

2019 ANNUAL REPORT

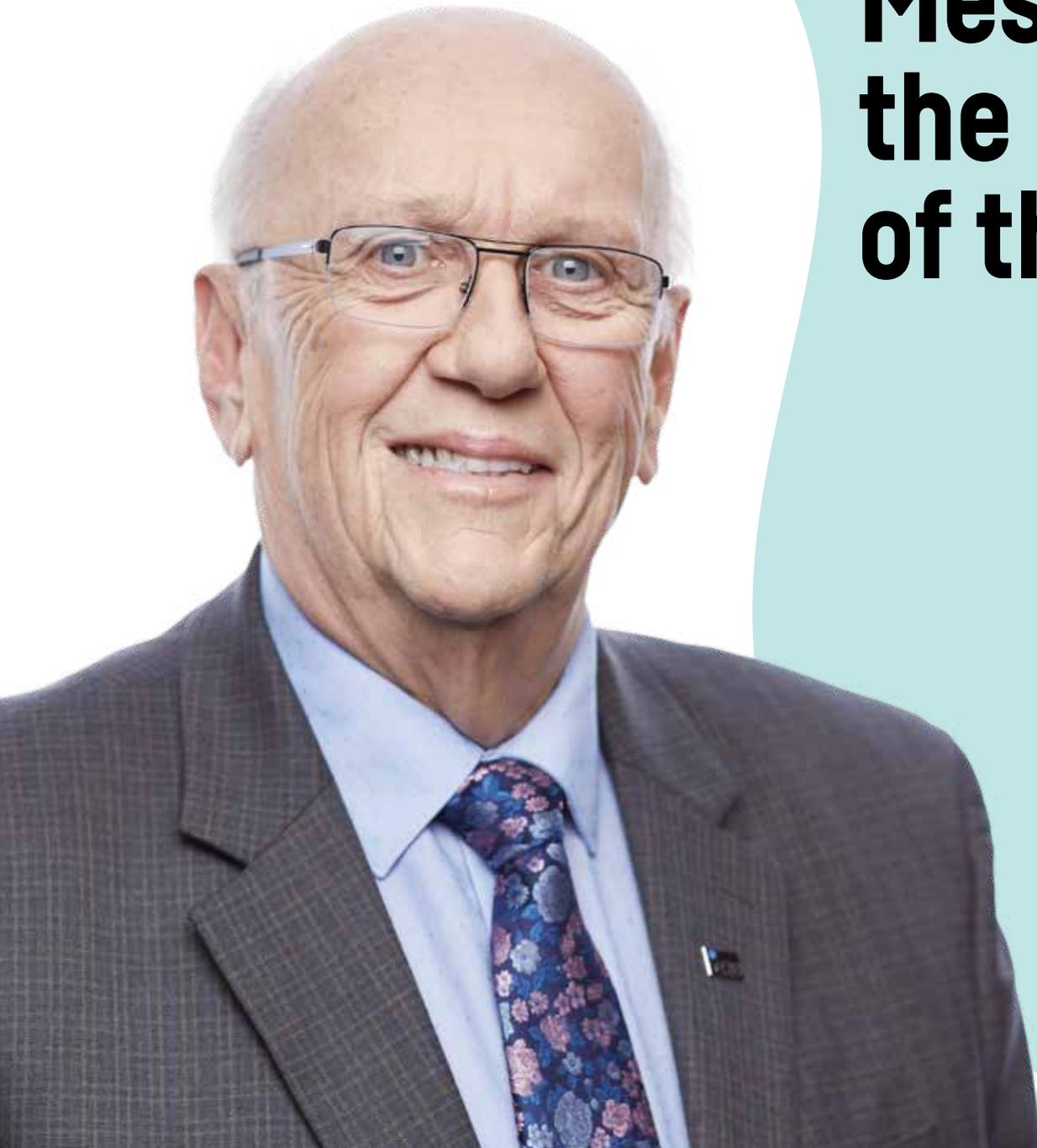
A Successful **Transition Year**





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Message from the Chair of the Board

It is with a great sense of pride that I end my last term as a director of Aéroport de Québec inc. (AQI) and as Chair of the Board. The last nine years have proven to me that an airport is a crucial economic driver for any successful region. I am thrilled to have been a part of the development of Québec City Jean Lesage International Airport (YQB) alongside my current and former colleagues on the Board of Directors.

2019 was a year of big changes for YQB, both physically and organizationally.

As we approach our 20th anniversary, we have successfully completed the expansion of our international terminal building. We now have a modern infrastructure that will allow us to continue to grow in the coming decades, and we couldn't be prouder of it.

Recently, numerous national and international awards have recognized the excellence of our company's management in a number of sectors. This recognition has helped our region shine around the world.

Our success is the result of the sustained efforts of a truly exceptional team that takes the company's values to heart. I would like to thank YQB's employees, who give the best of themselves each day to create a unique experience for our passengers that allows us to stand out on the international scene.

On the organizational front, we brought a new President and Chief Executive Officer on board this year. Stéphane Poirier is taking up the torch from Gaëtan Gagné, who retired after more than 20 years of service.

Mr. Poirier, who grew up in Québec City has more than 22 years of experience in the air transport industry. His mandate is to continue the development of YQB to offer our business and leisure passengers a range of direct flights to a greater number of destinations. In addition,

we are hoping to develop our cargo services in order to better serve the people and businesses of Eastern Québec. Furthermore, we aim to enhance our current selection of non-airport services, such as restaurants, hotels and gas stations.

In 2019, we adopted a new five-year strategic plan that will ultimately allow us to continue making YQB a model of regional representation and a true driver of economic development for not only our area, but all of northern and eastern Québec.

Finally, the Board of Directors entrusted management with the firm mandate of creating a U.S. Customs pre-clearance centre as soon as possible.

Of course, this is a complex task. To make this project — which is essential for an airport of our caliber — a reality, YQB needs more than just the current support of the public. It also needs the support of all levels of government, as well as that of community partners, to create the conditions for its success.

At the end of my ninth and final year as a director of AQI, I had the honour of chairing the Board of Directors and welcoming eight new members from diverse backgrounds who brought with them an equally diverse range of expertise.

This board, which has reached the 40% parity zone for female representation in February 2020, ensures sound, open and transparent governance. Each of its directors are committed to the success of YQB, a true driver of economic development for our city, our region and all of northern and eastern Québec. I thank them for their trust and unwavering support throughout this past year.

In conclusion, I hope that the public, all levels of government, the business community and the driving forces of our region will show their concrete and tangible

support for Québec City Jean Lesage International Airport. This show of solidarity is the only way that YQB can achieve the ambitious objectives it has set itself.

On a more personal note, I am saddened to be leaving the Board after my three terms.

I assure you that I will continue to follow YQB's development with interest as I continue to fly...
from Québec City!

Jean-Claude Labbé,
Chair of the Board

Message from the President and Chief Executive Officer

I am thrilled to be addressing you for the first time as President and CEO of Québec City Jean Lesage International Airport (YQB).

Last spring, I returned home to Québec City to begin a new chapter in my professional life with an organization that has laid the foundation to take advantage of the opportunities created by global aviation growth. 2019 was undoubtedly a year of change, but returning to my hometown and contributing to its vitality remains the greatest gift I could have given myself. Once again, I would like to thank the Board of Directors of Aéroport de Québec inc. (AQI) for having placed its trust in me.

For YQB, 2019 was also a landmark year as we finished a major construction phase that is now paving the way for an era of sustained development. Naturally, we are looking to the future. We have given ourselves the tools we need to continue growing with agility and allow our airport to fully become a driver of socio-economic development.

To that end, the organization will invest all of its efforts in four strategic areas: diversifying revenue, optimizing and reducing operating costs, mobilizing human resources and engaging its community and stakeholders.

Over the past few months, I have had many meetings and conversations with YQB's employees and business partners, as well as representatives from the business community and the tourism industry.

I was impressed by the passion and determination that drives our employees and encourages them to do better every single day. I see it day after day; our projects are moving forward steadily even though our everyday activities are incredibly complex. Here, we thrive on challenges and our diligence allows us to move mountains.

I was also pleased to note that we share a common goal with the community: to develop YQB to the benefit of our region, in particular through the development of new air routes.

We have had constructive discussions that have encouraged reflection on the future of YQB, our priorities and the directions we will need to take in the upcoming years.

We are working on concrete initiatives alongside airlines and several key players in the region. These efforts are bearing fruit, as several airlines already improved their service to Québec City in 2019.

One thing is certain. The greater Québec City area is home to a thriving business community, a vibrant tourism industry and a population that is ready to help develop its airport and region.

In 2019, our newly refurbished terminal became fully operational. We welcomed new flights to more destinations, while maintaining our commitment to providing an exceptional passenger experience.

Our vision is clear for 2020 and the years to come: we will continue to work with the region's driving forces to support the growth of Québec City's airport and allow it to take its rightful place on the world stage.

Together, we will 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.

Stéphane Poirier,
President and CEO



Board Members

as of December 31, 2019



JEAN-CLAUDE LABBÉ

Board Chair
Ex-officio Member
of All Committees
Government of Québec
Board Member since 2011



LISE LAPIERRE
FCPA, FCA, ASC

Corporate director
Vice Chair
Ex-officio Member
of All Committees
Chambre de commerce
de Lévis
Board Member since 2012



FRANCE BILODEAU
FCIA, CFA, ASC, Actuary

Nominating, Governance
and Human Resources
Committee Member
Chambre de commerce
et d'industrie de Québec
Board Member since 2016



ANDRÉ BOULANGER
ICD.D, Eng

Québec City
Board Member since 2019



SOPHIE-EMMANUELLE CHEBIN
LLL, MBA, ICD.D

Associate and co-founder,
Arsenal conseils, Governance
and strategic consulting
Nominating, Governance
and Human Resources
Committee Member
Risk management, security
and environment Committee
Member
City of Lévis
Board Member since 2019



DIANE DÉRY
ASC

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



GILLES FILATRAULT

Risk management, security
and environment Committee
Chair
Chambre de commerce
et d'industrie de Québec
Board Member since 2018



JEAN-YVES GERMAIN

Co-President of
Groupe Germain Hôtels
Ville de Québec
Board Member since 2019



MARJOLAINE GIASSON
CPA, CA, MBA

CFD, Prémoulé Inc.
Audit Committee Member
Government of Canada
Board Member since 2019



MARTIN LAFRANCE
MBA

Co-promoter of the Festival
Ville de Lévis
Co-founder and Board Chair
of Evenma and Cyrex
President and co-founder,
UEAT Technologies Inc.
Planning and development
Committee Member
City of Lévis
Board Member since 2019



MAXIME LAVIOLETTE
MBA

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



JEAN-GUY PAQUET
C.C., G.D.Q., ASC, Eng

Corporate director
Planning and development
Committee Chair
City of Lévis
Board Member since 2012



THOM SKINNER
CPA, CA

Corporate director
Audit Committee Chair
Risk management, security
and environment Committee
Member
Government of Canada
Board member since 2018



STÉPHANE POIRIER
MBA

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

Management Team



President and CEO

STÉPHANE
POIRIER
MBA



Corporate Secretary,
Compliance and Real Estate

SOPHIE
LEFRANÇOIS
ASC, C. Dir., Lawyer



Vice President —
Operations

MARC-
ANDRÉ
BÉDARD



Vice President —
Finance

FRANÇOIS
BILODEAU
CPA, CA



Vice President —
Development

YANIC
ROY

Mission Vision

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

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



COLLABORATION

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



EFFICIENCY

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



CUSTOMER CARE

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



YQB, a Key Driver of Regional Economic Development

According to a survey by the firm SOM, no less than 91% of people in Québec City and the surrounding areas believe that the development of Québec City Jean Lesage International Airport (YQB) has contributed significantly to the region's economic growth.

What's more, for the eighth year in a row, the people of Québec City have deemed the airport to be a powerful source of economic development for the region. As such, it should be noted that Aéroport de Québec inc. (AQi) is a non-profit corporation without share capital. It was created by the Québec City area business community out of a desire to develop the infrastructures needed to make the airport a gateway to the world and a cornerstone of the region's economic vitality.

It is also worth noting that an impact study conducted by the Conference Board of Canada in 2017 found that YQB's airport activities generate more than \$628 M in gross domestic product (GDP) across Canada. What's more, it supports 5,674 full-time jobs across the country.

In order to continue this momentum, the organization adopted a five-year strategic plan in 2019. This plan was designed to meet the community's needs while increasing the economic benefits from its activities. While YQB is already a key contributor to our region's economic health, the organization plans to grow its contributions in the coming years by diversifying revenue streams, developing on-site real estate and optimizing costs.

Given that YQB's development is closely tied to community involvement and engagement, its impressive popular support means that it is exceptionally well positioned to support the next phase of its growth.



91%

OF QUÉBEC CITY AREA RESPONDENTS BELIEVE THAT YQB'S DEVELOPMENT IS IMPORTANT OR VERY IMPORTANT TO THE REGION'S ECONOMIC SUCCESS

¹The maximum margin of error for all respondents is 3.6% (with a confidence level of 95%). It is 5.4% for data specific to the Québec City census metropolitan area (CMA).

Methodology

From January 31 to February 5, 2020, research firm SOM conducted an online survey of 1,102 respondents. Of those, 569 live in the Québec city or Chaudière-Appalaches regions and 533 live in the other regions that make up the impact area¹. YQB's impact area includes the following regions: Bas-Saint-Laurent, Saguenay-Lac-Saint-Jean, Mauricie, Estrie, Côte-Nord, Gaspésie-Îles-de-la-Madeleine and Centre-du-Québec.



Highlights 2019

2019 in numbers

1,789,005 passengers transited by YQB

9 shops and restaurants

10 airlines

38 destinations served

145,986 take-offs and landings

50 % reduction of our GHG emissions compared to 2016

Runway length

Runway 06-24: **9,000** ft / **2,743** m

Runway 11-29: **5,700** ft / **1,737** m

54,081 square metres terminal

9,642 square metres of new spaces opened in 2019

Open **24** hours a day, **7** days a week, **365** days a year



In 2019, Québec City Jean Lesage International Airport (YQB) put the finishing touches on the largest construction project in its history, laying a solid foundation to support the next stages of its growth and set the course for an era of sustained development. Our newly refurbished terminal became fully operational. We also welcomed new flights to more destinations in order to better serve our region and its community. What's more, we equipped ourselves with a more agile structure to support development efforts and allow our airport to play an even more active role as a driver of socioeconomic development.

The airport completed several projects in 2019. We made significant efforts to deliver and open the following projects:

- Relocation of the Canadian Air Transport Security Authority screening checkpoint for passengers and non-passengers
- New information counter
- New area for domestic flights
- A&W restaurant

- Two Relay stores
- Central section of the terminal building
- Completed terminal access road
- Relocation of the taxi pool
- New Réseau de transport de la Capitale (public transit) stops
- Espace Wendake

Once again, we carefully planned and coordinated all construction work that affected everyday operations in order to minimize their impact on passengers.

BUSINESS DEVELOPMENT

Air Service development

Without a doubt, Québec City impressed the 800 airline industry professionals and decision-makers who flocked to the area from February 12–14, 2019, for Routes Americas 2019, the largest route development forum in the Americas. As the event host, YQB took the opportunity to showcase its cutting-edge facilities and highlight the region's business and tourism potential.

The forum allowed YQB to strengthen its network and relationships of trust with airlines from around the world, paving the way for fruitful partnerships.

From April 10–12, 2019, YQB also hosted senior executives from the airline industry to discuss the future of their companies in the digital era at the 25th International Airline Symposium. This annual event addresses the challenges and opportunities facing airlines around the world.

In addition to these major events, we stepped up our air development efforts. In particular, we worked with experts who helped us find airlines to establish direct commercial flights to Europe and improve our service to the United States. We also participated in several air development events, conducted a trade mission to Europe and met with several airlines.

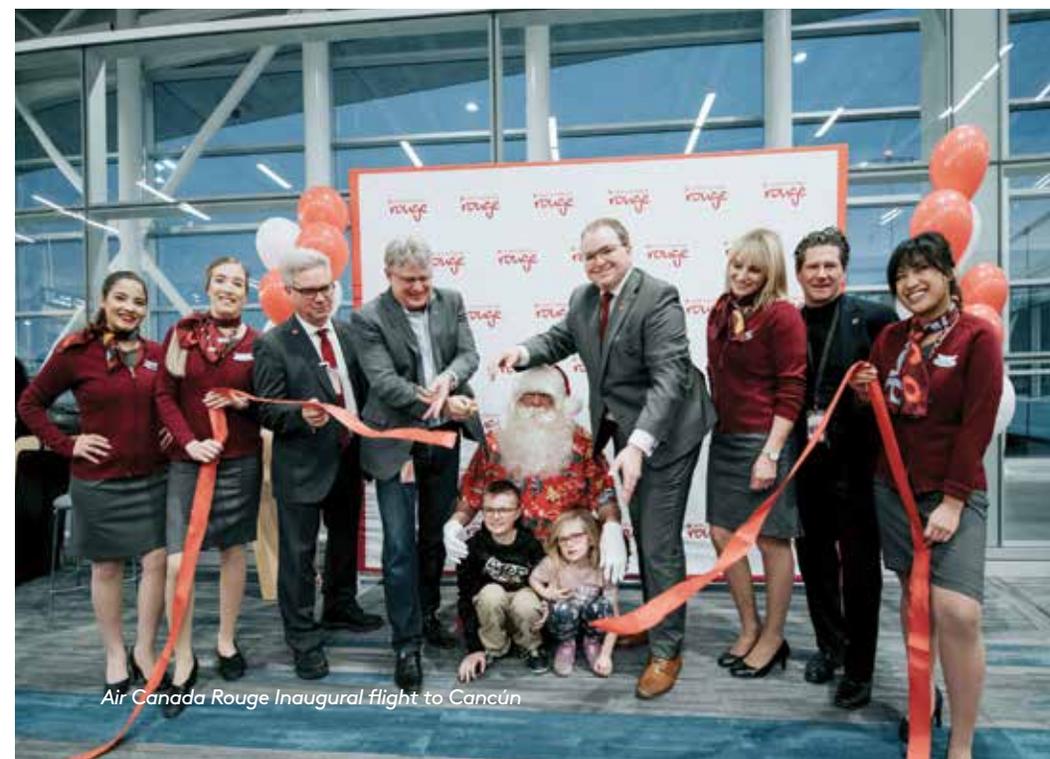




American Airlines Inaugural flight to Chicago



Sunwing Inaugural flight to Mazatlán



Air Canada Rouge Inaugural flight to Cancún

This resulted in a lot of good news about new flights and new destinations. For instance, U.S. carriers American Airlines and United increased their service to YQB in summer 2019, adding 33,300 seats. American Airlines doubled the frequency of its flights to Philadelphia, extended its season and added a daily flight to Chicago. Similarly, United increased the frequency of its flights to Chicago and extended its season. It also added a third daily flight to Newark.

Sunwing renewed and improved its service for summer 2019, with flights from Québec City to Cancún, Varadero, Cayo Coco and Puerto Plata, as well as a new weekly flight to Punta Cana. For the winter season, the airline also added a weekly flight to a new destination on Mexico's west coast, Mazatlán from December 17, 2019, to April 14, 2020.

Air Transat also improved its international service to and from Québec City for winter 2019–2020. The airline offered more flights to Fort Lauderdale, Florida, and Holguín, Cuba, as well as more frequent flights between Québec City and Paris. It has also announced that it will be improving its service to Paris and Fort Lauderdale in summer 2020.

Air Canada also strengthened its service in Québec City, offering its first international flights from YQB. On December 21, 2019, Air Canada Rouge began flights to two popular sun destinations: Cancún, Mexico, and Punta Cana, Dominican Republic. These routes were available for the winter 2019–2020 season.

The airport welcomed 1,789,005 passengers, a 0.80% increase over the previous year. This is slightly better than the situation in Canada overall; in a recent report, NAV CANADA has stated that "air traffic volumes, as measured by weighted charging units (WCU) (a measure of the number of flights, aircraft size and distance flown), increased by 0.2% year-over-year." (Source: NAV CANADA, Management's Discussion and Analysis, November 30, 2019)

2019 was an eventful year for Canadian airlines, with WestJet's acquisition by Onex, the temporary grounding of Boeing 737 MAX aircraft and Air Canada's announcement that it was acquiring Air Transat. WestJet also restructured its service in Canada, which led to, among other things, the discontinuation of its Québec City-Montréal flights.

Real estate and commercial management and development

This year, the airport improved its commercial options with the opening of a second Relay convenience store. Opened in July 2019 and covering 46 square metres, the Relay store in the public area sits between the check-in area and international arrivals, making it easily accessible to all passengers and employees. The other Relay store, located in the secure area, also doubled in size this fall. It now provides a much larger range of travel items, snacks, drinks, books and magazines, souvenirs and a new selection of sandwiches and salads.



Relay in the public area



Relay in the secure area



Official opening of the A&W in the secure area

An A&W restaurant officially opened in November 2019 in the terminal's food court. This is the chain's first location in a Québec airport. All travellers will now be able to enjoy the brand's famous burgers and all-day breakfasts. Located near gate 30 and the children's play area, the A&W is an excellent addition to the range of restaurants in the secure area. It joins the Starbucks café, the Pidz restaurant and the Origine sandwich bar.

Following the relocation of NAV CANADA's antennas south of ramp 3, YQB also started to commercialize the newly available land. Its first tenant, Orizon Aviation, will arrive in 2020. We are in discussion with several groups for the remaining available land.

Ground transportation

Over the past few years, we have implemented measures and made agreements to give our passengers access to efficient, easy-to-use ground transportation. In 2019, we partnered with the taxi industry to launch our automated taxi pool management platform. It uses geolocation to allow taxi drivers to see demand in real time. Drivers arriving in the waiting area are also automatically added to a virtual queue, then assigned to passengers on a first-come, first-served basis. Furthermore, once the work in front of the terminal building was completed, we were able to move the taxi waiting and pickup area to a more accessible location. Passengers can now catch a cab directly in front of the international arrivals area.

In December 2018, the Réseau de transport de la Capitale announced that its bus routes 76 and 80 would run from the Sainte-Foy bus and train stations and downtown Québec City to the airport as of summer 2019. The buses run every 30 minutes, from morning to night, 7 days a week. These new routes are a major improvement to airport accessibility; they are a welcome addition for travellers and airport employees alike. The hundreds of thousands of people who travel to YQB each year now have access to an efficient and cost-effective way to reach the airport.

The number of passengers using UBER, a ridesharing service, continued to grow this year. We also signed an agreement with Montréal's EVA, a ridesharing cooperative. It will begin operations at YQB in 2020.

We are seeing an ever-growing need for parking spaces; on many occasions, especially in March 2019, there were no spaces available in the parking garage or outside. Our revenue from parking is continuing to grow, and we will be introducing new products in 2020 to revitalize our parking facilities and improve passengers' options. CellPARQ, the cell phone waiting area for passenger pickup, is also growing more popular.

Réseau de transport de la Capitale's new bus routes 76 and 80



Advertising space

We have signed a new deployment plan for advertising spaces with our partner, Astral Media. We have also converted *Aérotélé* products into a vertical digital network so that we can better meet passenger expectations.

VIP lounge

Traffic at YQB's VIP lounge remained fairly stable in 2019. However, we did find that certain airlines' increased aircraft capacity sometimes caused higher spikes in lounge traffic. These peak periods need to be better managed. A needs analysis will be carried out to meet these new needs and improve the services offered to passengers.

Airport planning

Throughout 2019, the Airport Planning Division began work, preparatory studies and measurement campaigns for the renewal of the airport's Master Plan.

In addition, we continued to implement the Geographic Information System (GIS) by adding new layers of information, particularly for real estate management, planning and historical photos, and by introducing data owned by specific services that helps ensure its implementation and sustainability. These layers of information make it possible to accurately locate many elements that are useful to our operations, such as underground services, regulatory areas, telecommunications clusters, runway markings and light beacons. These elements can now be located precisely on a map or in the field.

OPERATIONS

Engineering

YQB has continued to improve its infrastructures over the past year with the following projects.

Reorganization of the old terminal building

Throughout 2019, we continued to rehabilitate the 1996 and 2008 buildings and harmonize their

services (phase 2) as part of the project that began in 2018.

YQB was proud to open the new Canadian Air Transport Security Authority (CATSA) screening checkpoint and a new information counter in 2019. The team also delivered the new waiting area for gates 20 to 28. This area, which formerly housed CATSA's screening checkpoint and the public dining area, was redesigned to provide more seating and comfort for passengers waiting for domestic flights.

Rental space build-out and arrival of new commercial tenants

We developed the rental spaces for our commercial tenants throughout 2019. Among other things, an Origine café express counter was opened in early July 2019 to provide a food option in the public area ahead of the construction of the new Origine café and restaurant.



New Canadian Air Transport Security Authority (CATSA) screening checkpoint

Optimization of the baggage handling system

In 2019, we continued to work on the optimization project for the baggage handling system. This project is divided into five phases. The team primarily focused on delivering the second baggage sorting room.

The new baggage handling system is made up of two independent systems, providing redundancy and greater flexibility for future updates. Work to deliver the full baggage handling system continued into 2020.

New loading bridges

The installation of loading bridge 32, which began in 2018, was completed in December 2019.

YQB now has loading bridges that allow many different aircraft to load and unload safely and efficiently.

Finally, we upgraded loading bridge 31, which has been in service since November 2019.

Management of operational impacts

We continued to deploy the ORAT (Operational Readiness and Airport Transfer) method in 2019 to help integrate the new Relay store in the public area, expand the existing Relay store in the secure area, add the A&W restaurant and information counter and integrate bridges 31 and 32.

Integration of new technologies

In 2019, we standardized all of the technological systems in the redesigned terminal area, allowing them to work with the new equipment and technology. Eighteen counters and twelve check-in kiosks were added to the new departure area.

Display screens were also installed at CATSA's new screening checkpoint and above the stairs leading to the checkpoint; the latter shows the estimated wait time in real time. The Information Technology (IT) team has done a remarkable job of processing the screening data and providing this much-appreciated information.

A video wall for digital signage was installed in the international arrivals area.

In addition, a new telecommunications and IT room was opened between bridges 31 and 32 this year.

Refurbishment of gate 31

In 2018, we rebuilt the gate 31 apron to comply with drainage regulations and the surface condition index and bring it up to level with gates 32 to 38. This involved construction of water and drainage services and installation of lighting towers.

The second part of the project, which involved refurbishing the infrastructure and the concrete slabs at gate 31, took place in 2019.

Addition of underground services on 8th Airport Avenue

We installed water and drainage services to serve the rental plots south of apron 3, between 9th Airport Street and 7th Airport Avenue. Plans and quotes were prepared in anticipation of future needs.

Relocation of NAV CANADA's antennas

This project consisted of relocating NAV CANADA's UHF-VHF antennas at the N-2 site to a new site north of runway 06-24. This initiative will, among other things, allow YQB to lease the land around the existing N-2 lot, which has runway access by apron 3. Plans and quotes were prepared in anticipation of future needs.

Construction of a taxi waiting area

From June to August 2019, we worked on a civil engineering project to build a new taxi waiting area. The new waiting area is located near the main access road and near the international flights arrivals area.

Construction of parking lot P2

The parking lot near domestic flights arrivals, which had been used as a temporary taxi waiting area, was modified to add 96 passenger parking spaces.

Installation of a one-way door system

In the interest of efficiency and continuous improvement, we installed a one-way door system between the secure area and the domestic flights arrivals area. This system is fully automatic and does not require any surveillance personnel.

Runway work

In summer 2019, YQB installed directional signs and modified slopes to improve surface drainage at the Runways intersection. This work was done at night and required a great deal of planning.

YQB recognized

Jury Favourite at the CISC Steel Design Awards of Excellence 2019

The terminal expansion and upgrade project was named the Jury Favourite at the Canadian Institute of Steel Construction (CISC)'s 2019 Steel Design Awards of Excellence.



Jury's Favourite at the Canadian Institute of Steel Construction (CISC)'s 2019 Steel Design Awards of Excellence



Dozens of emergency responders participated in a large-scale emergency simulation of an active shooter situation on October 30, 2019

Airport Security

Emergency measures

As part of its obligations to Transport Canada, YQB has a duty to test its Emergency Measures Plan (EMP) on a regular basis. To that end, we held three exercises: two tabletop exercises and one live exercise. In April 2019, we conducted an infectious disease tabletop exercise to confirm the actions to take in the event of a pandemic. In June 2019, we conducted an active shooter tabletop exercise

in preparation for our live exercise on October 30, 2019. The latter helped teach all of our partners how to work together and put their procedures into practice. In addition, for the first time in Québec, the city's police force, firefighters and health and social service centre (Centre intégré universitaire de santé et des services sociaux, or CIUSSS) took the opportunity to test the Rescue Task Force (RTF) care, triage and evacuation method. This method allows paramedics to care for victims more quickly, as police officers use a technique to secure the

premises in an active emergency area. In addition to all of the partners actively involved in the simulation, YQB welcomed observers from police forces, the Aéroports de Montréal, the Ministry of Public Safety, the Royal Canadian Mounted Police and Université Laval, among others. This exercise required rigorous planning over more than six months and involved hundreds of stakeholders from dozens of organizations (including over 100 extras and nearly 50 police officers). The exercise was highly efficient, with as little impact as possible on daily operations.

Operational Control Centre (OCC)

The OCC team's designated directors and dispatchers proved that they were able to manage operations and mitigate operational impacts by their coordination of the actions of all YQB members and site partners. YQB has also deployed new systems to provide it with an accurate overview of operations, both in real time and predictively. The secondary OCC was also redesigned to provide technological redundancy.

Aircraft Rescue and Firefighting (ARFF)

The ARFF personnel continued to develop their airport response skills. During a trip to the Dallas Fort Worth Fire Training Center, firefighters and officers improved their knowledge and skills for helicopter emergencies. They also had the opportunity to test their skills in fighting indoor hydrocarbon fires with intense smoke at the Institut maritime du Québec's Centre de formation aux mesures d'urgence.

Airport Security

Airport Security has implemented a new simulation-based training program that allows it to evaluate its personnel and allow them to continuously develop their skills.

Airport Services

Passenger Experience

The terminal's expansion and upgrade over the past few years has significantly changed the way our passengers move through and interact with the airport. As a result, the Passenger Experience team has had to change its procedures so that it can continue providing quality services to our passengers and partners.

In addition, the Passenger Experience department has officially moved into the heart of the action with a new information counter at the foot of the escalator leading to the security screening checkpoint.



New information counter located between the international flights arrivals area and the check-in counters area

Airport facilities

In 2019, we saw an over 6% increase in aircraft movements at YQB compared to last year. Weather conditions have also changed more and more over the years, and this has affected our operations.

Once again, this year was marked by an early winter and late spring, with heavy snow and frequent icy

conditions. The reality of these intense seasonal conditions comes with other, equally critical challenges, such as maintaining visual aids and other navigational aids and ensuring that they remain accessible.

As the host and major partner of the Canadian Airports Electrical Association (CAEA) CANEW 2019 Workshop, YQB welcomed 105 attendees on September 24, 2019, for two training sessions and a tour of its facilities. According to the CAEA's organizers, this was the most popular and well-attended event in CANEW history. It was an excellent opportunity for YQB to allow its range of activities and modern facilities to shine.

Maintenance, reliability and energy

In 2019, YQB created an Asset Maintenance Master Plan (AMMP) for our airport infrastructures. This allows us to fully integrate our activities by implementing better asset management practices and categorizing the criticality, reliability and obsolescence of our airport facilities and equipment. Through the 3T management tool, we now have an online platform through which we can consolidate and determine our asset maintenance needs. As a result, we have more information to guide our operational, capital and risk management decision-making processes.

Information Technology

Airport Collaborative Decision Making (ACDM)

In 2019, the IT team developed a program focused on collaborative airport management. This program aims to optimize the efficiency of our airport operations by using high-quality data and fostering a culture of collaboration and continuous improvement with YQB's partners. In addition, technological projects have allowed us to extract data from our airport systems, connected objects or multiple sources of information from our partners. By analyzing this data, YQB can create numerous business intelligence opportunities that will allow it to optimize and automate its processes and better

allocate its resources. It also helps us to offer a more personalized and better adapted service to our customers (for example, by improving the quality of service and optimizing sales).

Collaborative platform

In 2019, we made several efforts to maximize our employees' adoption of the tools on our collaborative platform. Doing so allows us to centralize and facilitate document management, work performance and governance.

Cybersecurity

The airport has taken several preventive cybersecurity actions to secure its technological environment and reduce potential risks. In addition, we launched an awareness campaign for all employees that included information modules, phishing tests and presentations on "computer risks and security."

Continuous improvement

The IT team is establishing a culture of continuous improvement for YQB and its partners. To that end, the team worked on a new action plan to make continuous improvement the cornerstone of our management and operations. This, in turn, will help the organization achieve its strategic directions.

HUMAN RESOURCES AND OCCUPATIONAL HEALTH AND SAFETY

Employment equity

On June 1, 2019, Aéroport de Québec inc. produced its second annual employment equity report through Employment and Social Development Canada's Labour Program, in compliance with article 18 of the *Employment Equity Act*. The Equity Committee is working to attract candidates from the four designated groups—women, Indigenous peoples, persons with disabilities and visible minorities—to further draw on this candidate pool. YQB has fleshed out its employment equity action plan and

taken concrete measures, such as participating in Université Laval's recruitment cocktail event for international students and internally publicizing the airport's employment equity policy.

Employee Recommended Workplace Award

YQB participated in Morneau Shepell and *The Globe and Mail's* Employee Recommended Workplace survey. For the second year in a row, YQB brought home the Employee Recommended Workplace Award in the "Not-for-Profit – Mid-Sized" category. The survey, completed by our employees, gives us an overview of four pillars of overall health: physical health, mental health, workplace and personal life. This evaluation allows the Health and Wellness Committee to better target the best ways to significantly improve employees' quality of life at work.

Health and Wellness Committee

This year, the Health and Wellness Committee organized many activities for employees to enjoy. In fact, it began in 2019 with the opening of a new gym. Some 70 people have enjoyed over 650 workouts there so far. In addition, cooking demonstrations, sports activities and lectures on a variety of topics helped build cohesion in the workplace while raising awareness about the importance of leading a healthy lifestyle.

Labour relations

2019 allowed us to further develop trust and collaboration between internal union representatives and managers. Thanks to these efforts, we were able to set up a working group to optimize operating costs and mobilize our ARFF human resources.

In addition, we have revived our labour relations committees to ensure proactive, collaborative management.

Occupational health and safety

Thanks to the constant oversight of our prevention program and the sound management of our occupational health and safety (OHS) issues, our expenses have been significantly optimized. In fact, we have seen a 47% drop in OHS expenses since last year.

Integration of the talent management system

We started using a Talent Management System (TMS) for the management of our human resources. After testing with a steering committee, the platform was deployed throughout the organization. Employees and managers were trained on the platform during the year and began using it for performance evaluations. At the same time, we incorporated the courses in our employees' training plans into the platform. Not only does this centralize all of the training data from our human resources, it allows all employees to continue their professional development and even register for and take courses online.

This tool has allowed employees to independently access their employee records since winter 2019. At the same time, it gives managers an overview of their team and payroll. The system was fully implemented in early 2020.

Review of the recognition program

It is very important to our organization that we recognize employees who are loyal to us and remain committed to YQB's development. To that end, we reviewed our employee service recognition program.

SUSTAINABLE DEVELOPMENT AND SAFETY MANAGEMENT SYSTEM (SMS)

YQB is proud to be one of the top 15 North American airports for energy efficiency and air emissions. In 2019, we were given an Environmental Achievement Award by the Airports Council International – North

America (ACI-NA). The award celebrates the accomplishments and dedicated work of North American airports in environmental awareness and innovation. YQB's Environmental Management Plan won the award in the Mitigation category.

In December 2019, YQB also achieved Level 3 Airport Carbon Accreditation, which is the global standard for carbon management in the airport sector.

Thanks to numerous energy-saving measures, YQB reduced its greenhouse gas (GHG) emissions by more than 50% compared to 2016, even though the terminal has doubled in size. Similarly, despite major construction work, its excellent residual materials management meant that over 60% of recyclable materials were recovered, making YQB one of the top four Canadian airports for recycling.

YQB also implemented a fleet management system this year. This initiative optimizes the management of our vehicle fleet, further improving our environmental performance. The system helps us optimize the use of our fleet, improve our performance in vehicle maintenance and implement measures to reduce greenhouse gases.

COMMUNICATIONS AND COMMUNITY RELATIONS

For the second year in a row, YQB was recognized at the ACI-NA's 2019 Excellence in Airport Marketing, Communications and Customer Service Awards for its monthly newsletter to the Board of Directors.

Partnerships

We have been working with YQB Aviation, a group of aviation enthusiasts, to make it easier to observe and take pictures of aircraft at YQB. In May 2019, we installed 10 panels on the airport's perimeter fence. Each panel has an opening large enough for a telephoto lens to pass through so that enthusiasts can photograph aircraft more easily.

YQB also collaborated with the Huron-Wendat Nation to develop the Espace Wendake in the airport's international arrivals area. Inspired by the rich Huron-Wendat culture, the space represents Nionwentsïo, the traditional territory of the

to welcome travellers. Konrad Sioui, Grand Chief of the Huron-Wendat Nation, and Stéphane Poirier, President and CEO of YQB, officially inaugurated the new installation on September 12, 2019. This partnership is in line with our intention to include the community of the greater Québec City area in the development of YQB.

On November 21, 2019, Stéphane Poirier, President and CEO of YQB, was invited to address Québec City's business community at a luncheon organized by the Chambre de commerce et d'industrie de Québec (CCIQ). His presentation discussed the ways that YQB intends to support the growth of Québec

performance by the Painchaud Family. Many passengers stopped to enjoy the show.

On December 20, 2019, YQB joined Québec City Tourism and the Carnaval de Québec in welcoming Air Transat's first winter flight from Paris-Charles De Gaulle. This flight is of vital importance to our region, so we worked with our tourism partners to show Air Transat that the entire region is grateful for its work to improve air service to Québec City. As they left the customs area, passengers were immediately immersed in Québec culture and greeted with gifts and traditional music. Of course, the party would not have been the same without Carnaval's iconic



On November 21, 2019, Stéphane Poirier, President and CEO of YQB, was invited to address Québec City's business community at a luncheon organized by the Chambre de commerce et d'industrie de Québec (CCIQ).

Huron-Wendat Nation, and illustrates the Wendake Village and its main attractions. An immense collage of over a thousand contemporary photos of members of the Nation forms the word "KWE," a greeting used in the Huron-Wendat language,



On December 20, 2019, Carnaval de Québec and Québec City Tourism welcoming passengers of Air Transat's first winter flight from Paris

City's airport, allowing it to fully play its role as a driver of socioeconomic development and ultimately take its rightful place on the world stage.

On December 19, 2019, YQB and the Festival d'été de Québec gave travellers a sneak peek at the first edition of Toboggan with a traditional music



YQB employees supported Centraide Québec et Chaudière-Appalaches for the eighth year in a row

mascot Bonhomme, who brought smiles to travellers of all ages!

Community involvement

As a major donor, YQB participated in the Centre de prévention du suicide de Québec's annual fundraising

campaign. This crucial community organization provides professional and specialized services to promote prevention and intervention for suicidal people, their loved ones and those bereaved by suicide.

As part of Collège Mérici's 2019 Gala of Excellence, YQB awarded a \$2,000 scholarship to Kieston McKensie, who is completing the Integrated Aircraft Pilot Studies program. Mr. McKensie will be employed by an airline as soon as he completes his studies. He believes that air transportation between major cities and remote regions is a priority, and he intends to improve this by putting his new skills to work for communities in Northern Québec.

On August 24, 2019, YQB organized the first edition of 5 KM YQB, a unique race that brought together 1,200 runners from the greater Québec City area. Attendees were given the chance to run along Québec City Jean Lesage International Airport's main runway. In addition to the 5 km course, a 1.5 km course was set up for children who wanted to take part in the experience. YQB employees and our partners worked hard to make this an exciting experience for attendees. The entire airport community stepped up to help make this event a real success. In addition to the race course, festivities were set up around the airport services centre, which includes the YQB fire department station and the vehicle maintenance garage. Aircraft, heavy equipment, fire trucks and event partners were there to meet the runners and their families and to ensure they had a memorable experience. The event raised \$28,000, shared between the Fondation CERVO, which supports mental health research, and Centraide Québec et Chaudière-Appalaches, which supports a large network of community organizations.

YQB is proud to have participated as a partner in the 2019 edition of "Val d'un survivant à l'autre," which was held on September 21 at Lake Saint-Augustin. This event gives sick children the chance to experience seaplane flights while raising funds for children with cancer at the Centre hospitalier universitaire de Québec.



Crédit photo : © Pierre Gauthier

First edition of 5 KM YQB, a unique race along Québec City Jean Lesage International Airport (YQB)'s main runway on August 24, 2019

YQB is also very proud to have partnered with the CCIQ in an exclusive meeting when Michelle Obama, former First Lady of the United States, visited Québec City on September 23, 2019. A total of 8,000 people attended her inspiring talk.

For the eighth year in a row, YQB employees also supported Centraide Québec et Chaudière-Appalaches. This organization, in turn, supports a wide network of community organizations that help people and families experiencing poverty or social exclusion to regain control over their lives, find their place in society and grow up there with respect and dignity. The generosity of YQB's employees raised \$23,000 for the organization in 2019. As part of the Centraide campaign, YQB employees volunteered their time to make Christmas baskets for Le Pignon Bleu, an organization that improves food security for children and families in Québec City.

On December 20, 2019, YQB employees lent a helping hand to volunteers of the Fondation Les Amis de Samuel's 10th "Marchands de bonheur" initiative. They helped deliver more than 150 well-stocked food hampers to the families of underprivileged students from some 15 elementary and secondary schools in the greater Québec City area.

YQB is also proud to have celebrated the Collège de Champigny, a major community institution, alongside the Commission de la capitale nationale du Québec, the Fondation du Collège de Champigny and the Caisse populaire Desjardins du Piémont Laurentien.

An aerial photograph of an Air Canada aircraft at an airport gate. The aircraft is white with red accents and the words "AIR CANADA" are visible on the fuselage. It is connected to a white ground support equipment (GSE) vehicle. The tarmac is dark and wet, reflecting the sky. Several other ground service vehicles and equipment are visible around the aircraft. The text "Focus on Developing Air Service" is overlaid in large white letters on the left side of the image.

Focus on Developing Air Service

No matter where, an airport's success depends heavily on its air service. Not only do airport authorities have to offer infrastructure and services that meet increasingly higher demands, they also need to constantly promote the attractiveness of their markets.

Over the past few months, Québec City Jean Lesage International Airport has adopted a strategic plan and agile structure to accelerate its development and help it reach its full potential while ensuring a successful transition after a major construction project. To that end, the organization has invested all of its efforts in four strategic areas: increasing and diversifying revenue, optimizing and reducing operating costs, mobilizing human resources and engaging its community and stakeholders.

First and foremost, improving air accessibility requires many different stakeholders to work together. The organization is already working on concrete initiatives in partnership with airlines and several key players in the region. These efforts are bearing fruit, as several airlines have already improved their service to Québec City in 2019.

In a world where airport authorities are competing fiercely to attract new flights, the development of air service and the expertise it requires have taken on a highly strategic importance. By adopting the same network planning tools used by airlines, YQB is now able to independently assess the operational and financial impact of a change to an airline's service, such as the addition of a direct flight from Québec City. Ongoing canvassing efforts are aimed at demonstrating that there is clear demand for specific destinations and that the potential is real. This allows the organization to present extremely convincing business plans to airlines, gaining credibility with them.

Over the next five years, YQB will be targeting several destinations that are in high demand by people in the Québec City area. Working with the community, the airport will focus its efforts on viable destinations for its market. The objective is to create the right conditions to improve service to certain destinations already offered by YQB, such as Paris, Fort Lauderdale and Calgary. At the same time, a lot of effort will be put into getting new flights to new destinations such as Boston, Orlando, Edmonton, Vancouver and Halifax. Of course, this process takes time. If all goes according to plan, though, the first effects could be seen within a few years.

An airport also needs to be attractive if it wishes to serve new destinations. For passengers, this means diversifying the products and services it offers. For that reason, YQB is beginning a major project to develop its non-airport activities. In the next five years, passengers can expect an even more diverse and improved selection of restaurants and shops. A major terminal animation program will also be launched to further enhance the passenger experience. What's more, an extensive overhaul of the airport's parking options is already underway to better meet the needs of each customer segment. Promotional efforts to increase our market share in our large catchment area, as well as incentives for travel agencies, will fuel the success of these initiatives. By working on attractiveness, accessibility and customer experience, we are hoping to convince more customers to choose YQB as their point of departure, arrival or connection. The additional traffic will encourage new flights, while the revenues generated by all new activities will help reduce the risks that airlines take when introducing new routes.

Naturally, like any business, airlines base their decisions on profitability. In addition to its efforts to increase traffic and initiatives to grow non-airport revenues, YQB also offers tailored incentive programs to encourage greater flight frequencies and routes to new destinations. That said, launching operations does carry a higher risk for airlines. The first few months are often critical. That is why YQB is working with tourism stakeholders to create the perfect conditions for these routes' success.

In sum, the ultimate goal has always been to 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 YQB is therefore embarking on a major development phase. Over the next few years, it will devote a great deal of energy to improving air service for the benefit of the people of the Greater Québec City area. However, there is no doubt that this success will depend above all on the commitment of the community. Initiatives to develop air service will only be successful if all stakeholders work together towards a precise goal at the right time. Both businesspeople and the general public must become key ambassadors for their airport so that the organization can increase its influence and continue its growth, to the benefit of all of our stakeholders and the Capitale-Nationale region.



Financial Highlights

2019 FINANCIAL PERFORMANCE

Aéroport de Québec inc. posted comprehensive income of \$5.4 million for the financial year ending December 31, 2019. Revenues were \$70.3 million, including financial revenues, and operating expenditures were \$64.9 million.

Revenues

- Revenues derived from airport improvement fees (AIFs) totaled \$26.8 million. AIFs are entirely reinvested in airport improvement initiatives, including interest payments on AQi's debt.
- Landing fees generated \$7.8 million.
- Terminal and loading bridge fees were \$7.3 million.
- Parking, concession, rental, and service revenues were \$21.4 million.
- Safety and security revenues were \$5.3 million.
- Overall revenue growth was 3%.

EBIDTA

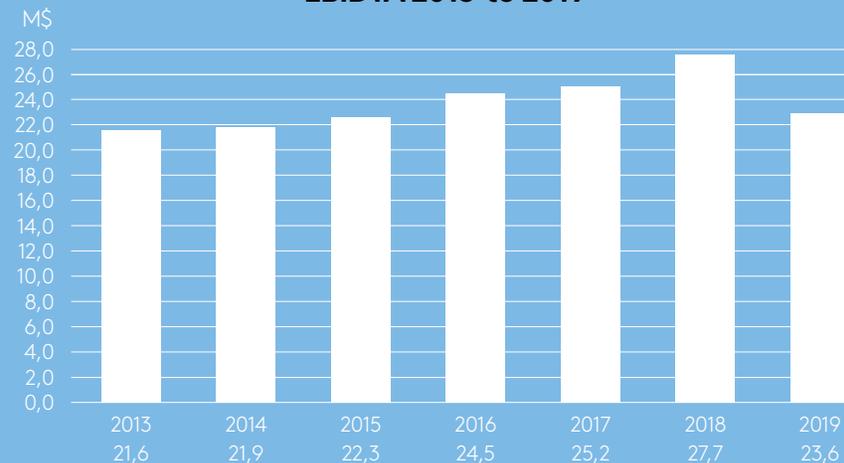
Earnings before interest, taxes, depreciation, and amortization (EBITDA) totalled \$23.6 million in 2019.

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.

Expenses

- Salaries and benefits, including non-recurring retirement and severance payments, were \$17.1 million.
- Rent paid to Transport Canada was \$4.3 million.
- Aéroport de Québec inc. also procured goods and services worth a total of \$19.5 million. Of this amount, \$11.3 million went to services and maintenance while \$4.4 million was spent on materials, supplies, and utilities.
- Aéroport de Québec inc. also incurred \$5.7 million related to in lieu of taxes.

EBIDTA 2013 to 2019



Projected revenues and expenses (2020-2024)*

(in thousands of dollars)

	2020	2021	2022	2023	2024
Revenues	73,259	77,627	81,130	84,809	88,651
Expenses**	58,572	60,038	61,607	62,894	63,835

*These projected revenues and expenses were established before the COVID-19 situation based on assumptions, and do not take into account the impact of the global health crisis on our industry. Actual results may differ.

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

Planned investments (2020-2024)

The following are the main investments under consideration for 2020-2024*:

- ▶ Terminal expansion – Gate 38 apron and baggage sorting room for international flights;
- ▶ U.S. preclearance center - US Customs and Border Protection;
- ▶ Apron refurbishment (stands);
- ▶ Refurbishment of DELTA, ECHO, HOTEL and GOLF taxiways;
- ▶ Non-passenger vehicles screening - North;

*These planned investments were identified before the COVID-19 situation, and do not take into account the impact of the global health crisis on our industry. Priorities will be reviewed accordingly.

2019 investments

(in thousands of dollars)

	Forecast	Actual	Investments
Investments	52,402	37,641	Savings realized and postponement of certain projects and studies.

AQi's main investments in 2019 were the following:

- ▶ Terminal expansion – international arrivals area;
- ▶ Stand 32: Replacement of the passenger boarding bridge;
- ▶ Relocation of the taxi waiting area and pick-up zone.

- ▶ Runway 29 - Threshold repair;
- ▶ Construction of the Runway End Safety Area (RESA);
- ▶ 8th Avenue – New civil infrastructure;
- ▶ New snow deposit - South;
- ▶ Apron 3 - Refurbishment of the taxiway.

Summary Financial Statements



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, 2019, 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, 2019.

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.

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited financial statements in our report dated February 19, 2020.

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*¹

Québec
February 19, 2020

¹ CPA auditor, CA public accountancy permit no. A119912

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2019

	2019 \$	2018 \$
Revenues		
Landing and terminal	15,130,513	13,642,714
Airport improvement fees	26,804,881	26,835,102
Concessions	4,308,004	3,902,714
Rentals	2,894,787	2,747,374
Parking	6,549,157	6,884,276
Services and recoveries	7,676,911	7,071,475
Safety and security	5,255,264	4,945,950
Other income	7,884	589,272
	68,627,401	66,618,877
Expenses		
Employee benefit expenses	17,140,626	15,144,320
Rent	4,276,662	4,134,994
Goods and services	19,485,356	18,228,818
In lieu of taxes	5,675,106	2,820,471
Amortization of property, plant and equipment	15,217,150	14,342,347
Amortization of deferred revenues relating to property, plant and equipment	(3,514,986)	(3,431,601)
Impairment loss of financial assets	24,000	75,012
Other expenses	12,724	
	58,316,638	51,314,361
Operating results	10,310,763	15,304,516
Finance income	1,701,980	1,536,473
Finance costs	(6,627,092)	(5,690,790)
Net revenues	5,385,651	11,150,199
Other comprehensive income		
Item that will not be reclassified subsequently to profit or loss		
Revaluation of net defined benefit pension plan liability	25,400	(57,800)
Comprehensive income	5,411,051	11,092,399

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

SUMMARY STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31, 2019

	Accumulated revenues \$	Accumulated other comprehensive income \$	Total net assets \$
Balances as at January 1, 2019	138,999,760	(2,487,900)	136,511,860
Net revenues	5,385,651		5,385,651
Revaluation of net defined benefit pension plan liability		25,400	25,400
Comprehensive income			5,411,051
Balances as at December 31, 2019	144,385,411	(2,462,500)	141,922,911
Balances as at January 1, 2018	127,849,561	(2,430,100)	125,419,461
Net revenues	11,150,199		11,150,199
Revaluation of net defined benefit pension plan liability		(57,800)	(57,800)
Comprehensive income			11,092,399
Balances as at December 31, 2018	138,999,760	(2,487,900)	136,511,860

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

SUMMARY STATEMENT OF CASH FLOWS

Year ended December 31, 2019

	2019 \$	2018 \$
Operating activities		
Net revenues	5,385,651	11,150,199
Non-cash items		
Amortization of property, plant and equipment	15,217,150	14,342,347
Amortization of transaction costs	83,695	83,695
Amortization of deferred revenues relating to property, plant and equipment	(3,514,986)	(3,431,601)
Loss (gain) on disposal of property, plant and equipment	12,724	(47,265)
Net defined benefit pension plan liability	(42,823)	(55,077)
Net change in working capital items	(197,297)	1,333,878
Cash flows from operating activities	16,944,114	23,376,176
Investing activities		
Term deposits	(18,612,797)	(120,272,391)
Receipt of term deposits	47,477,856	135,527,117
Acquisition of property, plant and equipment	(42,883,371)	(52,327,251)
Disposal of property, plant and equipment	3,000	47,265
Notes receivable		(542,452)
Receipt of notes receivable	175,162	142,096
Cash flows from investing activities	(13,840,150)	(37,425,616)
Financing activities		
Repayment of loans	(2,250,000)	(2,250,000)
Receipt of grants receivable	2,701,295	14,802,662
Repayment of lease liability	(444,577)	(421,882)
Cash flows from financing activities	6,718	12,130,780
Net increase (decrease) in cash	3,110,682	(1,918,660)
Cash, beginning of year	3,762,911	5,681,571
Cash, end of year	6,873,593	3,762,911

During the year, the Organization paid a total of \$12,601,438 (\$12,945,290 in 2018) in interest and received a total of \$3,291,016 (\$4,005,337 in 2018) in interest.

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

SUMMARY STATEMENT OF FINANCIAL POSITION

December 31, 2019

	2019 \$	2018 \$		2019 \$	2018 \$
Assets			Liabilities		
Current			Current		
Cash	6,873,593	3,762,911	Accounts payable	19,445,821	25,420,436
Term deposits	38,443,458	63,008,517	Deferred revenues	1,044,506	996,190
Accounts receivable	6,245,930	5,968,258	Customer deposits	91,579	283,285
Grants receivable	6,926,972	6,716,066	Loans	6,336,972	6,252,028
Notes receivable	155,592	153,204	Lease liability	437,138	437,138
Supplies in inventory	1,588,803	1,439,884		27,356,016	33,389,077
Prepaid expenses	742,590	1,008,826			
	60,976,938	82,057,666	Non-current		
Non-current			Accounts payable	1,322,613	415,430
Term deposits	42,198,359	46,498,359	Loans	318,486,179	324,739,456
Notes receivable	2,044,602	2,222,152	Lease liability	484,767	929,344
Grants receivable	35,517,673	42,444,646	Deferred revenues relating to property, plant and equipment	115,845,015	119,372,745
Property, plant and equipment	465,782,783	443,374,112	Customer deposits	592,614	660,560
	545,543,417	534,539,269	Net defined benefit pension plan liability	510,240	578,463
	606,520,355	616,596,935		437,241,428	446,695,998
				464,597,444	480,085,075
			Net assets		
			Accumulated revenues and accumulated other comprehensive income	141,922,911	136,511,860
				606,520,355	616,596,935

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

On behalf of the Board,

Signed:

Jean-Claude Labbé
Chair of the Board

Signed:

Thom Skinner, CPA, CA
Chair of Audit Committee

NOTES TO SUMMARY FINANCIAL STATEMENTS

December 31, 2019

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 Government of Canada, 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 19, 2020. The independent auditor expressed an unmodified opinion on these financial statements in the independent auditor's report dated February 19, 2020.

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.aerportdequebec.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 Canada¹, 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 2019, AQi was supported, depending on appointments and departures, by a team of nineteen (19) external directors, whose varied expertise and skills helped to actively support management in their work.

¹May be increased to three (3) for each period during which the company receives financial aid from the Government of Canada.

COMMITTEES

In 2019, 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 2019, notably by means of an annual declaration of interest signed by each director, as well as update notices published as needed.

CONTRACTS IN EXCESS OF \$113 920 AWARDED WITHOUT PUBLIC CALLS FOR TENDER

- Housekeeping contract awarded to Les Entretiens d'édifices Capitale Inc., authorized by the Board of Directors on May 9, 2012, at hourly rates for an indefinite, cancellable term. From January to December 2019, AQi paid this provider \$1,440,527 plus taxes.
- Award of a \$379,217 contract by mutual agreement in favour of Engie Services Inc. for work on baggage room systems.

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.

The President and CEO receives assistance from the vice-presidents of Operations, Development and Finance.

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	11
Nominating, Governance and Human Resources Committee	15
Audit and Risk Management Committee	6
Planning and Development Committee	3
Project Committee (supporting management)	2
Community Advisory Committee	2
Annual General Meeting (members)	1
Annual General Meeting (public)	1
Annual meeting of nominating bodies	1

Management

AQi's senior management received \$2,508,605 in compensation for the fiscal year ending December 31, 2019, including annual bonuses for meeting or exceeding objectives and non-recurring amounts attributable to organizational transformation (severance payments, management transition period).

REGULAR COMPENSATION

Name	Fees	Meeting fees	Total 2019
Jean Claude Labbé**	\$53,117	\$25,200	\$78,317
Lise Lapierre***	\$18,995	\$21,600	\$40,595
France Bilodeau	\$10,000	\$16,800	\$26,800
Jean-Guy Paquet*	\$20,000	\$9,000	\$29,000
Thom Skinner*	\$15,658	\$10,200	\$25,858
Gilles Filiatreault ¹³	\$10,101	\$9,600	\$19,701
Maxime Laviolette*	\$15,764	\$15,000	\$30,764
Sophie-Emmanuelle Chebin ⁵	\$7,064	\$7,800	\$14,864
Marjolaine Giasson ³	\$6,923	\$7,200	\$14,123
Martin Lafrance ⁴	\$6,923	\$6,600	\$13,523
Jean-Yves Germain ¹¹	\$1,500	\$1,200	\$2,700
André Boulanger ¹²	\$1,500	\$1,800	\$3,300
Diane Déry ⁹	\$6,264	\$3,600	\$9,864
André Fortin ⁶	\$10,918	\$7,200	\$18,118
Liliane Laverdière ⁷	\$5,879	\$4,800	\$10,679
Alain April ¹	\$1,000	- \$	\$1,000
René Rouleau ²	\$1,000	- \$	\$1,000
Denis Therrien ⁸	\$5,988	\$4,200	\$10,188
Louis Têtu ¹⁰	\$8,152	\$4,200	\$12,352

* Committee chair

** Board chair

*** Board vice-chair

¹ Alain April's term ended on February 6, 2019

² René Rouleau's term ended on February 6, 2019

³ Marjolaine Giasson's term began on April 16, 2019

⁴ Martin Lafrance's term began on April 16, 2019

⁵ Sophie-Emmanuelle Chebin's term began on April 16, 2019

⁶ André Fortin's term ended on April 16, 2019

⁷ Liliane Laverdière's term ended on April 16, 2019

⁸ Denis Therrien's term ended on June 18, 2019.

⁹ Diane Déry's term began on May 16, 2019

¹⁰ Louis Têtu's term ended on October 24, 2019

¹¹ Jean-Yves Germain's term began on October 24, 2019

¹² André Boulanger's term began on October 24, 2019

Destinat



tions 2019

BAGOTVILLE
BONAVENTURE
CALGARY
CANCÚN
CAYO COCO
CAYO SANTA MARIA
CHICAGO
FORT LAUDERDALE
GASPÉ
HOLGUÍN

ÎLES DE LA MADELEINE
KANGIQSUJUAQ
KANGIRSUK
KUUJJUAQ
LA ROMANA
MAZATLÁN
MIAMI
MONT-JOLI
MONTRÉAL
NEWARK

OTTAWA
ORLANDO
PARIS
PHILADELPHIA
PLAYA BLANCA
PUERTO PLATA
PUERTO VALLARTA
PUNTA CANA
QUAQTAQ
SAINT-HUBERT

SALLUIT
SAMANA
SCHEFFERVILLE
SEPT-ÎLES
TORONTO YTZ
TORONTO YYZ
VARADERO
WABUSH



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