



**2020–2025 FIVE-YEAR REVIEW
AÉROPORT DE QUÉBEC INC.**

EXECUTIVE SUMMARY

October 2025

ABSCISSE
RÉVÉLATEUR DE STRATÉGIE

Abscisse Recherche Inc.
2120 Sherbrooke St. E, Suite 216
Montréal, QC H2K 1C3
Phone: 514-750-1584
abscisse-recherche.com

EXECUTIVE SUMMARY

2020–2025 FIVE-YEAR REVIEW – AÉROPORT DE QUÉBEC INC.

Abscisse Research Inc. (Abscisse) was mandated by Aéroport de Québec Inc. (AQI) to conduct AQI's fifth performance review as required by clause 9.2 of the ground lease of November 1, 2000, between AQI and Her Majesty the Queen in Right of Canada, represented by the Minister of Transport.

Section 9.02.01 of the lease stipulates that every five years, AQI must arrange for an independent competent person to review its management, operation, and financial performance. This must include a summary review of the airport's management, operational, and financial performance, with an emphasis on relevant and useful observations relating to the performance of the airport authority and the airport for the 2020–2025 period.

Important note: This review covers the five-year period beginning November 1, 2020, and ending October 31, 2025, referred to in this summary as the "Review Period." As such, the repercussions of the COVID-19 pandemic had already started to emerge at the beginning of the period.

The review team used a three-phase approach:

- 1) Data collection and literature review, interviews, and review of the business context
- 2) Analysis
- 3) Identification and documentation of issues, problems, or other factors, and formulation of an opinion

This performance review did not verify compliance with the ground lease beyond the requirements of section 9.02, nor did it constitute a financial audit, building code compliance audit, or other formal audit of AQI.

Abscisse was commissioned to provide a professional opinion on the specific items summarized below.

1. TERMS OF REFERENCE

General comments

In Abscisse's opinion, and based on its knowledge and experience of similar studies, the terms of reference were sufficient to permit a comprehensive review of AQI's five-year performance between November 2020 and October 2025.

2. EXTENT TO WHICH AQI HAS BEEN AND IS OPERATING A SAFE AND EFFICIENT SERVICE TO THE PUBLIC

Observations

- Safety and security are tightly controlled in aviation. AQI complies with all legislation regarding aerodrome security, i.e., security searches and access control measures for restricted areas.
- AQI has established an effective security management system that accounts for airside hazards and risks, with a focus on risk management and effective measures to bring risks down to an acceptable level.
- During the Review Period, AQI maintained its rescue and firefighting services, kept its emergency response plan up to date, and carried out the prescribed simulation exercises for 2022 to 2024. The rescue and firefighting service also acts as a first responder in the event of an emergency or disaster at the airport.
- AQI has implemented the necessary measures and continues to work with airlines to manage peak periods safely and effectively.

- AQi will be focusing on the commercial development of the airport over the next few years, with an emphasis on operating cost efficiency. The airport offers modern capacity and facilities.
- AQi remains close to the local community and the key partners in the Québec City region, speaking to its mandate to take part in regional economic development. These stakeholders' opinion of the AQi organization is generally very positive, especially since the arrival of the President and Chief Executive Officer (CEO) in 2019. Currently, there is unanimous agreement that relations could not be better.
- In general, the local media report very positively on AQi and the airport. The region's citizens also have a very positive opinion of AQi.
- AQi continues to contribute significantly to the regional economy, both directly and indirectly as a facilitator of economic activity; this is recognized by key partners in the community.
- AQi has reacted appropriately to regulatory, environmental, social, technological, and business changes in its operating context.

3. EXTENT TO WHICH AQI HAS BEEN AND IS OPERATING AN EFFICIENTLY RUN UNDERTAKING IN ACCORDANCE WITH ITS BUSINESS PLANS AND APPROVED OBJECTS

Observations

During this review, Abscisse found that AQi remains a dynamic organization that responded to the pandemic well. AQi was able to recover from this business contraction by refocusing on efficiency and preparing a development strategy. It set up the structures needed to support a more strategy-minded organization while maintaining its operational capacities.

- During the Review Period, and more specifically between 2020 and 2022, the organizational structure needed to adjust to the pandemic by considerably reducing staff numbers so that it could continue operating despite financial precarity.
- Since 2023, AQi has been adapting, adjusting its structure effectively to meet its operational priorities. It restructured again in 2025. Overall, the workforce is stable compared with the pre-pandemic period.
- The CEO continues to enjoy the full confidence of the Board of Directors. Board members report that they are very well informed, allowing them to work effectively.
- Since 2018, most of the Board members have been newly appointed, as required by the lease. The responsibilities of the Board of Directors and airport management are clearly defined.
- The Board's four current committees are highly effective and chaired by competent members who have suitable backgrounds for their committee.
- AQi also has an internal Executive Committee consisting of its President and CEO, its vice-presidents, and its senior directors of Corporate Affairs, Communications, and Engagement and Human Resources.
- The development of a new strategic plan, which was initiated in 2024 and involved extensive stakeholder involvement, provided the foundation for AQi's development. The plan brought the marketing and air service development to the forefront.
- The new strategic plan focuses on diversifying revenues, developing air services, and increasing operational efficiency and effectiveness.
- AQi is banking on new air services and the development of new routes. However, efforts were greatly affected by the pandemic. In addition, it needs to recover the passenger volume lost to other airports (leakage).
- The CEO and his team have succeeded in developing a true sense of trust and partnership with airlines and travel agencies. Tourisme Québec has facilitated the development of new air routes.

- AQi is very dedicated to its environmental responsibilities, as demonstrated by the many achievements during this Review Period. In addition, it participates in the Airport Carbon Accreditation program, which supports greenhouse gas reduction measures in airports. AQi maintained Level 3 accreditation during the Review Period.

4. EXTENT TO WHICH FINANCIAL AND MANAGEMENT CONTROLS, INFORMATION SYSTEMS, AND MANAGEMENT PRACTICES HAVE BEEN AND ARE MAINTAINED

Observations

- The delegation matrix was updated in April 2024 to reflect the new position holders. Delegations of authority are clear and specific.
- AQi manages its financial, human, and physical resources safely, economically, and efficiently. The review highlighted AQi's prudent, responsible management even when activity was at its lowest. AQi has also been successful in maintaining its financial and operational sustainability.
- AQi has a suitable business structure that follows business best practices and uses sound management tools to safeguard its assets and those of the Landlord.
- In accordance with its ground lease obligations, AQi manages and maintains its assets through an ongoing program of maintenance, new construction, acquisitions, and replacements, with high standards of service.
- AQi has acquired and implemented new technologies to stay at the cutting edge while becoming more effective. It continued to improve its information technologies during the Review Period.

5. CRISIS MANAGEMENT: THE PANDEMIC

The World Health Organization officially classified COVID-19 as a pandemic in March 2020. The declaration of a pandemic, along with the numerous protective measures implemented across every level of government, affected AQi significantly.

Among other things, YQB saw a steep drop in domestic flights and the complete stop of international flights (including flights to the U.S.) for 9 months, from April to December 2020.

As the province's eastern airport, YQB is considered an essential service. As such, it continued to operate throughout the year, taking various measures to protect its customers, suppliers, and employees. AQi's management actively monitored the impact on its financial position, liquidity, operations, customers, suppliers, industry, and assets.

AQi was eligible for the Canada Emergency Wage Subsidy program, one of the measures to mitigate the repercussions of the pandemic. However, administrative streamlining was necessary, as operating costs were far too high. Layoffs were also necessary in several departments.