integral part of the summary financial statements.

Summary Statement of Financial Position

December 31, 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
ASSETS		
Current		
Cash	7,332,903	4,485,616
Term deposits	57,760,427	57,204,579
Accounts receivable	8,414,685	5,475,519
Grants receivable	3,662,782	4,062,502
Notes receivable	116,667	116,667
Supplies in inventory	1,997,085	1,852,578
Prepaid expenses	794,420	702,532
	<u>80,078,969</u>	<u>73,899,993</u>
Non-current		
Term deposits	27,600,000	40,000,000
Notes receivable	1,275,000	1,391,667
Grants receivable	24,214,798	27,579,216
Property, plant and equipment	418,092,735	429,605,654
	<u>471,182,533</u>	<u>498,576,537</u>
	<u>551,261,502</u>	<u>572,476,530</u>
LIABILITIES		
Current		
Accounts payable	17,447,145	14,466,600
Deferred revenues	2,610,847	2,765,712
Customer deposits		55,000
Loans	5,606,498	6,014,138
Lease liability	216,312	118,830
	<u>25,880,802</u>	<u>23,420,280</u>
Non-current		
Loans	350,125,368	355,582,312
Lease liability	395,484	608,567
Deferred revenues relating to property, plant and equipment	101,060,849	106,344,785
Customer deposits	697,614	667,614
Defined benefit pension plan liability	9,400	208,600
	<u>452,288,715</u>	<u>463,411,878</u>
	<u>478,169,517</u>	<u>486,832,158</u>
NET ASSETS		
Accumulated revenues and accumulated other comprehensive income	<u>73,091,985</u>	<u>85,644,372</u>
	<u>551,261,502</u>	<u>572,476,530</u>

The accompanying notes are an integral part of the summary financial statements.

On behalf of the Board,

Signed:

André Boulanger, ICD.D, B.A.Sc, M.A.Sc

Chair of the Board

Signed:

Marjolaine Giasson, CPA, MBA, ASC

Chair of Audit Committee

Notes to Summary Financial Statements

December 31, 2022

1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

Aéroport de Québec inc. (AQI) is a not-for-profit corporation without share capital, governed by the *Canada Not-for-profit Corporations Act*. AQI is exempted under the *Income Tax Act*. The corporation is in charge of managing, operating, maintaining and developing the Aéroport international Jean-Lesage de Québec ("YQB") in accordance with a 60-year ground lease signed on October 27, 2000, with the Canadian government, with an option to renew for another 20 years.

AQI's head office is located at 505 Principale Street, Québec, Quebec, G2G 0J4.

2 - CRITERIA FOR THE PREPARATION OF SUMMARY FINANCIAL STATEMENTS

AQI prepared financial statements in accordance with International Financial Reporting Standards (IFRS). The financial statements were approved by the Board of Directors on February 16, 2023. The independent auditor expressed an unmodified opinion on these financial statements in the independent auditor's report dated February 16, 2023.

AQI elected to prepare summary financial statements using the following criteria:

- (a) Presentation of one set of financial statements, except for the notes to financial statements;
- (b) Use of the same format in the summary financial statements as that used for the financial statements, except for the references to the notes;

- (c) Exclusion of the notes to financial statements, unless their omission prevents users from obtaining a structured view of AQI's economic resources and obligations at a given time or of any changes during a period.

The financial statements are prepared in Canadian dollars, AQI's functional currency.

3 - AVAILABILITY OF THE FINANCIAL STATEMENTS

The audited financial statements are available on AQI's website (www.aeroportdequebec.com) after they have been presented at the annual public meeting.

Additionally, a paper copy of the audited financial statements may be obtained by contacting AQI.

The Board of Directors

Aéroport de Québec Inc. (AQi), incorporated by virtue of the *Canada Not-for-profit Corporations Act*, is a not-for-profit corporation without share capital that is exempted under the *Income Tax Act*. It is responsible for managing, operating, maintaining and developing Québec City Jean Lesage International Airport (YQB) and holds a 60-year lease signed on October 27, 2000 with the Government of Canada, with an option to renew for a period of 20 years.

Any surplus of revenues over expenses is reinvested in airport facilities to improve passenger services.

AQi subscribes to all of the accountability and transparency principles in the lease, as well as its own general bylaws.

In addition to the regulatory framework provided by the lease, general bylaws and certificate of continuance, AQi is subject to other rules that allow it to meet its accountability and transparency obligations towards the public. AQi is evaluated annually under Transport Canada's lease monitoring program.

AQi has proven to be in compliance in recent years. All of Transport Canada's remarks have been properly followed up on without exception.

In compliance with Canadian airport administrations' public accountability principles and its own bylaws, AQi has a maximum of three (3) co-opted members named by the Board of Directors, two (2) members named by Her Majesty the Queen in Right of Canada³, one (1) member named by the Government of Québec, five (5) members proposed by the cities of Québec and Lévis, and four (4) members proposed by Québec City and Lévis chambers of commerce. Each party is invited to submit candidates for membership on the Board of Directors based on profiles submitted by the Board.

In all, the Board of Directors is composed of no more than fifteen (15) members, who are known for their individual expertise in accounting, the environment, administration, air transportation management, law, labour organization and engineering.

The Board sets the organization's strategic orientations and oversees their implementation in conjunction with the management team.

In 2022, AQi was supported, depending on appointments and departures, by a team of fifteen (15) external directors, whose varied expertise and skills helped to actively support management in their work.

COMMITTEES

In 2022, four (4) committees helped lay the groundwork for the Board's decisions:

- The Nominating, Governance and Human Resources Committee
- The Audit Committee
- The Planning and Development Committee
- The Risk Management, Security and Environment Committee

The committees act according to the guidelines set out by the Board of Directors and ensure that the organization meets its legal obligations in the day-to-day management of its operations. The Board of Directors is also supported by the Community Advisory Committee, which helps advance various issues related to the improvement of YQB's air services and facilities.

CONFLICT OF INTEREST RULES

In accordance with its lease with Transport Canada, AQi has incorporated conflict of interest rules into its general bylaws. These rules apply to the airport's directors, managers and employees and are designed to avoid any real or apparent conflicts of interest. AQi complied with these rules in 2022, notably by means of an annual declaration of interest signed by each director, as well as update notices published as needed.

³ May be increased to three (3) for each period during which the company receives financial aid from the Government of Canada.

CONTRACTS IN EXCESS OF \$117,100 AWARDED WITHOUT PUBLIC CALLS FOR TENDER

- Housekeeping contract awarded to Les Entretien d'édifices Capitale Inc., authorized by the Board of Directors on May 9, 2012, at hourly rates for an indefinite, cancellable term. The granting of this private contract has been duly authorized by unanimous resolution of the board of directors as part of a project partnership allowing optimal supervision of the quality of services by YQB. From January to December 2022, AQi paid \$904,935 plus taxes to this supplier.
- Private contract awarded to Engie Services Inc., now Equans, authorized by the board of directors of July 14, 2022 for the operation of baggage handling systems according to hourly rates, until December 31, 2025 with an additional two-year option, due to this firm's highly specialized expertise and in-depth knowledge of YQB's baggage handling system. From January to December 2022, AQi paid \$1,431,191 plus taxes to this supplier.
- Renewal of the Airport Security and Operational Control Center (OCC) Dispatch Services contract with GardaWorld authorized by the Board of Directors until December 31, 2025, on an hourly rate basis. The granting of this private contract was duly authorized by unanimous resolution of the Board of Directors on April 21, 2022 as part of a partnership project allowing optimal supervision of the quality of services by YQB. From January to December 2022, AQi paid \$2,237,540 plus taxes to this supplier.

- Awarding of a private contract to upgrade the check-in kiosks to EASIER, the manufacturer of the kiosks used by YQB, for \$175,000, authorized by the Board of Directors on April 21, 2022 so that YQB can comply with the Accessible Transportation for Persons with Disabilities Regulations.
- Improvement to the infrastructure, WIFI and telephony service contract of the firm ESI/SBK authorized by the Board of Directors on April 21, 2022 due to YQB's need to add services to the current agreement and the supplier's 24/7 support service offer. From January to December 2022, AQi paid \$138,000 plus taxes to this supplier.
- Extension of the private contract with Thyssen Krupp for the maintenance and service of elevators and escalators until December 31, 2027 authorized by the Board of Directors on July 14, 2022 with the aim of optimizing operating costs of YQB. From January to December 2022, AQi paid \$74,540 plus tax to this supplier.
- The Board of Directors authorized on October 26, 2022 the launch of an invitation to tender process with at least five bidders to replace two loader trucks at the end of their useful life before the start of the season winter with a budget of \$850,000. The proposal was duly authorized by unanimous resolution of the Board of Directors because of the importance for the airport to have a fleet of quality vehicles so that its employees have the tools necessary to maintain safe operations.

GOVERNANCE

The President and CEO is responsible for defining and implementing the organization's strategic orientations, objectives and fundamental values. YQB's strategic orientations are based on operating as an economic entity to maximize value for its partners (various governments) and stakeholders (clients, employees, the public). The President and CEO, working under the supervision of the Board of Directors, is also in charge of the financial performance of all the organization's operations and business, including revenues and expenses, financial statements, and monitoring of the chief indicators of customer value.

COMPENSATION OF DIRECTORS

Bylaws have set annual compensation for directors as follows:

Annual fees

Chair.....	\$60,000
Vice-chair	\$10,000
Committee chair	\$10,000
Director (except the chair).....	\$8,000
Committee member*	\$2,000

(*Except the chair and vice-chair)

Meeting fees

\$600 per board or committee meeting or per half-day of special activities.

Number of meetings

Board of Directors.....	6
Nominating, Governance and Human Resources Committee.....	8
Audit Committee.....	6
Risk Management, Security and Environment Committee.....	5
Planning and Development Committee.....	5
Annual General Meeting (members).....	1
Annual Public Meeting.....	1
Annual meeting of nominating bodies.....	1
Community Advisory Committee.....	2

MANAGEMENT

AQI's senior management received \$1,859,873 in compensation for the fiscal year ending December 31, 2022, including annual bonuses for meeting or exceeding objectives.

REGULAR COMPENSATION

Name	Fees	Meeting fees	Total 2022
André Boulanger **	\$60,000	\$13,200	\$73,200
Lyne Bouchard ***	\$18,000	\$14,400	\$32,400
Thom Skinner ¹ *	\$14,945	\$7,200	\$22,145
Jérôme Jolicoeur	\$10,000	\$7,800	\$17,800
Maxime Laviolette *	\$20,000	\$7,800	\$27,800
Sophie-Emmanuelle Chebin *	\$20,000	\$4,800	\$24,800
Marjolaine Giasson ² *	\$15,055	\$7,200	\$22,255
Martin LaFrance *	\$20,000	\$5,400	\$25,400
Jean-Yves Germain	\$10,000	\$4,200	\$14,200
Diane Déry	\$10,000	\$6,600	\$16,600
Éric Bergeron	\$10,000	\$4,800	\$14,800
Marthe Lacroix	\$10,000	\$6,000	\$16,000
Pierre Rivard	\$10,000	\$7,200	\$17,200
Michel Tremblay ³	\$6,589	\$2,400	\$8,989

* Committee chair

** Board chair

*** Board vice-chair

1 Thom Skinner's term as president of the Audit committee ended on June 28, 2022.

2 Marjolaine Giasson' term as president of the Audit committee on June 28, 2022.

3 Michel Tremblay left office on April 27, 2022.



Aéroport de Québec inc.
505, rue Principale
Québec, QC G2G 0J4
418 640-2700
1 877 769-2700
info@yqb.ca
aeroportdequebec.com

